

CASE 1880: Application of TEXACO INC
for permission to commingle from 2
separate pools on its V.M. Henderson
lease - Lea County.

Case No.

1880

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 28, 1960.

IN THE MATTER OF
CASE NO. 1880

TRANSCRIPT OF PROCEEDINGS

January 28, 1960.

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ALBUQUERQUE, NEW MEXICO

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I N D E XWITNESSPAGE

J. E. ROBINSON, JUNIOR

Direct Examination by Mr. White

4

QUESTIONS by Mr. Utz

8

QUESTIONS by Mr. Payne

10

QUESTIONS by Mr. Utz

11

<u>NUMBER</u>	<u>EXHIBIT</u>	<u>MARKED</u>		
		<u>FOR IDENTIFICATION</u>	<u>OFFERED</u>	<u>ADMITTED</u>
App. #1	Plat	5	12	12
" #2	Schematic Diagram	5	12	12
" #3	Production Characteristics	7	12	12

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ALBUQUERQUE, NEW MEXICO



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 28, 1960

IN THE MATTER OF:

APPLICATION OF TEXACO, INC., for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Blinebry Oil Pool and the Drinkard Pool from all wells on its V. M. Henderson lease consisting of the N/2 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE
NO. 1880

BEFORE:

Elvis Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The next case will be Number 1880.

MR. PAYNE: Case 1880. Application of Texaco, Incorporated, for permission to commingle the production from two separate pools.

MR. WHITE: Charles White, of Gilbert, White, and Gilbert, Santa Fe, New Mexico, appearing on behalf of the applicant. We have one witness, Mr. Robinson, to be sworn.

(Witness sworn.)

J. E. ROBINSON, JUNIOR

a witness, called by and on behalf of the applicant, having been duly sworn, testified as follows:

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DIRECT EXAMINATIONBY MR. WHITE:

Q Mr. Robinson, will you state your full name for the record, please?

A J. E. Robinson, Junior.

Q By whom are you employed, and in what capacity?

A Texaco Company, Incorporated, as Proration Engineer, in our Midland Division.

Q Have you previously testified before this Commission as a petroleum engineer?

A Yes, sir, I have.

Q Is the Examiner familiar with his qualifications, and if so, are they acceptable?

MR. UTZ: Yes, sir, acceptable.

Q (By Mr. White) Mr. Robinson, are you familiar with the Texaco Company's V. M. Henderson lease?

A Yes, sir, I am.

Q Will you briefly state what the Texaco Company seeks to accomplish by this application?

A The Texaco Company proposes to commingle the Blinbry production from Well Number 2, and the Drinkard production from Well Number 3, and from any wells that may be completed in these reservoirs on the lease in the future.

Q Is Texaco the owner and operator of this lease?

A Yes, sir, they are.

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Q Are the royalty interests common throughout?

A Yes, sir.

Q And how about the working interests?

A The working interests are common also.

Q Will you refer to what has been marked as Exhibit Number 1 on the Plat, and explain that, please?

A Exhibit Number 1 is a plat of the area, with Texaco Company's V. M. Henderson lease outlined in yellow, which is located in the North half of Section 30, Township 21 South, Range 37 East, Lea County. Presently, there are five wells on the lease. We have recently completed our Henderson Number 2 as a Blinebry oil well. Well Number 1 is a Penrose-Skelly well; Well Number 2, a Blinebry; Number 3 is a Drinkard well; Number 4 is a Eumont gas well; and Number 5 is a Penrose-Skelly, and a Paddock well.

Presently, we have three tank batteries serving the Penrose-Skelly, Paddock and Drinkard formations. To eliminate the need of installing an additional tank battery to serve the Blinebry production, we propose to commingle the Drinkard from Well Number 3, and the Blinebry from Well Number 2.

Q Does this plat also show the offset operators?

A Yes, sir, it shows the offset operators, their addresses, and the pools that the wells are completed in.

Q Now, will you refer to Exhibit Number 2, and explain that, please?

A Exhibit Number 2 is a schematic diagram, showing the



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commingling installation. The Drinkard will come into a separator, where the free gas will be taken off of the separator, the liquid production will go on downstream, where it will pass through a positive displacement meter with a snap acting pilot to be measured and go on downstream. The Blinebry, as shown in the red marking, will pass through a separator, where the free gas will be taken off, and it will be tied in with the gas coming from the Drinkard zone. We do not have a gas market now for this gas, and we will flare it until such time as we can acquire a market for the gas. The liquid production will be going on downstream where it will also pass through an identical positive displacement meter with a snap acting pilot, and go on downstream where it will be tied in with the liquid production from the Drinkard, and go into a conventional tank battery consisting of two 500-barrel stock tanks.

The Blinebry has a flowing tube pressure of 1300 pounds, and the Drinkard has a flowing pressure of 125 pounds.

MR. UTZ: Three hundred on Blinebry?

A Thirteen hundred on Blinebry.

Q (By Mr. White) What type crudes are these, sweet or sour?

A These are intermediate sweet crudes.

Q Have you have any corrosive problems?

A No, sir, we have not. However, our positive displacement meters will be corrosive resistant meters.

Q Mr. Robinson, will you now give the crude character-



istics, and in so doing, refer to what has been marked as Exhibit Number 3?

A Exhibit Number 3 is a -- shows the production characteristics of the Blinebry zone, which is producing from Well Number 2, and the Drinkard zone which is producing from Well Number 3. Both of these crudes are intermediate sweet crudes.

The Blinebry has a gas-oil ratio of 28,583 to 1. It has a gravity of 38.8 degrees, corrected to 60 degrees. The bottom hole pressure on this zone has not been taken.

The Drinkard zone has an intermediate sweet crude, with a gas-oil ratio of 5,430, with a gravity of 36 degrees, and a bottom hole pressure of 94.9 PSI.

The commingling status, the Blinebry zone, metered separately, it is a penalized well due to a high gas-oil ratio, and it has a present allowable of 11 barrels of oil per day, with a gravity of 38. degrees. The price per barrel of this type of crude is \$2.97 a barrel, for a revenue of \$32.67 a day.

The Drinkard well is a marginal well, where it only produces five barrels of oil a day, with no water. It has a gravity of 36 degrees, and a price per barrel of two-ninety-three, or a revenue of \$14.65.

So, by producing these two reservoirs separately, we have a revenue of \$47.32 a day; by commingling, we will have a composite allowable of 16 barrels a day, a composite gravity of 38 degrees, for a price per barrel of two-ninety-seven, and the revenue of

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\$47.52; or, we stand to gain approximately 20 cents a day by commingling.

Q In your opinion, will this installation bring about a more economical operations of this lease?

A Yes, sir, it will. From initial investment alone, we can show quite an economic savings by commingling rather than putting in an additional conventional tank battery.

MR. WHITE: That's all the questions we have on direct examination.

QUESTIONS BY MR. UTZ:

Q Mr. Robinson, how much gas do you believe will be flared a day?

A The Blinebry zone has a top allowable of 50 barrels a day, and a gas-oil ratio limit of 6,000 to 1. The Blinebry zone will produce approximately 300 MCF a day, which will be vented. The Drinkard would only flare approximately 10 MCF a day.

Q So that, that -- how much would that total?

A Well, that would be about 310 MCF a day.

Q What would the drawing price of that gas be?

A I believe we could possibly negotiate contracts for 11 to 13 cents.

