



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
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June 24, 1996

Texaco Exploration & Production Inc.  
Post Office Box 730  
Hobbs, New Mexico 88241-0730

Attn: Mr. Monte C. Duncan

Re: Amendment for Off-Lease Storage & Surface Commingling  
Vacuum Drinkard Consolidated Battery  
Section 1-18S-34E, SE4SE4  
Vacuum Drinkard, Vacuum Blinebry, Vacuum Wolfcamp and Wildcat Atoka Pools  
Lea County, New Mexico

Dear Mr. Duncan:

We received your application letter on June 13, 1996, requesting approval to amend a previously approved request for off-lease storage and surface commingling of production from the above-referenced tank battery.

We understand that the following wells are to be included in the amended off-lease storage and surface commingling application:

N.M. O State NCT-1, #34	P-36-17S-34E	B-155	Vacuum Drinkard
N.M. O State NCT-1, #35	O-36-17S-34E	B-155	Vacuum Drinkard
N.M. O State NCT-1, #36	N-36-17S-34E	B-155	Vacuum Drinkard
N.M. O State NCT-1, #37 /	I-36-17S-34E	B-155	Vacuum Drinkard
N.M. Z State NCT-1, #1	C-2-18S-34E	B-3011	Vacuum Wolfcamp
N.M. L State #18	A-1-18S-34E	B-1733	Wildcat Atoka
N.M. R State NCT-1, #18	H-6-18S-35E	B-1306	Vacuum Blinebry

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for off-lease storage and surface commingling of the production from the above-mentioned wells is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

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Since the above-mentioned wells are utilizing the tank battery on State Lease No. B-1306-2, a right-of-way easement and business lease may be required. Please contact Ms. Debra Padilla of our Right-of-Way Section for further information regarding a right-of-way easement. Ms. Padilla's telephone number is (505) 827-5729. Also, please contact Mr. Nick Mace of our Commercial Resources Division at (505) 827-5727 regarding a business lease for this site. Our approval is contingent upon Texaco's obtaining any required right-of-way or business lease.

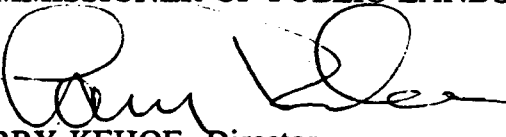
Your \$30.00 filing fee has been received.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:

  
LARRY KEHOE, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File  
OCD--Attention: David Catanach and Ben Stone  
Debra Padilla  
Nick Mace