

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

September 21, 1965

C
Texaco Inc.
Drawer 728
Hobbs, New Mexico

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Attention: Mr. J. G. Blevins, Jr.

Administrative Order PLC-22

Gentlemen:

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Reference is made to your application dated June 30, 1965, wherein you request authority to commingle sour crude hydrocarbon production from the Langle-Mattix Pool and the Justis Blinbry Pool from your C. C. Fristoe "a" NCT-1 Lease comprising the W/2 NW/4 of Section 35, and that portion of your C. C. Fristoe "b" NCT-2 Lease comprising the E/2 NW/4 and the NE/4 of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico. It is our understanding that the C. C. Fristoe "a" Lease comprises one royalty ownership area, and that the C. C. Fristoe "b" Lease comprises two royalty ownership areas in Section 35, being the E/2 NW/4 and SW/4 NE/4 and the N/2 NE/4 and SE/4 NE/4, respectively, of said Section 35; further that the production from each pool and from each separate royalty ownership area will be separately metered prior to commingling.

Pursuant to the authority granted me under the provisions of Rule 303 (b) and 309-B of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools and royalty ownership areas in the above-described manner. Provided, however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. You are also requested to notify the Hobbs District Office of the Commission at such time as the installation is complete in order that an inspection may be made of the installation prior to putting it in operation.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

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TEXACO INC.

SEPTEMBER 21, 1965

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In light of the variation in royalty ownership between Area II and Area III on the Fristoe "b" Lease, it is requested that Texaco review the commingling authority contained in Administrative Order PC-96 to determine if same meets with the requirements of the Commission's manual for commingling as it appears to us that sweet Drinkard production from your Well No. 9 which is in one royalty ownership area is being commingled without metering with sweet Drinkard production from another royalty ownership area.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALP:DSN:sg

cc: Oil Conservation Commission - with enclosure - Hobbs
Oil & Gas Engineering Committee - Hobbs
United States Geological Survey - Roswell

TEXACO
INC.

PETROLEUM PRODUCTS



DRAWER 728

HOBBS, NEW MEXICO 88240

June 30, 1965

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

Re: Application for Permit to
Commingle Production,
TEXACO Inc.'s C. C. Fristoe
"a" NCT-1 and C. C. Fristoe
"b" NCT-2 Leases,
Lea County, New Mexico

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

Gentlemen:

TEXACO Inc. respectfully requests administrative approval of exception to Statewide Rule 303 (a), in accordance with Rule 303 (b), and exception to Rule 309-A, in accordance with Rule 309-B, to permit the commingling of sour crude hydrocarbon production from the Langlie Mattix Pool and Justis Blinebry Pool between TEXACO Inc.'s C. C. Fristoe "a" NCT-1 Lease and C. C. Fristoe "b" NCT-2 Lease. In support of this request, the following is stated:

1. TEXACO Inc. is owner and operator of the C. C. Fristoe "a" NCT-1 Lease, comprised of the W/2 NW/4 of Section 35, and the C. C. Fristoe "b" NCT-2 Lease, comprised of the E/2 NW/4 and NE/4 of Section 35 and SE/4 of Section 26, all in Township 24 South, Range 37 East, Lea County, New Mexico.

2. An overriding royalty interest exists on the C. C. Fristoe "a" NCT-1 Lease, indicated as being Area I on the attached plat, that is not common to the C. C. Fristoe "b" NCT-2 Lease. A Federal royalty interest rate exists on that portion of the C. C. Fristoe "b" NCT-2 Lease comprised of the E/2 NW/4 and SW/4 NE/4 of Section 35, indicated as Area II, that is different from the remainder of the lease, indicated as Area III on the attached plat.

