

TEXACO
REFINING COMPANY

PETROLEUM PRODUCTS
1912 FEB 15 AM 8 24



P. O. Box 728
Hobbs, New Mexico
February 21, 1962

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

Re: Application for Permit to Commingle
Production, V. M. Henderson Lease,
Paddock and Penrose-Skelly Pools,
Lea County, New Mexico

Attention: Mr. Daniel S. Nutter

Gentlemen:

Reference your letter dated February 13, 1962, above subject, wherein the request was made for clarification of the disposition of Drinkard and Blinebry production on the subject lease.

As outlined in our letter application for permit to commingle production on the subject lease dated February 5, 1962, it is proposed that the Paddock and Penrose-Skelly production be commingled in order that an existing tank battery be available for the high gravity Blinebry (Gas) production from Well No. 6. Actual plans are to commingle the two productions into the 2 - 500 barrel tank battery presently serving the Penrose-Skelly production: thereby allowing the 2 - 500 barrel tank battery presently serving the Paddock production to be used for the high gravity Blinebry production from the recently completed Well No. 6. Drinkard production from Well Nos. 3 and 6 is presently being commingled with the lower gravity Blinebry production from Well No. 2 into a 2 - 210 barrel tank battery. There are no plans at this time for revising this installation.

If additional information is desired, please advise.

Yours very truly,

H. N. Wade

Assistant District Superintendent

LMF-MSV

*PC 6-1
now*
*OK to continue to commingle
and low grow
Bl as per
Order R-1598*

*OK to
now
Commingle
in addition
Paddock
and
Penrose
Skelly
in a
separate
tank
btry on
the 210
metering*

*only the
Paddock -
(has submitted
con method
to date PS
Prod.)*

*send note to H.N. to ck
this system out for installation
in accordance with diagram*

TEXACO
MAIN OFFICE 000 INC.

1962 FEB 12 AM 8:05

PETROLEUM PRODUCTS



*Hand for reply
to letter of 2-13-62*

P. O. Box 728
Hobbs, New Mexico
February 5, 1962

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

Re: Application for Permit to Commingle
Production, TEXACO Inc., V. M. Henderson
Lease, Paddock and Penrose-Skelly
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 V. M. Henderson Lease, Paddock and Penrose-Skelly Pools, Lea County, New Mexico, in support of which is stated the following:

1. TEXACO Inc. is the owner and operator of the V. M. Henderson Lease, consisting of 313.92 acres, being the N/2 of Section 30, T-21-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 V. M. Henderson Lease has 5 producing wells, consisting of one triple completion, two dual completions and two single completions. A tabulation of the producing zones are as follows:

WELL NO.	TYPE	DRINKARD	BLINEBRY (GAS)	PADDOCK	PENROSE- SKELLY	EUMONT GAS
2	Dual		X	Shut-in		
3	Single	X				
4	Single					X
5	Dual			X	X	
6	Triple	X	X	X		

X - Denotes producing zone

Presently there are three tank batteries on the lease; two - 500 barrel tanks for the Paddock Pool, two - 500 barrel tanks for the Penrose-Skelly Pool and two - 210 barrel tanks into which the Blinebry and Drinkard production from Wells No. 2 and 3 are being commingled under Order

February 5, 1962

No. R-1598, dated February 8, 1960. V. M. Henderson Well No. 6 is a recent completion in the Blinebry (Gas) Pool with a high liquid hydrocarbon gravity of 53.6° API which makes it undesirable for commingling with other production on the lease. It is therefore desirable to commingle all production from the Paddock and Penrose-Skelly Pools, thereby allowing one of these batteries to be used as storage facilities for the new Blinebry (Gas) Pool production from Well No. 6 rather than incurring the expense of installing additional storage facilities.

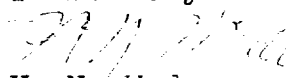
3. The expected daily liquid hydrocarbon production from the Paddock Pool is 96 barrels of 37.4° API gravity oil at \$2.86 per barrel and that from the Penrose-Skelly Pool is 4 barrels of 35.3° API gravity oil at \$2.80 per barrel. The two crudes are considered as sour. The combined daily production after commingling is expected to be 100 barrels of 37.3° API gravity liquid hydrocarbon at \$2.86, resulting in a \$0.24 per day gain in revenue.

4. In accordance with Item II, Section 2-B of the current "Manual for the Installation and Operation of Commingling Facilities", it is proposed to meter prior to commingling all but one zone (Subtraction Method). The proposed zone not to be metered is the Penrose-Skelly which is marginal. A positive displacement type meter with sampler and non-reset counter will be installed on the Paddock zone for accurate measurement prior to commingling. A schematic diagram of the proposed commingling installation is attached, and is in substantial compliance with Figure 6 in the aforementioned manual.

5. Royalty and working interest in the subject lease is common and does not include either State or Federal interests.

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 Paddock and Penrose-Skelly Pools on the V. M. Henderson Lease from wells presently completed and from additional wells which may be completed on this lease in these reservoirs in the future.

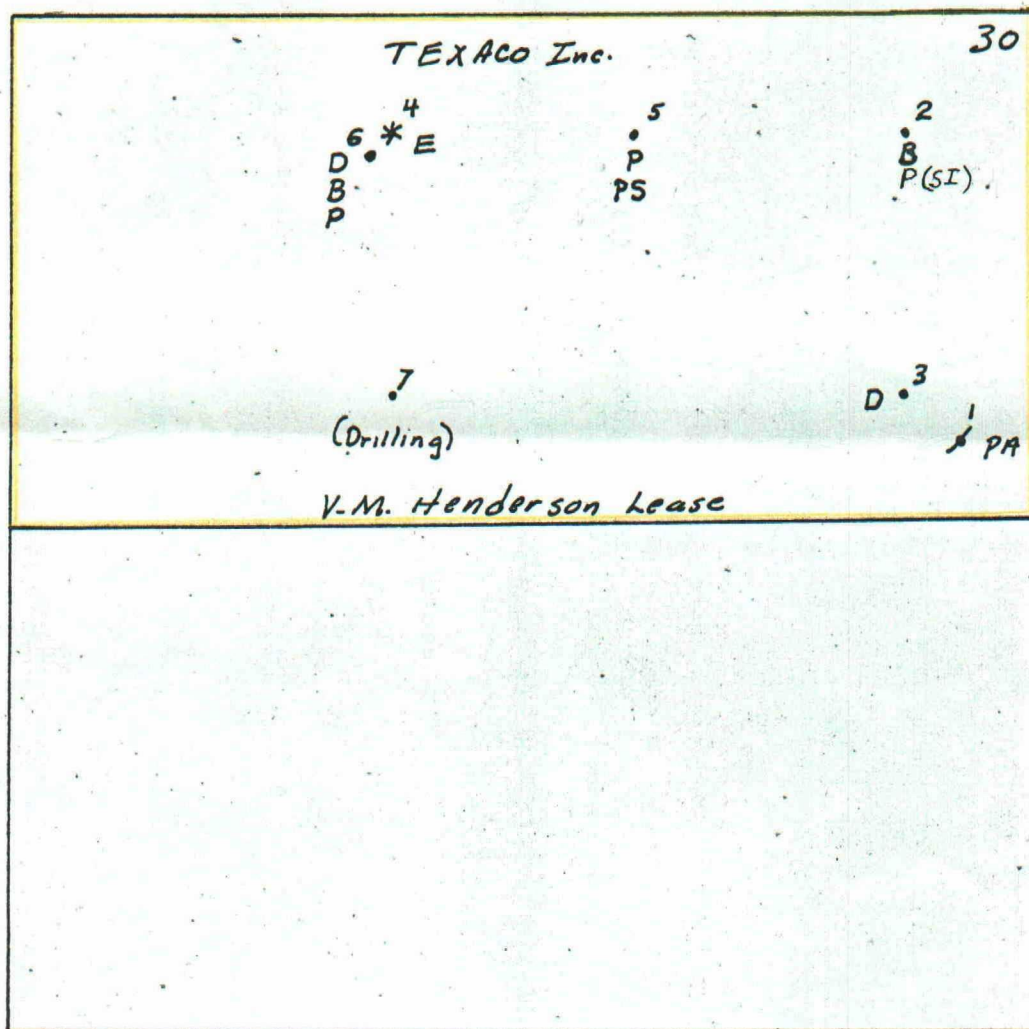
Yours very truly,


H. N. Wade
Assistant District Superintendent

ODB-BF
cc: NMOCC, Hobbs

Attachment

R-37-E



Plat of TEXACO Inc. V.M. Henderson Lease

Lea County, New Mexico

Scale

1 inch = 1000'

ODB

1-29-62

- Legend -

D - Drinkard

B - Blinbry (Lea)

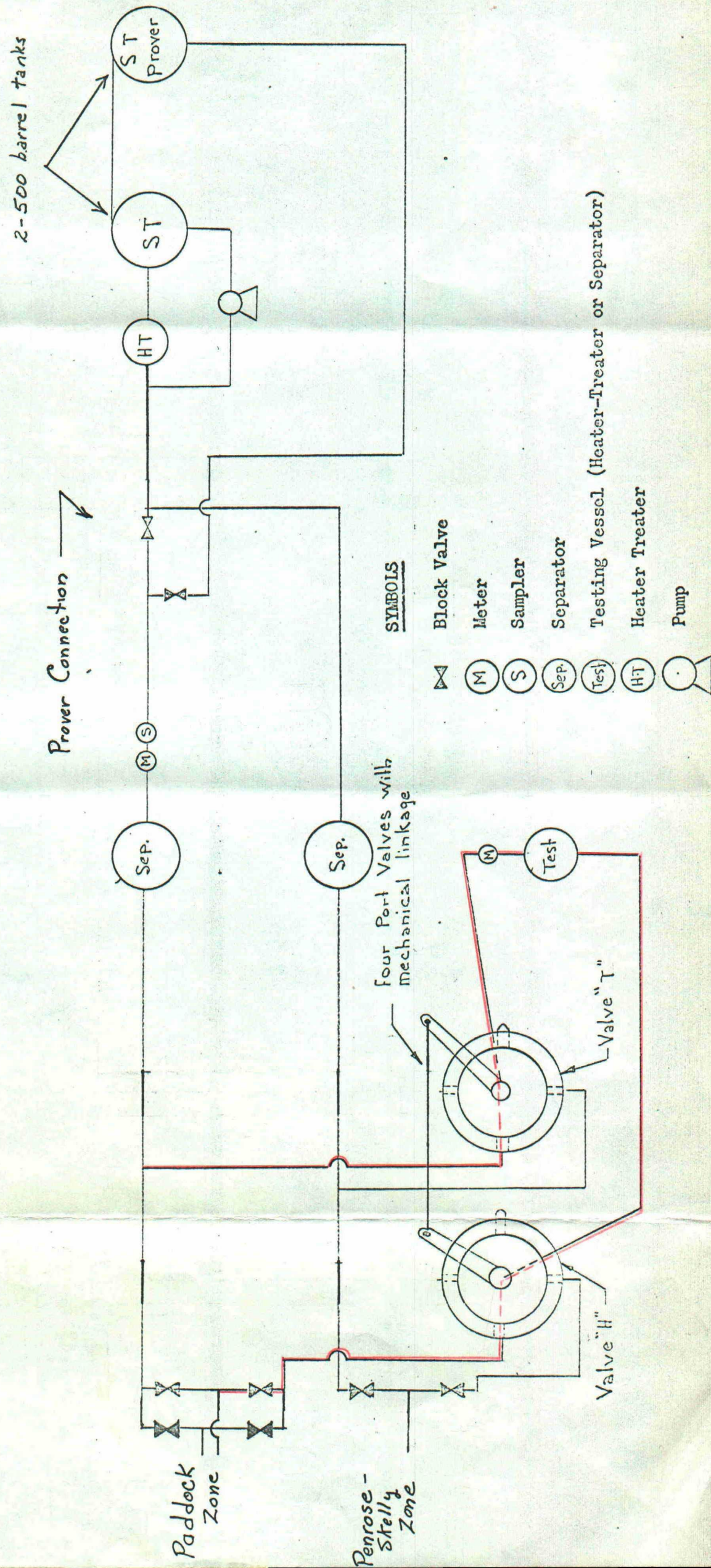
P - Paddock

PS - Penrose-Stelly

E - Eumont (Lea)

PA - Plug and Abandoned

Lea County, New Mexico



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

*Hold in
copy*

February 13, 1962

C
O
P
Y

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

Attention: Mr. H. M. Wade

Gentlemen:

Reference is made to your letter of February 5, 1962, requesting authority to commingle Paddock and Penrose-Skelly production on your V. M. Henderson Lease, Lea County, New Mexico.

It is our understanding that you are presently commingling Blinebry and Drinkard production on this lease, but due to the completion of No. 6, a high gravity well in the Blinebry, wish to revise the present installation.

Please advise as to what disposition will be made of the Drinkard production as well as the remaining Blinebry production from the No. 2 Well. Will they continue to be commingled or will the Blinebry No. 2 be tanked with Blinebry No. 6 and the Drinkard production also handled separately?

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/1r

cc: Oil Conservation Commission, Hobbs, New Mexico