



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

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LEGAL
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(505)-827-5752

December 1, 1998

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

Atten: Mr. Britton McQuien

Re: Application for Downhole Commingling
New Mexico Q State NCT-1 Well No. 12
Unit Letter O, Section 25-17S-34E
Vacuum Penn and Vacuum Wolfcamp Pools
Lea County, New Mexico

Dear Mr. McQuien:

Your application to downhole commingle the Vacuum Penn and Vacuum Wolfcamp production from within the wellbore of the above-captioned well was received on November 25, 1998.

Since it appears that all the New Mexico Oil Conservation Division rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling 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.

Your \$30.00 dollar filing fee has been received.

Also, please submit a copy of the Oil Conservation Division's order approving this application.

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: 
JAMI BAILEY, Director
Oil/Gas and Minerals Division
(505) 827-5744
RP/JB/cpm
Enclosure
xc: Reader File OCD--Attention: David Catanach, Ben Stone

"WE WORK FOR EDUCATION"