ELEASE 1.25.93

O'L CONSERVE ON DIVISION RECEIVED



Texaco Exploration and Production Inc

3300 N Butler Farmington NM 87401

193 JAM 14/19 02 December 14, 1992

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION PO BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504

Attention: Michael E. Stogner Chief Hearing Officer/Engineer

RE: Application for exception to NMOCD Rule 303-A:Downhole Commingle State of New Mexico Keys Unit No. 1E: 1750' FNL & 1770' FWL Unit F, Sec. 32-T29N-R10W, NMPM, San Juan County, New Mexico

Dear Mr. Stogner:

Texaco respectfully requests administrative approval to downhole commingle the Armenta Gallup Oil Pool and Basin Dakota Gas Pool within the referenced well. Approval of this application would require an exception to NMOCD Rule 303-A. Texaco has notified all offset operators to the referenced spacing unit. Please find attached, the return receipt cards signed by each operator.

Production methods are limited due to the 4-1/2" production casing the well is completed with. This size of casing does not offer sufficient room to run adequately sized tubing strings to each formation. The downhole commingling of these zones will offer an economical method of production without reservoir damage, waste of reserves, or violation of correlative rights.

If you have any questions concerning this matter please contact Mr. Darren Segrest at (505) 325-4397. Your attention to this matter is greatly appreciated.

Sincerely,

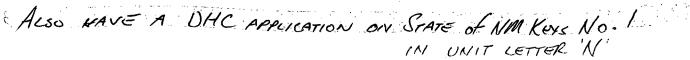
Ted A. Tipton

Ted A. Tipton AREA MANAGER

DBS/s



Attachments NMOCD - Aztec file



\$

Offset Operators State of New Mexico Keys Unit 1E Sec 32-T29N-R10W

