

TEXACO
INC.

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT

MIDLAND DIVISION

P. O. Box 352
Midland, Texas

April 18, 1960

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

Re: Application for Permit to
Commingle Production, TEXACO
Inc. State of New Mexico "CH"
Lease, Salt Lake Pennsylvanian,
South Pool and Undesignated
Atoka Pool, Lea County, New
Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

In accordance with New Mexico Oil Conservation Commission Rule 303 (b), TEXACO Inc. hereby makes application for administrative approval of an exception to Rule 303 (a) to permit commingling operations to be conducted on the State of New Mexico "CH" Lease involving liquid hydrocarbon production from the Morrow Sand, Salt Lake Pennsylvanian, South Pool and an undesignated Atoka Pool, in support of which is stated the following:

1. TEXACO Inc. is the owner and operator of that portion of State of New Mexico "CH" Lease consisting of 600 acres, being the SW/4, NW/4 SE/4 and the E/2 E/2 of Section 36, T-20-S, R-32-E, and the N/2 N/2, SE/4 NE/4 and the NE/4 SE/4 of Section 31, T-20-S, R-33-E, Lea County, New Mexico. Attached is a plat showing the location of all wells on this lease and the pools from which they are producing.

2. The State of New Mexico "CH" Well No. 1 in Unit "H" of Section 36, T-20-S, R-32-E, was recently dually completed for gas-distillate production in the Morrow Sand, Salt Lake Pennsylvanian, South Pool and an Undesignated Atoka Pool. A tank battery consisting of two 500 barrel tanks is being erected, and it is desired that the liquid hydrocarbon production from the two completions be commingled in this battery.

*Give
May 14
May 15, 1960*

*PC - 8
(waiting period)*

APR 25

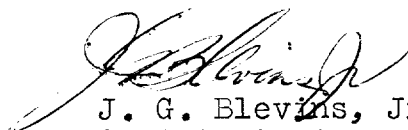
3. The expected daily liquid hydrocarbon production from the Salt Lake Pennsylvanian, South completion is 75 barrels of 53.4° API gravity at \$2.83 per barrel and that from the Undesignated Atoka completion is 35 barrels of 47.6° API gravity at \$2.95 per barrel. The combined daily production after commingling is expected to be 110 barrels of 51.5° API gravity liquid hydrocarbon at \$2.87 per barrel, resulting in a \$0.20 per day gain. A statistical summary sheet showing these figures is attached.

4. The liquid hydrocarbon production from the two reservoirs will be accurately measured by positive displacement type meters prior to commingling. A schematic diagram of the proposed commingling installation is attached.

5. Royalty interests in the subject lease are as shown on the attached list, and a copy of this application is being sent this date by registered mail to the addresses shown. This well is in the Little Eddy Unit and, since the well is not in a participating area, we have assumed that a participating area of 360 acres, being the 40-acre subdivision on which the well is located and the eight adjoining 40-acre subdivisions, will be designated. Accordingly, we have notified all parties reflected by our records to have an interest in such 360 acres.

In view of the facts recited in this application, it is respectfully requested that administrative approval of an exception to Rule 303 (a) be granted TEXACO Inc. to permit commingling into a common tank battery the liquid hydrocarbon production from the Salt Lake Pennsylvanian, South and Undesignated Atoka Pools from the State of New Mexico "CH" Well No. 1 and from all wells which may be completed in these reservoirs on this lease in the future.

Yours very truly,



J. G. Blevins, Jr.

Assistant District Superintendent

LMF-MAB
ERF, Jr.
Attachments

~~List of Royalty Owners~~
TEXACO Inc. State of New Mexico "CH" Lease
Lea County, New Mexico

Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

U. S. Geological Survey
P. O. Box 6721
Roswell, New Mexico

Richardson and Bass
Fort Worth National Bank Building
Fort Worth, Texas

Howard W. Jennings et ux Peggy P.
P. O. Box 450
Roswell, New Mexico

Pauline V. Trigg et vir John H.
c/o Howard W. Jennings
P. O. Box 450
Roswell, New Mexico

