

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 30, 1961

Texaco Inc.
P. O. Box 352
Midland, Texas

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

Administrative Order PC-26

Gentlemen:

Reference is made to your application for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of the oil production from the East Caprock-Devonian Pool and an undesignated Wolfcamp pool and an undesignated Pennsylvanian pool from all wells presently completed or hereafter drilled on your State "B.H." (NCT-1) Lease comprising the NW/4 of Section 11, Township 12 South, Range 32 East, Lea County, New Mexico, after separately metering the production from each pool.

Authorization to commingle such production as set forth in the diagrammatic sketch accompanying the application is hereby approved pursuant to Rule 303 (b) of the Commission Rules and Regulations.

All meters shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times. All meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director. All meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration shall be filed with the Commission on the Commission form entitled "Meter Test Report."

Very truly yours,

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

ALP/OEP/og

cc: Oil Conservation Commission - Hobbs

TEXACO

INC.

PETROLEUM PRODUCTS

1001 JUN 1960

AM 5 20

DOMESTIC PRODUCING DEPARTMENT

MIDLAND DIVISION



P. O. Box 352
Midland, Texas

December 30, 1960

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

*PC 2610
(waiting period)
due Jan 24*

Application for Permit to Commingle
Production, TEXACO Inc. State of
New Mexico "BH" (NCT-1) Lease, East
Caprock (Devonian), Undesignated
(Wolfcamp), Undesignated (Strawn)
Pools, Lea County, New Mexico

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

Gentlemen:

In accordance with New Mexico Oil Conservation Commission Rule 303(b), TEXACO Inc. hereby makes application for administrative approval of an exception to Rule 303(a) to permit commingling operations to be conducted on the State of New Mexico "BH" (NCT-1) Lease involving production from the East Caprock (Devonian), Undesignated (Wolfcamp) and Undesignated (Strawn) Pools, in support of which is stated the following:

1. TEXACO Inc. is owner and operator of the State of New Mexico "BH" (NCT-1) Lease consisting of 160 acres, being the northwest quarter of Section 11, T-12-S, R-32-E, Lea County, New Mexico. Attached is a plat showing the location of all wells on this lease and the pools from which they are producing. It should be noted that we have not as yet completed State of New Mexico "BH" (NCT-1) Well No. 3 in the Undesignated (Wolfcamp) and Undesignated (Strawn) Pools. However, we have received permission from you to complete this well as a dual. The proposed dual was approved by Case No. 2106 and Order No. R-1812. We plan to proceed with this work immediately.

2. State of New Mexico "BH" (NCT-1) Well No. 3 will be dually completed in the Undesignated (Wolfcamp) and Undesignated (Strawn) Pools. A tank battery consisting of seven 500-barrel tanks has been erected to serve the East Caprock (Devonian) pay, and it is desirous that the liquid hydrocarbons from the proposed Undesignated (Wolfcamp) and Undesignated (Strawn) completion in Well No. 3 be commingled with the East Caprock (Devonian) oil in this battery.

3. The expected daily liquid hydrocarbon production from the East Caprock (Devonian) is 396 barrels of 45.1° API gravity oil at \$2.99 per barrel, that from the Undesignated (Wolfcamp) is anticipated to be 102 barrels of 45° API oil at \$2.99 per barrel and that from the Undesignated (Strawn) is anticipated to be 128 barrels of 45.7° API oil at \$2.99 per barrel. The combined daily production after commingling is expected to be 626 barrels of 45.3° API gravity oil at \$2.99 per barrel, resulting in the same income as if the production from these formations was placed in individual batteries. A statistical summary sheet showing these figures is attached.

4. The liquid hydrocarbon production from the three reservoirs will be accurately measured by positive displacement type meters prior to commingling. A schematic diagram of the proposed commingling installation is attached.

5. Royalty interest in the subject lease is as shown on the attached list and a copy of this application is being sent by registered mail to the address shown.

In view of the facts recited in this application, it is respectfully requested that administrative approval of an exception to Rule 303(a) be granted TEXACO Inc. to permit the commingling into a common tank battery of liquid hydrocarbon production from the East Caprock (Devonian), Undesignated (Wolfcamp) and Undesignated (Strawn) Pools from the wells now completed or anticipated to be completed on the State of New Mexico "BH" (NCT-1) Lease and from all wells which may be completed in these reservoirs on this lease in the future.

