



Texaco Exploration and Production Inc

3300 N Butler  
Farmington NM 87401

August 19, 1994

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: David Catanach

RE: **Application for exception to NMOCD Rule 303-A: Downhole Commingle of H.J. Loe Federal B No. 2E 1700' FNL & 1050' FWL, Unit E, Sec. 23-T29N-R12W, NMPM, San Juan County, New Mexico**

Dear Mr. Catanach:

Texaco Exploration and Production Inc. respectfully requests administrative approval to downhole commingle the Fulcher Kutz Pictured Cliffs Gas Pool and the Basin Dakota Gas Pool within the referenced well. Approval of this application would require an exception to NMOCD Rule 303-a. Please accept the attached information in your consideration of this matter. All offset operators were notified of this request by certified mail and were sent a copy of the supporting information (copy of return receipt cards attached).

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 economic method of production without reservoir damage, waste reserves, or violation of correlative rights.

If you have and questions concerning this matter please contact Mr. Robert Schaffitzel at (505) 325-4397, ext. 27. Your attention to this matter is greatly appreciated.

Sincerely,

Ted A. Tipton  
Area Manager

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

RFS/s

Case No. 11100 Exhibit No. 1

Attachments  
NMOCD-Aztec  
file

Submitted by: Texaco Exploration and  
Production Inc.  
Hearing Date: October 13, 1994

**Application for Exception to Rule 303-Segregation of Production From Pools**

(1) **Name and address of the operator:** Texaco Exploration and Production  
3300 N. Butler Suite 100  
Farmington, NM 87401

(2) **Lease name, well number, well location, name of the pools to be commingled.**

Lease Name: H.J. Loe Federal B  
Well Number: 2E  
Well Location: 1700' FNL & 1050' FWL, Unit E, Sec. 23  
T29N-R12W, NMPM  
San Juan County, New Mexico

Pools to Commingle: Fulcher Kutz, Pictured Cliffs  
Basin, Dakota

(3) **A plat of the area showing the acreage dedicated to the well and the ownership of all offsetting leases.**

Attached (Attachment I, II, III, IV)

(4) **A current (within 30 days) 24-hour productivity test on Division C-116 showing the amount of oil, gas and water produced from each zone.**

The C-115 for H.J. Loe Federal B 2E Basin Dakota and Fulcher Kutz Pictured Cliffs are attached (Attachment V, VI).

(5) **A production decline curve for both zones showing that for a period of at least one year a steady rate of decline has been established for each zone for statistical purposes. (This requirement may be dispensed with in the case of a newly completed or recently completed well which has little or no production history. However, a complete resume of the well's completion history including description of treating, testing, etc., of each zone, and a prognostication of future production from each zone shall be submitted.)**

Dakota completion: Decline curve attached (Attachment VII), well has effective annual decline of 5.13 % and a calculated GOR of 188,732 SCF/STB.

P.C. completion: Decline curve attached (Attachment VIII), formation was perforated at 1636'-1734' and stimulated on November 4, 1992 with 29,300 GALs of X-linked gel with 125,220 LBS of 20/40 sand followed with 10,000 LBS of Resin coated sand. The well was cleaned. The well is currently shut-in and both zones are logged off awaiting final production equipment and regulatory approvals.

Currently both zones are logged off due to insufficient bottom hole pressure on the PC formation therefore limiting production from the well. The Dakota zone has a 1.060 I.D. tubing string that causes too much friction loss to produce the well (Attachment IX, current completion).

**Application for Exception to Rule 303-Segregation of Production From Pools**  
**Requirements Continued.**

- (6) **Estimated bottomhole pressure for each artificially lifted zone. A current (within 30 days) measured bottomhole pressure for each zone capable of flowing.**

Dakota completion: 450 psig (Attachment X)  
 Fulcher Kutz completion: 249 psig (Attachment XI)

The Fulcher Kutz pressure was a 72 hour shut-in pressure obtained from a State of NM packer leakage test conducted 12-20-93. The Dakota  $P_{BH}$  was calculated using a seven day shut-in pressure, read at the surface. The pressure was taken from a State of NM packer leakage test dated 11-23-92. The pressure differential between the zones will not present a crossflow problem. The proposed method of production is to run a 2-3/8" tubing string to the bottom of the Dakota perforations and run rods and install a pumping unit to pump both zones this will keep all fluids off the Dakota formation.

- (7) **A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the well-bore.**

The fluids have no abnormal components that would prohibit commingling, or promote the creation of emulsions or scale (see attachment XII-A,B, produced water analysis).

- (8) **A computation showing that the value of the commingled production will not be less than the sum of the individual streams.**

<u>Dakota Production</u>		<u>Fulcher Kutz PC Production</u>	
Oil, BOPD	1	Oil, BOPD	0
Gas, MCFD	138	Gas, MCFD	168
Water, BWPD	1.5	Water, BWPD	12

The combined production from the PC and Dakota formations will be approximately 362 MCFD, 1 BOPD, and 18 BWPD. The increase in production will occur due to the pressure drop on both formations because the fluid will be pumped out through the 2 3/8" tubing and the gas will flow free of fluid up the 4.5" casing.

- (9) **A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula.**

Using our anticipated rates as shown in item #8 as an example, allocation will be calculated as follows:

	<u>Gas</u>	<u>Oil</u>	<u>Water</u>
Pictured Cliffs	168/306=55%	0/1=0%	12/13.5=89%
Dakota	138/306=45%	1/1=100%	1.5/13.5=11%

- (10) **A statement that all offset operators and, in the case of a well on federal land, the United States Bureau of Land Management, have been notified in writing of the proposed commingling.**

All offset operators and the BLM have been notified. Please find attached, signed return receipt cards from each operator.

OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

RECEIVED BLM

RECEIVED BLM 15 09

02 DEC 15 09

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

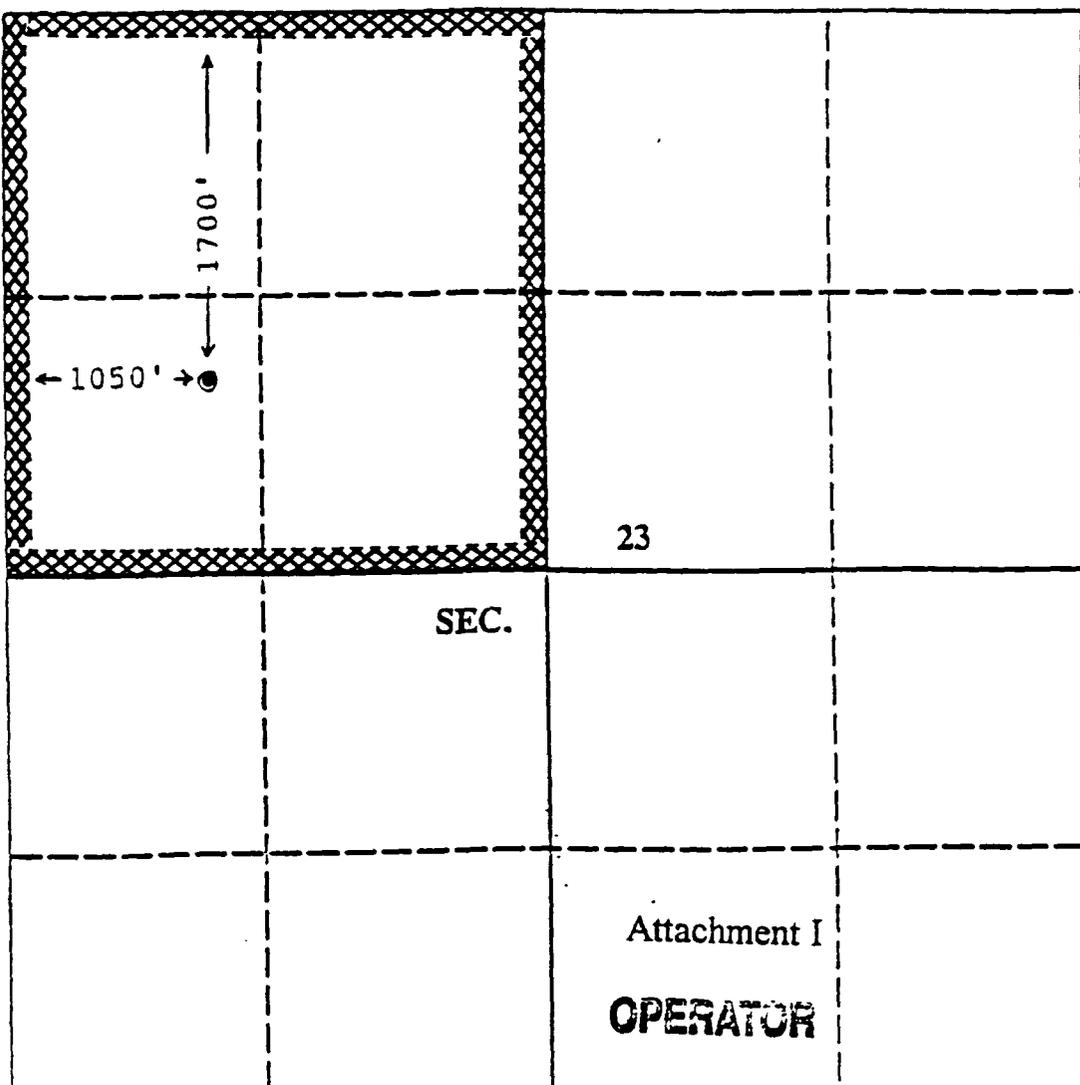
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>Texaco E &amp; P Inc.</b>			Lease <b>H.J. Loe Federal B</b>			Well No. <b>2E</b>		
Unit Letter <b>E</b>	Section <b>23</b>	Township <b>29N</b>	Range <b>12W</b>	County <b>NMPM</b>	County <b>San Juan</b>			
Actual Footage Location of Well: <b>1700'</b> feet from the <b>North</b> line and <b>1050'</b> feet from the <b>West</b> line								
Ground level Elev. <b>5659'</b>	Producing Formation <b>Pictured Cliffs</b>			Pool <b>Fulcher Kutz</b>	Dedicated Acreage: <b>160</b> Acres			

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?  
 Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_  
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature \_\_\_\_\_

Printed Name  
**Ted A. Tipton**

Position  
**Area Manager**

Company  
**Texaco Inc.**

Date  
**11-09-92**

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed \_\_\_\_\_

Signature & Seal of Professional Surveyor \_\_\_\_\_

**ACCEPTED FOR RECORD**

DEC 16 1992

Attachment I OPERATOR

**OFFSET OPERATORS**  
**H.J. LOE FEDERAL 'B' LEASE**  
**SEC. 23 T29N / R12W**  
**BASIN DAKOTA FIELD**

15	AMOCO PROD. CO	AMOCO PROD. CO	SOUTHLAND ROYALTY CO.
AMOCO PROD. CO	14	MERIDIAN OIL., INC	13
UNOCAL	TEXACO E&P, INC	CONOCO INC.	CONOCO INC.
22	23	AMOCO PROD. CO	24
AMOCO PROD. CO	AMOCO PROD. CO	AMOCO PROD. CO	AMOCO PROD. CO
AMOCO PROD. CO	26	AMOCO PROD. CO	25
27	26	AMOCO PROD. CO	25

**OFFSET OPERATORS**  
**H.J. LOE FEDERAL 'B' LEASE**  
**SEC. 23 T29N / R12W**  
**FULCHER KUTZ PICTURED CLIFFS**

15	14	PRODUCING ROYALTIES INC. SOUTHLAND ROYALTY CO. 13
22	R & G DRILLING CO.  TEXACO E&P, INC ●	ALPINE OIL & GAS RODDY PROD. CO. INC. 24
27	26	25

**OFFSET OPERATORS  
H.J. LOE FEDERAL B-2  
T29N/R12W**

**Alpine Oil & Gas Corporation**  
Box 2567  
Durango, CO 81302  
(303)247-5386

**R & G Drilling Company, Inc.**  
204 N. Auburn Ave.  
Farmington, NM 87401

**Amoco Production Company**  
200 Amoco Court  
Farmington, NM 87401  
(505)326-9200

**Roddy Production Company Inc.**  
3001 Northridge Dr.  
Farmington, NM 87401  
(505)325-5750

**Conoco Inc.**  
Petroleum Center Bldg. Ste. 115  
501 Airport Dr.  
Farmington, NM 87401  
(505)327-9557

**Southland Royalty Company**  
Box 4239  
2919 Allen Pkwy.  
Houston, TX 77210  
(713)831-1600

**Meridian Oil Inc.**  
3535 E. 30  
Farmington, NM 87401  
(505)326-9700

**Unocal Corporation**  
Box 850  
Bloomfield, NM 87413  
(505)632-1811

**Producing Royalties Inc.**  
Box 1071  
4433 Brownfield Hwy.  
Lubbock, TX 79408  
(806)791-1133



**OPERATOR'S MONTHLY REPORT**  
 Form C-115 - Revised 1-1-93  
 See Distribution and Code  
 Information Bottom of Page

State of New Mexico  
 Energy, Minerals, and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 P.O. BOX 2088  
 Santa Fe, New Mexico 87504-2088

