

June 28, 1963

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

Re: Permission to commingle production,  
Texaco, Inc., State of New Mexico  
"BZ" (NCT-10) Lease, North Justis  
(Blinbry, Drinkard & Devonian) pools,  
SW $\frac{1}{4}$  Sec. 2, Twp. 25S, Rge. 37E, Lea  
County, New Mexico

Gentlemen:

We approve the above request to commingle even  
though we are going to lose about four cents  
daily. The ownership is Common throughout.

Thank you for your schematic diagrams and plats.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

By:

ROMULO MARTINEZ  
Oil and Gas Department

EW/RM/pr

TEXACO  
INC.

PETROLEUM PRODUCTS



P. O. Box 728  
Hobbs, New Mexico  
June 18, 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 "BZ" (NCT-10) Lease,  
North Justis (Blinebry, Drinkard  
and Devonian) 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 of the production from the North Justis (Blinebry, Drinkard and Devonian) Pools, on the TEXACO Inc. State of New Mexico "BZ" (NCT-10) Lease, Lea County, New Mexico, in support of which is stated the following:

1. TEXACO Inc. is the operator of the State of New Mexico "BZ" (NCT-10) Lease, consisting of 160 acres, being the SW/4 of Section 2, Township 25 South, Range 37 East, 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 "BZ" (NCT-10) Lease has one well which is triple completed in the North Justis (Devonian, Drinkard and Blinebry) Pools. Well No. 2 is now being drilled with completion anticipated in the Drinkard, Blinebry and Glorieta (Gas) formations.

3. The expected daily liquid hydrocarbon production from the North Justis (Devonian) Pool is 26 barrels of 37° API gravity oil at \$2.95 per barrel, that from the North Justis (Drinkard) Pool is 48 barrels of 36.8° API gravity oil at \$2.93 per barrel and that from the North Justis (Blinebry) Pool is 48 barrels of 36.5° API gravity oil at \$2.93 per barrel. The combined daily production after commingling is expected to be 122 barrels of 36.7° API gravity oil at \$2.93 per barrel which results in a 52 cents per day loss in revenue. The production from the zones to be commingled is considered as intermediate sweet.

June 18, 1963

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 zones. Positive displacement meters with samplers and non-reset counters will be installed on each separator for accurate measurement of production from each zone prior to commingling. A schematic diagram of the proposed commingling facilities is attached, and is in substantial compliance with Figure 6 in the aforementioned manual.

5. Royalty interest in the subject lease is common and is held in part by the State of New Mexico. A copy of this application is being sent this date to the State Land Office, P. O. 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 in common storage the hydrocarbon production from the North Justis (Devonian, Drinkard and Blinbry) Pools on TEXACO Inc.'s State of New Mexico "BZ" (NCT-10) Lease and from additional wells which may be completed on this lease in these reservoirs.

