

Mr. William J. Lemay

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March 18, 1993

<u>WELL</u>	<u>OIL</u>	<u>WATER</u>	<u>GAS</u>	<u>FORMATION</u>
N.M. "N" State #8	1	0	1	Vac Abo North 80
	<u>1</u>	<u>1</u>	<u>2</u>	Vac Wolfcamp 80
Well Total:	2	1	3	
<u>GRAVITY 37.9</u>				
<u>CRUDE SALES PRICE \$19.85 X 2 = \$39.70 PER DAY</u>				
N.M. "O" State #11	8	8	32	Vac Abo North
	2	1	7	Vac Up Penn 80
	<u>9</u>	<u>8</u>	<u>35</u>	Vac Wolfcamp
Well Total:	19	17	74	
<u>GRAVITY 37.9</u>				
<u>CRUDE SALES PRICE \$19.85 X 19 = \$377.15</u>				
N.M. "O" State #14	10	6	0	Vac Abo North
	<u>18</u>	<u>10</u>	<u>23</u>	Vac Wolfcamp
Well Total:	28	16	23	
<u>GRAVITY 37.9</u>				
<u>CRUDE SALES PRICE \$19.85 X 28 = \$555.80</u>				
State BA #6	9	0	41	Vac Abo North
	12	1	1	Vac Up Penn
	<u>5</u>	<u>0</u>	<u>36</u>	Vac Wolfcamp
Well Total:	26	1	78	
<u>GRAVITY 37.9</u>				
<u>CRUDE SALES PRICE \$19.85 X 26 = \$516.10</u>				
State BA #8	7	1	6	Vac Abo North
	8	0	28	Vac Up Penn
	<u>5</u>	<u>0</u>	<u>27</u>	Vac Wolfcamp
Well Total:	20	1	61	
<u>GRAVITY 37.9</u>				
<u>CRUDE SALES PRICE \$19.85 X 20 = 397.00</u>				
N.M. "O" State #18 Well is currently shut-in pending workover to recomple to Vacuum Drinkard.				
<u>TOTAL CRUDE SALES: \$1886.00</u>				

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The total crude sales amounts will remain the same if the production from New Mexico "O" State NCT-1 #18 is commingled at this battery. The oil will be transported by Texas New Mexico Pipeline Company and the gas will be sold to Texaco Exploration and Production Inc.'s Gas Division. Water from the battery will be sent to the Vacuum Grayburg San Andres Unit.

Attached for your review is a plat showing the location the six wells and the battery. Also attached is a schematic of the New Mexico N, O, & BA battery where monthly tests will be accurately measured on a per well basis through meters on a test separator. Each well will be tested several times during the month. Total monthly production will then be allocated to each well based on these well tests.

If you have any questions concerning this request, please contact me at 397-0418 or 393-7191. Thank you for your assistance in this matter.

