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TEXACO INC.

PETROLEUM PRODUCTS



DRAWER 728

HOBBS, NEW MEXICO 88240

March 7, 1968

PC - 348

Wald for
Rud
Approval

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

Re: Application for Permit to
Commingle Production, TEXACO
Inc. New Mexico 'W' State
(NCT-1) Lease, Vacuum (Middle
Penn) and Vacuum, North (Abo)
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 New Mexico 'W' State (NCT-1) Lease, Vacuum (Middle Penn) and Vacuum, North (Abo) Pools, Lea County, New Mexico. It is proposed that the liquid hydrocarbon production from each zone be determined on a well test basis as neither zone is capable of producing at the top allowable rate and adequate testing facilities are available. These two zones were completed on February 29th and February 27th respectively, therefore, the 60-day tabulation of production is not attached, however, the capacity of each zone on completion was below top allowable and it should not increase with time.

The New Mexico 'W' State (NCT-1) Lease contains 160 acres being the SE/4 of Section 13, T-17-S, R-34-E. Attached is a plat showing the location of all wells and the pools from which they are producing. This lease currently has three wells, one dually completed in the Vacuum (Middle Penn) and the Vacuum, North (Abo) Pools, and two completed in the Vacuum (Grayburg-San Andres) Pool. The two wells in the Vacuum (Grayburg-San Andres) Pool are shut in and not producing.

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March 7, 1968

The expected daily liquid hydrocarbon production from the Vacuum (Middle Penn) Pool is 214 barrels of 39.5° API gravity oil at \$3.09/Bbl and that from the Vacuum, North (Abo) Pool is 100 barrels of 39.1° API gravity oil at \$3.09/Bbl. The combined daily production after commingling is expected to be 314 barrels of 39.3° API gravity oil at \$3.09/Bbl; resulting in neither a gain or loss in revenue. The production from the zones to be commingled is considered intermediate sweet.

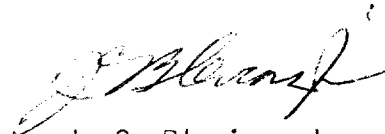
Royalty Interest in the subject lease is common, is held by the State of New Mexico, and a copy of this application is being sent this date to the Commissioner of Public Lands, Santa Fe, New Mexico, requesting their approval in writing of the proposed installation. Immediately upon receipt of this approval, it will be forwarded to the Commission.

The Permian Corporation is the purchaser of the crude from these two zones, therefore, The Permian Corporation is also being notified by copy of this application and their consent in writing to take the commingled crude will be requested.

A schematic diagram of the proposed commingling is attached and is in accordance with current 'Manual for the Installation and Operation of Commingling Facilities'.

In view of the above facts, 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 production from the Vacuum (Middle Penn) and Vacuum, North (Abo) Pools on the New Mexico 'W' State (NCT-1) Lease and from all wells which may be completed in these reservoirs on this lease in the future.