Q So you have got around \$35.00 worth of gas a day that you are flaring, is that right?

A That's correct, yes, sir.

Q And what do I understand the productivity of these



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two wells is, 11 barrels in the Blinebry and 5 barrels in the Drinkard?

A That's correct.

Q So your oil is only worth around forty-five to fifty dollars a day, is that right?

A Yes, sir, forty-seven fifty-two.

Q How far is it from the pipeline in this area?

A From a gas line?

Q Yes, sir.

A I'm sorry, Mr. Utz, I don't know. I could find out for you, and let you know, but I don't know just what the availability there of a gas line is. I don't know that there's any gas lines in the area. Well, of course, the Eumont gas would have a connection there, but the line would probably be a high pressure line, and they would not be able to take this gas without having some type of a booster or compressor to buck the line pressure.

Q The line pressure in that area would probably be somewhere around 500 pounds?

A I would imagine that it would probably be somewhere in that neighborhood; at least, in a range higher than what we would be able to take care of gas from these zones.

Q Do you intend to complete more wells on this lease, than the Blinebry and Drinkard?

A Not at this time, we do not.

Q How about your Penrose-Skelly well completed in the



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Paddock, are you flaring gas from it?

A Yes, sir, we are.

Q How much gas will you be flaring from it?

A I don't have those figures available at this time.

Q I wonder if you would supply the Commission with those?

A I certainly will.

QUESTIONS BY MR. PAYNE:

Q Mr. Robinson, your application states that the gravity of the Blinebry is 42.5, and that the Drinkard is 37. How do you account for the discrepancy between your application and Exhibit 3?

A The application was turned in prior to us completing our Number 2 Well.

Q I see.

A And, the gravity shown on the exhibit is the gravity from the crude after the well was completed.

Q Now, as the production decreases from one of those zones more rapidly than the other, the gravity in the commingled fluids would change from the 38, is that right?

A Yes, sir, they could.

Q But at the present time, at least, the value of the commingled crude is worth more than the sum of the prices for the two separate pools?

A Yes, sir, that's right.

Q That means that the State is getting more severance



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tax --

A That's correct.

Q -- since the severance tax is paid on the production in the tank battery?

A That's right.

Q Now, you are flaring the gas now?

A That's right.

Q So whether you commingle, or whether you don't commingle, it doesn't solve the gas flaring problem?

A That's correct.

MR. PAYNE: Thank you.

QUESTIONS BY MR. UTZ:

Q Did you say 1300 pounds on the Blinebry flow line?

A No, sir, the tubing pressure.

Q That's the flowing tubing pressure?

A Yes.

Q Hundred twenty-five flowing tubing pressure --

A On the Drinkard.

Q I need a little clarification. What is a "snap acting pilot"?

A To provide for the proper flow through a meter, to enable you to get accurate measurement, a meter of this type, we will be using a meter that is rated between 15 and 60 gallons per minute. If you didn't have this snap acting pilot control valve on there, as your separator dumped, and as it would be



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completing the dump, there would be a point in there where you would be getting a flow through the meter less than 15 barrels per minute. With this snap acting control valve on there, it works on a pressure device, and when the flow starts diminishing, it will snap and give an immediate shut-off, thereby eliminating any small flows through your positive displacement meter.

MR. UTZ: Any other questions?

Q (By Mr. Utz) What kind of crude is coming from the Paddock?

A The Paddock in some areas is sour. I don't know if it would be an intermediate sweet, or sour.

Q You are taking it separately?

A That is correct, yes, sir.

MR. UTZ: The witness may be excused.

(Witness excused.)

MR. UTZ: Did you offer your exhibits?

MR. WHITE: At this time, I would like to offer all the exhibits. Were these prepared by you, or under your supervision?

A Yes, sir.

MR. UTZ: Without objection, they will be entered into the record. Any other statements to be made in the case? The case will be taken under advisement.



STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

I, THOMAS T. TOMKO, Court Reporter, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand this 29th day of January, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Thomas T. Tomko
 Thomas T. Tomko, Court Reporter.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1582, heard by me on 2-10-1960.
Elmer H. [Signature] Examiner
 New Mexico Oil Conservation Commission

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1890
Order No. R-1398

APPLICATION OF TEXACO INC. FOR
PERMISSION TO COMINGLE THE
PRODUCTION FROM TWO SEPARATE
POOLS IN LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 27, 1960, at Santa Fe, New Mexico, before Elvin A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 8th day of February, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvin A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant is the owner and operator of the V. M. Henderson Lease comprising the N/2 of Section 30, Township 21 South, Range 37 East, BHPM, Lea County, New Mexico.
- (3) That the applicant proposes to commingle the Drinkard and Blinabry production from all wells presently drilled or hereafter completed on the said lease after separately metering the production from each pool.
- (4) That approval of the subject application will neither cause waste nor impair correlative rights, provided adequate treating, testing, and storage facilities are installed.

IT IS THEREFORE ORDERED:

- (1) That the applicant be and the same is hereby authorized to commingle the Drinkard and Blinabry production from all wells

-2-

Case No. 1880
Order No. R-1598

presently drilled or hereafter completed on the V. M. Henderson Lease comprising the N/2 of Section 30, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the production from each pool shall be separately metered prior to commingling, using corrosion-resistant meters.

(2) That all meters shall be operated and maintained in such a manner as to ensure an accurate measurement of production at all times.

That all meters shall be checked for accuracy at intervals not to exceed one month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

(3) That the applicant shall install adequate testing facilities to permit the testing of all wells now or hereafter completed on the above-described lease at least once each month to determine the individual production from each well.

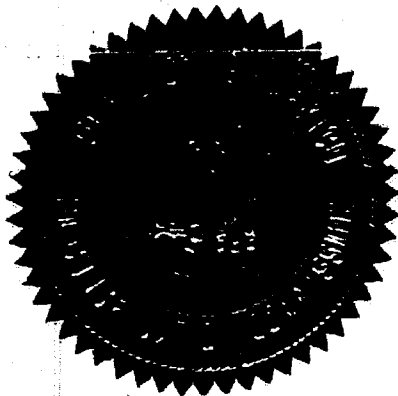
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



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DOCKET: EXAMINER HEARING JANUARY 27, 1960OIL CONSERVATION COMMISSION - 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director:

- CASE 1866: Application of British-American Oil Producing Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its West Bisti-Lower Gallup Sand Unit Agreement, which Unit is to comprise 14,331 acres, more or less, in Townships 25 and 26 North, Ranges 13 and 14 West, San Juan County, New Mexico.
- CASE 1867: Application of British-American Oil Producing Company for a pressure maintenance project in the Bisti-Lower Gallup Oil Pool and promulgation of special rules in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing a pressure maintenance project in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, by the injection of water into the Lower Gallup formation through 17 wells. Applicant further proposes that special rules be adopted governing said project including the transfer of allowables from injection and shut-in wells to producing wells in the project and for establishment of an administrative procedure to convert additional wells to injection.
- CASE 1868: Application of Hamilton Dome Oil Company, Ltd. for permission to commingle the production from three separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Drinkard Pool, the Justis-Fusselman Pool and an undesignated Tubb pool from wells on a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1869: Application of Newmont Oil Company for approval to convert five additional wells in the Loco Hills Pool to water injection. Applicant, in the above-styled cause, seeks an order authorizing it to convert to water injection five additional wells in its water flood project in the Loco Hills Pool, Eddy County, New Mexico. Said wells are the Brigham Well No. 1-A, Yates Well No. 4, Yates A Well No. 10, Yates A Well No. 12, and Coppedge Well No. 2, located respectively in the SE/4 SE/4 of Section 31, Township 17 South, Range 30 East, NE/4 SW/4 of Section 6, SW/4 SW/4 of Section 6, NE/4 NE/4 of Section 6, and NW/4 NW/4 of Section 5, all in Township 18 South, Range 30 East.

CASE 1870:

Application of Newmont Oil Company for permission to install four separate automatic custody transfer systems. Applicant, in the above-styled cause, seeks an order authorizing it to install a separate automatic custody transfer system on each of four leases in applicant's water flood project in the Loco Hills Pool, Eddy County, New Mexico.

CASE 1871:

Application of Union Oil Company of California for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its North Anderson Ranch Unit Agreement, which Unit is to comprise 360 acres, more or less, consisting of portions of Sections 32 and 33, Township 15 South, Range 32 East, Lea County, New Mexico.

CASE 1872:

Application of Gulf Oil Corporation for authority to commingle the production from four separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the production from the following four separate leases and to install an automatic custody transfer system to handle the Pearl-Queen Pool production from all wells located thereon:

Lea-State "AP" lease, E/2 of Section 30;
Lea-State "AQ" lease, N/2 of Section 32;
Lea-State "BG" lease, N/2 of Section 33;
Lea-State "IH" lease, W/2 SW/4 and W/2 SE/4
of Section 29,

all in Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 1873:

Application of The Atlantic Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Langlie Federal "A" Well No. 1, located in Unit H, Section 14, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinbry Pool and the production of oil from an undesignated Tubb pool through parallel strings of tubing.

CASE 1874:

Application of Val R. Reese & Associates, Inc., for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lybrook Well No. 1-19, located in Unit C, Section 19, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner

as to permit the production of gas from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing.

CASE 1875:

Application of Continental Oil Company for a non-standard gas proration unit and for an order force-pooling the interests therein. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of lots 6, 10, 11, and 12 of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to Shell Oil Company's Taylor-Glenn Well No. 1, located 3226 feet from the North line and 1980 feet from the West line of said Section 3. Applicant further seeks an order force-pooling the interests of those in said non-standard gas proration unit who have gas rights within the vertical limits of the Blinebry Gas Pool, including M. F. Taylor, P. O. Box 574, Amarillo, Texas, and R. B. Glenn, P. O. Box 461, Amarillo, Texas.

CASE 1876:

Application of Continental Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Weir (Drinkard) Oil Pool and Weir-Tubb Gas Pool from all wells on its Britt B-15 lease consisting of the W/2 and the W/2 E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1877:

Application of Continental Oil Company for permission to install an automatic custody transfer system and for permission to produce more than 16 wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from all Skaggs Pool oil wells on its Southeast Monument Unit comprising lands located in Township 20 South, Ranges 37 and 38 East, Lea County, New Mexico.

CASE 1878:

Application of Continental Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Weir (Drinkard) Oil Pool and the Weir-Tubb Gas Pool from all wells on that portion of the Southeast Monument Unit consisting of the W/2 W/2 of Section 14 and the E/2 E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1879:

Application of Amerada Petroleum Corporation for a gas-oil dual completion and for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State EM "A" Well No. 2, located 660 feet from the South and West lines of Section 22, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eumont Gas Pool through the casing-tubing annulus and the tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SW/4 of said Section 22 to be dedicated to the said State EM "A" Well No. 2.

CASE 1880:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Blinebry Oil Pool and the Drinkard Pool from all wells on its V. M. Henderson lease consisting of the N/2 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1881:

Application of Texaco Inc. for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of automatic custody transfer facilities to handle the Crossroads-Devonian Pool production from the U. D. Sawyer lease comprising the E/2 of Section 34, Township 9 South, Range 36 East, Lea County, New Mexico.

CASE 1882:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Tubb Pool and the Blinebry Oil Pool from all wells located on its Mittie Weatherly lease comprising the NW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1883:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Culwin (Queen) Pool and the Culwin-Yates Pool from all wells located on its Federal Lease comprising the NE/4, E/2 NW/4, N/2 SE/4 and the NE/4 SW/4 of Section 6, Township 19 South, Range 31 East, Eddy County, New Mexico.

CASE 1842:

(Continued)

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on its Baker "A" lease comprising the NW/4 of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1884:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on that portion of the J. V. Baker lease comprising the SE/4 SW/4 of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1885:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Drinkard Pool and the Tubb Gas Pool from all wells on its State "K" lease comprising the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1886:

Application of E. P. Campbell for an exception to Rule 107 (e) of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) in order to recompleat his No. 1 Cleveland Well, located in NW/4 NE/4 of Section 33, Township 18 South, Range 26 East, Eddy County, New Mexico, as a "slim-hole" completion in the Pennsylvanian formation at a depth greater than 5000 feet.

CASE 1887:

Application of Monsanto Chemical Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks an exception to February 15, 1960, to the "no-flare" provision of Order R-1427 for five wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

CASE 1888:

Application of C. W. Trainer for off-lease storage of oil production. Applicant, in the above-styled cause, seeks permission to store the Pearl-Queen Oil Pool production from his Rushing lease, consisting of the W/2 NE/4 of Section 22, Township 19 South, Range 35 East, Lea County, New Mexico, in a tank battery located on his Signal State lease, consisting of the E/2 NW/4 of said Section 22.

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GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

*Revised
Mailed
1-18-66
JH*

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
TEXACO INC. FOR AN EXCEPTION TO OCC
RULE 303 TO PERMIT THE COMINGLING OF
CRUDE OIL PRODUCTION FROM THE BLINEBRY
OIL POOL AND FROM THE DRINKARD OIL POOL
ON APPLICANT'S V. M. HENDERSON LEASE.

CASE No. 1880

A P P L I C A T I O N

Comes now Texaco Inc. and respectfully states:

1. That it is the owner and operator of its V. M. Henderson Lease comprising the N $\frac{1}{2}$ of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico.
2. That the royalty and working interests are common throughout the subject lease.
3. Applicant is in the process of completing its V. M. Henderson Well No. 2 located in Unit A on said lease as a Blinebry oil producer.
4. Also located on the lease are V. M. Henderson Well No. 2, which produces from the Penrose-Skelly Pool; Well No. 3, which produces from the Drinkard; and Well No. 5, a dual completion, which produces from the Penrose-Skelly Pool and Drinkard Pool.
5. Attached hereto marked EXHIBIT "A" and made a part hereof by reference is a plat showing the location of Applicant's V. M. Henderson lease, the subject wells, and the location of all known off-set operators together with their names and addresses.
6. Applicant proposes to comingle the Blinebry production from its Well No. 2 with the Drinkard production into common storage on the lease.
7. The gravity of the Blinebry crude is approximately 42.5° API and the Drinkard production is approximately 37° API and both crudes are classified as intermediate sweet.
8. Corrosive resistant and positive displacement meters and equip-

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

1 ment will be installed to accurately measure the production from each
2 reservoir prior to comingling.

3 WHEREFORE, Applicant prays that this Application be set for hearing;
4 that due notice be given as required by law; and that upon the evidence ad-
5 duced the Commission issue its Order permitting Applicant to comingle its
6 production as herein requested.

