



Texaco E & P

April 21, 1998

NMOCD
2040 South Pacheco
Santa Fe, New Mexico 87505

Attn : Mr. David Catanach

RE : Amendment to SDE 31 Application Downhole Commingling
SDE 31 Federal #1
660 FNL & 660 FWL, D-31-23S-32E
Lea County, New Mexico

Dear Mr. Catanach,

Texaco Exploration & Production, Inc. respectfully requests to amend its application for downhole commingling, Case No. 11429 Order No. R-10547, to include the SDE 31 Federal #1. Allocation percentages will be based upon a Bone Spring production test on 2/31/95 of 17 BOPD & 17 BWPD and a Delaware production test on 4/15/98 of 13 BO, 10 BW, & 34 MCF. Texaco plans to commingle Bone Spring and Delaware production and add 14 feet of Delaware pay in the subject well. Any additional production realized by adding pay in the Delaware will be allocated to the Delaware.

This well is located at Unit Letter D : Section 31, T-23-S, R-32-E, Lea County New Mexico. Texaco respectfully requests that the amendment be made at the earliest possible convenience so that operations can be advanced in a prudent manner. If you have any questions concerning the request, please contact me at (505) 397-0405.

Sincerely,

Denise Leake
Engineering Assistant
Texaco Exploration & Production, Inc.