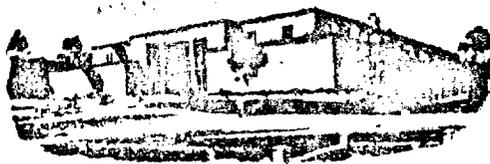


State of New Mexico



Commissioner of Public Lands

May 17, 1978

PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Texaco Inc.
Drawer 728
Hobbs, New Mexico 88240

Re: Surface Commingling
New Mexico "E" State Lease

ATTENTION: Mr. J. V. Gannon

Gentlemen:

As per your request of May 15, 1978, you are hereby authorized to surface commingle hydrocarbon production from the Monument Abo and Eunice Monument (G-SA) pools on the New Mexico "E" State lease.

Our approval is subject to like approval by the New Mexico Oil Conservation Division. Failure by the New Mexico Oil Conservation Division to grant their approval will automatically void our approval.

Enclosed is one copy for your records reflecting the date it was received in this office.

Please remit a Ten (\$10.00) Dollar filing fee.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encls.

cc: OCC-Santa Fe, New Mexico ✓
New Mexico Oil and Gas Accounting Department
Santa Fe, New Mexico

New Mexico State Lease No. B-154-2.



PETROLEUM PRODUCTS

May 15, 1978

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: SURFACE COMMINGLING
NEW MEXICO "E" STATE LEASE

ATTENTION: MR. JOE D. RAMEY
SECRETARY-DIRECTOR

Gentlemen:

In accordance with New Mexico Oil Conservation Commission Rule 303-B, Texaco Inc. respectfully requests permission to surface commingle hydrocarbon production from the Monument Abo and Eunice Monument (G-SA) pools on the New Mexico "E" State lease and to determine production from individual wells and pools by periodic well tests.

The gravity of the Monument Abo Oil is 38.2° API with a value of \$11.68 per barrel and estimated production of 1 barrel per day. The gravity of the Eunice Monument (G-SA) Oil is 30.8° API with a value of \$5.34 per barrel and estimated production of 90 barrels per day. The value of the commingled production will be the same as the sum of the values of the production from each common source of supply (91 barrels per day, 30.9° API gravity @ \$5.41 per barrel).

A plat of the New Mexico "E" State lease indicating well locations and pools from which they produce and a diagram of the proposed tank battery facilities are attached.

Ownership of this lease is common throughout.

A copy of this application is being sent to the Commissioner of Public Lands for the State of New Mexico for their approval. The Texas-New Mexico Pipe Line Company as purchaser of the crude oil from this lease is also being furnished a copy of this application.

