

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

January 22, 1964

C
Texaco Inc.
P. O. Box 810
Farmington, New Mexico

Attention: Mr. C. P. Farmer

Administrative Order CTB-113

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Gentlemen:

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Y
Reference is made to your application dated December 31, 1963, for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of Many Rocks-Gallup Oil Pool production from that portion of your Navajo-Ute Tribes "B" Lease lying within the Horseshoe Gallup Unit, but outside of the participating area of said unit, with production from the remainder of the Navajo-Ute Tribes "B" Lease. It is our understanding that the non-participating portion of said lease comprises the N/2 of Section 21 and the N/2, SE/4, and N/2 SW/4 of Section 22, Township 31 North, Range 16 West. The balance of the lease comprises all of Sections 15 and 16 in the same Township. It is our further understanding that the working interest ownership and the royalty ownership underlying all of the above-described acreage is common throughout, and that the United States Geological Survey has approved your proposed commingling provided that it shall be limited to non-participating unit acreage outside of the unit.

Under the authority granted me pursuant to Rule 309-B, Texaco Inc. is hereby authorized to commingle the above-described production after separately metering the production from the Navajo-Ute Tribes "B" Lease and determining the production from the remainder of said lease within the non-participating area of the unit by

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means of the subtraction method, provided however, that this installation shall be subject to the provisions of the Commission "Manual for the Installation and Operation of Counting Facilities," including the requirement for non-reset counters on the meters.

Very truly yours,

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

ALP/DSN/ear

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