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JUN 30 1995

June 27, 1995

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. William J. Lemay
Chairman and Director, New Mexico Oil Conservation Division

RE: SURFACE COMMINGLING PERMIT APPLICATION
SDE '31' Federal Battery (NM-18848)
Sand Dunes; Bone Spring, South Pool
Triste Draw; Delaware, West Pool
Ltr F, Sec. 31, T-23-S, R-32-E (Battery Location)
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. request administrative approval for surface commingling on the above federal lease. Attached is a similar request package for surface commingling on this lease to the Bureau of Land Management. The lease presently has six producing Bone Spring wells and three producing Delaware wells. An eleven additional wells are proposed to be drilled on this lease. The lease is operated by Texaco Exploration and Production Inc. and TEPI has 100% of the gross working interest in this lease

I have attached a plat showing the location of both the producing and proposed wells and the battery. Also attached is a schematic of the recently built tank battery. The battery will have separate 3-phase production separators for each of the two pools. There will be one 3-phase test separator where each well will be tested several times per month with the oil, water, and gas being measured separately. Total monthly production will be allocated to each well based on these well tests. The oil and water from the test separator will then be directed to the tested well's pool separator for pool measurement prior to commingling the production in the battery's storage tanks.

The total crude sales amounts will remain the same if the production from these two pools is commingled at this battery. The oil will be sold through a LACT unit to Texas New Mexico Pipeline Company and the gas will be sold to Hadson Gas Gathering & Production Company. Water from the battery will be hauled to a disposal well.

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, Attachments

cc: New Mexico Oil Conservation Division, District I Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FOR INFORMATION ONLY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well: ☐ OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator
TEXACO EXPLORATION & PRODUCTION INC.

3. Address and Telephone No. P.O. BOX 730, HOBBS, NM 88240 397-0418

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit Letter F : Feet From The Line and Feet From The
Line Section 31 Township 23-S Range 32-E

5. Lease Designation and Serial No.

NM 18848

6. If Indian, Alottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number

SDE '31' FEDERAL LEASE

TANK BATTERY

9. API Well No.

10. Field and Pool, Exploratory Area
Sand Dunes; Bone Spring, South
Triste Draw; Delaware, West

11. County or Parish, State
LEA, N.M.

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION

TYPE OF ACTION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ OTHER: SURFACE COMMINGLING

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

BLM approval for construction of this battery has already been obtained. This battery is located in Unit Letter F, Sec. 31, T-23-S, R-32-E in Lea County.

Texaco Exploration and Production Inc. requests approval to surface commingle production from the Sand Dunes; Bone Spring, South Pool and the Triste Draw; Delaware, West Pool. There are presently six producing Bone Spring wells and three producing Delaware wells. Eleven additional wells are proposed to be drilled on this lease. The battery will have separate 3-phase production separators for each of the two pools. There will be one 3-phase test separator where each well will be tested several times per month with the oil, water, and gas being measured separately. Total monthly production will be allocated to each well based on these well tests. The oil and water from the test separator will then be directed to that well's pool separator for pool measurement prior to commingling the production in the battery's storage tanks.

Attached for the BLM's information are:

1. A map showing the lease and location of all the wells that will contribute production to the facility.
2. A battery schematic diagram identifying all equipment that will be utilized in the operation of the facility.
3. A BLM application for surface commingling and measurement approval.

14. I hereby certify that the foregoing is true and correct

SIGNATURE Monte C. Duncan TITLE Engr Asst DATE 6/27/95

TYPE OR PRINT NAME Monte C. Duncan

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING, OFF LEASE STORAGE AND MEASUREMENT

To: Bureau of Land Management
P.O. Box 1778
Carlsbad, New Mexico 88221-1778

Texaco E & P Inc. (Operator's name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NM-18848; Lease Name: SDE '31' Federal

Well

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
SDE 31 Federal #2	C	31	23-S	32-E	Sand Dunes; BS, South
SDE 31 Federal #4	F	31	23-S	32-E	Sand Dunes; BS, South
SDE 31 Federal #5	B	31	23-S	32-E	Sand Dunes; BS, South
SDE 31 Federal#14	N	31	23-S	32-E	Sand Dunes; BS, South
SDE 19 Federal #3	N	19	23-S	32-E	Sand Dunes; BS, South
SDE 19 Federal #4	K	19	23-S	32-E	Sand Dunes; BS, South

with hydrocarbon production from the following formation(s) and well(s) on federal lease No. NM-18848; Lease Name: SDE '31' Federal

