

*cc to Perkins
3/9/60*

TEXACO INC.

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

P. O. Box 352
Midland, Texas

Due March 29

March 7, 1960

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

*PC-1
(waiting period)
of 20 days*

Attention: Mr. A. L. Porter, Jr.

Re: Application for Permit to
Commingle Production, TEXACO
Inc. State of New Mexico "BN"
(NCT-1) Lease, Moore (Wolfcamp)
and (Pennsylvanian) Pools, Lea
County, New Mexico

Gentlemen:

In accordance with New Mexico Oil Conservation Commission Rule 303(b), TEXACO Inc. hereby makes application for administrative approval of an exception to Rule 303(a) to permit commingling operations to be conducted on the State of New Mexico "BN" (NCT-1) Lease involving production from the Moore (Wolfcamp) and Moore (Pennsylvanian) Pools, in support of which is stated the following:

1. TEXACO Inc. is owner and operator of the State of New Mexico "BN" (NCT-1) Lease comprising 160 acres, being the SW/4 of Section 25, T-11-S, R-32-E, Lea County, New Mexico. Attached is a plat showing the location of all wells on this lease and the pools from which they are producing.
2. The State of New Mexico "BN" (NCT-1) Well No. 1, a Moore (Pennsylvanian) oil producer since August 16, 1952, was recently dually completed as a gas well in the Moore (Wolfcamp) Pool. A tank battery, consisting of three 500-barrel tanks, currently exists for the Pennsylvanian production, which makes it economically attractive to commingle the Wolfcamp liquid hydrocarbon production into this battery.
3. The expected liquid hydrocarbon production from the Pennsylvanian is 17 barrels of 50° API gravity oil per day at \$2.89

per barrel, while that from the Wolfcamp is estimated at 20 barrels of 59° API gravity oil per day at \$2.79 per barrel. Both crudes are considered as intermediate sweet. The combined production after commingling is expected to be 37 barrels of 54.7° API gravity oil per day at \$2.81 per barrel, resulting in an expected loss of \$0.96 per day. A statistical summary sheet showing these figures is attached.

4. The liquid hydrocarbon production from the Wolfcamp and Pennsylvanian formations will be accurately measured by positive displacement type meters prior to commingling. A schematic diagram of the proposed commingling installation is attached.

5. Full royalty interest in the subject lease is held by the State of New Mexico and a copy of this application is being sent this date by registered mail to Commissioner of Public Lands, P. O. Box 791, Santa Fe, New Mexico.

In view of the facts recited in this application, it is respectfully requested that administrative approval of an exception to Rule 303(a) be granted TEXACO Inc. to permit the commingling into a common tank battery of liquid hydrocarbon production from the Moore (Wolfcamp) and Moore (Pennsylvanian) Pools from the State of New Mexico "BN" (NCT-1) Well No. 1 and from all wells on this lease which may be completed in these reservoirs in the future.

Yours very truly,



J. G. Blevins, Jr.
Assistant District Superintendent

LMF-MAB
ERF, Jr.

