



Texaco USA

P O Box 726
Hobbs NM 88240
505 393 7131

January 17, 1986

*Original CTB-319
Superseded by PLC-*

State of New Mexico
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501-2088

Attention: Mr. David Catanach

RE: APPLICATION FOR LEASE COMMINGLING
NEW MEXICO "AQ" STATE NCT-11 AND
AMERADA STATE LEASES
LAZY J PENN POOL
LEA COUNTY, NEW MEXICO

Gentlemen:

Following is Texaco Inc's. Application for Lease Commingling on its New Mexico "AQ" State NCT-11 and Amerada State Leases pursuant to Rule 309-B. Production from both leases is from the Lazy J Penn Pool, a common source of supply.

Production from the Amerada State Lease will be piped to a 3-phase separator where oil, water and gas will be metered immediately following separation. Oil and water will then be transferred to a gunbarrel and then storage tanks. Gas will go through a scrubber and then to a gas sales meter.

New Mexico "AQ" State NCT-11 wells will be tested using a 3-phase test separator. Wells not on test will go into a 2-phase separator with the liquids being transferred to a 750-barrel gunbarrel for separation. Liquid and gas production leaving the 2-phase separator will be metered also. Production for each lease will be determined in accordance with the applicable provisions of the NMOCD "Manual for the Installation and Operation of Commingling Facilities".

Attached are Exhibits 1, 2 and 3 indicating the schematic of the commingled battery, and Lease Plats of the New Mexico "AQ" State NCT-11 and Amerada State Leases.

State of New Mexico
Oil Conservation Division

- 2 -

January 17, 1986

A copy of this Application is being mailed to all Interest Owners and the Purchasers (address list attached) on these two leases.

Yours very truly,

A handwritten signature in dark ink, appearing to read "W. B. CADE", with a stylized flourish at the end.

W. B. CADE
District Operations Manager

DBW:JEB

Attachments

INTEREST OWNERS

Commissioner of Public Lands
State of New Mexico
Oil & Gas Division
P. O. Box 1148
Santa Fe, New Mexico 87501-1148

Amerada Hess Corporation
Attention: Mr. R. W. Mullins
P. O. Box 2040
Tulsa, Oklahoma 74102

PURCHASER

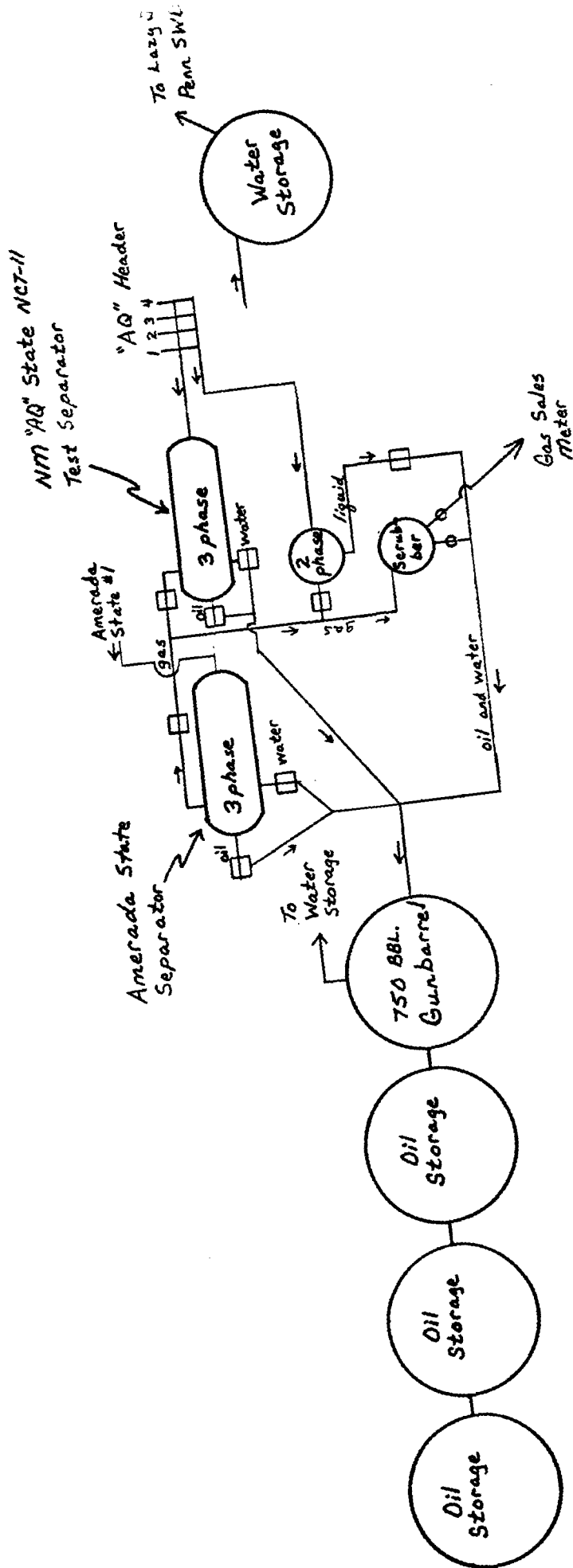
Texas-New Mexico Pipeline Company
P. O. Box 52332
Houston, Texas 77052

Warren Petroleum Company
P. O. Box 1589
Tulsa, Oklahoma 74102

EXHIBIT 1

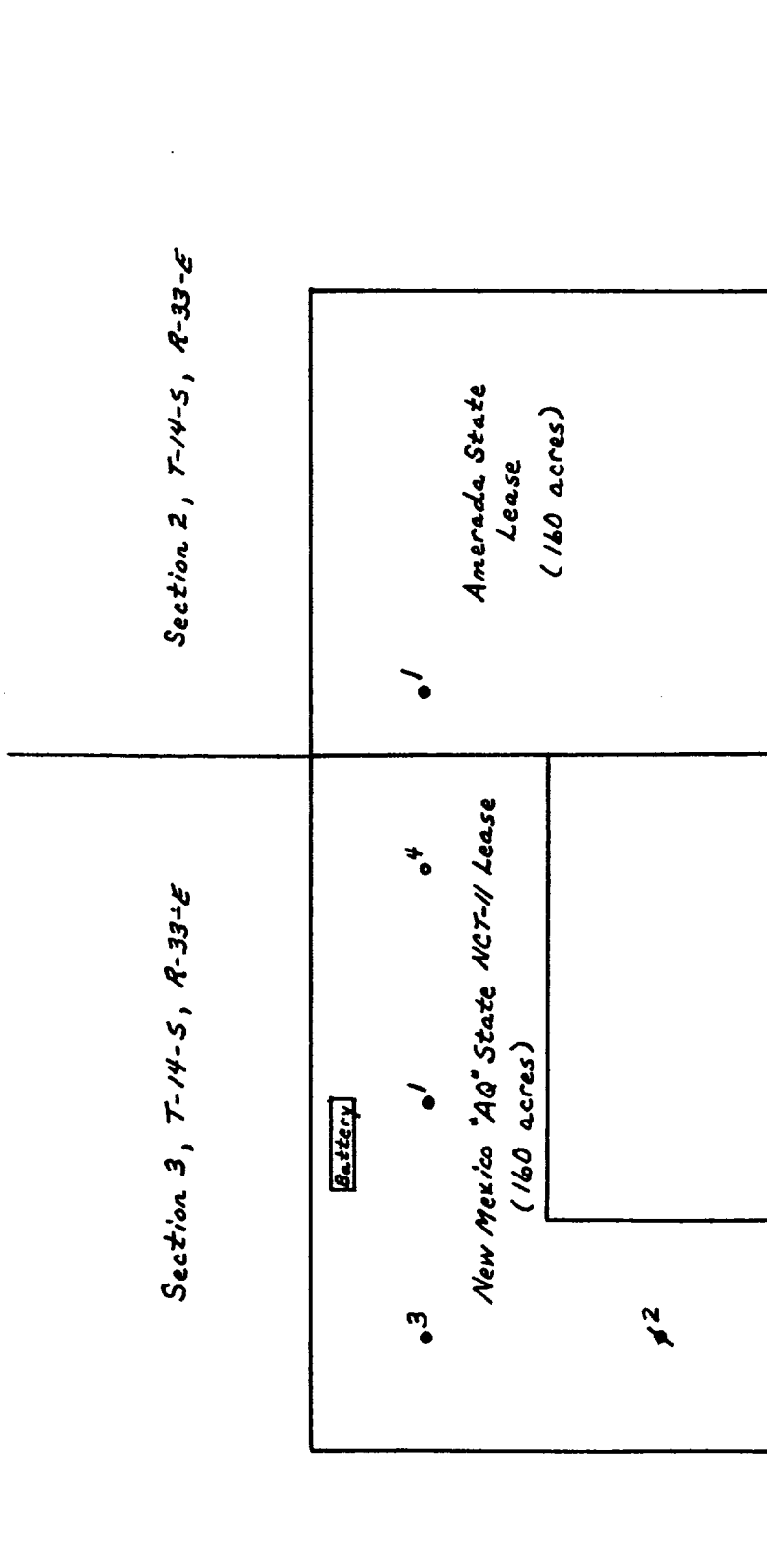
Proposed

New Mexico "AQ" State NCT-11 and Amerada State
Commingled Battery



□ meters
○ back pressure valves

EXHIBIT 2



Note: All wells shown are completed in the Lazy J Ann Pool.



