



July 29, 1991

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William J. LeMay

RE: SURFACE COMMINGLING PERMIT APPLICATION
Texaco Exploration and Production Inc.
B. F. Harrison B Lease
North Teague Ellenburger and Undesignated Fusselman Pools
Section 9, T-23-S, R-37-E
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. respectfully requests permission to surface commingle produced hydrocarbons from the North Teague Ellenburger and Undesignated Fusselman pools on the referenced lease. B. F. Harrison B Well No. 3 was recently drilled and completed in the Fusselman at a rate of 208 BOPD, 0 BWPD, and 92 MCFD. It is proposed to commingle this oil at the lease battery with current Ellenburger production of 900 BOPD.

The current Ellenburger production does not include production from Well No. 5 which was recently drilled and is currently being completed as an Ellenburger well. Please include Well No. 5 in this application and if circumstances warrant the application will be amended to reflect the completion of Well No. 5 in another zone.

Texaco owns 100% working interest in both zones on the lease. A common royalty of 12.5% applies for both zones on this fee lease.

Attached is a plat showing the location of the wells and battery on the Harrison Lease. Also attached is a schematic of the lease battery where monthly tests will be accurately measured on a per well basis. Total monthly production will then be allocated to each well utilizing the subtraction method.

Mr. William J. LeMay

-2-

July 29, 1991

Detailed data of the oil gravities, average crude production and sales value on a per pool basis has been tabulated and is included for your approval.

Very Truly Yours,



L. D. Ridenour
Associate Engineer

LDR/s

Attachments

cc: Texas - New Mexico Pipeline Co.
P. O. Box 2528
Hobbs, NM 88240

NMOCD - Hobbs

SURFACE COMMINGLING PERMIT

B. F. HARRISON B TN LEASE

LEA COUNTY, NEW MEXICO

<u>Pool</u>	<u>No. of Wells</u>	<u>API Gravity</u>	<u>Avg. Prod. BOPD</u>	<u>Value \$/BO</u>
Ellenburger	3*	48.3	900	18.99
Fusselman	1	46.1	208	18.67
Commingled Average:		47.7	1108	18.93

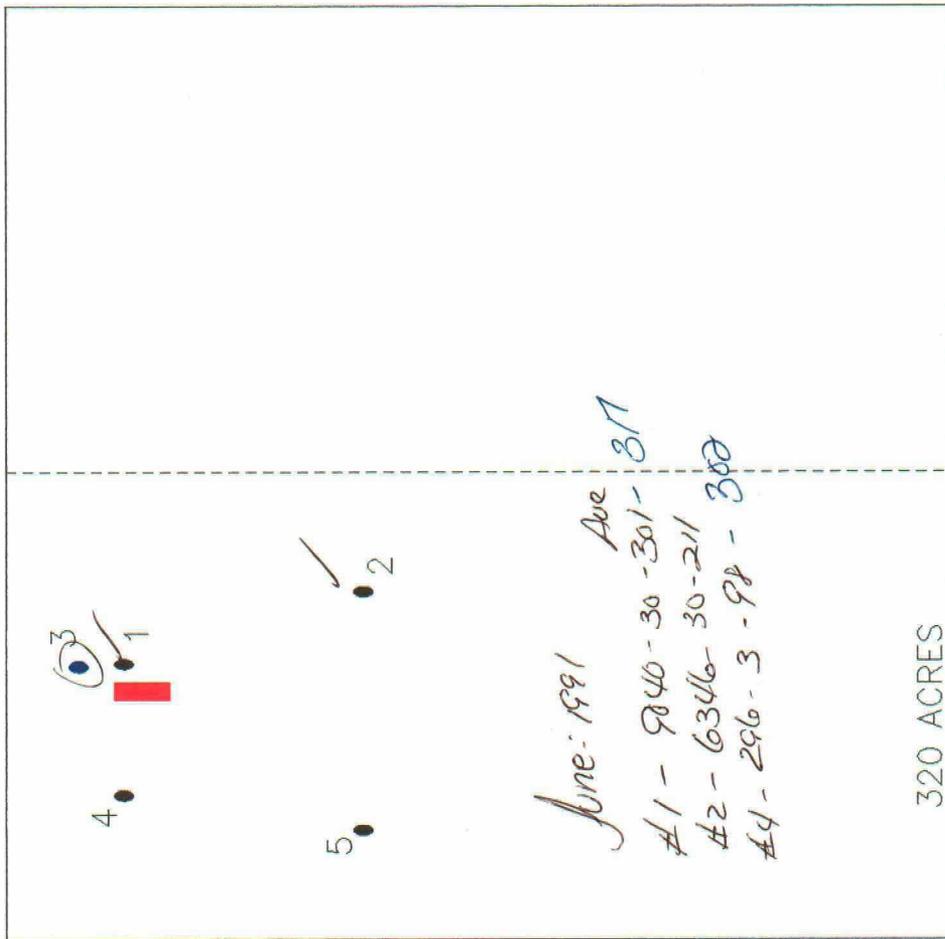
Note: After commingling, daily sales would be \$20,974
Before commingling, daily sales would be \$20,974

*Does not include Well No. 5 which has just been drilled and will be completed as an Ellenburger well.

