



Texaco USA

FOIA b 7
Hobbs Area
505 27 00

DATE: June 12, 1987

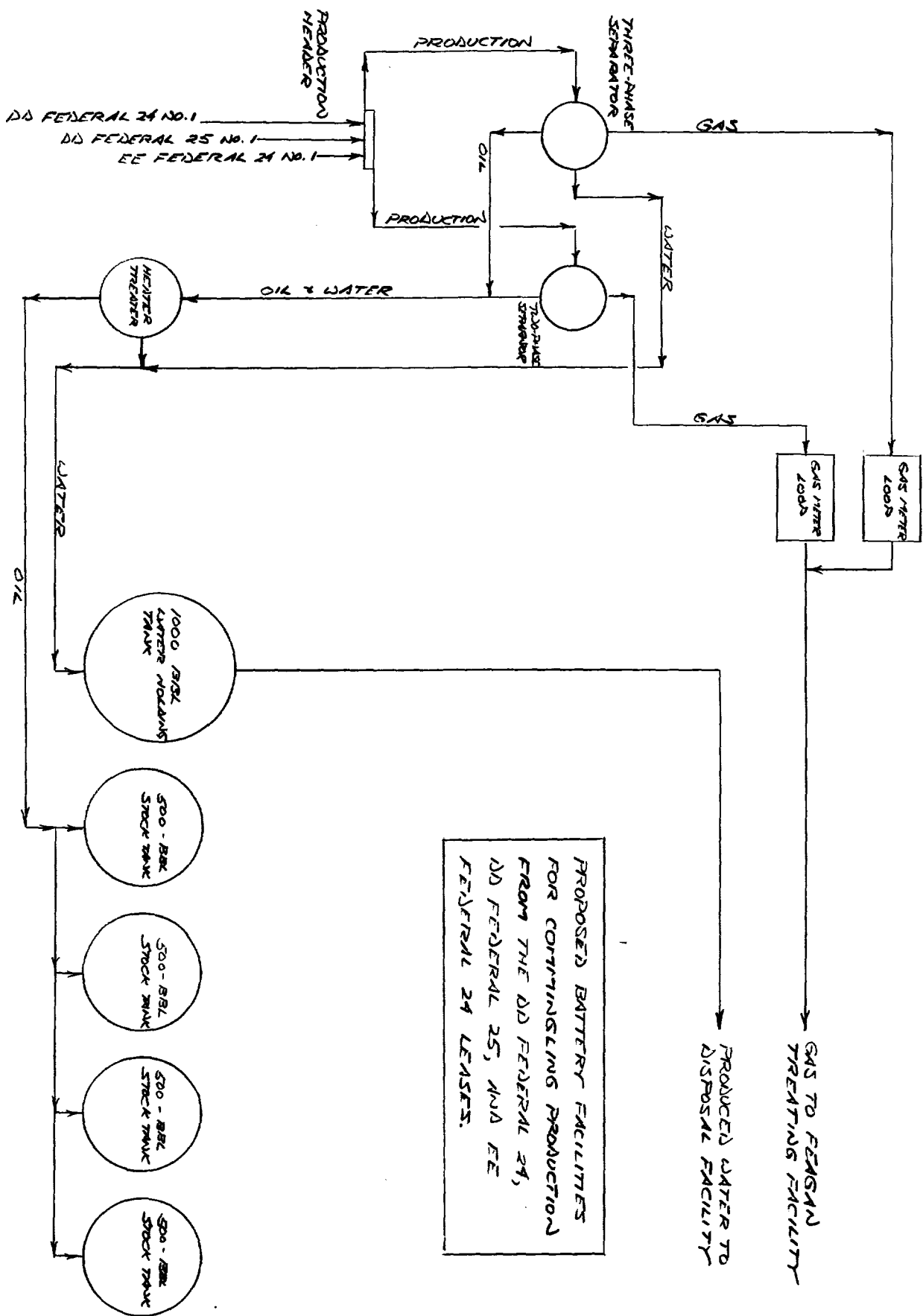
New Mexico Oil Conservation Division
Attn: Mr. W. J. LeMay
P. O. Box 2088
Santa Fe, New Mexico 87504