1980, Hobbs, NM 88240  
 er DD, Artesia, NM 88210  
 Brazos Rd., Aztec, NM 87410

For Month, Year: 06 1994 Page 108 of 126  
 TEXACO EXPLORATION & PRODUCTION INC. Address: 3300 NORTH BUTLER FARMINGTON, NM 87401 ZIP: 87401

NAME (Underline) Lease Name	WELL STATUS	INJECTION			PRODUCTION				DISPOSITION OF GAS				DISPOSITION OF OIL					
		VOLUME	PRESS.	BARRELS OIL COND PRODUCED	BARRELS OF WATER PRODUCED	GAS PRODUCED (MCF)	STOCK PILE	SUM	TRANS-PORTER	OTHER	LOSS	OIL ON HAND AT BEG. OF MONTH	BBL'S TO TRANS-PORTER	TRANS-PORTER	OTHER	GOR	OIL ON H' AT J/ MONTH	
UTZ PICTURED CLIFF (GAS) J. FEDERAL "B"																		
554 2E 23 28N 12W P		0	0	0	199	698 30												
955 3 23 28N 12W P		0	0	0	0	8691 30												
555 3E 23 28N 12W P		0	0	0	792	7494 30												
		0		0	891	16883		16883 TEP										0

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE  
**T. A. TIPTON**  
 (TYPED NAME)  
**AREA MANAGER**  
 (POSITION)

STATUS CODE:  
 F ..... FLOWING  
 P ..... PUMPING  
 G ..... GAS LIFT  
 S ..... SHUT IN  
 T ..... TEMP. ABANDONED  
 I ..... INJECTION

"OTHER" GAS DISPOSITION CODE:  
 X ..... USED OFF LEASE  
 D ..... USED FOR DRILLING  
 G ..... GAS LIFT  
 L ..... LOST (MCF ESTIMATED)  
 E ..... EXPLANATION ATTACHED  
 R ..... REPRESSURING OR

"OTHER" OIL DISPOSITION CODE:  
 C ..... CIRCULATING OIL  
 L ..... LOST  
 S ..... SEDIMENTATION (BS & W)  
 E ..... EXPLANATION ATTACHED  
 T ..... THEFT

505 325-4J87  
 (PHONE NUMBER)

1000  
1000

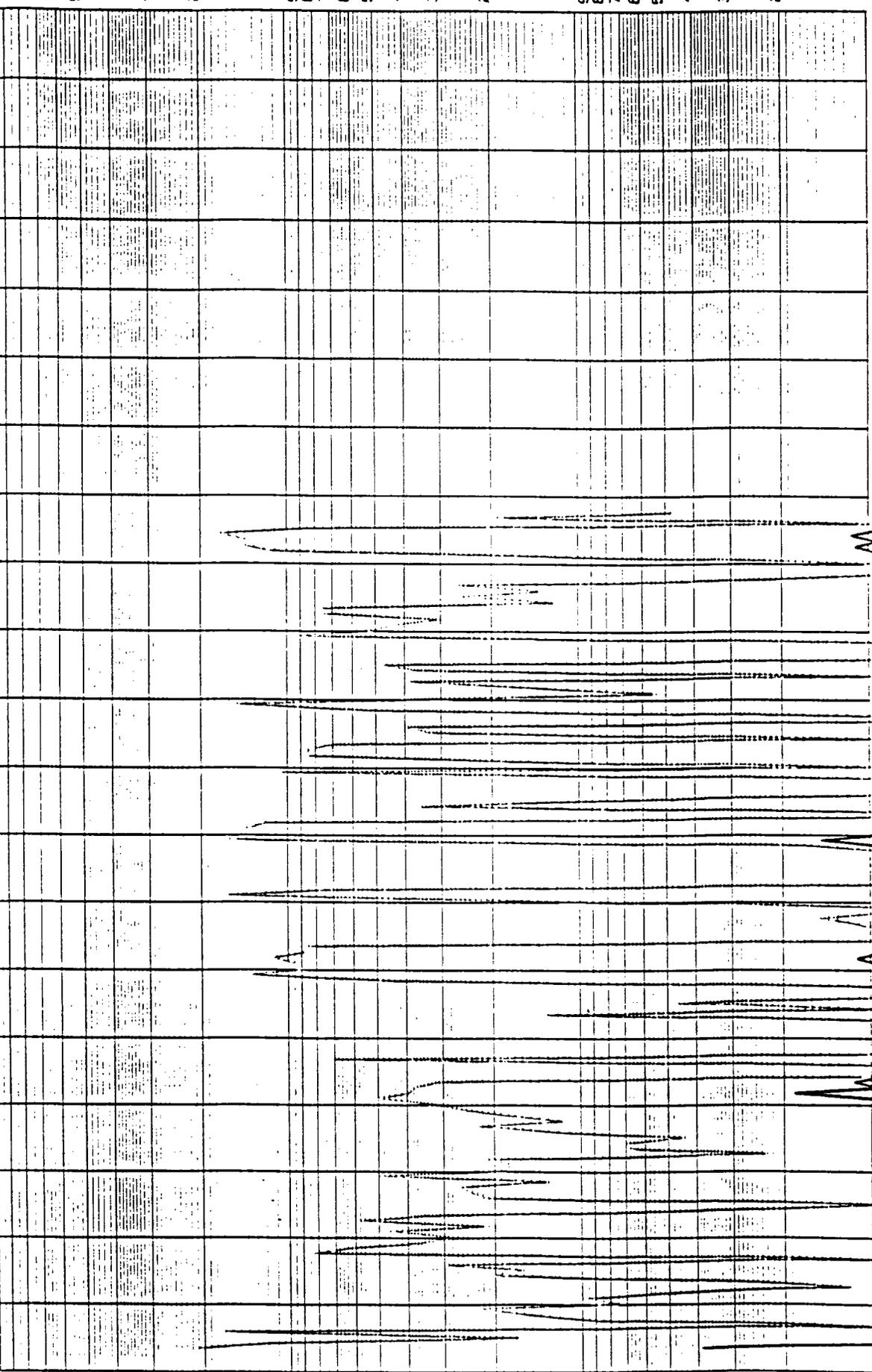
1000  
1000  
GAS (MCF/DAY)  
WATER (BBL/DAY)

Lease: H J LOE B FEDERAL  
00002E  
Retrieval Code: 251, 045, 29N12W23E00DK

Dwights

00002E

81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00



County: SAN JUAN  
 Field: BASIN (DAKOTA) DK  
 Reservoir: DAKOTA  
 Operator: TEXACO EXPL & PROD INC

State: NM

Lease: H J LOE B FEDERAL 00002E Dwignts Retrieval Code: 251, 045, 29N12W23E00PC 1000

