

6-10-70
H. L. Erwin
11-1-62
permitted

TEXACO
INC.

PETROLEUM PRODUCTS



P. O. Box 728
Hobbs, New Mexico
September 25, 1962

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

Re: Application for Addition To
Present Commingled Installation
TEXACO Inc., G. L. Erwin (b)
NCT-2 Lease, North Justis
(Blinebry, Tubb-Drinkard, Devon-
ian, Fusselman, Montoya, McKee,
Waddell, Ellenburger) 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. Approval was granted by Administrative Order PC-80 dated May 3, 1962, to commingle production from the North Justis (Tubb-Drinkard, Devonian, Fusselman, McKee, Ellenburger) Pools. This order was amended July 20, 1962, to include production from the North Justis (Waddell and Blinebry) Pools. Recently the Montoya Zone has been completed in Well No. 5, therefore, it is desirous to commingle the Montoya production with the aforementioned zones, in support of which is stated the following:

1. ~~57~~ TEXACO is the operator of the G. L. Erwin (b) NCT-2 Lease, consisting of 160 acres, being the SE/4 of Section 35, T-24-S, Range 38-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 G. L. Erwin (b) NCT-2 Lease has 5 wells, the status of which are shown on the attached producing status sheet.

3. The expected daily liquid hydrocarbon production from each of the eight zones along with the combined daily production after commingling is shown on the attached statistical summary sheet.

4. In accordance with Item II, Section 2-A of the current "Manual for the Installation and Operation of Commingling Facilities", it is proposed to meter prior to commingling all zones. Positive displacement type meters with samplers and non-reset counters will be installed on all zones for accurate measurement prior to commingling. Due to a sliding royalty payment on the W/2 of the lease for all zones except the Drinkard, McKee, Waddell and Ellenburger, which are straight 12.5 percent, it was necessary to install separate meters for the Blinebry, Devonian, Fusselman and Montoya zones to satisfy the U. S. Geological Survey's requirements. A schematic diagram of the proposed commingling is attached, and is in substantial compliance with Figure 2 in the aforementioned manual.

5. Royalty interest in the subject lease is common and is held in part by the U. S. Federal Government and a copy of this application is being sent this date to U. S. Geological Survey, Box 1838, Hobbs, New Mexico, requesting their approval in writing of the proposed installation. Immediately upon receipt of this approval, it will be forwarded to the Commission.

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 liquid hydrocarbon production from the North Justis (Blinebry, Tubb-Drinkard, Devonian, Fusselman, Montoya, McKee, Waddell, Ellenburger) Pools, on the G. L. Erwin (b) NCT-2 Lease and from all wells which may be completed in these reservoirs on this lease in the future.

Yours very truly,



H. N. Wade

Assistant District Superintendent

ODB/om

cc: NMOCC, Hobbs

USGS, Hobbs

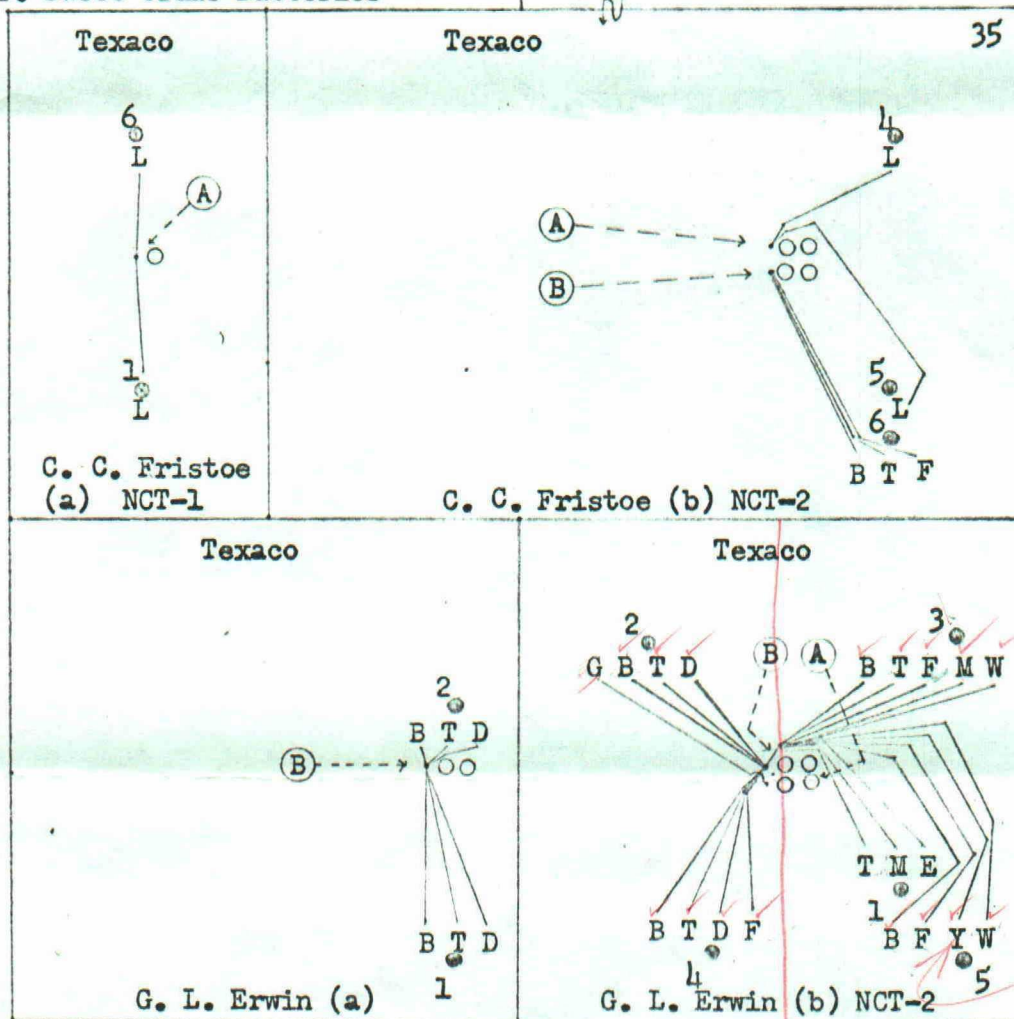
Attachments

LEGEND

Y - North Justis-Montoya
 E - North Justis-Ellenburger
 W - North Justis-Waddell
 M - North Justis-McKee
 F - North Justis-Fusselman
 D - North Justis-Devonian
 T - North Justis-Tubb-Drinkard
 B - North Justis-Blaine
 G - North Justis-Glorieta
 L - Langlie-Mattix

(A) - Sour Crude Batteries

(B) - Inter. Sweet Crude Batteries



PLAT OF TEXACO Inc. LEASES, NORTH JUSTIS POOLS

G. L. Erwin (a), Federal Lease No. LC-032874-A

G. L. Erwin (b) NCT-2, Federal Lease No. LC-057509

C. C. Fristoe (a) NCT-1, Federal Lease No. LC-032592

C. C. Fristoe (b) NCT-2, Federal Lease No. LC-032592(b)

Scale 1" = 1000'

9-17-62 Lea County, New Mexico

NOTE: This plat supersedes and revises all plats of earlier dates.

TEXACO Inc.
G. L. ERWIN (b) NCT-2 LEASE
NORTH JUSTIS POOLS
LEA COUNTY, NEW MEXICO

P R O D U C I N G S T A T U S

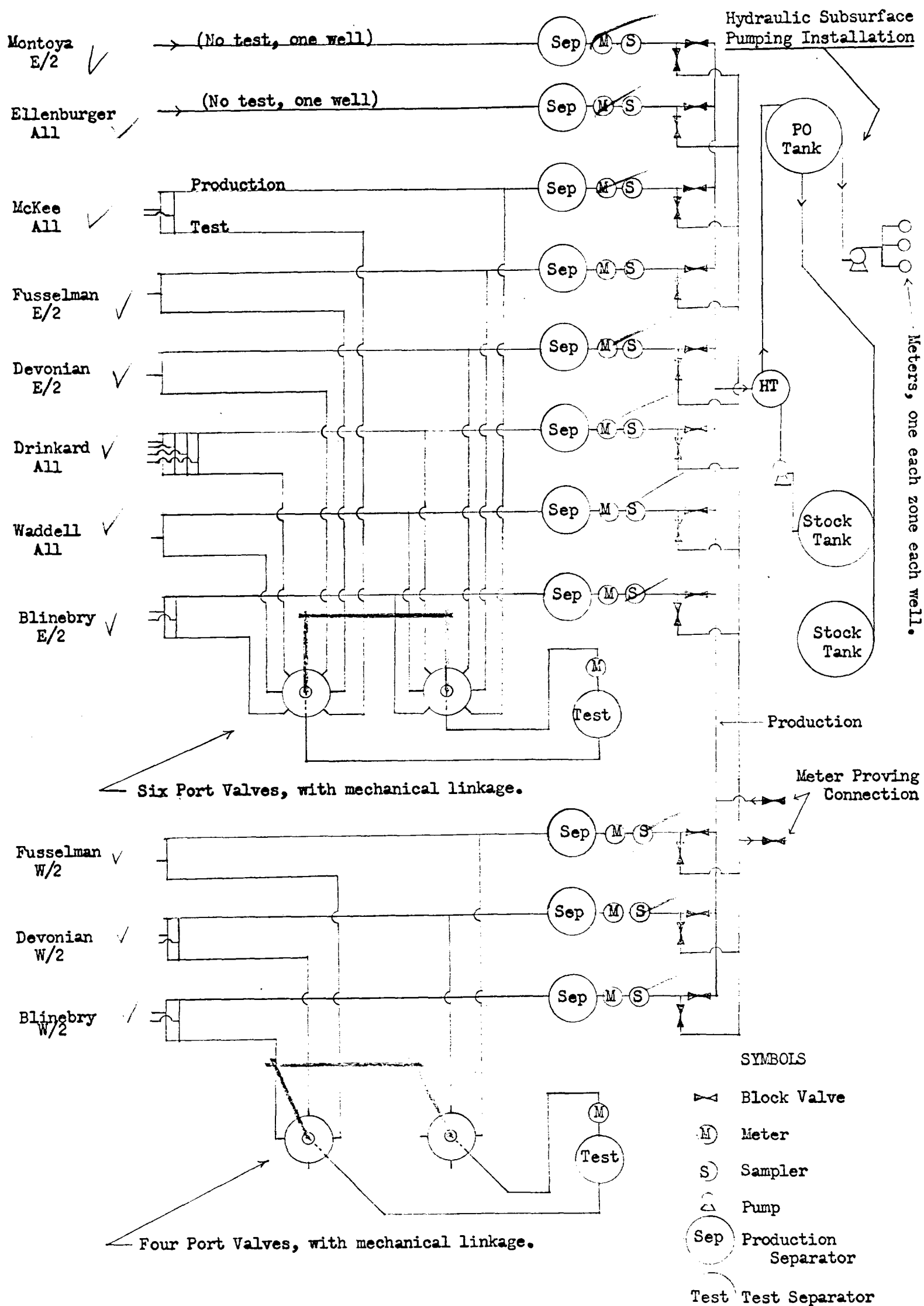
<u>Well No.</u>	<u>Type</u>	<u>Glorieta</u>	<u>Blinebry</u>	<u>Tubb-Drinkard</u>	<u>Devonian</u>	<u>Fusselman</u>	<u>Montoya</u>	<u>McKee</u>	<u>Waddell</u>	<u>Ellenburger</u>		
1				X				X		X		
2		X	X	X	X				X			
3			X	X	X	X		X	X			
4			X	X		X						
5			X		X	X	X		X			
C O M M I N G L I N G S T A T I S T I C S												
<u>Zone</u>	<u>Type of Crude</u>	<u>Productivity (BOPD)</u>	<u>Gravity (°API)</u>								<u>Price Per Barrel</u>	<u>Revenue Per Day</u>
Blinebry	Int. Sweet	73	37.4									\$
Tubb-Drinkard	Int. Sweet	147	34.5								2.89	215.35
Devonian	Int. Sweet	65	34.0								2.89	424.83
Fusselman	Int. Sweet	246	34.0								2.89	187.85
Montoya	Int. Sweet	82	43.0 *								2.89	710.94
McKee	Int. Sweet	132	41.6								3.01	246.82
Waddell	Int. Sweet	105	39.4								2.99	397.32
Ellenburger	Int. Sweet	105	46.7								2.97	313.95
			* Estimated									311.85
											\$ 2,808.91	
ALL ZONES	Int. Sweet	955	38.0								2.97	\$ 2,836.35
Gain Per Day												
\$ 27.44												

\$ 2,808.91

\$ 2,836.35

\$ 27.44

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



Note: Equipment to be installed as required, single wells will not be connected through test separators until a second well has been completed.

TEXACO
INC.

PETROLEUM PRODUCTS



P. O. Box 728
Hobbs, New Mexico
October 10, 1962

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, North Justis
(Ellenburger, Waddell, McKee,
Montoya, Fusselman, Devonian,
Tubb-Drinkard, Blinbry) Pools
Lea County, New Mexico.

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

Dear Sir:

Attached are three copies of U. S. Geological Survey
approval of the subject commingling installation.

Your earliest consideration of our application to
commingle dated September 25, 1962 would be greatly appreciated.

Yours very truly,

H. N. Wade
Assistant District
Superintendent

ODB-jr

Attachment



IN REPLY REFER TO:

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

October 5, 1962

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

Attention: Mr. H. N. Wade 10/10

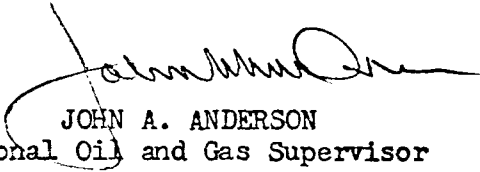
Gentlemen:

Your letter of September 25, 1962, requests approval to commingle production from the North Justis Montoya Pool with the presently commingled Blinebry, Tubb-Drinkard, Devonian, Fusselman, McKee, Waddell and Ellenburger Pools on Federal lease Las Cruces 057509.

You propose to meter separately the oil produced from the portions of the SE $\frac{1}{4}$ section 35 subject to different royalty rates. The method of commingling described by the diagrams attached to your letter is hereby approved.

You are requested to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made. Form 9-361, Lessee's Monthly Report of Sales and Royalty, for the subject lease should show all meter readings and computations used in determining the royalty for each portion of the lease.

Very truly yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc: Hobbs (2)
Accounts