



PETROLEUM PRODUCTS

July 20, 1971

JUL 21 AM 10 03

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

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New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

PC

Re: Application For Permit To Commingle
Production, TEXACO Inc.
C. P. Falby 'A' Lease
Blinebry and Drinkard 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. respectfully requests administrative approval of an exception to Rule 303(a) to permit commingling of hydrocarbon production from the Blinebry and Drinkard Pools on the C. P. Falby 'A' Lease.

The subject lease is comprised of the NW 1/4 of Section 8, Township 22 South, Range 37 East, Lea County, New Mexico. Attached is a plat showing the location of all wells and the pools from which they are producing. This lease currently has one well completed in the Drinkard Pool and one in the Blinebry. Two other wells were previously committed to Gulf's South Penrose Skelly Unit.

The average daily production from the Drinkard Pool is 17 barrels of 36° API Gravity crude at \$3.37/bbl. and the anticipated daily production from the Blinebry Pool is 35 barrels of 39° API Gravity crude at \$3.43/bbl. The combined daily production of the commingled zones will be 52 barrels of 38° API Gravity crude at \$3.41/bbl. The production from both zones is sour crude. Attached is a plat of the proposed commingling facility. Shell Pipeline Co. is the purchaser of the crude from the battery serving the Drinkard zone, which will become the commingled battery. Therefore, Shell Pipeline Co. is being furnished a copy of this application and their consent in writing to take the commingled crude will be requested.

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

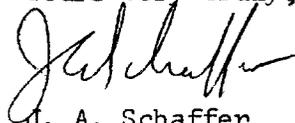
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Since production from both wells to be commingled is marginal, it is also requested that permission be granted to allocate production on the basis of well tests.

In view of the above facts, it is respectfully requested that administrative approval of an exception to Rule 303(a) be granted to permit commingling into a common tank battery production from the Blinebry and Drinkard Pools on the C. P. Falby 'A' Lease and that production be allocated by well tests.

Yours very truly,



J. A. Schaffer
Assistant District Superintendent

KWH-dh

MASJr.

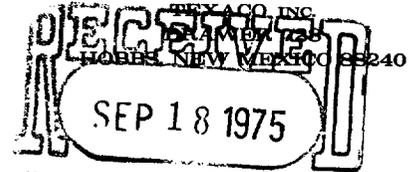
Attachment



PETROLEUM PRODUCTS

September 17, 1975

PC-421



OIL CONSERVATION COMM.
Santa Fe

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Cancellation of Commingle Permit
No. PC-421
C. P. Falby "A" Federal Well No. 1
Drinkard Pool
Lea County, New Mexico

Attention: Mr. Joe D. Ramey

Gentlemen:

TEXACO Inc.'s C. P. Falby "A" Federal Well No. 1 in the Drinkard Pool was shut in on June 6, 1975. You are therefore requested to cancel commingle permit No. PC-421.

Yours very truly,

J. V. Gannon
J. V. GANNON
District Superintendent

JBS/kw

Administrative Order PC-421 is hereby cancelled.

Joe D. Ramey

JOE D. RAMEY, Secretary-Director
September 18, 1975