

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Cons. Division

811 S. 1st Street

Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135

Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir

Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well: ☒ OIL WELL ☐ GAS WELL ☐ OTHER

2. Name of Operator

TEXACO EXPLORATION & PRODUCTION INC.

3. Address and Telephone No. 205 E. Bender, HOBBS, NM 88240

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit Letter G : 1980 Feet From The NORTH Line and 1980 Feet From The

EAST Line Section 21 Township 23S Range 30E

5. Lease Designation and Serial No.

NM-0543827

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number

FORTY NINER RIDGE UNIT

9. API Well No.

30-015-21175

10. Field and Pool, Exploratory Area
FORTY NINER RIDGE DELAWARE

11. County or Parish, State

EDDY, NEW MEXICO

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ OTHER: CHG IN METHOD OF GAS SALES
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

TEPI requests permission to add only the gas production from the above well into the Remuda Basin Tank Battery. The total production from this well goes through a three phase separator at the well's location. The gas from the separator goes down a 2" line through a 2" TEPI check meter at Forty Niner Ridge Unit Battery #2. The gas then goes down a 4" line to the Remuda Basin Tank Battery located in Unit Ltr F, Sec 19, T-23-S, R-30-E. At this battery the line ties into the gas sales meter operated by Highlands Gathering & Processing. The original request to construct this battery to commingle production from federal, state, and fee wells was approved by the BLM on 5/21/96, the NMOCD on 5/22/96, and the NM State Land Office on 4/30/96. Approvals were received from the Mineral Interest Owners of Remuda Basin 19 Fee Lease (Remuda Basin 19 Fee Well #1). There is still 1 active Remuda Basin 19 Fee well, 4 active Remuda Basin State wells, & 2 active Remuda Basin 19 Federal wells producing into this battery. Each royalty interest produces into a three phase separator. The hydrocarbon streams (oil, gas) are metered before they are commingled. The meters are turbine meters with non-resettable counters and proving loops are installed so that each meter can be proven on a monthly basis. A test separator was installed to conduct monthly well tests. The State and Federal royalty interest wells utilize the same test separator. Three way valves are mechanically linked such that outgoing streams from the test vessel must return to the appropriate production vessel for metering prior to commingling. Only the Remuda Basin 19 Fee #1 well produces into the Fee separator. This well is not routed to the test separator. Pressure is regulated on the production separators by a single back pressure valve to ensure that all three vessels are operating at the same pressure. A back pressure valve was installed on the test separator. The test separator operates at a higher pressure than the production vessels in order to be able to dump back into them. Fluids from the production separators are combined in a FWKO for final treatment and separation of the two fluid phases. Fluids are dumped to the appropriate tanks. A circulating pump was installed to move water or bad oil from the tanks. The circulating pump pumps into the FWKO. Total production at the battery is allocated back to each royalty interest lease based on the production separator meters. Monthly production is then be allocated back to each well based on well tests & the amount of oil allocated back to each royalty interest lease.

Attached for the BLM's information are:

1. Map showing the lease & location of all wells that contribute production to the facility
2. Battery schematics of Forty Niner Ridge Unit #2 Tank Battery & Remuda Basin Tank Battery
3. BLM application for surface commingling & measurement approval.

SUBJECT TO
LIKE APPROVAL
BY STATE

14. I hereby certify that the foregoing is true and correct

SIGNATURE Monte C. Duncan TITLE Engr Asst

DATE 2/14/97

TYPE OR PRINT NAME Monte C. Duncan

(This space for Federal or State office use)

