

TEXACO
INC.

PETROLEUM PRODUCTS



P. O. Box 810
Farmington, New Mexico

December 31, 1963

RECEIVED
DEC 31 1963
NEW MEXICO
OIL CONSERVATION COMMISSION

Mr. A. L. Porter, Jr.
Secretary and Director
New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Sir:

TEXACO Inc., respectfully requests administrative approval for an exception to Commission Rule No. 309-A to allow commingling of crude oil production from two leases with common royalty and working interest ownership. The two leases are the Navajo-Ute Tribes "B" and the nonparticipating portion of the Horseshoe Gallup Unit located in Sections 21 and 22, TWP 31N, Rge. 16W, San Juan County, New Mexico. These formerly constituted a single lease but on formation of the Horseshoe Gallup Unit that portion outside the unit boundary was segregated. The production from these two leases is from the Gallup formation of the Many Rocks Field.

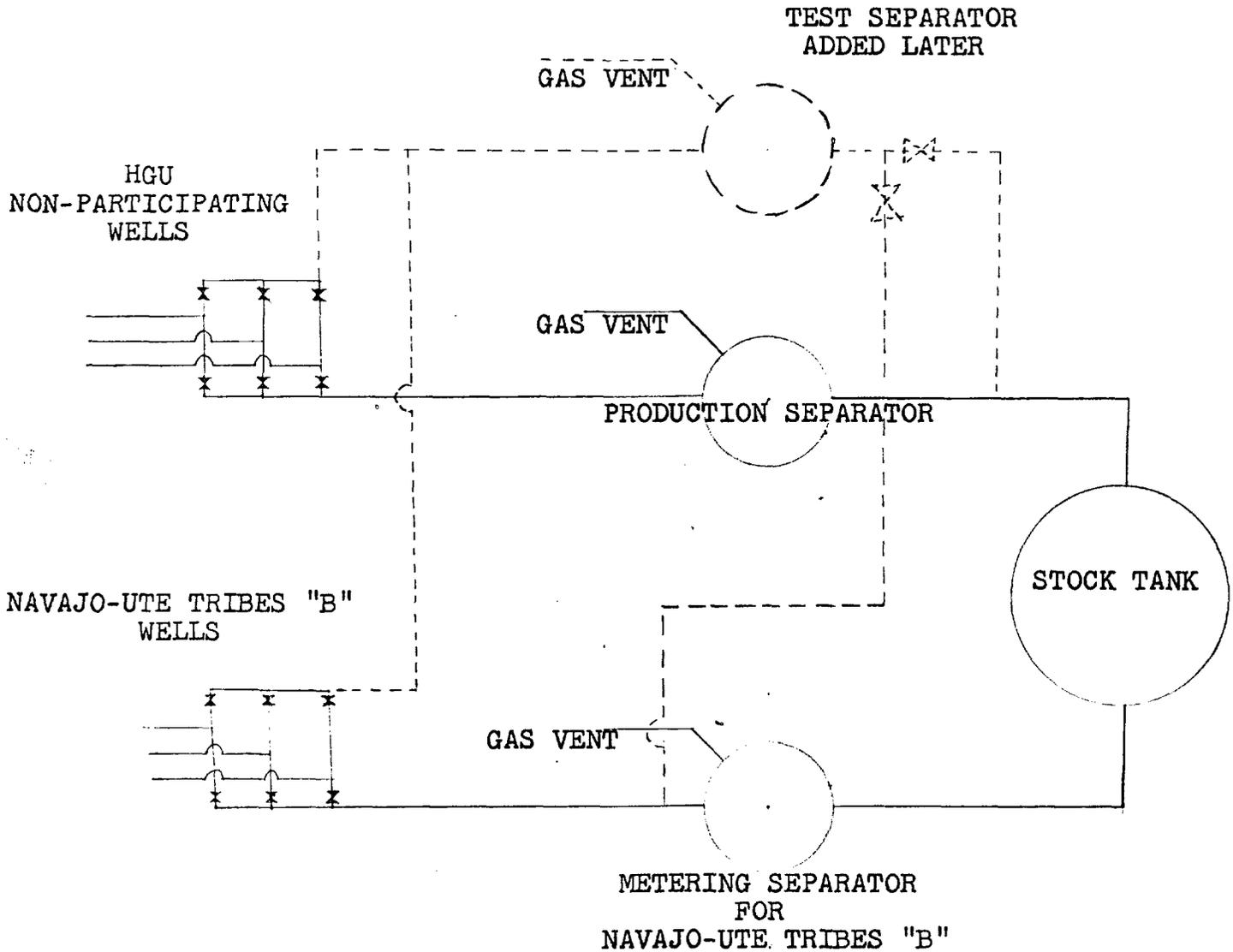
It is proposed to conduct production from a well or wells on the Navajo-Ute Tribes "B" Lease to a tank battery located on the nonparticipating portion of the Horseshoe Gallup Unit, where it will go through a metering separator prior to being commingled in common storage. Production will be allocated to the respective leases by the subtraction method. Plats showing the location of the leases and the tank battery layout are attached.

