



RAY B. POWELL
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

September 8, 1993

Texaco Exploration and Production
P. O. Box 730
Hobbs, New Mexico 88241-0730

Re: Off-Lease Storage and Surface Commingling
State AN, N.M. AB & R Battery (Formerly State AN Battery)
Vacuum Abo Reef, Vacuum Drinkard Pools
NW/4NE/4 Sec. 7-18S-35E (Battery Location)
Lea County, New Mexico

Attn: Mr. Monte C. Duncan

This office is in receipt of your application dated August 25, 1993, wherein you have requested our approval for off-lease storage and surface commingling of production from twelve wells into the State AN, N.M. AB & R Battery.

According to your application all of these wells are located on state leases and all have common schools as the state beneficiary. All of these wells with the exception of the N.M. AB State #3, produce from the Vacuum Abo Reef pool. The N.M. AB State #3 was recompleted into the Vacuum Drinkard in February of this year.

Since ownership is common throughout and there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands, this date approves your request. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove to be unprofitable to the State at any time in the future. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

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 B. POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
RBP/FOP/pm

cc: Reader File
OCD - David Cantanach
OCD - Ben Stone



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

AMENDED COMMINGLING ORDER PLC-103

Texaco Exploration & Production Company
P.O. Box 730
Hobbs, NM 88241

Attention: Monte C. Duncan

The above-named company is hereby authorized to commingle Vacuum Abo Reef and Vacuum Drinkard Pool production from the following leases:

LEASE NAME: NM "R" State NCT-1 Well No. 6
DESCRIPTION: SE/4 NE/4, Section 6;

LEASE NAME: NM "AB" State Well Nos. 2, 3, 4 and 9
DESCRIPTION: E/2 SE/4, SW/4 SE/4, Section 6;

LEASE NAME: State "AN" Well Nos. 1, 2, 3, 4, 5, 6 and 7
DESCRIPTION: NE/4, N/2 SE/4, and SW/4 SE/4, Section 7,

all in Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.

LEASE NAME: NM "AE" State Well Nos. 9 and 26
DESCRIPTION: NE/4 NW/4, and SW/4 NW/4, Section 12,

in Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

Production shall be allocated to each lease by well tests. (If this method or the subtraction method is to be authorized, all commingled production must be of identical ownership including working interest, royalty interest, and overriding royalty interest.)

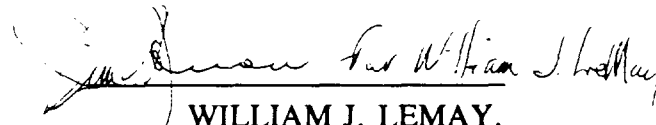
FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Corrected Commingling Order PLC-103
Texaco Exploration and Production, Inc.
November 23, 1993
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NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production from the aforementioned leases shall be stored in the "AN", NM "AB" and "R" tank battery facility located in Unit Letter "B" of Section 7, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this ~~23~~²⁴ day of November, 1993.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs
Oil Conservation Division - Data Processing
NM State Land Office - Oil & Gas Division (Pete Martinez)