



RAY B. POWELL
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

September 8, 1993

Texaco Exploration and Production
P. O. Box 730
Hobbs, New Mexico 88241-0730

Re: Amendment to Off-Lease Storage and Surface Commingling
Vacuum Drinkard Consolidated Battery P Sec. 1-18S-34E
Lea County, New Mexico
Fourteen Vacuum Drinkard Wells

Attn: Mr. Monte C. Duncan:

This office is in receipt of your application dated August 23, 1993, wherein you have requested our approval for off-lease storage and surface commingling of production from fourteen wells into the Vacuum Drinkard Consolidated Battery. The battery is located in the SE/4SE/4 of Sec. 1-18S-34E.

According to your application all wells will produce from the Vacuum Drinkard formation. The beneficiary from ten of the wells is Common Schools and the beneficiary from the remaining four wells is New Mexico Military Institute. The oil and water from these wells will be measured separately by beneficiary prior to commingling.

Since ownership is common throughout and there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands, this date approves your request. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove to be unprofitable to the State at any time in the future. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL, M.S., D.V.M
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744

RBP/FOP/pm

cc: Reader File
OCD - David Catanach
OCD - Ben Stone



RELEASE 7.20.93

NEW MEXICO OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

1993 SEP 21 10 0 21

August 23, 1993

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

Attn: Mr. William J. Lemay
Chairman and Director, Oil conservation Division

RE: AMENDMENT TO OFF-LEASE STORAGE AND SURFACE COMMINGLING PERMIT APPLICATION

Vacuum Drinkard Consolidated Battery
Ltr P, Sec. 1, T-18-S, R-34-E (Battery Location)
Vacuum Drinkard Pool Lea County, New Mexico
Fourteen Vacuum Drinkard Wells (List Attached)

Gentlemen:

Texaco Exploration and Production Inc. requests permission for off-lease storage and surface commingling of production from the fourteen wells described on the attached commingle pre-application into the above described battery. TEPI recently received approval from the New Mexico Land Department (approval date June 30, 1993) and the New Mexico Oil Conservation Division (OCD Commingling Order CTB-374) for the off-lease storage and surface commingling of the production from three Vacuum Drinkard wells into this battery. Due to the additional production expected from these fourteen new wells, TEPI has developed plans to build a larger Vacuum Drinkard Consolidated Battery.

The fourteen wells described on the commingle pre-application are operated by Texaco Exploration and Production Inc. TEPI has 100% of the gross working interest in all fourteen wells. All of these wells are located on state leases and will produce from the Vacuum Drinkard formation. The state beneficiary for ten of these wells is common schools. The remaining four wells have NMMI as the state beneficiary. The oil and water from these wells will be measured separately by beneficiary prior to commingling. The battery will have two gas meters, one for each beneficiary. Monthly tests for these wells will be accurately measured on a per well basis through meters on the test separator. Each well will be tested several times during the month. Total monthly production will then be allocated to each well based on these well tests.

The oil transporter for this battery will be Texas New Mexico Pipeline, with the oil being metered through a LACT Unit into the pipeline. The gas will be sold to Texaco Exploration and Production Inc.'s Gas Division. Water from the battery will be hauled to a disposal well.

Attached for your review is a plat showing the location of the all the Vacuum Drinkard wells and the battery. A schematic of this new battery as well as a process description of the production facilities is also attached. 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. Larry Ridenour is equipment coordinator on this project. He can be reached at 397-0423. Thank you for your assistance in the approval of this application.

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.

VACUUM DRINKARD CONSOLIDATED TANK BATTERY
PROCESS DESCRIPTION

Wells producing into the facility are brought into one of two headers depending on state beneficiary. All phases of production are then separated by means of a 3 phase separator. Oil and water will be measured by means of turbine meters with $\pm 1\%$ accuracy before they are combined with wells from the other header. Gas will be measured and sold through separate meter runs.

Well tests are also accomplished by a three phase separator. Oil, water, and gas measurement for each header will be ensured by control valves CV-1 and CV-2. Control will be established whereby a well on test is automatically diverted back to the appropriate production separator for total metering of header production.

Pumps will be utilized on each separator to ensure flow rates within meter tolerances. The pumps will also allow operation of the separators at the lowest obtainable pressures resulting in minimal gas release in the tanks.

A vapor recovery unit will collect gases from the heater treater and the stock tanks. Recovered gases will be sold and allocated back to wells based on oil production.

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.

Proposed wells in the Vacuum Drinkard field. (Page 1)

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
N.M. "AB"	State #10 J 6 18S 35E	TEPI	B-1031	Vacuum Drinkard
N.M. "L"	State #12 H 1 18S 34E	TEPI	B-1733	Vacuum Drinkard
N.M. "L"	State #13 G 1 18S 34E	TEPI	B-1733	Vacuum Drinkard
N.M. "L"	State #14 B 1 18S 34E	TEPI	B-1733	Vacuum Drinkard
N.M. "L"	State #15 A 1 18S 34E	TEPI	B-1733	Vacuum Drinkard
N.M. "M"	State #9 C 1 18S 34E	TEPI	B-1080-2	Vacuum Drinkard
N.M. "M"	State #10 E 1 18S 34E	TEPI	B-1080-2	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.