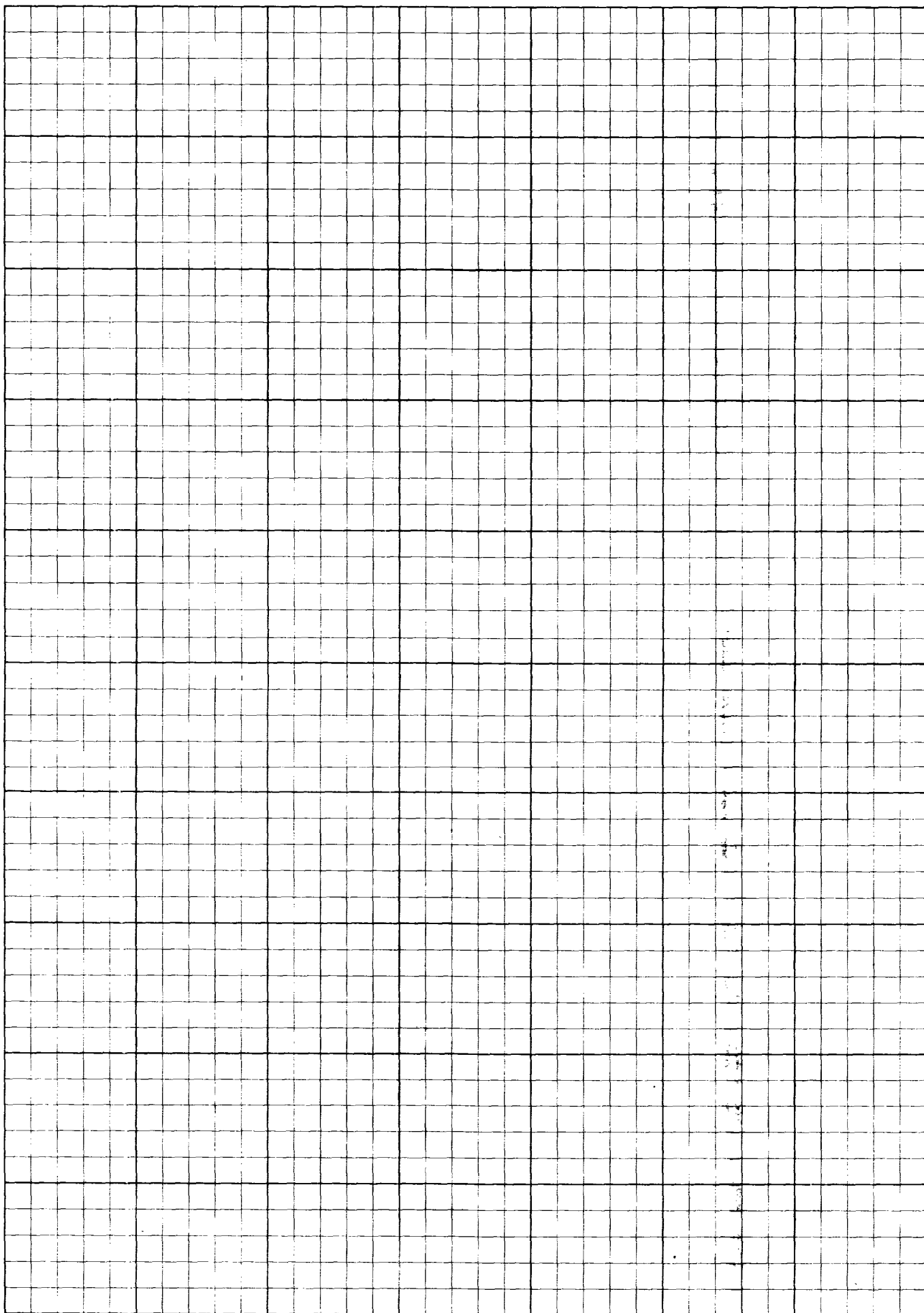
Mr. W. L. LeMay:

