

TEXACO
INC.

PETROLEUM PRODUCTS



October 19, 1964

MAILED 10
OCT 21 AM 6:00
DRAWER 728
HOBBS, NEW MEXICO 88240

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

Re: Revision of Commingling
Administrative Order PC-4,
TEXACO Inc. C.H. Lockhart
(NCT-1) Lease, Lea County,
New Mexico.

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

Gentlemen:

Attached is a letter from the United States Geological Survey approving the subject requested revision of Administrative Order PC-4 for commingling between zones without separate measurement. This is submitted so that TEXACO Inc.'s Application for Revision, dated September 22, 1964, may be processed.

Yours very truly,

A handwritten signature in dark ink, appearing to read "W. B. Hubbard".

W. B. Hubbard
District Superintendent

WPY-bh

CC: NMOCC-Hobbs

Attachment



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

October 13, 1964

IN REPLY REFER TO:

MAIN OFFICE
64 OCT 21 AM 8

Texaco Inc.
P. O. Box 728
Hobbs, New Mexico

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

Gentlemen:

Your letter of September 22, 1964, requests approval to modify the commingling system approved by our letter of April 7, 1960, lease Las Cruces 032100. You propose to discontinue separate metering of production from the Drinkard, Tubb and Blinebry pools located in sec. 18, T. 22 S., R. 38 E., Lea County, New Mexico.

The method of commingling as described by the diagram attached to your letter is hereby approved. Production from well No. 2 in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 18 is subject to a step-scale royalty rate whereas the royalty rate for the remainder of the lease is 12 $\frac{1}{2}$ %. However, since well No. 2 produces only about 14 barrels of oil per day from the Blinebry and Tubb zones, separate metering for royalty computations will not be necessary until changed conditions, in our opinion, so require. Production from each zone and each well on the lease shall be calculated and reported on the basis of monthly tests.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor