



Chevron U.S.A. Inc.
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June 30, 1989

SURFACE COMMINGLING
B.V. CULP NCT-B
TANK BATTERY #1 AND #4
SECTION #31, T19S, R37E
LEA COUNTY, NEW MEXICO

William J. LeMay
Energy and Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

3/27/89
L2 (PC 405)

Dear Sir:

In order to avoid the considerable expense of maintaining two separate tank batteries on the subject lease, Chevron requests an exception of Rule 303A. This will allow Chevron to commingle production from the Eunice Monument Grayburg San Andres pool and the Monument Blinebry pool on the B.V. Culp NCT-B lease.

Two wells are producing the Grayburg San Andres pool into tank battery #1, and one well is producing the Blinebry into tank battery #4. Extensive repairs on the #4 battery are needed to maintain operation; however, the Blinebry production does not justify the repair expense. To conserve oil production and prevent waste, Chevron requests permission to surface commingle production into tank battery #1.

The attached tabulation shows the volumes, gravities, and monetary value of the hydrocarbon liquids from the individual pools, as well as the commingled production. Since the oil type and gravity of the three wells are similar, the total revenue of the individual and commingled production are identical. All wells on the lease will continue to be individually tested for proper allocation. The royalty owners of the production from both pools are identical. The purchaser will continue to purchase the commingled production.

Also attached are the schematics for the two tank batteries, as well as production history and a lease plat.

The commingling proposal is in the interest of conservation in that it will prevent lost production and unnecessary operating expense.

Yours very truly,


R. C. ANDERSON

JNC/pf 06279/07

Attachments

cc: O.C.D. - Hobbs
J. R. Ladd - Hobbs
Lease Administration - Houston
Crude Oil - Houston
D. C. Heese - Hobbs
C. L. Morrill - Hobbs
Hobbs Division Central Files

B. V. Culp NCT-B Lease
 Section 31, T19S, R37E
 Lea County, New Mexico

<u>Well Number</u>	<u>Pool</u>	<u>Tank Battery</u>	<u>June Production</u>	<u>Gravity</u>
Culp B #1	Grayburg-San Andres	1	TA	----
Culp B #2	Grayburg-San Andres	1	12	33.5
Culp B #3	Grayburg-San Andres	1	30	33.5
Culp B #4	Blinebry	4	6	33.5

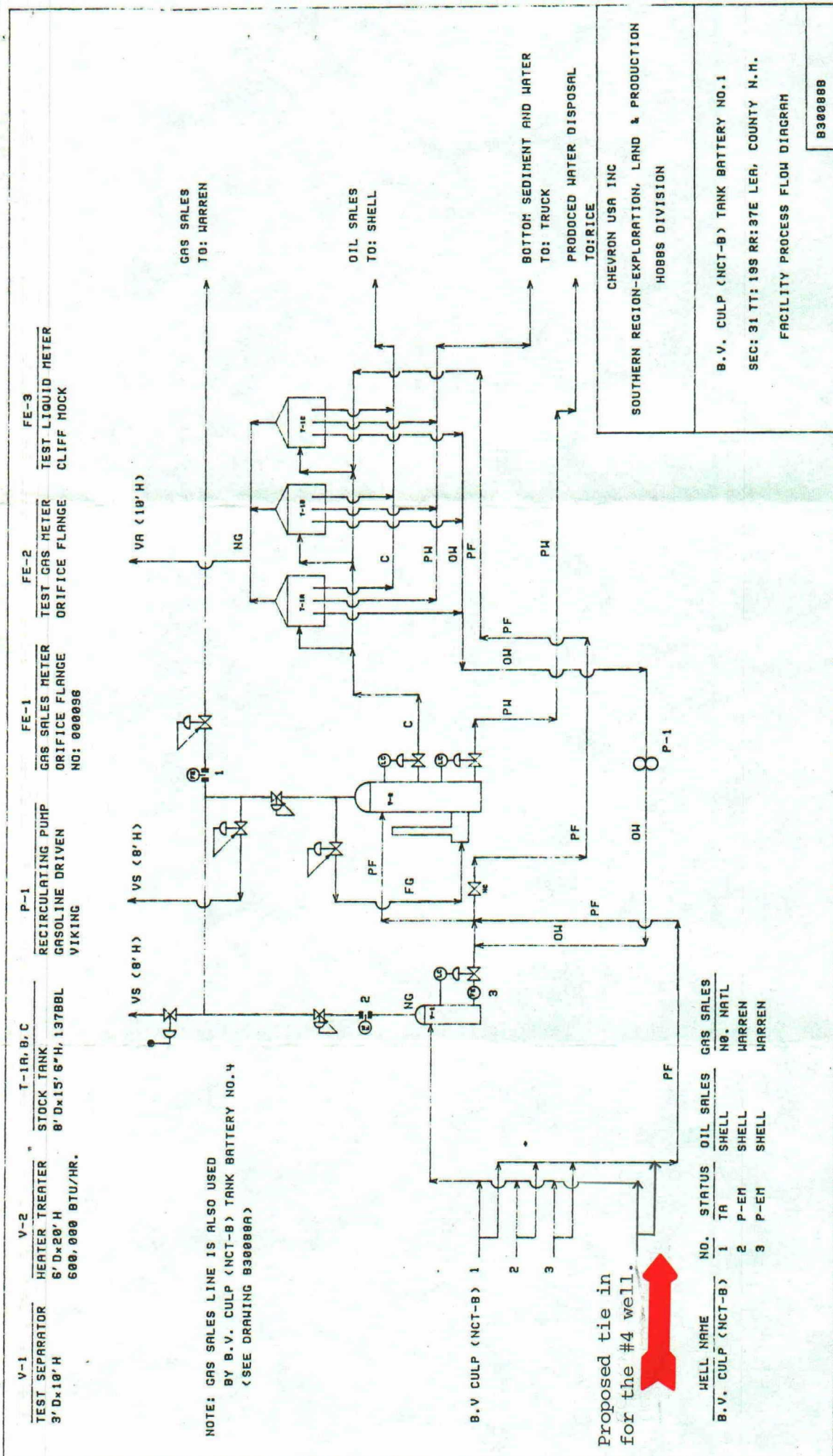
<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>Oil Price</u>	<u>\$/Day</u>
Grayburg-San Andres	42	33.5	19.03	\$799.26
Blinebry	6	33.5	19.03	<u>\$114.18</u>
Total				\$913.44
Commingled	48	33.5	19.03	<u>\$913.44</u>
			Difference	0.00

