



September 17, 1992

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

RECEIVED

SEP 21 1992

OIL CONSERVATION DIVISION

Attn: Mr. William J. Lemay
Chairman and Director, Oil Conservation Division

RE: OFF-LEASE STORAGE AND SURFACE COMMINGLING PERMIT APPLICATION
New Mexico N, O, & BA Battery (Formerly N. M. Q & T battery)
Vacuum Abo North, Vacuum Upper Penn, Vacuum Wolfcamp Pools
Ltr O, Sec. 25, T-17-S, R-34-E (Battery Location)
Lea County, New Mexico

Gentlemen:

The five wells described on the commingle pre-application are owned and operated by Texaco Exploration and Production Inc. All mineral interests and royalties are also owned by Texaco Exploration and Production Inc. All of these wells are located on state leases. All wells involved share a common state beneficiary.

Effective September 1, 1992, TEPI began operating the Vacuum Glorieta West Unit. As stipulated in NMOCDD Order No. R-9710, only Glorieta production can be produced into the six batteries that are dedicated to this unit. Since these five wells do not produce from the Glorieta formation, TEPI must reroute their production to the above referenced non-unit battery. Before the operation of the VGWU began, wells from the N.M. "Q" State and the N.M. "T" State NCT-1 leases produced into this battery. The wells from these two leases have been rerouted to other batteries. TEPI requests permission to change the name of this battery from the N. M. Q & T Battery to the N. M. "N" State, N.M. "O" State NCT-1, and State BA Battery (N, O, & BA Battery). TEPI also requests permission for Off-Lease Storage and Surface Commingling from these five wells into this battery.

On September 15, 1992 Texaco's posted price for 34 gravity West Texas Sour was \$18.50 per barrel. Detailed data of the average daily production, oil gravities, and the daily crude sales amounts are explained on the following page.

<u>WELL</u>	<u>OIL</u>	<u>WATER</u>	<u>GAS</u>	<u>FORMATION</u>
N.M. "N" State #8	2	0	5	Vac Abo North
	<u>2</u>	<u>0</u>	<u>4</u>	Vac Wolfcamp
Well Total:	4	0	9	
<u>GRAVITY 37.1</u>				
<u>CRUDE SALES PRICE \$18.50 X 4 = \$74.00 PER DAY</u>				
N.M. "O" State #11	12	5	48	Vac Abo North
	2	1	9	Vac Upper Penn
	<u>13</u>	<u>5</u>	<u>53</u>	Vac Wolfcamp
Well Total:	27	11	110	
<u>GRAVITY 37.1</u>				
<u>CRUDE SALES PRICE \$18.50 X 27 = \$499.50</u>				
N.M. "O" State #14	11	0	0	Vac Abo North
	<u>19</u>	<u>1</u>	<u>25</u>	Vac Wolfcamp
Well Total:	30	1	25	
<u>GRAVITY 37.1</u>				
<u>CRUDE SALES PRICE \$18.50 X 30 = \$555.00</u>				
State BA #6	3	0	7	Vac Abo North
	5	1	0	Vac Upper Penn
	<u>20</u>	<u>1</u>	<u>80</u>	Vac Wolfcamp
Well Total:	28	2	87	
<u>GRAVITY 38.7</u>				
<u>CRUDE SALES PRICE \$18.50 X 28 = \$518.00</u>				
State BA #8	9	1	9	Vac Abo North
	27	2	115	Vac Upper Penn
	<u>7</u>	<u>0</u>	<u>47</u>	Vac Wolfcamp
Well Total:	43	3	171	
<u>GRAVITY 38.7</u>				
<u>CRUDE SALES PRICE \$18.50 X 43 = 795.50</u>				
<u>TOTAL CRUDES SALES: \$2442.00</u>				

The total crude sales amounts will remain the same if the production from the five wells is commingled at this battery. The oil will be sold to Texas New Mexico Pipeline Company and the gas will be sold to Texaco Exploration and Production Inc.'s Gas Division. Water from the battery will be sent to the Vacuum Grayburg San Andres Unit.

Mr. William J. Lemay

-3-

September 17, 1992

Attached are a plat showing the location the five wells and the battery. Also attached is a schematic of the battery where monthly tests will be accurately measured on a per well basis through meters on a test separator. Each well will be tested several times during the month. Total monthly production will then be allocated to each well based on these well tests.

If you have any questions concerning this request, please contact me at 397-0418 or 393-7191. Thank you for your assistance in this matter.

Yours very truly,



Monte C. Duncan
Engineer's Assistant

/mcd
Chrono
Attachments

cc: New Mexico Land Department
P.O. Box 1148
Santa Fe, New Mexico 87504
Attn: Mr. Floyd Prando

New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240
Attn: Mr. Jerry Sexton

Mr. Terry Frazier, Hobbs Area Manager
Texaco Exploration and Production Inc.

COMMINGLE PRE-APPLICATION

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

PLEASE SEE ATTACHED LETTER

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
N.M. "N" State #8	D 30 17S 35E	TEPI	B-1722-1	Vacuum Abo North Vacuum Wolfcamp
N.M. "O" State NCT-1 #11	F 36 17S 34E	TEPI	B-155-1	Vacuum Abo North Vacuum Upper Penn Vacuum Wolfcamp
N.M. "O" State NCT-1 #14	J 36 17S 34E	TEPI	B-155-1	Vacuum Abo North Vacuum Wolfcamp
State BA #6	D 36 17S 34E	TEPI	B-1565	Vacuum Abo North Vacuum Upper Penn Vacuum Wolfcamp
State BA #8	B 36 17S 34E	TEPI	B-1565	Vacuum Abo North Vacuum Upper Penn Vacuum Wolfcamp

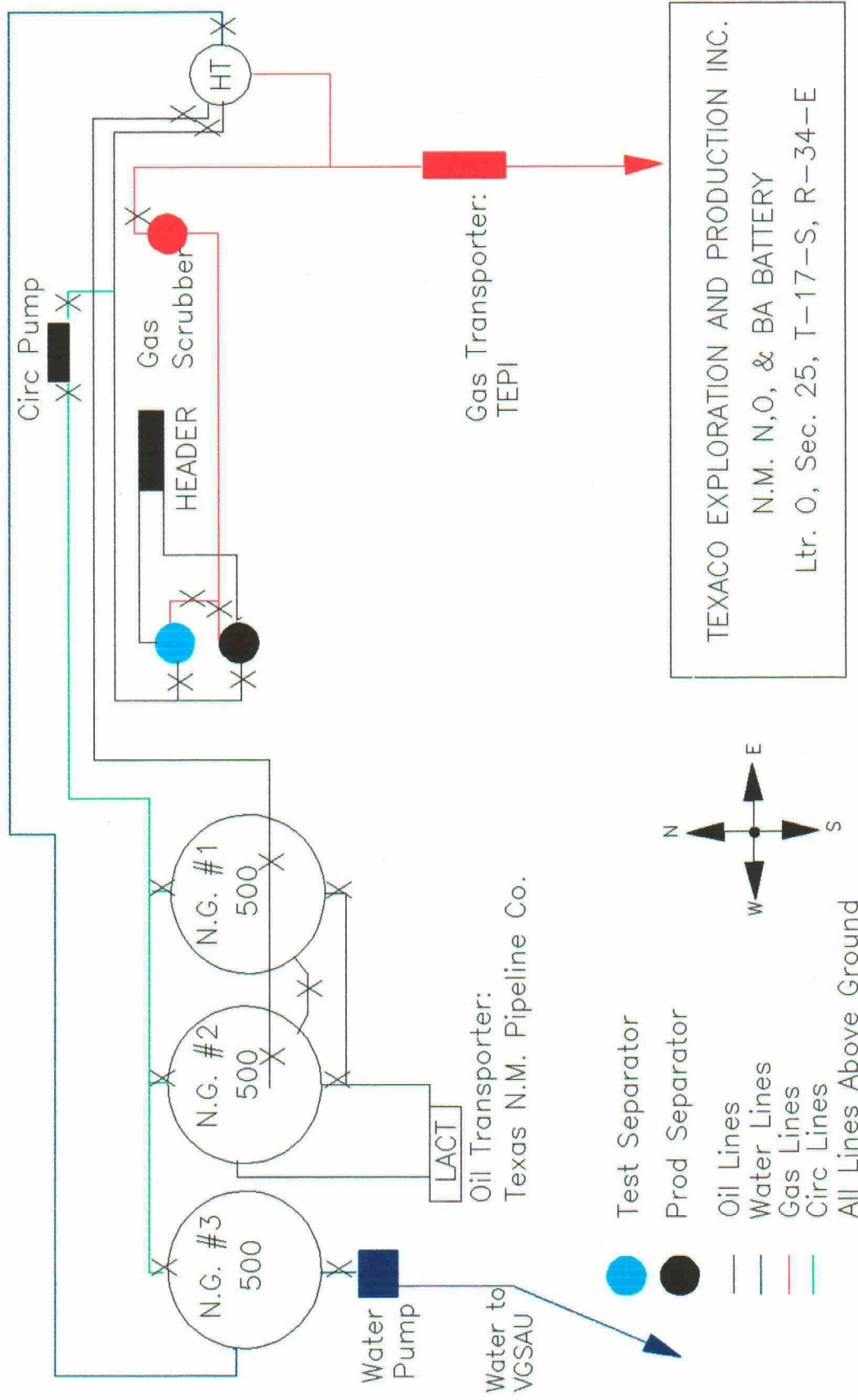
NAME: Monte C. Duncan, Engineer's Assistant

COMPANY: Texaco Exploration and Production Inc., Box 730, Hobbs, N.M.

PHONE NUMBER: (505) 397-0418 of (505) 393-7191

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION AT (505) 827-5744.

KKCS 06-04-91



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██████████ N, O, & BA BATTERY

- Wells producing to battery
All Flowlines Above Ground