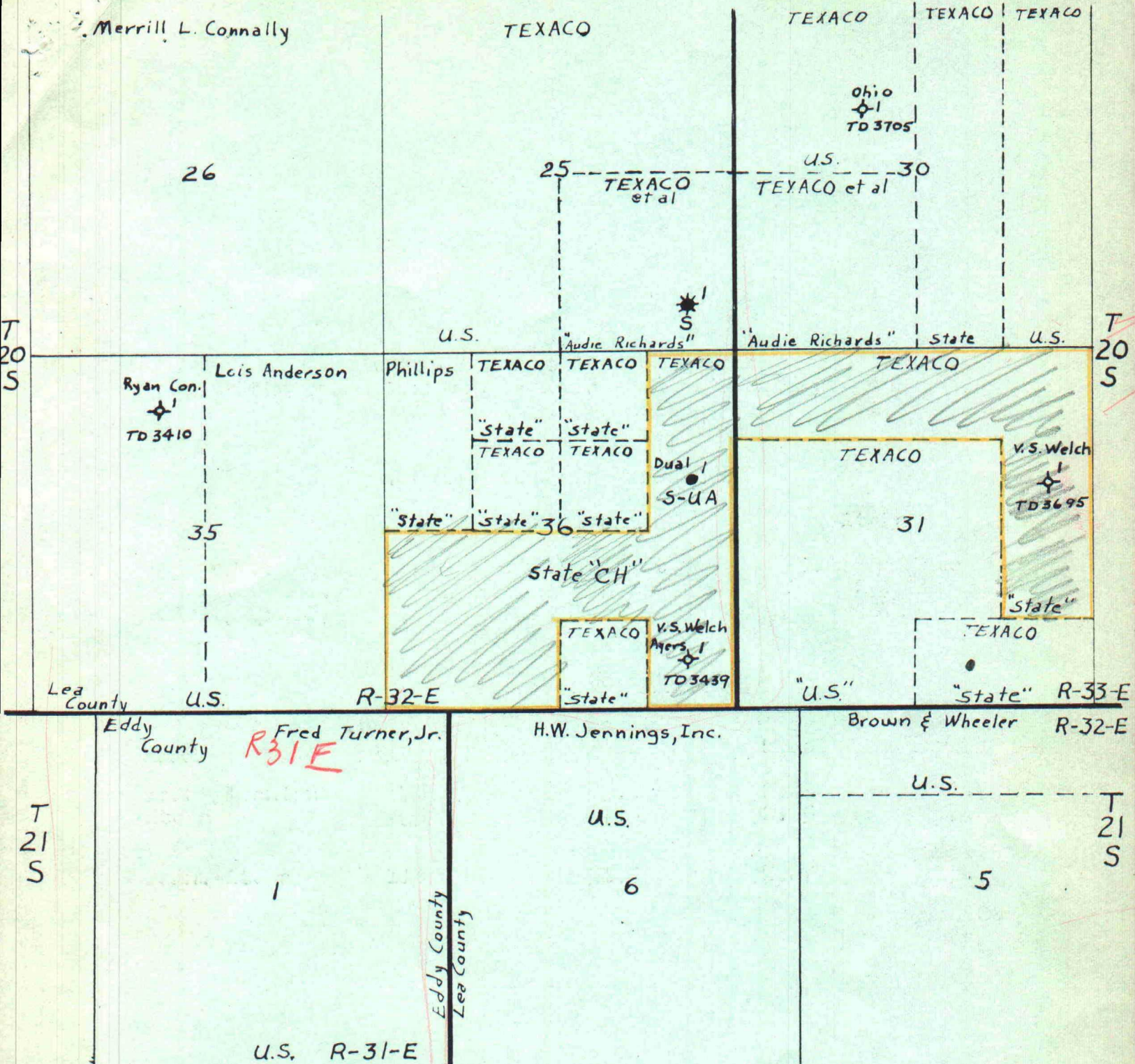
TEXACO Inc.
 State of New Mexico "CH" Lease
 Salt Lake Pennsylvanian, South and Undesignated Atoka Pools
 Lea County, New Mexico

Production Characteristics

<u>Item</u>	<u>Pennsylvanian</u>	<u>Atoka</u>
Type of Crude	Interm. Sweet	Intermediate Sweet
GOR (ft. ³ /bbl.)	30,930	29,612
Gravity (°API)	53.4	47.6

Commingling Statistics

<u>Zone</u>	<u>Productivity (BOPD)</u>	<u>Gravity (°API)</u>	<u>Price Per Barrel</u>	<u>Revenue Per Day</u>
Pennsylvanian	75	53.4	\$2.83	\$212.25
Atoka	35	47.6	\$2.95	<u>\$103.25</u>
				\$315.50
Penn.-Atoka	110	51.5	\$2.87	<u>\$315.70</u>
				\$ 0.20 per day gain



PLAT OF TEXACO INC. STATE OF NEW MEXICO "CH" LEASE
AND OFFSET LEASES

Lea County, New Mexico

Scale: 1" = 2000'

LMF March 30, 1960

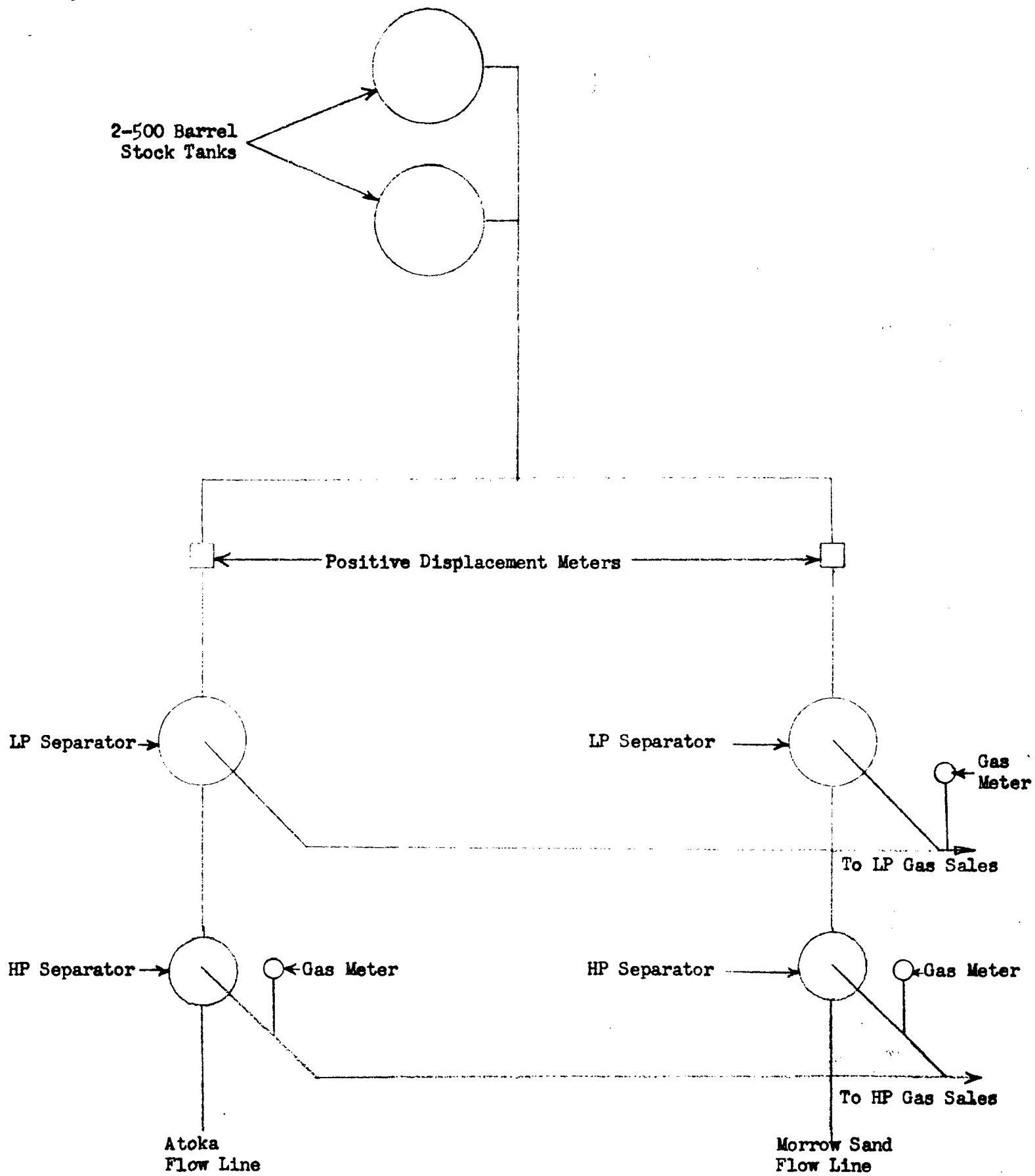
LEGEND

- S - Salt Lake Penn.,
South Pool
UA - Undesignated Atoka
Pool

OFFSET OPERATORS

H. W. Jennings, Inc., P. O. Box 450, Roswell,
New Mexico
Fred Turner, Jr., P. O. Box 910, Midland, Texas
Lois Anderson, c/o Hondo Oil & Gas Corp., P. O.
Box 660, Roswell, New Mexico

2-500 Barrel
Stock Tanks



OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

DATE April 26, 1960

OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

Re: Proposed NSP

Proposed NSL

Proposed NFC

Proposed DC

PC 8

Gentlemen:

I have examined the application dated _____
for the Texaco, Inc. St. of New Mexico "CH" lease
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

O.K.---E.F.E.
O.K.---J.W.R.

Yours very truly,

OIL CONSERVATION COMMISSION

