



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

**COMMINGLING ORDER PLC-93**

Texaco Exploration and Production  
Attention: Monte C. Duncan  
P.O. Box 730  
Hobbs, NM 88241-0730

Dear Mr. Duncan:

The above-named company is hereby authorized to commingle North Vacuum Abo, Vacuum Upper Penn and Vacuum Wolfcamp Pool production from the following leases:

LEASE NAME: New Mexico "Q" State No. 4  
DESCRIPTION: S/2, SE/4 Section 25, Township 17 South, Range 34 East;

LEASE NAME: Texaco-Mobil State Com No. 1  
DESCRIPTION: S/2, NE/4 Section 25, Township 17 South, Range 34 East; and

LEASE NAME: Texaco-Shell State Com No. 1  
DESCRIPTION: N/2, SE/4 Section 25, Township 17 South, Range 34 East,

all in Lea County, New Mexico.

Production shall be allocated to each lease by separately metering production from the Texaco-Mobil State Com No. 1 and the Texaco-Shell State Com No. 1 prior to commingling and determining the New Mexico "Q" State No. 4 production by subtracting these metered volumes from the total sales volume.

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.



September 25, 1992

New Mexico Oil Conservation Division  
P.O. Box 1980  
Hobbs, New Mexico 888240

Attn: Mr. Jerry Sexton  
District 1 Supervisor

RE: OFF-LEASE STORAGE AND SURFACE COMMINGLING PERMIT APPLICATION  
New Mexico Q State, Texaco Mobil, Texaco Shell Battery  
(Formerly Texaco-Mobil Battery)  
Vacuum Abo North, Vacuum Upper Penn, Vacuum Wolfcamp Pools  
Ltr H, Sec. 25, T-17-S, R-34-E (Battery Location)  
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. requests permission for Off-Lease Storage and Surface Commingling from the three wells listed on the commingle pre-application into the Texaco-Mobil Battery. TEPI also requests permission to change the name of this battery from the Texaco-Mobil Battery to the N. M. "Q" State, Texaco-Mobil, Texaco-Shell Battery.

All three of the wells described on the commingle pre-application are operated by Texaco Exploration and Production Inc. All of these wells are located on state leases. All wells involved share a common state beneficiary.

TEPI has 100% of the gross working interest in the New Mexico Q State #4. Gross working interest of the Texaco Mobil State Com #1 is split 50% TEPI and 50% Mobil Producing Texas and New Mexico. Gross working interest of the Texaco Shell State Com #1 is split 50% TEPI and 50% Shell Western Exploration and Production Inc.

Effective September 1, 1992, TEPI began operating the Vacuum Glorieta West Unit. As stipulated in NMOCD Order No. R-9710, only Glorieta production can be produced into the six batteries that are dedicated to this unit. Because of this stipulation, five wells that do not produce from the Glorieta formation had to be rerouted to the N.M. Q & T Battery located in Unit Letter O, Section 25, T-17-S, R-34-E. Earlier this month, TEPI applied for off-lease storage and surface commingling permission at this battery. Before the operation of the VGWU began, the production from the N.M. Q State #4 went into this battery. Because this well does not share the same state beneficiary as the five wells that were rerouted to this battery, TEPI must reroute the production from the N.M. Q State #4 to the Texaco-Mobil Battery.

Concerning the Texaco-Shell Com #1, it is the only well producing into the Texaco-Shell Battery. TEPI intends to reroute the production from this well to the Texaco-Mobil Battery. Because of the physical condition of the tanks at the Texaco-Shell Battery, the rerouting of the production of this well will create safer and more efficient operations in the Buckeye field. The rerouting will also reduce the lifting costs for this well. TEPI intends to totally dismantle the Texaco-Shell Battery and salvage out the equipment in the battery.

