



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5795

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

October 4, 1996

ON CONSERVATION DIVISION
RECEIVED
1996 OCT 4 PM 8:30
PUBLIC AFFAIRS
(505)-827-5765
ADMINISTRATIVE MGMT.
(505)-827-5700
LEGAL
(505)-827-5715
PLANNING
(505)-827-5752

Texaco Exploration & Producing Inc.
205 East Bender
Hobbs, New Mexico 88240

Attn: Mr. Monte C. Duncan

Re: Downhole Commingling Application
New Mexico R State NCT-1, Well No. 18 - API #30-025-33428
Vacuum Blinebry and Vacuum Drinkard Pools
Unit H, Section 06-18S-35E
Lea County, New Mexico

Dear Mr. Duncan:

We have received your letter of September 30, 1996, wherein you requested our approval to downhole commingle the production from the above well.

We understand that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil</u>	<u>Gas</u>
Vacuum Blinebry Pool	24%	37%
Vacuum Drinkard Pool	76%	63%

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands hereby grants approval. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove to be unprofitable to the state at any time in the future. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Texaco Exploration & Production Inc.
October 4, 1996
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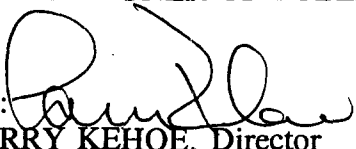
Your \$30.00 dollar filing fee was received.

Please submit a copy of the approval Oil Conservation Division Order to this office.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm
Enclosure

cc: Reader File
Attention: Mr. Dave Catanach, Mr. Ben Stone