

TEXACO
INC.

MAIN OFFICE CCC

PETROLEUM PRODUCTS



1964 JUL 17 PM 1:22

DRAWER 728

HOBBS, NEW MEXICO 88240

July 15, 1964

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

SE 1/4
Re: Application for Permit to Commingle
Production, TEXACO Inc., TEXACO-
Shell "State" Lease, Vacuum (North
Abo, Wolfcamp and Upper Pennsylvanian)
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 TEXACO Inc. TEXACO-Shell "State" Lease, Vacuum (North Abo, Wolfcamp and Upper Pennsylvanian) Pools, Lea County, New Mexico, in support of which is stated the following:

1. TEXACO is the operator of the TEXACO-Shell "State" Lease, consisting of 80 acres, being the SE/4 and NE/4 of the SE/4 of Section 25, T-17-S, R-34-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 TEXACO-Shell "State" Lease has one triple completion well that produces from the North Abo, Wolfcamp and Upper Pennsylvanian Pools. The two wells, one producing from the San Andres Pool and the other producing from the Blinbry Pool, located in the SE/4 of the SE/4 are owned and operated by Shell Oil Company and are not, in any respect, a part of the TEXACO-Shell "State" Lease. Likewise, the Well No. 3 in the NW/4 of the SE/4 is producing from the San Andres Pool and is owned and operated by TEXACO Inc. It also is not, in any respect, a part of the TEXACO-Shell "State" Lease. Production from these three wells shall be maintained separately by each respective owner and operator and shall not be involved in any manner with the proposed production commingling between the pertinent pools on the TEXACO-Shell "State" Lease. The TEXACO-Shell "State" Lease

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Page 2.

was formed by joint operating agreement between Shell and TEXACO in order to accomplish optimum 80-acre dedication for the North Abo, Wolfcamp and Upper Pennsylvanian Pools to TEXACO-Shell "State" Well No. 1.

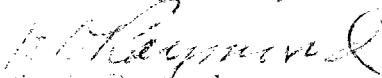
3. The expected daily liquid hydrocarbon production from the North Abo Pool is 177 barrels of 39.5° API gravity oil at \$2.99 per barrel, that from the Wolfcamp Pool is 177 barrels of 38.2° API gravity oil at \$2.97 per barrel, and that from the upper Pennsylvanian Pool is 210 barrels of 40.5° API gravity oil at \$3.01 per barrel. The combined daily production after commingling is expected to be 564 barrels of 39.4° API gravity liquid hydrocarbon at \$2.99 per barrel, resulting in a \$2.64 per day gain in revenue. The production from the zones to be commingled is considered as being intermediate sweet.

4. (Common Ownership - Subtraction Method) In accordance with Item II, Section 2-3 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 Upper Pennsylvanian zone which produces the highest gravity crude. Positive displacement type meters with samplers and non-reset counters will be installed on the North Abo and Wolfcamp zones for accurate measurement prior to commingling. A schematic diagram of the proposed commingling is attached, and is in substantial compliance with the aforementioned manual.

5. Terms of the joint operating agreement provide for 50 percent of all production to be allocated to TEXACO Inc. and 50 percent to Shell Oil Company. The State of New Mexico owns the royalty interest in the NW/4 of the SE/4 of Section 25, the 40 acres dedicated to the well by TEXACO Inc., and a copy of this dedication is being sent to the New Mexico Commissioner of Public Lands. Texas-New Mexico Pipe Line Company shall be the crude purchaser from the subject lease and a copy of this application is being sent to them at Box 1510, Midland, Texas.

