

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

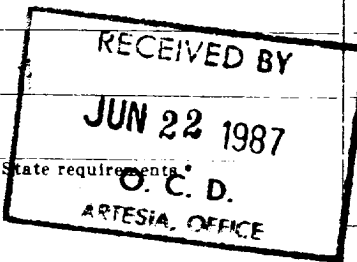
SUBMIT IN DUPLICATE
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0118
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Texaco Producing Inc.	8. FARM OR LEASE NAME DD Federal 25
3. ADDRESS OF OPERATOR P. O. Box 728, Hobbs, New Mexico 88240	9. WELL NO. 1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface Unit Letter H, 1980' FNL, 660' FEL	10. FIELD AND POOL, OR WILDCAT N. Dagger Draw Upper Penn
14. PERMIT NO.	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 25, T19S, R24E
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3609.5' GL	12. COUNTY OR PARISH Eddy
	13. STATE New Mexico



16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input type="checkbox"/>

(Other) Commingle Battery FacilitiesXX

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

It is proposed to commingle production from the DD Federal 24, DD Federal 25, and EE Federal 24 leases in a common battery facility. One well exists on each of the first two leases, and one well is planned to be drilled on the third lease in the near future. All production will be from the Dagger Draw Upper Penn, North pool. Produced fluids from the three leases will be compatible. Commingling of liquid hydrocarbon production will not reduce the commercial value that would otherwise exist if the liquids were not commingled. With the Federal Government owning all royalty interests and Texaco owning 100% of the gross working interest, ownership of the three leases will be common throughout. In April, permission was granted by the BLM to surface commingle production from DD Federal 25 No. 1 and DD 24 Federal No. 1.

18. I hereby certify that the foregoing is true and correct

SIGNED J. A. Nease TITLE Hobbs Area Superintendent 397-3517 DATE June 11, 1987

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

*See Instructions on Reverse Side