Calculations

$$\text{Commingled Gravity} = \frac{(42)(33.5) + (6)(33.5)}{42 + 6} = 33.5$$

$$\text{Oil Price, West Texas/New Mexico Sour} = 19.10 - \frac{(34.0 - \text{Gravity})(.015)}{(.1)}$$

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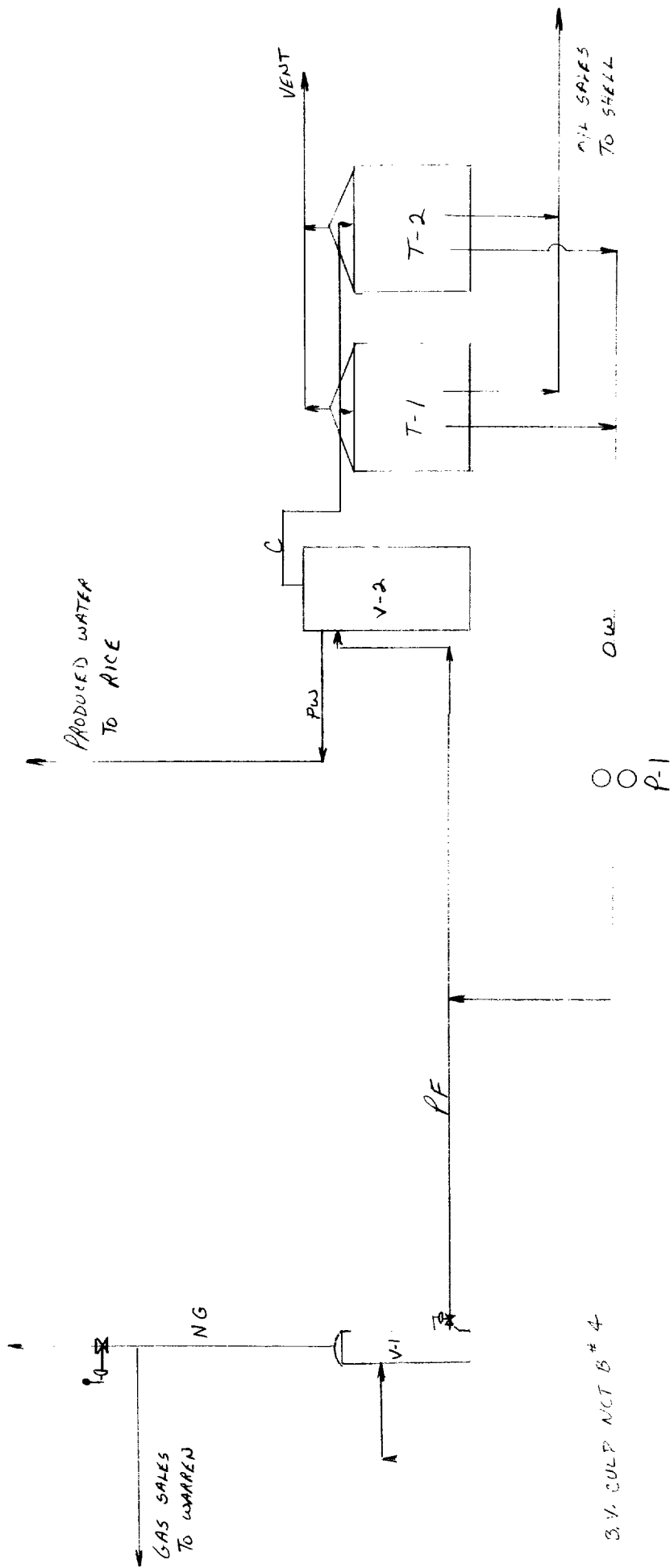