Yours very truly,

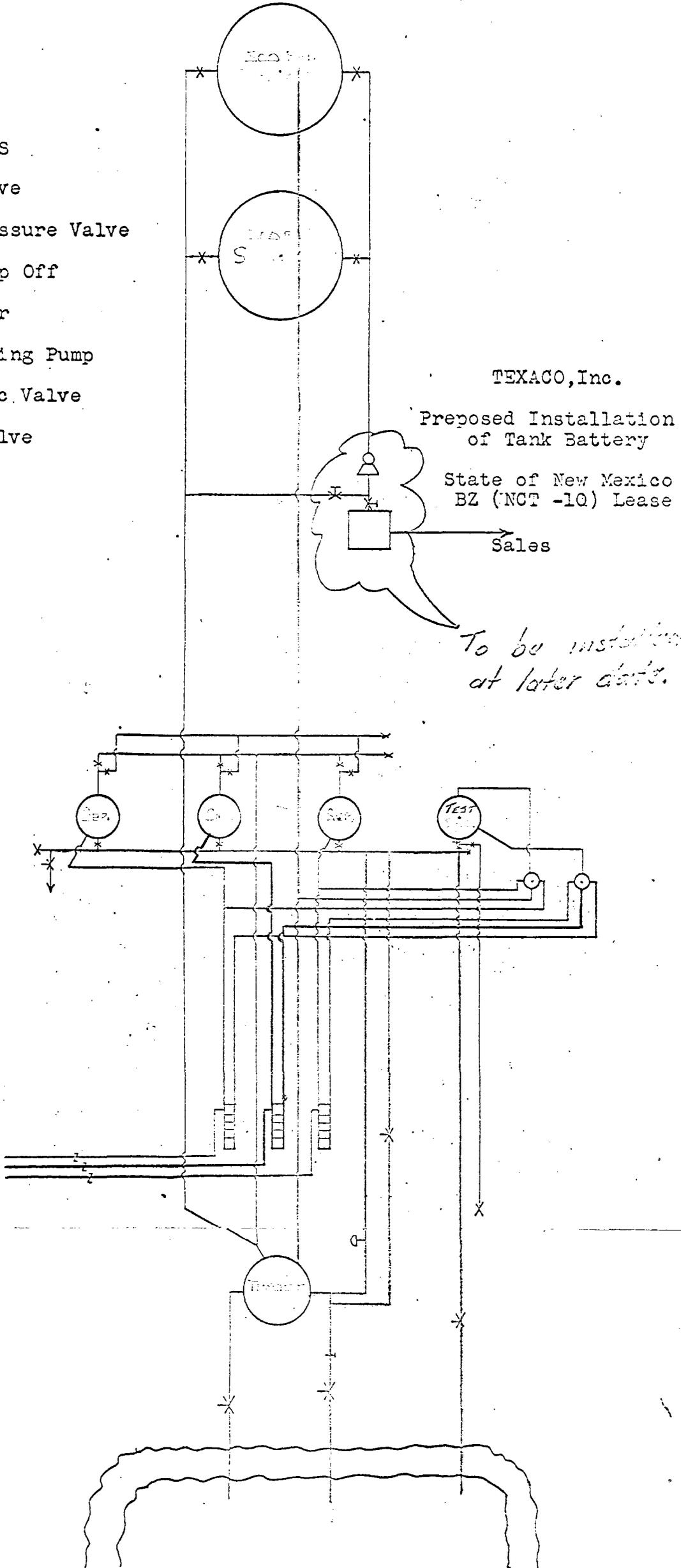


H. D. Raymond  
Assistant District Supt.

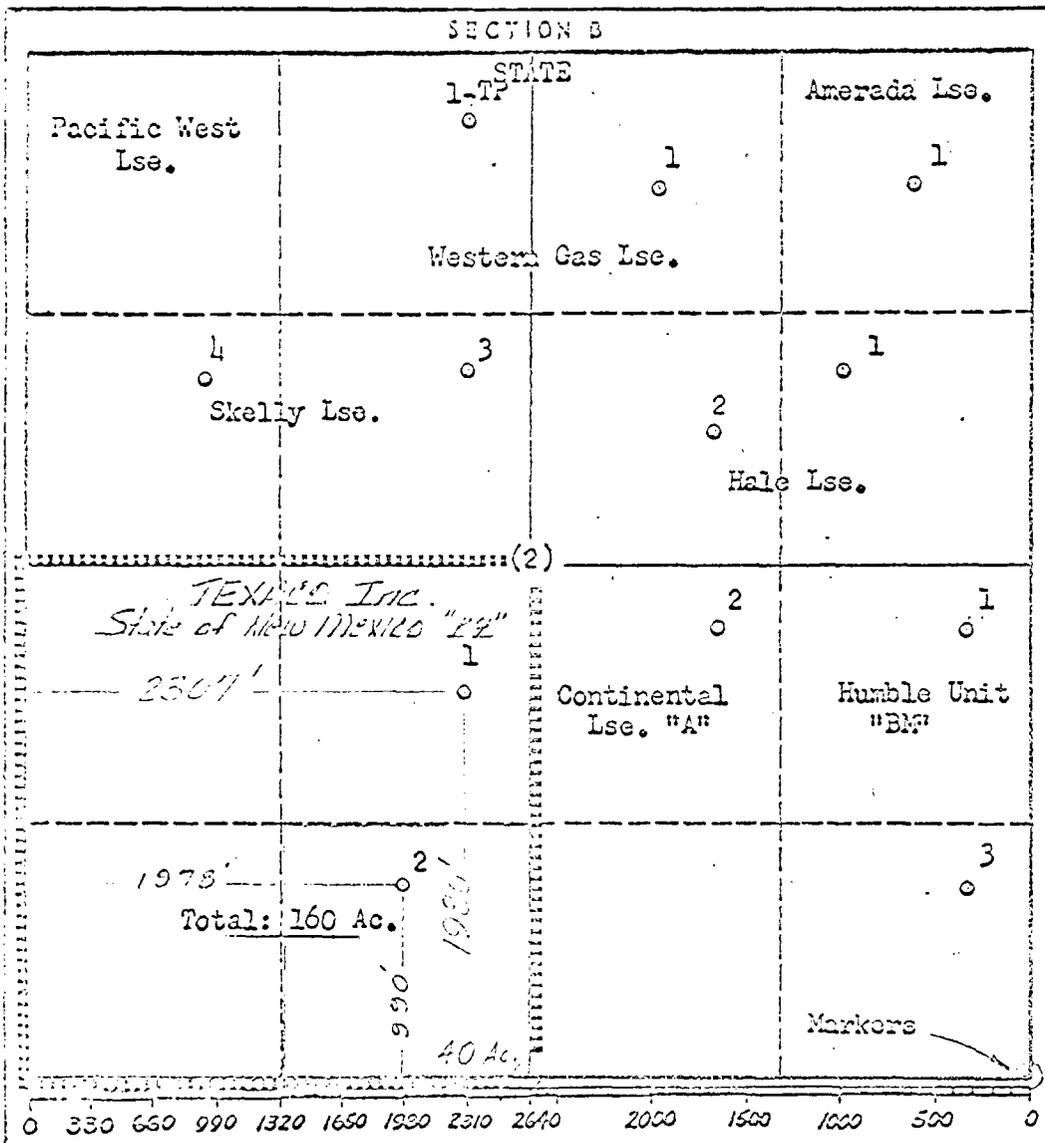
ACK-h

SYMBOLS

- Gate Valve
- Back pressure Valve
- Safty Pop Off
- Regulator
- Circulating Pump
- Automatic Valve
- Check Valve

