



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSSELL DISTRICT OFFICE
1717 West Second Street
Roswell, New Mexico 88202



IN REPLY REFER TO:

NM 71030
3180 (06200)

OCT 16 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED
P 144 849 331

Texaco Exploration and Production Inc.
Attention: Ron W. Lanning
P. O. Box 3109
Midland, TX 79702

RE: Approval of Sub-Operator in the Skelly Unit

Dear Mr. Lanning:

This office is in receipt of the Designation of Sub-Operator from The Wiser Oil Company to Texaco Exploration and Production Inc. in which your company has agreed to assume all the rights, duties and obligations as the unit operator of the formations below the base of the San Andres. The formations covered in the Designation of Sub-Operator are identified in the amendment to the unit agreement approved and made effective November 1, 1994. The formations are below the base of the San Andres found at 4918 feet subsurface and are identified by the type log of Texaco's Skelly Unit No. 11 Well located 1980 feet FSL and 660 feet FEL, Section 21, Township 17 South, Range 31 East, NMPM.

As your company has obtained a statewide bond and all the conditions for becoming a sub-operator have been met, Texaco Exploration and Production Inc. is hereby approved as sub-operator of the formations below the base of the San Andres in the Skelly Unit (I Sec. No. 276).

In accordance with this approval, Texaco Exploration and Production Inc. is responsible for reporting all unit operations and production for which they are designated as sub-operators including existing production from the allocated area.

Should you have any questions regarding this matter, contact Gary Gourley at the Division of Minerals at 505-627-0249.

Sincerely,

Tony L. Ferguson
Assistant District Manager,
Minerals Support Team