KKCS 06-04-91

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.

Proposed wells in the Vacuum Drinkard field. (Page 2)

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
N.M. "R" State NCT-1 #13	G 6 18S 35E TEPI	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-1 #14	B 6 18S 35E TEPI	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-1 #15	A 6 18S 35E TEPI	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-3 #26	J 1 18S 34E TEPI	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-3 #27	O 1 18S 34E TEPI	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-3 #28	K 1 18S 34E TEPI	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-3 #29	L 1 18S 34E TEPI	TEPI	B-1306	Vacuum Drinkard

NAME: Monte C. Duncan, Engineer's Assistant

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

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KKCS 06-04-91

Vacuum - Drinkard Development Locations

Lease	Well Number	Location				Range	TD	Footage
		Section	Township	Spot	Range			
New Mexico "R" State NCT-3	26	NW SE	J 1	18S	34E	8000	1980' FSL 1830' FEL	MJ
New Mexico "R" State NCT-3	27	SW SE	Q 1	18S	34E	8050	810' FSL 1980' FEL	ML
New Mexico "R" State NCT-3	28	NE SW	K 1	18S	34E	8000	1830' FSL 1980' FWL	ML
New Mexico "R" State NCT-3	29	NW SW	L 1	18S	34E	8000	1830' FSL 660' FWL	MJ
New Mexico "L" State	12	SE NE	H 1	18S	34E	7950	1980' FNL 660' FEL	CS
New Mexico "L" State	13	SW NE	G 1	18S	34E	7950	1830' FNL 1980' FEL	CS
New Mexico "L" State	14	NW NE	B 1	18S	34E	7950	810' FNL 1980' FEL	CS
New Mexico "L" State	15	NE NE	A 1	18S	34E	7950	660' FNL 510' FEL	CS
7								
New Mexico "M" State	9	NE NW	C 1	18S	34E	7900	660' FNL 1830' FWL	CS
New Mexico "M" State	10	SW NW	E 1	18S	34E	7900	2130' FNL 660' FWL	CS
New Mexico "R" State NCT-1	13	SW NE	G 6	18S	35E	8150	1980' FNL 2130' FEL	CS
New Mexico "R" State NCT-1	14	NW NE	B 6	18S	35E	8150	810' FNL 1980' FEL	CS
New Mexico "R" State NCT-1	15	NE NE	A 6	18S	35E	8150	510' FNL 660' FEL	CS
New Mexico "AB" State	10	NW SE	J 6	18S	35E	8200	1980' FSL 1980' FEL	CS

