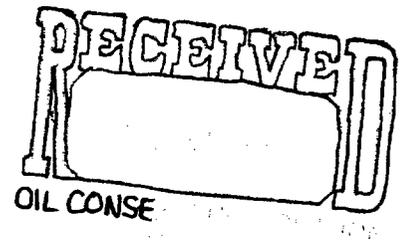


PC



TEXACO
U.S.A.
A DIVISION OF TEXACO INC.
P. O. BOX 728
HOBBS, NEW MEXICO 88240
(505) 393-7191

June 19, 1984

GOV STATE AND LOCAL GOVERNMENTS
New Mexico Oil Conservation Div.
NEW MEXICO 'BH' STATE NCT-1
Sec. 11-12S-32E
Lea County, New Mexico

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

Attention: Mr. R. L. Stamets

*Tools
Strawn Undes.
wife Caprock. Oil*

Gentlemen:

Texaco will market gas from the New Mexico 'BH' State NCT-1 well number 3 (Strawn Gas) and well number 2 (Wolfcamp oil well gas) through an existing line to a sales point on the J. H. Moore NCT-1 lease to Warren Petroleum Company.

Currently the gas produced from the 'BH' NCT-1 #3 is measured before it leaves the lease. Well #2 has been successfully reworked and will produce a small quantity of gas.

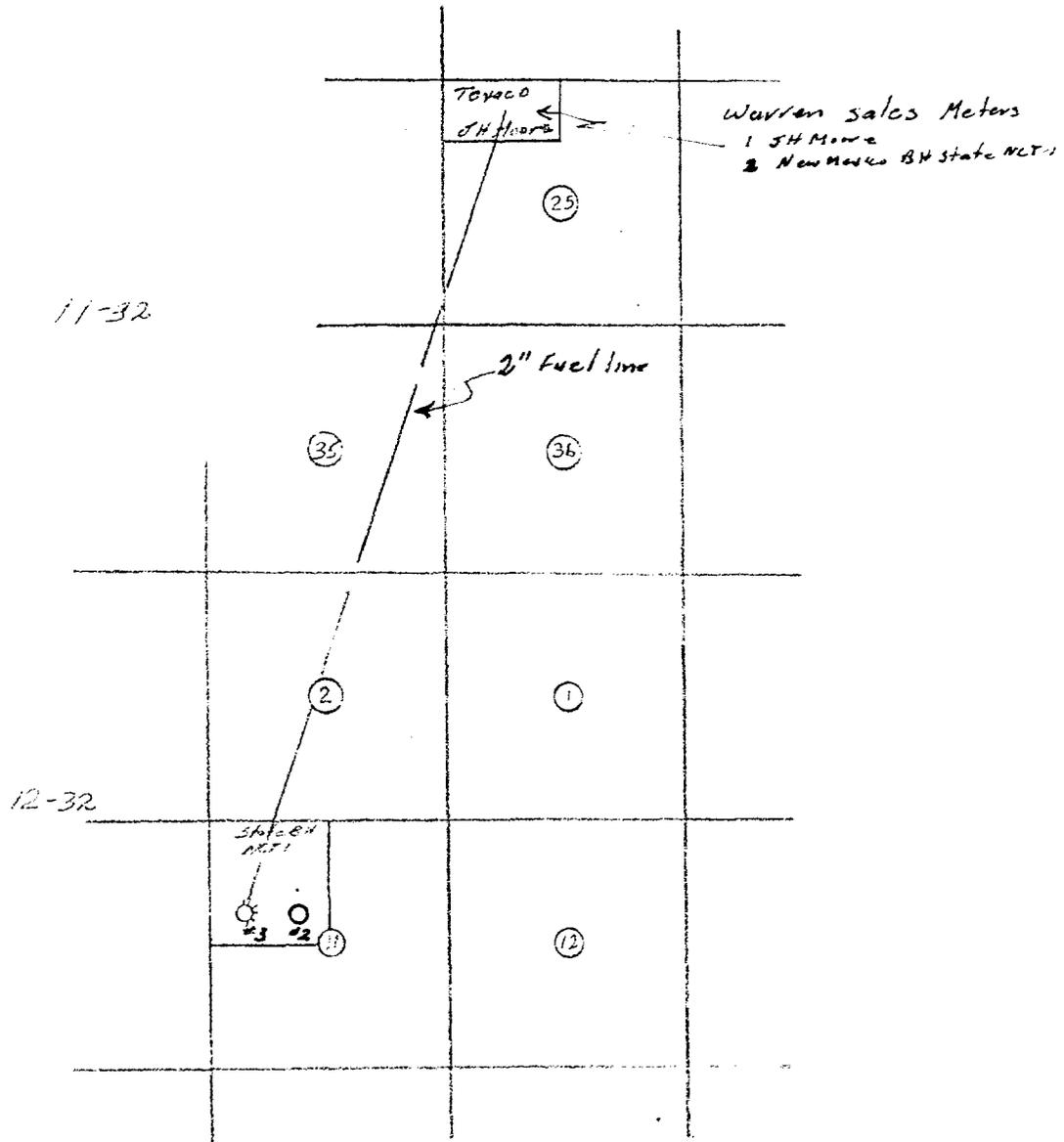
Texaco requests authority to commingle the Wolfcamp gas with the Strawn gas from #3 after it is measured and allocate gas production from the Wolfcamp by deducting the measured Strawn volume from the Warren purchased volume.

Yours very truly,

J. A. Schaffer
J. A. SCHAFFER

REL/NGR
FJK

File
Chrono



Lea County New Mexico