



United States Department of the Interior

OFFICE OF THE SECRETARY

Minerals Management Service
South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125

FEB 18 1982
OIL CONSERVATION DIVISION
SANTA FE

11 FEB 1982

*File-59
PLC-59*

Texaco, Inc.
Attention: J. A. Schaffer
P. O. Drawer 728
Hobbs, New Mexico 88240

Gentlemen:

Your application, dated September 22, 1981, for permission to surface commingle and off lease storage of production from the C. P. Falby "A" Federal lease No. LC-033706(a) with production from the C. P. Falby "B" Federal lease No. LC-033706(b) and stored in facilities to be located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 8, T. 22 S., R. 37 E., Lea County, New Mexico, lease No. LC-033706(b), is hereby approved.

As a condition of approval, you are required to meter the production from the C. P. Falby "A" Federal lease No. LC-033706(a) prior to being removed from the lease. A gross meter with a monthly cut will be acceptable.

Any wells or leases proposed to be added to the approved commingling facilities must be approved by the Deputy Minerals Manager prior to their being included in the facility. Any waterflood operations you contemplate in the future must be conducted pursuant to either an approved lease line agreement or a secondary recovery unit agreement, as appropriate. Attached for your information is a list of requirements that should be included on any future applications to combine production.

This approval should not be construed as granting any right of way or construction rights not granted by the lease instrument. Such approval must be obtained from the surface managing agencies concerned.

Please notify the District Supervisor in Roswell when this action is initiated.

Sincerely yours,

(Orig. Signed) - Michael F. Reitz

FOR Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosure
cc:

NMOC