Permission is requested to commingle in a common battery production from the D. D. Federal 24, D. D. Federal 25, and E. E. Federal 24 leases. The D. D. Federal 24 and D. D. Federal 25 leases each have one well producing from the Dagger Draw Upper Penn, North pool. A well on the E. E. Federal 24 lease is scheduled to be drilled in the near future and will be completed in the same pool. Adequate facilities will be provided for accurately determining production from each well at reasonable intervals. With the Federal Government owning all royalty interests and Texaco owning 100% of the gross working interest, ownership of the three leases will be common throughout. The BLM has previously granted permission to commingle production from two of the leases, D. D. Federal 24 and D. D. Federal 25. Approval is currently being requested from the BLM to commingle production from all three leases.

The API gravity of oil from the D. D. Federal lease averages 46° at 60°F. The API gravity of oil from the D. D. Federal 25 lease averages 42° at 60°F. With current production rates of 70 BOPD and 120 BOPD for the respective leases, the API gravity of the combined fluids will be 43° at 60°F. Additional production from the E. E. Federal 24 lease (when drilled and completed) is expected to have an API gravity between 42° and 46°. Commingling of the liquid hydrocarbon production from the three leases will not reduce the commercial value that would otherwise exist if the liquids were not commingled.

James A. Head
Hobbs Area Superintendent





UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIP
(Other Instructions
verse side)

TR-
10

Form approved
Budget Bureau No. 1004-1
Expires Aug. 31, 1985

LEASE DESIGNATION AND SERIAL

NM-58024

IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. ☐ OIL WELL ☒ GAS WELL ☐ OTHER
2. NAME OF OPERATOR
Texaco Producing Inc.
3. ADDRESS OF OPERATOR
P. O. Box 728, Hobbs, New Mexico 88240
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below)
At surface
Unit Letter H, 1980' FNL, 660' FEL

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

DD Federal 25

9. WELL NO.

1

10. FIELD AND POOL OR WILDCAT

N. Dagger Draw Upper Penn

11. SEC., T., R., M., OR BLM. AND
SURVEY OR ALTA

Section 25, T-19-S, R-24-1

12. COUNTY OR PARISH 13. STATE

Eddy

New Mexico

14. PERMIT NO.

15. ELEVATIONS (Show whether DE, RT, GR, etc.)

3609.5' GL

16 Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT OFF

PULL OR ALTER CASING

WATER SHUT OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETION

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON*

SHOOTING OR ACIDIZING

ABANDONMENT*

REPAIR WELL

CHANGE PLANS

(Other)

(Other) Commingle Battery Facilities X

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

17. 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.)

It is proposed to commingle production from DD 24 Federal No. 1 and DD 25 Federal No. 1 is currently being drilled to the Upper Penn, which is the same zone produced in DD 24 Federal No. 1. The produced fluids from the wells are expected to be compatible. Working Interest and Royalty Ownership will be the same. The proposed work is expected to begin on April 20, 1987.

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

397-3571

SIGNED

James A. Head

TITLE Hobbs Area Superintendent

DATE April 15, 1987

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

April 27, 1987

Texaco Producing, Inc.
P. O. Box 728
Hobbs, New Mexico 88240

RE: Lease NM-58024
D.D. Federal 25 No. 1

Lease NM-56220
D.D. Federal 24 No. 1

Gentlemen:

Your application for permission to surface commingle production from the above referenced wells as set forth in your Sundry Notice of April 15, 1987, is hereby approved.

Sincerely,

David L. Mari
Area Manager

