

TEXACO
INC.

MAIN OFFICE OCC

PETROLEUM PRODUCTS

1962 JAN 17 AM 8:14



P. O. Box 728
Hobbs, New Mexico
January 16, 1962

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

Attention: Mr. J. E. Whitfield

Re: Application for Permit to Commingle
Production, TEXACO Inc. G. L. Erwin
(b) NCT-2 Lease and C. E. Penny
(NCT-4) Lease, Lea County, New Mexico

Gentlemen:

Acknowledging receipt of your letter dated January 11, 1962 advising that U.S.G.S. consent to commingling on the subject leases is required by the Commission before approvals can be granted.

Attached are three copies of U.S.G.S. consent in writing to Texaco's proposed commingling on the G. L. Erwin (b) NCT-2 Lease. It is to be noted that the attached letter of consent was written in reply to our original application for commingling dated August 30, 1961, which was supplemented with application dated November 3, 1961. Texaco was advised by the U.S.G.S. that this letter of consent was to be considered as their approval as our subsequent application did not alter the situation insofar as the U.S.G.S. was concerned. It is to be noted that our records indicate that copies of the subject U.S.G.S. consent were sent the Commission to the attention of Mr. A. L. Porter, Jr. on December 22, 1961; however, it is now assumed that they were misplaced in some manner due to the end of the year rush and were not mailed.

Reference is made to Texaco's Application for Permit to Commingle on the C. E. Penny (NCT-4) Lease dated November 3, 1961. Certain delays have been incurred in our negotiations with the U.S.G.S. for their consent; however, it should be forthcoming in the near future and will be forwarded as soon as received.

Yours very truly,

A handwritten signature in cursive script that reads "H. N. Wade".

H. N. Wade
Assistant District Superintendent

LMF-MSV

Attachments



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

September 14, 1961

Texaco Inc.
P. O. Box 728
Hobbs, New Mexico

Attention: Mr. H. N. Wade

Gentlemen:

Your letter of August 30 addressed to Mr. A. L. Porter, Jr., New Mexico Oil Conservation Commission, Santa Fe, New Mexico, requests approval to commingle oil produced from the Ellenburger, McKee, and Drinkard in well No. 1 G. L. Erwin (b) NCT-2, SE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 35, T. 24 S., R. 37 E., N.M.P.M., Lea County, New Mexico.

The method you propose for metering and storing oil produced from the three zones in said well is satisfactory to this office. If in the future, however, you wish to commingle oil from any well in the W $\frac{1}{2}$ SE $\frac{1}{4}$ sec. 35 with that being produced from wells in the E $\frac{1}{2}$ SE $\frac{1}{4}$ sec. 35, it will be necessary that you receive prior approval from this office. Any application for such approval should be submitted in duplicate.

Very truly yours,


WILLIAM H. FELDMILLER

Acting Oil and Gas Supervisor

Memo

From

D. S. Nutter
Chief Engineer

Re: Administrative Order PC-45

To Joe Ramsey
OCC- Hobbs

Please check system out - does
not have test meter testing loop.

Dan

January 17, 1962

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

ILLEGIBLE

January 11, 1962

Texaco Inc.
P. O. Box 728
Hobbs, New Mexico

Attention: Mr. H. N. Wade,
Assistant District Superintendent

Gentlemen:

Reference is made to your applications dated November 3, 1961, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of production on your C. E. Penny (NCT-4) and G. L. Ervin (b) NCT-2 Leases, Lea County, New Mexico, and to my letter dated November 21, 1961.

As I stated in my letter dated November 21, 1961, your applications have been held in abeyance pending receipt by the Commission of USGS consent to the commingling on the above-mentioned leases. It is requested that you send the Commission copies of the USGS consent so that approval can be granted your applications, if that is your desire. In any event, please advise us, at the earliest possible date, what disposition you plan to take regarding these applications.

