



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER CTB-374

Texaco Exploration and Production
P.O. Box 730
Hobbs, NM 88241

Attention: Monte C. Duncan

The above named company is hereby authorized to commingle Vacuum Drinkard-Abo Pool production from the following leases:

Lease: New Mexico "M" State Well No. 7
Description: SE/4 NW/4;

Lease: New Mexico "R" State NCT-3 Well No. 24
Description: SE/4 SE/4, and

Lease: New Mexico "R" State NCT-3 Well No. 25
Description: NE/4 SE/4, and

all in Section 1, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each pool prior to commingling.

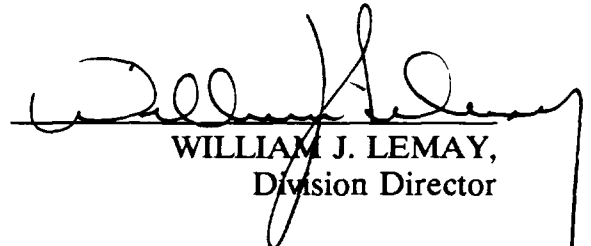
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

Further, the operator shall notify the Hobbs District Office prior to the implementation of the commingling process.

REMARKS: Commingled production shall be stored in the Vacuum Drinkard Consolidated Battery located in Unit P of Section 1, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

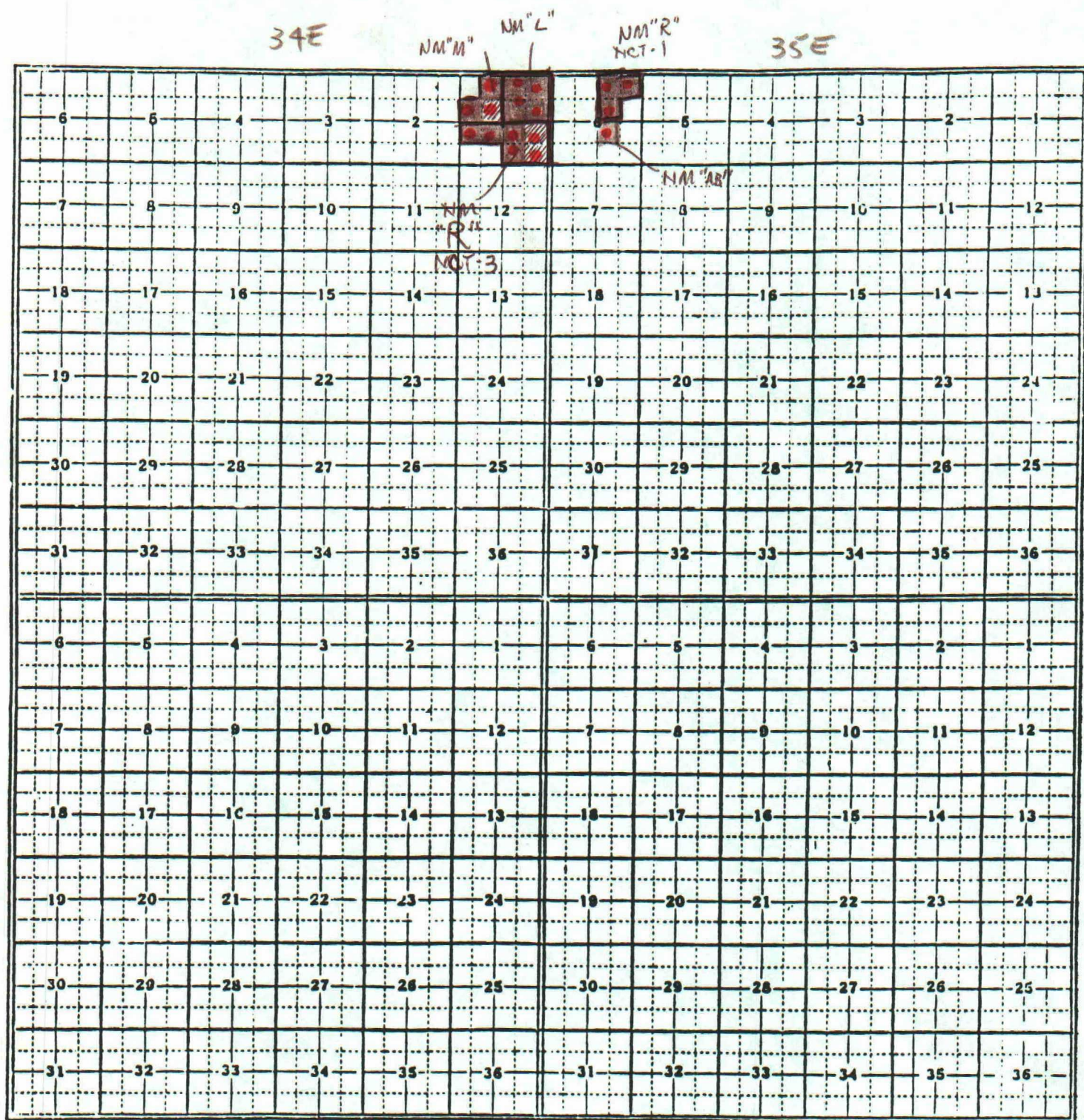
Commingleing Order CTB-374
Texaco Exploration and Production, Inc.
July 22, 1993
Page2

