



Texaco E & P

205 E. Bender Blvd.
Hobbs NM 88240
505 393 7191

Oil Conservation Division
BENTON

10/22/96
1388
10/22/96 10 52

September 30, 1996

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. William J. LeMay, Division Director

RE: Request for Exception to Rule 303
Downhole Commingling
Vacuum Blinebry and Vacuum Drinkard Pools
New Mexico R State NCT-1 #18
Unit Letter H, Section 6, T-18-S, R-35-E
Lea County, New Mexico

Texaco Exploration and Production Inc. respectfully requests administrative approval for an exception to Rule 303 to permit the downhole commingling of the Vacuum Blinebry and Vacuum Drinkard pools in the above well.

Attached is the pertinent data supporting this application as outline in rule 303. Copies of this administrative application are being provided to our offset operators via Certified Mail.

If you have any questions concerning this proposal, or if you require further information, please contact Darrell Carriger at (505) 397-0426 or myself at (505) 397-0418.

Thank you for your consideration of this proposal.

Sincerely,

Monte C. Duncan
Engineer Assistant
Hobbs Operating Unit

MCD/s

File

Chrono

Attachments

cc: New Mexico Land Department, Santa Fe
New Mexico Oil Conservation Division, District I Office

COMMINGLE PRE-APPLICATION

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

PLEASE SEE ATTACHED LETTER

Texaco Exploration and Production Inc. proposes to downhole commingle production of the Vacuum Drinkard and Vacuum Blinebry pools.

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
N.M. R State NCT-1 #18	H-6-18S-35E	TEPI	B-1306	Vacuum Drinkard Vacuum Blinebry

NAME: Monte C. Duncan, Engineer's Assistant

COMPANY: Texaco Exploration and Production Inc.
205 East Bender; Hobbs, New Mexico 88240

PHONE NUMBER: (505) 397-0418 or (505) 393-7191

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION AT (505) 827-5744.

KKCS 06-04-91

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☐ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Texaco Exploration & Producing Inc. 205 East Bender Hobbs, New Mexico 88240

Operator Address
New Mexico R State NCT-1 #18 H-6-18S-35E Lea, New Mexico

Lease Well No. Unit Ltr. - Sec - Tws - Rge County

OGRID NO. 022351 Property Code 11051 API NO. 30-025-33428 Federal _____, State X _____, (and/or) Fee _____

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Vacuum Blinebry		Vacuum Drinkard
2. Top And Bottom of Pay Section (Perforations)	6648'-7348'		7660'-8254'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	(Current) a. 2409 psi N/A	a.	a. 1490 psi N/A
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	(Original) b.	b.	b.
6. Oil Gravity (* API) or Gas BTU Content	36.1		36.7
7. Producing or Shut-In? Production Marginal? (yes or no)	To Be Completed Yes		Producing Yes
* If Shut-In, give date and oil/gas/ water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: New Zone Rates: (See Attached)		Date: Rates:
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: N/A Rates:		Date: 8/96 Rate: 100 BO, 113 BW, 60 MCF 24 hours
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 24 % Gas: 37 %	Oil: % Gas: %	Oil: 76 % Gas: 63 %

9. If allocation Formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the Formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Land or the United States Bureau of Land Management has been notified in writing of this application. ☐ Yes ☐ No
15. NMOC Reference Cases for Rule 303(C) Exceptions: ORDER NO(S). DHC-1314; DHC-1315; DHC-1316; DHC-1317
16. ATTACHMENTS:
- * C-102 for each zone to be commingled showing its spacing unit and acreage deication.
 - * Production curve for each zone for at lease one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - * Notification list of all offset operators.
 - * Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - * Any additional statements, data or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Monte C. Duncan TITLE Engineer's Assistant DATE 09-30-96TYPE OR PRINT NAME Monte C. Duncan TELEPHONE NO. (505) 397-0418

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd. Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-8429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