7 TEXACO INC.

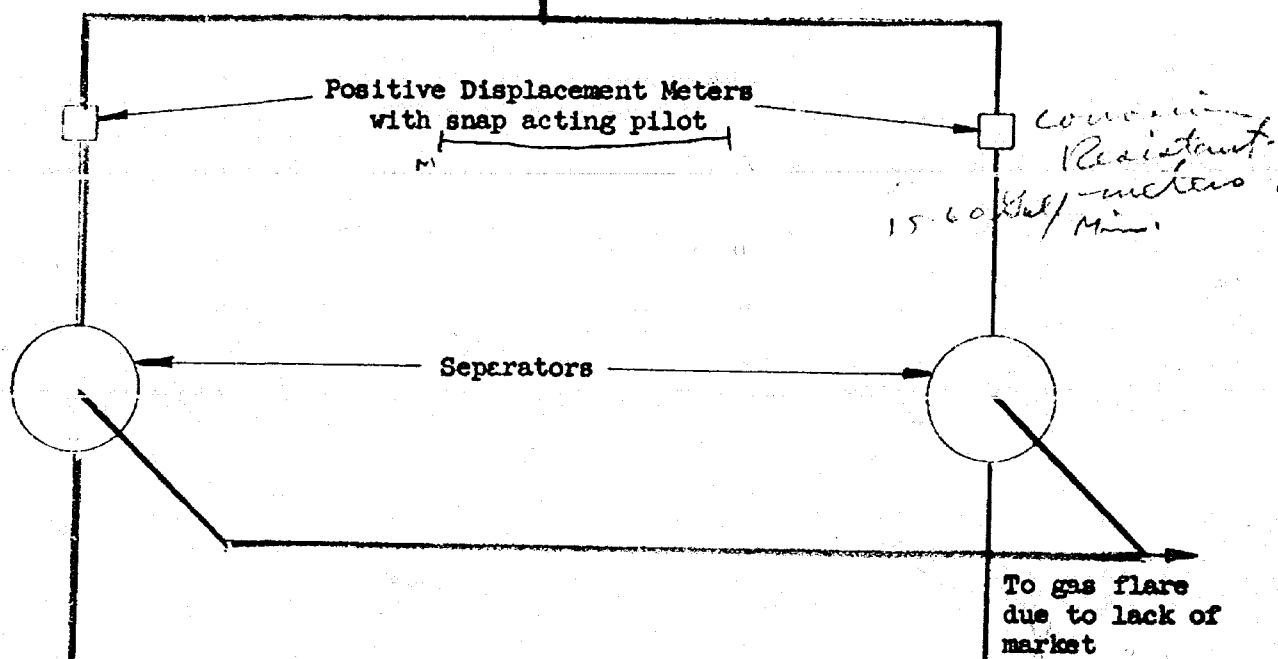
8 BY GILBERT, WHITE AND GILBERT

9
10 By *Paul S. P.*
11 Applicant's Attorneys
12 P. O. Box 787
13 Santa Fe, New Mexico
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29 (Our File #8048)

2 Hi-500 bbl. stock tanks

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 1880



Drinkard Flow Line

125# tubing pressure

Blinebry (Oil) Flow Line

1300# tubing pressure

SCHEMATIC DIAGRAM COMINGLING INSTALLATION

BLINEBRY (OIL) AND DRINKARD POOLS

TEXACO Inc., V. M. HENDERSON LEASE
SEC. 30, T-21-S, R-37-E
LEA COUNTY, NEW MEXICO

TEXACO Inc.
V. M. Henderson Lease
2 (Blinbry Oil) Well No. 3 (Drinkard)
Section 30, T-21-S, R-37-E
Lea County, New Mexico

PRODUCTION CHARACTERISTICS

<u>Item</u>	<u>Blinebry Zone</u>	<u>Drinkard Zone</u>
Type of Crude	Intermediate Sweet	Intermediate Sweet
GOR (ft.3/bbl.)	28,583	5,430
Gravity (°API)	38.8	36
BHP (psi)	*	949
* Not taken		

COMPILING STATISTICS

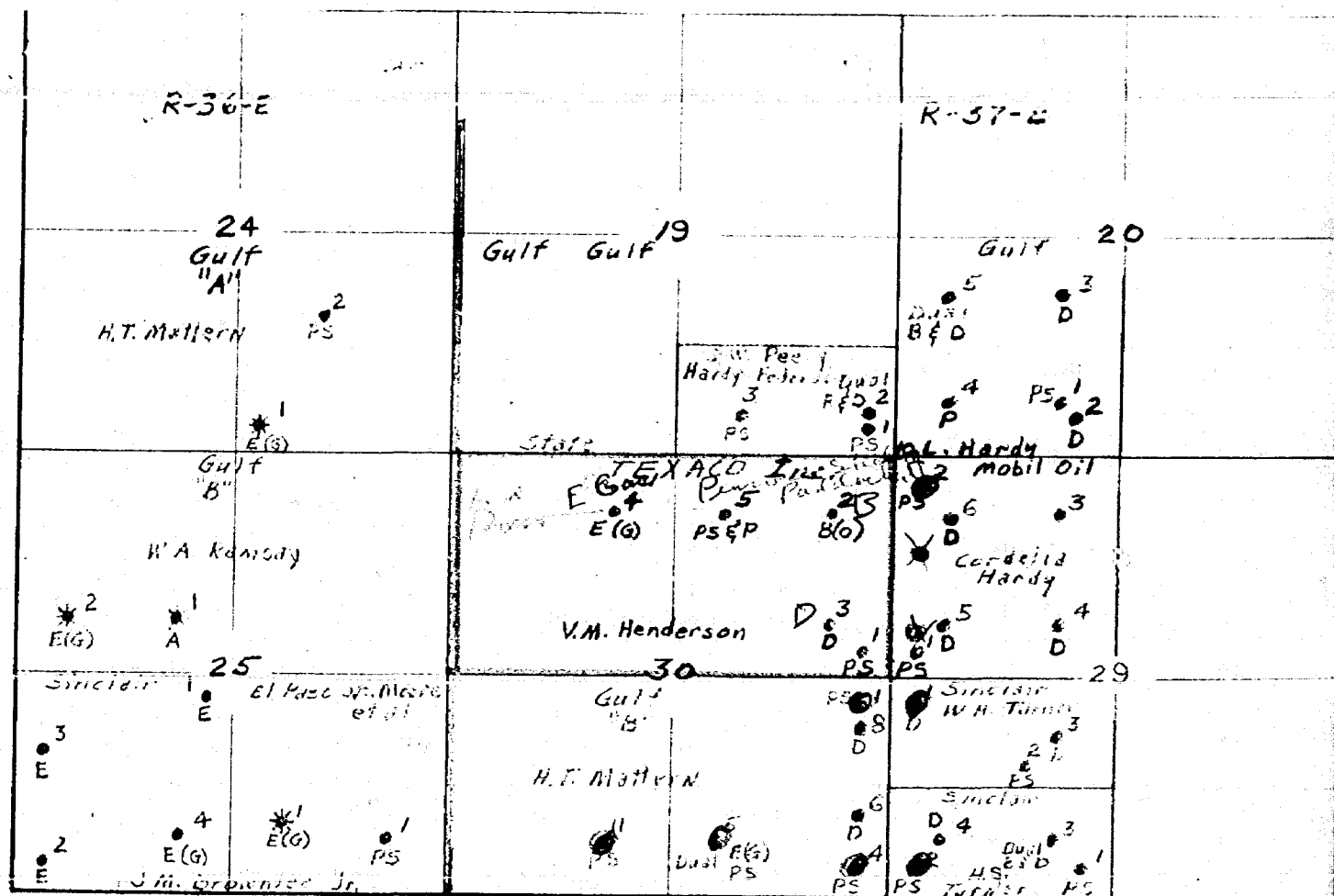
<u>Zone</u>	<u>Productivity (BOPD)</u>	<u>Gravity (°API)</u>	<u>Price Per Barrel</u>	<u>Revenue Per Day</u>
Blinebry (Oil)	11	38.8	\$2.97	\$32.67
Drinkard	5	36.0	\$2.93	<u>\$14.65</u>
				\$47.32
Blinebry-Drinkard	16	38.0	\$2.97	\$47.52

$$\begin{array}{r} 28,583 \\ 25583 \\ \hline 31448 \\ 27150 \\ \hline 341956 \\ 1100 \\ \hline 34100 \end{array}$$

6000
50 50
30,000
3100 ~~11~~ 35

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 1880

$$\begin{array}{r} 11 \\ 3 \\ \hline 33 \\ 15 \\ \hline 48 \end{array} \quad \begin{array}{r} 5 \\ 3 \\ \hline 15 \end{array}$$



Scale: 1" = 2000'

LEGEND

A—Arrowhead
D—Drinkard
E—Eumont Oil
E(G)—Eumont Gas
PS—Penrose Skelly
B—Blinebry Gas
P—Paddock
B(O)—Blinebry Oil Pool

OFFSET OPERATORS

Gulf Oil Corp.—Box 669—Roswell, New Mexico
Magnolia Pet. Co.—Box 2406—Hobbs, New Mexico
Sinclair O&G Co.—520 E. Broadway—Hobbs, N.M.
J.W. Peery—Box 655—Odessa, Texas
J.H. Moore—1000 Green Acres Drive—Hobbs, N.M.

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 1880

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-29-60

CASE 1880

Hearing Date 1-27-60

My recommendations for an order in the above numbered cases are as follows:

1. Grant Texaco, Inc.'s application to commingle Kinkaid oil with Blinby oil on their V. M. Henderson lease consisting of
215 - 37 E
Sec. 30 N/2
2. Royalty & Working interests are common.
3. Each Pool shall be metered before commingling.
4. Meters shall be tested every 30 days.
5. Corrosion resistant meters shall be used.

Thos. A. [Signature]

Staff Member

TEXACO
INC.

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION



P. O. BOX 5100
MIDLAND, TEXAS

February 3, 1960

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

Attn: Mr. Elvis A. Utz

Gentlemen:

Case No. 1880, the application of Texaco Inc. to commingle the production from the Blinebry Oil Pool and Drinkard Pool on its V. M. Henderson Lease, comprising the E/2 of Section 34, T-9-S, R-36-E, Lea County, New Mexico, was heard on January 28, 1960. During the testimony in this case, the undersigned was requested by Mr. Utz, the Examiner, to supply the Commission with information showing the amount of gas being produced and flared from the wells completed in the Penrose Skelly, Paddock, Blinebry and Drinkard zones on subject lease.

In rechecking our records, it has been found that the Drinkard Gas produced from well No. 3 has been erroneously reported as being flared. Skelly has a casinghead gas connection on the lease and is taking the gas. The following is a list of all oil wells on the V. M. Henderson Lease and the disposition of the gas:

- Well No. 1 - Plugged and abandoned - January, 1960
- Well No. 2 - (Blinebry Oil) has unassigned allowable and no gas connection. As soon as allowable is assigned, a gas connection will be made.
- Well No. 3 - (Drinkard) Previously gas reported as being flared. Gas is being sold to Skelly.
- Well No. 5 - Dual producer (Penrose Skelly and Paddock) Penrose Skelly gas is sold. Paddock gas is used to operate lease equipment with excess gas being vented. During December 1959, 231 MCF were used on lease equipment and 973 MCF were flared.

2-3-60

I trust that the above information will be helpful and will clarify any questions in this regard. If you have any additional questions, please do not hesitate to call.

Yours very truly,

J. E. Robinson, Jr.
J. E. Robinson, Jr.
Petroleum Engineer

JERjr-DL

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 22, 1965

C
O
P
Y

Texaco Inc.
Drawer 728
Hobbs, New Mexico

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

RE: Commission Order R-1598

Gentlemen:

Reference is made to your letter of April 13, 1965, wherein you request authority to commingle the production from the Drinkard Oil Pool and distillate production from the Blinbry Gas Pool on your V. M. Henderson Lease located in the N/2 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, without separately measuring the production from each pool prior to commingling.

Commission Order R-1598 authorized the commingling of the subject production after separately metering the production from each pool. Since the issuance of Order No. R-1598, administrative procedure has been formulated under the provisions of Rule 303 and the Commission "Manual for the Installation and Operation of Commingling Facilities" to permit commingling as now proposed.

Texaco Inc. is hereby authorized to commingle the subject production allocating the same to each pool on the basis of periodic tests. You shall, however, notify the Commission in the event that the production from either pool becomes top allowable, in which event the Commission may require the re-installation of the meters.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALP:DSM:sg

cc: Oil Conservation Commission - with enclosure - Hobbs
Oil & Gas Engineering Committee - Hobbs
✓ Case File No. 1890

4

TEXACO
INC.

PETROLEUM PRODUCTS



DRAWER 728
HOBBS, NEW MEXICO 88240

April 13, 1965

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

Re: Revision of Commission Order
No. R-1598, Commingling of
Production, TEXACO Inc., V. M.
Henderson Lease, Lea County,
New Mexico

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

Gentlemen:

In accordance with Section II - "Commingling Between Pools or Zones", Item 1 - "Marginal Zones", of the current New Mexico Oil Conservation Commission's "Manual for the Installation and Operation of Commingling Facilities", TEXACO Inc. respectfully requests permission to commingle the liquid hydrocarbon production from the Drinkard Pool and Well No. 2, low gravity Blinebry (Gas) Pool production on the V. M. Henderson Lease located in the N/2 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico without separately measuring the production from each pool prior to commingling.

Commission Order No. R-1598 granted authority to commingle production from the Drinkard Pool and the low gravity Blinebry (Gas) liquid production after separately measuring the production from each pool. Since the initiation of this commingling procedure producing capacities have declined such that no well is capable of producing top allowable as indicated on the attached 60-day production tabulation.

In view of the above mentioned facts, it is respectfully requested that Commission Order No. R-1598 be amended to permit commingling the aforesaid production without separately measuring production from each pool prior to commingling.