Very truly yours,

J. E. WHITFIELD
Legal Assistant

JEW/esr

TEXACO
INC.

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

P. O. Box 728
Hobbs, New Mexico

November 3, 1961

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

Re: Application for Permit
to Commingle Production
TEXACO Inc.

G. L. Erwin (b) NCT-2 Lease
Undesignated Ellenburger, McKee,
and Drinkard 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 G. L. Erwin (b) NCT-2 Lease, Undesignated Ellenburger, McKee, and Drinkard Pools, Lea County, New Mexico, in support of which is stated the following:

1. TEXACO Inc. is the owner and operator of the G. L. Erwin (b) NCT-2 Lease consisting of 160 acres, being the SE/4 of Section 35, T-24-S, R-37-E, Lea County, New Mexico. The portion of this lease for which commingling approval is requested includes only the E/2 of the lease because of a percent royalty difference that exists between the E/2 and W/2. Attached is a plat showing the location of all wells on this lease and the pools from which they are producing.
2. The G. L. Erwin (b) NCT-2 Well No. 1, 660' FS & EL of Section 35 was recently completed in the Ellenburger, McKee, and Drinkard reservoirs as the first producer on the lease. The production from the three subject reservoirs is intermediate sweet crude and it is desirable that they be commingled into a common tank battery for economic reasons and also to provide facilities for installation of a lease automatic custody transfer system, the application for which will be made at a later date.

PC 45
wait for consent from

OK
Seymour - don't
have test meter
Testing
loop.

November 3, 1961

Page 2

3. The expected daily liquid hydrocarbon production from the Ellenburger completion is 102 barrels of 45° API gravity oil at \$2.99 per barrel, that from the McKee completion is 80 barrels of 44° API gravity oil at \$3.01 per barrel, and that from the Drinkard completion is 46 barrels of 37° API oil at \$2.95 per barrel. The combined daily production after commingling is expected to be 228 barrels of 43° API gravity liquid hydrocarbon at \$3.01 per barrel, resulting in a \$4.80 per day gain. A statistical summary sheet showing these figures is attached.
4. The liquid hydrocarbon production from the three reservoirs will be accurately measured by temperature compensated positive displacement type meters and samplers prior to commingling into a tank battery consisting of two 500 barrel tanks. A schematic diagram of the proposed commingling installation is attached, and is in substantial compliance with Figure 4 in the current "Manual for the Installation and Operation of Commingling Facilities."
5. Royalty interest in the subject lease is held by the U. S. Geological Survey, and a copy of this application is being sent this date by registered mail to the U. S. Geological Survey, P. O. Box 6721, Roswell, New Mexico, with the understanding that a copy of U.S.G.S. consent in writing will be forwarded directly to the New Mexico Oil Conservation Commission, Santa Fe, New Mexico. Although the U.S.G.S. holds the royalty interest in the subject lease, the percent interest differs between the E/2 of the lease where Well No. 1 is located and the W/2 of the lease. Should production be obtained on the W/2 of the lease in the future, a separate application for approval of commingling will be submitted.

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 Ellenburger, McKee, and Drinkard reservoirs in the G. L. Erwin (b) NCT-2 Well No. 1 and from all wells which may be completed in these reservoirs on the E/2 of this lease in the future.

