



June 12, 1990

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

Attn: Mr. David Catanach

RE: Application For Surface Commingling
Texaco Producing Inc.
Lease: E. A. Sticher
Lea County, New Mexico

Gentlemen:

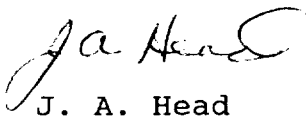
Texaco Producing Inc. respectfully requests permission to surface commingle production from the Drinkard and Paddock formations on the E. A. Sticher lease. A recent Drinkard recompletion in well No. 3 necessitates this request.

The E. A. Sticher is a four well, 80 acre lease located in Sec. 4, T-22S, R-37E, Lea County, NM. A fee lease, royalty is common for the spacing unit.

The Paddock formation is being produced from well Nos. 1, 2, and 4 at a combined daily average of 20 BOPD (37 deg API at 60 deg F), 180 BWPD, and 60 MCFPD. Well No. 3 was recently potentialed in the Drinkard formation for 10 BOPD (37.4 deg API at 60 deg F), 16 BWPD and 444 MCFPD. The combined gravity of the commingled oil is expected to be 37.1 deg API at 60 deg F. The commercial value of the commingled production will not be less if the Drinkard and Paddock were sold separately.

Attached are Exhibits 1 and 2 showing the schematic of the proposed commingled battery and a lease plat of the E. A. Sticher lease.

Yours very truly,


J. A. Head
Hobbs Area Manager

TWM

Attachments

cc: Texaco Trading and Transportation
Texaco Producing Inc.

Texaco Producing, Inc.
E. A. Sticher Battery

