

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

ILLEGIBLE

July 10, 1963

Tunaco Inc.
P. O. Box 728
Hobbs, New Mexico

Attention: Mr. E. D. Raymond

Cancellation - Administrative
Order PC-1, Administrative Order
PC-26

Gentlemen:

Reference is made to your letter of April 11, 1963, wherein you request that Administrative Orders PC-1 and PC-26 be cancelled inasmuch as the authority contained therein is no longer necessary.

Administrative Orders PC-1 and PC-26 are herewith cancelled.

Very truly yours,

A. L. FORNER, JR.,
Secretary-Director

ALP/DAM/eez

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe

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TEXACO
INC.

PETROLEUM PRODUCTS



P. O. Box 728
Hobbs, New Mexico
April 11, 1963

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

Re: Requested Cancellation of
Commingling Administrative
Order PC-26, TEXACO Inc.
State of New Mexico "BH"
(NCT-1) Lease, East Caprock-
Devonian, Undesignated Wolf-
camp and Undesignated Penn-
sylvanian Pools, Lea County,
New Mexico

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

Gentlemen:

Administrative Order PC-26 granted TEXACO Inc. exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of the oil production from the East Caprock-Devonian Pool and an undesignated Wolfcamp pool and an undesignated Pennsylvanian pool from all wells presently completed or hereafter drilled on TEXACO Inc.'s State of New Mexico "BH" (NCT-1) Lease, comprising the NW/4 of Section 11, T-12-S, R-32-E, Lea County, New Mexico after separately metering the production from each pool.

After receiving permission to commingle, TEXACO Inc. was not successful in obtaining Wolfcamp production following workover of State of New Mexico "BH" (NCT-1) Well No. 3, the only well available on the subject lease for such production. However, Pennsylvanian production was obtained from this well, but it developed that the Pennsylvanian was a gas-distillate

April 11, 1963

reservoir instead of an oil reservoir. In view of this development, the distillate is being sold to pipeline from a battery separate from the Devonian oil, thus not effecting commingling. Also, TEXACO Inc. does not anticipate drilling on the subject lease to obtain Pennsylvanian or Wolf-camp production.

TEXACO Inc. appreciates having received approval for the cited commingling, but, in view of the above mentioned facts, it is hereby requested that Administrative Order PC-26 be cancelled.

Yours very truly,



H. D. Raymond
Assistant District
Superintendent

WPY-b1

cc: Commissioner of Public Lands
NMOCC, Hobbs