

TEXACO
OFFICE OF

PETROLEUM PRODUCTS

1962 FEB 15 AM 11 24



P. O. Box 728
Hobbs, New Mexico
February 21, 1962

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

Re: Application for Permit to Commingle
Production, V. M. Henderson Lease,
Paddock and Penrose-Skelly Pools,
Lea County, New Mexico

Attention: Mr. Daniel S. Nutter

Gentlemen:

Reference your letter dated February 13, 1962, above sub-
ject, wherein the request was made for clarification of the dispo-
sition of Drinkard and Blinebry production on the subject lease.

As outlined in our letter application for permit to com-
mingle production on the subject lease dated February 5, 1962, it
is proposed that the Paddock and Penrose-Skelly production be com-
mingled in order that an existing tank battery be available for the
high gravity Blinebry (Gas) production from Well No. 6. Actual
plans are to commingle the two productions into the 2 - 500 barrel
tank battery presently serving the Penrose-Skelly production: there-
by allowing the 2 - 500 barrel tank battery presently serving the
Paddock production to be used for the high gravity Blinebry produc-
tion from the recently completed Well No. 6. Drinkard production
from Well Nos. 3 and 6 is presently being commingled with the lower
gravity Blinebry production from Well No. 2 into a 2 - 210 barrel
tank battery. There are no plans at this time for revising this
installation.

If additional information is desired, please advise.

Yours very truly,

H. N. Wade

H. N. Wade
Assistant District Superintendent

LMF-MSV

*PC 6-1
now*

*OK to continue to
commingle to
and low grav
Bl as per
Order R-1598
OK to*

*now
Commingling
in addition,
Paddock
and
Penrose
Skelly
in a
separate
tank
btry on
the 210
metering*

*only the
Paddock -
(that subtract
ion method
to debit PS
Prod.)*

*send note to Her to ck
this system out for installation
in accordance w/ diagram*

TEXACO INC.
 MAIN OFFICE 000

*Hold for reply
 to letter of 2-13-62*

1962 FEB 12 AM 8:00
 PETROLEUM PRODUCTS



P. O. Box 728
 Hobbs, New Mexico
 February 5, 1962

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

Re: Application for Permit to Commingle
 Production, TEXACO Inc., V. M. Hender-
 son Lease, Paddock and Penrose-Skelly
 Pools, Lea County, New Mexico.

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

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 V. M. Henderson Lease, Paddock and Penrose-Skelly Pools, Lea County, New Mexico, in support of which is stated the following:

1. TEXACO Inc. is the owner and operator of the V. M. Henderson Lease, consisting of 313.92 acres, being the N/2 of Section 30, T-21-S, R-37-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 V. M. Henderson Lease has 5 producing wells, consisting of one triple completion, two dual completions and two single completions. A tabulation of the producing zones are as follows:

WELL NO.	TYPE	DRINKARD	BLINEBRY (GAS)	PADDOCK	PENROSE-SKELLY	EUMONT GAS
2	Dual		X	Shut-in		
3	Single	X				
4	Single					X
5	Dual			X	X	
6	Triple	X	X	X		

X - Denotes producing zone

Presently there are three tank batteries on the lease; two - 500 barrel tanks for the Paddock Pool, two - 500 barrel tanks for the Penrose-Skelly Pool and two - 210 barrel tanks into which the Blinebry and Drinkard production from Wells No. 2 and 3 are being commingled under Order

February 5, 1962

No. R-1598, dated February 8, 1960. V. M. Henderson Well No. 6 is a recent completion in the Blinebry (Gas) Pool with a high liquid hydrocarbon gravity of 53.6° API which makes it undesirable for commingling with other production on the lease. It is therefore desirable to commingle all production from the Paddock and Penrose-Skelly Pools, thereby allowing one of these batteries to be used as storage facilities for the new Blinebry (Gas) Pool production from Well No. 6 rather than incurring the expense of installing additional storage facilities.

3. The expected daily liquid hydrocarbon production from the Paddock Pool is 96 barrels of 37.4° API gravity oil at \$2.86 per barrel and that from the Penrose-Skelly Pool is 4 barrels of 35.3° API gravity oil at \$2.80 per barrel. The two crudes are considered as sour. The combined daily production after commingling is expected to be 100 barrels of 37.3° API gravity liquid hydrocarbon at \$2.86, resulting in a \$0.24 per day gain in revenue.

4. In accordance with Item II, Section 2-B of the current "Manual for the Installation and Operation of Commingling Facilities", it is proposed to meter prior to commingling all but one zone (Subtraction Method). The proposed zone not to be metered is the Penrose-Skelly which is marginal. A positive displacement type meter with sampler and non-reset counter will be installed on the Paddock zone for accurate measurement prior to commingling. A schematic diagram of the proposed commingling installation is attached, and is in substantial compliance with Figure 6 in the aforementioned manual.

5. Royalty and working interest in the subject lease is common and does not include either State or Federal interests.

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 commingling into a common tank battery the liquid hydrocarbon production from the Paddock and Penrose-Skelly Pools on the V. M. Henderson Lease from wells presently completed and from additional wells which may be completed on this lease in these reservoirs in the future.

Yours very truly,



H. N. Wade

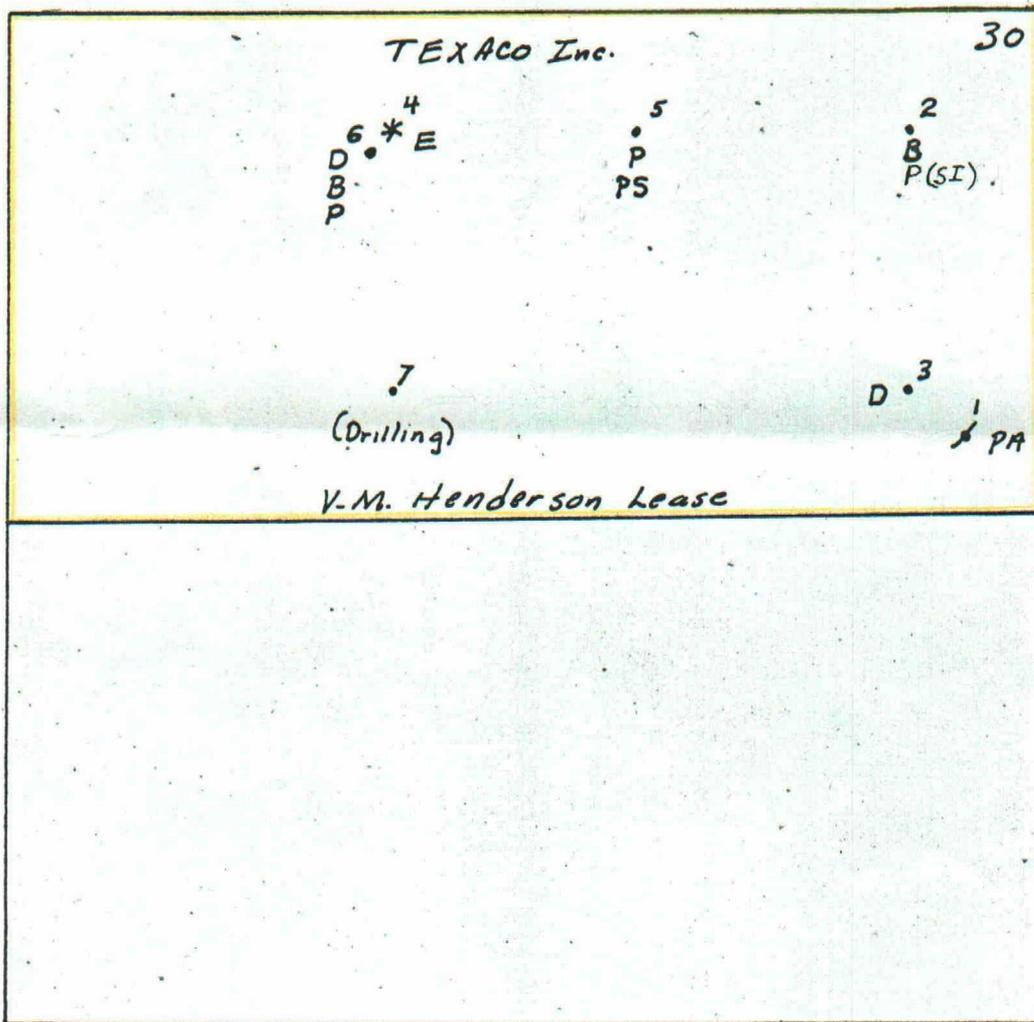
Assistant District Superintendent

ODB-BF

cc: NMOCC, Hobbs

Attachment

R-37-E



Plat of TEXACO Inc. V.M. Henderson Lease

Lea County, New Mexico

Scale 1 inch = 1000'

ODB 1-29-62

- Legend -

D - Drinkard

B - Blinbry (Lease)