Year	1	2	3	4	5	6	7	8	9	10	11
92	2	2	2	2	2	2	2	2	2	2	2
93	2	2	2	2	2	2	2	2	2	2	2
94	2	2	2	2	2	2	2	2	2	2	2
95	2	2	2	2	2	2	2	2	2	2	2
96	2	2	2	2	2	2	2	2	2	2	2
97	2	2	2	2	2	2	2	2	2	2	2
98	2	2	2	2	2	2	2	2	2	2	2
99	2	2	2	2	2	2	2	2	2	2	2
00	2	2	2	2	2	2	2	2	2	2	2
01	2	2	2	2	2	2	2	2	2	2	2
02	2	2	2	2	2	2	2	2	2	2	2
03	2	2	2	2	2	2	2	2	2	2	2
04	2	2	2	2	2	2	2	2	2	2	2
05	2	2	2	2	2	2	2	2	2	2	2
06	2	2	2	2	2	2	2	2	2	2	2
07	2	2	2	2	2	2	2	2	2	2	2
08	2	2	2	2	2	2	2	2	2	2	2
09	2	2	2	2	2	2	2	2	2	2	2
10	2	2	2	2	2	2	2	2	2	2	2
11	2	2	2	2	2	2	2	2	2	2	2

WATER (BBL/DAY) OF GAS (MCF/DAY) OF 1000

County: SAN JUAN State: NM  
 Field: FULLER KUTZ (PICTURED CLIFFS) PC  
 Reservoir: PICTURED CLIFFS  
 Operator: TEXACO EXPL & PROD INC



# H. J. LOE FEDERAL B No. 2E CURRENT COMPLETION

**WELL:**

H. J. Loe Federal B No. 2E

**LOCATION:**

Unit E, 1700' FNL & 1050' FWL  
SW/4, NW/4, Sec. 23, T29N, R12W  
San Juan County

**SPUD DATE:**

10-18-80

**COMPL. DATE:**

12-31-80

**PICTURED CLIFFS  
PERFORATIONS:**

1638'-1734'

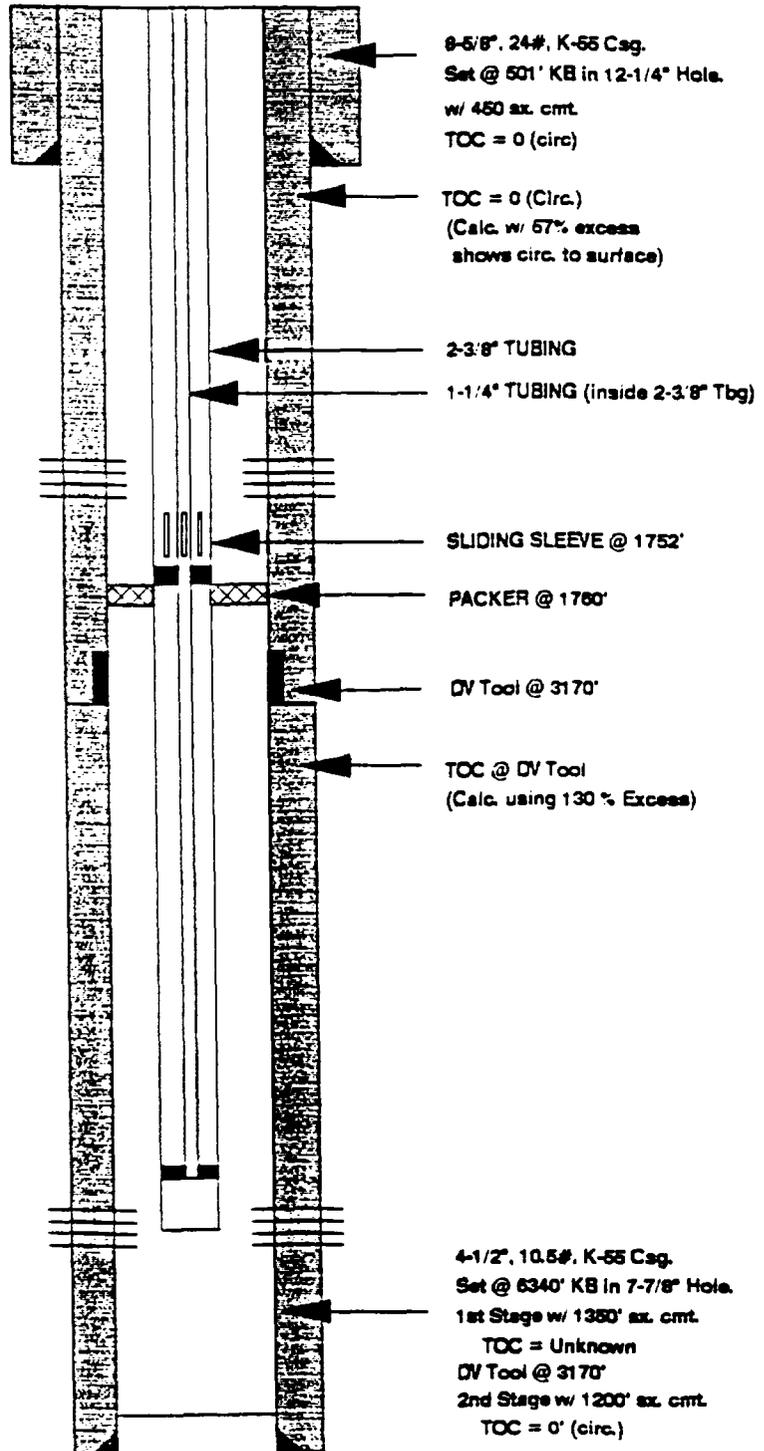
**FORMATION TOPS:**

- Fruitland 1382'
- Pictured Cliffs 1632'
- Chaco 2891'
- Climffhouse 3224'
- Menefee 3388'
- Pt. Lookout 4088'
- Mancos 4404'
- Gallup 5326'
- Greenhorn 6085'
- Graneros 6142'
- Dakota 6188'

**DAKOTA PERFS:**

6188' - 6290'

PSTD - 6312'  
TD - 6340'



NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST

Operator TEXACO E & P INC. Lease H.J.LOE B FEDERAL Well No. 2E

Location of Well: Unit: E Sec. 23 Twp. 29N Rge. 12W County SAN JUAN

	NAME OF RESERVOIR OR POOL	TYPE OF PROD. (OIL OR GAS)	METHOD OF PROD. (Flow or Art. Lift)	PROD. MEDIUM (Tbg. or Csg.)
Upper Completion	FULCHER KUTZ PICTURED CLIFFS	GAS	FLOW	TBG
Lower Completion	BASIN DAKOTA	GAS	FLOW	TBG.