TEXACO EXPLORATION & PRODUCTION INC.

B. F. HARRISON B LEASE

LEA COUNTY, NEW MEXICO

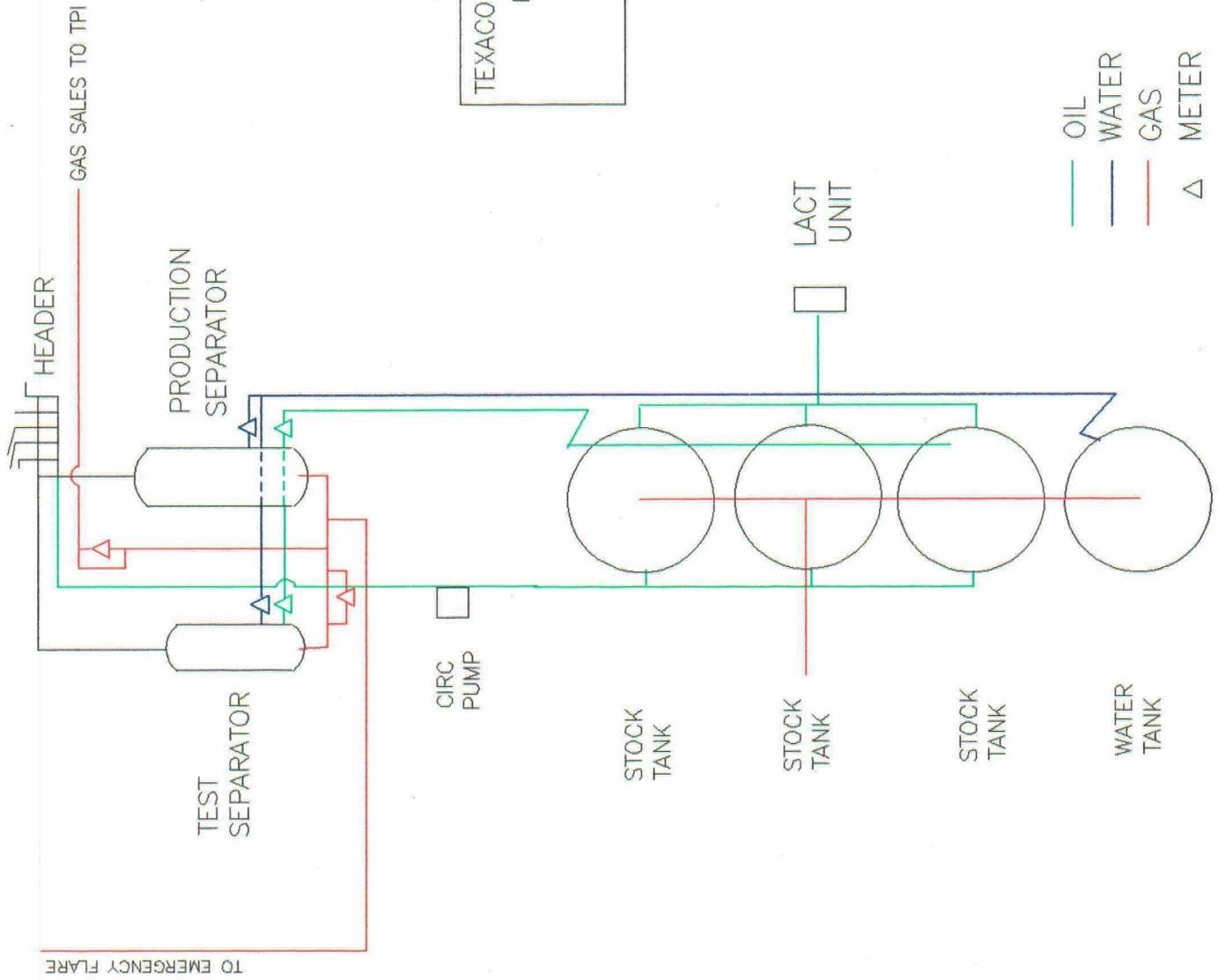


TANK BATTERY

ELLENBURGER

FUSSELMAN

SEC. 9, T-23-S, R-37-E



TEXACO EXPLORATION & PRODUCTION INC.
 B. F. HARRISON B TANK BATTERY
 SEC. 9, T-23-S, R-37-E
 LEA COUNTY, NEW MEXICO