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TEXACO
INC. MAIN OFFICE OCC

PETROLEUM PRODUCTS



1963 JAN 17 PM 1 30

P. O. Box 728
Hobbs, New Mexico
January 8, 1963

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

Re: Application for Permit to Commingle
Production, TEXACO Inc., C. C.
Fristoe (b) NCT-2 Lease, North
Justis (Blinebry, Tubb-Drinkard,
Fusselman) 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 C. C. Fristoe (b) NCT-2 Lease, North Justis (Blinebry, Tubb-Drinkard, Fusselman) Pools, Lea County, New Mexico. This proposal was originally made August 27, 1962, and approved by the New Mexico Oil Conservation Commission October 31, 1962, by an Amendment to Administrative Order PC-96, On October 29, 1962, TEXACO filed an application to delete the Blinebry from the subject commingling proposal due to this zone being tested as sour crude. Recently TEXACO completed Well No. 7 on the subject lease in the Blinebry zone and this well tested as intermediate-sweet crude; therefore it is desirous to commingle the crude from Well No. 7 into the intermediate-sweet facilities now serving the Fusselman and Tubb-Drinkard Zones.

Also it is requested that Administrative Order Nos. PC-108 and CTB-95, granted December 3, 1962, be cancelled. These orders allowed TEXACO to commingle the sour Blinebry production from the G. L. Erwin (b) NCT-2 Lease with the sour Blinebry and Langlie-Mattix production on the C. C. Fristoe (b) NCT-2 Lease. The reason for not proceeding with this installation is the very good probability that the Blinebry production now classed as sour may be reclassified as intermediate-sweet in the near future; therefore, no commingling of sour Blinebry production is anticipated.

1. TEXACO is the operator of the C. C. Fristoe (b) NCT-2 Lease, consisting of 400 acres, being the E/2 of NW/4 and NE/4 of Section 35 and the SE/4 of Section 26, T-24-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 C. C. Fristoe (b) NCT-2 Lease has seven (7) wells, the status of which are as follows:

| <u>Well No.</u> | <u>Type</u> | <u>Langlie Mattix</u> | <u>N.Justis Tubb- Drinkard</u> | <u>N.Justis Blinebry</u> | <u>N.Justis Fusselman</u> |
|-----------------|-------------|---------------------------|--|------------------------------|-------------------------------|
| 1 | Single | X | | | |
| 2 | Single | X | | | |
| 3 | Single | X | | | |
| 4 | Single | X | | | |
| 5 | Single | X | | | |
| 6 | Triple | | X | X | X |
| 7 | Dual | | X | X | |

X - Denotes Producing Wells

3. The expected daily liquid hydrocarbon production from the North Justis-Blinebry Pool is 48 barrels of 37.0° API gravity oil at \$2.95 per barrel, that from the North Justis-Tubb-Drinkard Pool is 11 barrels of 35.8° API gravity oil at \$2.91 per barrel, that from the North Justis-Fusselman Pool is 50 barrels of 36.5° API gravity oil at \$2.93 per barrel. The combined daily production after commingling is expected to be 109 barrels of 36.7° API gravity liquid hydrocarbon at \$2.93 per barrel, resulting in a \$0.74 per day loss in revenue. The production from the zones to be commingled is considered as intermediate Sweet.

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 Blinebry zone which produces the highest gravity crude. Positive displacement type meters with samplers and non-reset counters will be installed on the Tubb-Drinkard, and Fusselman zones for accurate measurement prior to commingling. A schematic diagram of the proposed commingling is attached, and is in substantial compliance with Figure 6 in the aforementioned manual.

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Page 3.

5. Royalty interest in the subject lease is common and is held in part by the U. S. Federal Government and a copy of this application is being sent this date to U. S. Geological Survey, Box 1838, Hobbs, New Mexico, requesting their approval in writing of the proposed installation. Immediately upon receipt of this approval, it will be forwarded to the Commission.