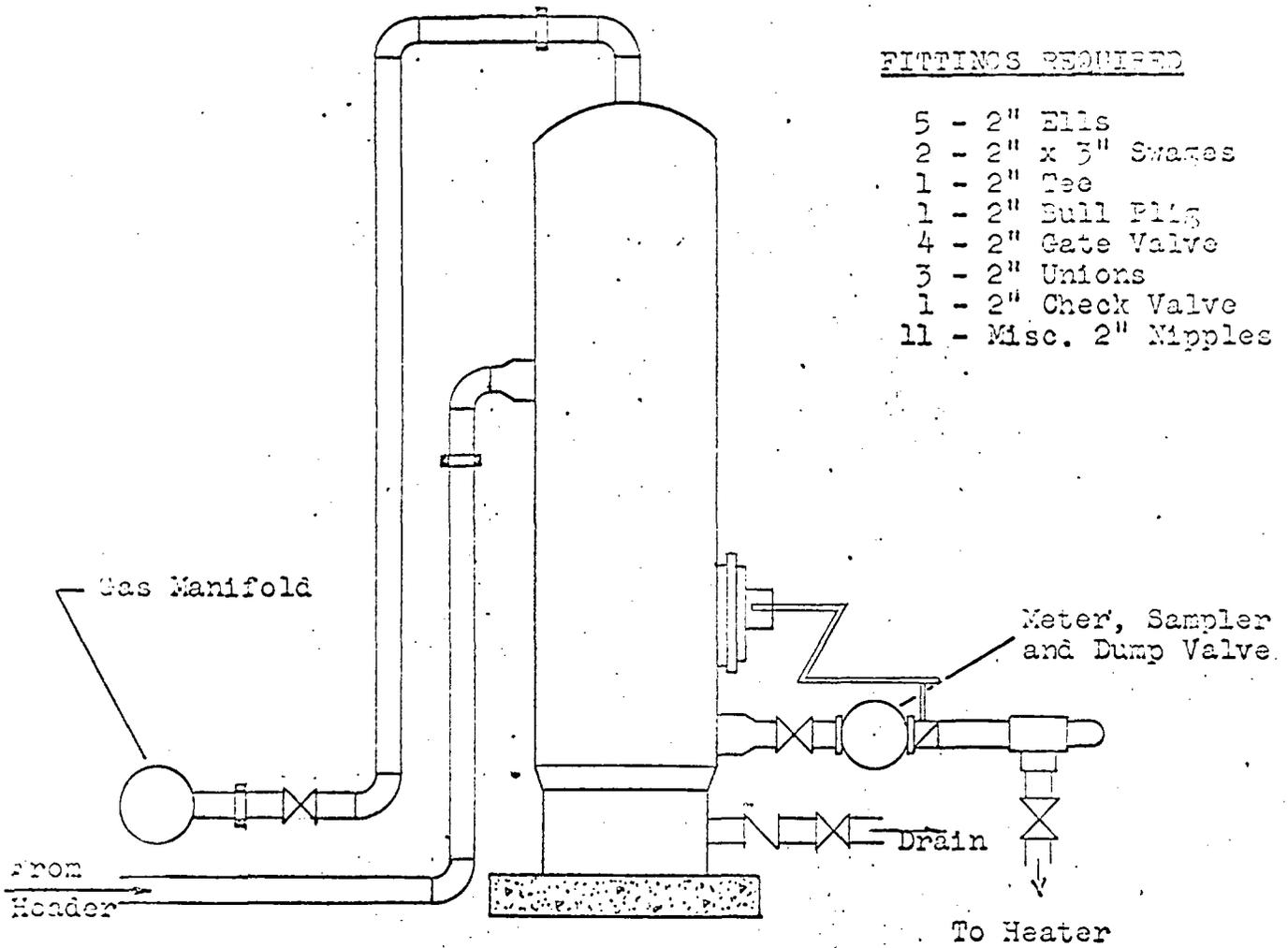


SECTION B



FITTINGS REQUIRED

- 5 - 2" Ells
- 2 - 2" x 3" Swages
- 1 - 2" Tee
- 1 - 2" Bull Plug
- 4 - 2" Gate Valve
- 3 - 2" Unions
- 1 - 2" Check Valve
- 11 - Misc. 2" Nipples

