

TENNECO OIL COMPANY

A Major Component of Tenneco Inc.

P. O. BOX 1031 • 1800 WILCO BUILDING • MIDLAND, TEXAS 79701



April 28, 1969

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

ATTENTION: Mr. A. L. Porter

RE: Commingling Application,
Vada Area, Lea County,
New Mexico.

Gentlemen:

Attached in triplicate is Tenneco Oil Company's application to commingle production from two separate leases with wells which will be producing from a common source. The leases covered by this application are described along with their ownership and royalty interests breakdown on Attachment No. 1. They are also shown on the plat which is Attachment No. 2. Lease II is made up of Tracts "A" and "B" which are both 100% Tenneco working interest. They have been communitized by communitization agreement No. SW-434 dated September 16, 1968. This agreement has been ratified by Union Oil of California, the record title holder of Tract "B" and by all royalty and overriding royalty interest owners.

The two leases covered in this proposed commingling application will have only one well each and those will be producing from a common reservoir, the Bough "C" formation.

As depicted in the schematic, each lease's one well production will be brought into a heater-treater where the oil, water, and gas will be separated. The oil production from each vessel will be metered and sampled before being put into the Power Oil-Stock Tank system.

These wells will be hydraulically pumped and each well's (lease) power oil will be metered just after leaving the power oil pump.

Each lease will have only one well; therefore, test facilities will not be needed. Each well will, in effect, be on test constantly.

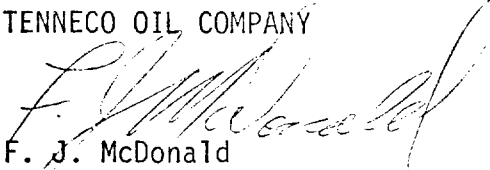
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This commingling application is sought so that Tenneco may avoid economic waste. The cost of constructing two separate batteries is estimated to be some \$30,000 higher than the one commingled battery. Moreover, salt water disposal will be much more easily handled from a central battery as the produced water from these leases goes to a commercial salt water disposal system.

Very truly yours,

TENNECO OIL COMPANY


F. J. McDonald
District Superintendent

LMW:cf

cc: U. S. Geological Survey
P. O. Box 1157
Hobbs, New Mexico 88240

Mr. and Mrs. Erving Wolf (By registered mail)
P. O. Box 2002
Denver, Colorado 80201

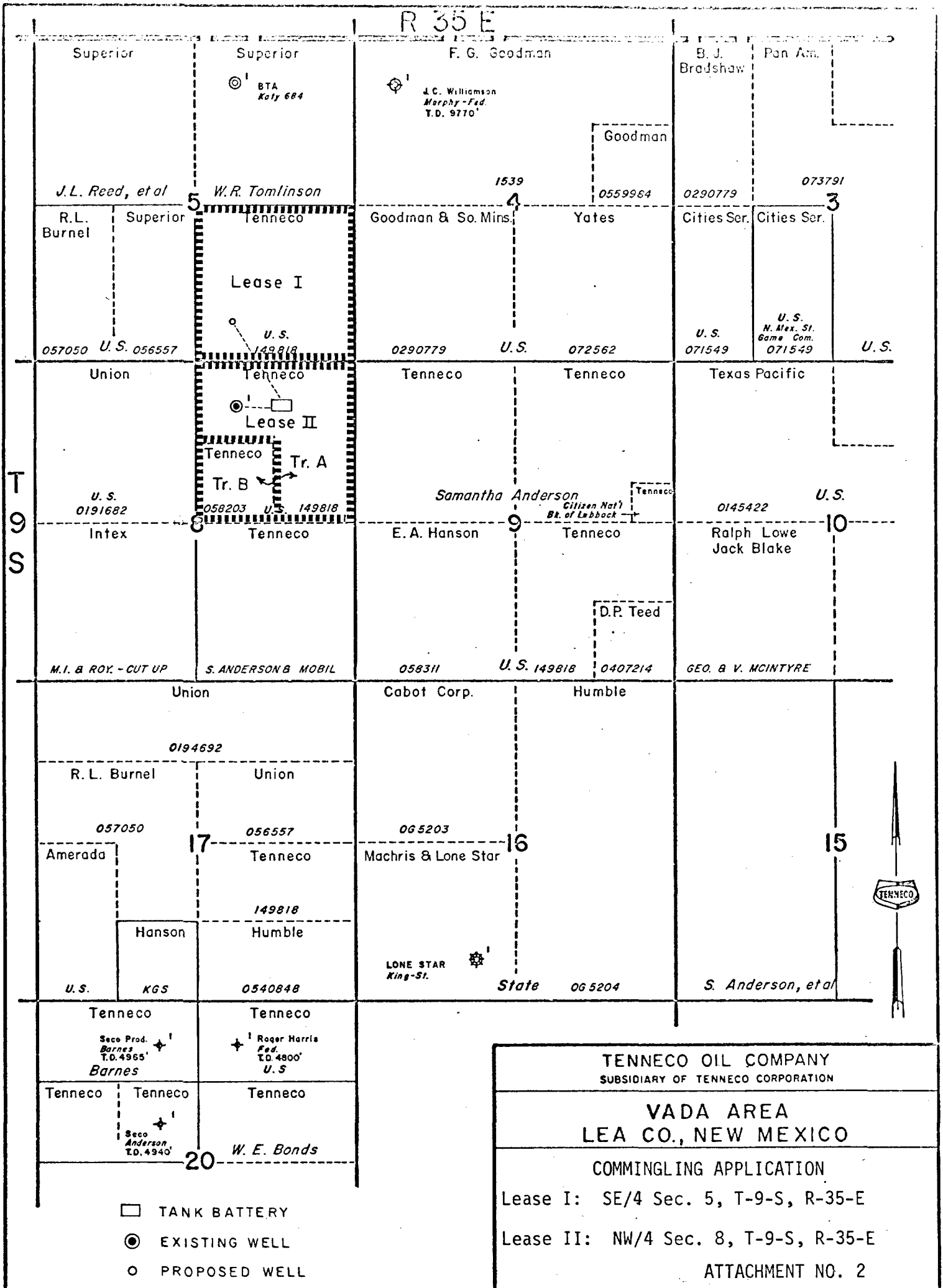
Mr. and Mrs. James N. Coll (By registered mail)
P. O. Box 919
Roswell, New Mexico 88201

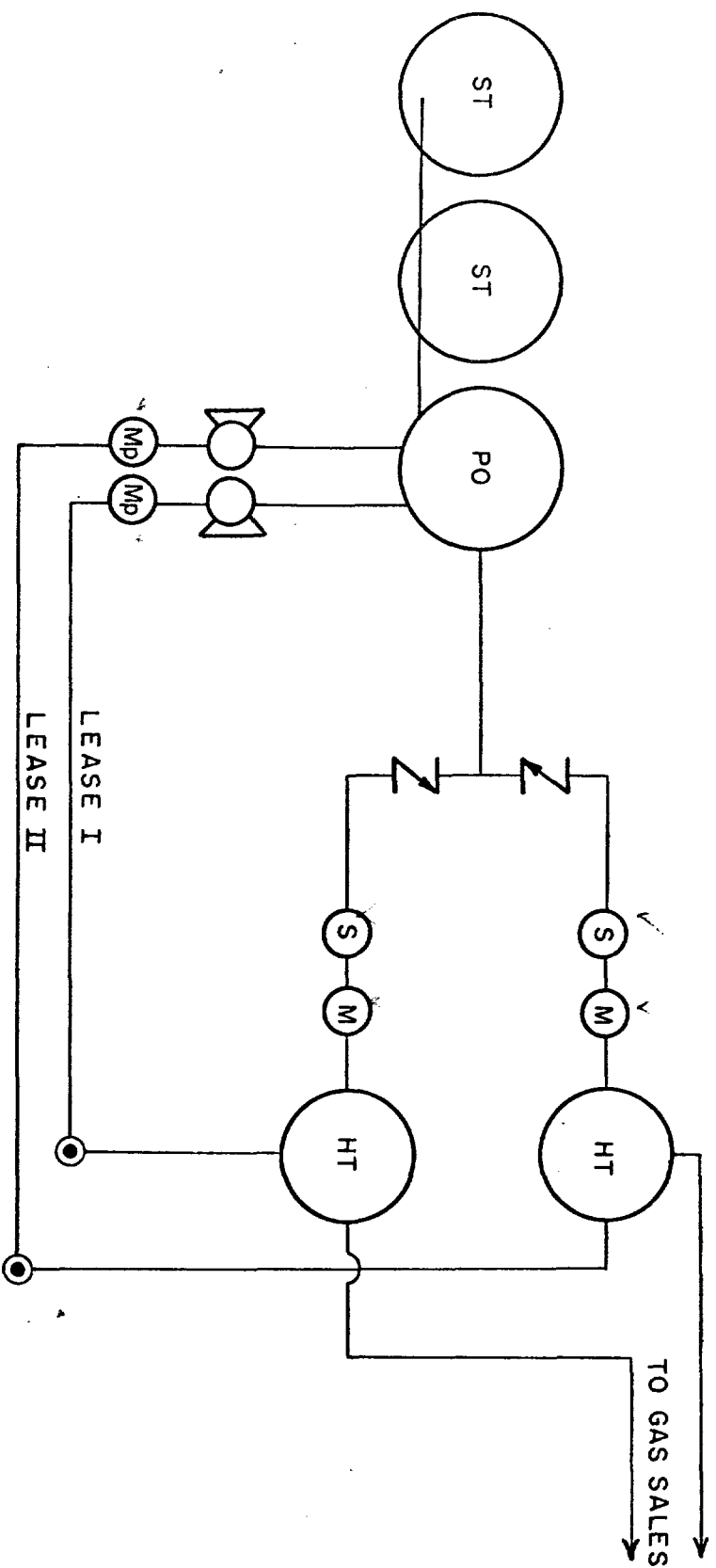
ATTACHMENT NO. 1

TENNECO OIL COMPANY
COMMINGLING APPLICATION
LEASE DESCRIPTION AND INTEREST BREAKDOWN

<u>LEASE & DESCRIPTION</u>	<u>WORKING INTEREST</u>	<u>ROYALTY INTEREST</u>	<u>OVERRIDING ROYALTY INT.</u>
Lease I: SE/4 of Section 5, T-9-S, R-35-E, Lea County, New Mexico	Tenneco 1.0000	U. S. Government 0.1250	Erving and Joyce Wolf 0.1250
Lease II: Tract "A": N/2 of NE/4 and the SE/4 of NE/4 of Section 8, T-8-S, R-34-E, Lea County, New Mexico	Tenneco 1.0000	U. S. Government 0.1250	Erving and Joyce Wolf 0.1250
Tract "B": SW/4 of NE/4 of Section 8, T-9-S, R-34-E, Lea County, New Mexico	Tenneco 1.0000	U. S. Government 0.1250	James and Florence Coll 0.0625

NOTE: Lease II is made up of Tract "A" and "B" which are both 100% Tenneco Working Interest. The two tracts have been communitized by Communitization Agreement No. SW-484, dated September 16, 1968. This Agreement has been ratified by Union Oil Company of California, the record title holder of Tract "B" and by all royalty and overriding royalty interest owners.





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Schematic Diagram for Commingling Production from Separate Leases Having Only One Well Each.