DONE at Santa Fe, New Mexico, on this 22nd day of July, 1993


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe (Pete Martinez)

VACUUM DRINKARD CONSOLIDATED





RAY B. POWELL
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

June 30, 1993

Texaco E & P
P.O. Box 730
Hobbs, New Mexico 88241-0730

Attention: Mr. Monte C. Duncan

Re: Surface Commingling and Off Lease Storage
Lease Nos. B-1306-2 and B-1080-2
Section 1, T18S, R34E
Vacuum Drinkard Consolidated Battery Pool
New Mexico M State #7-F
New Mexico R State NCT-3 #24-P and #25-I
Lea County, New Mexico

Dear Mr. Duncan:

Reference is made to your letter of June 21, 1993, wherein you have requested our approval to surface commingle production from Lease No. B-1080-2 and off-lease store this production on Lease No. B-1306-2.

We have derived the following information from your application:

1. The state beneficiary for the New Mexico R State NCT-3 #24 and #25 is NMML. The state beneficiary for the New Mexico State #7 is common schools.
2. The New Mexico M State #7 will produce into its own three phase separator where the oil and gas will be metered separately prior to being commingled with the production from the other two wells. This well will have its own separate gas meter. There will be both a production separator and a test separator for the two New Mexico R State NCT-3 wells. Monthly tests for these two wells will be accurately measured on a per well basis through meters on the test separator.
3. The total crude sales amounts will remain the same if the production from these three wells is commingled at this battery.

Texaco E & P
June 30, 1993
Page 2

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for surface commingling and off-lease storage operations is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

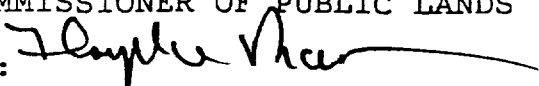
You have also advised that 14 additional wells are also proposed to be commingled at this battery. Please submit a separate application for these wells when they are completed.

Your Thirty (\$30.00) Dollars filing fee has been received.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
RBP/FOP/pm
cc: Reader File
OCD - Ben Stone



RELEASE 7-14-93

OIL CONSERVATION DIVISION
REC-745

23 JUN 93 09 02

June 21, 1993

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

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

RE: OFF-LEASE STORAGE AND SURFACE COMMINGLING PERMIT APPLICATION
New Mexico M State and New Mexico R State NCT-3 Battery
Ltr P, Sec. 1, T-18-S, R-34-E (Battery Location)
Vacuum Drinkard Pool Lea County, New Mexico
New Mexico M State #7 (Ltr F, Sec. 1, T-18-S, R-34-E)
New Mexico R State NCT-3 #24 (Ltr P, Sec. 1, T-18-S, R-34-E)
New Mexico R State NCT-3 #25 (Ltr I, Sec. 1, T-18-S, R-34-E)

Gentlemen:

Texaco Exploration and Production Inc. requests permission for off-lease storage and surface commingling of production from the above three wells into the above described battery. TEPI has recently recompleted the New Mexico M State #7 to the Vacuum Drinkard formation. Presently, the N.M. R State NCT-3 wells #24 and #25 are producing into this battery. TEPI requests permission to name the battery the Vacuum Drinkard Consolidated Battery.

The three wells described on the commingle pre-application are operated by Texaco Exploration and Production Inc. TEPI has 100% of the gross working interest in all three wells. All of these wells are located on state leases and will produce from the Vacuum Drinkard formation. The state beneficiary for N.M. R State NCT-3 #24 and #25 is NMMI. The state beneficiary for the N.M. M State #7 is common schools. N.M. M State #7 will produce into its own three phase separator where the oil and gas will be metered separately prior to being commingled with the production from the other two wells. This well will have its own separate gas meter. There will be both a production separator and a test separator for the two N.M. R State NCT-3 wells. Monthly tests for these two wells will be accurately measured on a per well basis through meters on the 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.

On June 11, 1993 Texaco's posted price for West Texas - New Mexico Intermediate Sweet crude was \$17.25 per barrel. Detailed data of the average daily production, oil gravities, and the current daily crude sales amounts for these three wells are as follows:

<u>WELL</u>	<u>OIL</u>	<u>WATER</u>	<u>GAS</u>	<u>FORMATION</u>
N.M. "M" State #7	20	6	30	Vac Drinkard
<u>GRAVITY 40.5</u>				
<u>CRUDE SALES PRICE \$17.25 X 20 = \$345.00</u>				
N.M. "R" State #24	123	120	123	Vac Drinkard
<u>GRAVITY 40.8</u>				
<u>CRUDE SALES PRICE \$17.25 X 123 = \$2121.75</u>				
N.M. "R" State #25	187	0	165	Vac Drinkard
Newly drilled, potential test reported to NMOCD				
<u>GRAVITY 40.5</u>				
<u>CRUDE SALES PRICE \$17.25 X 184 = \$3225.75</u>				

The total crude sales amounts will remain the same if the production from these three wells is commingled at this battery. The oil will be transported by Texaco Trading and Transportation Company and the gas will be sold to Texaco Exploration and Production Inc.'s Gas Division. Water from the battery will be hauled to a disposal well.

Attached for your review is a plat showing the location of the three wells and the battery. Also attached is a schematic of the battery itself.

Also attached is a commingle pre-application and plat showing fourteen proposed Vacuum Drinkard wells which Texaco Exploration and Production presently plans to drill this year. The New Mexico R State NCT-3 #26 is presently being drilled with plans to send its production to this same battery. Plans to build a larger central Vacuum Drinkard battery at this same location are presently being developed. A schematic of the revised battery will be sent in the near future.

Mr. William Lemay

-3-

June 21, 1993

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,

A handwritten signature in cursive script, appearing to read "Monte C. Duncan".

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.

COPY

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. "M" State #7	F 1 18S 34E	TEPI	B-1080-2	Vacuum Drinkard
N.M. "R" State NCT-3 #24	P 1 18S 34E	TEPI	B-1306-2	Vacuum Drinkard
N.M. "R" State NCT-3 #25	I 1 18S 34E	TEPI	B-1306-2	Vacuum Drinkard

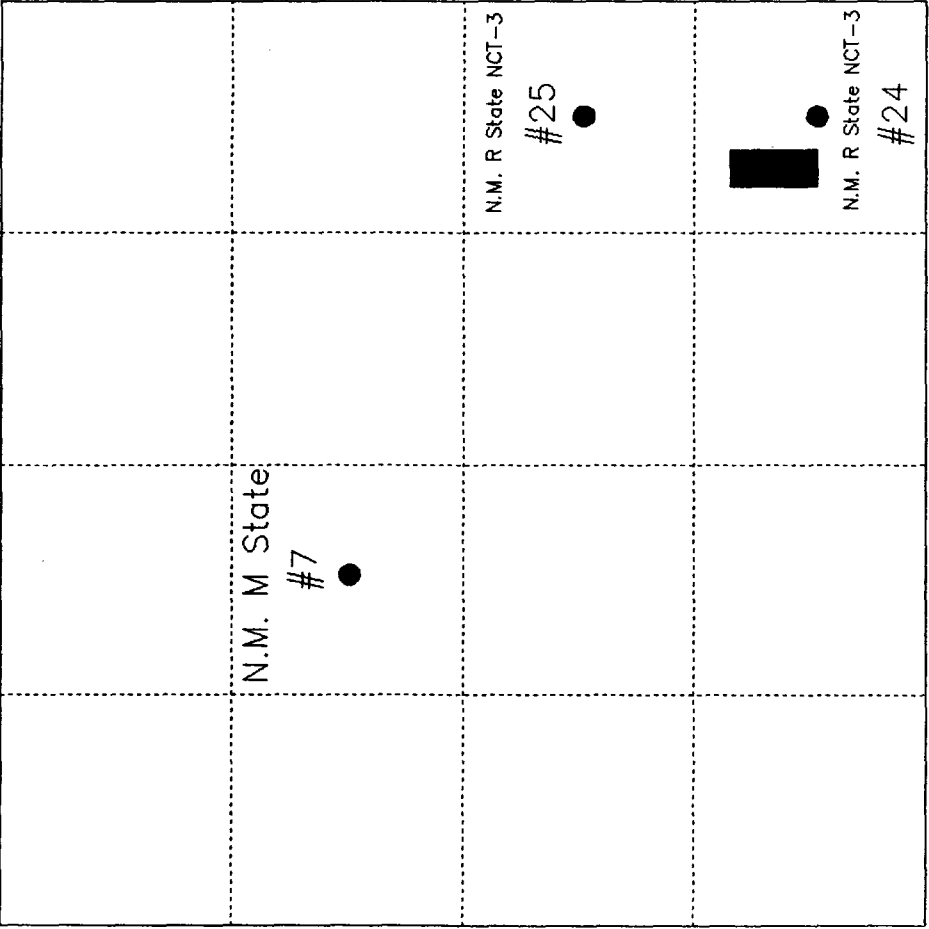
NAME: Monte C. Duncan, Engineer's Assistant

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

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

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

KKCS 06-04-91



TEXACO EXPLORATION AND PRODUCTION INC.
Off-Lease Storage and Surface Commingling

Sec 1, T-18-S, R-34-E
Lea County, New Mexico

Ltr. P, Sec. 1, T-18-S, R-34-E

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.