On September 23, 1992 Texaco's posted price for 34 gravity West Texas Sour was \$18.50 per barrel. Detailed data of the average daily production, oil gravities, and the daily crude sales amounts are as follows:

<u>WELL</u>	<u>OIL</u>	<u>WATER</u>	<u>GAS</u>	<u>FORMATION</u>
N.M. "Q" State #4	5	0	58	Vac Abo North
	5	0	56	Vac Upper Penn
	<u>2</u>	<u>0</u>	<u>23</u>	Vac Wolfcamp
Well Total:	12	0	137	
	<u>GRAVITY 38.3</u>			
	<u>CRUDE SALES PRICE \$18.50 X 12 = \$222.00 PER DAY</u>			
Texaco-Mobil Com #1	10	1	25	Vac Abo North
	10	1	25	Vac Upper Penn
	<u>5</u>	<u>1</u>	<u>13</u>	Vac Wolfcamp
Well Total:	25	3	63	
	<u>GRAVITY 42.4</u>			
	<u>CRUDE SALES PRICE \$18.50 X 25 = \$462.50 PER DAY</u>			
Texaco-Shell Com #1	5	1	14	Vac Upper Penn
	<u>7</u>	<u>1</u>	<u>20</u>	Vac Wolfcamp
Well Total:	12	2	34	
	<u>GRAVITY 42.2</u>			
	<u>CRUDE SALES PRICE \$18.50 X 12 = \$222.00 PER DAY</u>			

The total crude sales amounts will remain the same if the production from the three wells is commingled at this battery. The oil will be sold to Texas New Mexico Pipeline Company. The gas from N.M. Q State #4 will be sold to Texaco Exploration and Production Inc. The gas sales from the other two wells will alternate each month between Texaco Exploration and Production Inc. and GPM Gas Corporation. Water from the battery will be hauled to a disposal well.

Mr. Jerry Sexton

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September 25, 1992

Attached are a plat showing the location the three wells and the battery. Also attached is a schematic of the battery where monthly tests will be accurately measured on a per well basis through a portable test separator. Each well will be tested several times each month. Total monthly production will then be allocated to each well based on these well tests. TEPI plans to eventually install a permanent test separator at the battery.

A copy of this application has been sent by U.S. Postal Service, Certified Mail-Return Receipt Requested, to Mobil Producing Texas and New Mexico and to Shell Western Exploration and Production Inc.

If you have any questions concerning this application, please contact me at 397-0418 or 393-7191. Thank you for your assistance in this matter.

Yours very truly,



Monte C. Duncan  
Engineer's Assistant

/mcd  
Chrono  
Attachments

cc: New Mexico Land Department  
P.O. Box 1148  
Santa Fe, New Mexico 87504  
Attn: Mr. Floyd Prando

New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504  
Attn: Mr. William J. Lemay

Mr. Terry Frazier, Hobbs Area Manager  
Texaco Exploration and Production Inc.

## COMMINGLE PRE-APPLICATION

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

PLEASE SEE ATTACHED LETTER

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
N.M. Q State #4	P 25 17S 34E	TEPI	B-1056-1	Vacuum Abo North Vacuum Upper Penn Vacuum Wolfcamp
Texaco-Mobil State Com #1	H 25 17S 34E	TEPI-Mobil	B-1030-1	Vacuum Abo North Vacuum Upper Penn Vacuum Wolfcamp
Texaco-Shell State Com #1	J 25 17S 34E	TEPI-Shell	B-1056-1	Vacuum Upper Penn Vacuum Wolfcamp

NAME: Monte C. Duncan

COMPANY: Texaco Exploration and Production Inc, P.O. Box 730  
Hobbs, New Mexico 88240

PHONE NUMBER: (505) 397-0418 or (505) 393-7191

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION AT (505) 827-5744.

KKCS 06-04-91

		TEXACO MOBIL STATE COM #1	
			● [REDACTED]
	TEXACO SHELL STATE COM #1	●	
		N.M. Q STATE #4	●

TEXACO EXPLORATION AND PRODUCTION INC.

