

OIL CONSERVATION DIVISION  
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March 18, 1993

New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Attn: Mr. William J. Lemay  
Chairman and Director, Oil Conservation Division

RE: OFF-LEASE STORAGE AND SURFACE COMMINGLING PERMIT APPLICATION  
New Mexico N, O, & BA Battery  
Vacuum Abo North, Vacuum Upper Penn, Vacuum Wolfcamp,  
Vacuum Drinkard Pools  
Ltr O, Sec. 25, T-17-S, R-34-E (Battery Location)  
Lea County, New Mexico

Gentlemen:

The six wells described on the commingle pre-application are operated by Texaco Exploration and Production Inc. All of these wells are located on state leases. All wells involved share a common state beneficiary.

In October of 1992, the New Mexico State Land Department and the New Mexico State Oil Conservation Division granted approval for Off-Lease Storage and Surface Commingling of production concerning the first five wells listed on the attached Commingle Pre-Application. Since the approval, the production from these five wells goes to the New Mexico N, O, & BA Battery.

Texaco Exploration and Production Inc. requests permission to add the production from New Mexico "O" State NCT-1 Well #18 to this battery. A workover recompleting this well to the Vacuum Drinkard formation is planned in the near future. Presently, the well is shut-in in the Vacuum Upper Penn and the Vacuum Wolfcamp formations, and temporarily abandoned in the Abo-Glorieta formation.

On March 18, 1993 Texaco's posted price for 34 gravity West Texas Sour was \$19.85 per barrel. Detailed data of the average daily production, oil gravities, and the current daily crude sales amounts for these six wells are explained on the following page.