



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER CTB-331

Texaco, Inc.
P.O. Box 730
Hobbs, NM 88240

Attention: James A. Head

The above-named company is hereby authorized to commingle West Lusk Delaware pool production from the following leases:

Lease Name: Federal "I" Lease
Description: NE/4, N/2 SE/4, SE/4 SE/4, Section 31,
Township 19 South, Range 32 East, NMPM

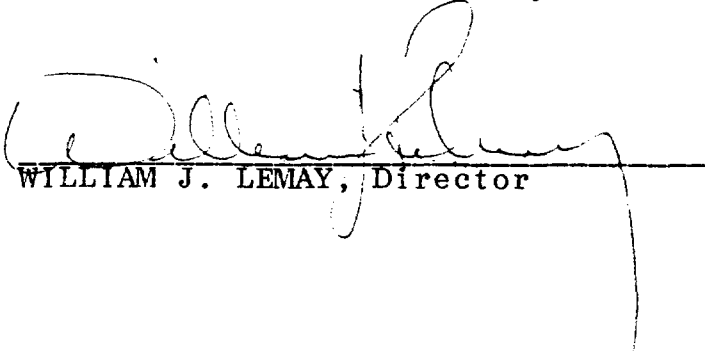
Lease Name: Federal "J" Lease
Description: SE/4 Section 30, Township 19 South, Range 32
East, NMPM.

Both in Lea County, New Mexico

Production shall be allocated to each lease by well tests; (If this method or the subtraction method is to be authorized, all commingled production must be of identical ownership: working interest, royalty interest, and overriding royalty interest).

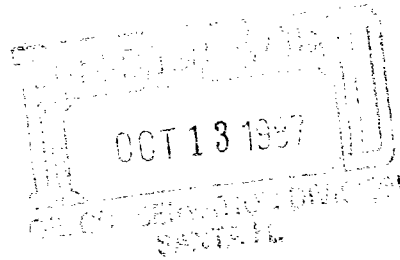
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

DONE at Santa Fe, New Mexico, on this 4 day of November, 1987.


WILLIAM J. LEMAY, Director



Exaco USA



October 2, 1987

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

Mr. W. J. LeMay:

Permission is requested to commingle in a common battery production from the Federal (USA) "I" (lease no: NM-58935) and the Federal (USA) "J" (lease no: NM-59045) leases. The Federal (USA) "J" lease currently has one well producing from the Lusk Delaware, West pool. One well on the Federal (USA) "I" lease is currently being completed to the Delaware. Adequate facilities will be provided for accurately determining the production from each well at reasonable intervals. Gross working interests of both leases are the same. The Federal Government owns the royalty interests. No federal royalties will be reduced with the approval of this request. Approval for commingling of the two leases is currently being requested from the BLM.

The API gravity of oil from the Federal (USA) "J" Well No. 1 is 35.3° at 60°F. The gravity of oil from the Federal (USA) "I" Well No. 1 is expected to be similar. Commingling of the liquid hydrocarbon production from the two leases will not reduce the commercial value that would otherwise exist if the liquids were not commingled.

James A. Head
Hobbs Area Superintendent

JGB/clp

cc: John Brady
File

ATTACHMENT TO THE SITE FACILITY DIAGRAM.

General setting of valves, sales by MCT.

Sales phase -

All circulating valves C1 thru C3 sealed closed.

Sales valve S1 sealed open. Sales valve S2 sealed closed.

Fill-up valves F1 thru F5 sealed open. Equalizing valves E1 thru E3 sealed open.

During normal operation, one well will be routed through the test separator, the other through the heater treater. After the production from the first well goes through the separator and is metered, it will be combined with incoming production from the second well.

Symbols:

