

Rec'd 6/59

TEXACO Inc.
Formerly Named

THE TEXAS COMPANY
TEXACO PETROLEUM PRODUCTS



CTB - AC
(Walter's)
Dear Mr. Porter

DOMESTIC PRODUCING DEPARTMENT
FORT WORTH DIVISION

Midland, Texas, May 1, 1959

REQUEST FOR PERMISSION TO
COMMINGLE CRUDE PRODUCTION

TEXACO Inc.
State of New Mexico "AN", "AT" and "BG" Leases
Saunders Pool
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attn: Mr. A. L. Porter, Jr., Secretary & Director

Gentlemen:

TEXACO Inc., formerly named The Texas Company, desires to commingle the crude production from our State of New Mexico "AN", "AT" and "BG" Leases in common storage facilities located on our State "AN" Lease. The subject leases are comprised, respectively, of Sections 22, 15 and 14, T-14-S, R-33-E, Lea County, New Mexico. The production to be commingled is from a common reservoir, the Wolfcamp formation, Saunders Pool. The royalty and working interests are common and the leases are contiguous as shown on the attached plat. There are seven producing wells on the "AN" Lease, two wells on the "BG" Lease and Well No. 3 is currently being drilled on the "AT" Lease; this well being the first well on that portion of our "AT" Lease which we wish to include in the proposed commingling operations. One additional well is to be drilled on our "AN" Lease, and the possibility exists that three additional wells will be drilled on our "AT" Lease and three on our "BG" Lease. We plan to plug and abandon our No. 1 well on the "BG" Lease in the near future as it is uneconomical to produce. Should future development proceed as planned, we would therefore ultimately have a maximum of 16 wells producing into the common tank battery. Should future development result in a total of more than 16 wells in the battery, TEXACO Inc. would, of course, request a hearing for exception to the 16 proration unit rule prior to exceeding the limit.

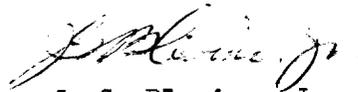
Plans for commingling the subject leases include installation of a three phase metering separator for individual well testing purposes located in the SE/4 of the SE/4 of Section 15, and a common production line from that point southwest approximately 4,800 feet to our "AN" battery located in the center of the S/2 of Section 22.

May 1, 1959

TEXACO Inc. hereby makes application for administrative approval of the proposed commingling operations described above in accordance with Rule 309(b). Consent in writing has been obtained from the common royalty owner as shown by the attached letter, and TEXACO Inc. is the only working interest owner. All offset operators, as listed below, were notified this date by copy of this application through registered mail.

Yours very truly,

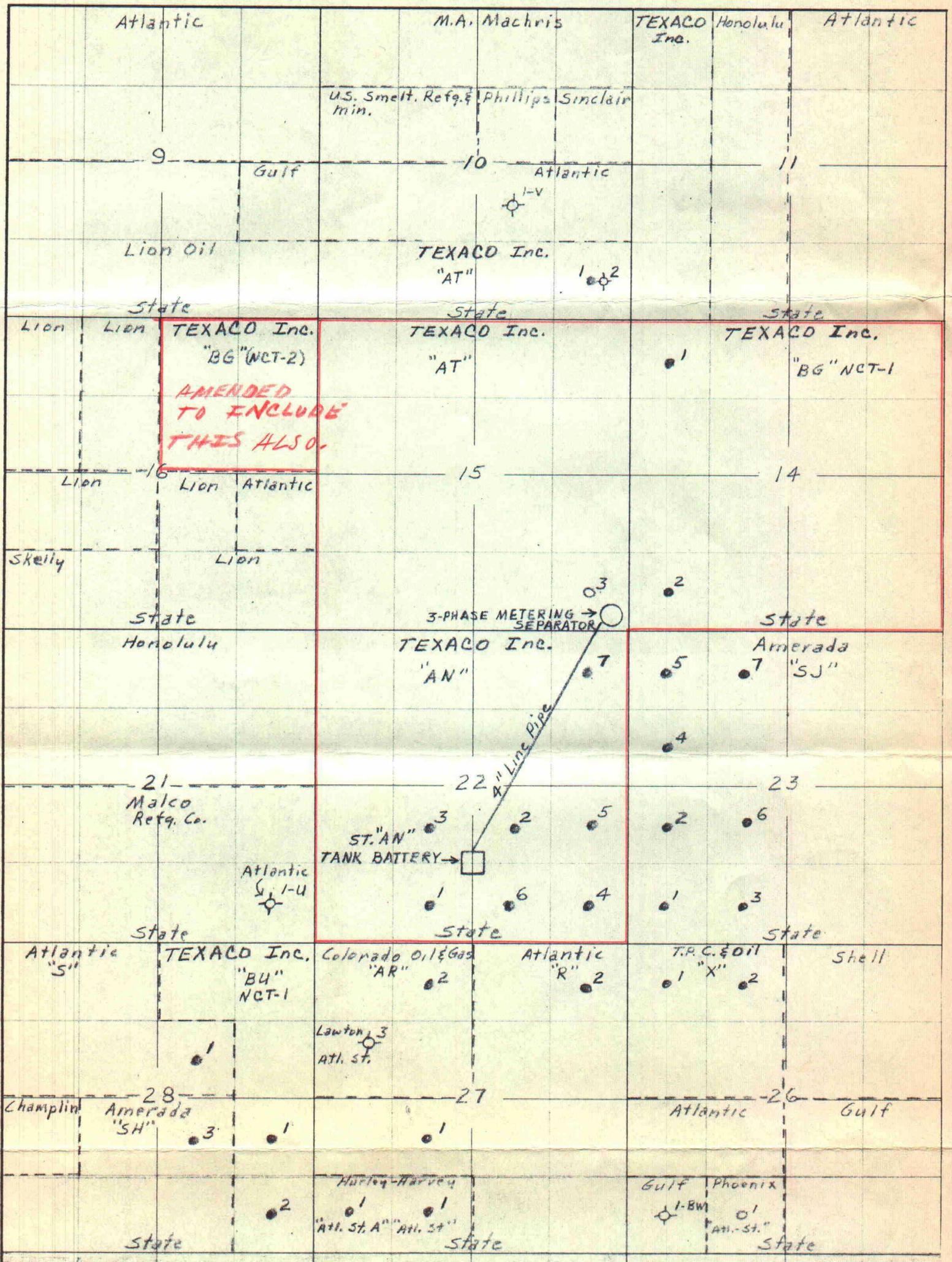
TEXACO Inc.