PRE-FLOW SHUT-IN PRESSURE DATA

Upper Completion	Hour, Date shut-in	Length of time shut-in	Si press. psig	Stablized (Yes or No)
	1:30 PM 11-6-92	NINE DAYS	386	YES
Lower Completion	Hour, Date shut-in	Length of time shut-in	Si press. psig	Stablized (Yes or No)
	2:30 PM 11-9-92	SEVEN DAYS	460	YES

FLOW TEST NO. 1

Commenced at (hour, date)*				Zone producing (Upper or Lower)	
'10:00 AM 11-16-92				UPPER	
TIME (hour, date)	LAPSED TIME SINCE*	PRESSURE		PROD. ZONE TEMP.	REMARKS
		Upper Completion	Lower completion		
11-17-92	24 HRS.	332	460		
11-18-92	48 HRS.	345	460		COMPRESSOR DOWN
11-19-92	72 HRS.	355	460		COMPRESSOR DOWN
11-20-92	96 HRS.	339	460		
11-21-92	120 HRS.	338	460		
11-22-92	144 HRS.	340	460		
11-23-92	168 HRS.	342	460		COMPRESSOR DOWN

Production rate during test

Oil 0 BOPD based on 0 Bbls. in 24 Hours 0 Grav 0 GOR 0  
Gas 124 MCFPD; Tested thru (Orifice or Meter): METER

MID-FLOW SHUT-IN PRESSURE DATA

Upper Completion	Hour, Date shut-in	Length of time shut-in	Si press. psig	Stablized (Yes or No)
	11:00 AM 11-30-92	3 DAYS	359	YES
Lower Completion	Hour, Date shut-in	Length of time shut-in	Si press. psig	Stablized (Yes or No)
	3:00 PM 1-14-93	43 DAYS	460	YES

NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST

Operator TEXACO E & P INC. Lease H.J.LOE B FEDERAL Well No. 2E

Location of Well: Unit E Sec. 23 Twp. 29N Rge. 12W County SAN JUAN

	NAME OF RESERVOIR OR POOL	TYPE OF PROD. (OIL OR GAS)	METHOD OF PROD. (Flow or Art. Lift)	PROD. MEDIUM (Tbg. or Csg.)
Upper Completion	FULCHER KUTZ PICTURED CLIFFS	GAS	FLOW	TBG
Lower Completion	BASIN DAKOTA	GAS	FLOW	TBG.

PRE-FLOW SHUT-IN PRESSURE DATA

Completion	Hour, Date shut-in	Length of time shut-in	Si press. psig	Stabilized (Yes or No)
Upper Completion				
Lower Completion				

FLOW TEST NO. 1

Commenced at (hour, date) *				Zone producing (Upper or Lower)	
TIME (hour, date)	LAPSED TIME SINCE*	PRESSURE		PROD. ZONE TEMP.	REMARKS
		Upper Completion	Lower completion		
12-17-93		187	0		LOWER ZONE LOGGED OFF BOTH ZONES SHUTIN
12-18-93	24 HRS.	222	0		. . .
12-19-93	48 HRS.	236	0		. . .
12-20-93	72 HRS.	249	0		. . .
12-21-93	96 HRS.	84	0		LOWER SHUTIN; UPPER FLOW 24 HRS.
12-22-93	120 HRS.	72	0		LOWER SHUTIN ;UPPER FLOW 24 HRS.

Production rate during test

Oil \_\_\_\_\_ BOPD based on \_\_\_\_\_ Bbls. in \_\_\_\_\_ Hours \_\_\_\_\_ Grav \_\_\_\_\_ GOR \_\_\_\_\_

Gas \_\_\_\_\_ MCFPD; Tested thru (Orifice or Meter): \_\_\_\_\_

MID-FLOW SHUT-IN PRESSURE DATA

Completion	Hour, Date shut-in	Length of time shut-in	Si press. psig	Stabilized (Yes or No)
Upper Completion				
Lower Completion				





H.J. Loe Federal B. No. 2E  
Commingled Workover Procedure

1. MIRUSU, NDWH, NUBOP
2. POOH w/ 1-1/4" coiled tubing, POOH w/ 2-3/8" tubing and 4-1/2" Guiberson PKR @ 1760'.
3. RIH w/ rods, pump and 2-3/8" production tubing. NDBOP, NUWH, RDMOSU. Put well on downhole commingled production (PC and DK).

Form 3811, December 1991 \*U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

Article Addressed to:  
 315 Bloomfield Hwy  
 Farmington, NM 87401

4a. Article Number  
 Z 743 378 587

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
 8/15/94

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Producing Royalties Inc.  
 Box 1071  
 4433 Brownfield Hwy  
 Lubbock, TX 79408

4a. Article Number  
 Z 743 378 589

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
 8-15-94

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Southland Royalty Company  
 Box 4239  
 2919 Allen Pkwy  
 Houston, TX 77210

4a. Article Number  
 Z 743 378 590

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
 8/15/94

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Alpine Oil & Gas Corporation  
 Box 2567  
 Durango, CO 81302

4a. Article Number  
 Z 743 378 585

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Alpine Oil & Gas Corporation  
 Box 2567  
 Durango, CO 81302

4a. Article Number  
 Z 743 378 585

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Producing Royalties Inc.  
 Box 1071  
 4433 Brownfield Hwy  
 Lubbock, TX 79408

4a. Article Number  
 Z 743 378 589

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
 8-15-94

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Southland Royalty Company  
 Box 4239  
 2919 Allen Pkwy  
 Houston, TX 77210

4a. Article Number  
 Z 743 378 592

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
 AUG 15 1994

8. Addressee's Address (Only if requested and fee is paid)

is your RETURN ADDRESS completed on the reverse side of this form?

Thank you for using Return Receipt Service

Thank you for using Return Receipt Service

Complete items 1 and/or 2 for additional services.  
 Complete items 3, and 4a & b.  
 Print your name and address on the reverse of this form so that we can return this card to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Unocal Corporation  
 Box 850  
 Bloomfield, NM 87413

4a. Article Number  
 Z 743 378 593

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt Merchandise

7. Date of Delivery  
 AUG 11 1994  
 USPS

5. Signature (Addressee)  
*Melissa Ortega*

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 \*U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

Is your RETURN ADDRESS completed on the reverse side?  
 Yes  
 No  
 If "No", write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Roddy Production Company Inc.  
 3001 Northridge Dr.  
 Farmington, NM 87401

4a. Article Number  
 Z 743 378 591

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt Merchandise

7. Date of Delivery  
 8/11/94

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 \*U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

5. Signature (Addressee)  
*[Signature]*

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 \*U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

I also wish to receive following services (for an additional fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

SENDER:  
 • Complete items 1 and/or 2 for additional services.  
 • Complete items 3, and 4a & b.  
 • Print your name and address on the reverse of this form so that we can return this card to you.  
 • Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 • Write "Return Receipt Requested" on the mailpiece below the article number.  
 • The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Amoco Production  
 200 Amoco Court  
 Farmington, NM 87401

4a. Article Number  
 Z 743 378 586

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)  
*[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 \*U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

I also wish to receive following services (for an additional fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

SENDER:  
 • Complete items 1 and/or 2 for additional services.  
 • Complete items 3, and 4a & b.  
 • Print your name and address on the reverse of this form so that we can return this card to you.  
 • Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 • Write "Return Receipt Requested" on the mailpiece below the article number.  
 • The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Meridian Oil Inc.  
 3535 E. 30th  
 Farmington, NM 87401

4a. Article Number  
 Z 743 378 588

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt Merchandise

7. Date of Delivery  
 8-12-94

5. Signature (Addressee)  
*Carolyn Curry*

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 \*U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

Is your RETURN ADDRESS completed on the reverse side?  
 Yes  
 No  
 If "No", write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Roddy Production Company Inc.  
 3001 Northridge Dr.  
 Farmington, NM 87401

4a. Article Number  
 Z 743 378 591

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt Merchandise

7. Date of Delivery  
 8/11/94

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 \*U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

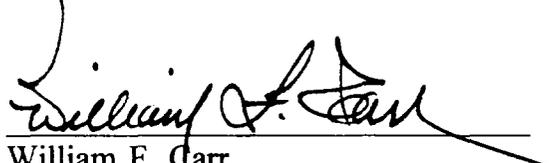
IN THE MATTER OF THE APPLICATION OF  
TEXACO EXPLORATION AND PRODUCTION INC.  
FOR DOWNHOLE COMMINGLING,  
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 11100

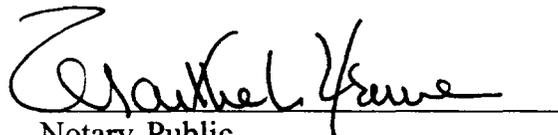
AFFIDAVIT

STATE OF NEW MEXICO            )  
  ) ss.  
COUNTY OF SANTA FE            )

William F. Carr, attorney in fact and authorized representative of Texaco Exploration and Production Inc., the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto as provided in Rule 1207.

  
\_\_\_\_\_  
William F. Carr

SUBSCRIBED AND SWORN to before me this 12th day of October, 1994.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

August 19, 1995

**EXHIBIT A**

Alpine Oil & Gas Corporation  
Post Office Box 2567  
Durango, CO 81302  
Attn: Thomas B. Grandin, Jr., President

Amoco Production Company  
200 Amoco Court  
Farmington, NM 87401

Conoco Inc.  
Petroleum Center Building, Suite 115  
501 Airport Drive  
Farmington, NM 87401

Meridian Oil Inc.  
3535 E. 30th  
Farmington, NM 87401

Producing Royalties Inc.  
Box 1071  
4433 Brownfield Hwy.  
Lubbock, TX 79408

R & G Drilling Company, Inc.  
204 N. Auburn Avenue  
Farmington, NM 87401

Roddy Production Company Inc.  
3001 Northridge Dr.  
Farmington, NM 87401

Southland Royalty Company  
Box 4239  
2919 Allen Parkway  
Houston, TX 77210

Unocal Corporation  
Box 850  
Bloomfield, NM 87413

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11100 Exhibit No. 2

Submitted by: Texaco Exploration and  
Production Inc.

Hearing Date: October 13, 1994

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

September 16, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Alpine Oil & Gas Corporation  
Post Office Box 2567  
Durango, CO 81302

Attn: Thomas B. Grandin, Jr., President

Re: Application of Texaco Exploration and Production Inc. for downhole  
commingling, San Juan County, New Mexico

Dear Mr. Grandin:

Texaco Exploration and Production Inc. filed an application with the New Mexico Oil Conservation Division seeking administrative approval to downhole commingle production from the Fulcher Kutz-Pictured Cliffs Gas Pool and the Basin-Dakota Gas Pool in its H.J. Loe Federal B No. 2E Well located 1700 feet from the North line and 1050 feet from the West line of Section 23, Township 29 North Range 12 West (Unit E), N.M.P.M. San Juan County, New Mexico. Because of the objection of Alpine Oil & Gas Corporation, this application has been set for hearing before an Examiner of the Oil Conservation Division on October 13, 1994 in Santa Fe, New Mexico. You may appear at that hearing and present evidence. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Pre-hearing Statement substantially in the form prescribed by the Division. Pre-hearing statements should be filed by 4:00 o'clock p.m., on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.  
WFC:mlh

cc: Rached Hindi  
Texaco Exploration and Production Inc.  
3300 North Butler  
Farmington, NM 87401



P 111 332 998

### Receipt for Certified Mail

No Insurance Coverage Provided

Alpine Oil & Gas Corporation  
Post Office Box 2567  
Durango, CO 81302

Attn: Thomas B. Grandin, Jr.  
President

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date and Addressee's Address	
TOTAL Postage & Fees	\$ 2.29
Postmark or Date	SEP 16 1994

PS Form 3800, June 1991

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this mail from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

Show to whom delivered, date, and addressee's address. **2. Restricted Delivery** (Extra charge)

**1. Article Addressed to:**  
Alpine Oil & Gas Corporation  
Post Office Box 2567  
Durango, CO 81302

Attn: Thomas B. Grandin, Jr.  
President

**3. Signature - Address**  
X *Thomas B. Grandin, Jr.*

**4. Signature - Agent**  
X *[Signature]*

**7. Date of Delivery**  
X *SEP 16 1994*

**4. Article Number**  
P 111 332 998

**Type of Service:**  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

**8. Addressee's Address (ONLY if requested and fee paid)**

DURANGO CO 81301  
SEP 19 1994  
USPS

PS Form 3811, Mar. 1993 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

September 16, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Amoco Production Company  
200 Amoco Court  
Farmington, NM 87401

Re: Application of Texaco Exploration and Production Inc. for downhole commingling, San Juan County, New Mexico

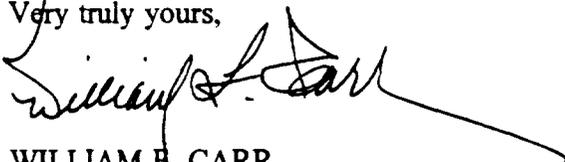
Gentlemen:

This letter is to advise you that a hearing has been set on October 13, 1994 before an Examiner of the Oil Conservation Division in Santa Fe, New Mexico on the application of Texaco Exploration and Production Inc., for downhole commingling of production from the Fulcher Kutz-Pictured Cliffs Gas Pool and the Basin-Dakota Gas Pool in its H.J. Loe Federal B No. 2E Well located 1700 feet from the North line and 1050 feet from the West line of Section 23, Township 29 North Range 12 West (Unit E), N.M.P.M. San Juan County, New Mexico. A copy of Texaco's application was previously provided to you.