Yours very truly,

H. N. Wade dmw

H. N. Wade

Assistant District Superintendent

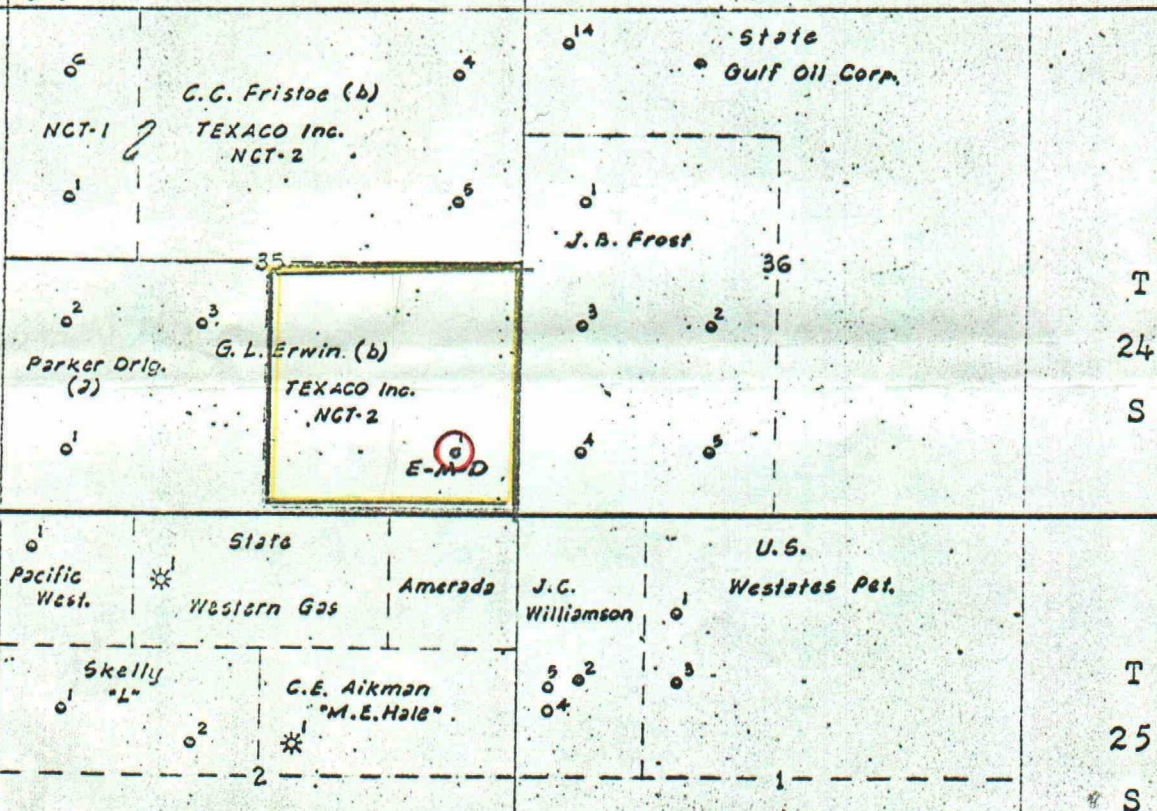
LMF-MSV

cc: NMOCC, Hobbs

U.S.G.S., Roswell

Attachments

R-37-E



E - Undesignated Ellenburger Pool
M - Undesignated McKee Pool
D - Undesignated Drinkard Pool