— Administrative — Hearing

EXISTING WELLBORE

— YES — NO

APPLICATION FOR DOWNHOLE COMMINGLING

Texaco Exploration & Producing Inc. 205 East Bender Hobbs, New Mexico 88240

Operator Address
New Mexico R State NCT-1 #18 H-6-18S-35E Lea, New Mexico

Lease Well No. Unit Ltr. - Sec - Tws - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 022351 Property Code 11051 API NO. 30-025-33428 Federal , State X , (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Vacuum Blinebry		Vacuum Drinkard
2. Top And Bottom of Pay Section (Perforations)	6648'-7348'		7660'-8254'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	(Current) a. 2409 psi N/A	a.	a. 1490 psi N/A
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	(Original) b.	b.	b.
6. Oil Gravity (* API) or Gas BTU Content	36.1		36.7
7. Producing or Shut-In? Production Marginal? (yes or no)	To Be Completed Yes		Producing Yes
* If Shut-In, give date and oil/gas/ water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: New Zone Rates: (See Attached)		Date: Rates:
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: N/A Rates:		Date: 8/96 Rate: 100 BO, 113 BW, 60 MCF 24 hours
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 24 % Gas: 37 %	Oil: % Gas: %	Oil: 76 % Gas: 63 %

9. If allocation Formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the Formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with other? ☒ Yes ☐ No
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15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S). DHC-1314; DHC-1315; DHC-1316; DHC-1317
16. ATTACHMENTS:

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- * Any additional statements, data or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Monte C. Duncan TITLE Engineer's Assistant DATE 09-30-96TYPE OR PRINT NAME Monte C. Duncan TELEPHONE NO. (505) 397-0418

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
811 South First St., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-8429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:
☐ Administrative ☐ Hearing

EXISTING WELLBORE
☐ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Texaco Exploration & Producing Inc. 205 East Bender Hobbs, New Mexico 88240

Operator Address

New Mexico R State NCT-1 #18 H-6-18S-35E Lea, New Mexico

Lease Well No. Unit Ltr. - Sec - Tws - Rge County

OGRID NO. 022351 Property Code 11051 API NO. 30-025-33428 Federal , State X , (and/or) Fee

Spacing Unit Lease Types: (check 1 or more)

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Vacuum Blinebry		Vacuum Drinkard
2. Top And Bottom of Pay Section (Perforations)	6648'-7348'		7660'-8254'
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4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	(Current) a. 2409 psi N/A	a.	a. 1490 psi N/A
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	(Original) b.	b.	b.
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 - * Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - * Any additional statements, data or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Monte C. Duncan TITLE Engineer's Assistant DATE 09-30-96

TYPE OR PRINT NAME Monte C. Duncan TELEPHONE NO. (505) 397-0418

Attachments

1. C-102 plats: A C-102 for each zone is attached
2. Production curve for each zone: A production curve for the Vacuum Drinkard is attached. However, because the Vacuum Blinebry is a new zone, the production had to be estimated from offset performance. Attached is a production curve from two Blinebry wells located in Unit letter K & L of the same section, township, and range, of the subject well. The two wells are the State "I" and the State "VB".
3. Estimated production rates: The plot described in item #2 above shows that production rates will probably begin around 40 BOPD for one month and then quickly fall to a steadier 25 BOPD. Allocation percentages for the subject well were determined using the 25 BOPD.
4. Data to support allocation method: The production plot described in item #2 above was used to estimate well performance (25 BOPD, 25 MCFPD) and determine an allocation split as follows:

	BOPD	MCFPD
Vacuum Drinkard	100	60
Vacuum Blinebry	<u>32</u>	<u>35</u>
TOTAL:	132 BOPD & 95 MCFPD	

Therefore:

Drinkard Oil - 76%	Blinebry Oil - 24%
Drinkard Gas - 63%	Blinebry Gas - 37%

5. Attached is a list of all offset operators and their addresses
6. Working, overriding & royalty interests are all common for the Vacuum Drinkard and the Vacuum Blinebry zones (same school).
7. Additional information: Bottomhole pressures were acquired from offset wells.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33428	² Pool Code 61850	³ Pool Name VACUUM BLINEBRY
⁴ Property Code 11051	⁵ Property Name NEW MEXICO R STATE NCT-1	⁶ Well No. 18
⁷ OGRID Number 022351	⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC.	⁹ Elevation 3974' GR

