



August 1, 1997

New Mexico Oil Conservation Division  
P.O. Box 1980  
Hobbs, N.M. 88240

Attn: Mr. Chris Williams  
District I Supervisor

Re: New Mexico Z State NCT-1 #1 (API 30-025-29988)  
Unit Letter C, Sec. 2, T-18S , R-34-E  
Vacuum Abo North Pool; Lea County, New Mexico

Mr. Williams

Texaco Exploration and Production Inc. requests permission to produce the above well from the Vacuum Abo North Pool for a thirty day testing period into the Vacuum Drinkard Consolidated Battery.

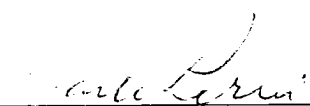
Prior to this recompletion into the Vacuum Abo North Pool, the well was shut-in in the Vacuum Wolfcamp Pool. Permission to produce the well from the Vacuum Wolfcamp into the Vacuum Drinkard Consolidated Battery was granted by NMOCD Commingling Order PLC-128 dated October 24, 1996.

The thirty day period will allow enough testing time with a submersible pump to determine if the well can be economically produced from the Vacuum Abo North Pool. If the well proves to be economical, a separate battery will be constructed for the well. Attached is a schematic detailing New Mexico Z State NCT-1 #1. This well has its own three phase separator at the well's location. A daily test of oil, water, and gas production is recorded on meters on the separator. Presently the oil from the separator goes to the production separator at Drinkard Satellite 1, the water is sent to production satellite 4 on the Vacuum Grayburg San Andres Unit for injection on the VGSAU, and the gas is sold to Texaco Exploration and Production's Gas Division through a sales meter on the well's location.

If you have any questions concerning this request, please contact me at 397-0418. Thank you for your assistance in this matter.

Yours very truly,

Monte C. Duncan  
Engineer's Assistant  
/mcd, Chrono

Approved by   
Approval Date 8-4-97

OIL & GAS INSPECTOR