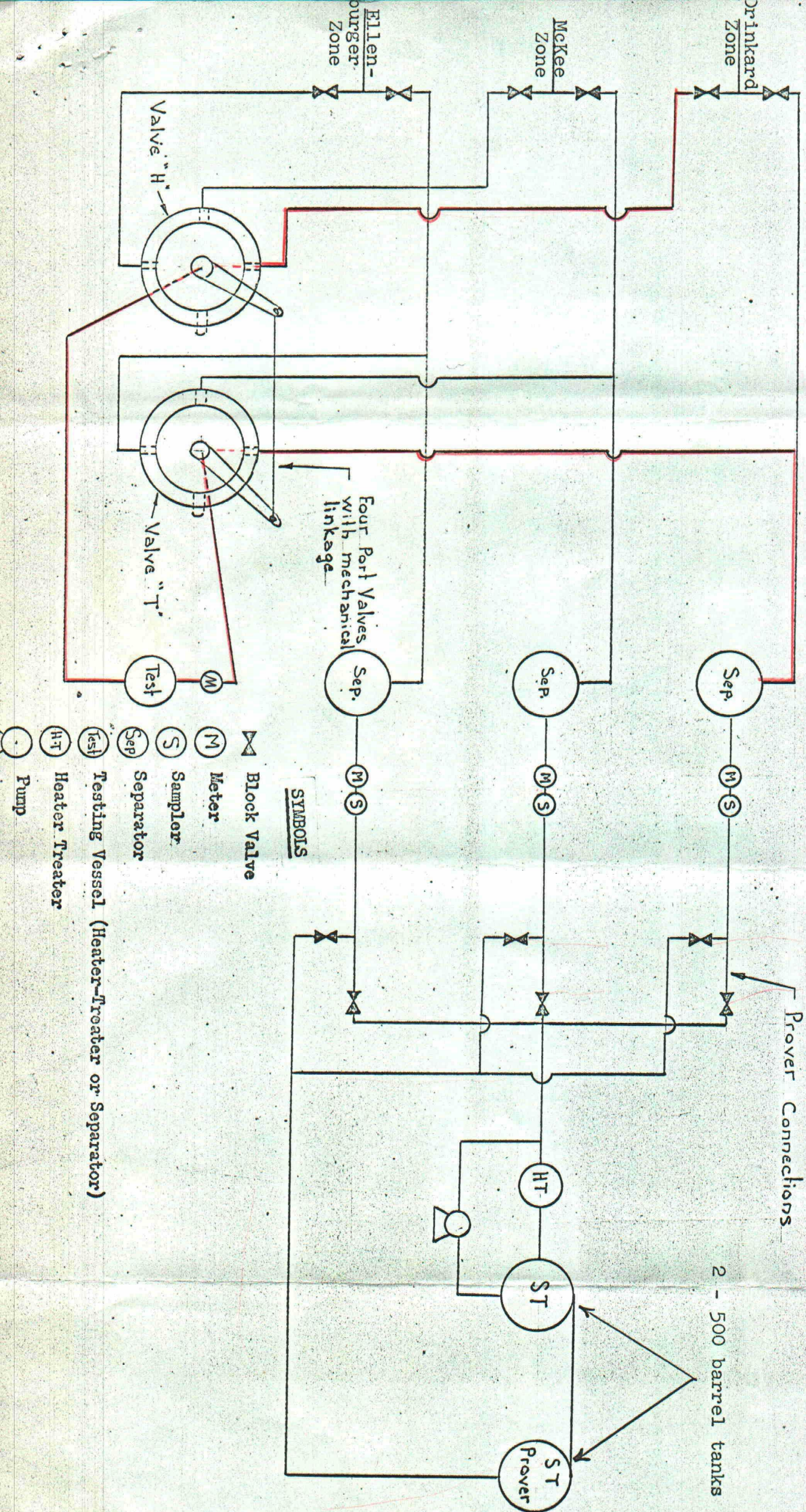
Scale: 1" = 2000'

PLAT OF TEXACO Inc. G. L. ERWIN "b" NCT-2 LEASE
AND OFFSET LEASES
Lea County, New Mexico
Scale: 1" = 2000'

OFFSET OPERATORS

J. B. Frost - 2106 Tower Petroleum Bldg. - Dallas 1, Texas
Parker Drilling Co. - Commerce Bldg. - Houston, Texas
Amerada - Drawer D - Monument, New Mexico
Western Gas - 1006 Main St. - Hobbs, New Mexico
J. C. Williamson - 608 V&J Tower - Midland, Texas

SCHEMATIC DIAGRAM OF PROPOSED COMINGLING INSTALLATION
 TEXACO Inc. G. L. Erwin (b) NCT-2 Lease
 Lea County, New Mexico



TEXACO Inc.
 G. L. Erwin (b) NCT-2 Lease
 Undesignated Ellenburger, McKee & Drinkard Pools
 Lea County, New Mexico

