



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 12, 1996

Copy

Texaco E & P Inc.
P.O. Box 730
Hobbs, New Mexico 88241-0730

Attention: Mr. Monte C. Duncan

Re: NM L, N, O, Q, & BA Battery

Dear Mr. Duncan:

In order to process the application dated March 5, 1996, to surface commingle various pool production on the NM "O" State NCT-1 Lease, the State "BA" Lease, NM "L" State Lease and the NM "N" State Lease, the following additional information will be required:

- 1) Description of the acreage dedicated to each of the wells proposed to be commingled in this battery;
- 2) Map showing the boundaries of each of the subject leases;
- 3) Producing rates for the new Atoka completions; and,
- 4) Information as to whether the interest ownership between all the wells/pools/leases is common.

Your application will be processed upon receipt of this information.

Sincerely,

David Catanach
Engineer



Copy of Original Application

March 5, 1996

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Attn: Mr. William LeMay
Chairman and Director, Oil Conservation Division

RE: OFF-LEASE STORAGE AND SURFACE COMMINGLING PERMIT APPLICATION
New Mexico L, N, O, Q, & BA Battery
(Formerly New Mexico N, O, & BA battery)
Vacuum Abo North, Vacuum Upper Penn, Vacuum Wolfcamp Pools
Vacuum Drinkard, Wildcat Atoka
Ltr O, Sec. 25, T-17-S, R-34-E (Battery Location)
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. requests permission to amend the above described off-lease storage and surface commingling of production which was approved by the New Mexico Land Department on March 31, 1993. The New Mexico Oil Conservation gave its approval to this application on April 22, 1993 in Commingling Order PLC-100. By this letter TEPI also requests permission from the NMOCD to amend this order. At the time of approval, the battery was called the New Mexico N, O, & BA Battery.

Attached are two Commingle Pre-Application sheets. The first sheet lists the six wells which were involved in the initial approval. Two of the wells are no longer producing into the battery. New Mexico "N" State ~~#8~~ was sold to another producer and New Mexico "O" State ~~#18~~ has been plugged and abandoned.

The second commingle Pre-Application sheet lists the details of four wells: New Mexico "Q" State Well #4, New Mexico "O" State NCT-1 #38, New Mexico "L" State #18, and New Mexico "N" State #10. Texaco Exploration and Production Inc. requests permission for off-lease storage and surface commingling of production from these four wells at this battery. TEPI proposes to change the name of the battery to the New Mexico L, N, O, Q, & BA Battery.

All of the wells described on the two commingle pre-application sheets are operated by Texaco Exploration and Production Inc. All of these wells are located on state leases. All of the wells have common schools as their state beneficiary, with the exception of New Mexico "Q" State #4, which has NMMI as its state beneficiary.

The current posted price for West Texas/New Mexico sour crude is \$18.46 per barrel. The current posted price for gas is \$1.59 per mcf. Detailed data of the average daily production, oil gravities, and the current daily crude sales amounts for the four wells to add to the battery are as follows:

<u>WELL</u>	<u>OIL</u>	<u>WATER</u>	<u>GAS</u>	<u>FORMATION</u>
N.M. "Q" State #4	6	17	7	Vac Abo North
	6	17	7	Vac Upper Penn
	<u>3</u>	<u>9</u>	<u>3</u>	Vac Wolfcamp
Well Total:	15	43	17	

GRAVITY 38.3

CRUDE SALES PRICE \$18.46 X 15 = \$276.90 PER DAY

GAS SALES PRICE \$1.59 X 17 = \$27.03 PER DAY

N.M. "O" State #38	125	0	706	Wildcat Atoka
CHOKE 19/64				
<u>GRAVITY 43.0</u>				
<u>CRUDE SALES PRICE \$18.46 X 125 = \$2307.50 PER DAY</u>				
<u>GAS SALES PRICE \$1.59 X 706 = \$1122.54 PER DAY</u>				

N.M. "L" State #18 Proposed to drill Wildcat Atoka

N.M. "N" State #10 Proposed to drill Wildcat Atoka

The total crude and gas sales amounts will remain the same if the production from these four wells is commingled along with the production of the prior approved wells at this battery. The oil will be transported through a LACT unit by Texas New Mexico Pipeline Company. The gas will be sold to Texaco Exploration and Production Inc.'s Gas Division. Water from the battery is pumped to the Vacuum Glorieta West Unit for injection into that waterflood.

