

April 21, 1986

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

Attention: Mr. David Catanach

RE: COMMINGLING ORDER CTB-139
NEW MEXICO "AQ" STATE NCT-11 LEASE
AMERADA STATE LEASE

Gentlemen:

In our letter dated January 17, 1986 requesting permission for lease commingling of the referenced leases, it was erroneously stated that both leases produce from the Lazy J Penn Pool. The New Mexico "AQ" NCT-11 Lease produces from the Lazy J Penn Pool while the Amerada State Lease produces from the Saunders Permo Upper Penn Pool.

We regret any inconvenience this may have caused, and request that the Commingling Order be amended to reflect this correction.

Yours very truly,

L. J. SEEMAN
District Petroleum Engineer

LDR:JEB



January 17, 1986

State of New Mexico
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501-2088

*Original CTS-34
Separated by PLC-*

Attention: Mr. David Catanach

RE: APPLICATION FOR LEASE COMMINGLING
NEW MEXICO "AQ" STATE NCT-11 AND
AMERADA STATE LEASES
LAZY J PENN POOL
LEA COUNTY, NEW MEXICO

Gentlemen:

Following is Texaco Inc's. Application for Lease Commingling on its New Mexico "AQ" State NCT-11 and Amerada State Leases pursuant to Rule 309-B. Production from both leases is from the Lazy J Penn Pool, a common source of supply.

Production from the Amerada State Lease will be piped to a 3-phase separator where oil, water and gas will be metered immediately following separation. Oil and water will then be transferred to a gunbarrel and then storage tanks. Gas will go through a scrubber and then to a gas sales meter.

New Mexico "AQ" State NCT-11 wells will be tested using a 3-phase test separator. Wells not on test will go into a 2-phase separator with the liquids being transferred to a 750-barrel gunbarrel for separation. Liquid and gas production leaving the 2-phase separator will be metered also. Production for each lease will be determined in accordance with the applicable provisions of the NMOCD "Manual for the Installation and Operation of Commingling Facilities".

Attached are Exhibits 1, 2 and 3 indicating the schematic of the commingled battery, and Lease Plats of the New Mexico "AQ" State NCT-11 and Amerada State Leases.

State of New Mexico
Oil Conservation Division

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January 17, 1986

A copy of this Application is being mailed to all Interest Owners and the Purchasers (address list attached) on these two leases.

Yours very truly,



W. B. CADE
District Operations Manager

DBW:JEB

Attachments

INTEREST OWNERS

Commissioner of Public Lands
State of New Mexico
Oil & Gas Division
P. O. Box 1148
Santa Fe, New Mexico 87501-1148

Amerada Hess Corporation
Attention: Mr. R. W. Mullins
P. O. Box 2040
Tulsa, Oklahoma 74102