J. G. Blevins, Jr.
Asst. Dist. Supt.

LMF-AR
ERF, Jr.
Attachments

cc: Colorado Oil & Gas Company, Box 302, Magnolia, Arkansas
Atlantic Refining Company, P. O. Box 1610, Midland, Texas
Texas Pacific Coal & Oil Company, P. O. Box 4067, Midland, Texas
Amerada Petroleum Corporation, P. O. Box 312, Midland, Texas
Honolulu Oil Corporation, P. O. Drawer 1391, Midland, Texas
Lion Oil Company, P. O. Drawer 1829, Midland, Texas
Malco Refineries, Inc., P. O. Box 660, Roswell, New Mexico



TEXACO Inc. PLAT SHOWING
AREA PROPOSED FOR COMMINGLING

Scale: 1 inch=2000 feet

— AREA PROPOSED FOR COMMINGLING

STATE LAND OFFICE

Santa Fe, New Mexico



MURRAY E. MORGAN
COMMISSIONER OF PUBLIC LANDS

Refer Reply To:
Oil & Gas Royalty Division

April 24, 1959

The Texas Company
P. O. Box 352
Midland, Texas

Gentlemen:

Permission is hereby granted to commingle production from the following State leases located in Sections 14, 15 and 22, T-14S R-33E, Saunders Pool, Lea County, New Mexico.

B-9560, State "BG", Section 14, T-14S R-33E
B-9505, State "AT", Section 15, T-14S R-33E
B-9385, State "AN", Section 22, T-14S R-33E.

All this acreage is committed to one beneficiary institution, that being common school.

Sincerely yours,

MURRAY E. MORGAN,
Commissioner of Public Lands

BY: *Ted Bilberry*
Ted Bilberry, Supervisor
Oil & Gas Royalty Division

TB:ML:al

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

May 27, 1959

C
O
P
Y

Texaco, Incorporated
P. O. Box 352
Midland, Texas

Administrative Order CTB No. 40

Gentlemen:

Reference is made to your application dated May 1, 1959, for administrative approval of an exception to Rule 309 (a) of the Rules and Regulations of the Oil Conservation Commission to permit the commingling of the oil produced from the following described State of New Mexico oil and gas leases in the Saunders Pool, to-wit:

B-9385, State "AN" Lease, comprising all of Section 22,
B-9505, State "AT" Lease, comprising all of Section 15,
B-9560, State "BG" Lease, comprising all of Section 14,

all in Township 14 South, Range 33 East, NMPM, Lea County, New Mexico.

By the authority vested in me under the provisions of Rule 309 (b) of the Rules and Regulations of the Oil Conservation Commission of New Mexico, I hereby authorize you to commingle the production from the above-described leases from the Saunders Pool in a common tank battery.

Nothing contained herein shall be construed as authorizing the production of more than sixteen wells into a single tank battery.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/OEP/og

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs