



July 9, 1997

New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

JUL 17 1997

Attn: Mr. Ben Stone, New Mexico Oil Conservation Division

RE: Amendment to Commingling Order PLC-59

C.P. Falby "A" Federal (LC-033706A)  
NW/4 Section 8, T-22-S, R-37-E  
C.P. Falby "B" Federal (LC-033706B)  
SW/4 Section 8, T-22-S, R-37-E  
Blinebry Oil and Gas Pool (06660)  
Drinkard Pool (19190)  
Eunice; San Andres, Southwest (24180)  
C.P. Falby Battery (Unit letter J, Sec. 8, T-22-S, R-37-E)  
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. requests an amendment to Commingling Order PLC-59 concerning the above two Federal leases. Attached is a similar request package for amendment to the surface commingling and off-lease storage to the Bureau of Land Management. Approval for the surface commingling and off-lease storage of production from the Blinebry Oil and Gas Pool and the Drinkard Pool was obtained in 1981. Texaco proposes to commingle the production from the Eunice; San Andres, Southwest Pool with the Blinebry Oil and Gas Pool and the Drinkard Pool at the above battery. There are presently a total of four wells from both leases producing into this battery. Two wells produce from the Blinebry Oil and Gas Pool, two wells produce from the Drinkard Pool (the Falby A Federal #1 is down-hole commingled Blinebry and Drinkard). The C.P. Falby "B" #4 is proposed to be recompleted into the Eunice; San Andres, Southwest Pool.

Production will continue to be allocated to each lease by well tests. Each well will continue to be tested for a minimum of twenty-four hours at least once per month through a two phase test separator. All of the working interest ownership on these wells/pools/ leases is 100% TEPI.

I have attached a plat showing the location of both the producing wells and the battery. Also attached is a schematic of the tank battery. The Battery will have one three phase vertical separator to handle the production from the three pools. The oil will continue to be sold to Navajo Refining Co., and the gas will continue to be sold to Texaco E & P Inc. Water from the battery is disposed of by Rice.

If you have any questions concerning this request, please contact me at 397-0431. Thank you for your assistance in this matter.

Yours very truly,

*Greg Maes*

Greg Maes  
Engineer Assistant

cc: Bureau of Land Management

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

BLM STATE COMMISSION  
P. O. BOX 1000  
MUSKOGEE, ALABAMA

PLC-59

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well:  OIL WELL  GAS WELL  OTHER

2. Name of Operator  
TEXACO EXPLORATION & PRODUCTION INC.

3. Address and Telephone No. 205 E. Bender, HOBBS, NM 88240 397-0431

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Battery location  
Unit Letter K : Feet From The \_\_\_\_\_ Line and \_\_\_\_\_ Feet From The \_\_\_\_\_  
Line Section 8 Township 22S Range 37E

5. Lease Designation and Serial No.  
LC - 033706(A & B)

6. If Indian, Alottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number  
FALBY, C. P. -A- FEDERAL  
FALBY, C.P. -B- FEDERAL

9. API Well No.

10. Field and Pool, Exploaratory Area  
Blinebry O&G, Drinkard, Eunice San Andres, SW

11. County or Parish, State  
LEA , NEW MEXICO

2. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Atlering Casing
	<input checked="" type="checkbox"/> OTHER: Amend surf. com. & off lease St
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

3. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Texaco Exploration and Production Inc. requests an amendment to Commingling Order PLC-59 concerning the above two Federal leases. Attached is a similar request package for amendment to the surface commingling and off-lease storage to the Bureau of Land Management. Approval for the surface commingling and off-lease storage of production from the Blinebry Oil and Gas Pool and the Drinkard Pool was obtained in 1981. Texaco proposes to commingle the production from the Eunice; San Andres, Southwest Pool with the Blinebry Oil and Gas Pool and the Drinkard Pool at the above battery. There are presently a total of four wells from both leases producing into this battery. Two wells produce from the Blinebry Oil and Gas Pool, two wells produce from the Drinkard Pool (the Falby A Federal #1 is down-hole commingled Blinebry and Drinkard), and one well is proposed to be recompleted into the Eunice; San Andres, Southwest Pool.

Production will continue to be allocated to each lease by well tests. Each well will continue to be tested for a minimum of twenty-four hours at least once per month through a two phase test separator. All of the working interest ownership on these wells/pools/ leases is 100% TEPI.

Attached for the BLM's information are:

1. A map showing the lease and location of all the wells that contribute production to the facility.
2. A battery schematic diagram identifying all equipment that will be utilized in the operation of the facility.
3. A BLM application for amendment of surface commingling, off-lease storage, and measurement.