Attached for your review is a plat showing the location the eight wells and the battery. Also attached is a schematic of the New Mexico L, N, O, Q, & BA battery. New Mexico "Q" State #4 operates on a plunger lift system and requires it's own two phase separator. All of the other wells will produce into a two phase production separator. All of the wells, including New Mexico "Q" State #4, will be tested several times each month through a three

March 5, 1996

phase test separator where the oil, water, and gas amounts will be accurately measured through flow meters. Total monthly production will then be allocated to each well based on these well tests. The production from New Mexico "O" State #38 goes through a stackpack on the well's location. The well's gas is sold to Texaco Exploration and Production Inc.'s Gas Division through a sales meter on location. The well's fluid will be sent to the header at the New Mexico L, N, O, Q, & BA Battery. A schematic of this well's location and proposed flowline is attached for your information.

A check for \$30.00 for the filing fee is enclosed.

If you have any questions concerning this request, please contact me at 397-0418 or 393-7191. Thank you for your assistance in this matter.

Yours very truly,



Monte C. Duncan
Engineer's Assistant

/mcd
Chrono
Attachments

cc: New Mexico Land Department
P.O. Box 1148
Santa Fe, New Mexico 87504
Attn: Mr. Floyd Prando

New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240
Attn: Mr. Jerry Sexton

Mr. Terry Frazier, Hobbs Area Manager
Texaco Exploration and Production Inc.

COMMINGLE PRE-APPLICATION

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

PLEASE SEE ATTACHED LETTER

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELLS APPROVED TO PRODUCE INTO BATTERY

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
N.M. "N" State #8	D 30 17S 35E	TEPI	B-1722-1	Vacuum Abo North Vacuum Wolfcamp
N.M. "O" State NCT-1 #11	F 36 17S 34E	TEPI	B-155-1	Vacuum Abo North Vacuum Upper Penn Vacuum Wolfcamp
N.M. "O" State NCT-1 #14	J 36 17S 34E	TEPI	B-155-1	Vacuum Abo North Vacuum Wolfcamp
State BA #6	D 36 17S 34E	TEPI	B-1565	Vacuum Abo North Vacuum Upper Penn Vacuum Wolfcamp
State BA #8	E 36 17S 34E	TEPI	B-1565	Vacuum Abo North Vacuum Upper Penn Vacuum Wolfcamp
N.M. "O" State NCT-1 #18	H 36 17S 34E	TEPI	B-155-1	Vacuum Drinkard
NAME:	Monte C. Duncan, Engineer's Assistant			
COMPANY:	Texaco Exploration and Production Inc., Box 730, Hobbs, N.M.			
PHONE NUMBER:	(505) 397-0418 or (505) 393-7191			

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION AT (505) 827-5744.