Well

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
SDE 31 Federal #1	D	31	23-S	32-E	Triste Draw;Delaware, West
SDE 31 Federal #8	K	31	23-S	32-E	Triste Draw;Delaware, West
SDE 31 Federal #9	J	31	23-S	32-E	Triste Draw;Delaware, West

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>Choke</u>
SDE 31 Federal #2	47	44.5	603	20/64
SDE 31 Federal #4	123	43.6	615	20/64
SDE 31 Federal #5	59	44.2	199	
SDE 31 Federal#14	148	42.6	140	20/64
SDE 19 Federal #3	96	42.8	413	
SDE 19 Federal #4	Drilling	-	-	
Sand Dune; BS, South	473		1970	TOTALS
SDE 31 Federal #1	33	42.0	38	
SDE 31 Federal #8	14	42.7	27	
SDE 31 Federal #9	20	42.6	74	
Triste Draw;Delaware, West	67		139	TOTALS

Continued:

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/ communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at SE 1/4-NW 1/4, (Unit Ltr. F), Sec. 31, T-23-S, R-32-E, on lease No. 31, Lea County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contribution sources is as follows:

There are presently six producing Bone Spring wells and three producing Delaware wells. Eleven additional wells are proposed to be drilled on this lease. The battery will have separate 3-phase production separators for each of the two pools. There will be one 3-phase test separator where each well will be tested several times per month with the oil, water, and gas being measured separately. The oil and water from the test separator will then be directed to that well's pool separator for pool measurement prior to commingling the production in the battery's storage tanks.

The working interest owners have been notified of the proposal.

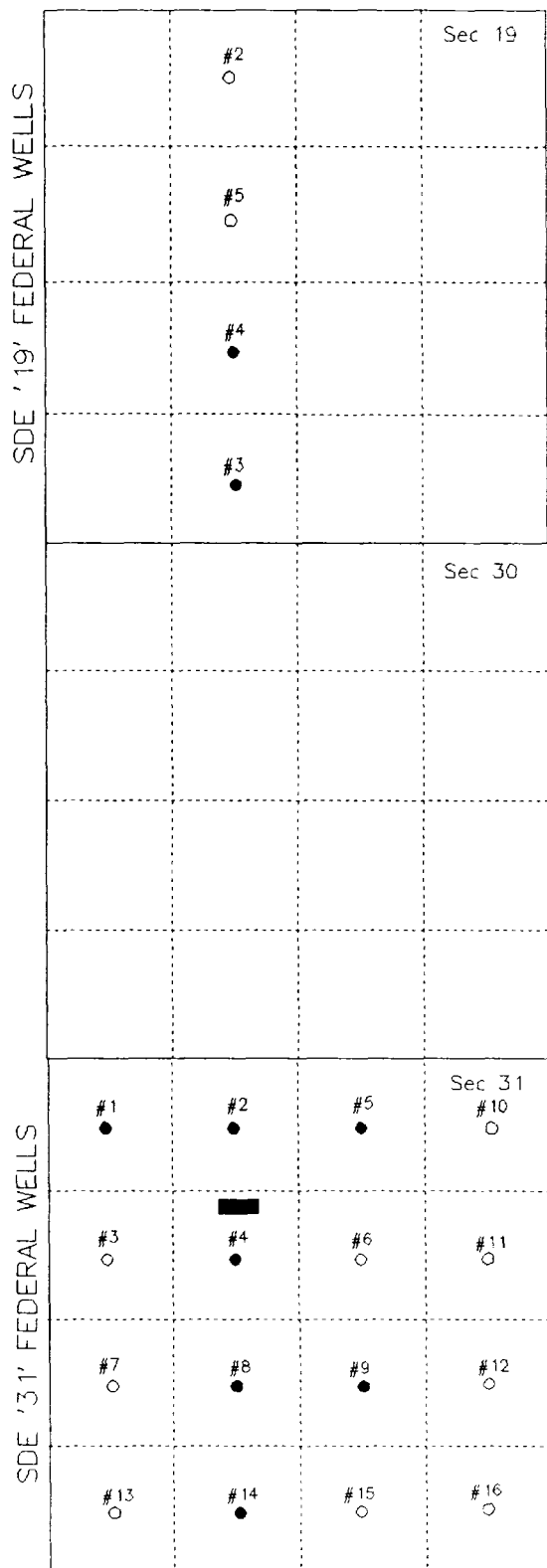
The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Additional well require additional commingling approvals.