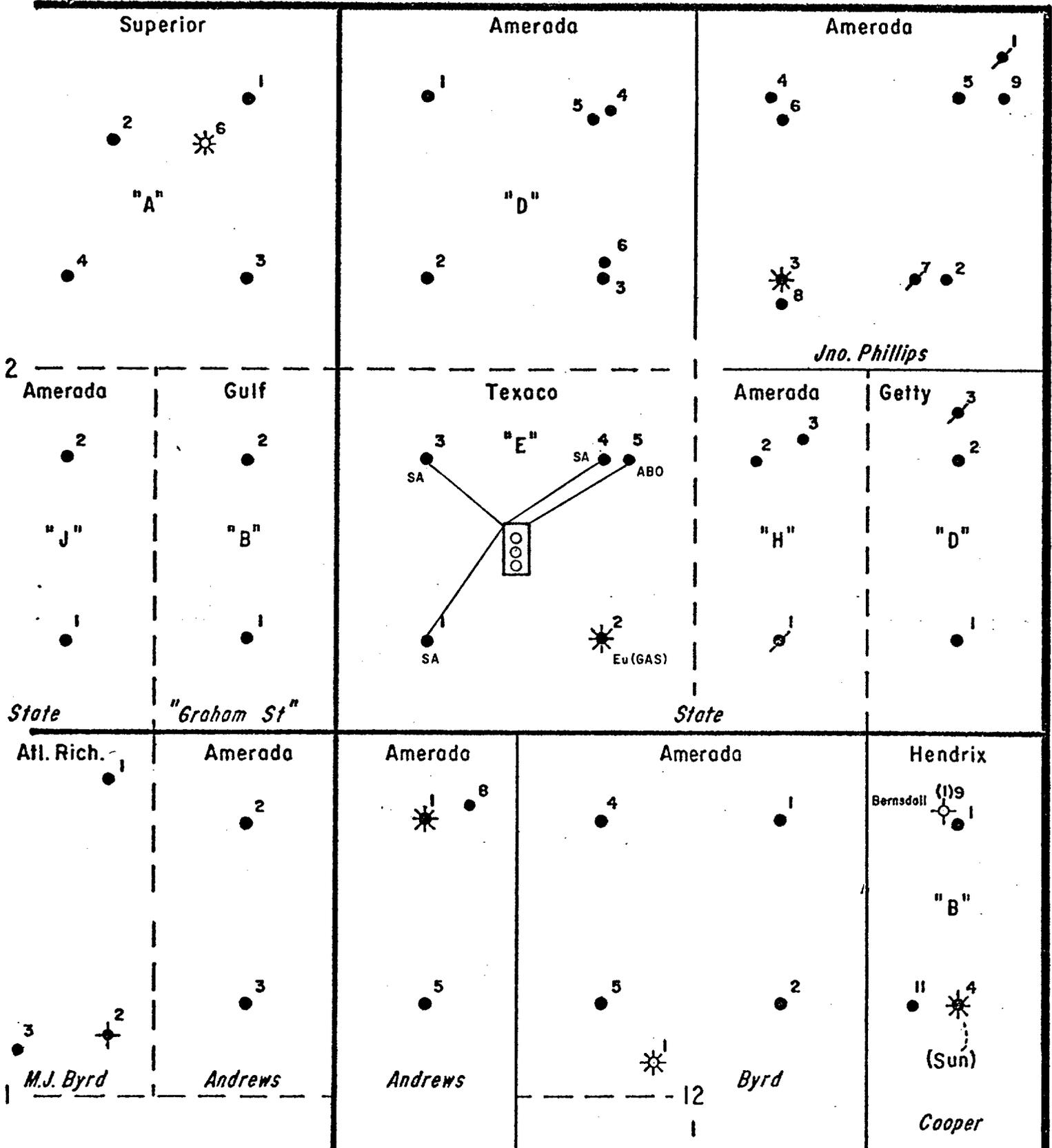
Yours very truly,


J. V. Gannon
District Superintendent

WRH:las
Attachments

Commissioner of Public Lands
T-NM Pipe Line Company

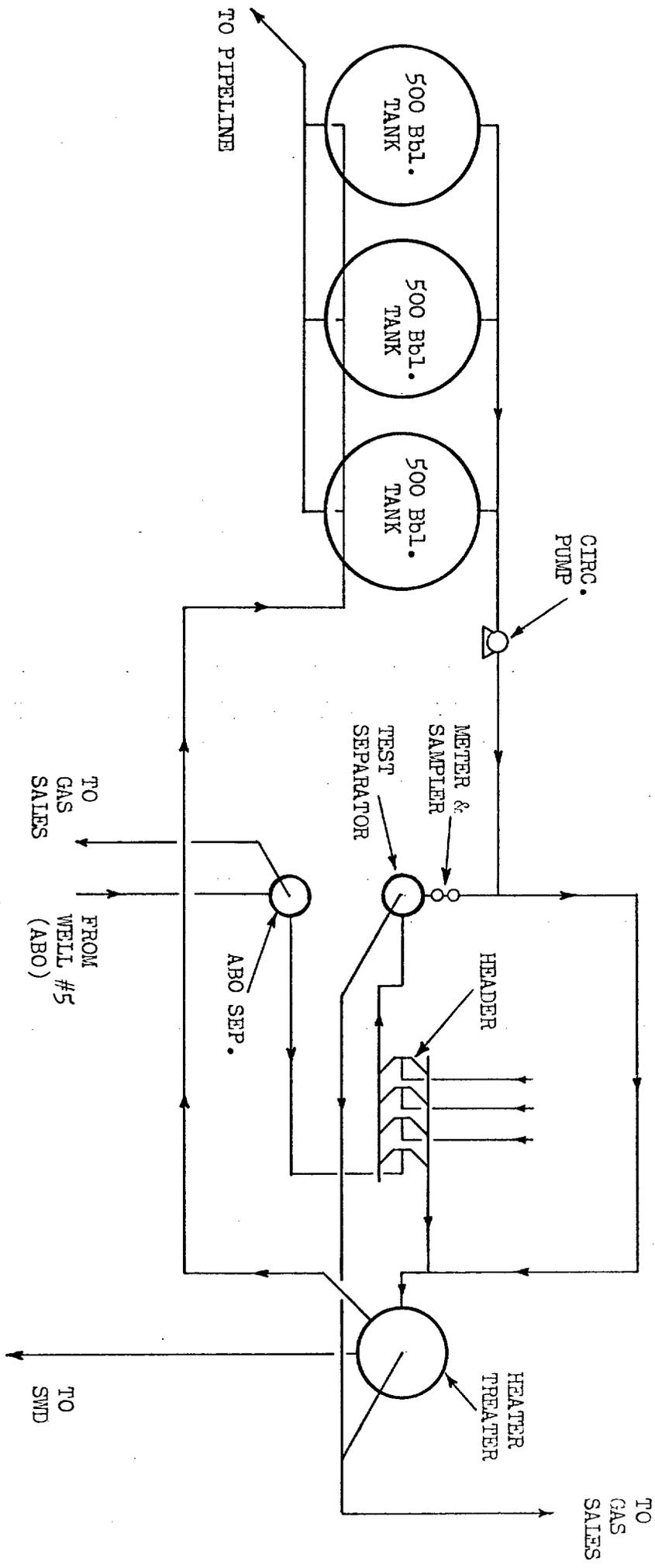
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SA --- GRAYBURG-SAN ANDRES
 ABO --- MONUMENT ABO
 Eu (GAS) - EUMONT QUEEN (GAS)

TEXACO Inc.
 NEW MEXICO "E" STATE LEASE
 EUNICE-MONUMENT G-SA & MONUMENT ABO FIELDS
 LEA COUNTY, NEW MEXICO
 Scale: 1" = 1000'



TEXACO Inc.
 TANK BATTERY FACILITIES
 NEW MEXICO "E" STATE LEASE
 EUNICE-MONUMENT G-SA & MONUMENT ABO FIELDS
 IEA COUNTY, NEW MEXICO

WRH/CRC

5-15-78