Yours very truly,



J. G. Blevins, Jr.
Assistant District Superintendent

HLA-MAB

cc: NMOCC, Hobbs

TEXACO Inc.
 State of New Mexico "BH" (NCT-1) Lease
 East Caprock (Devonian), Undesignated (Wolfcamp),
 Undesignated (Strawn)
 NW/4 Section 11, T-12-S, R-32-E
 Lea County, New Mexico

Production Characteristics

<u>Item</u>	<u>Devonian</u>	<u>Wolfcamp</u>	<u>Strawn</u>
Type of Crude	Interm. Sweet	Interm. Sweet	Interm. Sweet
GOR (ft. ³ /bbl.)	22	1300 Est.	834
Gravity (°API)	45.1	45.0 Est.	45.7

Commingling Statistics

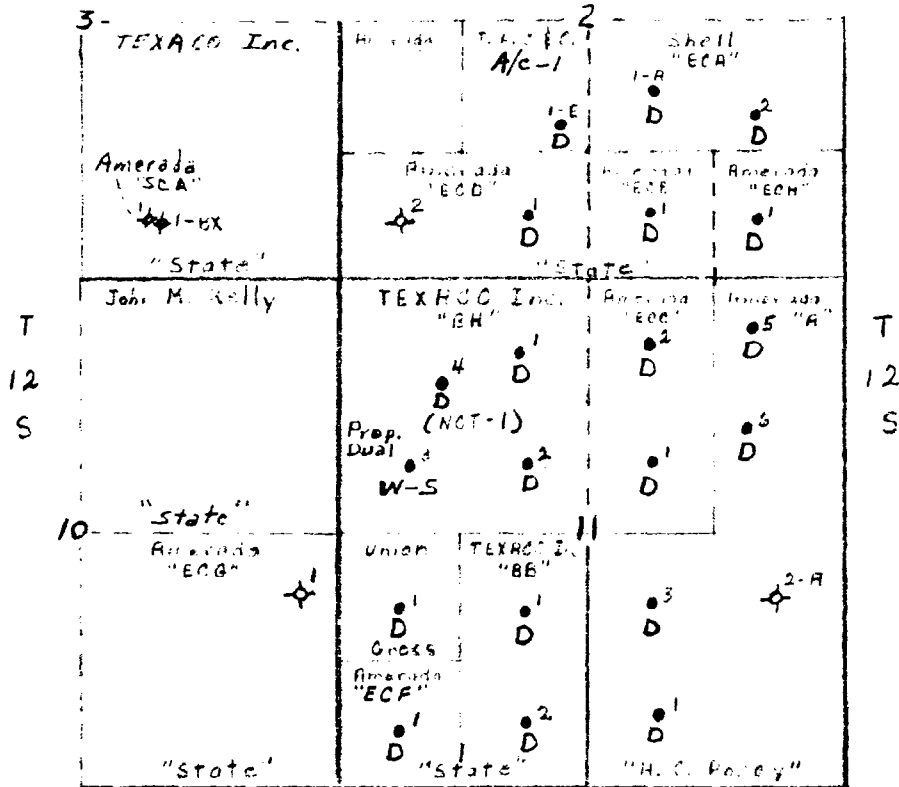
<u>Zone</u>	<u>Productivity (BOPD)</u>	<u>Gravity (°API)</u>	<u>Price Per Barrel</u>	<u>Revenue Per Day</u>
Devonian	396	45.1	\$2.99	\$1184.04
Wolfcamp	102 Est.	45.0 Est.	\$2.99	\$ 304.98
Strawn	128 Est.	45.7	\$2.99	\$ 382.72
				<u>\$1871.74</u>
Devonian -				
Wolfcamp	626	45.3	\$2.99	\$1871.74
Strawn				

Income will
be the same

LIST OF ROYLATY OWNERS
TEXACO Inc. State of New Mexico "BH" (NCT-1) Lease
Section 11, T-12-S, R-32-E
Lea County, New Mexico

State of New Mexico
Commissioner of Public Lands
Santa Fe, New Mexico

R-32-E



R-32-E

PLAT OF TEXACO Inc. STATE OF NEW MEXICO "BH" (NCT-1) LEASE
AND OFFSET LEASES

Lea County, New Mexico

Scale: 1" = 2000'

