

Texaco E & P

June 28, 1999

Bureau of Land Management 2909 West Second Street Roswell, NM 88201 205 E. Bender B Jd Hoobs NM 88240 505 393 7191



SURFACE COMMINGLING PERMIT APPLICATION

Texmack '1' Federal Com #1 (NM912932) Fren Morrow Pool Letter E, Sec. 1, T-17-S, R-31-E into the Texmack Central Tank Battery Letter C, Sec. 11, T-17-S, R-31-E (Battery Location) Eddy County, New Mexico

Gentlemen:

Attached is a request for surface commingling concerning the Texmack '1' Federal Com #1 into the Texmack Central Tank Battery located at the Texmack '11' Federal #1. There are presently two producing Fren Morrow wells commingled into this battery. The lease is operated by Texaco Exploration and Production Inc. and has 50% of the gross working interest in this lease.

I have attached a plat showing the location of both the producing and proposed wells and the battery. Also attached is a schematic of the recently built tank battery. The Texmack '1' Fed Com #1 well will have a stackpack on location. The condensate will be metered on location before it is sent through a pipeline to the Texmack '2' State Com #1. From there, the condensate will go into the Temack '2' State Com #1 pipeline to the Texmack Central Tank Battery where it will be commingled with the fluid from the Texmack '11 Federal #1 well. The gas produced from the well will be metered and sold to Conoco through a meter and pipeline on location.

All three wells will be producing from the Fren Morrow pool. The oil will be sold by truck to Equilon. There are plans to install a LACT unit in the near future. Water from the battery will be hauled to a disposal well.

If you have any questions concerning this request, please contact me at 397-0447. Thank you for your assistance in this matter.

Yours very truly,

Bobley J. Hill

Bobby J. Hill Engineer Assistant Texaco Exploration and Production

/jdl Chrono Attachments Cc: New Mexico Oil Conservation Division, District I Office