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 liquid hydrocarbon production from the North Justis-Blinebry, North Justis Tubb-Drinkard, and North Justis-Fusselman Pools, on the C. C. Fristoe (b) NCT-2 Lease and from all similar wells which may be completed in these reservoirs on this lease in the future.

Yours very truly,

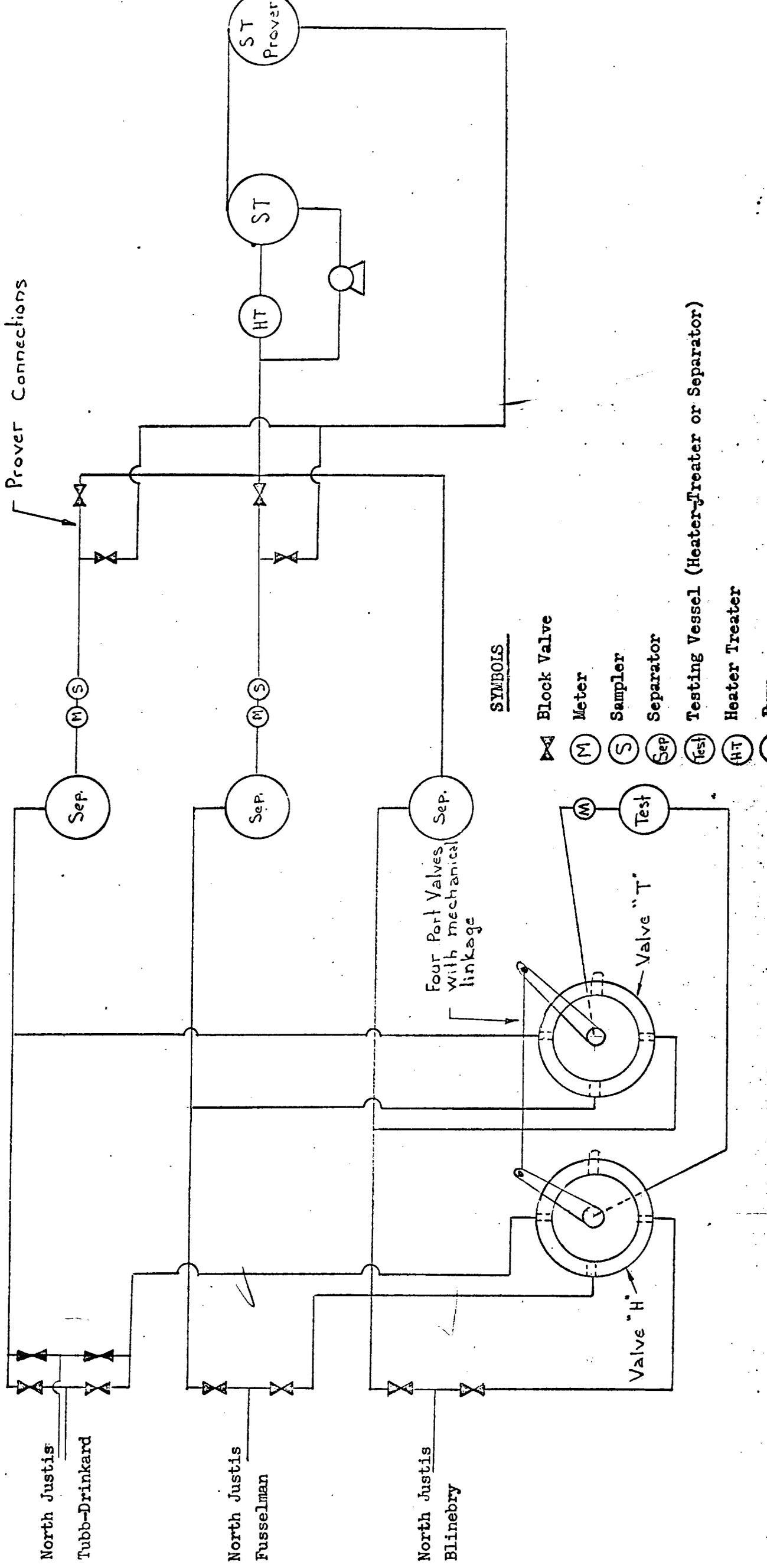

H. D. Raymond
Assistant District Superintendent

ODB/om

cc: NMOCC, Hobbs
U.S.G.S., Hobbs

Attachments

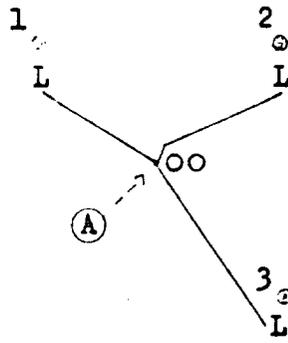
SCHEMATIC DIAGRAM OF PROPOSED COMINGLING INSTALLATION
TEXACO Inc. C. C. Fristoe (b) NCT-2 Lease
Lea County, New Mexico



