

TEXACO
INC.

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

Copy 3
P.O. Box 1352M S 40
Midland, Texas

July 8, 1960

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

Application for Permit to Commingle
Production, TEXACO Inc. C. P. Falby
"b" Lease, Penrose-Skelly and Eumont
(Oil) Pools, 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 C. P. Falby "b" Lease involving liquid hydrocarbon production from the Penrose formation, Eumont (Oil) Pool, and the Grayburg formation, Penrose-Skelly Pool, in support of which is stated the following:

1. TEXACO Inc. is the owner and operator of the C. P. Falby "b" Lease consisting of 160 acres, being the SW/4 of Section 8, T-22-S, R-37-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 C. P. Falby "b" Lease has contained Penrose-Skelly wells only until recently when the C. P. Falby "b" Well No. 3 was dually completed from the Penrose-Skelly and Eumont (Oil) Pools. A Penrose-Skelly tank battery exists on the lease which makes it economically attractive to commingle the Eumont (Oil) production into this battery.

3. The daily liquid hydrocarbon production from the Eumont (Oil) completion is 33 barrels of 34° API gravity and that from the Penrose-Skelly completion is 39 barrels of 34° API gravity. Both oils are considered as sour and, since both are of the same gravity, no price differential will exist if the two are commingled.

PC - 14
(Waiting Period)

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 interest in the lease is held by the U. S. Geological Survey, P. O. Box 6721, Roswell, New Mexico, to which a copy of this application is being sent this date by registered mail.

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 Penrose-Skelly and Eumont (Oil) Pools from the wells presently completed from the Eumont (Oil) and Penrose-Skelly Pools on the C. P. Falby "b" Lease and from all wells which may be completed from these reservoirs on this lease in the future.

Yours very truly,



J. G. Blevins, Jr.

Assistant District Superintendent

LMF-MAB

Attachments

R-37-E

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22
S

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22
S



R-37-E

PLAT OF TEXACO Inc. C. P. FALBY "b" LEASE AND OFFSET LEASES

Lea County, New Mexico

Scale: 1" = 2000'

LMF 6-30--60

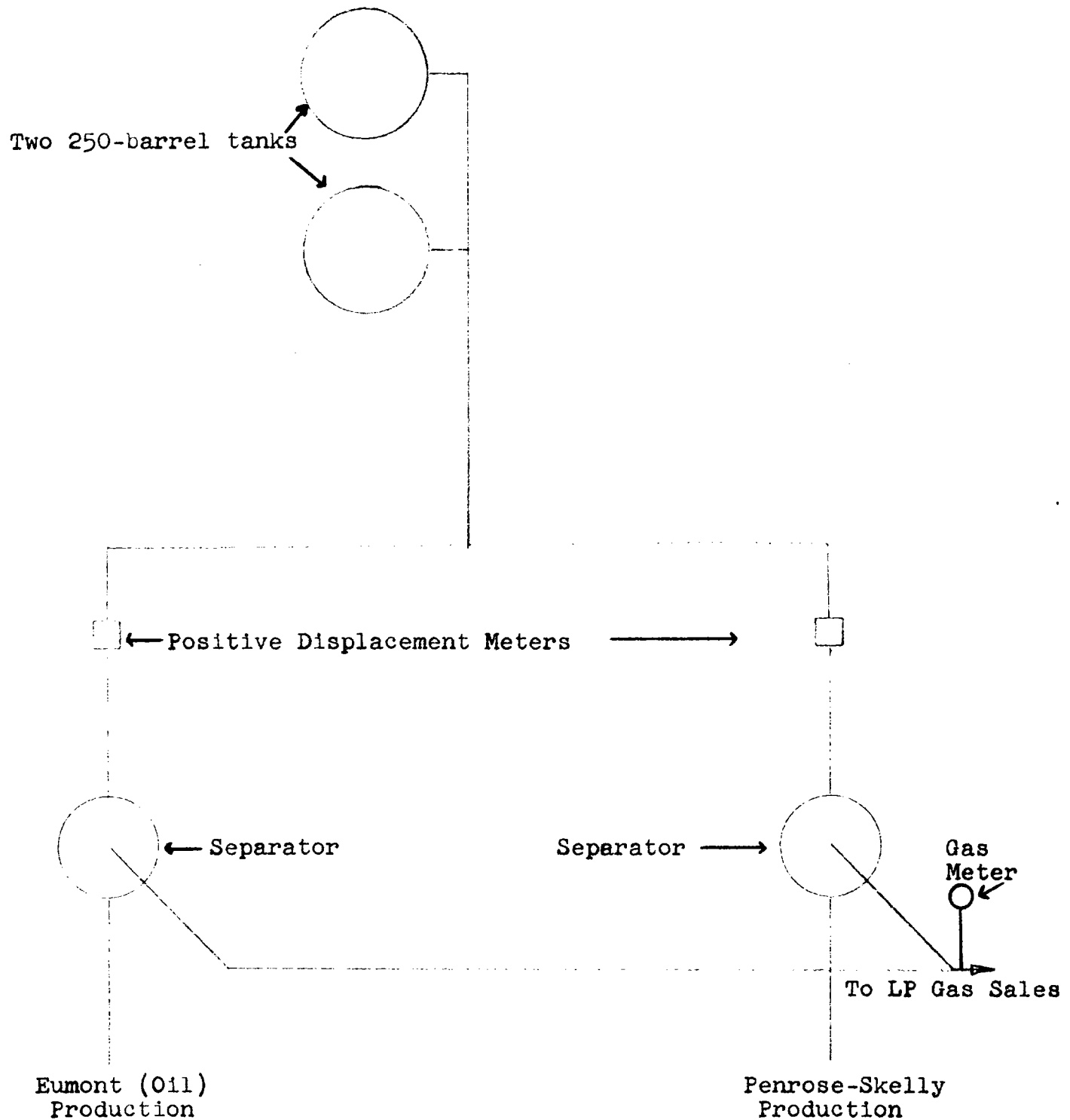
LEGEND

PS...Penrose Skelly Pool
E(G)...Eumont (Gas) Pool
E(O)...Eumont (Oil) Pool
A...Arrowhead Pool
D...Drinkard Pool
P...Paddock Pool

OFFSET OPERATORS

Shell Oil Co., P. O. Box 845, Roswell, N. Mex.
Pan American Pet. Corp., Box 268, Lubbock, Tex.
Permian Oil Co., 1223 Pet. Life Bldg, Midland, Texas
Neville G. Penrose, Inc., Box 988, Eunice, N. M.
Gulf Oil Corp., Drawer 669, Roswell, N. Mex.
TP Coal & Oil Co., Box 1688, Hobbs, New Mexico
Carper Drilling Co., Inc., 200 Carper Bldg, Artesia, N. Mex.

SCHEMATIC DIAGRAM OF COMMINGLING INSTALLATION



TEXACO Inc.
C. P. Falby "b" Lease
Eumont (Oil) and Penrose-Skelly Pools
Lea County, New Mexico

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OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

DATE July 19, 1960

OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

Re: Proposed NSP _____

Proposed NSL _____

Proposed NFO _____

Proposed DC _____

Gentlemen:

PC 14

I have examined the application dated _____
for the Texaco, Inc. C. P. Falby (b) 8-22-37 Penrose Skelly & Eumont
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

O.K.---L.A.C.

O.K.---J.W.R.

Yours very truly,

OIL CONSERVATION COMMISSION

Leslie A. Clements