You are not required to attend this hearing, but as the owner of an interest that may be affected by this application you may appear at that hearing and present evidence. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Pre-hearing Statement substantially in the form prescribed by the Division. Pre-hearing statements should be filed by 4:00 o'clock p.m., on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.  
WFC:mlh



Amoco Production Company  
 200 Amoco Court  
 Farmington, NM 87401

PS Form 3800, June 1991

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Postage Prepaid (with Return Receipt) or Return Receipt with Postmark and Addressee's Address	
Postmark or Date	\$ 2.29
SEP 16 1994	

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt will provide you the name of the person delivered to and the date of delivery. For additional fees for additional services are available. Consult postmaster for fees and check boxes for additional services requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Amoco Production Company  
 200 Amoco Court  
 Farmington, NM 87401

4. Article Number  
 P 111 332 990

Type of Service:  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
 X

6. Signature - Agent  
 X *[Signature]*

7. Date of Delivery  
 9/14/94 *[Signature]*

8. Addressee's Address (ONLY if requested and fee paid)

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

September 16, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Conoco Inc.  
Petroleum Center Building, Suite 115  
501 Airport Drive  
Farmington, NM 87401

Re: Application of Texaco Exploration and Production Inc. for downhole  
commingling, San Juan County, New Mexico

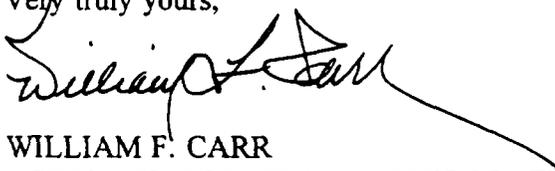
Gentlemen:

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You are not required to attend this hearing, but as the owner of an interest that may be affected by this application you may appear at that hearing and present evidence. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.  
WFC:mlh

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208

1st Notice SEP 26 1994  
2nd Notice \_\_\_\_\_  
Return \_\_\_\_\_



Conoco Inc.  
Petroleum Center Building, Suite 115  
501 Airport Drive  
Farmington, NM 87401

P 111 332 991  
**Receipt for Certified Mail**  
No Insurance Coverage Provided

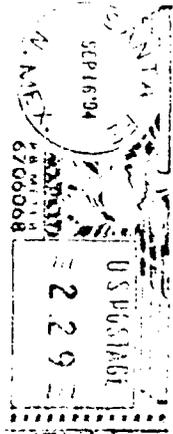
Conoco Inc.  
Petroleum Center Building, Suite 115  
501 Airport Drive  
Farmington, NM 87401

Postage	\$
Postage and Fees	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt or Label for Return & Date Delivered	
Return Receipt or Label to Whom Delivered & Address	
Total Postage & Fees	\$ 2.29
Postmark or Date	SEP 16 1994

PS Form 3800, June 1991

Postnet barcode

ATTEMPTED: NOT KNOWN  
 NO SUCH NUMBER  
 NO MAIL RECEIPTABLE  
 REFUSED  
 INSUFFICIENT ADDRESS  
 MOVED-LEFT NO ADDRESS  
 FORWARDING ORDER EXPIRED  
 EMPLOYEE: *[Signature]*



CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

September 16, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Meridian Oil Inc.  
3535 E. 30th  
Farmington, NM 87401

Re: Application of Texaco Exploration and Production Inc. for downhole  
commingling, San Juan County, New Mexico

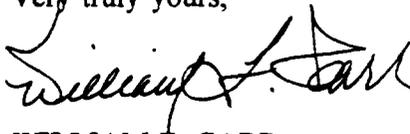
Gentlemen:

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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.  
WFC:mlh



Meridian Oil Inc.  
3535 E. 30th  
Farmington, NM 87401

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2.29
Postmark or Date	SEP 16 1994

PS Form 3800, June 1991

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
Meridian Oil Inc.  
3535 E. 30th  
Farmington, NM 87401

4. Article Number  
P 111 332 992

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.  
5. Addressee's Address (ONLY if requested and fee paid)

6. Signature - Address  
X  
 6. Signature - Agent  
X *Christina Curry*

7. Date of Delivery  
*9 21 94*

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B CAMPBELL  
WILLIAM F CARR  
BRADFORD C BERGE  
MARK F SHERIDAN

MICHAEL H FELDEWERT  
TANYA M TRUJILLO

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

September 16, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Producing Royalties Inc.  
Box 1071  
4433 Brownfield Hwy.  
Lubbock, TX 79408

Re: Application of Texaco Exploration and Production Inc. for downhole commingling, San Juan County, New Mexico

Gentlemen:

This letter is to advise you that a hearing has been set on October 13, 1994 before an Examiner of the Oil Conservation Division in Santa Fe, New Mexico on the application of Texaco Exploration and Production Inc., for downhole commingling of production from the Fulcher Kutz-Pictured Cliffs Gas Pool and the Basin-Dakota Gas Pool in its H.J. Loe Federal B No. 2E Well located 1700 feet from the North line and 1050 feet from the West line of Section 23, Township 29 North Range 12 West (Unit E), N.M.P.M. San Juan County, New Mexico. A copy of Texaco's application was previously provided to you.

You are not required to attend this hearing, but as the owner of an interest that may be affected by this application you may appear at that hearing and present evidence. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Pre-hearing Statement substantially in the form prescribed by the Division. Pre-hearing statements should be filed by 4:00 o'clock p.m., on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.  
WFC:mlh

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.  
 1.  Show to whom delivered, date, and addressee's address. (Extra charge)  
 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Producing Royalties Inc.  
 Box 1071  
 4433 Brownfield Hwy.  
 Lubbock, TX 79408

4. Article Number  
 P 111 332 993

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature Address  
 X *[Signature]*

6. Signature - Agent  
 X *[Signature]*

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P 111 332 993



**Receipt for Certified Mail**

No Insurance Coverage Provided

Producing Royalties Inc.  
 Box 1071  
 4433 Brownfield Hwy.  
 Lubbock, TX 79408

Postage	\$
Certified Fee	
Special Services Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom's Date Delivered	
Return Receipt Showing to Whom's Date and Addressee's Address	
TOTAL Postage & Fees	\$ 2.29
Postmark or Date	SEP 16 1994