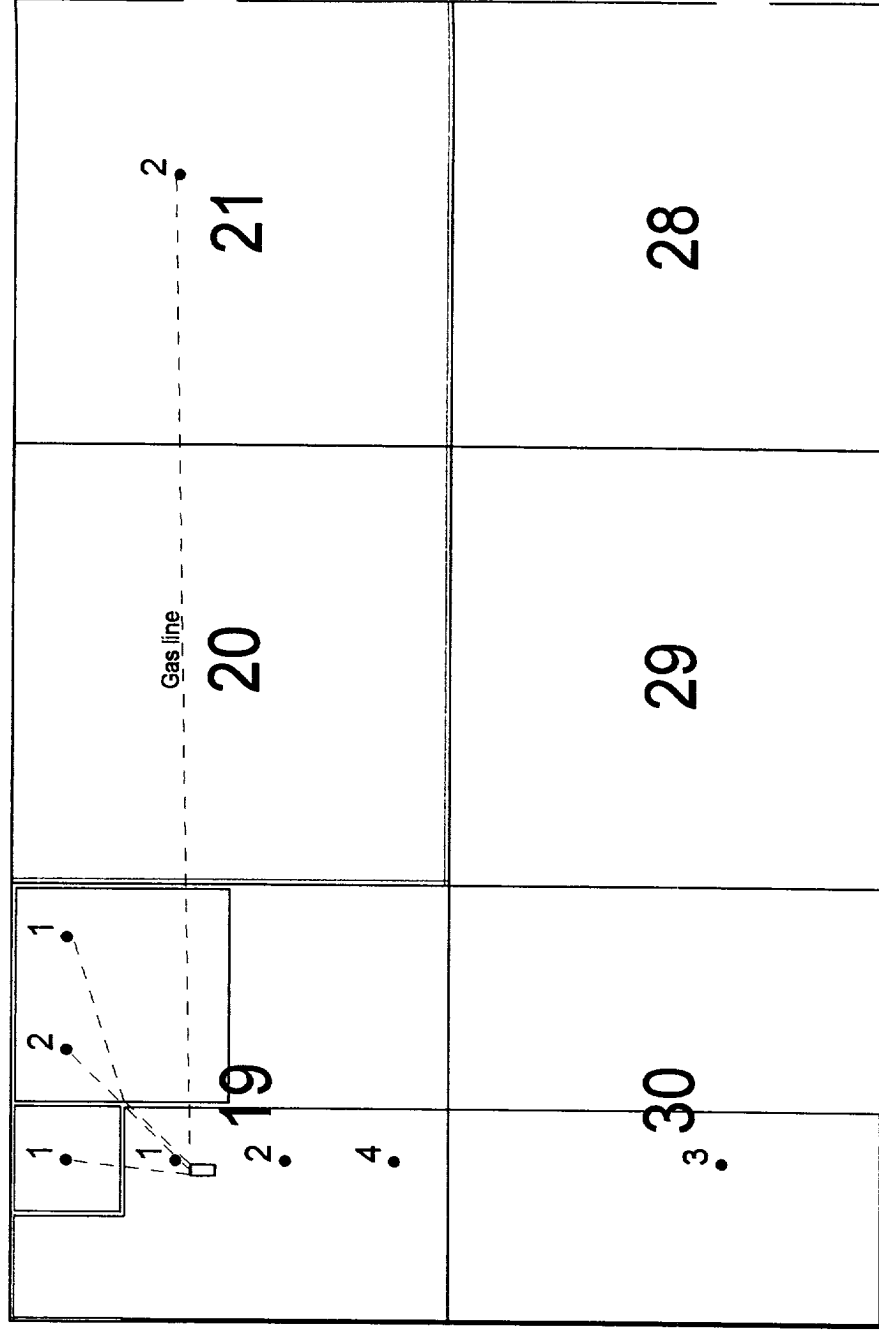
APPROVED BY (ORIG. SGD.) ALEXIS C. SWOBODA TITLE PETROLEUM ENGINEER

DATE MAR 08 1997

CONDITIONS OF APPROVAL, IF ANY:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Texaco Expl. & Prod. Inc.