Off-Lease Storage and Surface Commingling

Sec 25, T-17-S, R-34-E

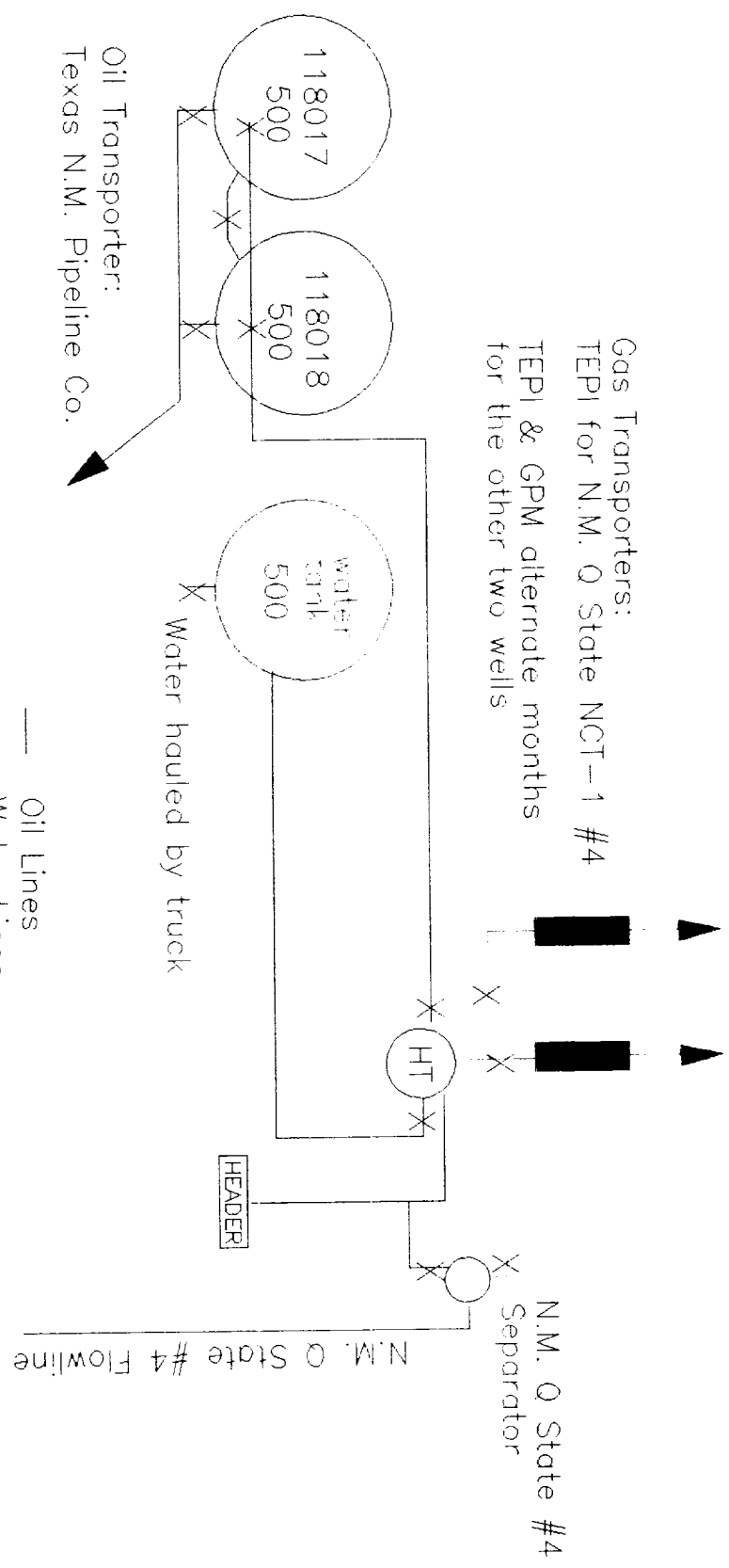
Lea County, New Mexico

[REDACTED] N.M. Q STATE,  
TEXACO MOBIL, TEXACO SHELL BATTERY

- Wells producing to battery

All flowlines Above Ground

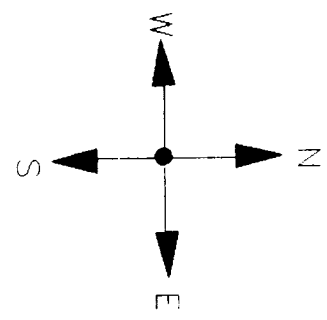
Gas Transporters:  
TEPI for N.M. Q State NCT-1 #4  
TEPI & GPM alternate months  
for the other two wells



Oil Transporter:  
Texas N.M. Pipeline Co.

— Oil Lines  
--- Water Lines  
--- Gas Lines

All Lines Above Ground



TEXACO EXPLORATION AND PRODUCTION INC.  
N.M. Q STATE  
TEXACO MOBIL, TEXACO SHELL BATTERY  
Ltr. H, Sec. 25, T-17-S, R-34-E