

CAMPBELL & BLACK, P.A.
LAWYERS

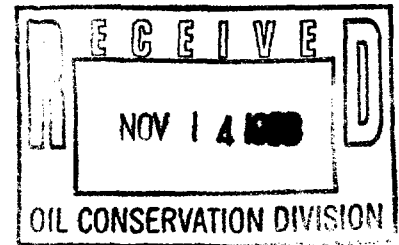
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WILLIAM F. CARR
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GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 14, 1988

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503



Case 9551

RE: In the Matter of the Application of Texaco, USA for
Surface Commingling, Lea County, New Mexico

Dear Mr. LeMay:

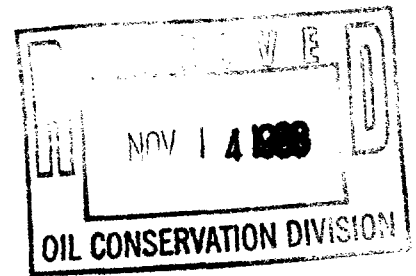
Enclosed is the Application of Texaco USA in the above-referenced case. Texaco USA respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on December 7, 1988.

Very truly yours,

J. Scott Hall
J. Scott Hall

JSH/ba
Enclosures

cc w/enclosures: Mr. Dennis Wehmeyer
Texaco USA



BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS
AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION OF
TEXACO USA FOR SURFACE COMMINGLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 9551

APPLICATION

Texaco USA, by its undersigned counsel, hereby makes application to the New Mexico Oil Conservation Division for approval to surface commingle production from the Lovington-Grayburg-San Andres and Lovington-Abo formations, under certain lands in Lea County, New Mexico. In support, applicant states:

1. Applicant operates the State "P" lease located in Section 32, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

2. Applicant seeks approval to surface commingle production from the Lovington-Grayburg San Andres and Lovington-Abo Pools produced from the three (3) wells located on the subject lease.

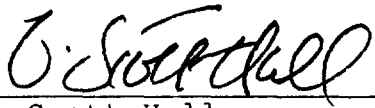
3. Granting this application will result in the increased recovery of hydrocarbons and will prevent the premature abandonment of wells.

4. Granting this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Texaco USA requests that this matter be set for hearing before a duly appointed examiner of the Oil Conservation Division on the December 7, 1988, and that after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By 

J. Scott Hall
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

ATTORNEYS FOR TEXACO USA

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

October 10, 1988

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Texaco USA
P.O. Box 728
Hobbs, New Mexico 88240

Attention: J. A. Schaffer

Re: Surface Commingling Request
State "P" Lease

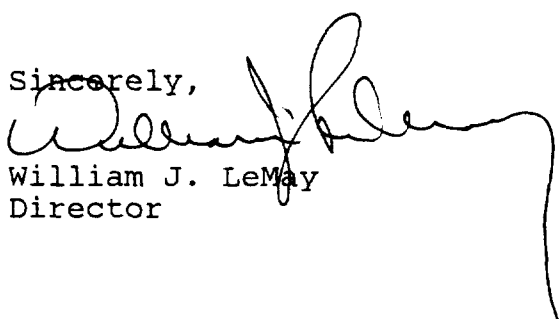
Case 9551

Dear Sir:

Reference is made to your request dated August 11, 1988, whereby you requested authorization to surface commingle Lovington-Grayburg San Andres and Lovington-Abo Pool production from your State "P" Lease located in Section 32, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico. It is our understanding however, that the ownership is not common among the two subject pools, and as such, does not qualify for administrative approval in accordance with Division Rule No. 303 (B). We may, at your request, set the application for public hearing.

As per verbal request from Mr. Dan Westover on October 6, 1988, you are hereby authorized to temporarily commingle the production as described above for a period not to exceed 60 days. If you have any questions please contact Mr. David Catanach at (505) 827-5800.

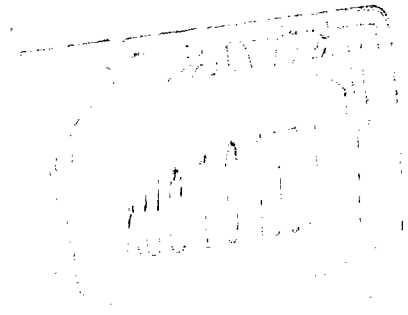
Sincerely,


William J. LeMay
Director

xc: OCD-Hobbs



ALF A



August 11, 1988

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 9551

Attention: Mr. William J. LeMay

RE: SURFACE COMMINGLING PERMIT APPLICATION
Texaco's State "P" Lease
Lovington Grayburg-San Andres and Lovington Abo Pools
Section 32, T-16-S, R-37-E
Lea County, New Mexico

Gentlemen:

Texaco respectfully requests a permit to surface commingle produced hydrocarbons from the Lovington Grayburg-San Andres and Lovington Abo pools on the subject lease. State "P" Well No. 13 was recently completed in the San Andres at a rate of 35 BOPD and 40 BWPD. It is proposed to commingle this oil at the lease battery with Abo production of 23 BOPD.

Texaco does not have the same working interest in the State "P" No. 13 and the Abo wells because several partners went non-consent in the San Andres completion. Due to the well's low initial potential, it is not economical to build a new tank battery for this production. In order to produce this well it must be commingled with Abo production at the existing battery. The State of New Mexico holds a common royalty of 12.5% in both pools on this lease.