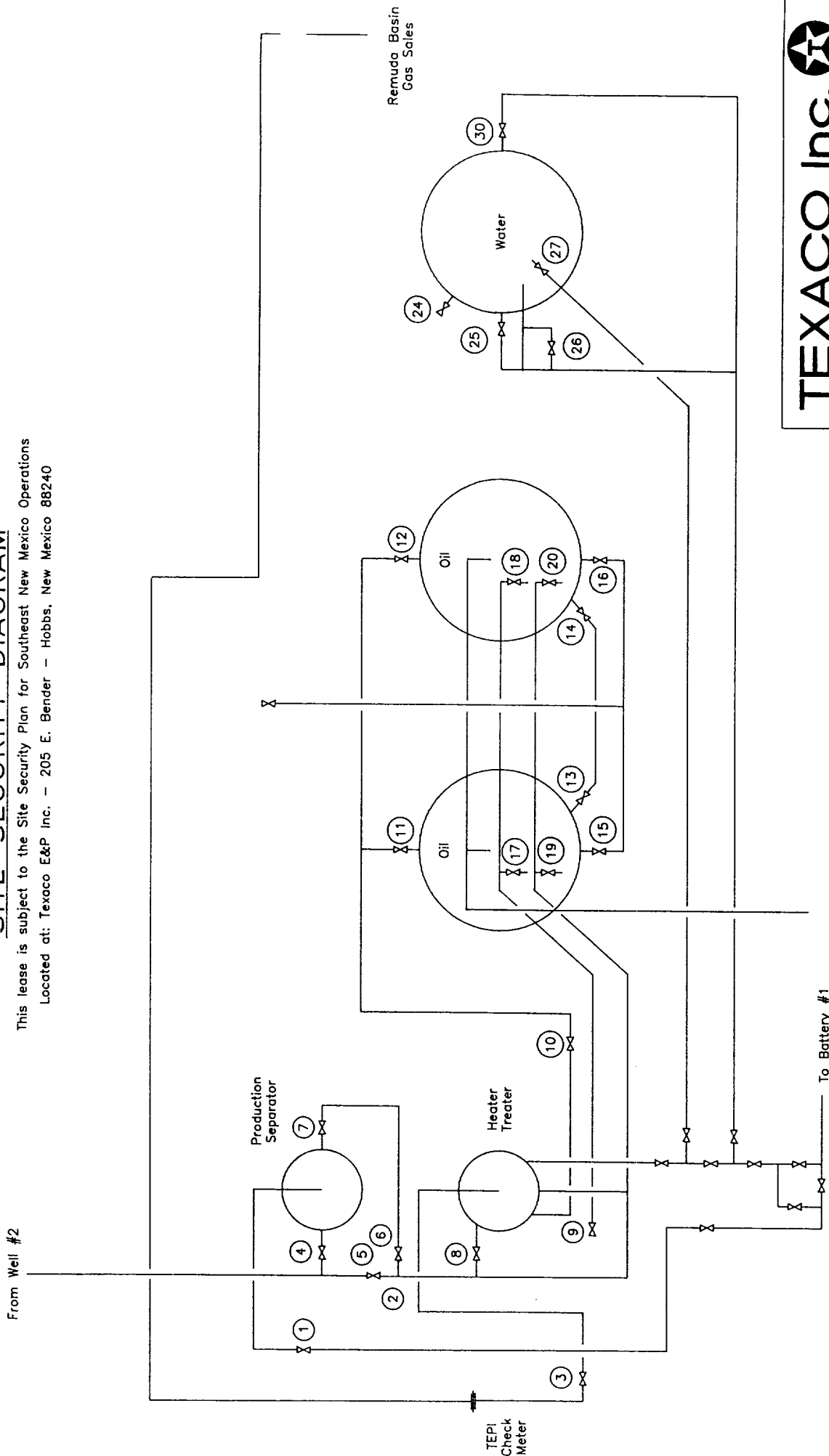


- ☐ Tank Battery
- Remuda Basin State
- Remuda Basin '19' Fee
- Remuda Basin '19' Federal
- Forty Niner Ridge Unit

T-23-S, R-30-E
Eddy County, NM

SITE SECURITY DIAGRAM

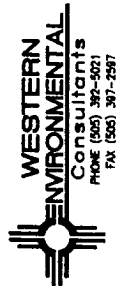
This lease is subject to the Site Security Plan for Southeast New Mexico Operations
Located at: Texaco E&P Inc. - 205 E. Bender - Hobbs, New Mexico 88240



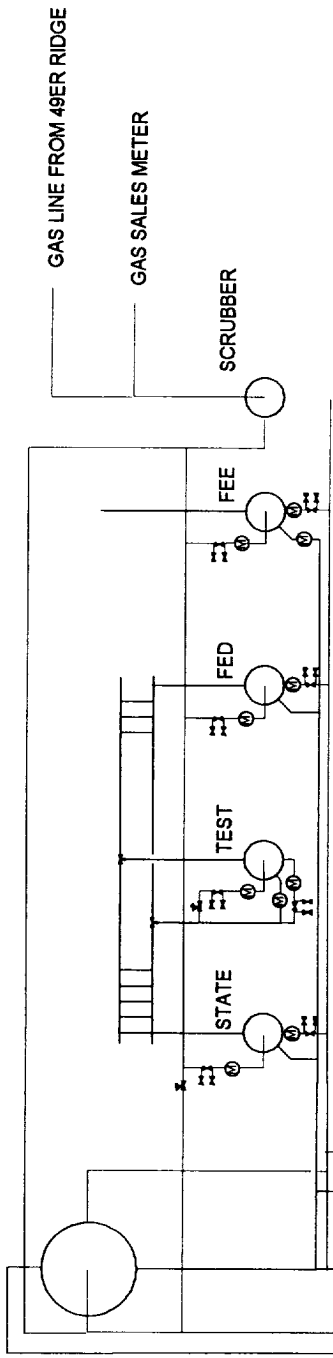
TEXACO Inc. 