14. I hereby certify that the foregoing is true and correct

SIGNATURE V. Greg Maes TITLE Engineering Assistant

TYPE OR PRINT NAME V. Greg Maes

(This space for Federal or State office use)

APPROVED BY (ORIG. SGD.) ARMANDO A. LORPE TITLE PETROLEUM ENGINEER DATE 7/17/97

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED  
 1997 JUL 15 A 8:49  
 BUREAU OF LAND MGMT.  
 ROSWELL OFFICE

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING,  
OFF LEASE STORAGE AND MEASUREMENT

To: Bureau of Land Management  
P.O. Box 1778  
Carlsbad, New Mexico 88221-1778

Texaco E & P Inc. (Operator's name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on federal Lease No. LC-033706A Lease Name: C.P. FALBY "A" FEDERAL

Well

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>C.P. FALBY "A" #1</u>	<u>C</u>	<u>8</u>	<u>22-S</u>	<u>37-E</u>	<u>Blinebry - Drinkard</u>
<u>C.P. FALBY "A" #2</u>	<u>D</u>	<u>8</u>	<u>22-S</u>	<u>37-E</u>	<u>P &amp; A</u>
<u>C.P. FALBY "A" #3</u>	<u>F</u>	<u>8</u>	<u>22-S</u>	<u>37-E</u>	<u>Drinkard</u>
<u>C.P. FALBY "A" #4</u>	<u>E</u>	<u>8</u>	<u>22-S</u>	<u>37-E</u>	<u>TA</u>

with hydrocarbon production from the following formation(s) and well(s) on federal Lease No. LC-033706B LEASE Name: C.P. FALBY "B" FEDERAL

Well

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>C.P. Falby "B" #1</u>	<u>K</u>	<u>8</u>	<u>22-S</u>	<u>37-E</u>	<u>Blinebry</u>
<u>C.P. Falby "B" #2</u>	<u>N</u>	<u>8</u>	<u>22-S</u>	<u>37-E</u>	<u>P &amp; A</u>
<u>C.P. Falby "B" #3</u>	<u>M</u>	<u>8</u>	<u>22-S</u>	<u>37-E</u>	<u>P &amp; A</u>
<u>C.P. Falby "B" #4</u>	<u>L</u>	<u>8</u>	<u>22-S</u>	<u>37-E</u>	<u>Eunice, San Andres</u>

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>Choke</u>
<u>C.P. FALBY "A" #1</u>	<u>4</u>	<u>36.6</u>	<u>70</u>	<u>-</u>
<u>C.P. FALBY "A" #2</u>	<u>SHUT-IN</u>			
<u>C.P. FALBY "A" #3</u>	<u>1</u>	<u>36.6</u>	<u>20</u>	<u>-</u>
<u>C.P. FALBY "A" #4</u>	<u>SHUT-IN</u>			
<u>C.P. Falby "B" #1</u>	<u>0</u>		<u>0</u>	<u>-</u>
<u>C.P. Falby "B" #2</u>	<u>SHUT-IN</u>			<u>-</u>
<u>C.P. Falby "B" #3</u>	<u>SHUT-IN</u>			
<u>C.P. Falby "B" #4</u>	<u>0</u>		<u>85</u>	<u>-</u>

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/ communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at Unit Ltr. K, Section 8, T-22-S, R-37-E, on lease No. LC-033706B Lea County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contribution sources is as follows:

Please see the attached diagram depicting the lease commingling facility installation. This installation is in compliance with the "Manual for the Installation and Operation of Commingling Facilities" which is published by the New Mexico Oil Conservation Division. Texaco proposes to commingle the production from the Eunice; San Andres, Southwest Pool with the Blinebry Oil and Gas Pool and the Drinkard Pool at the above battery. There are presently a total of four wells from both leases producing into this battery. Two wells produce from the Blinebry Oil and Gas Pool, two wells produce from the Drinkard Pool (the Falby A Federal #1 is down-hole commingled Blinebry and Drinkard), and one well is proposed to be recompleted into the Eunice; San Andres, Southwest Pool. Production will continue to be allocated to each lease by well tests. Each well will continue to be tested for a minimum of twenty-four hours at least once per month through a two phase test separator. All of the working interest ownership on these wells/pools/ leases is 100% TEPI.

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by

the lease instrument. And we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