¹⁰ Surface Location

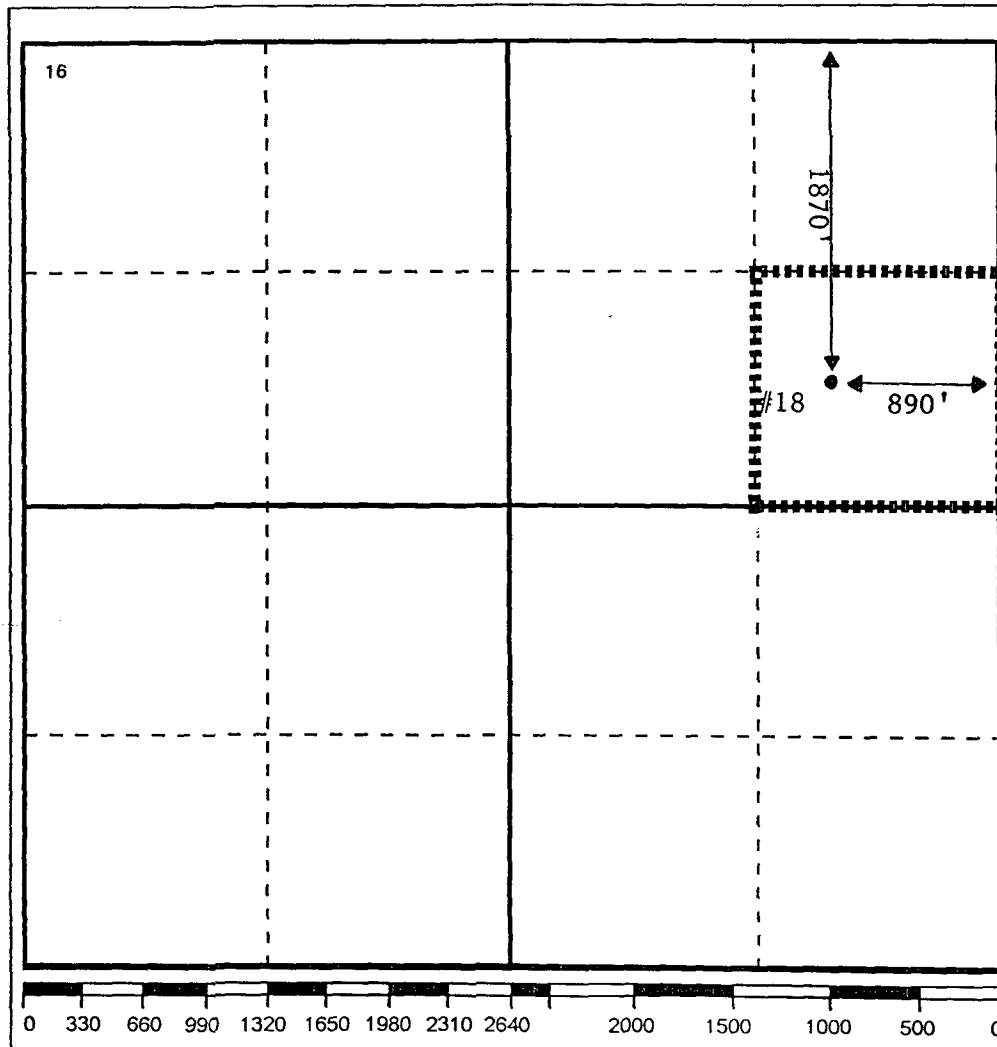
UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
H	6	18-S	35-E		1870	NORTH	890	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County

¹² Dedicated Acres 40	¹³ Joint or Infill No	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <i>Monte C. Duncan</i> Printed Name Monte C. Duncan Position Engr Asst Date 9/30/96
18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed Signature & Seal of Professional Surveyor Certificate No.

