



PLC-123

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

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

April 30, 1996

(505) 827-5760
FAX (505) 827-5766

Texaco Exploration & Production Inc.
Post Office Box 730
Hobbs, New Mexico 88240

Attn: Mr. Russell Pool

Re: Application for Lease Commingling
Remuda Basin 19 Fee Lease
Remuda Basin State Lease
Remuda Basin 19 Federal Lease
Common Tank Battery
Unit Letter F, Section 19-23S-30E
Eddy County, New Mexico

Dear Mr. Pool:

We have received your application requesting approval to surface commingle production from the Remuda Basin State Lease, Remuda Basin 19 Fee Lease and the Remuda Basin Federal lease. The production from the subject leases will be commingled in a common storage facility located in Unit Letter F, Section 19, Township 23S, Range 30E, Eddy County, New Mexico, at the Remuda Basin Tank Battery.

We understand that production from the Remuda Basin State Lease will be metered separately from the federal and fee leases.

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 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.

Since the Remuda Basin 19 Fee wells and the Remuda Basin 19 Federal wells are utilizing the tank battery on State Lease No. E-5229-7, a right-of-way easement and business lease may be required for a portion of the SE/4NW/4 of Section 19-23S-30E. 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 827-5729.

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Also, please contact Mr. Nick Mace of our Commercial Resources Division at 827-5727 regarding a business lease for this site.

Our approval is contingent upon Texaco obtaining any required right-of-way or business lease.

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
E-5229-7
OCD--Attention: David Catanach and Ben Stone
Debra Padilla
Nick Mace