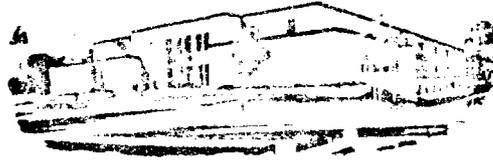


State of New Mexico



Commissioner of Public Lands

July 30, 1980

ALEX J. ARMIJO  
COMMISSIONER

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Texaco Inc.  
Drawer 728  
Hobbs, New Mexico 88240

Re: SURFACE COMMINGLING

New Mexico "AC" State NCT-1 B-1189-1  
S/2 Sec. 2-T18S-R34E  
New Mexico "AE" State NCT-4 B-1258-1  
All of Sec. 11, W/2 Sec 12-T18S-R34E  
New Mexico "R" State NCT-4 B-1306-1  
N/2NW/4 Sec 7, T18S-R35E  
New Mexico "AA" State NCT-4 B-3936-1  
NE/4 Sec. 10, T18S, R34E  
VACUUM ABO REEF FIELD  
LEA COUNTY, NEW MEXICO

ATTENTION: Mr. J. A. Schaffer

Gentlemen:

Reference is made to your request dated July 22, 1980, requesting permission to surface commingle hydrocarbon production from the New Mexico "AC" State NCT-1 Lease with that from the already commingled New Mexico "AE" State NCT-4, New Mexico "AA" State NCT-4, and New Mexico "R" State NCT-4 Leases.

You are hereby given approval to the above request. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Your Ten (\$10.00) Dollar filing fee has been received.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY:  
FLOYD O. PRANDO, Assistant Director  
Oil and Gas Division

AJA/FOP/s  
encls.

cc: New Mexico Oil Conservation Division  
New Mexico Oil and Gas Accounting Commission  
State Leases B-1189-1, B-1258-1, B-1306-1, and B-3936-1



PETROLEUM PRODUCTS

TEXACO INC.  
DRAWER 728  
HOBBS, NEW MEXICO 88240

July 22, 1980

SURFACE COMMINGLING

NEW MEXICO "AC" STATE NCT-1 B-1189-1  
S/2 S2, T-18-S, R-34-E  
NEW MEXICO "AE" STATE NCT-4 B-1258-1  
ALL OF S11, W/2 S12, T-18-S, R-34-E  
NEW MEXICO "R" STATE NCT-4 B-1306-1  
N/2 NW/4 S7, T-18-S, R-35-E  
NEW MEXICO "AA" STATE NCT-4 B-3936-1  
NE/4 S10, T-18-S, R-34-E  
VACUUM ABO REEF FIELD  
LEA COUNTY, NEW MEXICO

JUL 23 9 15 AM '80  
RECEIVED

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico, 87501

Gentlemen:

TEXACO Inc. has requested permission from the New Mexico Oil Commission to surface commingle hydrocarbon production from the New Mexico "AC" State NCT-1 Lease with that from the already commingled New Mexico "AE" State NCT-4, New Mexico "AA" State NCT-4, and New Mexico "R" State NCT-4 Leases. A copy of the Application along with a plat of the leases and diagram of the proposed tank battery facilities are attached.

If you approve of this commingling, please give your approval to the New Mexico Conservation Commission. The \$10.00 filing fee is enclosed.

Approved: *[Signature]* 450  
*[Signature]*  
COMMISSIONER OF PUBLIC LANDS

Yours very truly,

TEXACO INC.  
PRODUCING DEPARTMENT-WEST U. S.

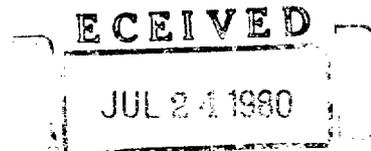
*[Signature]*  
J. A. Schaffer  
Assistant District Superintendent

WER:JEB

Attachments



PETROLEUM PRODUCTS



OIL CONSERVATION DIVISION

SANTA FE TEXACO INC.

DRAWER 728

HOBBS, NEW MEXICO 88240

July 22, 1980

SURFACE COMMINGLING

NEW MEXICO "AC" STATE NCT-1 B-1189-1  
S/2 S2, T-18-S, R-34-E

NEW MEXICO "AE" STATE NCT-4 B-1258-1  
ALL OF S11, W/2 S12, T-18-S, R-34-E

NEW MEXICO "R" STATE NCT-4 B-1306-1  
N/2 NW/4 S7, T-18-S, R-35-E

NEW MEXICO "AA" STATE NCT-4 B-3936-1  
NE/4 S10, T-18-S, R-34-E

VACUUM ABO REEF FIELD  
LEA COUNTY, NEW MEXICO

Energy & Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

In accordance with New Mexico Oil Conservation Division Rule 303-B, TEXACO Inc. respectfully requests permission to surface commingle liquid hydrocarbon production from the Vacuum Abo Reef pool from the New Mexico "AC" State NCT-1 Lease with that from the already commingled New Mexico "AE" State NCT-4, New Mexico "AA" State NCT-4, and New Mexico "R" State NCT-4 Leases.

