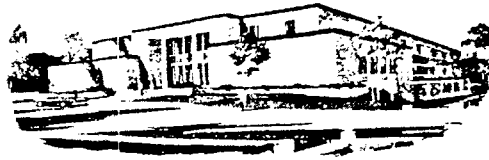


# State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER



## Commissioner of Public Lands

SLO REF NO. OG-685

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

February 29, 1988

Tenneco Oil Exploration & Production  
ATTN: Mr. Todd J. Stevens  
7990 IH 10 West  
San Antonio, Texas 78230

Re: Kemnitz Wolfcamp and Cisco  
Surface Commingling  
Lea County, New Mexico

Gentlemen:

This office is in receipt of your letter of February 1, 1988. In your letter you have requested an exception to NMOCD Rule 303-A to permit surface commingling of the Kemnitz Wolfcamp and the Kemnitz Cisco oil production into common production facilities.

Our records indicate that the N/2 of Section 25, E/2E/2 Sec. 26-T16S-33E, and All Sec. 30-16S-34E are within the Kemnitz-Wolfcamp Pool Unit Agreement.

It is our interpretation of Article I (b) of the above mentioned unit agreement, that unit production only be allocated from the **Kemnitz Wolfcamp Pool** and reads as follows: "... it being expressly understood that the Wolfcamp Formation being unitized hereby **neither** includes the formation from which the Tennessee Gas Transmission Company's Well No. 6 located in Section 30, Township 16 South, Range 34 East, N.M.P.M. is currently producing (known as the Upper Wolfcamp formation), nor the formation from which the Pure Oil Company's Well No. 1 situated in Section 21, Township 16 South, Range 34 East, N.M.P.M. and the Tennessee Gas Transmission Company's Well No. 2 located in the NW/4 of Section 21, Township 16 South, Range 34 East, N.M.P.M. are currently producing (known as the Cisco formation)."

In view of the above, we regret to inform you that your proposed request for surface commingling can not be approved as submitted.

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Enclosed you will find a copy of New Mexico State Land Office Rule Nos. 1.053 thru 1.055 regarding commingling and off lease storage of oil and gas on state trust lands.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

WILLIAM R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm  
encls.

cc: OCD-Santa Fe, New Mexico - Attn: Mr. David Catanach