The royalty interest belongs to the Navajo-Ute Tribes and the approval of the Regional Oil and Gas Supervisor of the USGS is being requested. A copy of the letter to the USGS is attached.

Your early consideration of this request will be appreciated.

Very truly yours,

C. P. Farmer
District Superintendent



TEXACO INC.

SCHEMATIC COMMINGLING SYSTEM
 Two Leases With Common Ownership By
 The Subtraction Method
 Horseshoe Gallup Unit Non-Participating
 And
 Navajo-Ute Tribes "B" Lease,
 Many Rocks Field
 San Juan County, New Mexico

17

16

NAVAJO-UTE TRIBES "B"
TEXACO INC.
14-20-604-1948

Twp. 31 N.

PORTION OF MANY ROCKS FIELD
San Juan County, New Mexico

Scale 1" = 1000'

17-4
Many Rocks Field
17-5
5

19

21

Atlantic

276

Horseshoe Gallup Unit Boundry
TEXACO INC.
14-20-604-1948A
Tank Battery

Horseshoe Gallup Unit Participating Area Boundry

Horseshoe Gallup Field

P. O. Box 810
Farmington, New Mexico

December 31, 1963

REGISTERED MAIL

Mr. John A. Anderson
Regional Oil & Gas Supervisor
c/o Mr. P. T. McGrath
District Engineer
United States Geological Survey
Farmington, New Mexico

Dear Sir:

TEXACO Inc., respectfully requests your authority to commingle production from wells completed on the Navajo-Ute Tribes "B" Lease (14-20-604-1948) and wells completed in the Horseshoe-Gallup Unit on lease number 14-20-604-1948A that lie outside of the participating area. Specifically the Navajo-Ute Tribes "B" Lease (14-20-604-1948) includes Section 15 and 16 of Twp. 31N, Rge. 16W, NMPL Survey, San Juan County, New Mexico. The nonparticipating portion of Lease No. 14-20-604-1948A occupies the N/2 of Section 21, the N/2 of Section 22, the SE/4 of Section 22 and the N/2 of the SW/4 of Section 22 in Twp. 31 N, Rge. 16 W, NMPL Survey, San Juan County, New Mexico. Initially these two leases were one and the same, being segregated when the Horseshoe-Gallup Unit was formed. The royalty is common between the Navajo-Ute Tribes "B" and the nonparticipating portion of Lease No. 14-20-604-1948A. Production is derived from the Gallup Formation of the Many Rocks Field.

If commingling permission is granted TEXACO Inc. proposes to lay a flow line from the well or wells completed on the Navajo-Ute Tribes "B" Lease to a tank battery located 1567 feet from the west line and 631 feet from the north line of Section 21, Twp. 31N, Rge. 16W and lying on the nonparticipating area of the lease number 14-20-604-1948A. Production from the well or wells on the Navajo-Ute Tribes "B" Lease would be measured through a metering separator prior to being commingled with the production from the nonparticipating area of lease number 14-20-604-1948A.

Commingling as proposed above requires an exception to the New Mexico Oil Conservation Commission Rule No. 309-A.

TEXACO Inc., is filing application for administrative approval for the exception to Rule No. 309A. The New Mexico Rules provide for a twenty day waiver period on applications of this nature. If the Supervisor finds no objection to the proposed commingling it would be appreciated if Mr. A. L. Porter, Jr., Secretary and Director of the Oil Conservation Commission at Box 871, Santa Fe, New Mexico was so advised.

Plats showing the location of the leases and details on the proposed tank battery are attached. Your early consideration of this proposal will be appreciated.

Very truly yours,


C. P. Farmer
District Superintendent

AGW-LC

Attachments

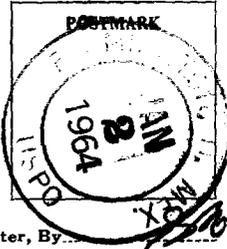
REGISTERED NO. **1614**

Value \$ 70 Spec. del'y fee \$

Fee \$ 60 Ret. receipt fee \$ 10

Surcharge \$ Rest. del'y fee \$

Postage \$ 15 Airmail



Postmaster, By *[Signature]*

From *J. J. Inc.*

Box 810 Farmington N.H.

To *John P. Anderson Reynolds Beach*

94 N. South Street

N.S. Beach, N.H. Box 259

POD Form 3806—Oct. 1960

048-16-70493-5

Farmington N.H.

MINNISTON

1-INSTRUCTIONS TO DELIVERING EMPLOYEE

Deliver *ONLY* to addressee

 Show address where delivered
 (Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)

John A Anderson

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Richard B Krahl

DATE DELIVERED

ADDRESS WHERE DELIVERED (only if requested in item # 1)

JAN 2 1964