Attached is a plat showing the location of the wells and battery on the State "P" Lease. Also attached is a schematic of the lease battery where monthly tests will be accurately measured on a per well basis. Total monthly production will then be allocated to each well utilizing the subtraction test method.

Mr. William J. LeMay

-2-

August 11, 1988

Detailed data of the oil gravities, average crude production and sales value on a per pool basis has been tabulated and is included for your approval. This application is also being sent to the Commissioner of Public Lands of the State of New Mexico for their approval.

Very truly yours,



J. A. Schaffer
District Operations Manager

LDR/PAK:JRB

Attachments

cc: Texas-New Mexico Pipeline Co.
P. O. Box 2528
Hobbs, New Mexico 88240

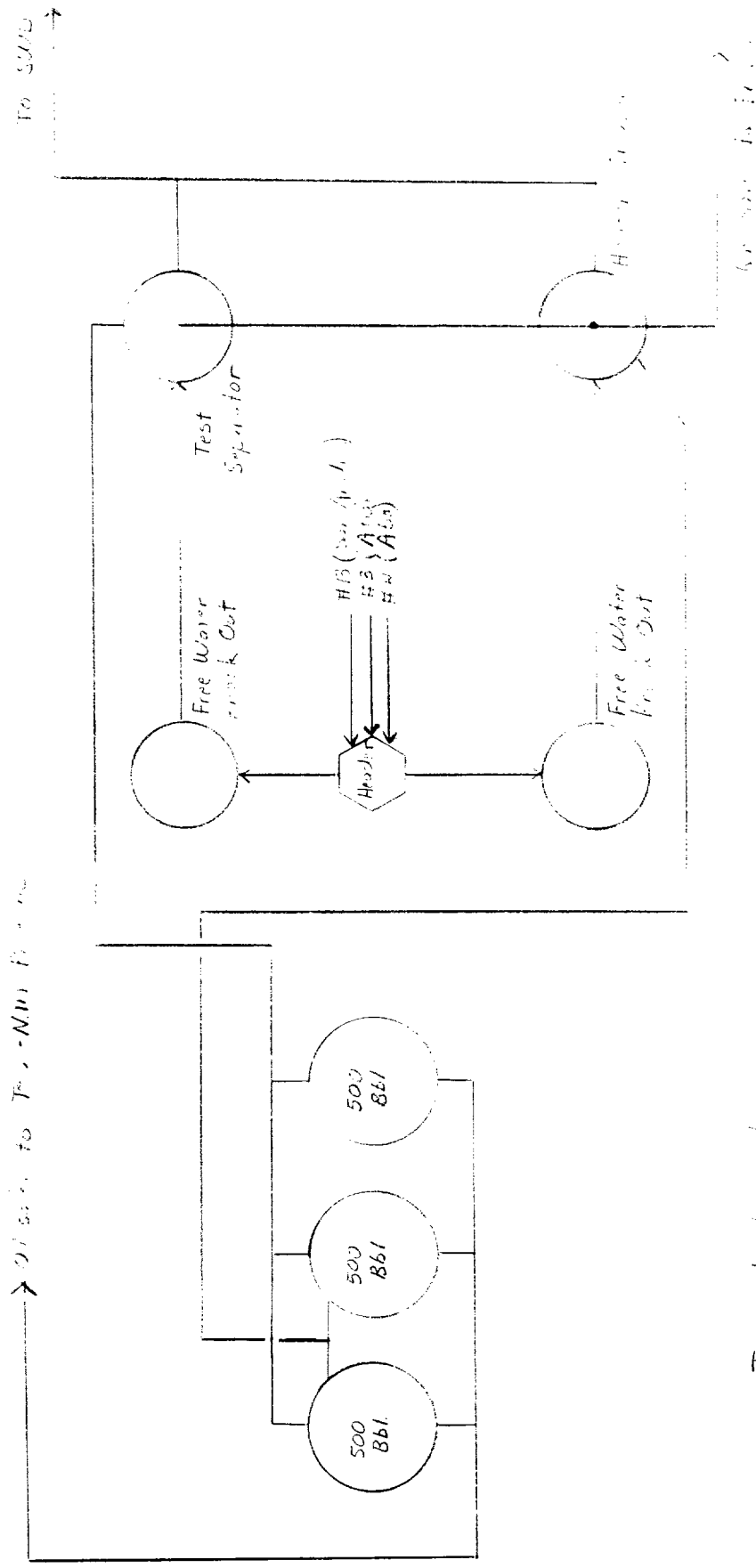
J. A. Head - Hobbs Area

NMOCD - Hobbs

SURFACE COMMINGLING PERMIT
STATE P LEASE
LEA COUNTY, NEW MEXICO

<u>Pool</u>	<u>No. of Wells</u>	<u>API Gravity</u>	<u>Ave. Prod., BOPD</u>	<u>Value, \$/BO</u>
Grayburg-San Andres	1	37.0	35	13.35
Abo	2	37.8	23	13.35
Commingled Average:		37.3	58	13.35

Note: After commingling, daily sales would be \$774
With no commingling, daily sales would be \$774



Trench to Long Inc.
 State P. Lease - Boring, Sub.
 Section 32 T16S, R31E
 Lea County, New Mexico

R 37 E



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