DISTRICT I
P. O. Box 1580, Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

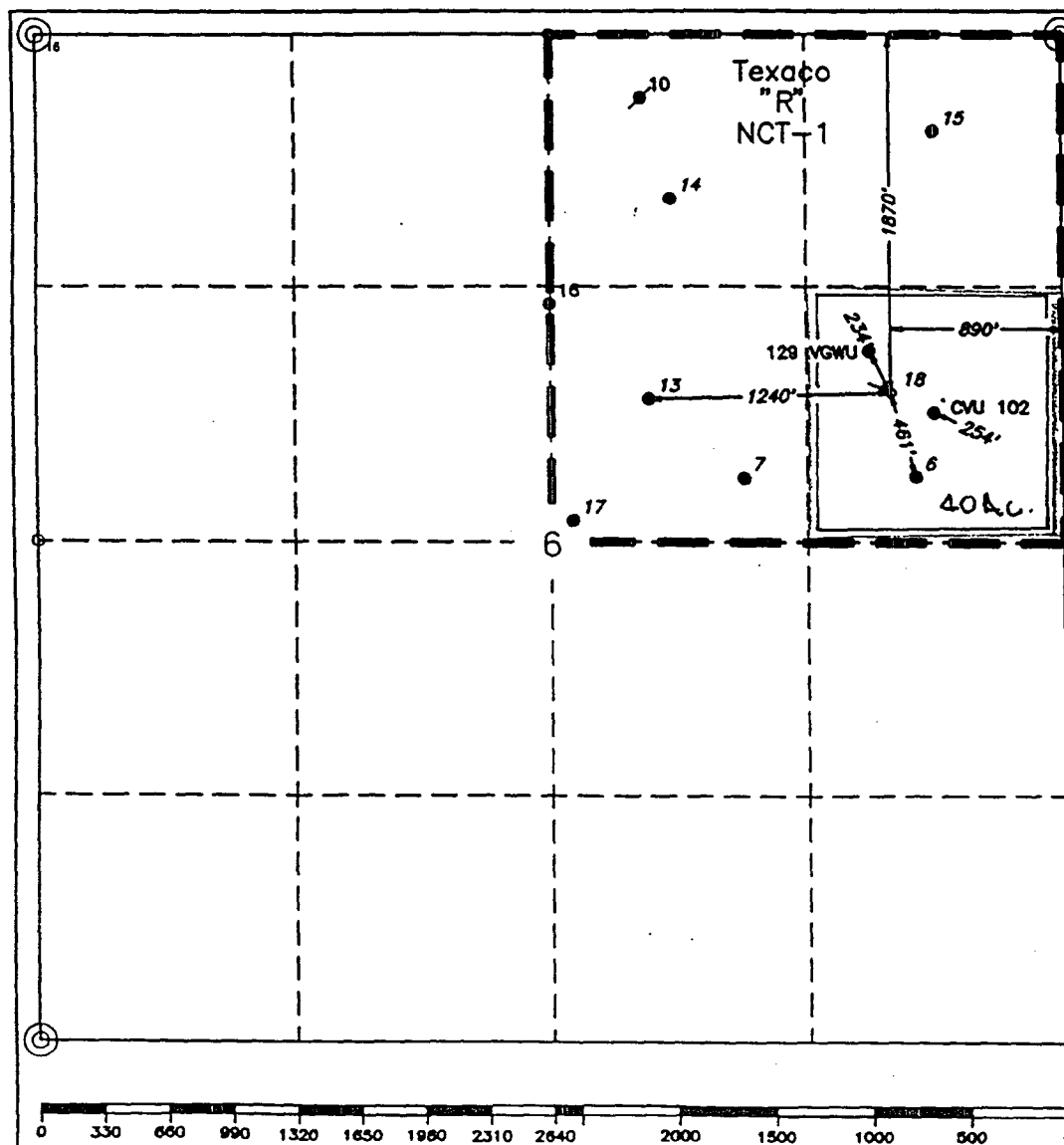
State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33428		² Pool Code 62110		³ Pool Name VACUUM DRINKARD					
⁴ Property Code 11051		⁵ Property Name NEW MEXICO "R" STATE NCT-1						⁸ Well Number 18	
⁷ GRID No. 22351		⁶ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.						⁹ Elevation 3974'	
¹⁰ Surface Location									
UL or lot no. H	Section 6	Township 18-S	Range 35-E	Lot Idn	Feet from the 1870'	North/South line North	Feet from the 890'	East/West line East	⁷ County Lea
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	⁷ County
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.



