

PLC-54

State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

August 31, 1995

Texaco Exploration and Production Inc.  
P.O. Box 730  
Hobbs, New Mexico 88240

Attention: Mr. David Hess

Re: Application for Downhole Commingling  
State BB Lease  
State L Lease  
NM State BZ NCT-10 Lease  
Section 2-25S-37E  
Justis-Blinbry and Justis Tubb-Drinkard Pools  
Lea County, New Mexico

Dear Mr Hess:

The New Mexico Oil Conservation Division has advised this office that Texaco Exploration and Production Inc. has applied to downhole commingle the Justis-Blinbry and Justis Tubb-Drinkard Pool production for the above-captioned wells.

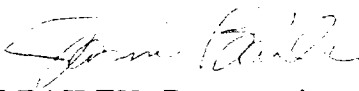
Pursuant to State Land Office Rule No. 1.053, 1.054 and 1.055, please submit an application to this office for our approval together with the data recommended on the attached commingling pre-application form. The filing fee for a commingling application is \$30.00.

Texaco Exploration & Production  
Page 2  
August 31, 1995

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, Deputy Director  
Oil/Gas and Minerals Division  
(505) 827-5745

RP/JBL/cpm  
Enclosure

cc: Reader File

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



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RAY POWELL, M.S., D.V.M.  
COMMISSIONER

February 16, 1996

Texaco Exploration & Production Inc.  
Post Office Box 730  
Hobbs, New Mexico 88240

Attn: Mr. Darrell Carriger

Re: Application for Lease Commingling  
State "BB", State "L", and N.M. "BZ" State NCT-10 Leases  
Section 2-25S-37E  
Lea County, New Mexico

Dear Mr. Carriger:

We have received your application your application requesting approval to commingle production from the State "BB", State "L" and N.M. "BZ" State NCT-10 leases. The production from the subject leases will be commingled in a common storage facility located in Unit Letter E, Section 2, Township 25S, Range 37E, Lea County, New Mexico, at the State "L" lease battery.

We understand that production from the State "BB" and State "L" leases will be metered separately from the N.M. "BZ" State NCT-10 lease.

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 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.

Since the State "BB" wells and the N.M. "BZ" State NCT-10 wells are utilizing the tank battery on Lease B-1328-1, a right-of-way easement may be required for a portion of the SW/4NW/4 of Section 2-25S-37E. Please contact Ms. Debra Padilla of our Right-of-Way Section for further information regarding this easement. Ms. Padilla's telephone number is 827-5729.

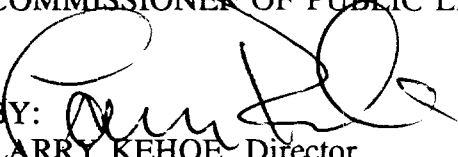
Our approval is contingent upon Texaco's obtaining any required rights-of-way.

Texaco Exploration & Production Inc.  
February 16, 1996  
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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  
B-1328-1  
OCD--Attention: David Catanach and Ben Stone  
Debra Padilla  
Nick Mace