MAR 31 1988

Jim Bacon

COMMISSIONER OF PUBLIC LANDS

COMMINGLE PRE-APPLICATION

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

PLEASE SEE ATTACHED LETTER

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELLS TO ADD TO BATTERY

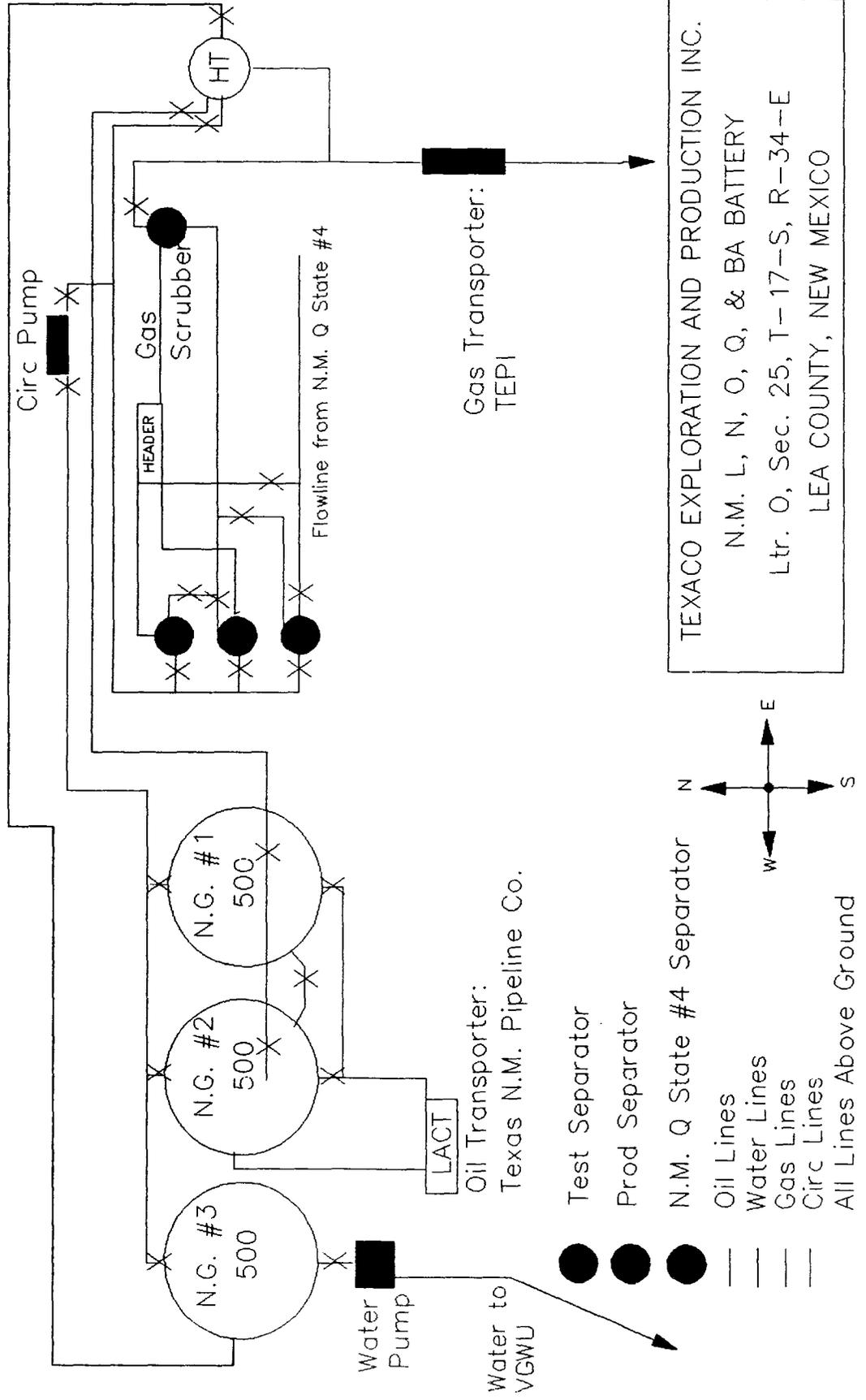
WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
N.M. Q State #4 ✓	P-25-17S-34E	TEPI	B-1056-2	Vacuum Abo North Vacuum Upper Penn Vacuum Wolfcamp
N.M. O State NCT-1 #38 ✓	I-36-17S-34E	TEPI	B-155	Wildcat Atoka (96454)
N.M. L State #28 take out	A-1-18S-34E	TEPI	B-1733	Wildcat Atoka
N.M. N State #10	M-30-17S-35E	TEPI	B-1722	Wildcat Atoka