The New Mexico "AE" State NCT-4, New Mexico "AA" State NCT-4, and New Mexico "R" State NCT-4 are currently operating under Commingle Permit No. CTB-259.

A plat of the leases to be commingled indicating well locations and pools from which they produce, and a diagram of the proposed commingling facility installation are attached.

All Working Interest, Royalty Interest and State Beneficiaries (Common School) are common throughout.

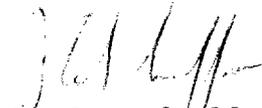
July 22, 1980

All production is from the Vacuum Abo Reef Pool, gravity of the oil is 38.4, therefore, no revenue will be lost due to commingling of this oil.

A copy of this Application is being sent to the Texas-New Mexico Pipe Line Company, as purchaser of hydrocarbon from these leases, and also to the Commissioner of Public Lands for their approval.

Yours very truly,

TEXACO INC.  
PRODUCING DEPARTMENT-WEST U. S.



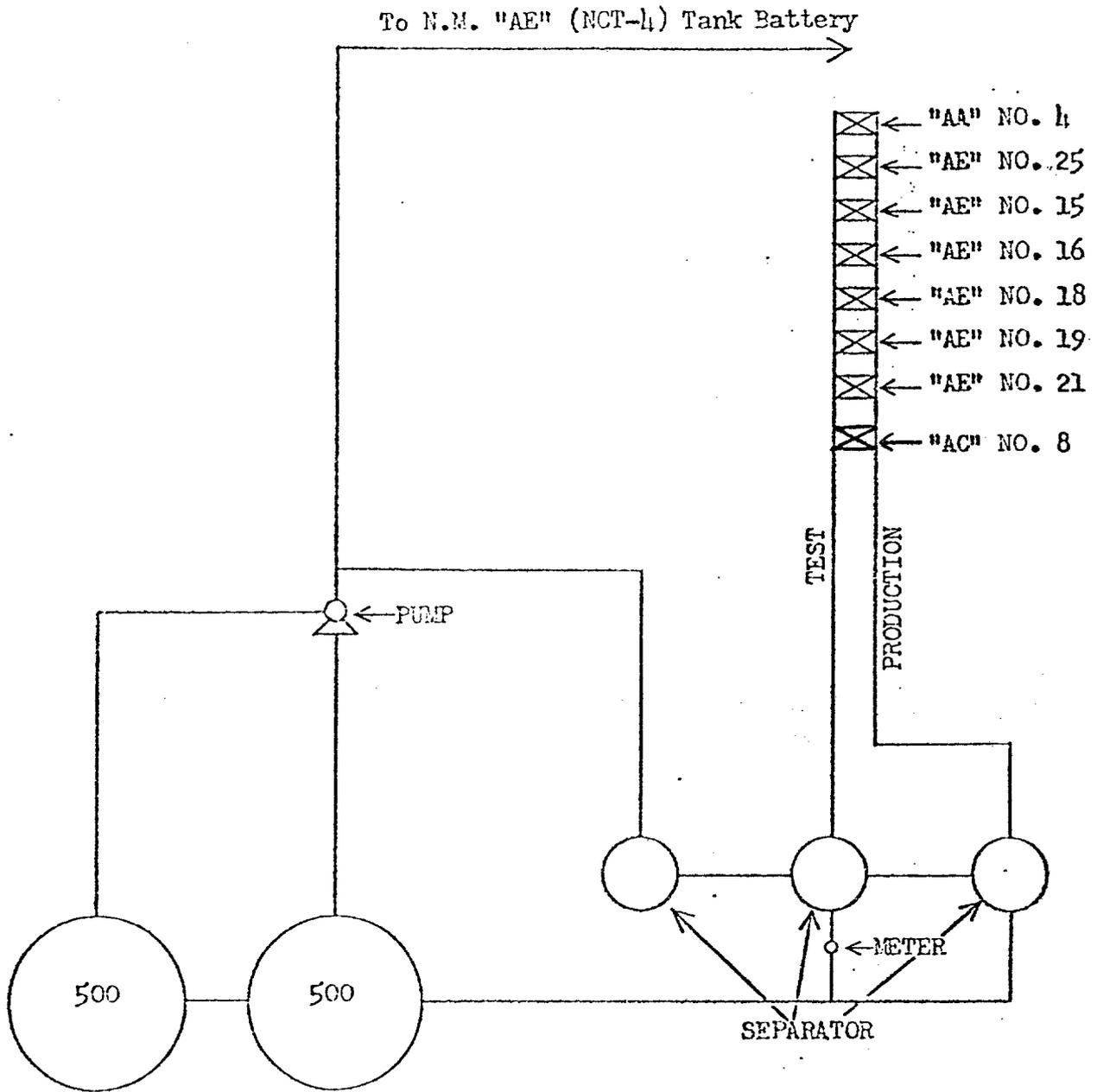
J. A. Schaffer  
Assistant District Superintendent