PS Form 3800, June 1991

**CAMPBELL, CARR, BERGE**

**& SHERIDAN, P.A.**

**LAWYERS**

**MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN**

**MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO**

**JACK M. CAMPBELL  
OF COUNSEL**

**JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043**

September 16, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

R & G Drilling Company, Inc.  
204 N. Auburn Avenue  
Farmington, NM 87401

Re: Application of Texaco Exploration and Production Inc. for downhole  
commingling, San Juan County, New Mexico

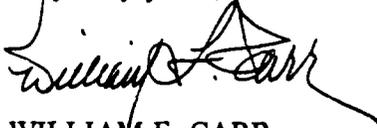
Gentlemen:

This letter is to advise you that a hearing has been set on October 13, 1994 before an Examiner of the Oil Conservation Division in Santa Fe, New Mexico on the application of Texaco Exploration and Production Inc., for downhole commingling of production from the Fulcher Kutz-Pictured Cliffs Gas Pool and the Basin-Dakota Gas Pool in its H.J. Loe Federal B No. 2E Well located 1700 feet from the North line and 1050 feet from the West line of Section 23, Township 29 North Range 12 West (Unit E), N.M.P.M. San Juan County, New Mexico. A copy of Texaco's application was previously provided to you.

You are not required to attend this hearing, but as the owner of an interest that may be affected by this application you may appear at that hearing and present evidence. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Pre-hearing Statement substantially in the form prescribed by the Division. Pre-hearing statements should be filed by 4:00 o'clock p.m., on the Friday before a scheduled hearing.

Very truly yours,



**WILLIAM F. CARR**  
**ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.**  
WFC:mlh

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208



CERTIFIED

P 111 332 994

MAIL

R & G Drilling Company, Inc.  
204 N. Auburn Avenue  
Farmington, NM 87401

P 111 332 994

Receipt for  
Certified Mail

No Insurance Coverage Provided



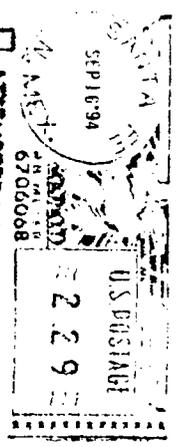
R & G Drilling Company, Inc.  
204 N. Auburn Avenue  
Farmington, NM 87401

Postage	\$
Postage Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date and Addressee's Address	
TOTAL Postage & Fees	\$ 2.29
Postmark or Date	SEP 16 1994

PS Form 3800, June 1991

RG-204 874012017 IN 09/16/94  
 NO FORWARD ORDER ON FILE  
 UNABLE TO FORWARD TO SENDER  
 RETURN TO SENDER  
 204 N. Auburn Ave  
 Farmington, NM 87401

- ATTEMPTED-NOT KNOWN
- NO SUCH NUMBER
- NO MAIL RECEIPTABLE
- REFUSED
- INSUFFICIENT ADDRESS
- MOVED-LEFT FOR
- FORWARDING ORDER BY EMPLOYEE



CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 986-4421  
TELECOPIER: (505) 983-6043

September 16, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Roddy Production Company Inc.  
3001 Northridge Dr.  
Farmington, NM 87401

Re: Application of Texaco Exploration and Production Inc. for downhole  
commingling, San Juan County, New Mexico

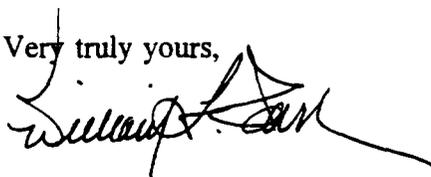
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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.  
WFC:mlh



Roddy Production Company Inc.  
 3001 Northridge Dr.  
 Farmington, NM 87401

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt (Shipping to Whom's Date of Return)	
Return Receipt (Shipping to Whom's Date and Addressee's Address)	
TOTAL Postage & Fees	\$ 2.29
Postmark or Date	SEP 16 1994

PS Form 3800, June 1991

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. **The return receipt fee will provide you the name of the person delivered and the date of delivery.** For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Roddy Production Company Inc.  
 3001 Northridge Dr.  
 Farmington, NM 87401

4. Article Number  
 P 111 332 995

Type of Service:  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Addressee's Address (ONLY if requested and fee paid)

6. Signature of Agent  
 X *[Signature]*

7. Date of Delivery  
 X 9.19.94 MB

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-065 DOMESTIC RETURN RECEIPT

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

September 16, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Southland Royalty Company  
Box 4239  
2919 Allen Parkway  
Houston, TX 77210

Re: Application of Texaco Exploration and Production Inc. for downhole  
commingling, San Juan County, New Mexico

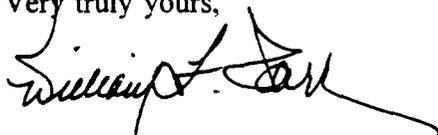
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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.  
WFC:mlh



Southland Royalty Company  
 Box 4239  
 2919 Allen Parkway  
 Houston, TX 77210

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt (hard copy) fee	
Return Receipt (electronic) fee	
Postage and Fees	\$2.29
Date of Mailing	SEP 16 1994

PS Form 3800, June 1991

**GENERAL:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. This return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Southland Royalty Company  
 Box 4239  
 2919 Allen Parkway  
 Houston, TX 77210

4. Article Number  
 P 111 332 996

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Addressee's Address (ONLY if requested and fee paid)

6. Signature - Agent  
 X *[Signature]*

7. Date  
 X SEP 20 1994

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-665 DOMESTIC RETURN RECEIPT

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

September 16, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Unocal Corporation  
Box 850  
Bloomfield, NM 87413

Re: Application of Texaco Exploration and Production Inc. for downhole  
commingling, San Juan County, New Mexico

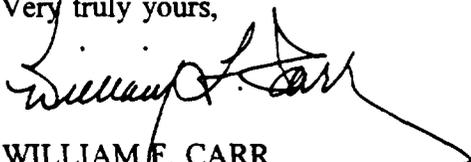
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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.  
WFC:mlh



Unocal Corporation  
 Box 850  
 Bloomfield, NM 87413

Postage	\$
Insurance	
Registered Service Fee	
Restricted Delivery Fee	
Signature Required Fee	
Return Receipt for Merchandise	
Return Receipt for Signature	
Postage and Fees	\$ 2.29
Postmark or Date	SEP 16 1994

PS Form 3800, June 1988

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Unocal Corporation  
 Box 850  
 Bloomfield, NM 87413

4. Article Number  
 P 111.332 997

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature -- Address  
 X

6. Signature -- Agent  
 X *[Signature]*

7. Date of Delivery  
 9/16/94

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-666 DOMESTIC RETURN RECEIPT