OM - oil meter

WM - water meter

GM - gas meter

HT - heater treater

SEP - separator

W/T - water tank

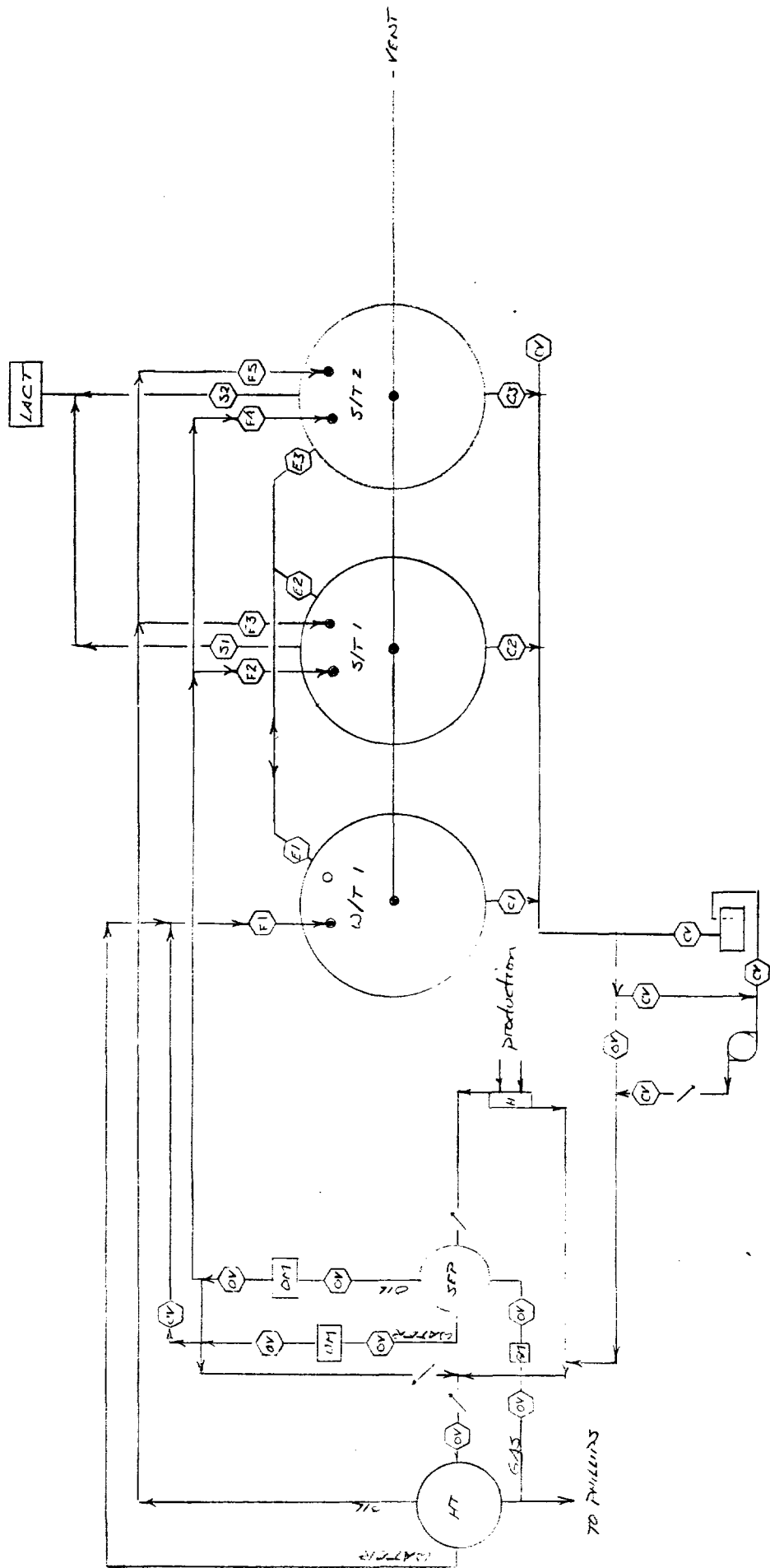
S/T - stock tank (oil)