P - Paddock

PS - Penrose-Stelly

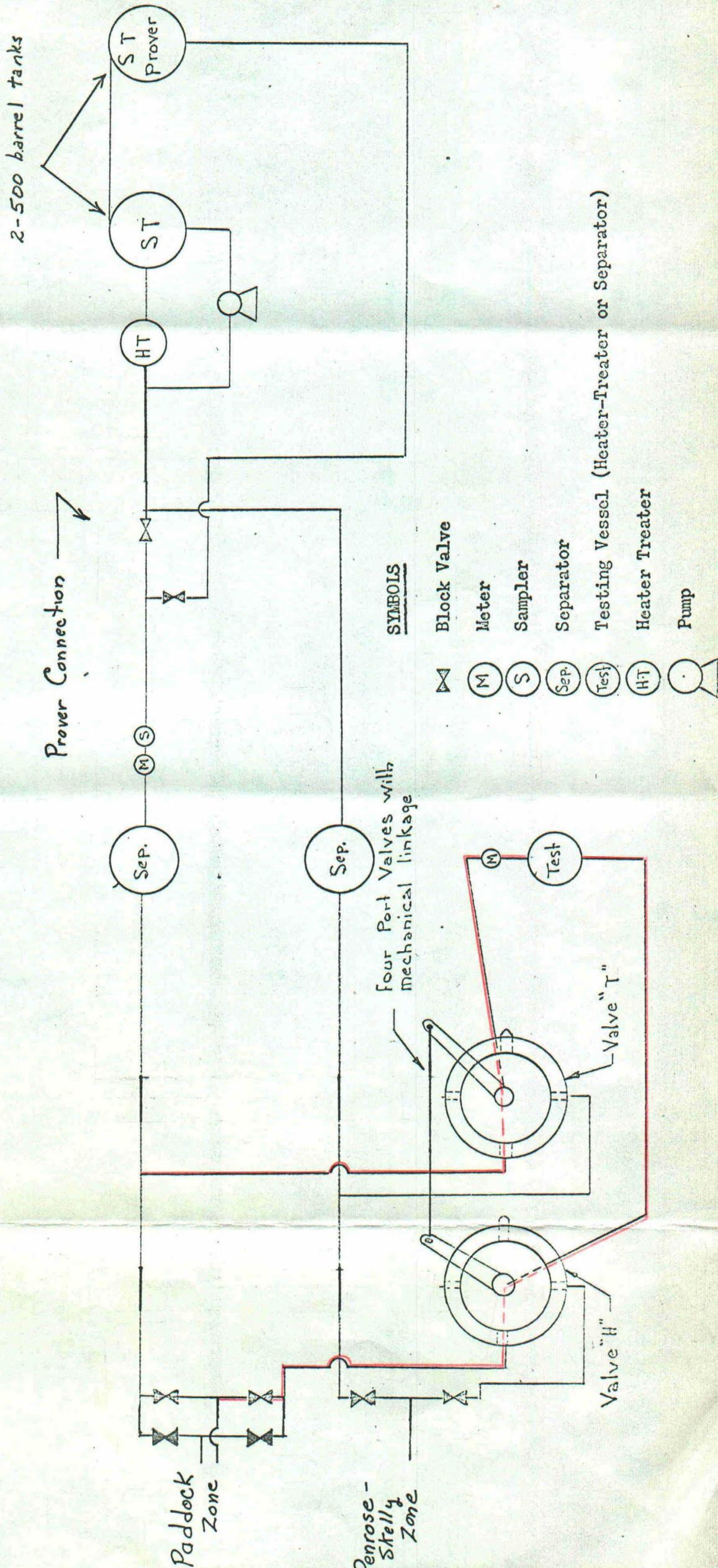
E - Eumont (Lease)

PA - Plug and Abandoned

SCHEMATIC DIAGRAM OF PROPOSED COMMINGLING INSTALLATION

TEXACO Inc. V. M. Henderson Lease

Lea County, New Mexico



SYMBOLS

-  Block Valve
-  Meter
-  Sampler
-  Separator
-  Testing Vessel (Heater-Treater or Separator)
-  Heater Treater
-  Pump

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

*Holding
1/20/62*

February 13, 1962

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

Attention: Mr. H. H. Wade

Gentlemen:

Reference is made to your letter of February 5, 1962, requesting authority to commingle Paddock and Penrose-Skelly production on your V. M. Henderson Lease, Lea County, New Mexico.

It is our understanding that you are presently commingling Blinebry and Drinkard production on this lease, but due to the completion of No. 6, a high gravity well in the Blinebry, wish to revise the present installation.

Please advise as to what disposition will be made of the Drinkard production as well as the remaining Blinebry production from the No. 2 Well. Will they continue to be commingled or will the Blinebry No. 2 be tanked with Blinebry No. 6 and the Drinkard production also handled separately?

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/ir

cc: Oil Conservation Commission, Hobbs, New Mexico

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