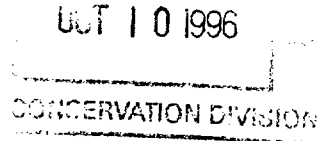




October 7, 1996

New Mexico Oil Conservation Division
2040 South Pacheco
PO Box 6429
Santa Fe, New Mexico 87505



Attn: Mr. David Catanach

**Re: Administrative Approval to Surface Commingle
Vacuum Drinkard Consolidated Battery - Additional Information
Unit Letter P, Section 1, Township 18S, Range 34E
Lea County, New Mexico**

Dear David,

Texaco Exploration and Production Inc. respectfully submits supplemental information to a surface commingle application for the above battery dated June 13, 1996. The commission indicated concern, via phone conversation, that the N.M. "L" State #18 was producing at top allowable rates from the Atoka formation, and consequently ineligible for surface commingling. At the time of the application, the subject well was indeed producing at top allowable rates. However, the Atoka is characteristically a high pressure / low volume reservoir which is unable to sustain high producing rates over an extended period of time. Attached are production plots for the "L" #18 and the N. M. "O" State NCT-1 #38 (an offset Atoka producer) which support this claim. The plot for "L" #18 indicates that production has drastically fallen from top allowable performance and thus qualifies for surface commingling.

Texaco believes that the addition of the N.M. "L" State #18 production to the subject battery is within the rules for surface commingling. Furthermore, that the facility installation is configured such that the designated state beneficiary's interests are protected.

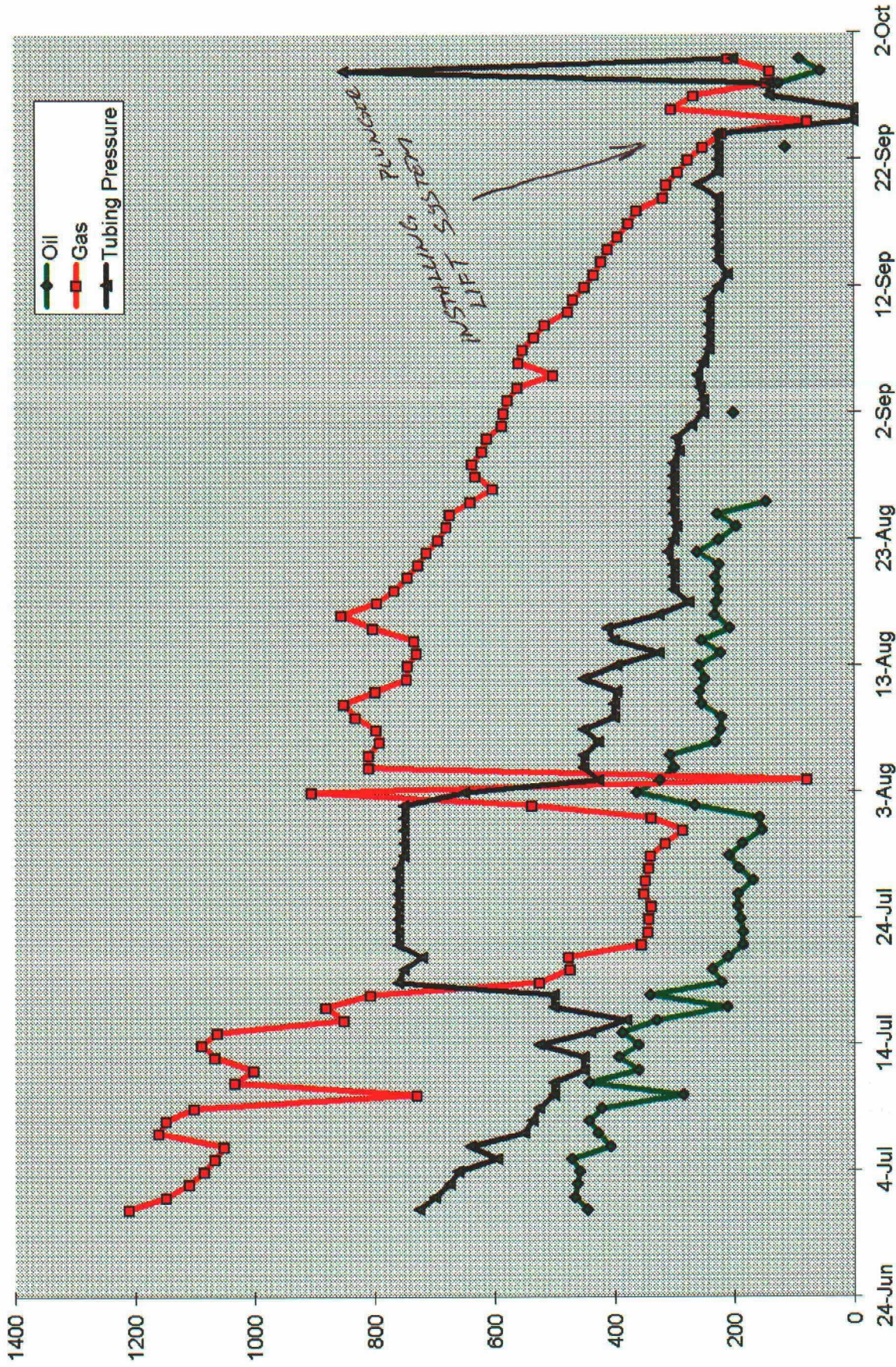
Please contact me at (505) 397-0426 if you have any questions or need additional information concerning this matter. Thank you for your consideration.