WER:JEB

Attachments

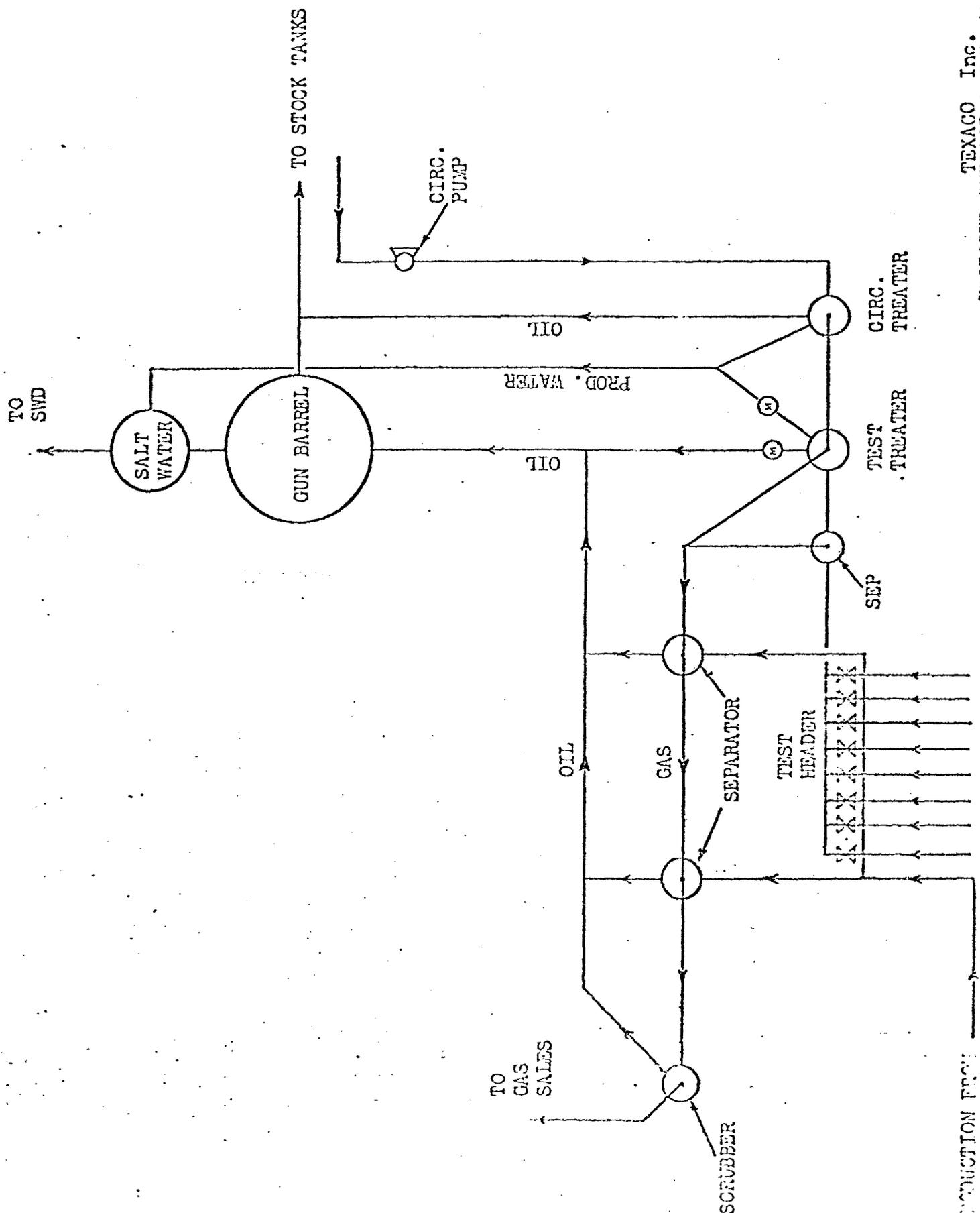
### PROPOSED OPERATING SEQUENCE

The production from six (6) New Mexico "AE" State NCT-4 wells, one (1) New Mexico "AA" State NCT-4 well and one (1) New Mexico "AC" State NCT-1 well goes to the satellite station. Gas from these wells is separated, metered, and sold at this point. The oil and water are put into a holding tank and pumped to the commingled battery where the water and oil are separated in a gunbarrel - oil going to the stock tanks - water going to salt water disposal storage tanks. Test facilities are available at the satellite station and the commingled battery.



Proposed Satellite Station  
 N.M. "AE" STATE (NCT-4) LEASE  
 N. M. "AA" STATE (NCT-4) LEASE  
 N. M. "AC" STATE (NCT-1) LEASE  
 LEA COUNTY, NEW MEXICO

All lines above ground



TEXACO Inc.  
 PROPOSED SURFACE COMINGLED BATTERY  
 NEW MEXICO "AA" ST. NCT-4 LEASE  
 VACUHA 400 FIELD  
 LEA COUNTY, NEW MEXICO

PRODUCTION FROM  
 NEW MEXICO "AA" ST. NCT-4  
 (REVERED)  
 NEW MEXICO "AA", "AA", & "AC" STATE SATELLITE STATION  
 All lines above ground

