



June 26, 1996

Texaco E & P

205 E. Bender Blvd.
Hobbs NM 88240
505 393 7191

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

Attn: Mr. Jerry Sexton
New Mexico Oil Conservation Division District I Supervisor

RE: Temporary Approval to Surface Commingle
Vacuum Grayburg San Andres Pool
Vacuum Grayburg San Andres Unit #159
Unit Letter A, Section 1, T-18-S, R-34-E
Lea County, New Mexico

Mr. Sexton:

Texaco Exploration and Production Inc. respectfully requests a 30 day temporary approval to surface commingle production from Vacuum Grayburg San Andres Unit #159 with production from other Vacuum Grayburg San Andres wells producing into Vacuum Grayburg San Andres Unit Production Satellite 2. An application for surface commingling concerning this well that was sent to the NMOCD in Santa Fe and the New Mexico Land Department is attached for your information.

This well was spud on 6/16/96 and is currently being completed in the Vacuum Grayburg San Andres pool. A flowline will be installed from the well to VGSAU Production Satellite 2. A three phase separator dedicated only to this well will be installed at the satellite. All three phases from Well #159 will be metered prior to commingling with other production at the satellite. Production from Satellite #2 is processed and sold at the Vacuum Grayburg San Andres Unit Tank Battery.

Please indicate your approval of the above proposal by signing in the space provided below and returning one copy to Texaco in the self addressed envelope.

If you have any questions concerning this proposal, please contact me at 397-0418. Thank you for your consideration of this proposal.

Sincerely,

Monte C. Duncan
Engineer's Assistant

Approved by: _____

Date: _____

Temporary approval is hereby denied. Well should not be produced as described above until Santa Fe approval is received.

7-8-96

/mcd

cc: New Mexico Oil Conservation Division, Santa Fe
New Mexico Land Department, Santa Fe