BLM-
NMOCC-Hobbs
Attachments

Yours very truly,
J. G. Blevins, Jr.
J. G. Blevins, Jr.
Assistant District Superintendent

TEXACO Inc.
DAILY PRODUCTION

LEASE V. M. Henderson
FIELD DRINKARD

TOP ALLOWABLE FORMATION		70 DRINKARD	70 DRINKARD	70 DRINKARD	70 DRINKARD	70 DRINKARD	70 DRINKARD
WELL No.		3	6	7	8	9	10
MONTH-DAY		DAILY PRODUCTION					
JANUARY 1965	1	0	24	0	4	24	3
	2	1	10	6	5	8	4
	3	2	11	5	6	9	5
	4	2	11	5	6	8	4
	5	2	11	5	5	9	4
	6	2	11	5	6	9	5
	7	1	11	5	5	9	5
	8	2	11	5	5	9	5
	9	2	11	5	5	9	5
	10	1	12	5	5	10	4
	11	2	12	6	6	9	4
	12	1	11	5	6	10	5
	13	2	11	5	6	9	4
	14	2	11	5	6	10	5
	15	2	11	5	6	9	4
	16	2	8	5	5	9	3
	17	1	7	4	5	8	4
	18	1	7	5	4	8	4
	19	2	8	4	5	9	4
	20	2	7	4	4	8	4
	21	1	7	4	5	9	4
	22	1	7	4	5	9	4
	23	2	15	8	9	14	7
	24	1	15	8	9	15	7
	25	2	16	9	10	15	8
	26	1	16	8	10	14	8
	27	1	16	9	9	14	8
	28	2	16	9	10	14	8
	29	1	16	9	9	14	8
	30	1	24	4	4	23	3
	31	1	25	3	4	23	3

TEXACO Inc.
DAILY PRODUCTION

LEASE V. M. HENDERSON

FIELD Blincovy Gas

TOP ALLOWABLE FORMATION	<u>Blincovy</u>					
WELL No.	<u>2</u>					

MONTH-DAY	DAILY PRODUCTION					
JANUARY 1	9					
1965 2	S. I.					
3	"					
4	"					
5	"					
6	"					
7	"					
8	"					
9	"					
10	"					
11	"					
12	"					
13	"					
14	"					
15	"					
16	"					
17	"					
18	"					
19	"					
20	"					
21	"					
22	"					
23	42					
24	6					
25	6					
26	23					
27	0					
28	12					
29	17					
30	14					
31	11					

TEXACO Inc.
DAILY PRODUCTION

LEASE V. M. Henderson
FIELD DRINKARD

TOP ALLOWABLE FORMATION	70 Drinkard	70 Drinkard	70 Drinkard	70 Drinkard	70 Drinkard	70 Drinkard
WELL No.	3	6	7	8	9	10
MONTH-DAY	DAILY PRODUCTION					
February 1 1965	1	18	5	8	15	5
2	2	19	9	9	14	7
3	2	18	9	9	15	8
4	2	18	8	9	15	8
5	2	19	8	9	15	7
6	2	15	8	9	13	7
7	1	15	8	9	13	7
8	2	14	8	8	13	6
9	2	15	7	9	13	7
10	1	14	7	8	13	7
11	1	14	8	9	13	7
12	1	14	8	8	13	7
13	1	14	7	8	12	6
14	1	14	7	8	12	6
15	1	13	6	7	11	5
16	1	14	6	7	12	6
17	1	14	7	7	11	6
18	1	13	6	7	12	5
19	1	13	7	7	11	5
20	1	13	7	8	12	6
21	2	13	7	8	12	7
22	2	14	8	9	13	7
23	1	14	8	8	12	7
24	2	14	8	9	13	7
25	1	14	8	9	12	7
26	1	14	8	9	12	7
27	1	18	5	8	15	6
28	1	18	4	8	16	5
MARCH 29	1	17	4	8	15	6
30						
31						

TEXACO Inc.
DAILY PRODUCTION

LEASE V. M. Henderson
FIELD Blincry Gas

TOP ALLOWABLE FORMATION	—					
	Blincry					
WELL No.	2					
MONTH-DAY	DAILY PRODUCTION					
February 1	S.I.					
1965 2	"					
3	"					
4	"					
5	"					
6	"					
7	"					
8	"					
9	"					
10	"					
11	"					
12	"					
13	"					
14	"					
15	"					
16	"					
17	38					
18	30					
19	42					
20	110					
21	19					
22	19					
23	19					
24	18					
25	19					
26	16					
27	S.I.					
28	"					
March 29	"					
30						
31						

APR 13 1965

April 13, 1965

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

Re: Revision of Commission Order
No. R-1598, Commingling of
Production, TEXACO Inc., V. M.
Henderson Lease, Lea County,
New Mexico

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

Gentlemen:

In accordance with Section II - "Commingling Between Pools or Zones", Item 1 - "Marginal Zones", of the current New Mexico Oil Conservation Commission's "Manual for the Installation and Operation of Commingling Facilities", TEXACO Inc. respectfully requests permission to commingle the liquid hydrocarbon production from the Drinkard Pool and Well No. 2, low gravity Blinbry (Gas) Pool production on the V. M. Henderson Lease located in the N/2 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico without separately measuring the production from each pool prior to commingling.

Commission Order No. R-1598 granted authority to commingle production from the Drinkard Pool and the low gravity Blinbry (Gas) liquid production after separately measuring the production from each pool. Since the initiation of this commingling procedure producing capacities have declined such that no well is capable of producing top allowable as indicated on the attached 60-day production tabulation.

In view of the above mentioned facts, it is respectfully requested that Commission Order No. R-1598 be amended to permit commingling the aforesaid production without separately measuring production from each pool prior to commingling.

Yours very truly,

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

BLM-jr
NMOC-C-Hobbs
Attachments

TEXACO Inc.
DAILY PRODUCTION

LEASE V. M. Henderson
FIELD DRINKARD

TOP ALLOWABLE FORMATION	70	70	70	70	70	70
	DRINKARD	DRINKARD	DRINKARD	DRINKARD	DRINKARD	DRINKARD
WELL No.	3	6	7	8	9	10
MONTH-DAY	DAILY PRODUCTION					
JANUARY 1965	0	24	0	4	24	3
2	1	10	6	5	8	4
3	2	11	5	6	9	5
4	2	11	5	6	8	4
5	2	11	5	5	9	4
6	2	11	5	6	9	5
7	1	11	5	5	9	5
8	2	11	5	5	9	5
9	2	11	5	5	9	5
10	1	12	5	5	10	4
11	2	12	6	6	9	4
12	1	11	5	6	10	5
13	2	11	5	6	9	4
14	2	11	5	6	10	5
15	2	11	5	6	9	4
16	2	8	5	5	9	3
17	1	7	4	5	8	4
18	1	7	5	4	8	4
19	2	8	4	5	9	4
20	2	7	4	4	8	4
21	1	7	4	5	9	4
22	1	7	4	5	9	4
23	2	15	8	9	14	7
24	1	15	8	9	15	7
25	2	16	9	10	15	8
26	1	16	8	10	14	8
27	1	16	9	9	14	8
28	2	16	9	10	14	8
29	1	16	9	9	14	8
30	1	24	4	4	23	3
31	1	25	3	4	23	3

TEXACO Inc.
DAILY PRODUCTION

LEASE

V. M. Henderson

FIELD

Blincray Gas

TOP ALLOWABLE FORMATION						
		Blincray				
WELL No.						
		2				
MONTH-DAY		DAILY PRODUCTION				
JANUARY 1965	1	9				
	2	S. I.				
	3	"				
	4	"				
	5	"				
	6	"				
	7	"				
	8	"				
	9	"				
	10	"				
	11	"				
	12	"				
	13	"				
	14	"				
	15	"				
	16	"				
	17	"				
	18	"				
	19	"				
	20	"				
	21	"				
	22	"				
	23	42				
	24	6				
	25	6				
	26	23				
	27	0				
	28	12				
	29	17				
	30	14				
	31	11				

TEXACO Inc.
DAILY PRODUCTION

LEASE V. M. Henderson

FIELD Drinkard

TOP ALLOWABLE FORMATION	70	70	70	70	70	70
	Drinkard	Drinkard	Drinkard	Drinkard	Drinkard	Drinkard
WELL No.	3	6	7	8	9	10
MONTH-DAY	DAILY PRODUCTION					
February 1 1965	1	18	5	8	15	5
2	2	19	9	9	14	7
3	2	18	9	9	15	8
4	2	18	8	9	15	8
5	2	19	8	9	15	7
6	2	15	8	9	13	7
7	1	15	8	9	13	7
8	2	14	8	8	13	6
9	2	15	7	9	13	7
10	1	14	7	8	13	7
11	1	14	8	9	13	7
12	1	14	8	8	13	7
13	1	14	7	8	12	6
14	1	14	7	8	12	6
15	1	13	6	7	11	5
16	1	14	6	7	12	6
17	1	14	7	7	11	6
18	1	13	6	7	12	5
19	1	13	7	7	11	5
20	1	13	7	8	12	6
21	2	13	7	8	12	7
22	2	14	8	9	13	7
23	1	14	8	8	12	7
24	2	14	8	9	13	7
25	1	14	8	9	12	7
26	1	14	8	9	12	7
27	1	18	5	8	15	6
28	1	18	4	8	16	5
MARCH 29	1	17	4	8	15	6
30						
31						

TEXACO Inc.
DAILY PRODUCTION

LEASE V. M. Henderson

FIELD Blincray Gas

TOP ALLOWABLE FORMATION	—					
	Blincray					
WELL No.	2					
MONTH-DAY	DAILY PRODUCTION					
February 1	S.I.					
1965 2	"					
3	"					
4	"					
5	"					
6	"					
7	"					
8	"					
9	"					
10	"					
11	"					
12	"					
13	"					
14	"					
15	"					
16	"					
17	38					
18	30					
19	42					
20	110					
21	19					
22	19					
23	19					
24	18					
25	19					
26	16					
27	S.I.					
28	"					
MARCH 29	"					
30						
31						

Case File 1880

RESERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

AMENDMENT
COMMINGLING ORDER PC- 442

Company Texaco, Inc.
Address Drawer 728
City, State, Zip Hobbs, New Mexico 99240

Attention: Mr. J. V. Gannon

Lease Name: V. M. Henderson
Description: N/2 Sec. 30, T-21-S, R-37-E, Lea County

The above-named company is hereby authorized to commingle production from the following pools

Eumont, Paddock, Blinebry, Tubb, and Drinkard

in a common tank battery, and to determine the production from each pool by

_____ separately metering the production from each pool prior to commingling

_____ separately metering the production from

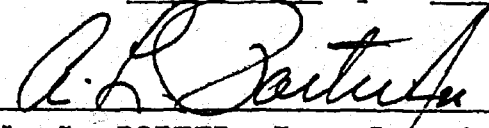
and determining the production by the subtraction method

☒ well tests (if this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Commission in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Commission will amend this order or take such other action as may be appropriate)

Note: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Commission Rules and Regulations and the Commission "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Administrative Order PC-442, dated May 14, 1972, placed the original commingling Order for this lease, R-1598, dated February 8, 1960, in abeyance and authorized commingling of Blinebry, Tubb, and Drinkard production only.

DONE at Santa Fe, New Mexico, on this 23rd day of December 1974.


A. L. PORTER, Jr., Secretary-Director

TEXACO Inc.
V. M. Henderson Lease
Well No. 2 (Blinebry Oil) Well No. 3 (Drinkard)
Section 30, T-21-S, R-37-E
Lea County, New Mexico

PRODUCTION CHARACTERISTICS

<u>Item</u>	<u>Blinebry Zone</u>	<u>Drinkard Zone</u>
Type of Crude	Intermediate Sweet	Intermediate Sweet
GOR (ft.3/bbl.)	28,583	5,430
Gravity (°API)	38.8	36
BHP (psi)	*	949

* Not taken

COMMINGLING STATISTICS

<u>Zone</u>	<u>Productivity (BOPD)</u>	<u>Gravity (°API)</u>	<u>Price Per Barrel</u>	<u>Revenue Per Day</u>
Blinebry (Oil)	11	38.8	\$2.97	\$32.67
Drinkard	5	36.0	\$2.93	\$14.65
				\$47.32
Blinebry-Drinkard	16	38.0	\$2.97	\$47.52

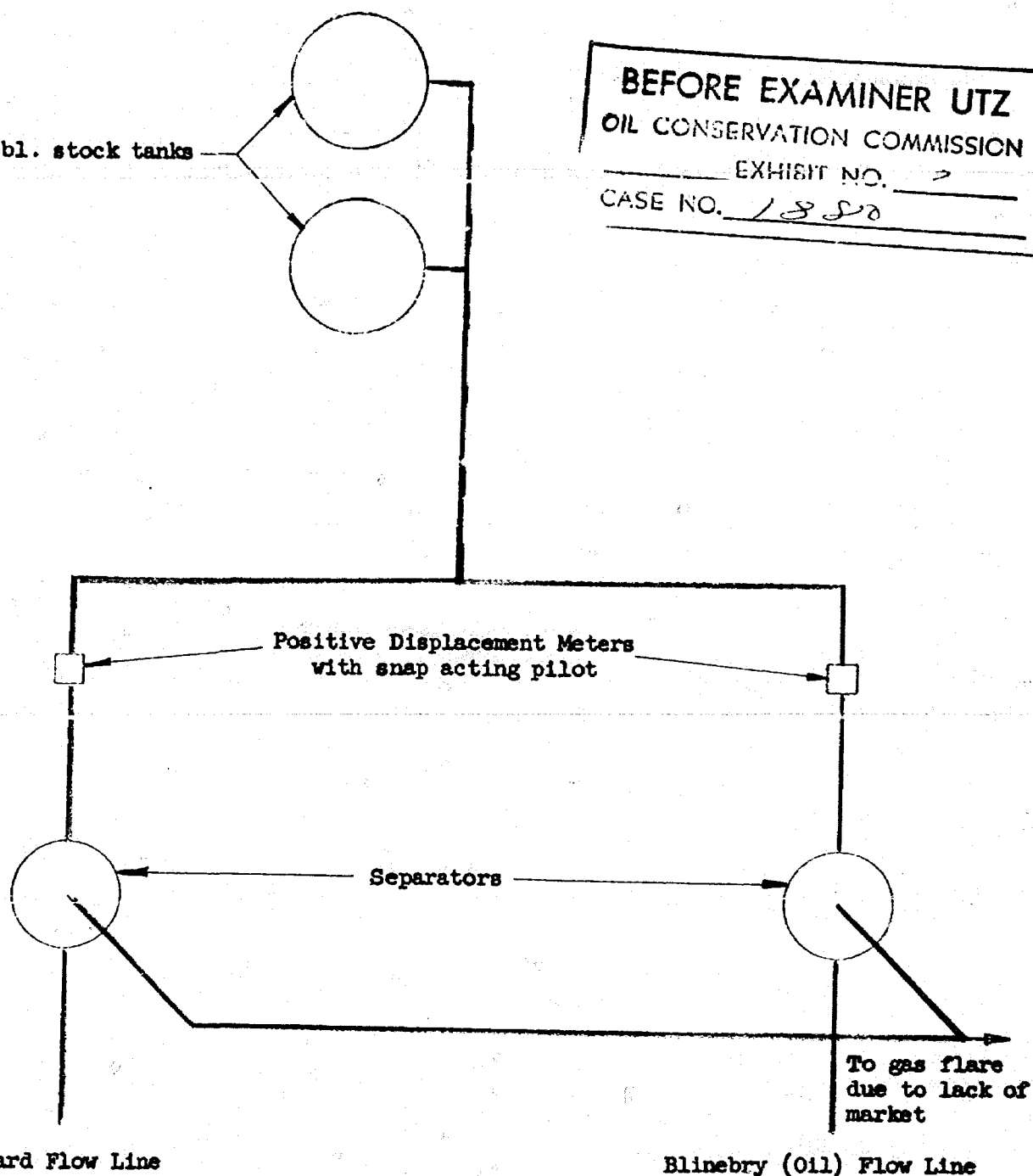
BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 1880