Yours very truly,



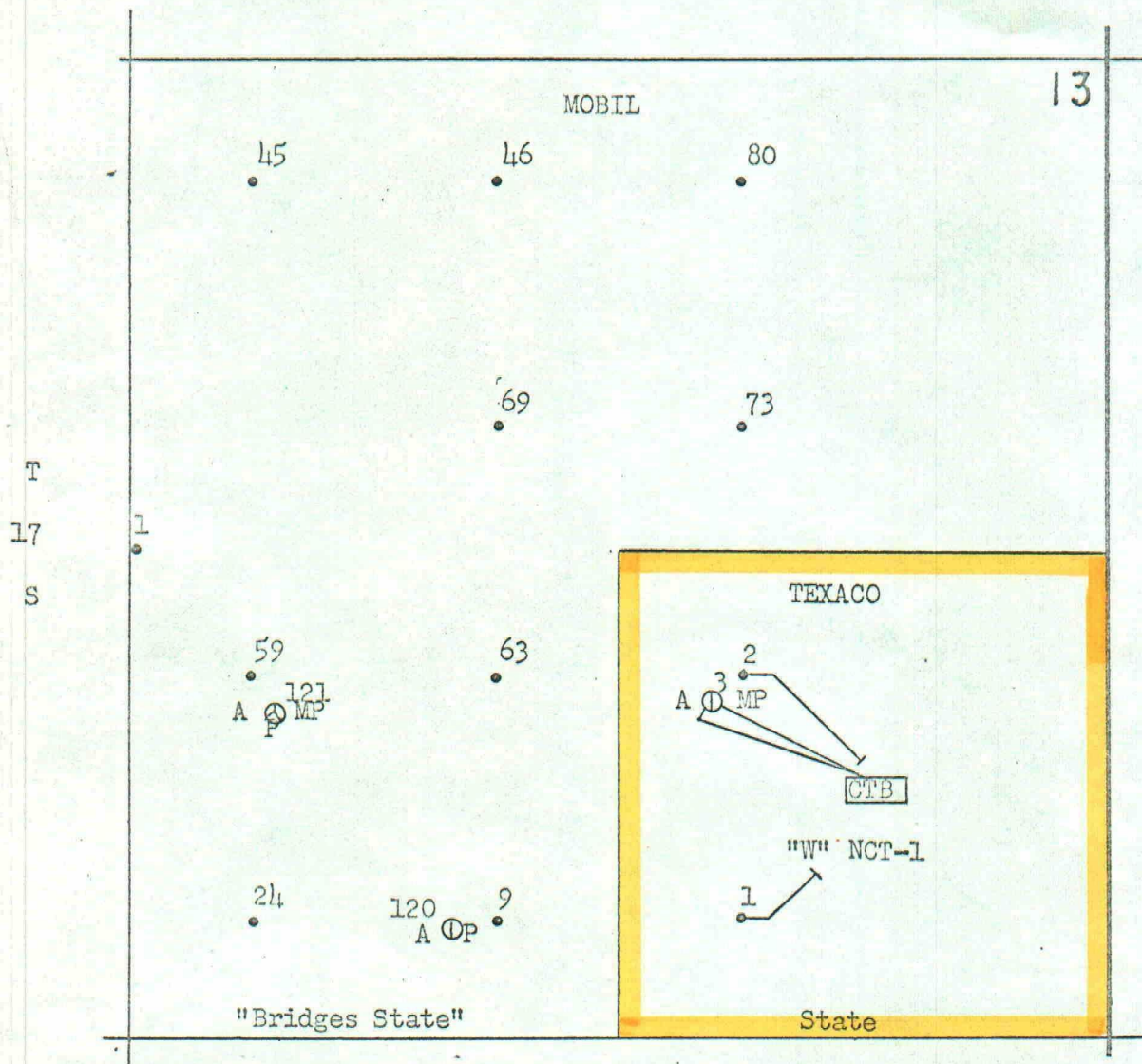
J. G. Blevins, Jr.
Assistant District Superintendent

EDMc-jr

cc: NMOCC-Hobbs
State Land Office
The Permian Corp

Attachments

R 34 E



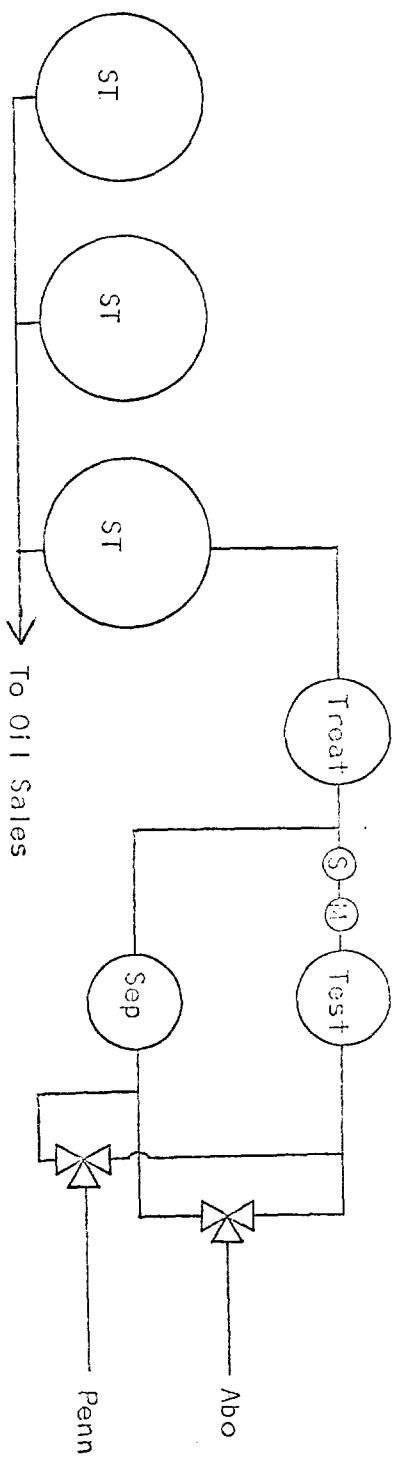
TEXACO INC.