3. It is proposed to commingle the sour crude Blinebry production from the C. C. Fristoe "a" NCT-1 Lease with the sour crude Blinebry and sour crude Langlie Mattix production from the C. C. Fristoe "b" NCT-2 Lease. The intermediate sweet crude Blinebry, Drinkard and Fusselman production on the C. C. Fristoe "b" NCT-2 Lease shall be maintained separate from the proposed sour crude commingling.

4. Administrative Order No. PC-96, amended October 31, 1962, granted authority to commingle by metering the Tubb-Drinkard and Fusselman

June 30, 1965

production and using the subtraction method for determining the Blinebry production for the entire C. C. Fristoe "b" NCT-2 Lease. As further amended on May 19, 1964, Order No. PC-96 granted authority to commingle the aforesaid production on basis of periodic well tests since no well was capable of producing top allowable. At the time Order No. PC-96 was issued, all pertinent production was considered as being intermediate sweet, but this changed after additional development. Therefore, Order No. PC-96 and the subsequent pertinent amendments should apply only to the intermediate sweet crudes and not necessarily to the sour crudes pertinent to the commingling permit hereby being requested. It may be noticed that there is both sour crude Blinebry production and intermediate sweet crude Blinebry production in Area III, the sour being from Well No. 6 and the intermediate being from Well No. 7.

5. The sour crude Blinebry production from the C. C. Fristoe "a" NCT-1 Lease, the sour crude Blinebry production from Area II, the sour crude Blinebry production from Area III and the sour crude production (Langlie Mattix) from Area III of the C. C. Fristoe "b" NCT-2 Lease, each shall be separately measured prior to being commingled. Measurement shall be with temperature compensated positive displacement meters and fluid samplers, all of approved kind. A diagrammatic sketch of the proposed installation is attached.

6. The amount of production to be commingled is 200 barrels per day of 36° API gravity Blinebry oil at \$2.83 per barrel and four barrels per day of 38.1° API gravity Langlie Mattix oil at \$2.89 per barrel for a total of 204 barrels per day of 36.1° API gravity mixture valued at \$2.83 per barrel for a loss of \$0.24 per day. This loss will decline to zero within a few months since the loss shall be incurred by the Langlie Mattix which soon shall be shut in due to reaching the economic primary limit.

7. Texas-New Mexico Pipe Line Company is the purchaser and a copy of this application has been furnished to them at Box 1510, Midland, Texas. Both pertinent leases are Federal lands and a copy of this application has been furnished to the United States Geological Survey at Box 1857, Roswell, New Mexico.

In view of the aforementioned, TEXACO Inc. would appreciate receiving the requested exceptions to Statewide Rules 303 (a) and 309-A.