2 H1-500 bbl. stock tanks

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

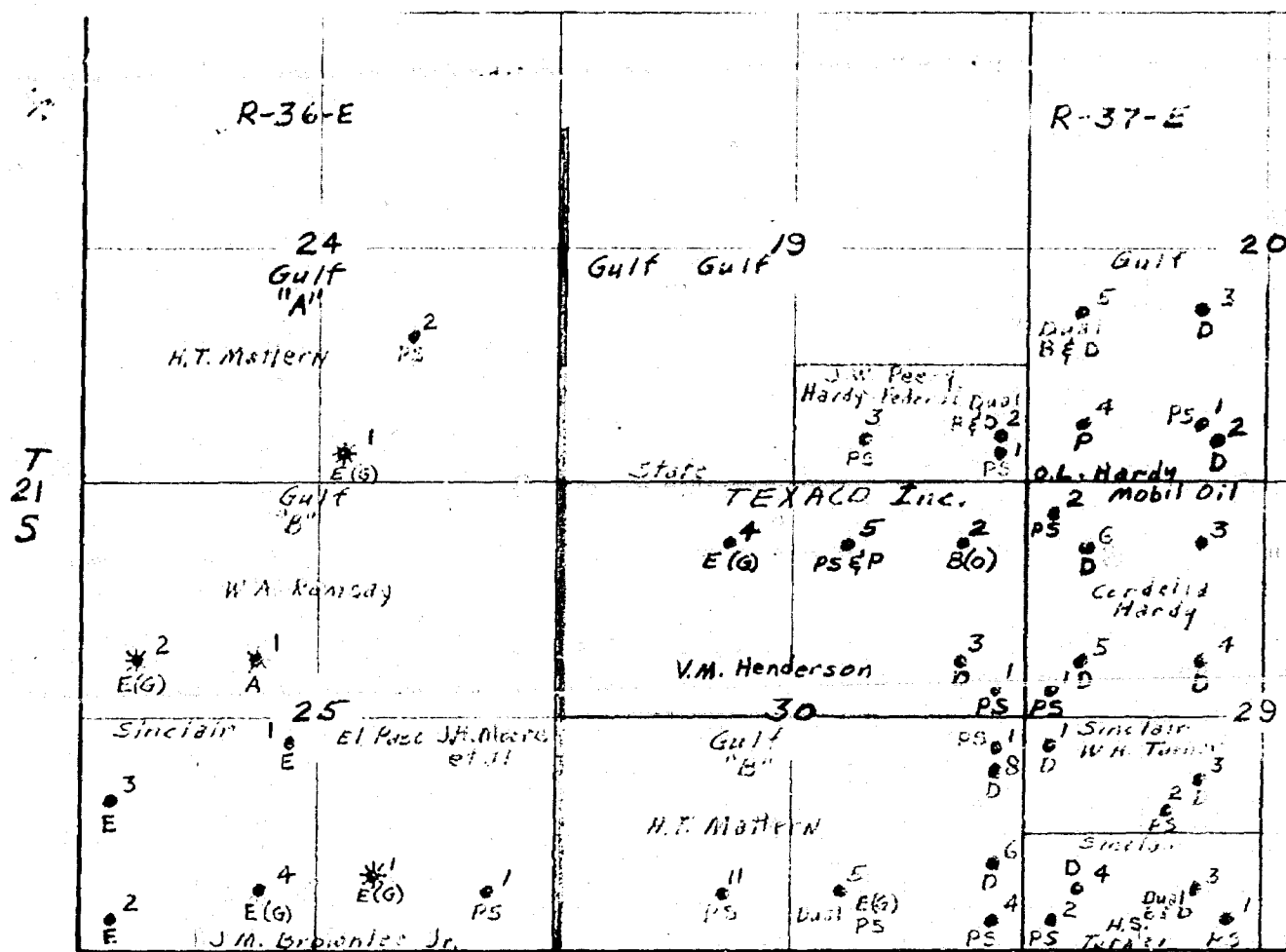
CASE NO. 1880



SCHEMATIC DIAGRAM COMMINGLING INSTALLATION

BLINEBRY (OIL) AND DRINKARD POOLS

TEXACO Inc., V. M. HENDERSON LEASE
SEC. 30, T-21-S, R-37-E
LEA COUNTY, NEW MEXICO



Scale: 1" = 2000'

LEGEND

- A—Arrowhead
- D—Drinkard
- E—Eumont Oil
- E(G)—Eumont Gas
- PS—Penrose Skelly
- B—Blinery Gas
- P---Paddock
- B(O)—Blinery Oil Pool

OFFSET OPERATORS

- Gulf Oil Corp.—Box 669—Roswell, New Mexico
- Magnolia Pet. Co.—Box 2406—Hobbs, New Mexico
- Sinclair O&G Co.—520 E. Broadway—Hobbs, N.M.
- J.W. Peery—Box 655—Odessa, Texas
- J.H. Moore—1000 Green Acres Drive—Hobbs, N.M.

BEFORE EXAMINER UTZ	
C. C. COLEMAN, JR., COMMISSIONER	
EXHIBIT NO.	1
CASE NO.	1880

Done
File
1880

NEW MEXICO OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

COMMINGLING ORDER PC-442

Company Texaco Inc.
Address Drawer 728
City, State, Zip Hobbs, New Mexico 88240

Attention: Mr. J. V. Gannon

Lease Name: V. M. Henderson
Description: N/2 of Sec. 30, T-21-S, R-37-E

The above-named company is hereby authorized to commingle production from the following pools

Drinkard and Tubb oil and Blinebry condensate

in a common tank battery, and to determine the production from each pool by

_____ separately metering the production from each pool prior to commingling

_____ separately metering the production from
and determining the
production by the subtraction method

☒ well tests (if this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Commission in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Commission will amend this order or take such other action as may be appropriate)

Note: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Commission Rules and Regulations and the Commission "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Order No. R-1578, which authorized commingling of Drinkard oil and Blinebry condensate after separate measurement, is hereby put in abeyance.

DONE at Santa Fe, New Mexico, on this 19th day of May 1972.


A. L. PORTER, Jr., Secretary-Director