COPY

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

Proposed wells in the Vacuum Drinkard field. (Page 1)

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

	WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
N.M.	"AB"	State #10 J 6 18S 35E	TEPI	B-1031	Vacuum Drinkard
N.M.	"L"	State #12 H 1 18S 34E	TEPI	B-1733	Vacuum Drinkard
N.M.	"L"	State #13 G 1 18S 34E	TEPI	B-1733	Vacuum Drinkard
N.M.	"L"	State #14 B 1 18S 34E	TEPI	B-1733	Vacuum Drinkard
N.M.	"L"	State #15 A 1 18S 34E	TEPI	B-1733	Vacuum Drinkard
N.M.	"M"	State #9 C 1 18S 34E	TEPI	B-1080-2	Vacuum Drinkard
N.M.	"M"	State #10 E 1 18S 34E	TEPI	B-1080-2	Vacuum Drinkard
NAME:		Monte C. Duncan, Engineer's Assistant			
COMPANY:		Texaco Exploration and Production Inc., Box 730, Hobbs, N.M.			
PHONE NUMBER:		(505) 397-0418 or (505) 393-7191			

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

KKCS 06-04-91

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.

COPY

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

Proposed wells in the Vacuum Drinkard field. (Page 2)

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
N.M. "R" State NCT-1 #13	G 6 18S 35E	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-1 #14	B 6 18S 35E	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-1 #15	A 6 18S 35E	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-3 #26	J 1 18S 34E	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-3 #27	O 1 18S 34E	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-3 #28	K 1 18S 34E	TEPI	B-1306	Vacuum Drinkard
N.M. "R" State NCT-3 #29	L 1 18S 34E	TEPI	B-1306	Vacuum Drinkard

NAME: Monte C. Duncan, Engineer's Assistant

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

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

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

KKCS 06-04-91

Vacuum - Drinkard Development Locations

Location

Lease	Well Number	Section	Township	Range	TD	footage
New Mexico "R" State NCT-3	26	NW SE J 1	18S	34E	8000	1980' FSL 1830' FEL
New Mexico "R" State NCT-3	27	SW SE Q 1	18S	34E	8050	810' FSL 1980' FEL
New Mexico "R" State NCT-3	28	NE SW K 1	18S	34E	8000	1830' FSL 1980' FWL
New Mexico "R" State NCT-3	29	NW SW L 1	18S	34E	8000	1830' FSL 660' FWL
New Mexico "L" State	12	SE NE H 1	18S	34E	7950	1980' FNL 660' FEL
New Mexico "L" State	13	SW NE G 1	18S	34E	7950	1830' FNL 1980' FEL
New Mexico "L" State	14	NW NE B 1	18S	34E	7950	810' FNL 1980' FEL
New Mexico "L" State	15	NE NE A 1	18S	34E	7950	660' FNL 510' FEL
New Mexico "M" State	9	NE NW C 1	18S	34E	7900	660' FNL 1830' FWL
New Mexico "M" State	10	SW NW E 1	18S	34E	7900	2130' FNL 660' FWL
New Mexico "R" State NCT-1	13	SW NE G 6	18S	35E	8150	1980' FNL 2130' FEL
New Mexico "R" State NCT-1	14	NW NE B 6	18S	35E	8150	810' FNL 1980' FEL
New Mexico "R" State NCT-1	15	NE NE A 6	18S	35E	8150	510' FNL 660' FEL
New Mexico "AB" State	10	NW SE J 6	18S	35E	8200	1980' FSL 1980' FEL

T-18-S T-18-S
R-34-E R-35-E

N.M. M State #9 ○	N.M. L State #14 ○	N.M. L State #15 ○		N.M. R State NCT-1 #14 ○	N.M. R State NCT-1 #15 ○
N.M. M State #10 ○	N.M. L State #13 ○	N.M. L State #12 ○		N.M. R State NCT-1 #13 ○	
N.M. R State NCT-3 #29 ○	N.M. R State NCT-3 #28 ○	N.M. R State NCT-3 #26 ○	N.M. R State NCT-3 #25 ●	N.M. AB State #10 ○	
SEC 1	N.M. R State NCT-3 #27 ○	N.M. R State NCT-3 #24 ●	SEC 6		

TEXACO EXPLORATION AND PRODUCTION INC.

Off-Lease Storage and Surface Commingling

■ Vacuum Drinkard Consolidated Battery

● Producing Vacuum Drinkard Wells

○ Proposed Vacuum Drinkard Wells