



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO 87501

May 17, 1994
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Sante Fe, New Mexico 87501

Attention: Mr. William J. LeMay

RE: SURFACE COMMINGLING PERMIT APPLICATION

Texaco Exploration and Production Inc.
G. W. Sims Lease
North Teague Blinebry, Drinkard and Abo
Section 9, T-23-S, R-37-E
Lea County, New Mexico

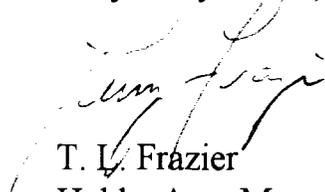
Gentlemen:

Texaco Exploration and Production Inc. respectfully requests permission to surface commingle produced hydrocarbons from the North Teague Blinebry, Drinkard and Abo pools on the referenced lease. The G. W. Sims lease consists of two active wells. The facility currently handles Blinebry production of 52 BOPD from well No. 3. Well No. 1 was recently drilled and completed into the Abo and Drinkard formations. It is proposed to separately meter Well No. 1's production prior to surface commingling into the existing production facility.

A hearing has been scheduled in June to review creating a new pool in the North Teague field which may result in approving downhole commingling and a change in allowables. The Abo zone in the G. W. Sims Well No. 1 has been temporarily abandoned until the outcome of this hearing has been decided. Prior to abandoning, the Abo was producing 35 BOPD, 60 BWPD and 430 MCFPD. The Drinkard zone is currently being limited by GOR, however its potential test showed that at an unrestricted gas production rate the well was actually capable of producing top allowable oil from the Drinkard of 142 BOPD.

Texaco owns a 100% working interest in all three zones on the lease. A common royalty of 12.5% applies to the three zones on this Fee lease. Plats are attached that show the location and producing zone for each well which will be surface commingled on the subject lease and for the proposed lease production facility.

Very Truly Yours,


T. L. Frazier
Hobbs Area Manager

T. L. Frazier

WTL/s

Attachments

cc: Hobbs NMOCD
Attn: Jerry Sexton

Teague Drinkard
Teague Frazier
Test on Unit B

SURFACE COMMINGLING PERMIT

G. W. SIMS LEASE

LEA COUNTY, NEW MEXICO

<u>Pool</u>	<u>Number of wells</u>	<u>API Gravity</u>	<u>Avg Prod. Bopd</u>	<u>Price \$/bbl</u>
Blinebry	1	43.5	52	\$15.50
Drinkard	1	40.8	142	\$15.50
Abo	1	39.4	35	\$15.48
Commingled Totals/Averages:		41.2	229	\$15.50

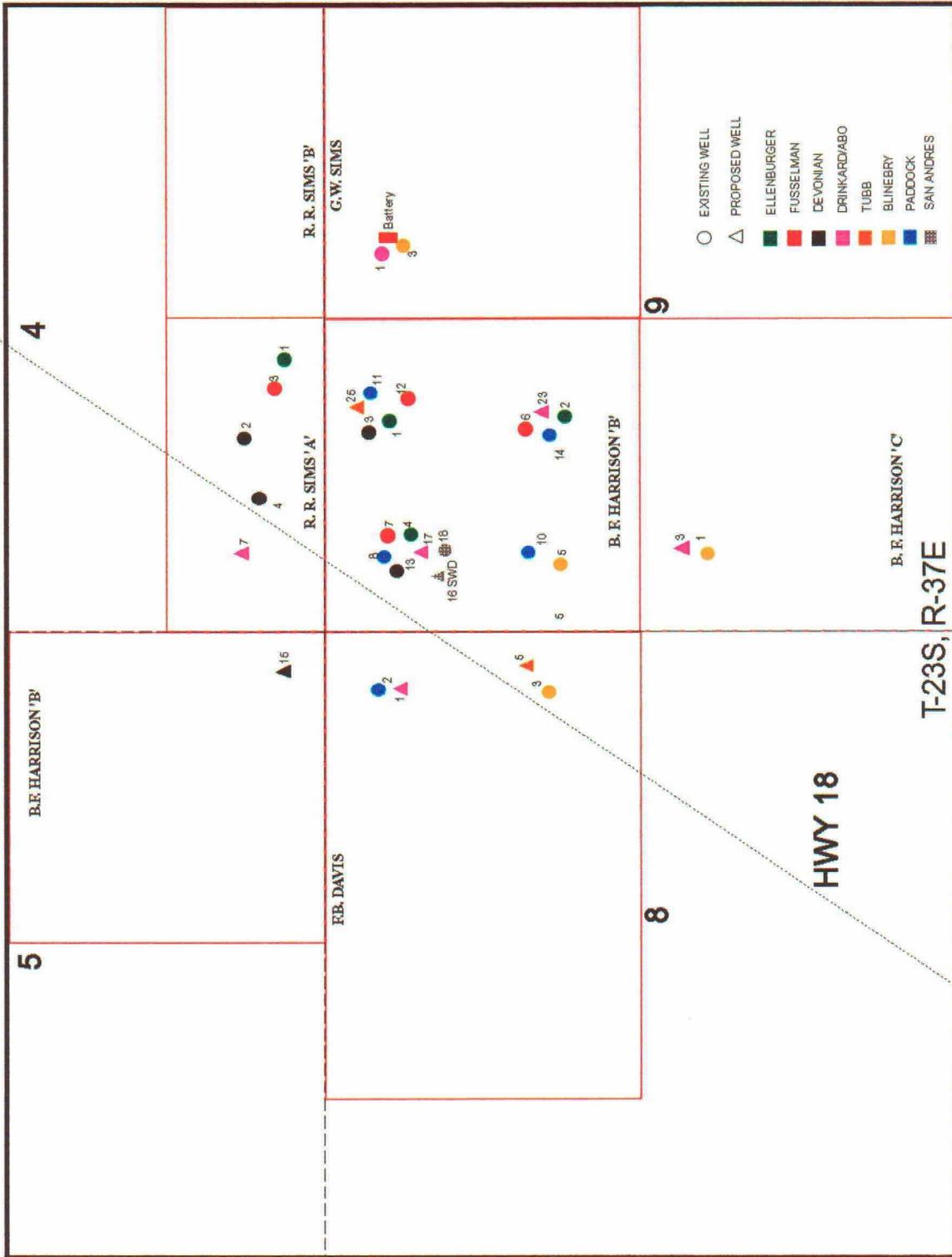
Estimated daily sales **before** commingling: \$3517.80

Estimated daily sales **after** commingling: \$3518.50

#1 Abo - 7Aid - Not potential
Drinkard produce - No IP

#2 None

NORTH TEAGUE FIELD BASEMAP



**G. W. SIMS LEASE
TANK BATTERY
SEC 9, T-23S, R37E
LEA COUNTY, NEW MEXICO**