Signature: Monte C. Duncan
Name: Monte C. Duncan
Title: Engr's Assistant
Date: August 27, 1995



TEXACO EXPLORATION AND PRODUCTION INC.

SDE '31' FEDERAL LEASE

FEDERAL LEASE NM-18848

TOWNSHIP 23 SOUTH, RANGE 32 EAST

LEA COUNTY, NEW MEXICO

■ Battery located in Unit Ltr F,
Sec 31, T-23-S, R-32-E

● Producing Wells

○ Proposed Wells

All flowlines above ground

EMERGENCY
FLARE

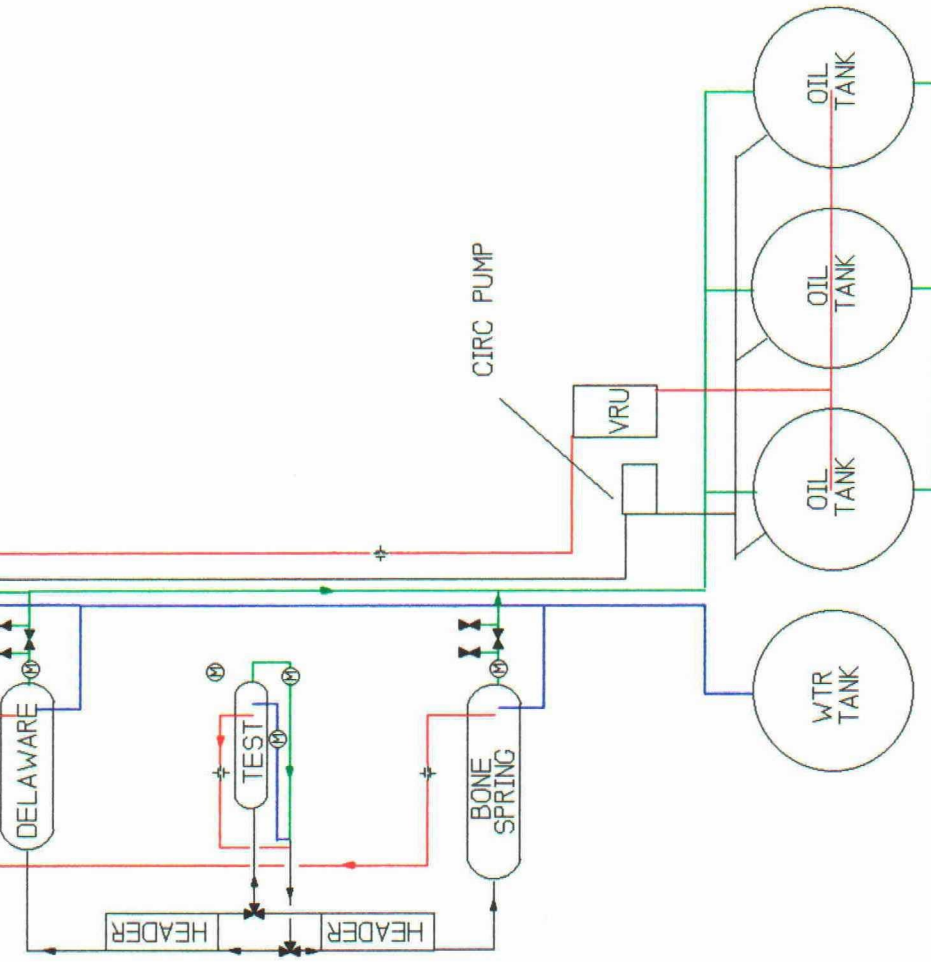
HTR
TRT

GAS SALES
(HADSON GAS CO.)

SCRUBBER

TEXACO EXPL & PROD INC
SDE 31 FEDERAL T/B
SEC 31, T-23-S, R-32-E
LEA CO, NEW MEXICO

—	MIXTURE	—	WATER
—	OIL	—	GAS
+	GAS METER	⊕	METER
×	3-WAY ACTUATED VALVE		



LACT (TEX-NEW MEXICO PIPELINE CO.)

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT

COPY
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TYPE OR PRINT NAME Monte C. Duncan

(This space for Federal or State office use)

APPROVED BY Adam S. Sameh TITLE Petroleum Engineer

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