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TEXACO
INC.

MAIL OFFICE 000

PETROLEUM PRODUCTS

1963 FEB 05 PM 1 35



P. O. Box 728
Hobbs, New Mexico
February 4, 1963

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

Re: Application for Permit to Commingle
Production, TEXACO Inc. State of
New Mexico "R" NCT-4 Lease, Vacuum-
Drinkard and Vacuum-Abo 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 State of New Mexico "R" NCT-4 Lease, Vacuum-Drinkard and Vacuum-Abo Pools, Lea County, New Mexico, in support of which is stated the following:

1. TEXACO is the operator of the State of New Mexico "R" NCT-4 Lease, consisting of 80 acres, being the N/2 of NW/4 of Section 7, T-18-S, R-35-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 "R" NCT-4 Lease has 2 wells, the status of which are as follows:

<u>Well No.</u>	<u>Type</u>	<u>Vacuum-Drinkard</u>	<u>Vacuum-Abo</u>
1	Dual	X	X
2	Dual	X	X

X - Denotes Producing Wells

3. The expected daily liquid hydrocarbon production from the Vacuum-Drinkard Pool is 24 barrels of 36.9° API gravity oil at \$2.93 per barrel, that from the Vacuum-Abo Pool is 211 barrels of 41.4° API gravity oil at \$3.01 per barrel. The

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combined daily production after commingling is expected to be 235 barrels of 40.9° API gravity liquid hydrocarbon at \$3.01 per barrel, resulting in a \$1.92 per day gain 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 Vacuum-Abo zone which produces the highest gravity crude. Positive displacement type meters with samplers and non-reset counters will be installed on the Vacuum-Drinkard zone for accurate measurement prior to commingling. A schematic diagram of the proposed commingling is attached, and is in substantial compliance with Figure 5 in the aforementioned manual.

5. Royalty interest in the subject lease is common and is held by the State of New Mexico and a copy of this application is being sent this date to State Land Office, Box 791, Santa Fe, 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 Vacuum-Drinkard and Vacuum-Abo Pools, on the State of New Mexico "R" NCT-4 Lease and from all wells which may be completed in these reservoirs on this lease in the future.

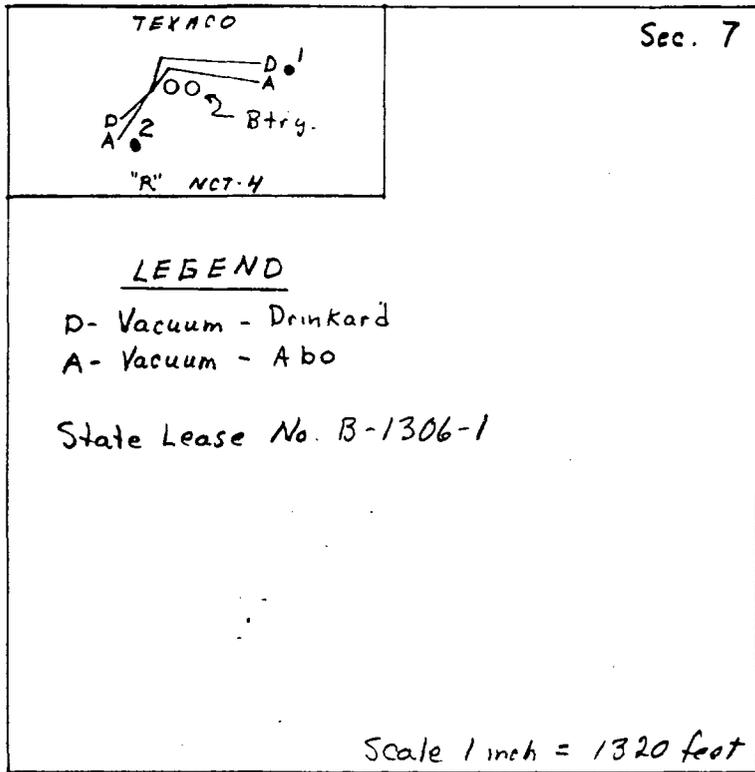
Yours very truly,


H. D. Raymond
Assistant District
Superintendent

ODE/om
cc: NMOCC, Hobbs
State Land Office
Attachments

PLAT

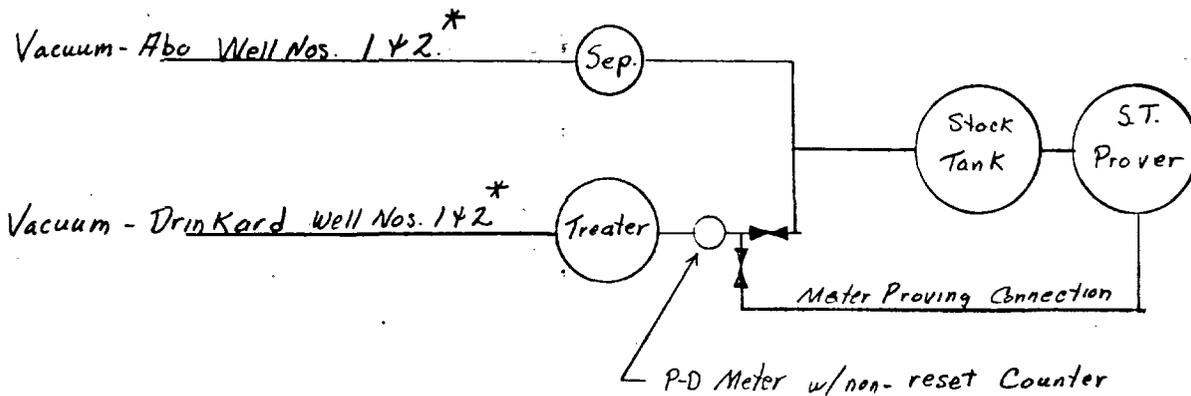
R-35-E



PROPOSED COMMINGLING INSTALLATION

TEXACO Inc.

State of New Mexico "R" NCT-4 Lease
Vacuum-Drinkard and Vacuum-Abo Pools
Lea County, New Mexico



* No separate testing facilities, two wells each zone, one well will be shut-in while testing.