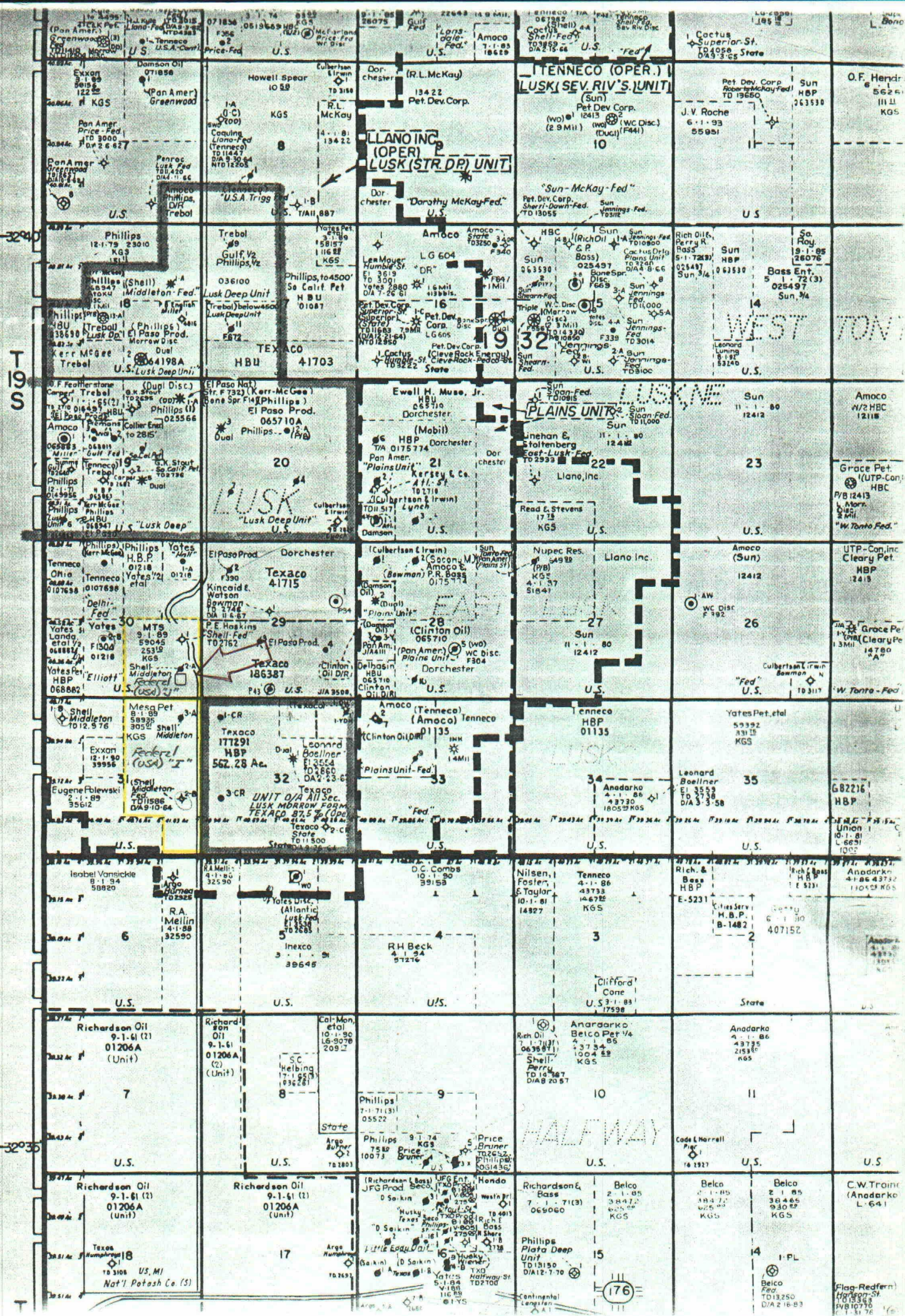
OV - normally open valve

CV - normally closed valve

H - header

TEXACO INC
LEASE: FEDERAL (USA) "I" (lease number: NM-58935)
FEDERAL (USA) "J" (lease number: NM-59045)
LOCATION: SE 1/4 SE 1/4
SECTION 30
T-19-S R-32-E





UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

Form approved
Budget Bureau No. 1004-4
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL

NM-59045

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal (USA) "J"

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Lusk Delaware, West

11. SEC., T., R., M., OR BLD. AND
SURVEY OR AREA

Section 30, T19S, R32E

12. COUNTY OR PARISH 13. STATE

Lea

NM

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

3. Texaco, Inc.
ADDRESS OF OPERATOR

PO 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 P, 990' FSL & 660' FEL

14. PERMIT NO.

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

3547' 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 COMPLETE

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON*

SHOOTING OR ACIDIZING

ABANDONMENT*

REPAIR WELL

CHANGE PLANS

(Other)

Commingle

(Other)

(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 the Federal (USA) "J" and Federal (USA) "I" leases in a common battery facility. One well exists on the Federal (USA) "J" lease, and one well is currently being completed on the Federal (USA) "I" lease. All production will be from the Lusk Delaware, West pool. Produced fluids from the two leases will be compatible. Commingling of liquid hydrocabons will not reduce the commercial value that would otherwise exist if the liquids were not commingled. Royalty interests (Federal Government:100%) and working interests (Texaco:71.43%; Sequoia;28.57%) of the two leases will be common throughout.

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

397-3571

SIGNED

TITLE Hobbs Area Superintendent

DATE 9/28/87

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side



October 2, 1987

Texaco Trading & Transportation Inc.
P. O. Box 6196
Midland, Texas 79711-0196

Dear Sir:

Texaco Inc. requests approval to permit commingling of oil and gas production in a common tank battery from Texaco's Federal (USA) "I" and Federal (USA) "J" leases. Both leases have common working interest, overriding royalty, and royalty interest ownership. Both leases produce from a common reservoir, the Lusk Delaware, West Pool.

Texaco Inc. is requesting approval from the New Mexico Oil Conservation Division to commingle production from the subject leases. The Division Director may approve the application after a period of 20 days following receipt of the application, providing no party has made objection to the application.

If Texaco Trading & Transportation Inc. objects to the commingling of production on the subject leases, such objection should be sent to us and to:

Mr. W. J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

If you have any questions, please contact us at (505)397-3571.

Sincerely,

A handwritten signature in cursive script that reads "Ja Head".

James A. Head
Hobbs Area Superintendent

cc: NMOC
File

Area Superintendent

Date



Texaco USA

1800 777
1 800 777 2200
1 800 777 2200

October 2, 1987

Bechtel Investment, Inc.
P. O. Box 2166
Houston, Texas 77252-2166

Dear Sir:

Texaco Inc. requests approval to permit commingling of oil and gas production in a common tank battery from Texaco's Federal (USA) "I" and Federal (USA) "J" leases. Both leases have common working interest, overriding royalty, and royalty interest ownership. Both leases produce from a common reservoir, the Lusk Delaware, West Pool.

Texaco Inc. is requesting approval from the New Mexico Oil Conservation Division to commingle production from the subject leases. The Division Director may approve the application after a period of 20 days following receipt of the application, providing no party has made objection to the application.

If Bechtel Investment, Inc. objects to the commingling of production on the subject leases, such objection should be sent to us and to:

Mr. W. J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

If you have any questions, please contact us at (505)397-3571.

Sincerely,

James A. Head
Hobbs Area Superintendent

cc: NMOCD
File

Area Superintendent

Date