Forty Niner Ridge Unit
Letter G Battery #2
BLM Lease No. NM-0543827
Sec. 21, T23S, R30E
Eddy Co., New Mexico

DATE: 1-31-97	DRAWN M.F.G.	REV. DATE 2-10-97	DIV
SCALE: NONE		JOB #	
DRAWING		OF	FILE:



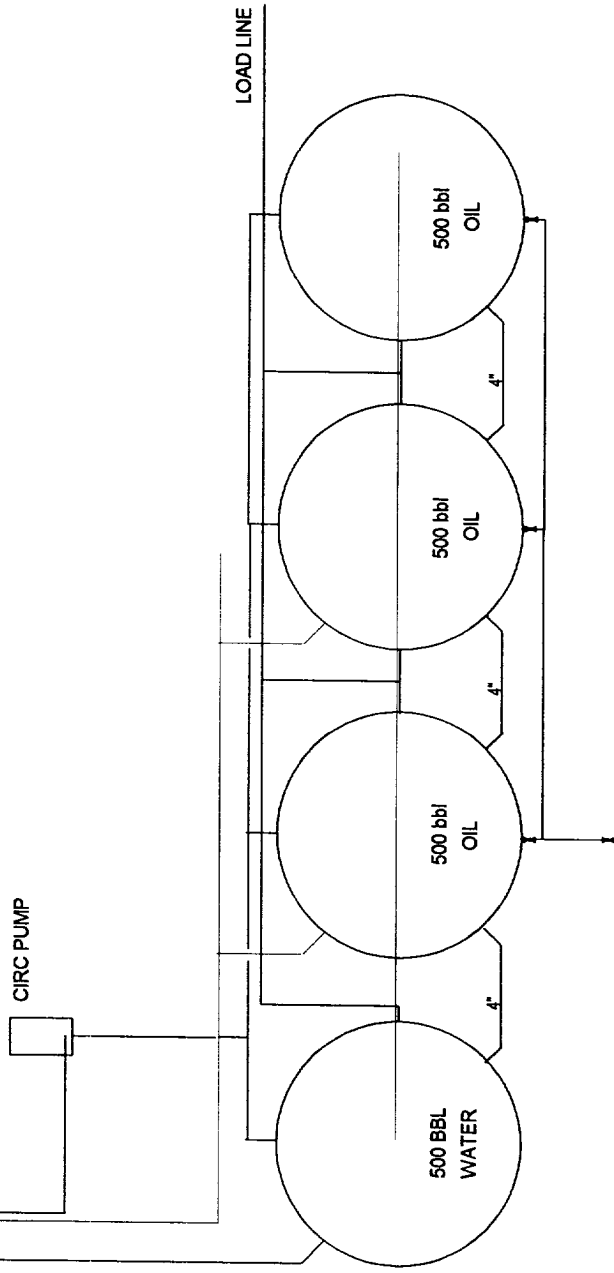
Forty Niner Ridge Unit
Letter G Well #2
BLM Lease No. NM-0543827
Sec. 21, T23S, R30E
Eddy Co., New Mexico
Well #2 into Battery #2



TEXACO EXPL AND PROD INC
 REMUDA BASIN T/B
 Sec 19, T-23-S, R-30-E
 Eddy County, New Mexico



—	Mixture	⊗	Meter
—	Gas	⌞	3-way valve
—	Water	⌞	Back pressure valve
—	Oil		



CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT

To: Bureau of Land Management
620 East Greene
Carlsbad, New Mexico 88221-1778

Texaco E & P Inc. (Operator's name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. 0543827; Lease Name: FORTY NINER RIDGE UNIT
Well

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>Forty Niner Ridge Unit #2</u> <u>(GAS ONLY)</u>	<u>G</u>	<u>21</u>	<u>23-S</u>	<u>30-E</u>	<u>Forty Niner</u> <u>Ridge Delaware</u>

with hydrocarbon production from the following formation(s) and well(s) on Federal lease No. NM-17056; Lease Name: REMUDA BASIN 19
FEDERAL