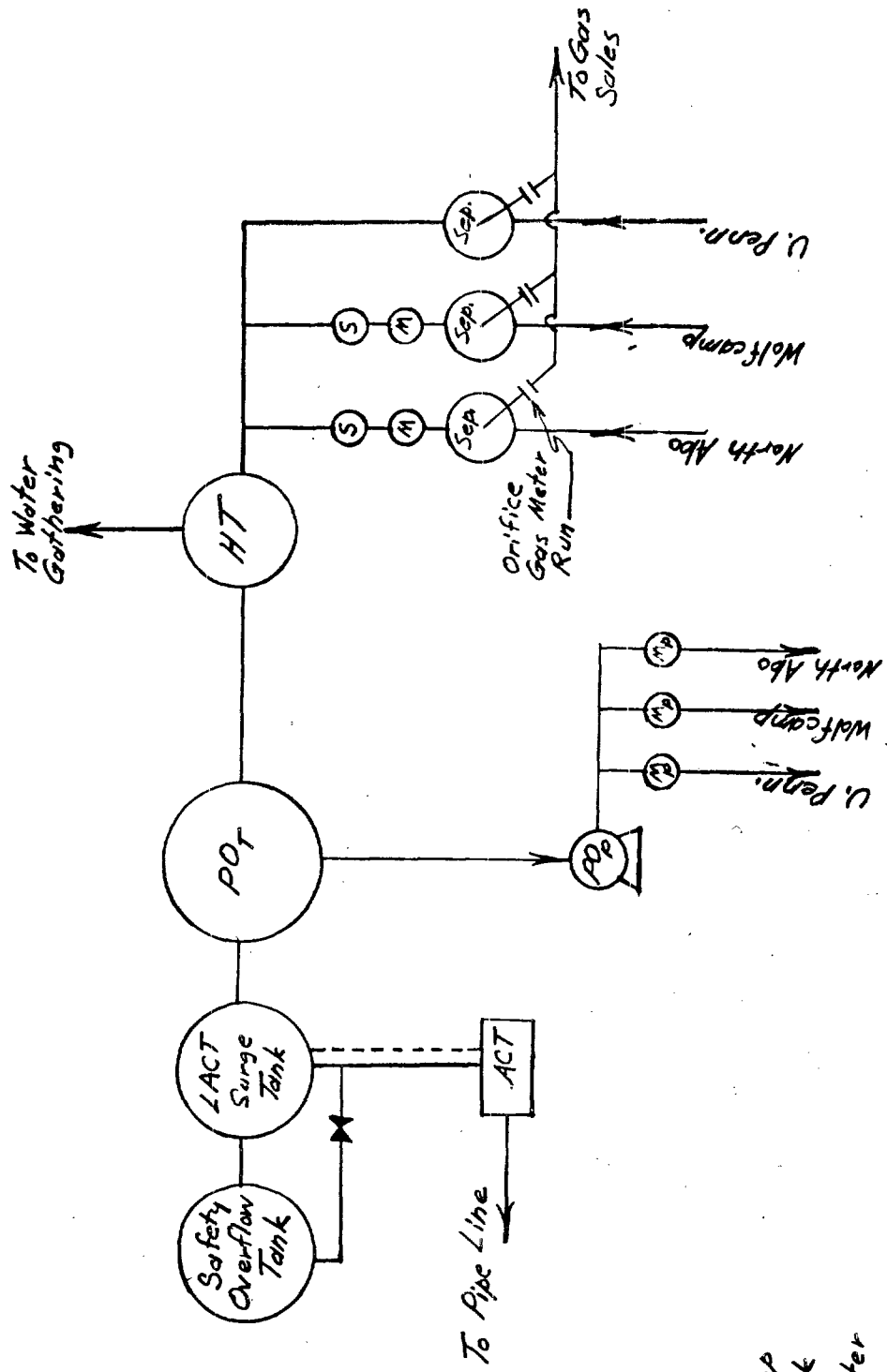
In view of the facts recited in this application, it is respectfully requested that administrative approval of an exception to Rule 303 (a) be granted TEXACO Inc. to permit commingling into a common tank battery production from the Vacuum (North Abo, Wolfcamp and Upper Pennsylvanian) Pools on the TEXACO-Shell "State" Lease.

Yours very truly,


H. J. Raymond

Assistant District Superintendent

WPY-cm
MOC-Robus
State Land Office
Texas-New Mexico Pipe Line
Attachments



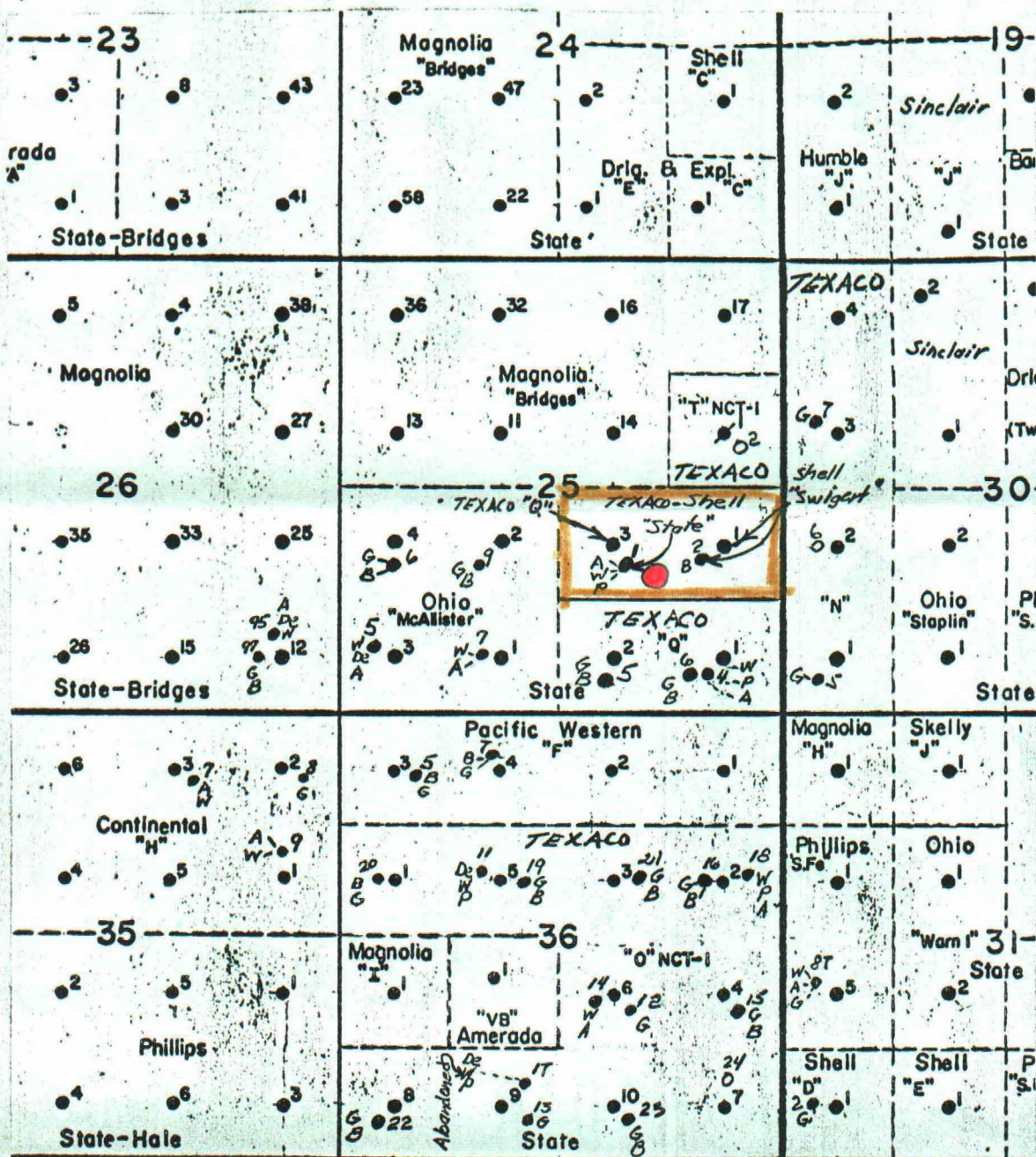
Legend

- Sep. - Separator
- HT - Heater Treater
- PO_p - Power Oil Pump
- PO_T - Power Oil Tank
- MP - Power Oil Meter
- M - Meter
- S - Sampler
- ACT - Automatic Custody Transfer Unit

TEXACO Inc.
 Proposed Canningling Battery
 TEXACO - Shell "State" Lease
 Vacuum (Multiple) Pool
 Lea County, New Mexico

T-17-S

T-17-S



R-34-E

R-35-E

TEXACO Inc.

TEXACO-Shell "State" Lease
 Vacuum Field
 Lea County, New Mexico
 Scale: 1" = 2000'

Legend

A - Abo, North
 B - Blinebry
 De - Devonian
 G - Glorieta
 P - Pennsylvanian
 W - Wolfcamp
 ● - Tank Battery

Offset Operators

Mobil Oil Co., Box 2406, Hobbs, New Mexico
 Shell Oil Co., Box 1858, Roswell, N. M.
 Marathon Oil Co., Box 2107, Hobbs, N. M.
 Pacific Western, & Tidewater Oil Co.
 Box 249
 Hobbs, New Mexico

Wells not designated completed in San Andres

C
O
P
Y

July 10, 1960

Thomas Hise,
Drawer 723
Hobbs, New Mexico 88406

Re request to Comingle
Production for (three)
wells in Texas. Shall
from Texas. (2004) of
MS 343 173 Nys 342
County

Gentlemen:

This office approves your plan to Comingle
production from Lower Permian and Upper Penn-
sylvanian Vacuum Region. It will be used on the
Hobbs and Wolfcamp pools and the stimulation method on the
Pennsylvania

This approval is given on the understanding that the
Commissioner of Natural Resources has the right to amend
or withdraw his approval if it appears to the state occur
through commingling.

Also the Oil & Gas Dept. is advised to know if there
are any changes from your to under approval.

Yours very truly

W. C. HARRIS
COMMISSIONER OF PUBLIC LANDS

WCH/mc

WCH
W. C. HARRIS
OIL & GAS DIVISION

cc: CCC

O & G Recd.

TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS
DIVISION MANAGER

1964 JUL 23 PM 1:18
BOX 1510
MIDLAND, TEXAS 79701

July 23, 1964

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

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Gentlemen:

Texaco Inc. advises that they have made application to the New Mexico Oil Conservation Commission for permission to conduct commingling operations on the Texaco Inc. Texaco - Shell "State" Lease, Vacuum (North Abo, Wolfcamp, and Upper Pennsylvanian) Pools, Section 25, T-17-S, R-34-E, Lea County, New Mexico.

Texas-New Mexico Pipe Line Company gathers the production from this lease and has no objection, to the extent that it affects its operations, to Texaco Inc. commingling this oil.

Yours very truly,

LPS-BTK

cc: Texaco Inc.
P. O. Drawer 728
Hobbs, New Mexico 88240