PROPOSED FACILITY SCHEMATIC TO SURFACE COMMINGLE THE GRAYBURG SAN ANDRES WITH BLINBERRY

4 BATTER-1

B.V. CULP NET B # 4 BATTERY

SEC 31, TT 195, RR 37E, LEA COUNTY N.M.



BATTERY IN GOOD MECHANICAL CONDITION, NO CORROSION, REASONABLE WEAR AT BATTER AND WATER PUMP CONTACT SURFACES

CULP B V /NCT-B/

1 GRAYBURG SAN ANDRES EUNICE MONUMENT
2 GRAYBURG SAN ANDRES EUNICE MONUMENT

12.00	20.00	12.00	12.00
12.00	20.00	12.00	13.00
12.00	23.00	12.00	14.00
12.00	20.00	12.00	14.00
12.00	23.00	12.00	18.00
12.00	23.00	12.00	14.00
12.00	14.00	12.00	17.00
12.00	18.00	12.00	18.00
12.00	31.00	12.00	16.00

06/01/89	06/01/89
05/01/89	05/01/89
04/01/89	04/01/89
03/01/89	03/01/89
02/13/89	02/13/89
01/01/89	01/01/89
12/01/88	12/01/88
11/01/88	11/01/88
10/01/88	10/01/88

1

SOUTH HOBBS AREA STATUS AND TEST REPORT
AS OF TUESDAY JUNE 27, 1989
(SHOBBTST NOMAD A)

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LEASE NAME
CULP B V /NCT-B/

WELL NO.
2

RESERVIOR NAME

FIELD NAME

TEST
OIL
PROD

TEST
WATER
PROD

TEST
GAS
PROD

TEST
DATE

12.00	30.00	16.00	09/01/88
12.00	5.00	19.00	08/01/88
12.00	27.00	19.00	07/01/88
12.00	24.00	18.00	06/01/88
12.00	24.00	41.00	05/01/88

30.00	26.00	3.00	06/02/89
30.00	60.00	5.00	05/02/89
38.00	41.00	6.00	04/02/89
30.00	60.00	23.00	03/02/89
30.00	59.00	23.00	02/14/89
30.00	59.00	6.00	01/02/89
30.00	36.00	6.00	12/02/88
30.00	50.00	23.00	11/02/88
32.00	48.00	5.00	10/02/88
35.00	54.00	6.00	09/02/88
35.00	45.00	13.00	08/02/88
35.00	65.00	15.00	07/02/88
35.00	45.00	11.00	06/02/88
35.00	45.00	27.00	05/02/88
38.00	39.00	20.00	04/02/88

3 GRAYBURG SAN ANDRES EUNICE MONUMENT

4 BLINEBRY

MONUMENT

6.00	6.00	4.00	06/03/89
6.00	6.00	9.00	05/03/89
6.00	6.00	9.00	04/01/89
6.00	6.00	9.00	03/01/89
6.00	6.00	9.00	02/14/89
6.00	6.00	9.00	01/01/89
6.00	6.00	10.00	12/01/88
6.00	6.00	9.00	11/01/88
6.00	6.00	1.00	10/01/88
5.00	6.00	9.00	09/01/88
5.00	6.00	9.00	08/01/88
9.00	6.00	9.00	07/01/88
6.00	6.00	9.00	06/01/88
6.00	6.00	9.00	05/01/88