Yours very truly,



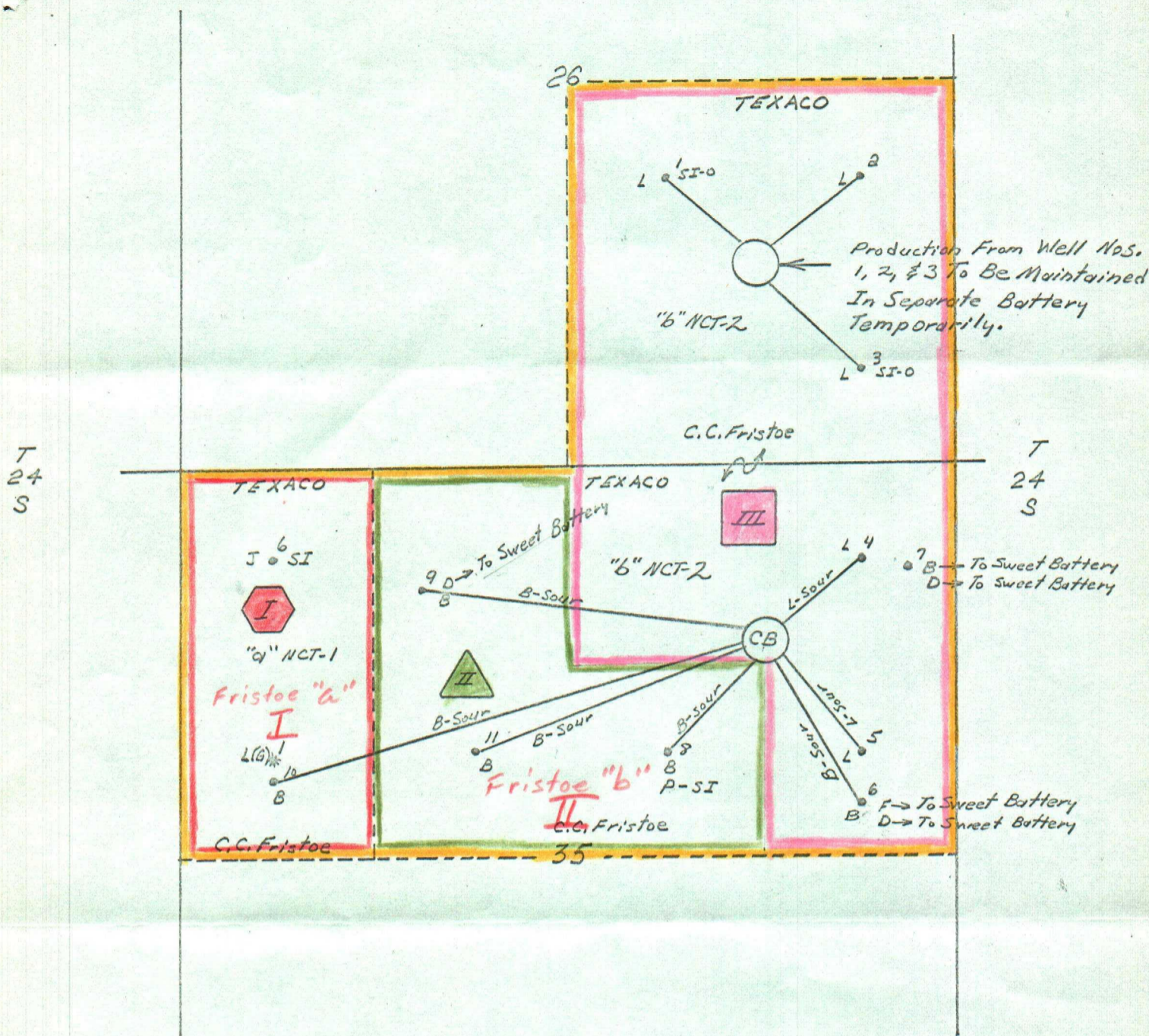
J. G. Blevins, Jr.

Assistant District Superintendent

WPY-om

cc: NMOCC-Hobbs, USGS-Roswell, Pipe Line
Attachments

R-37-E



TEXACO Inc.
Plat

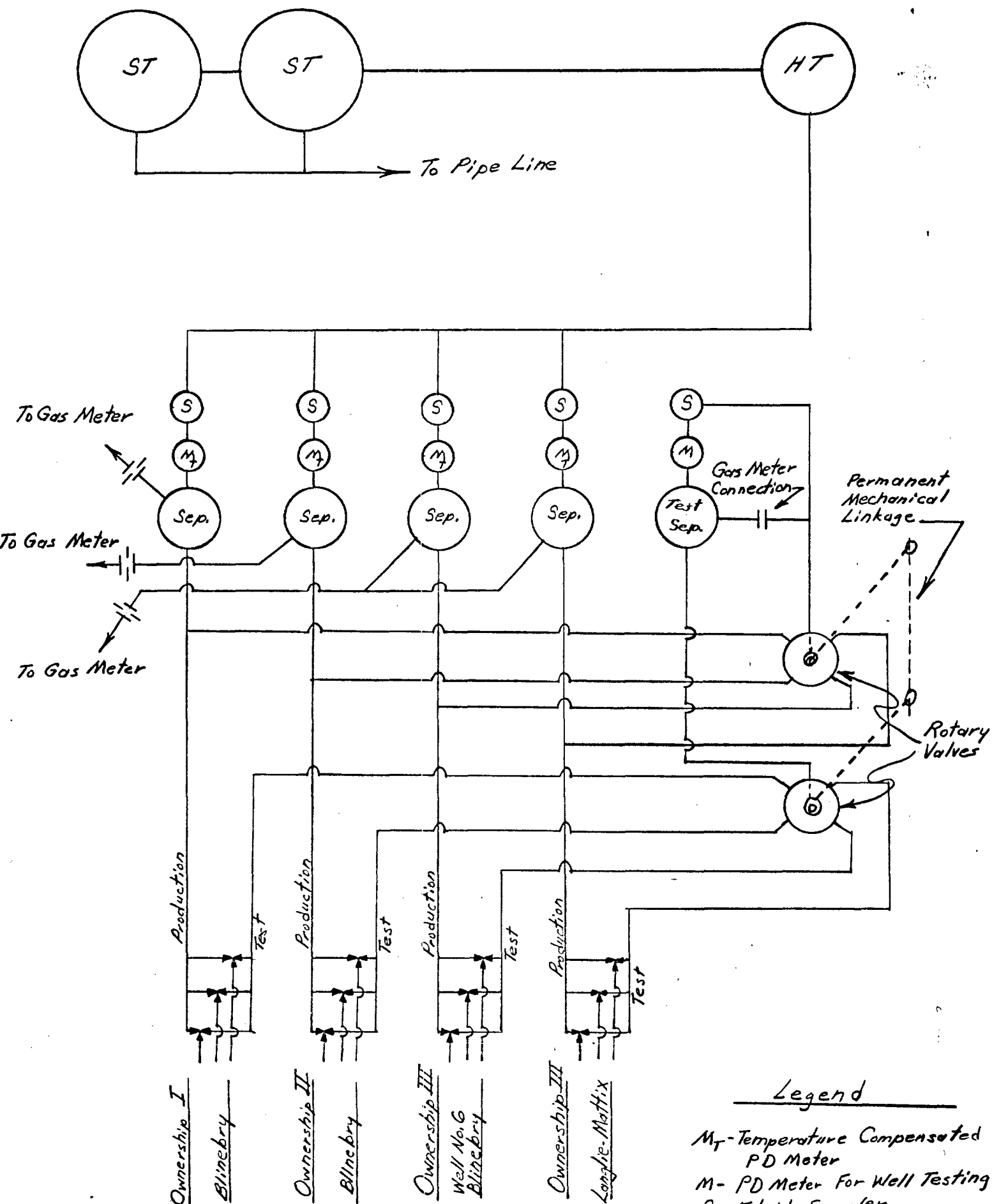
C. C. Fristoe "a" NCT-1 & "b" NCT-2 Lease
Lea County, New Mexico

Scale: 1" = 1000'

Legend

- B - Blinebry
- D - Drinkard
- F - Fusselman
- J - Jalmat Gas
- L - Langlie Mattix
- L(G) - Langlie Mattix Gas
- P - Paddock Gas
- (CB) - Commingling Battery
- I - Royalty Ownership Area I: Federal - Sliding Scale & Overriding to Others
- II - Royalty Ownership Area II: Federal - Sliding Scale
- III - Royalty Ownership Area III: Federal - 1/8 Flat Rate

TEXACO Inc.
Proposed Sour Crude Commingling Battery
C.C. Fristoe "a" NCT-1 & "b" NCT-2
Lea County, New Mexico



- Legend
- M_T - Temperature Compensated PD Meter
 - M - PD Meter For Well Testing
 - S - Fluid Sampler
 - HT - Heater Treater
 - ST - Stock Tank
 - $Sep.$ - Separator
 - \times - 3-Way Manual Valve