



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

AMENDED COMMINGLING ORDER PLC-100

Texaco Exploration & Production, Inc.
P.O. Box 730
Hobbs, New Mexico 88241-0730

Attention: Mr. Monte C. Duncan

The above-named company is hereby authorized to commingle North Vacuum Abo (61760), Vacuum Upper Penn (62320), Vacuum Wolfcamp (62340), Vacuum Drinkard (62110) and Vacuum Atoka (96454) Pool production from the following leases:

Lease: State 'BA' Well Nos.6, 8 and 14 (Lease B-1565-8)
Description: NW/4 NW/4, N/2 NE/4 of Section 36, Township 17 South, Range 35 East and;

Lease: NM 'O' State NCT-1 Well Nos.11, 14, 38 and 39 (Lease B-155-6)
Description: S/2 NW/4, S/2 NE/4 and N/2 SE/4 of Section 36, Township 17 South, Range 34 East, and;

Lease: NM 'N' State Well No.10 (Lease B-1722-2)
Description: SW/4 SW/4 of Section 30, Township 17 South, Range 35 East, and;

Lease: NM 'Q' State Well No.4 (B-1056-2)
Description: S/2 SE/4 and SE/4 SE/4 of Section 30;

all in Lea County, New Mexico.

Production shall be allocated to each lease by well tests. (If this method is to be authorized, all commingled production must be of identical ownership including working interest, royalty interest, and overriding royalty interest.)

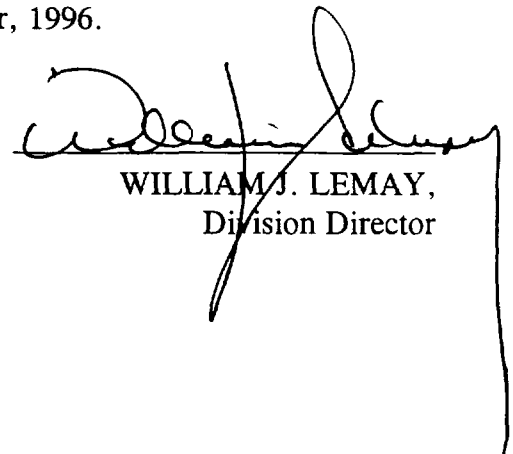
FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

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.

NOTE: Validation of this authority shall be accomplished with like approval by the State Land Office.

REMARKS: The commingled production from the aforementioned leases shall be stored in the "New Mexico N, O, Q, & BA Battery" tank battery facility located in Unit Letter 'O' of Section 25, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 4th day of December, 1996.



WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs
State Land Office - Oil & Gas Division



AMEND PLC 11/18/96

OCT 28 1996

CONSERVATION DIVISION

October 23, 1996

New Mexico Land Department
P.O. Box 1148
Santa Fe, New Mexico 87504

COPY

Attn: Mr. Larry Kehoe
Director, Oil, Gas, and Minerals Division

RE: AMENDMENT TO OFF-LEASE STORAGE & SURFACE COMMINGLING REQUEST
New Mexico N, O, Q, & BA Battery
Vacuum Abo North, Vacuum Upper Penn, Vacuum Wolfcamp,
Vacuum Drinkard, Vacuum Atoka pools
Ltr O, Sec. 25, T-17-S, R-34-E (Battery Location)
Lea County, New Mexico

96454

Gentlemen:

Texaco Exploration and Production Inc. requests administrative approval to amend a previously approved request for off-lease storage and surface commingling of production at the above tank battery. This amendment consists of the two wells described on the attached commingle pre-application. TEPI received approval from the New Mexico Land Department (March 6, 1996) and the New Mexico Oil Conversation (Amended Commingling Order PLC-100, dated July 12, 1996) for the off-lease storage and surface commingling of the production of wells producing from the above pools into this battery. Copies of these approvals are attached for your information. By this letter, TEPI also requests permission from the NMOCD to amend Amended Commingling Order PLC-100.

The commingle pre-application sheet lists the details of two new wells: New Mexico O State NCT-1 #39 and State BA #14. TEPI requests permission for off-lease storage and surface commingling of production from these two wells into this battery.

Both wells are operated by Texaco Exploration and Production Inc. and TEPI has 100% of the gross working interest in both wells. Both wells are located on state leases and have common schools as their state beneficiary.

State BA #14 is currently being completed in the Vacuum Atoka. This well's production will go through a three phased separator on the well's location. The well's gas will be sold to Texaco Exploration and Production Inc.'s Gas Division through a sales meter on location. Both oil and water will be measured separately through flow meters. The total fluid will then be sent to the battery.

New Mexico O State NCT-1 #39 will be spud in November, 1996 and is proposed to be completed in the Vacuum Upper Penn. This well will produce directly into the tank battery.

The total crude and gas sales amounts will remain the same if the production from these two wells is commingled along with the production of the prior approved wells at this battery. The oil will be transported through a LACT unit by Texas New Mexico Pipeline Company. The gas will be sold to Texaco Exploration and Production Inc.'s Gas Division. Water from the battery is pumped to the Vacuum Glorieta West Unit for injection into that waterflood.

Attached for your review is a plat showing the location the nine wells and the battery. Also attached is a schematic of the New Mexico N, O, Q, & BA battery. As shown on the battery schematic, there is a two phase production separator at the battery. All of the wells will be tested several times each month through a three phase test separator where the oil, water, and gas amounts will be accurately measured through flow meters. Total monthly production will then be allocated to each well based on these well tests.

A check for \$30.00 for the filing fee is enclosed.

If you have any questions concerning this request, 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 Oil Conservation Division, Santa Fe
New Mexico Oil Conservation Division, District I Office
Tim Miller, Hobbs Operating Unit Manager, TEPI