Sincerely,

Darrell J. Carriger
Production Engineer - Texaco E & P Inc.
Hobbs Operating Unit

-/djc
file

N. M. "L" State #18 Atoka Production

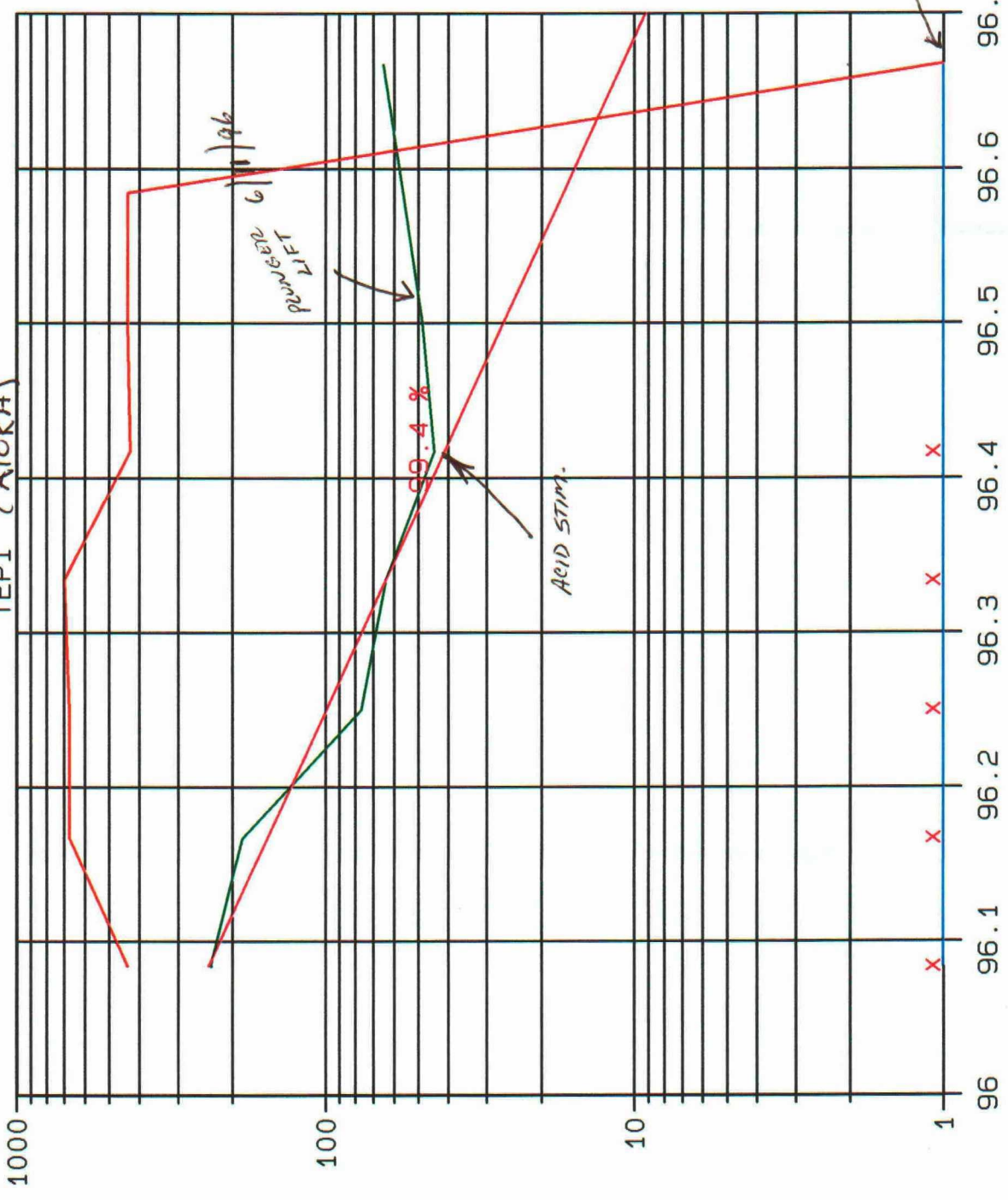


NEW MEXICO -0- STATE NCT-1 38 (completion DATE → June)

TEPI (ATOKA)

LEASE DATA
LSE
FLD
OPER TEPI
ZONE
--
COUNTY 025
STATE 30

STATUS 8-96
CO 23 MBO
CG 114 MMCF
CW 0 MBW
BOPD 64
BWPD 0
MCFPD 0
WELLS 1
CI 0 MBWI
BWIPD 0



YEARS

N.M. "O" State NCT-1 #38

(JULY → SEPT.)

Atoka Production