**TEXACO
DISCOVERIES**

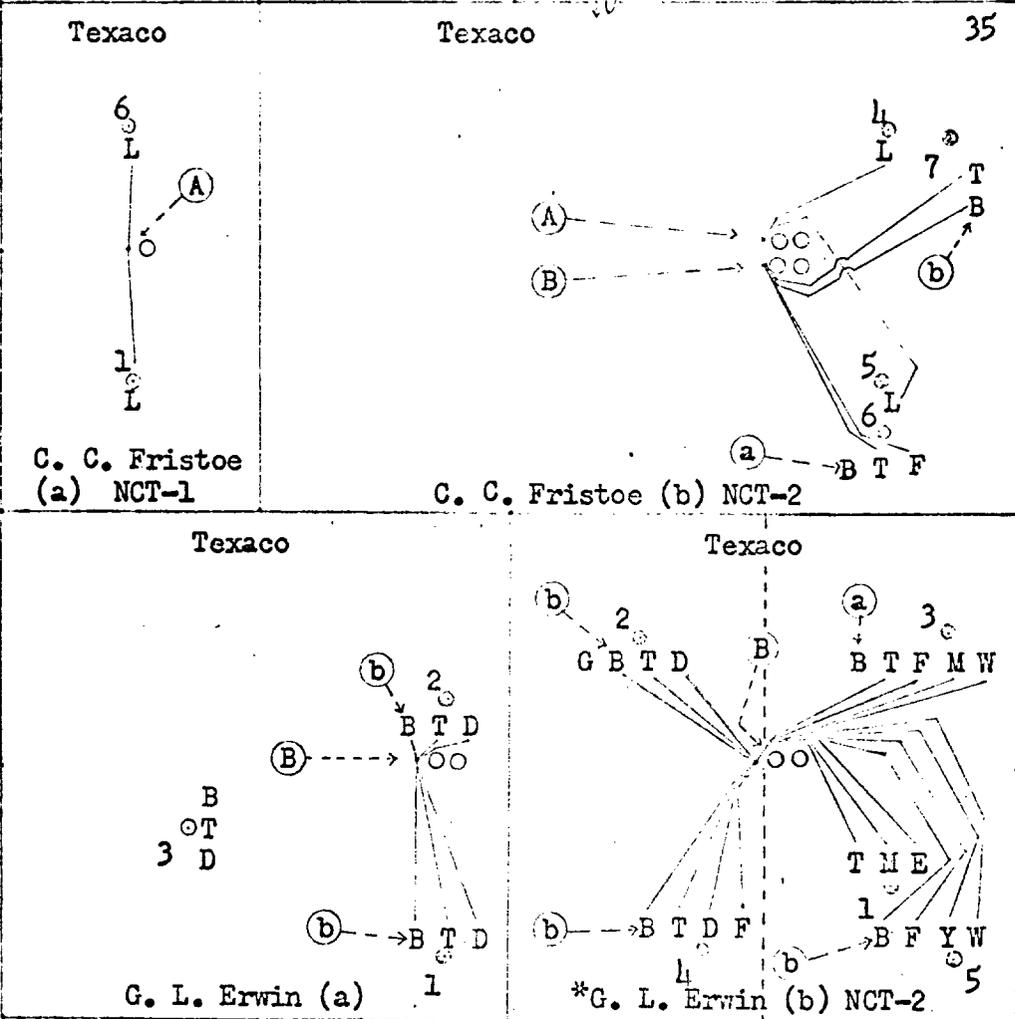
LEGEND

- Y - North Justis-Montoya
 - E - North Justis-Ellenburger #
 - W - North Justis-Waddell #
 - M - North Justis-McKee #
 - F - North Justis-Fusselman
 - D - North Justis-Devonian
 - T - North Justis Tubb-Drinkard #
 - B - North Justis-Blinebry
 - G - North Justis-Glorieta
 - L - Langlie-Mattix
- A - Sour Crude Batteries
B - Inter. Sweet Crude Batteries



Blinebry Zone

- (a) - Sour Well
- (b) - Inter. Sweet Well



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S

PLAT OF TEXACO Inc. LEASES, NORTH JUSTIS POOLS

G. L. Erwin (a), Federal Lease No. LC-032874-A
 *G. L. Erwin (b) NCT-2, Federal Lease No. LC-057509
 C. C. Fristoe (a) NCT-1, Federal Lease No. LC-032592
 C. C. Fristoe (b) NCT-2, Federal Lease No. LC-032592(b)

Scale 1" = 1000' 1-3-63 Lea County, New Mexico

NOTE: This plat supersedes and revises all plats of earlier dates.
 * Subject lease has separate royalty payment scales. The E/2 is a standard payment, and the W/2 has a sliding scale for all zones that were not discovered by TEXACO. Zones discovered by TEXACO have standard payments on both halves.

TEXACO
MAIN OFFICE OCC INC.

PETROLEUM PRODUCTS

1963 FEB 13 PM 1:28



P. O. Box 728
Hobbs, New Mexico
February 8, 1963

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

Re: Application for Permit to Commingle
Production, TEXACO Inc., C. C.
Fristoe (b) NCT-2 Lease, North
Justis (Blinbry, Tubb-Drinkard,
Fusselman) Pools, Lea County, New
Mexico.

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

Gentlemen:

Attached are three copies of U. S. Geological Survey approval
of the subject commingling installation.

Your earliest consideration of our Application to Commingle,