cc: Commissioner of Public Lands

Attachments

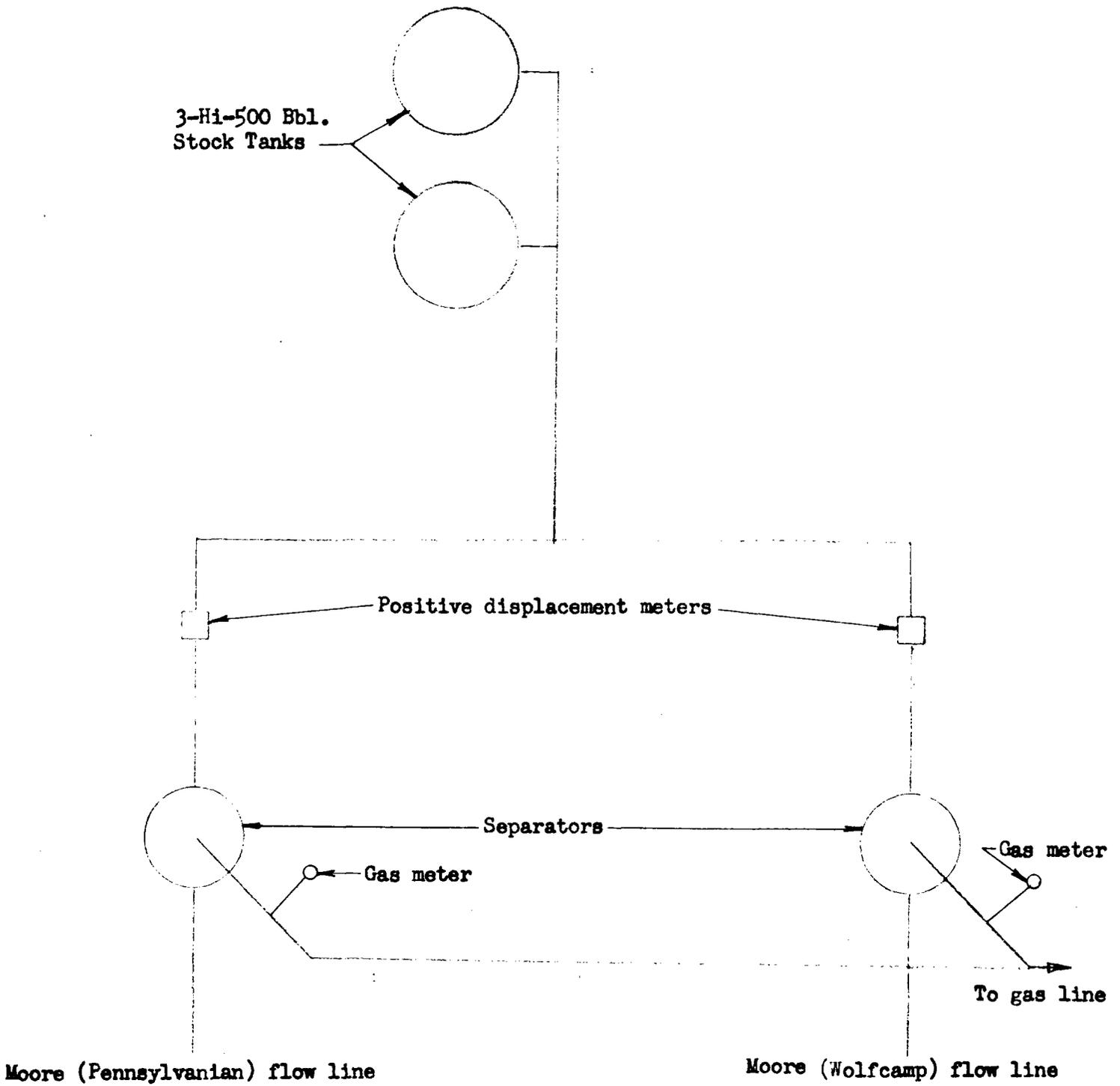
TEXACO Inc.
 State of New Mexico "BN" (NCT-1) Well No. 1
 Moore (Wolfcamp) and Moore (Pennsylvanian) Pools
 Unit "L", Section 25, T-11-S, R-32-E
 Lea County, New Mexico

PRODUCTION CHARACTERISTICS

<u>Item</u>	<u>Pennsylvanian Zone</u>	<u>Wolfcamp Zone</u>
Type of Crude	Intermediate Sweet	Intermediate Sweet
GOR (ft. ³ /bbl.)	5,652	17,460
Gravity (°API)	50	59
BHP (psi)	1,202	2,435