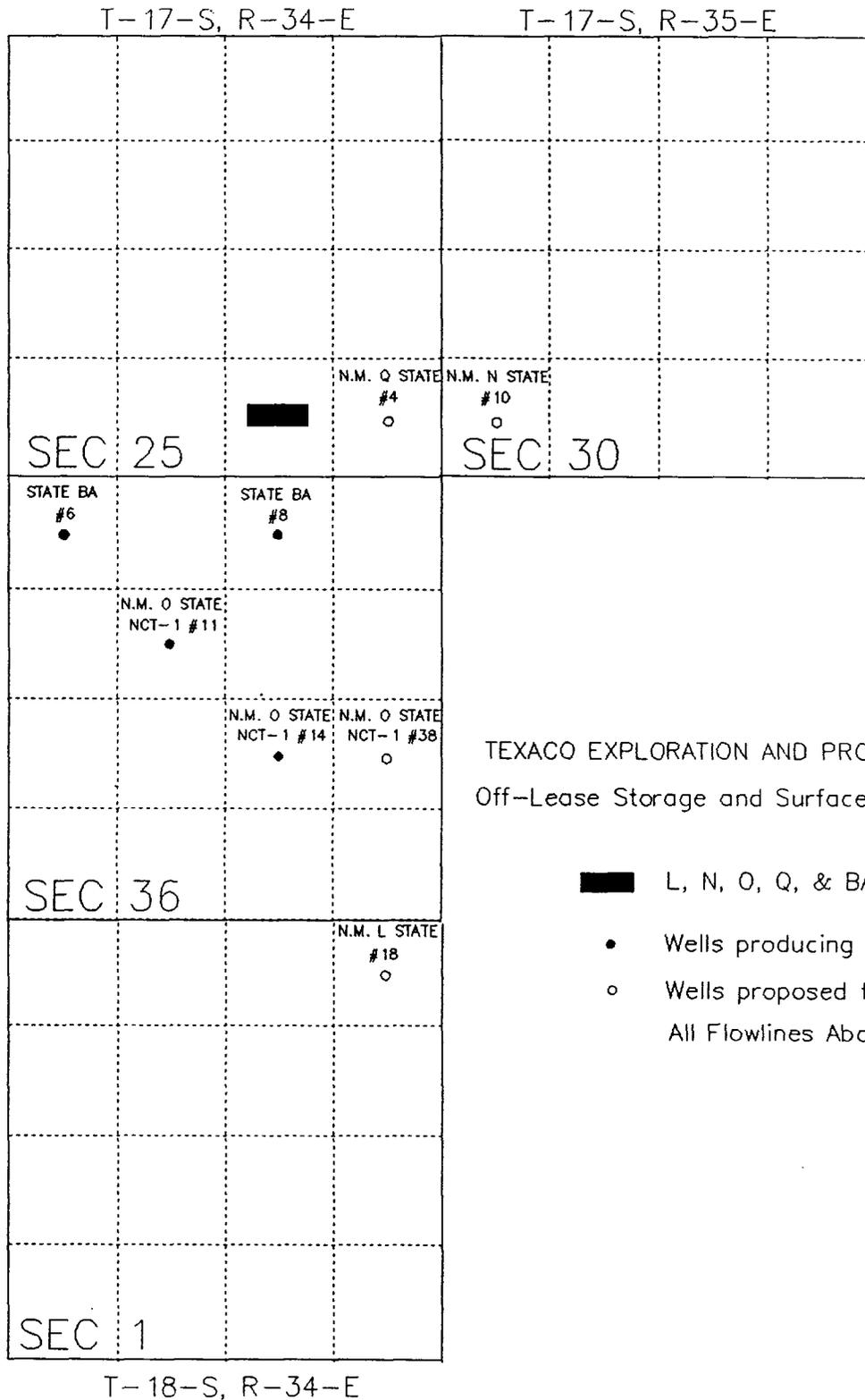
NAME: Monte C. Duncan, Engineer's Assistant

COMPANY: Texaco Exploration and Production Inc., Box 730, Hobbs, N.M.

PHONE NUMBER: (505) 397-0418 or (505) 393-7191

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TEXACO EXPLORATION AND PRODUCTION INC.
 Off-Lease Storage and Surface Commingling

- L, N, O, Q, & BA BATTERY
 - Wells producing to battery
 - Wells proposed to add to battery
- All Flowlines Above Ground