PRODUCTION CHARACTERISTICS

<u>ITEM</u>	<u>DRINKARD</u>	<u>MC KEE</u>	<u>ELLENBURGER</u>
Type of Crude	Int. Sweet	Int. Sweet	Int. Sweet
GOR (Ft. 3/bbl.)	741	1388	976
Gravity (°API)	37	44	45

ILLEGIBLE

COMMINGLING STATISTICS

<u>ZONE</u>	<u>PRODUCTIVITY</u> <u>(BOPD)</u>	<u>GRAVITY</u> <u>(°API)</u>	<u>PRICE PER</u> <u>BARREL</u>	<u>REVENUE</u> <u>PER DAY</u>
Drinkard	46	37	2.95	135.70
McKee	80	44	3.01	240.80
Ellenburger	102	45	2.99	304.98
				681.48
Commingled Crude	228	43	3.01	686.28
				\$ 4.80
				per day gain

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 21, 1961

**Texaco Inc.
P. O. Box 728
Hobbs, New Mexico**

**Attention: Mr. H. H. Wade,
Assistant District Superintendent**

Gentlemen:

Reference is made to your applications dated November 3, 1961, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of production on your C. E. Penny (NCT-4) and G. L. Erwin (b) NCT-2 Leases, Lea County, New Mexico.

A review of my files on this date reflects that although the consent of the United States Geological Survey for permission to commingle has been requested in regard to each of the above-mentioned applications, the Commission has not received a copy of the written consent. In view of the fact that you had requested the USGS consent in writing be forwarded directly to the Commission, there is some doubt in my mind as to whether that request was overlooked.

In the event USGS consent has been obtained, please forward necessary copies of that consent to the Commission so that your applications may be handled more expediently.

Very truly yours,

**J. E. WHITFIELD
Legal Assistant**

JEN/esr



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

September 14, 1961

Texaco Inc.
P. O. Box 728
Hobbs, New Mexico

Attention: Mr. H. N. Wade

Gentlemen:

Your letter of August 30 addressed to Mr. A. L. Porter, Jr., New Mexico Oil Conservation Commission, Santa Fe, New Mexico, requests approval to commingle oil produced from the Ellenburger, McKee, and Drinkard in well No. 1 G. L. Erwin (b) NCT-2, SE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 35, T. 24 S., R. 37 E., N.M.P.M., Lea County, New Mexico.

The method you propose for metering and storing oil produced from the three zones in said well is satisfactory to this office. If in the future, however, you wish to commingle oil from any well in the W $\frac{1}{2}$ SE $\frac{1}{4}$ sec. 35 with that being produced from wells in the E $\frac{1}{2}$ SE $\frac{1}{4}$ sec. 35, it will be necessary that you receive prior approval from this office. Any application for such approval should be submitted in duplicate.

Very truly yours,


WILLIAM H. FELDMILLER

Acting Oil and Gas Supervisor

TEXACO
INC.

PETROLEUM PRODUCTS



P. O. Box 728
Hobbs, New Mexico
December 22, 1961

file in PC # 45

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

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

Re: Application For Permit to
Commingling Production
TEXACO Inc.
G. L. Erwin (b) NCT-2 Lease
Lea County, New Mexico

Gentlemen:

Attached are three copies of U. S. G. S. consent in writing to Texaco's proposed commingling on the subject lease. It is to be noted that the attached letter of consent was written in reply to our original application for commingling dated August 30, 1961, which was supplemented with application dated November 3, 1961. Texaco was advised by the U. S. G. S. that this letter of consent was to be considered as their approval as our subsequent application for commingling did not alter the situation insofar as the U. S. G. S. was concerned.

Reference is made to TEXACO Inc.'s Application for Permit to Commingling on the C. E. Penny NCT-4 Lease dated November 3, 1961. We are negotiating with the U. S. G. S. for their consent and will forward as soon as it is received.

Yours very truly,

H. N. Wade

H. N. Wade
Assistant District Superintendent

LMF-MSV

Attachments