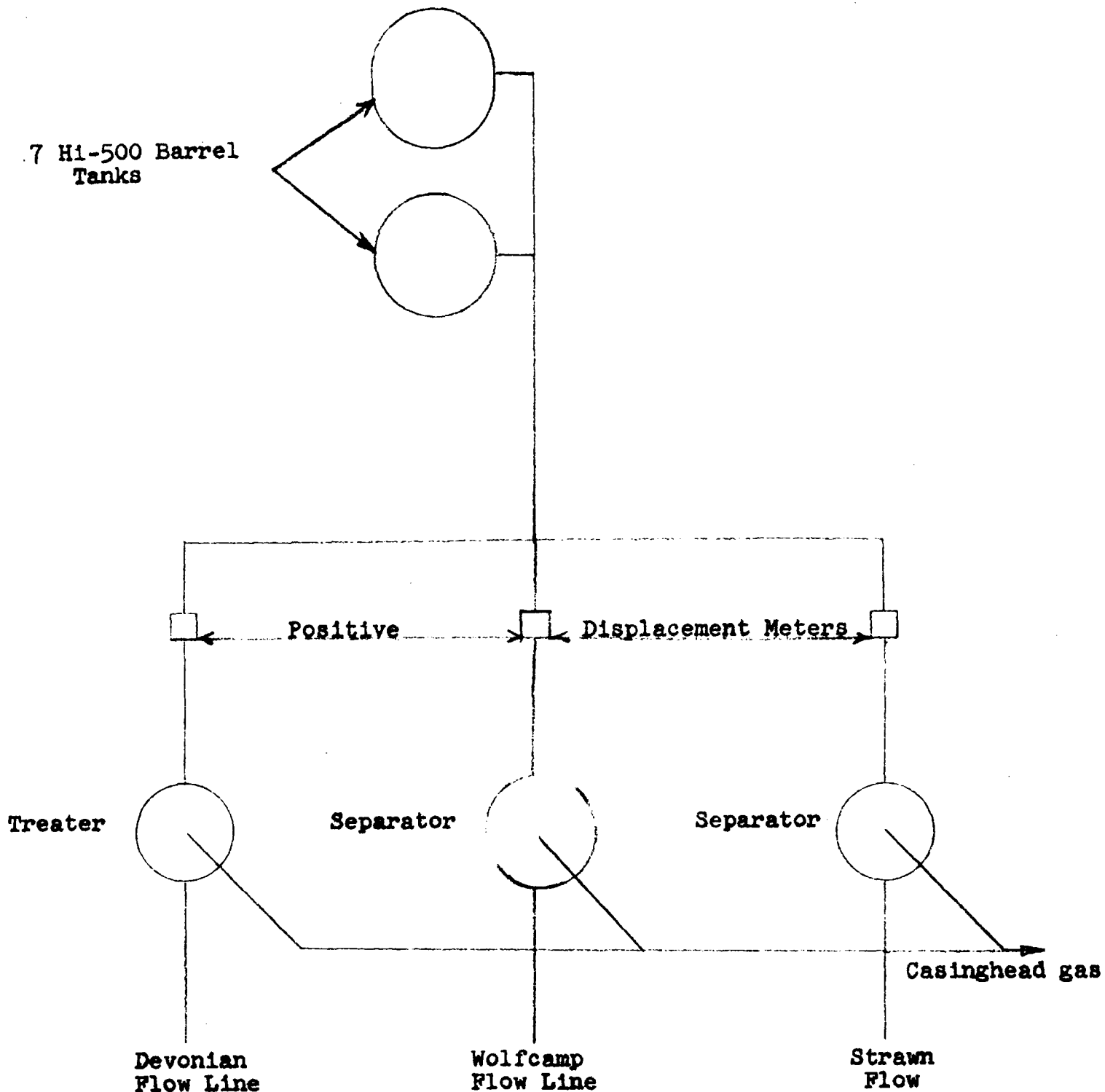
LMF December 30, 1960

LEGEND

- D - East Caprock
Devonian Pool
- W - Undesignated
Wolfcamp Pool
- S - Undesignated
Strawn Pool

OFFSET OPERATORS

Amerada Petroleum Corp., P. O. Box 312,
Midland, Texas
John M. Kelly, P. O. Box 5671, Roswell,
New Mexico
Union Oil Company of California, Union Oil
Building, 619 West Texas Ave., Midland,
Texas



Schematic Diagram of Commingling Installation
 East Caprock (Devonian), Undesignated (Wolfcamp),
 and Undesignated (Strawn) Pools
 TEXACO Inc. State of New Mexico "BH" (NCT-1) Lease
 Section 11, T-12-S, R-32-E
 Lea County, New Mexico

OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

DATE Jan. 10, 1961

OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

Re: Proposed NSP _____

Proposed NSL _____

Proposed NFC _____

Proposed DC _____

PC 26

Gentlemen:

I have examined the application dated _____
for the Texaco, Inc. State of New Mexico BH NCT-1 11-12-32
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

O.K. --- E.F.E.

O.K. --- J.W.R.

Yours very truly,

OIL CONSERVATION COMMISSION