Texaco USA

P O Box 728
Hobbs NM 88240
505 393 7191

C1

January 16, 1986

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

Gentlemen:

Following is Texaco Inc.'s Application for Lease Commingling on it's New Mexico "AQ" State NCT-11 and Amerada State Leases pursuant to Rule 309-B. Production from both leases is from the Lazy J Penn Pool, a common source of supply.

Production from the Amerada State Lease will be piped to a 3-phase separator where oil, water and gas will be metered immediately following separation. Oil and water will then be transferred to a gunbarrel and then storage tanks. Gas will go through a scrubber and then a gas sales meter.

New Mexico "AQ" State NCT-11 wells will be tested using a 3-phase test separator. Wells not on test will go into a 2-phase separator with the liquids being transferred to a 750 barrel gunbarrel for separation. Liquid and gas production leaving the 2-phase separator will be metered also. Production for each Lease will be determined in accordance with the applicable provisions of the NMOCD "Manual for the Installation and Operation of Commingling Facilities".

Attached are Exhibits 1, 2, and 3 indicating the schematic of the commingled Battery and Lease Plats of the New Mexico "AQ" State NCT-11 and Amerada State Leases.

RECEIVED
JAN 22 10 56 AM '86
STATE OF NEW YORK
SANTA FE, N.M.

January 16, 1986

If you have no objections to Texaco's commingling of production from these Leases, please indicate so at the bottom of this page, returning one copy to Texaco. If no objection to this application is received by the NMOCD in 20 days, the NMOCD may then approve the application.

Yours very truly,

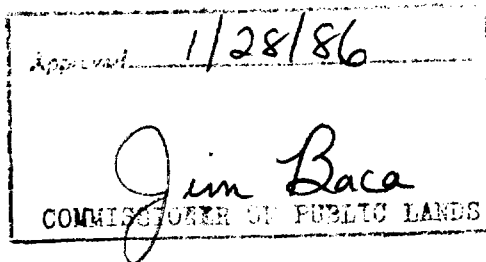
W.B. CADE

W. B. CADE
District Operations Manager

DBW:JRB
Attachments

Approval is hereby granted to Texaco for commingling of production from their New Mexico "AQ" State NCT-11 and Amerada State Leases.

BY: _____ TITLE: _____ DATE: _____



92 EIGHT
JAN 22 10 56 AM '66
STATE LAND OFFICE
SANTA FE, N. M.



JIM BACA
COMMISSIONER

State of New Mexico



Commissioner of Public Lands

January 28, 1986

CTB- 319

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
910 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Texaco USA
P. O. Box 728
Hobbs, New Mexico 88240

Re: Application for Lease Commingling
New Mexico "AQ" State NCT-11 wells and
Amerada State Leases
Lea County, New Mexico

ATTENTION: Mr. W. B. Cade

Gentlemen:

Reference is made to your application dated January 16, 1986, wherein you have requested our approval for the lease commingling on your New Mexico "AQ" State NCT-11 well Nos. 1, 2, 3 and 4 located on State of New Mexico Lease No. B-9380 and the Amerada State Well No. 1, located on State of New Mexico Lease No. E-2426-1.

It is our understanding that production from both leases is from the Lazy J Penn Pool, and that all hydrocarbon production from each lease will be accurately measured.

You are hereby given approval to the above request. This approval is subject to being withdrawn at the discretion of the Commissioner of Public Lands, if in his opinion, the operation proves to be unsound or otherwise against the best interests of the State of New Mexico. Our approval is also subject to like approval by the New Mexico Oil Conservation Division.

If we may be of further help please do not hesitate to call on us. Please remit a Thirty (\$30.00) Dollar filing fee.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *F. O. Prando*
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-5744

JB/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
State Lease No. B-9380
State Lease No. E-2426-1



NO. 207

APR 21 1986
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

April 21, 1986

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Attention: Mr. David Catanach

RE: COMMINGLING ORDER CTB-139-319
NEW MEXICO "AQ" STATE NCT-11 LEASE
AMERADA STATE LEASE

Gentlemen:

In our letter dated January 17, 1986 requesting permission for lease commingling of the referenced leases, it was erroneously stated that both leases produce from the Lazy J Penn Pool. The New Mexico "AQ" NCT-11 Lease produces from the Lazy J Penn Pool while the Amerada State Lease produces from the Saunders Permo Upper Penn Pool.

We regret any inconvenience this may have caused, and request that the Commingling Order be amended to reflect this correction.

Yours very truly,

L. J. SEEMAN
District Petroleum Engineer

LDR:JEB