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DHC-2491

COMMERCIAL RESOURCES

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ROYALTY MANAGEMENT

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SURFACE RESOURCES

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New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.

September 9, 1999

Texaco E & P
 205 E. Bender Blvd.
 Hobbs, New Mexico 88240

Attn: Mr. Britton McQuien

Re: Downhole-Commingling-Application
New Mexico M State Well No. 9
Unit Letter C, Section 1-18S-34E
 Vacuum Drinkard and Vacuum Blinebry Pools
 Lea County, New Mexico

Dear Mr. McQuien:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on September 2, 1999. Your application requests our approval to downhole commingle the Vacuum Drinkard and Vacuum Blinebry production within the wellbore of the New Mexico M State Well No. 9, Unit Letter C, located in Section 1-18S-34E, Lea County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil%</u>	<u>Gas %</u>
Vacuum Drinkard	58.80%	78.9%
Vacuum Blinebry	41.20%	21.1%
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	100%	100%

Since it appears that the New Mexico Oil Conservation Division's 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 the production from the above-mentioned well 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.

Please submit your filing fee in the amount of \$30.00.

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

Texaco Exploration & Producing Inc.
September 9, 1999
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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