dated January 8, 1963, would be greatly appreciated.

Yours very truly,

A handwritten signature in cursive script that reads "H. D. Raymond".

H. D. Raymond
Assistant District Superintendent

ODB-h

Attachment



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico

January 30, 1963

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

Attention: Mr. H. D. Raymond

Gentlemen:

Your letter of January 8, 1963, requests cancellation of your application dated October 29, 1962, for commingling sour crude production in the North Justis Blinebry pool, Federal leases Las Cruces 032592(b) and Las Cruces 057509, with the Langlie-Mattix sour crude production from Las Cruces 032592(b). An additional completion in the Blinebry zone on lease Las Cruces 032592(b) has been classified as intermediate sweet crude and it is anticipated that the previously approved installation will not be necessary. Commingling of the Blinebry, Tubb-Drinkard, and Fusselman production will be in accordance with the application dated August 27, 1962, approved by this office on September 10, 1962.

Your request for cancellation of the sour crude commingling application and reinstatement of the previous commingling installation as shown by the diagrams attached to your letter is hereby approved.

This approval shall apply only to the commingling of Blinebry, Tubb-Drinkard and Fusselman production on that portion of lease Las Cruces 032592(b) described as the N $\frac{1}{2}$ NE $\frac{1}{4}$ and SE $\frac{1}{2}$ NE $\frac{1}{4}$ sec. 35, T. 24 S., R. 37 E. Additional commingling facilities on any other portion of this lease or the addition of more zones to the above approved installation will require approval by this office.

Very truly yours,

CARL C. TRAYWICK
Acting Oil and Gas Supervisor