

DHC-1831



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
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ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

February 18, 1998

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

Attn: Mr. Bobby McCurry

Re: Downhole Commingling Application
New Mexico O State NCT-1 Well No. 39
Unit Letter G, Section 36-17S-34E
Vacuum Wolfcamp and Vacuum Upper Penn Pools
Lea County, New Mexico

Dear Mr. McCurry:

This office is in receipt of your application of January 29, 1998, requesting our approval to downhole commingle the production from the above subject well from the Vacuum Wolfcamp and Vacuum Upper Penn Pools in Lea County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

| <u>POOL</u> | <u>ALLOCATION</u> | |
|-------------------|-------------------|--------------|
| | <u>Oil %</u> | <u>Gas %</u> |
| Vacuum Wolfcamp | 84 % | 51% |
| Vacuum Upper Penn | 16 % | 49 % |
| | <hr/> | <hr/> |
| | 100 | 100 |

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your filing fee in the amount of \$30.00 has been received.


Texaco Exploration and Production, Inc.
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Please submit a copy of the Oil Conservation Division's approval order.

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: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
pc: Reader File

OCD-Santa Fe-Attention: David Catanach/Ben Stone