PURCHASER

Texas-New Mexico Pipeline Company
P. O. Box 52332
Houston, Texas 77052

Warren Petroleum Company
P. O. Box 1589
Tulsa, Oklahoma 74102

EXHIBIT 1

Proposed

*New Mexico "AQ" State NET-11 and Amerada State
Commingled Battery*

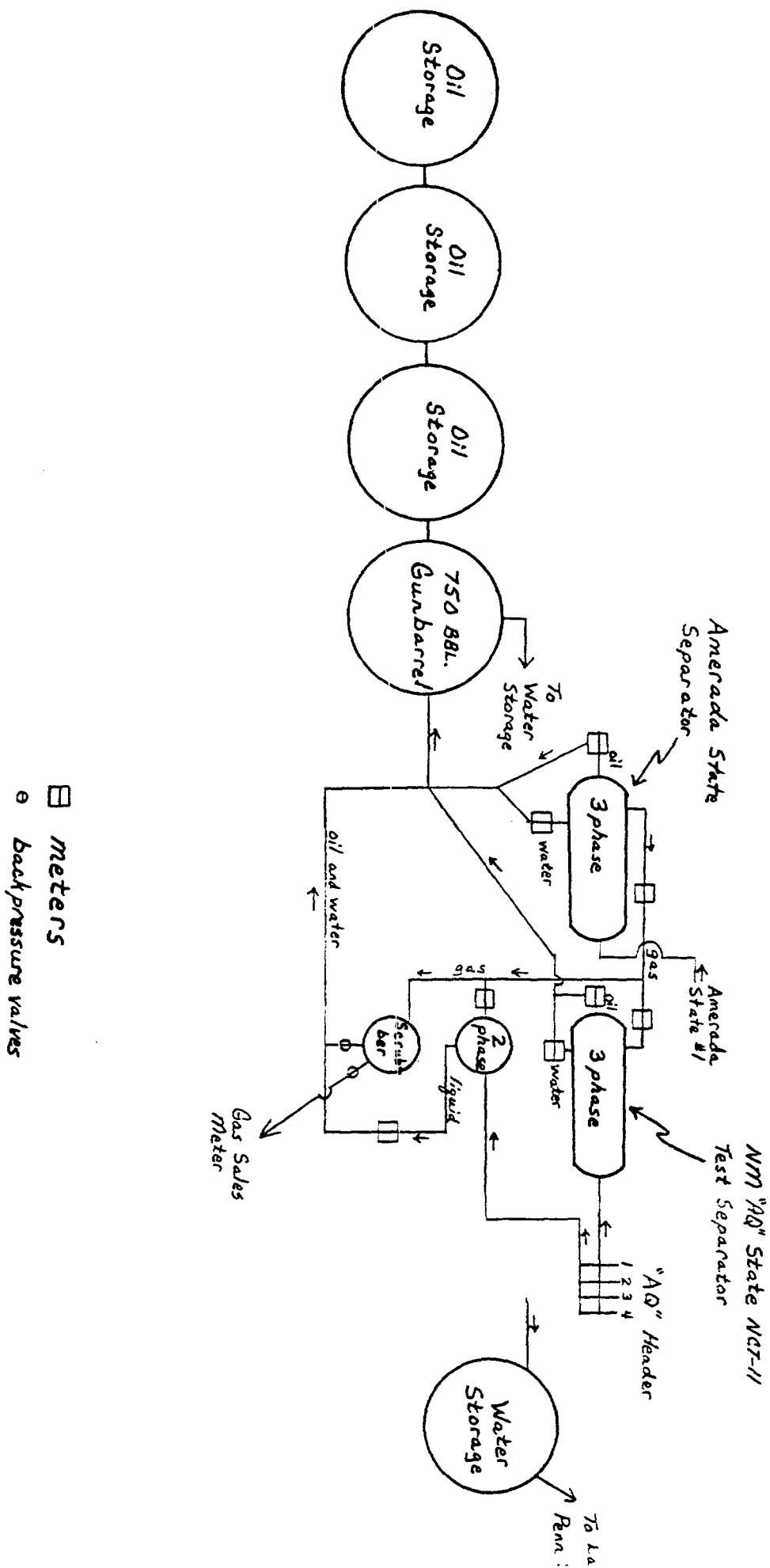
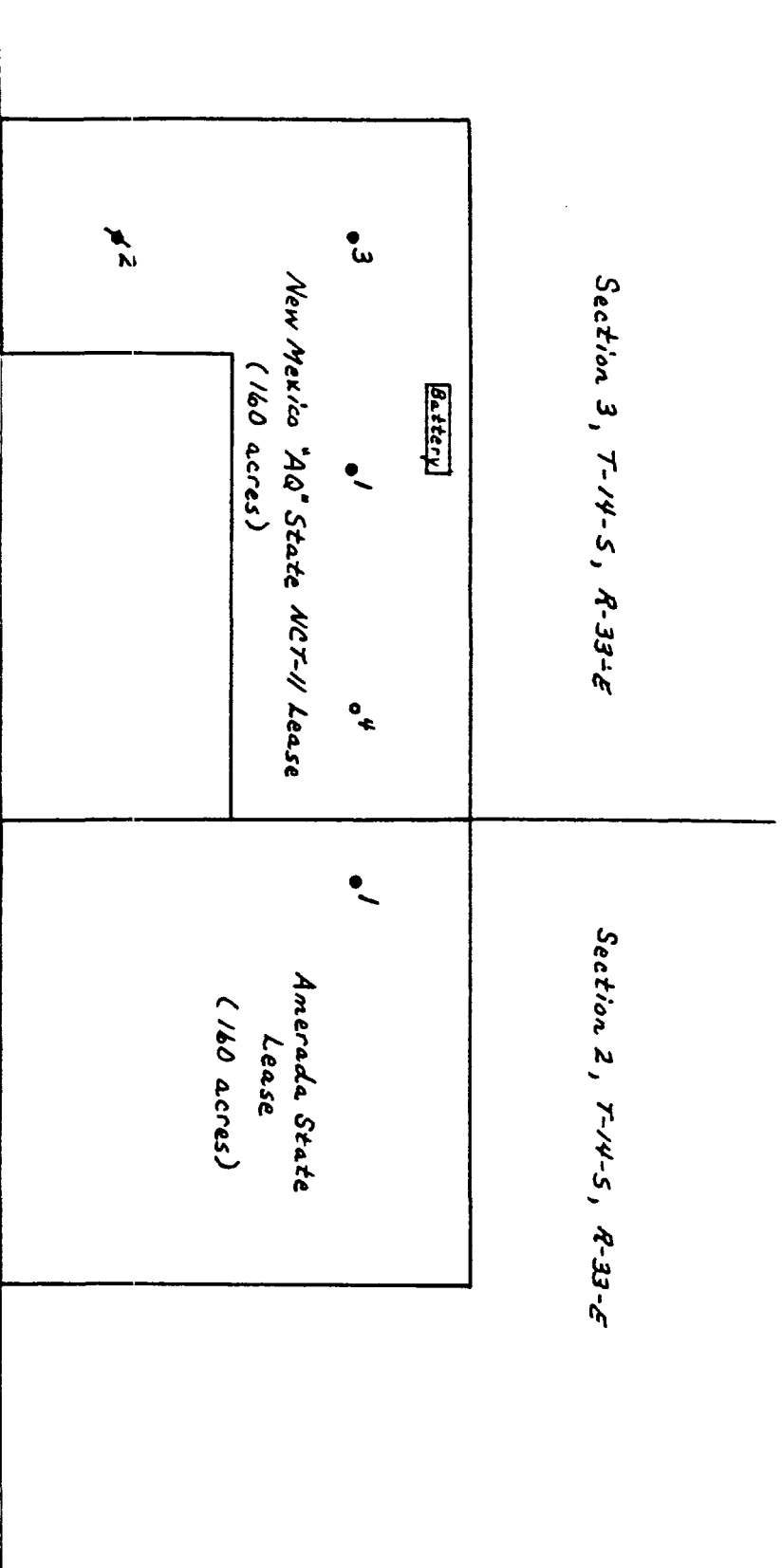


EXHIBIT 2



Note: All wells shown are completed in the Lazy J Box Pool.