<u>Remuda Basin 19 Fed #1</u>	<u>A</u>	<u>19</u>	<u>23-S</u>	<u>30-E</u>	<u>Nash Draw-Brushy Canyon</u>
<u>Remuda Basin 19 Fed #2</u>	<u>B</u>	<u>19</u>	<u>23-S</u>	<u>30-E</u>	<u>Nash Draw-Brushy Canyon</u>

with hydrocarbon production from the following formation(s) and well(s) on Fee lease No. _____; Lease Name: REMUDA BASIN 19 FEE

Well

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>Remuda Basin 19 Fee #1</u>	<u>C</u>	<u>19</u>	<u>23-S</u>	<u>30-E</u>	<u>Nash Draw-Brushy Canyon</u>

with hydrocarbon production from the following formation(s) and well(s) on Fee lease No. B-1306; Lease Name: REMUDA BASIN STATE

Well

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>Remuda Basin State #1</u>	<u>F</u>	<u>19</u>	<u>23-S</u>	<u>30-E</u>	<u>Nash Draw-Brushy Canyon</u>
<u>Remuda Basin State #2</u>	<u>K</u>	<u>19</u>	<u>23-S</u>	<u>30-E</u>	<u>Nash Draw-Brushy Canyon</u>
<u>Remuda Basin State #3</u>	<u>K</u>	<u>30</u>	<u>23-S</u>	<u>30-E</u>	<u>Forty Niner Ridge Delaware</u>
<u>Remuda Basin State #4</u>	<u>N</u>	<u>19</u>	<u>23-S</u>	<u>30-E</u>	<u>Nash Draw-Brushy Canyon</u>

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>Choke</u>
<u>Forty Niner Ridge Unit #2</u>	<u>14</u>	<u>40.0</u>	<u>18</u>	<u>-</u>
<u>Remuda Basin 19 Fed #1</u>	<u>60</u>	<u>43.9</u>	<u>261</u>	<u>-</u>
<u>Remuda Basin 19 Fed #2</u>	<u>18</u>	<u>43.9</u>	<u>169</u>	<u>-</u>
<u>Remuda Basin 19 Fee #1</u>	<u>80</u>	<u>43.9</u>	<u>310</u>	<u>-</u>
<u>Remuda Basin State #1</u>	<u>90</u>	<u>40.8</u>	<u>370</u>	<u>-</u>
<u>Remuda Basin State #2</u>	<u>55</u>	<u>41.0</u>	<u>319</u>	<u>-</u>
<u>Remuda Basin State #3</u>	<u>61</u>	<u>42.2</u>	<u>27</u>	<u>-</u>
<u>Remuda Basin State #4</u>	<u>40</u>	<u>41.8</u>	<u>300</u>	<u>-</u>

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/ communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at Unit Ltr. F, Section 19, T-23-S, R-30-E, on lease No. B-1306, Eddy County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contribution sources is as follows:

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Remuda Basin 19 Federal wells producing into this battery. Each royalty interest produces into a three phase separator. The hydrocarbon streams (oil, gas) are metered before they are commingled. The meters are turbine meters with non-resettable counters and proving loops are be installed so that each meter can be proven on a monthly basis. A test separator was installed to conduct monthly well tests. The State and Federal royalty interest wells utilize the same test separator. Three way valves are mechanically linked such that outgoing streams from the test vessel must return to the appropriate production vessel for metering prior to commingling. Only the Remuda Basin 19 Fee #1 well produces into the Fee separator. This well is not routed to the test separator. Pressure is regulated on the production separators by a single back pressure valve to ensure that all three vessels are operating at the same pressure. A back pressure valve was installed on the test separator. The test separator operates at a higher pressure than the production vessels in order to be able to dump back into them. Fluids from the production separators are combined in a FWKO for final treatment and separation of the two fluid phases. Fluids are dumped to the appropriate tanks. A circulating pump was installed to move water or bad oil from the tanks. The circulating pump pumps into the FWKO. Total production at the battery is allocated back to each royalty interest lease based on the production separator meters. Monthly production is then be allocated back to each well based on well tests and the amount of oil allocated back to each royalty interest lease. Please see the attached diagram depicting the lease commingling facility installation. This installation is in compliance with the "Manual for the Installation and Operation of Commingling Facilities" which is published by the New Mexico Oil Conservation Division.

The working interest owners on the Remuda Basin 19 Fee #1 well have been notified of this amendment.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by

the lease instrument. And we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Additional well require additional commingling approvals.

Signature: Monte C. Duncan
Name: Monte C. Duncan
Title: Engr's Assistant
Date: February 14, 1997