DRAWER 728 HOBBS, NEW MEXICO 88240

April 3, 1969

re 31°

New Mexico Oil Conservation Commission P. C. Box 2088 Santa Fe, New Mexico 87501

> Re: Application to Commingle Production; Paduca, North Delaware Pool; Lea County,

New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

In accordance with Rule 303(b), TEXACO Inc. respectfully requests permission to commingle the liquid hydrocarbon production from the Paduca, North Delaware and Paduca, North Delaware Gas Pools on TEXACO's Cotton Draw Unit (E. F. Rav 'B' Federal Lease), Lea County, New Mexico. It is proposed that the liquid hydrocarbon production from each zone be determined on a well test basis as there are no wells involved that are capable of producing at the top allowable rate.

The Cotton Draw Unit contains 35,146.3 acres and is a drilling unit. Octton Draw Unit Wells No. 69 and 70, the wells involved in this application, were drilled on the E. F. Ray 'B' Federal Base Lease which is owned equally by TEXACO Inc. and Pauley Petroleum Inc. There has not been a participating area set up for the wells completed in this portion of the Unit, therefore, the production from these two wells is credited to the base lease holder(s) which, in this case, is TEXACO and Fauley.

Cotton Draw Unit Wells No. 69 and 70 were originally assigned to the Paduca, North Delaware Pool. In accordance with Field Rules established for this Pool, the Cotton Draw Unit Well No. 70 has been reclassified as a gas well due to its GOR being in excess of 30:000 cu. ft. per barrel.

Cotton Draw Unit Well No. 69 is located in Unit K, and Well No. 70 is located in Unit L, both in Section 34, Township 24 South, Range 32 East. A plat of the area is attached for your reference.

The expected daily liquid hydrocarbon production from the Paduca, North Delaware Pool is seven (7) barrels of 39.3° API gravity oil at \$3.14/Bbl and that from the Paduca, North Delaware Gas Pool is five (5) barrels of 41.0° API gravity oil at \$3.16/Bbl. The combined daily production after commingling is expected to be 12 barrels of 40.1° API gravity oil at \$3.16/Bbl; resulting in a gain of \$0.14 per day in revenue.

Royalty interest in the subject lease is common, is held by the U. S. Government and a copy of this application is being sent this date to the Department of the Interior, U.S.G.S., Roswell, New Mexico, requesting their approval in writing of the proposed installation. Immediately upon receipt of this approval, it will be forwarded to the Commission.

A schematic diagram of the proposed installation is attached and is in accordance with the current 'Manual for the Installation and Operation of Commingling Facilities'.

In view of the above facts, it is respectfully requested that administrative approval of an exception to Rule 303(a) be granted TEXACO Inc. to permit commingling into a common tank battery the liquid hydrocarbon from the Paduca, North Delaware Pool and the Paduca, North Delaware Gas Pool on the Cotton Draw Unit (E. F. Ray Federal '8' Lease) and from all wells which may be completed in these reservoirs on this lease in the future.

Yours very truly

Assistant District Superintendent

EDMc-jr

cc: IMOCC-Hobbs
USGS-Roswell

Attachments

### April 3, 1969

U. S. Department of the Interior U. S. G. S. P. O. Drawer 1857 Roswell, New Mexico 88201

> Re: Application to Commingle Production TEXACO Inc., Cotton Draw Unit (E. F. Ray 'B' Federal) Lease, L. C. 061936 Paduca, North Delaware Pool Lea County, New Mexico

### Gentlemen:

Attached is an application to the New Mexico Oil Conservation Commission requesting administrative approval for commingling operations on the Cotton Draw Unit (E. F. Ray 'B' Federal) Lease, Paduca, North Delaware and Paduca, North Delaware Gas Pools, Lea County, New Mexico. This lease comprises, among others, Section 34, T-24-S, R-32-E.

In accordance with existing Commission regulations, TEXACO Inc. respectfully requests U. S. G. S. consent in writing to the proposed commingling operation. Please submit your consent in writing to TEXACO Inc., P. O. Box 728, Hobbs, New Mexico, in order that a copy may be forwarded to the Commission.

Your early consideration in this matter will be appreciated.

Yours very truly,

Assistant District Superintendent

EDMc-jr

Attachments

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Yours very truly,

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Assistant Clarific Superintendent

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### LEGEND

O NORTH PADUCA DELAWARE (OIL)

NORTH PADUCA DELAWARE (GAS)

- DRY HOLE

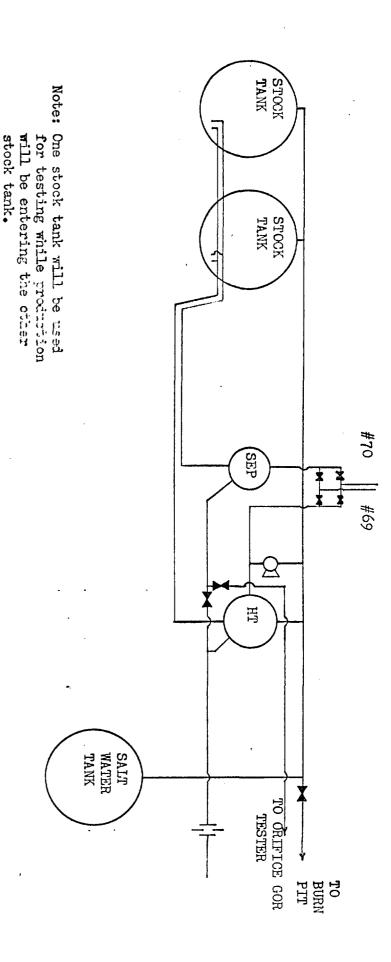
(5) HIGH PRESSURE SEPARATOR

# TEXACO INC. MIDLAND DIVISION

COTTON DRAW UNIT (E.F. RAY "B" FED. LEASE) NORTH PADUCA DELAWARE POOL

LEA COUNTY, NEW MEXICO

DRAWN BY: EDMc DATE: 4-2-69



LEGEND

▲ PLUG VALVE

(SEP) TEST SEPARATOR

HT ) HEATER TREATER

**Q** CIRCULATING PULIP

# TEXACO INC.

SCHEMATIC DIAGRAM

PROPOSED COMMINGLING FACILITIES COTTON DRAW UNIT WELLS NO. 69 & 70 PADUCA NORTH DELAWARE POOL LEA COUNTY, NEW MEXICO

DRAWN BY: EDMo DATE: 4-2-59