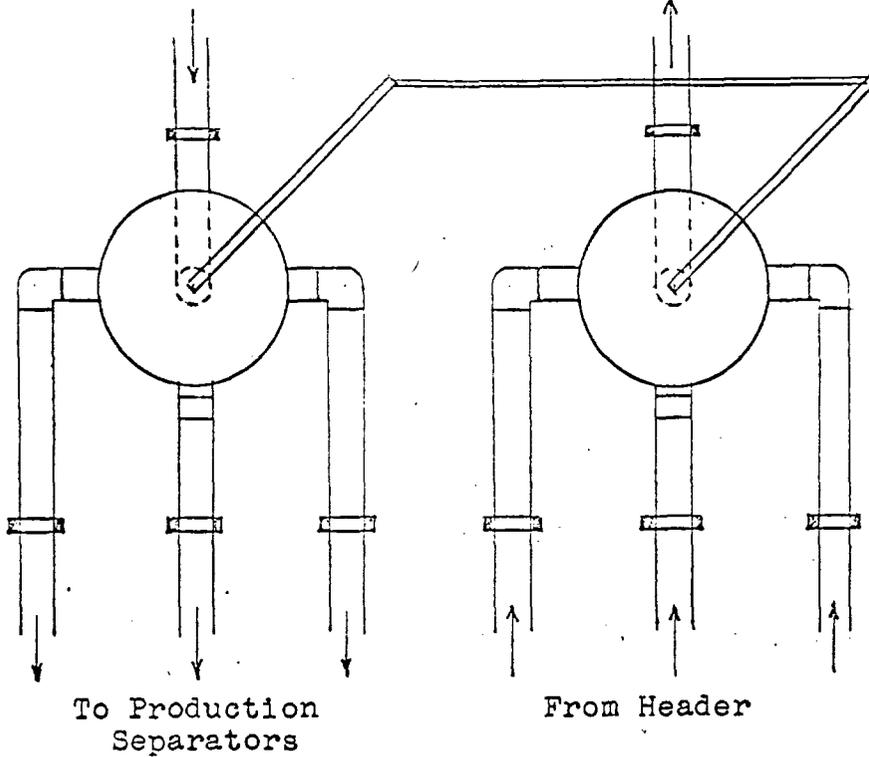


TEXACO, Inc.

Typical Installation  
For Production  
Separators

From  
Test Separator

To  
Test Separator



Fittings Required

14-2" 90° Ells

8-2" Unions

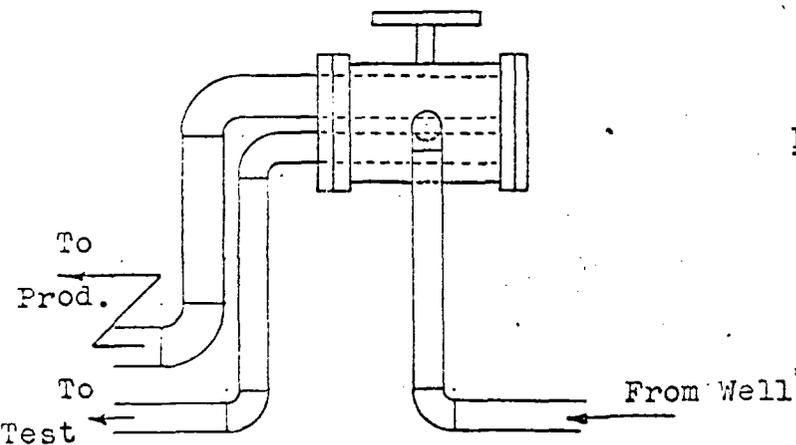
6-2"x 12" Nipples

4-2"x 6" Nipples

TEXACO, Inc.