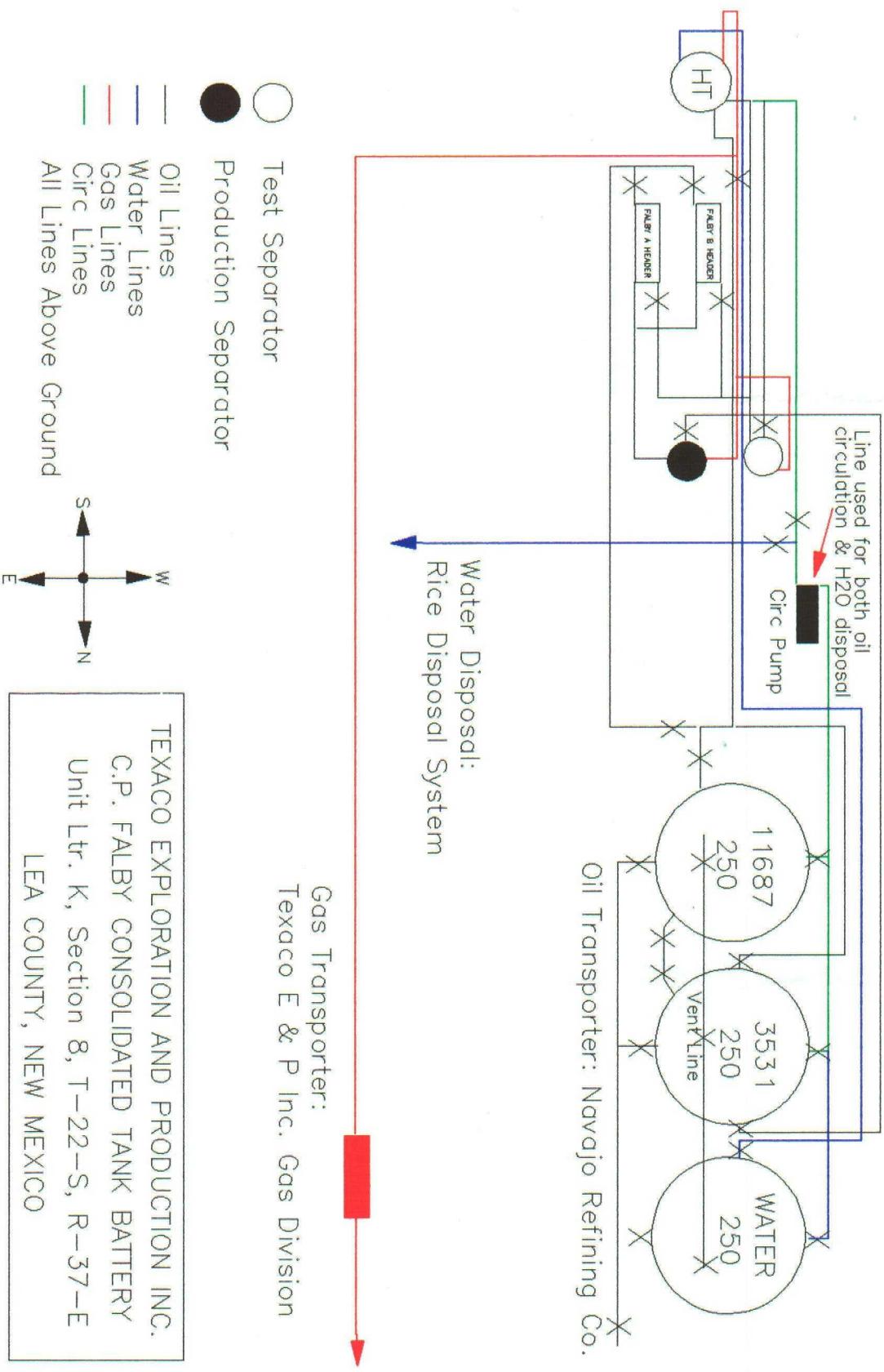
Additional wells require additional commingling approvals.

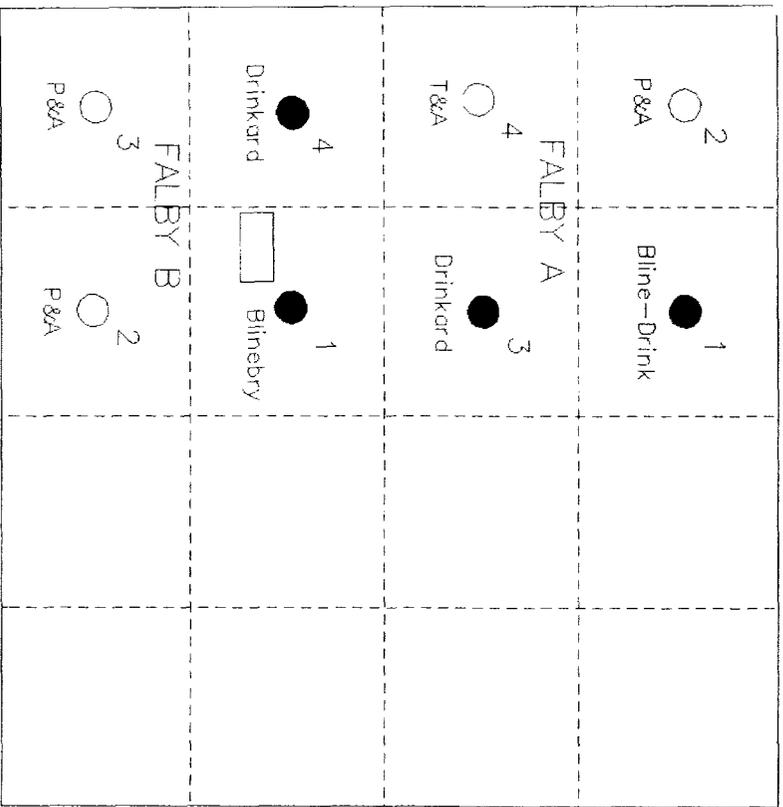
Signature: Greg Maes

Name: Greg Maes

Title: Engineer Assistant

Date: July 10, 1997





TEXACO EXPLORATION AND PRODUCTION INC.  
 C.P. FALBY CONSOLIDATED TANK BATTERY  
 UNIT LTR K, SECTION 8, T-22-S, R-37-E  
 LEA COUNTY, NEW MEXICO



BATTERY



PRODUCING WELLS



NON-PRODUCING WELLS