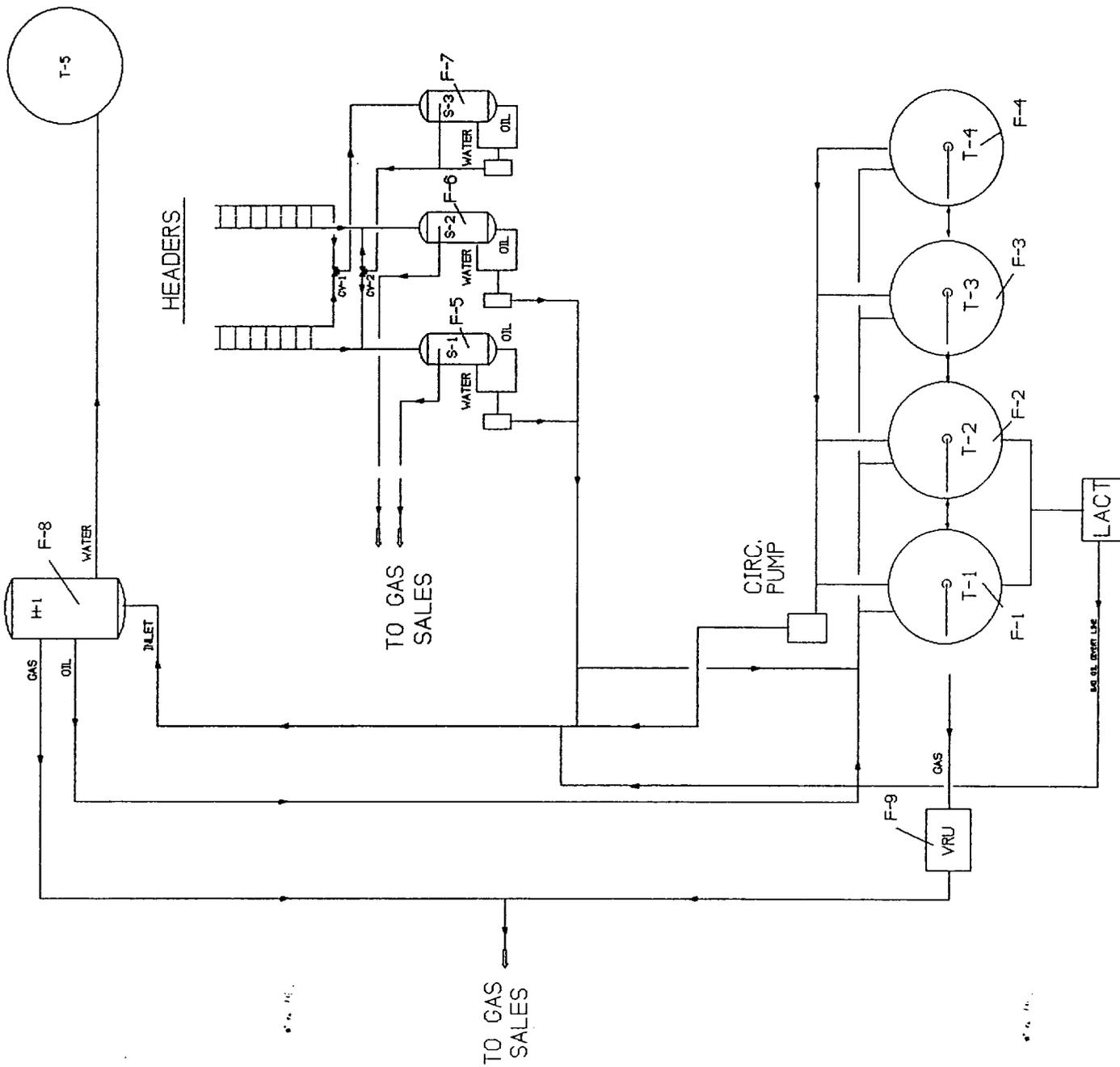
T-18-S T-18-S
R-34-E R-35-E

N.M. M State #9 ○	N.M. L State #14 ○	N.M. L State #15 ○	N.M. R State NCT-1 #14 ○	N.M. R State NCT-1 #15 ○
N.M. M State #10 ○	N.M. L State #13 ○	N.M. L State #12 ○	N.M. R State NCT-1 #13 ○	
N.M. R STATE NCT-3 #29 ○	N.M. R STATE NCT-3 #28 ○	N.M. R STATE NCT-3 #26 ○	N.M. R STATE NCT-3 #25 ●	N.M. AB State #10 ○
SEC 1	N.M. R STATE NCT-3 #27 ○	N.M. R STATE NCT-3 #24 ●	SEC 6	

TEXACO EXPLORATION AND PRODUCTION INC.

Off-Lease Storage and Surface Commingling

- Vacuum Drinkard Consolidated Battery
- Producing Vacuum Drinkard Wells
- Proposed Vacuum Drinkard Wells



- S-1 3 PHASE PRODUCTION SEPARATOR
- S-2 3 PHASE PRODUCTION SEPARATOR
- S-3 3 PHASE TEST SEPARATOR
- T-1 500 BBL OIL STOCK TANK
- T-2 500 BBL OIL STOCK TANK
- T-3 500 BBL OIL STOCK TANK
- T-4 500 BBL OIL STOCK TANK
- T-5 500 BBL PRODUCED WATER TANK
- H-1 8' X 15' HORIZONTAL HEATER TREATER
- VRU - VAPOR RECOVERY UNIT
- ☛ ELECTRICALLY ACTUATED 3-WAY CONTROL VALVE

TEXACO EXPLORATION AND PRODUCTION INC.
 VACUUM DRINKARD CONSOLIDATED T/B
 Ltr P. Sec. 1, T-18-S, R-34-E
 Lea County, New Mexico

SECTION 01 TOWNSHIP 18 South RANGE 34 East

D TEXACO 40.88 UUD 04 38 B1080-2	C TEXACO 40.70 UUD 04 38 B1080-2	B TEXACO 40.54 UUN 02 43 B1733-2	A TEXACO 40.36 UUD 02 43 B1733-2
E TEXACO U-0 04 38 B1080-2	F TEXACO UUN 04 38 B1080-2	G TEXACO UUD 02 43 B1733-2	H TEXACO UUD 02 43 B1733-2
L TEXACO U-0 11 42 B1306-2	K TEXACO U-0 11 42 B1306-2	J TEXACO UUN 11 42 B1306-2	I TEXACO UUD 11 42 B1306-2
M TEXACO U-0 11 42 B1306-2	N TEXACO U-I 11 42 B1306-2	O TEXACO U-0 11 42 B1306-2	P TEXACO UOP 11 42 B1306-2

REMARKS

- A BENE:CS; VAC. GBSA & VAC. GLORIET
- B BENE:CS; VAC. GLORIETA W UT
- G BENE:CS; VAC. GLORIETA W UT
- H BENE:CS; VAC. GLORIETA W UT
- C BENE:CS; VAC. GLORIETA W UT
- D BENE:CS; VAC. GLORIETA W UT
- E BENE:CS
- F BENE:CS
- K BENE:MI
- L BENE:MI
- M BENE:MI
- N BENE:MI
- I BENE:MI
- J BENE:MI
- O BENE:MI
- P BENE:MI