¹⁶OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

C. Wade Howard

Printed Name

C. Wade Howard

Position

Eng. Asst.

Company

Texaco Expl. & Prod. Inc.

Date

May 3, 1996

¹⁶SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

May 1, 1996

Signature & Seal of Professional Surveyor

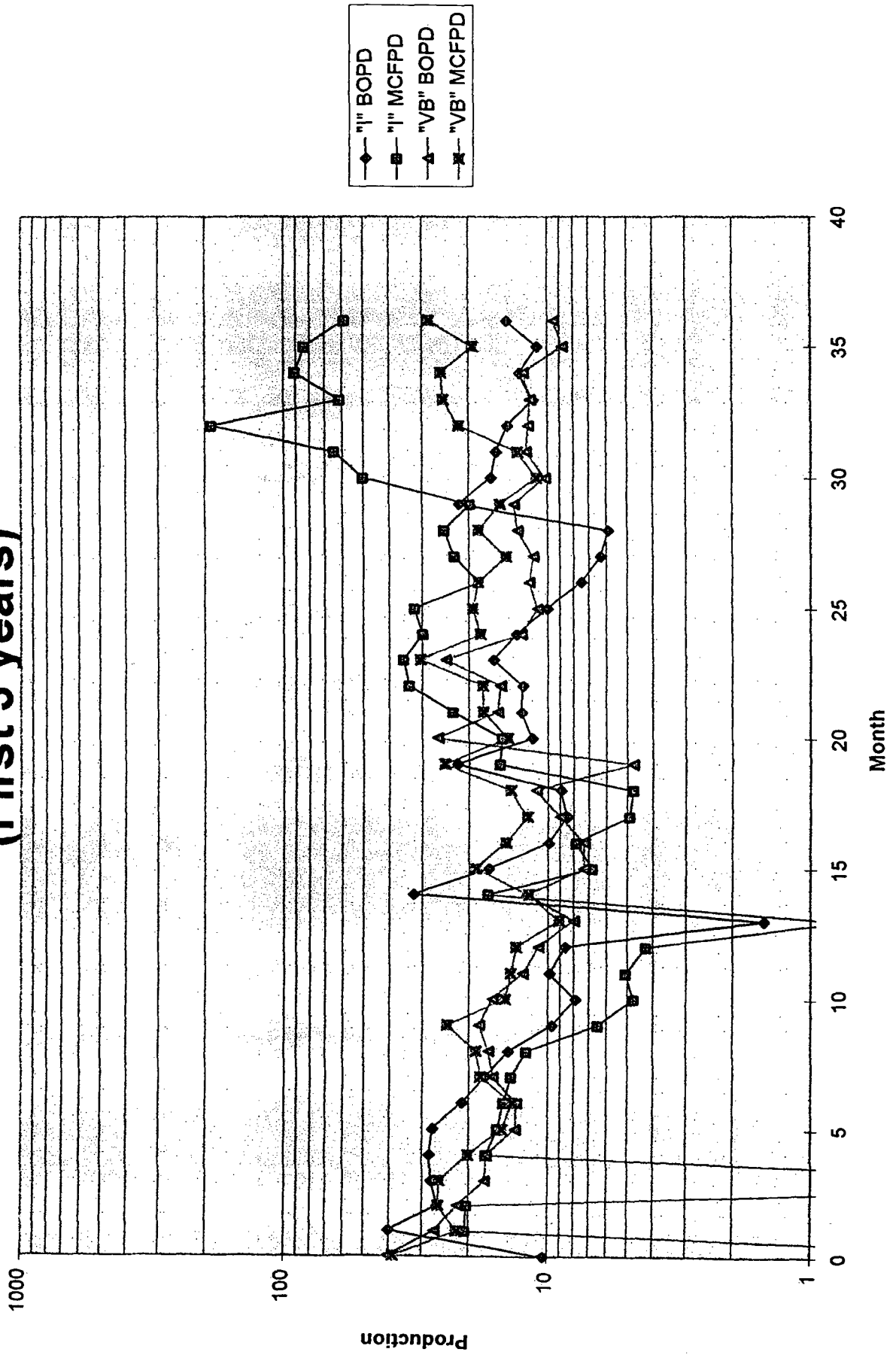
John S. Piper

Certificate No.

7254 John S. Piper

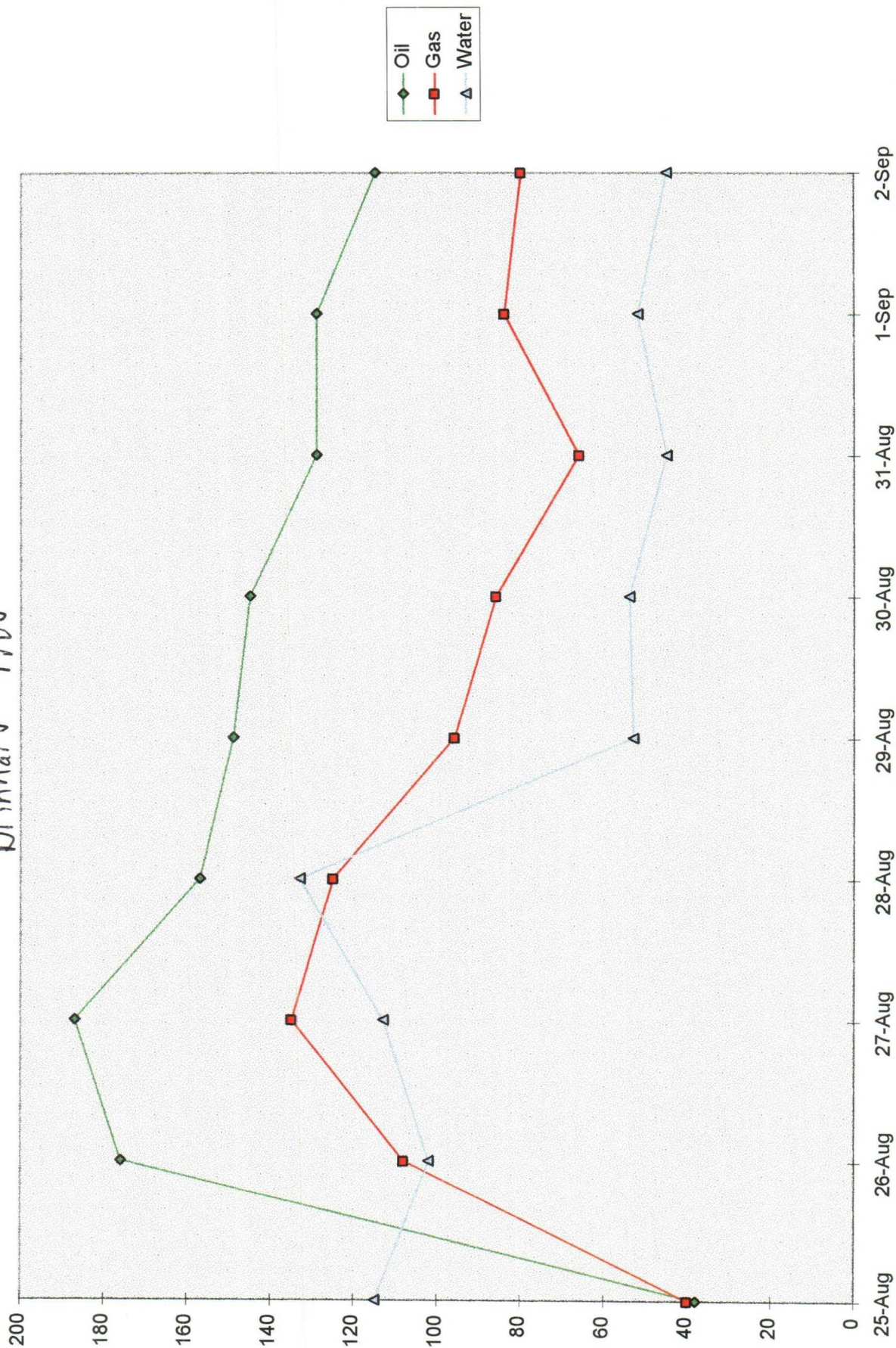
Sheet

State "I" State "VB" Normalized Daily Production (First 3 years)