TYPICAL INSTALLATION  
FOR TEST SYSTEM

TEXACO, Inc.  
Typical Installation  
For Header System



Fittings Required

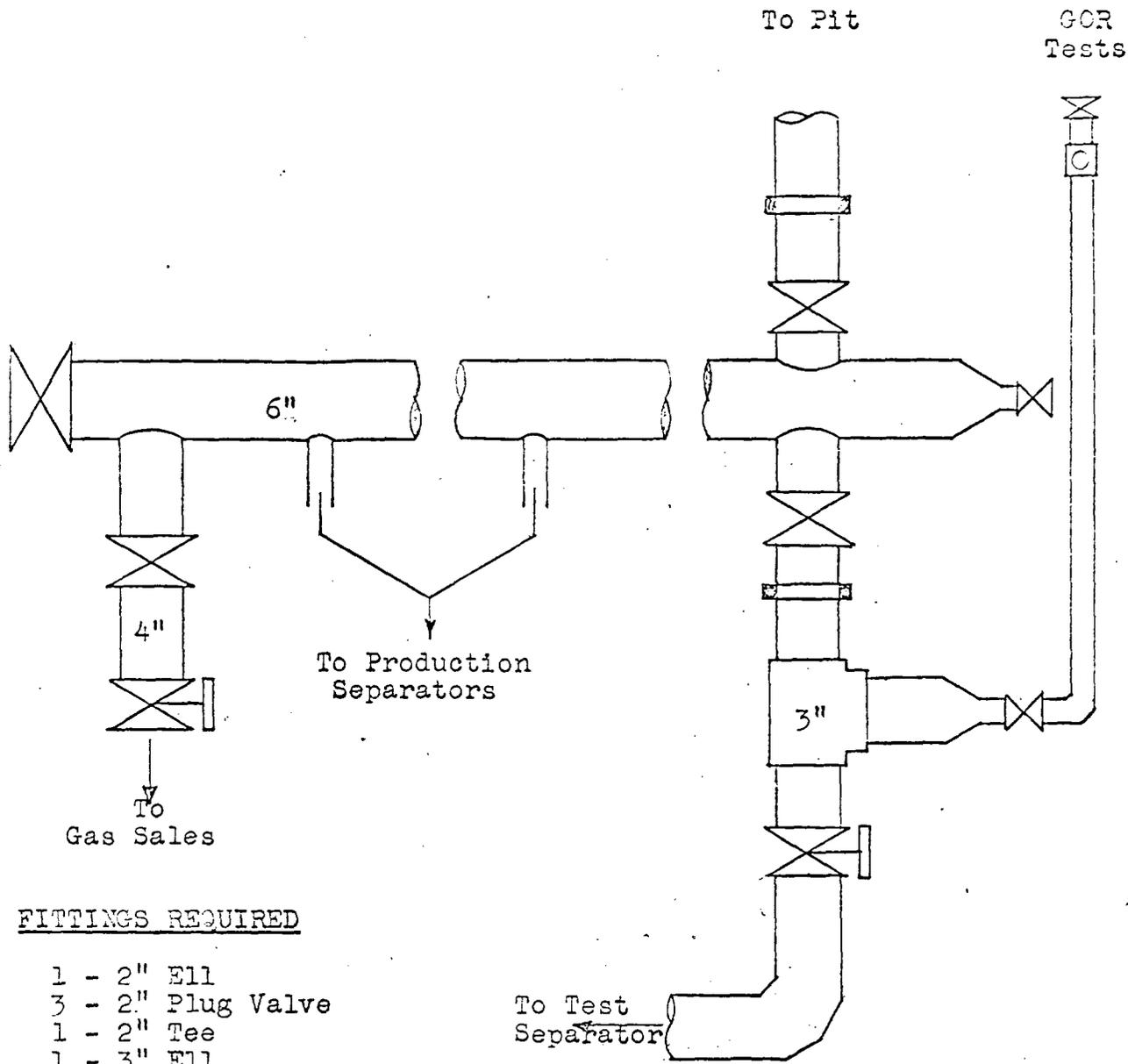
2 - 3" 90° Ells

4 - 2" 90° Ells

2 - 2" x 12" Nipples

1 - 3" x 12" nipples

1 - National Mani-flo Valve



FITTINGS REQUIRED

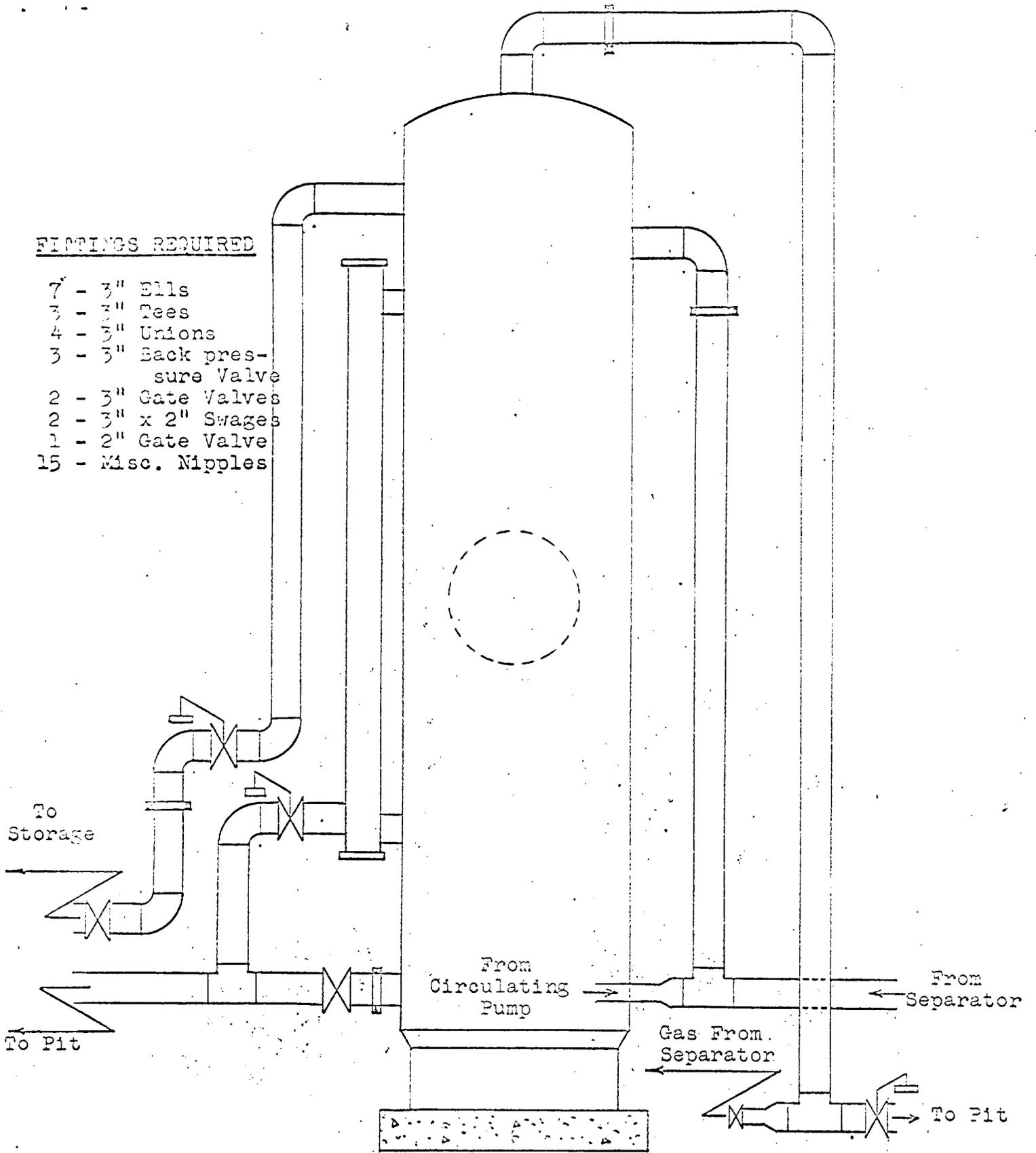
- 1 - 2" Ell
- 3 - 2" Plug Valve
- 1 - 2" Tee
- 1 - 3" Ell
- 1 - 3" Tee
- 1 - 3" x 2" Swage
- 1 - 6" x 2" Swage
- 1 - 3" Back Pressure Valve
- 1 - 4" Back Pressure Valve
- 1 - 6" Plug Valve
- 1 - 4" Plug Valve
- 2 - 3" Plug Valves
- 2 - 3" Unions
- Misc nipples

TEXACO, Inc.

Typical Installation  
For Gas Manifold  
System

FITTINGS REQUIRED

- 7 - 3" Ells
- 3 - 3" Tees
- 4 - 3" Unions
- 3 - 3" Back pressure Valve
- 2 - 3" Gate Valves
- 2 - 3" x 2" Swages
- 1 - 2" Gate Valve
- 15 - Misc. Nipples



TEXACO, Inc.

Typical Heater  
Installation