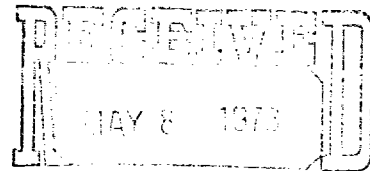


*Amended
PC-29*



PETROLEUM PRODUCTS

May 7, 1973



OIL CONSERVATION COMM

Santa Fe TEXACO INC.
DRAWER 728

HOBBS, NEW MEXICO 88240

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Revision of Commission Order PC-29
Commingling of Production
A. H. Blinebry (NCT-1)

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

Gentlemen:

Texaco Inc. respectfully requests permission to commingle liquid hydrocarbon production without measuring the separate production from the Blinebry and Drinkard pools on that portion of the A. H. Blinebry (NCT-1) comprising the N/2 N/2 of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico, and Blinebry, Drinkard, and Tubb condensate from that portion of said lease comprising the S/2 NW/4 of said Section 29.

Commission Order PC-29, amended October 4, 1965, granted authority to commingle the production from the aforementioned pools after separately metering the production from each pool in each portion of said lease due to the subjection of a sliding scale royalty payment on the S/2 NW/4 of Section 29. Since the initiation of this procedure, production into the battery on the subject lease has declined to a marginal status for all wells in the pools and it is no longer subject to a sliding scale royalty rate. In support of this, a tabulation of the average daily production over a 60-day period has been attached.

In accordance with New Mexico Oil Conservation Commission "Manual for the Installation and Operation of Commingling Facilities", Section II - "Commingling Between Pools and Zones", Item 1 - "Marginal Zones", commingled production may be permitted without separately metering each zone if production is then based on periodic well tests.

Working and royalty interests are identical in all zones on the lease. Royalty interests in the lease includes the U.S. Geological Survey, and copies of this application are being sent to U.S.G.S., P. O. Box 1157, Hobbs, New Mexico, requesting consent in writing to the proposed commingling operation. The U.S.G.S. will then forward their consent directly to the Commission at Santa Fe.

Yours very truly,

J. V. Gannon
J.V. Gannon

District Superintendent

KLP-BH
MAS, Jr.
USGS-Hobbs

Attachment

TEXACO Inc.
DAILY PRODUCTION (BOPD)
A.H. BLINEBRY (NCT-1)

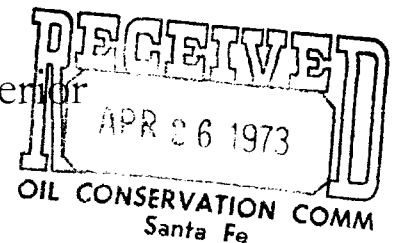
<u>Blinebry</u>	<u>March 1973</u>	<u>April 1973</u>
Top Allowable (107 BOPD/Well)		
Well No. 3	4	3
13	4	3
19	5	5
23	2	1
26	1	1
28	2	2
 <u>Drinkard</u>		
Top Allowable (142 BOPD/Well)		
Well No. 13	2	2
19	3	4
23	9	8
26	2	2
28	4	2
 <u>Tubb Gas</u>		
Well No. 3	1	1



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



April 25, 1973

Texaco Inc.
Drawer 728
Hobbs, New Mexico 88240

Attention: Mr. J. V. Gannon

Gentlemen:

Your letter of April 4 requests approval to modify the commingling system approved by our letter of June 19, 1963, for Blinebry, Tubb and Ellenburger production from wells in the N¹/₄NE¹/₄, SW¹/₄NE¹/₄ and NW¹/₄NE¹/₄ sec. 31, T. 22 S., R. 38 E., Lea County, New Mexico, lease Las Cruces 032104. You now propose to discontinue separate metering and allocate commingled production to the separate producing zones on the basis of periodic well tests.

Your proposal to discontinue separate metering of Blinebry, Tubb and Ellenburger production from wells on the above described tracts is satisfactory to this office and is hereby approved subject to like approval by the New Mexico Oil Conservation Commission.

Production from the NW¹/₄NE¹/₄ sec. 31 is subject to the step-scale royalty rate prescribed in the lease. Production from the N¹/₄NE¹/₄ and SW¹/₄NE¹/₄ sec. 31 is entitled to a royalty limitation of 12-1/2 percent provided the production is measured and reported separately. In the absence of separate measurement of production from wells Nos. 1 and 3, royalty for all production from wells on the above described tracts will be calculated in the future at the step-scale rate.

Sincerely yours,

YCPIC 501-1

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
✓NMOCC, Santa Fe
Hobbs
Accounts

ARBrown:REShook:wok:ds
4/25/73