New Mexico "R" State NCT-1 #18

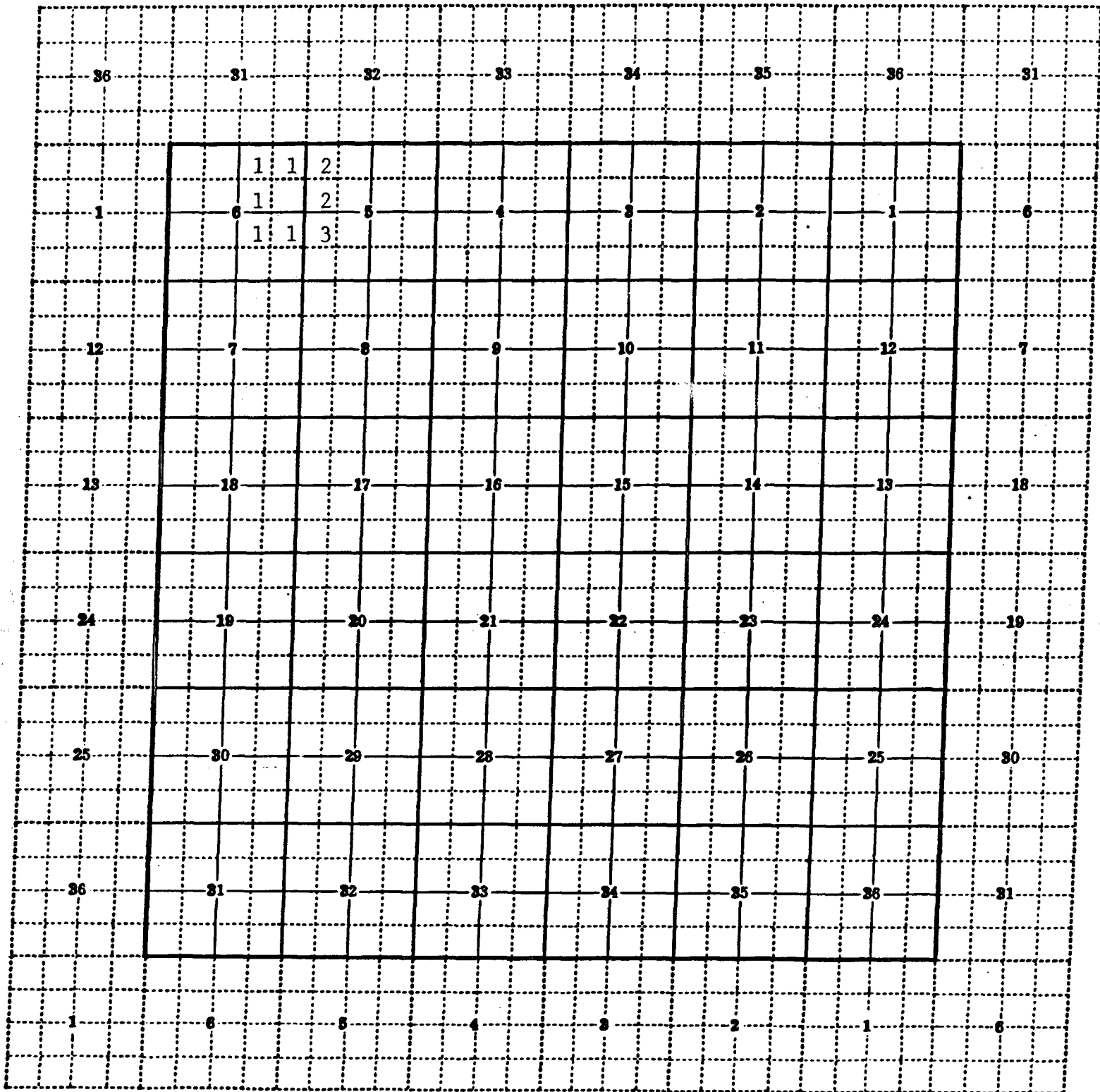
Drinkard Prod



The map displays the Los Angeles area with various oil fields and company territories. Key features include:

- Oil Fields and Pipelines:** Numerous small sections are labeled with company names and numbers, indicating specific oil fields and pipelines. Examples include Shell, Chevron, Texaco, Phillips, ARCO, Amoco, Yates, Marathon, Sinclair, Gulf, and others.
- Major Roads and Rivers:** The map shows major roads and rivers, providing a geographical context for the oil fields.
- Coastline:** The coastline of the Los Angeles area is visible on the right side of the map.
- Company Territories:** The map is divided into numerous small sections, each labeled with a company name and a number, indicating specific oil fields and pipelines.
- Large 'X' Mark:** A large 'X' is drawn across the map, indicating a specific area of interest.

