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CTB-34

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
WEST TEXAS DIVISION

November 11, 1958

P. O. BOX 1720
FORT WORTH 1, TEXAS

(encl)

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attn: Mr. A. L. Porter

Gentlemen:

The Texas Company desires the Oil Conservation Commission's approval to commingle in common storage the oil produced from its Yarborough Federal "A" Well No. 1 and Yarborough Federal "B" Well No. 1, Glorieta Undesignated Pool, Rio Arriba County, New Mexico, and in support thereof states the following:

(1) The Texas Company is the owner and operator of Yarborough Federal "A" Well No. 1, located 1840 feet from the South and East lines of Section 3, and the Yarborough Federal "B" Well No. 1, located 660 feet from the North and 530 feet from the West lines of Section 10, all in T-23-N, R-6-W, Rio Arriba County, New Mexico. 30.039-0001

(2) The Yarborough Federal "A" Lease comprises the N/2 N/2, the SW/4 NW/4, and the S/2 of Section 3; the E/2 W/2, and the E/2 of Section 10 and the W/2, the W/2 NE/4, and the NW/4 SE/4 of Section 11. The Yarborough Federal "B" Lease consists of 80 acres made up of the W/2 NW/4 of Section 10. Both leases are in T-23-N, R-6-W. Attached is a plat showing these two leases.

(3) Yarborough Federal "A" Well No. 1 was completed January 11, 1958 for a potential of 75 barrels of oil per day. Its present capacity is 6 barrels of oil per day by pumping. Yarborough Federal "B" Well No. 1 was completed April 21, 1958 for a potential of 37 barrels of oil per day and is presently pumping approximately 10 barrels of oil per day.

(4) It is requested that permission be granted to commingle oil production from these two leases under the provisions of Rule 309 (b) as outlined in Order No. R-1172. The

The provisions of Rule 309 (b) are met as follows:

- (a) The leases under consideration are contiguous.
- (b) All production will be from the same common source of supply, an Undesignated Glorieta Reservoir.
- (c) No more than 16 units will be produced into a common tank battery and adequate facilities will be provided for accurately determining production from each well at reasonable intervals. Attached is a piping layout of the proposed common tank battery which will be located on the Yarborough Federal Lease. It will be noted that while one well is on test through the separator into one of the storage tanks, the other well will bypass the separator and enter the other storage tank. The gas-oil ratios for these wells are too small to measure; therefore, production from either can be diverted directly to a storage tank without creating any operational problems.
- (d) The ownership of the subject leases common throughout.
- (e) Attached are letters of waiver from all persons owning an interest in the leases, including a letter of waiver from the Regional Supervisor of the USGS.
- (f) All owners of adjoining oil and gas leases have been notified, by copy of this application through registered mail, of the intention of The Texas Company in this matter.

It is respectfully requested that the Secretary Director of the Commission grant administrative approval of this application of The Texas Company to commingle crude in common storage. Such approval will be in the interest of conservation in that the economic life of these leases can be extended by minimizing tank battery installation costs.

Yours very truly,



H. N. WADE
Petroleum Engineer

HNW-DL
Attach.

STATE OF TEXAS }
COUNTY OF TARRANT}

Before me, the undersigned authority, on this the 11th day of November, 1958, personally appeared H. N. Wade known to me to be the person whose name is subscribed to this instrument, who after being by me dully sworn on oath, states that he has knowledge of all the facts stated above and that the same is a true and correct statement of the facts therein recited.

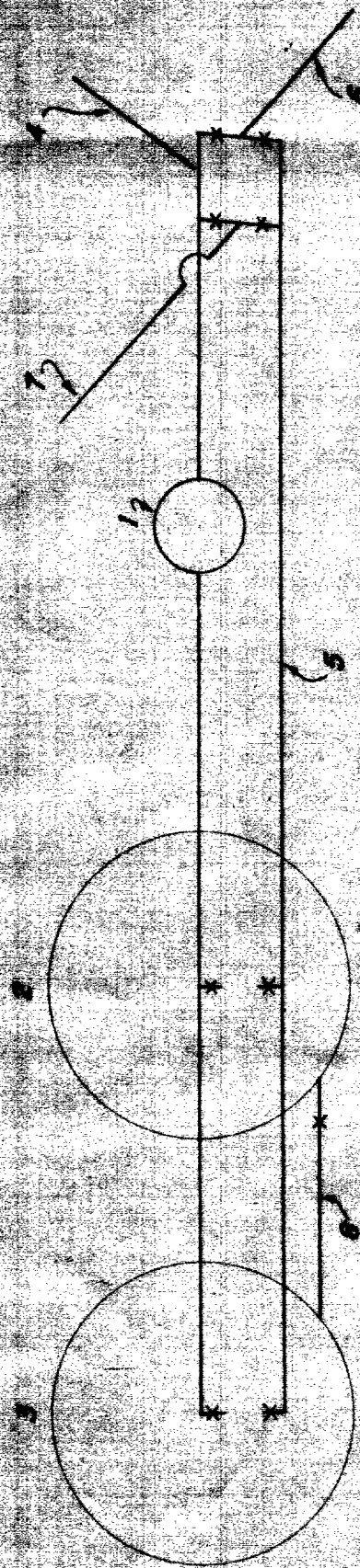


H. N. WADE

Subscribed and sworn to before me on this 11th day of November, 1958.

Mrs. Cynthia Bergman
Mrs. Cynthia Bergman
Notary Public in and for
Tarrant County, Texas

My commission expires June 1, 1959.



- 1 - Separator
- 2 - Low 500 barrel tank
- 3 - Low 500 barrel tank
- 4 - Manifold
- 5 - Separator Bypass line
- 6 - Flow line Yarrowburgh Federal "A" well No.1
- 7 - Flow line Yarrowburgh Federal "B" well No.1
- 8 - Equalizing line

New Mexico Oil Conservation Commission
P. O. Box 811
Santa Fe, New Mexico
Attn: Mr. A. L. Porter, Jr.

Gentlemen:

The undersigned has been notified of the intention of The Texas Company to make application to the New Mexico Oil and Gas Conservation Commission to commingle oil and casinghead gas production from the Gallup formation, Glorieta Undesignated Pool, Rio Arriba County, New Mexico, on their Yarborough Federal "A" Lease, consisting of 1,441 acres made up of the N/2 of the N/2, the SW/4 of the NW/4, and the S/2 of Section 3, the E/2 of the W/2, and the E/2 of Section 10; and the W/2, the W/2 of the NE 1/4, and the NW/4 of the SE/4 of Section 11; all in Township 23N, Range 6W; and their Yarborough Federal "B" Lease, consisting of 150 acres made up of the W/2 of the W/2 of Section 10, T-23-N, R-6-W. It is understood that the subject commingling will be performed as provided for in Rule 309-B of the Commission Rules and Regulations, as revised by Commission Order R-1172.

The undersigned, as owner of an overriding royalty interest in The Texas Company's Yarborough Federal "A" and "B" Leases, hereby waives notice of hearing and all objections to the commingling as outlined above.

SIGNED:

W. J. WEAVER

By

Date

W. J. Weaver
May 2, 1958

New Mexico Oil Conservation Commission
P. O. Box 371
Santa Fe, New Mexico
Attn: Mr. A. L. Porter, Jr.

Gentlemen:

The undersigned has been notified of the intention of The Texas Company to make application to the New Mexico Oil and Gas Conservation Commission to commingle oil and casing-head gas production from the Gallup formation, Glorieta Undesignated Pool, Rio Arriba County, New Mexico, on their Yarborough Federal "A" Lease, consisting of 1,441 acres made up of the N/2 of the N/2, the SW/4 of the NW/4, and the S/2 of Section 3; the E/2 of the W/2, and the E/2 of Section 10; and the W/2, the W/2 of the NE/4, and the NW/4 of the SE/4 of Section 11; all in Township 23N, Range 6W; and their Yarborough Federal "B" Lease, consisting of 160 acres made up of the W/2 of the W/2 of Section 10, T-23-N, R-6-W. It is understood that the subject commingling will be performed as provided for in Rule 309-B of the Commission Rules and Regulations, as revised by Commission Order R-1172.

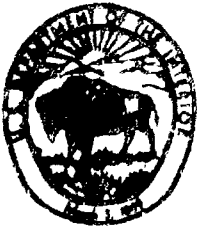
The undersigned as royalty interest owner under both of the above described leases, hereby waives notice of hearing and all objections to the commingling as outlined above.

SIGNED:

L. G. YARBOROUGH & SON

By

Date



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 6721
Roswell, New Mexico

November 4, 1958

The Texas Company
P. O. Box 1720
Fort Worth 1, Texas

Attention: Mr. H. M. Wade

Gentlemen:

Your letter of September 15, 1958, requests approval from this office for the commingling of the oil produced from your well No. 1 Yarborough Federal "A", NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 3, T. 23 N., R. 6 W., lease Santa Fe 078494-A, and from your Yarborough Federal "B" well, NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 10, T. 23 N., R. 6 W., leasehold Santa Fe 078493-A.

The "A" and "B" wells are currently pumping 6 and 10 barrels of oil per day, respectively. The battery will be located on Santa Fe 078494-A and you propose to periodically test each well by bypassing the oil produced from the other well around the separator and directly into one of the storage tanks during the test period.

It has been the policy of this office to refuse approval to commingle oil in common storage produced from different leases unless the oil production from each lease is individually and continuously metered. However, in view of the marginal production involved in this case, we believe that your proposal is justified by the economic advantage to be gained which will increase the productive life of the wells.

Your proposal to commingle the oil produced from the above wells is hereby approved subject to like approval from the New Mexico Oil and Gas Conservation Commission. However, our approval is specifically limited to the oil produced from the Gallup sandstone by the two above described wells. When additional wells are drilled a separate application must be submitted to this office, which will be considered on its own merits at that time.

Quarterly well tests will be adequate to estimate the individual oil production from the two wells.

Very truly yours,

EDWIN M. THOMASSON
Acting Oil and Gas Supervisor