

**TEXACO
INC.**

P. O. BOX 2100
DENVER, COLORADO 80201
(303) 793-4305

SHAWN L. McSWAIN
ATTORNEY

May 22, 1987

Case 9142

Mr. Chad Dickerson
Dickerson, Fisk & Vandiver
Attorneys at Law
Seventh & Mahone
Suite E
Artesia, New Mexico 88210

Re: Application of TXO Production
Corp. for Compulsory Pooling
Section 36: W/2 NE/4
Township 16 South, Range 37 East, NNPM
Lea County, New Mexico

Dear Mr. Dickerson:

Please be advised that on April 12, 1987 Texaco Inc., Texaco Capital Inc. and Texaco Capital N.V. (collectively, the "Debtors") each filed a chapter 11 petition pursuant to section 301 of the Bankruptcy Code (11 U.S.C. § 301) with the Bankruptcy Court unit of the United States District Court for the Southern District of New York, and thereby commenced chapter 11 cases numbered 87 B 20142, 87 B 20143 and 87 B 20144, respectively.

Please be further advised that pursuant to section 362(a) of the Bankruptcy Code (11 U.S.C. § 362(a)), and except as provided in section 362(b) of the Bankruptcy Code (11 U.S.C. § 362(b)), the filing of the foregoing chapter 11 petitions operates as an automatic stay, applicable to all entities, of, among other acts:

"(1) the commencement or continuation, including the issuance or employment of process, of a judicial administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title;"

"(2) the enforcement, against the debtor or against property of the estate, of a judgment obtained before the

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commencement of the case under this title;"

*"(3) any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate;" and

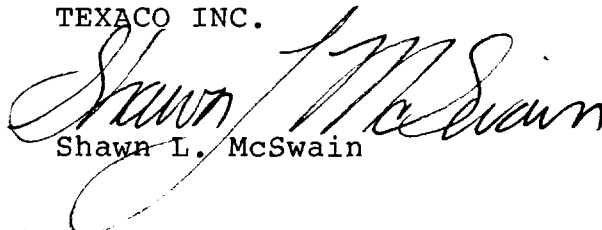
"(4) any act to create, perfect, or enforce any lien against property of the estate..."

Violation of the automatic stay, such as by commencing or continuing any action against any of the Debtors or against any property of their respective estates without first obtaining relief from the stay from the Bankruptcy Court may result in, among other things, contempt sanctions, compensatory damages, and punitive damages.

To avoid unnecessary time and expense, and before burdening the Bankruptcy Court with litigation, we urge you to contact the undersigned to discuss the best means of resolving all claims in the above-referenced action that are against any of the Debtors or any property of their estates.

Sincerely,

TEXACO INC.


Shawn L. McSwain

SLMc:dkk

cc: Oil & Gas Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501
✓ Attention: Ms. Diane Richardson