Offset Operators and all Lessees of Record
 New Mexico "R" State NCT-1 No. 18
 SE/4 NE/4 of Section 6, T-18-S, R-35-E
 Blinebry and Drinkard Formations
 Lea County, New Mexico
 September 16, 1996



Offset Operators and all Lessees of Record
New Mexico "R" State NCT-1 No. 18
SE/4 NE/4 of Section 6, T-18-S, R-35-E
Blinebry and Drinkard Formations
Lea County, New Mexico
September 16, 1996

Number 1

Texaco Exploration and Production Inc.
P. O. Box 3109
Midland, Texas 79702

Number 2

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Number 3

Shell Western E & P Inc.
P. O. Box 576
Houston, Texas 77001



Texaco E & P

CERTIFIED MAIL

COPY

September 30, 1996

To: OFFSET OPERATORS

**Subject: Offset Operators Notification
Request for Exception to Rule 303
Downhole Commingling
Vacuum Blinebry and Vacuum Drinkard Pools
New Mexico R State NCT-1 #18
Unit Letter H, Section 6, T-18-S, R-35-E
Lea County, New Mexico**

Texaco Exploration and Production Inc. respectfully requests administrative approval for an exception to Rule 303 to permit the downhole commingling of the Vacuum Blinebry and Vacuum Drinkard pools in the above well.

Attached is a copy of the downhole commingling application to the New Mexico Oil Conservation Division and New Mexico Land Department. Copies of this administrative application are being provided to our offset operators via Certified Mail.

New Mexico Oil Conservation Division regulations require any objections to this proposal be made within twenty days of the receipt of this letter. If you have any questions concerning this proposal, please contact Darrell Carriger at (505) 397-0426 or myself at (505) 397-0418.

Thank you for your consideration of this proposal.

Sincerely,

Monte C. Duncan
Engineer Assistant
Hobbs Operating Unit

MCD/s
File
Chrono
Attachments

Offset Operator:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

TEXACO EXPLORATION AND PRODUCTION INC.

**Offset Operators Notification
Request for Exception to Rule 303
Downhole Commingling
Vacuum Blinbry and Vacuum Drinkard Pools
New Mexico R State NCT-1 #18
Unit Letter H, Section 6, T-18-S, R-35-E
Lea County, New Mexico**

I do hereby waive any objection to Texaco Exploration and Production Inc.'s request for NMOCD Administrative Approval of downhole commingling on the above well as outlined in the application package.

Signed: _____

Title: _____

Company: _____

Date: _____

P 209 889 479

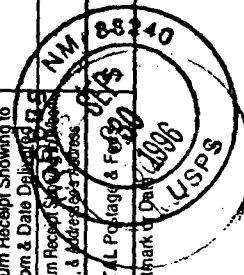
US Postal Service

Receipt for Certified Mail

Shell Western E & P Inc.
P.O. Box 576
Houston, TX 77001

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Addressee	
TOTAL Postage & Fees	\$ 4.00
Postmark or Date	APR 1995

PS Form 3800, April 1995



P 209 889 478

US Postal Service

Receipt for Certified Mail

Phillips Petroleum
4001 Penbrook
Odessa, TX 79702

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Addressee	
TOTAL Postage & Fees	\$
Postmark or Date	APR 1995

PS Form 3800, April 1995



P 209 889 481

US Postal Service

Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	N.A. Lead Dept.
Street & Number	P.O. Box 1148
Post Office, State, & ZIP Code	Santa Fe, N.M. 87500
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Addressee	
TOTAL Postage & Fees	\$ 4.00
Postmark or Date	APR 1995

PS Form 3800, April 1995