Yours very truly,



Monte C. Duncan
Engineer's Assistant

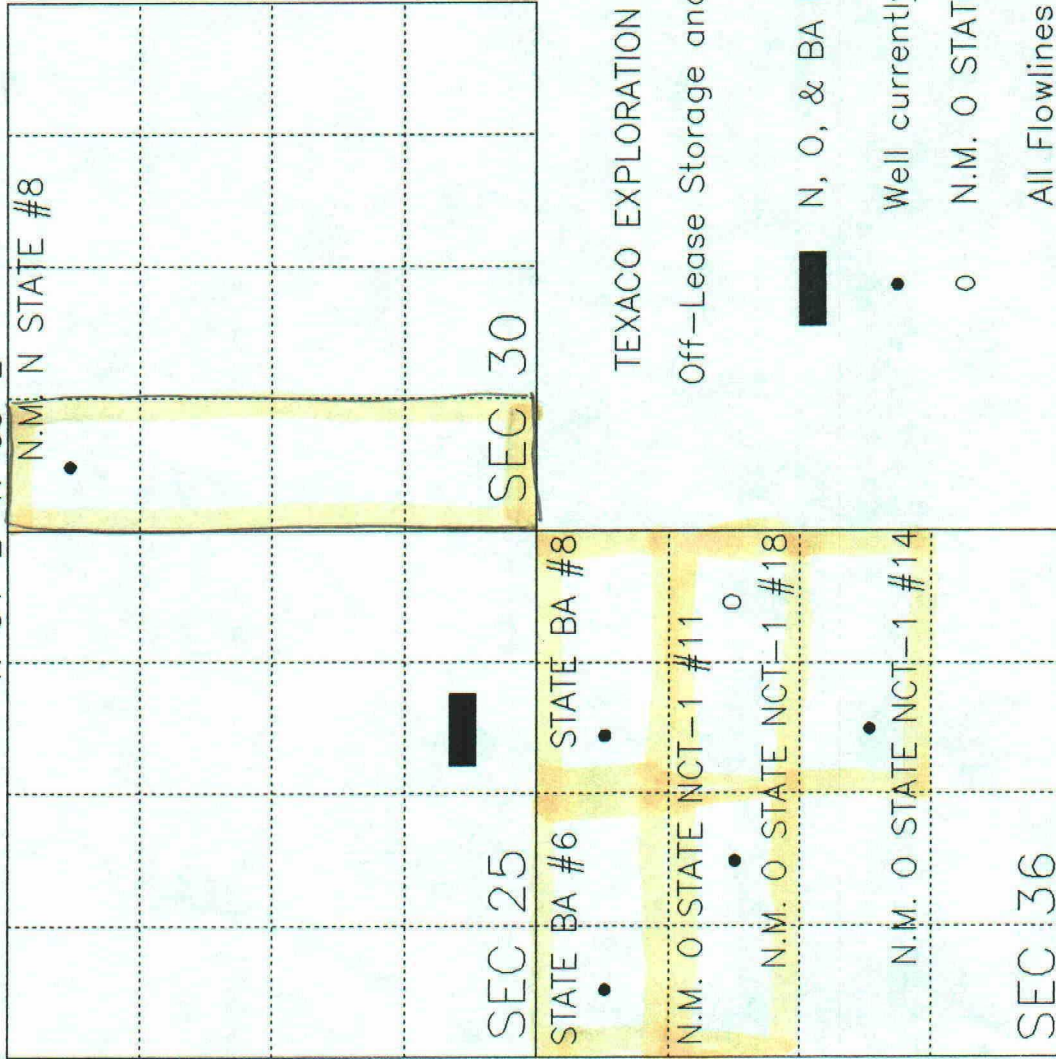
/mcd
Chrono
Attachments

cc: New Mexico Land Department
P.O. Box 1148
Santa Fe, New Mexico 87504
Attn: Mr. Floyd Prando

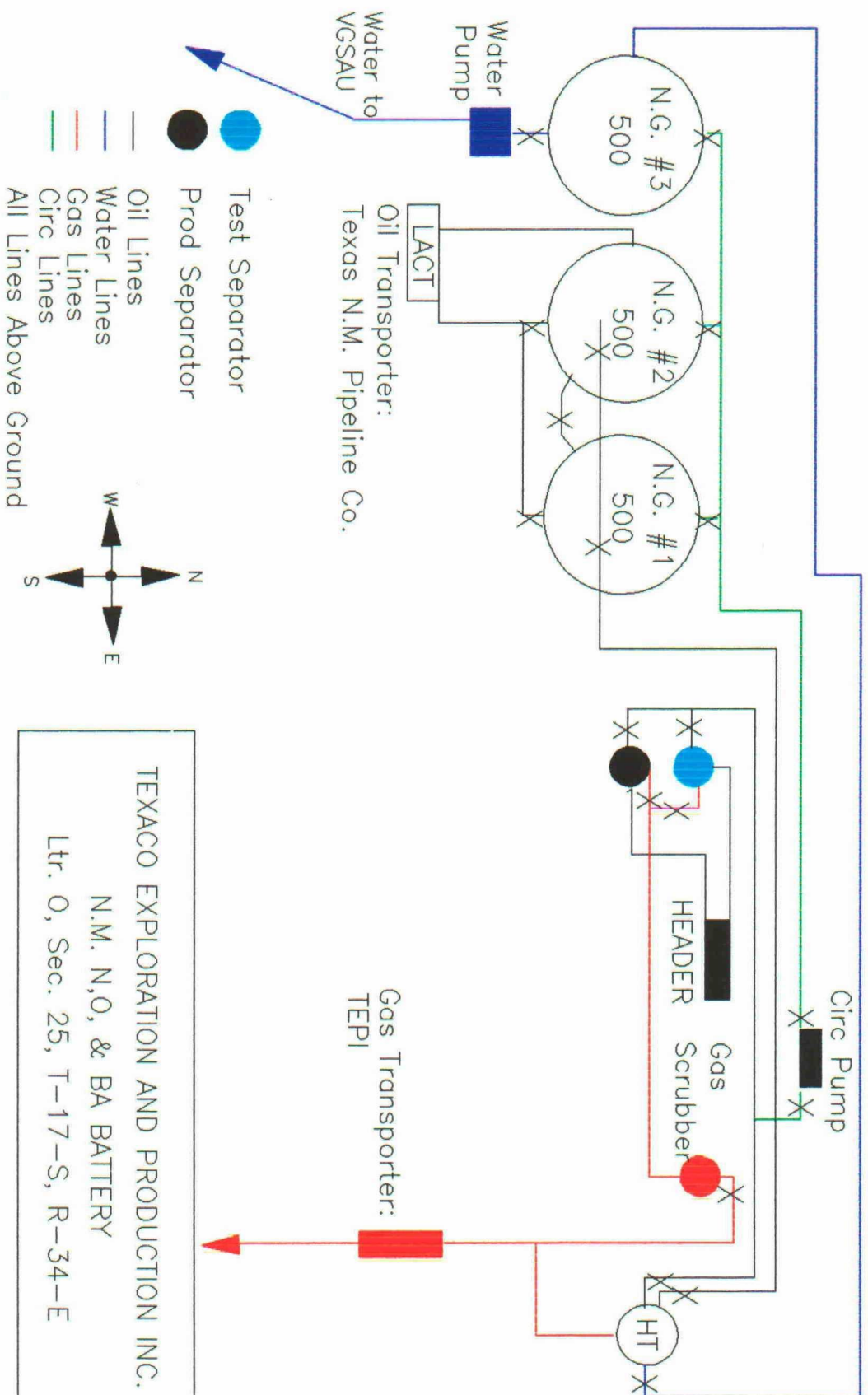
New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240
Attn: Mr. Jerry Sexton

Mr. Terry Frazier, Hobbs Area Manager
Texaco Exploration and Production Inc.

T-17-S T-17-S
R-34-E R-35-E



TEXACO EXPLORATION AND PRODUCTION INC.
Off-Lease Storage and Surface Commingling



TEXACO EXPLORATION AND PRODUCTION INC.
 N.M. N,O, & BA BATTERY
 Ltr. O, Sec. 25, T-17-S, R-34-E