COMMINGLING STATISTICS

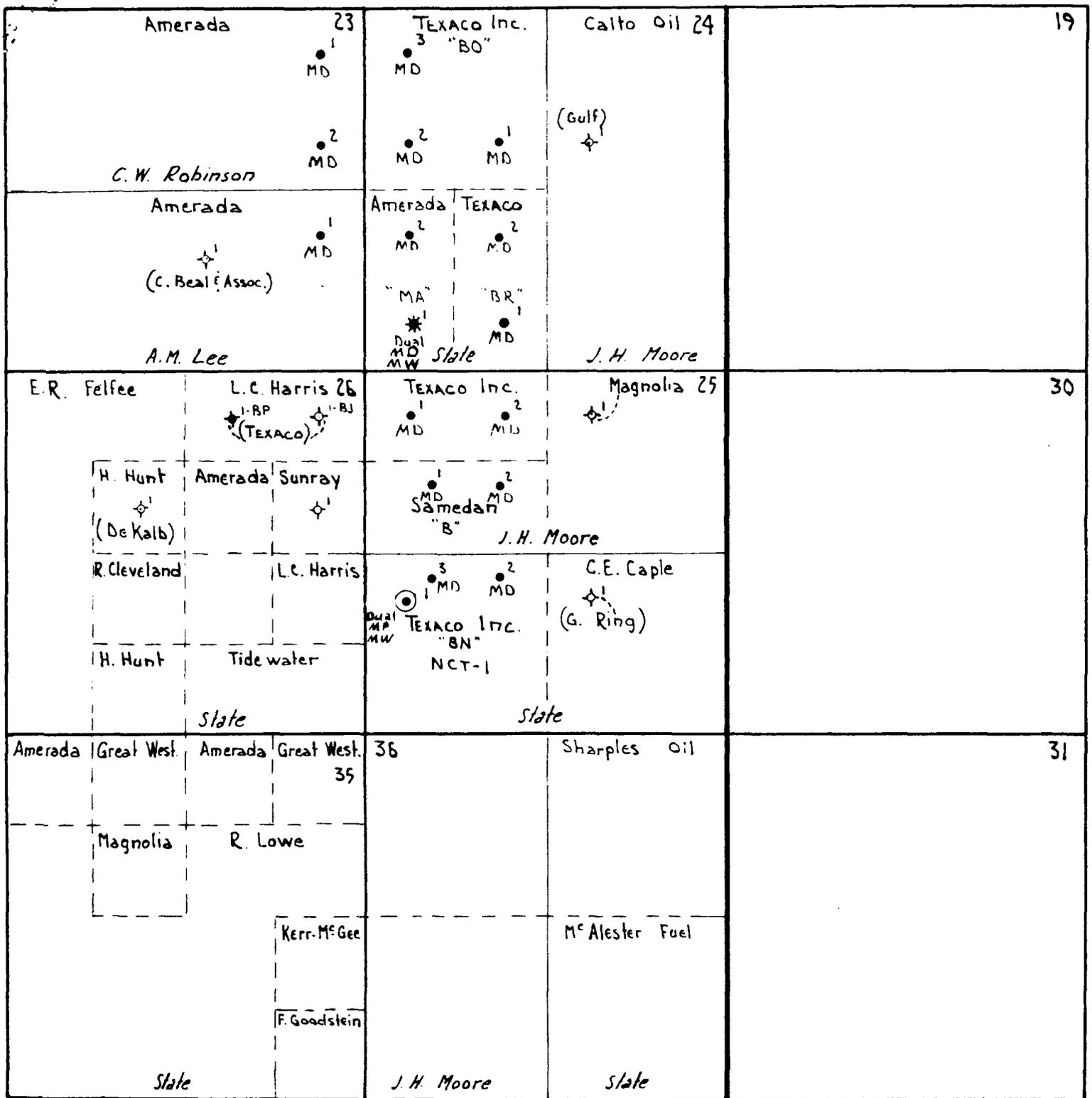
<u>Zone</u>	<u>Productivity (BOPD)</u>	<u>Gravity (°API)</u>	<u>Price Per Barrel</u>	<u>Revenue Per Day</u>
Wolfcamp	20	59	\$2.79	\$ 55.80
Pennsylvanian	17	50	\$2.89	\$ 49.13
				\$104.93
Wolfcamp - Pennsylvanian	37	54.7	\$2.81	\$103.97
				\$ 0.96 per day loss



SCHEMATIC DIAGRAM COMMINGLING INSTALLATION

MOORE (PENNSYLVANIAN) & MOORE (WOLFCAMP) POOLS

**TEXACO INC., STATE OF NEW MEXICO "BN" (NCT-1) LEASE
SECTION 25, T-11-S, R-32-E
LEA COUNTY, NEW MEXICO**



R-32-E R-33-E
**PLAT OF TEXACO INC. STATE OF NEW MEXICO "BN" (NCT-1) LEASE
 AND OFFSET LEASES
 LEA COUNTY, NEW MEXICO
 SCALE: 1" = 2000'**

LEGEND

- MD—moore Devonian Pool
- MP—moore Pennsylvanian Pool
- MW—moore Wolfcamp Pool

OFFSET OPERATORS

- Samedan Oil Corp.—Box 2137—Hobbs, New Mexico
- Sunray—midcontinent Oil Co.—1101 Wilco Bldg.—midland, Texas
- Tidewater Oil Co.—Box 1231—midland, Texas
- Great Western Drlg. Co.—Box 1659—midland, Texas
- Mr. J. H. Moore—Caprock, New Mexico
- Charles Caple—3029 Perlita Ave.—Los Angeles 39, California
- Sharples Oil Corp.—Box 162—midland, Texas
- L. C. Harris—Box 6657—Roswell, New Mexico