

June 23, 1998

NMOCD P O. Box Drawer DD Artesia, New Mexico 88210

Attn : Mr. David Catanach

RE : Notification of Intent to Commingle Production

Dear Mr. Catanach,

Texaco Exploration and Production, Inc. respectfully requests administrative approval for the attached C-103 application on its Texmack 2 State #1 well for the purpose of commingling produced fluids into the production facilities at Texmack 11 Fed #1. Both wells are and will be completed in the Fren Morrow zone as the drilling is finishing on the Texmack 2 State #1. The production of both wells will be metered at each separator.

The Texmack 2 State #1 is located at Section 2, T-17-S, R-31-E, whereas the Texmack 11 Fed #1 and its facilities are located in Section 11, T-17S, R-31-E. Texaco respectfully requests that this application approved administratively at the earliest possible convenience so that operations can be advanced in a prudent manner. Please find enclosed one original and two copies of the required C-103; also one copy of the Bureau of Land Management form 3160-5. If you have any questions concerning the application, please contact me at (505) 397-0444.

Sincerely,

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Bobby J. Hill Engineering Assistant Texaco Exploration and Production, Inc.

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