NEW MEXICO "W" STATE NCT-1
LEASE

VACUUM MULTIPAY FIELD
LEA COUNTY, NEW MEXICO

LEGEND

- San Andres
- A Abo
- P Upper Penn
- MP Middle Penn



SYMBOLS

Two-Way Valve

Motor & Sampler

Production Separator

Test Separator

Schematic Diagram of Commingling Facilities
 New Mexico "W" State (NCF-1) Lease
 Vacuum (Militipay) Field
 Lea County, New Mexico

TEXACO Inc.

TEXACO
INC.

PETROLEUM PRODUCTS



DRAWER 728

HOBBS, NEW MEXICO 88240

March 15, 1968

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

1968 MAR 18 AM 8 07

Re: Application for Permit to
Commingle Production,
TEXACO Inc., New Mexico "W"
State NCT-1 Lease, Vacuum
(Middle Perm) and Vacuum
North (Abo) Pools, Lea County,
New Mexico

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

Gentlemen:

In our letter of March 7, 1968 above subject, TEXACO advised that they were forwarding copies of the Application for Permit to Commingle Production to the pipeline company and Commissioner of Public Lands. Attached please find copies of approvals to TEXACO's proposal from the two parties.

It would be appreciated if you could expedite the handling of this application.

Yours very truly,

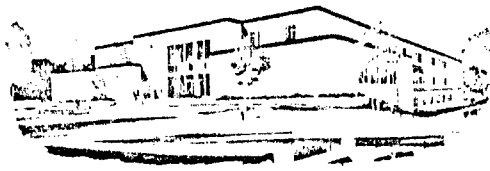
A handwritten signature in dark ink, appearing to read "J. G. Blevins, Jr.", written over a horizontal line.

J. G. Blevins, Jr.
Assistant District Superintendent

EDMc-cr

Enclosures

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



March 14, 1968

P. O. BOX 1148
SANTA FE, NEW MEXICO
MAIN OFFICE

'68 MAR 18 AM 8 07

Texaco, Inc.
Post Office Drawer 728
Hobbs, New Mexico
88240

Re: Application for Permit to Commingle
Production, Texaco, Inc., New Mexico
"W" State NCT-1 Lease, B-959-1, Vacuum
(Middle Penn) and Vacuum, North (ABO)
Pools, Lea County, New Mexico - LOCO #10

Attn: J. G. Blevins, Jr., Ass't Dist Supt

Gentlemen:

Your request of March 8 to commingle operations on the New Mexico "W" State NCT-1 Lease, Vacuum (Middle Penn) and Vacuum, North (ABO) Pools, on State Lease B-959-1, comprising the SE $\frac{1}{4}$, Sec 13, T 17 S, R 34 E., is hereby approved. The Commissioner of Public Lands, however, reserves the right to withdraw said approval should the commingling operation change the gravity of the oil to the extent that the State would receive less royalty than is now being received.

Your \$10.00 filing fee was received and applied to the commingling application.

Very truly yours,

GUYTON B. HAYS
Commissioner of Public Lands

By: *Ted Bilberry*
TED BILBERRY, Director
Oil and Gas Department

TB:jc

cc: New Mexico Oil & Gas Accounting Comm
Post Office Box 2308, Santa Fe

New Mexico Oil Conservation Comm
Post Office Box 2088, Santa Fe

clg 3-13
Dmcc 3/13
GR 3-13



THE PERMIAN CORPORATION

1509 W. WALL P. O. BOX 3119
MIDLAND, TEXAS 79701

915-683-4711

March 11, 1968

MAIL OFFICE

Texaco Inc.
P. O. Drawer 728
Hobbs, New Mexico 88240

'68 MAR 18 AM 9 07

Attention: J. G. Blevins, Jr.
Assistant District Superintendent

Gentlemen:

This will acknowledge receipt of your letter dated March 7, 1968, requesting our approval of your application for Permit to Commingle Production from Texaco's New Mexico "W" State (NCT-1) Lease in the Vacuum (Middle Penn) and Vacuum, North (Abo) Pools, Lea County, New Mexico.

In view of the information outlined in your letter to the New Mexico Oil Conservation Commission, Reference Application for Permit to Commingle, as the Purchaser of this crude The Permian Corporation hereby gives its consent to taking the production from commingling facilities.

Very truly yours,

THE PERMIAN CORPORATION

Rod Fulson
Proration Supervisor

RF/pl

cc: New Mexico Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico