

TEXACO
INC.

MAIN OFFICE OCC

PETROLEUM PRODUCTS



1962 FEB 2 AM 9:52
P. O. Box 728
Hobbs, New Mexico
January 31, 1962

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

Re: Application for Permit to Com-
mingle Production, TEXACO Inc.
C. E. Penny NCT-4 Lease, Langlie-
Mattix, Justis (Blinebry), and
Justis (Tubb-Drinkard) Pools,
Lea County, New Mexico.

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

Gentlemen:

Please refer to Texaco's application dated
November 3, 1961, for permission to commingle production
on the subject lease.

In order that approval may be granted our appli-
cation for commingling, attached are three copies of U.S.G.S.
consent in writing to the proposed commingling operation.

Yours very truly,

H. N. Wade
Assistant District Superintendent

LMF-BF

Attachments



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

JAN 26 1962

ILLEGIBLE

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

Attention: Mr. H. N. Wade

Gentlemen:

Your letter of January 16, 1962, requests approval to commingle oil produced from the Langlie Mattix, Justis (Blinbry) and Justis (Tubb-Brinkhard) Pools in the NW $\frac{1}{4}$ of section 19, T. 25 S., R. 38 E., lease Las Cruces 062368.

The method of metering and commingling the oil as described by your schematic diagrams is hereby approved.

All meter proving tests should be scheduled so that a representative of our Hobbs office may be notified in sufficient time to witness the calibration.

Very truly yours,

Carl E. Trajwick, for

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 11, 1962

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

Attention: Mr. H. N. Wade,
Assistant District Superintendent

Gentlemen:

Reference is made to your applications dated November 3, 1961, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of production on your C. M. Penny (NCT-4) and G. L. Erwin (b) NCT-2 Leases, Lea County, New Mexico, and to my letter dated November 21, 1961.

As I stated in my letter dated November 21, 1961, your applications have been held in abeyance pending receipt by the Commission of USGS consent to the commingling on the above-mentioned leases. It is requested that you send the Commission copies of the USGS consent so that approval can be granted your applications, if that is your desire. In any event, please advise us, at the earliest possible date, what disposition you plan to take regarding these applications.

Very truly yours,

J. E. WHITFIELD
Legal Assistant

JEW/esx

TEXACO
INC.

PETROLEUM PRODUCTS

1962 JAN 17 AM 8:14



P. O. Box 728
Hobbs, New Mexico
January 16, 1962

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

Attention: Mr. J. E. Whitfield

Re: Application for Permit to Commingle
Production, TEXACO Inc. G. L. Erwin
(b) NCT-2 Lease and C. E. Penny
(NCT-4) Lease, Lea County, New Mexico

Gentlemen:

Acknowledging receipt of your letter dated January 11, 1962 advising that U.S.G.S. consent to commingling on the subject leases is required by the Commission before approvals can be granted.

Attached are three copies of U.S.G.S. consent in writing to Texaco's proposed commingling on the G. L. Erwin (b) NCT-2 Lease. It is to be noted that the attached letter of consent was written in reply to our original application for commingling dated August 30, 1961, which was supplemented with application dated November 3, 1961. Texaco was advised by the U.S.G.S. that this letter of consent was to be considered as their approval as our subsequent application did not alter the situation insofar as the U.S.G.S. was concerned. It is to be noted that our records indicate that copies of the subject U.S.G.S. consent were sent the Commission to the attention of Mr. A. L. Porter, Jr. on December 22, 1961; however, it is now assumed that they were misplaced in some manner due to the end of the year rush and were not mailed.

Reference is made to Texaco's Application for Permit to Commingle on the C. E. Penny (NCT-4) Lease dated November 3, 1961. Certain delays have been incurred in our negotiations with the U.S.G.S. for their consent; however, it should be forthcoming in the near future and will be forwarded as soon as received.

Yours very truly,

A handwritten signature in dark ink, appearing to read "H. N. Wade". The signature is written in a cursive, flowing style.

H. N. Wade
Assistant District Superintendent

LMF-MSV

Attachments

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 21, 1961

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

O
Attention: Mr. H. M. Wade,
Assistant District Superintendent

Gentlemen:

P
Reference is made to your applications dated November 3, 1961, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of production on your C. E. Penny (NCT-4) and G. L. Erwin (b) NCT-2 Leases, Lea County, New Mexico.

Y
A review of my files on this date reflects that although the consent of the United States Geological Survey for permission to commingle has been requested in regard to each of the above-mentioned applications, the Commission has not received a copy of the written consent. In view of the fact that you had requested the USGS consent in writing be forwarded directly to the Commission, there is some doubt in my mind as to whether that request was overlooked.

In the event USGS consent has been obtained, please forward necessary copies of that consent to the Commission so that your applications may be handled more expediently.

Very truly yours,

J. E. WHITFIELD
Legal Assistant

JEW/esr

TEXACO
INC.

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION



P. O. Box 788
Hobbs, New Mexico

November 3, 1961

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

Re: Application for Permit to Commingle
Production, TEXACO Inc. C. E. Penny
(NCT-4) Lease, Langlie-Mattix, Justis
(Blinebry), and Justis (Tubb-Drinkard)
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 C. E. Penny (NCT-4) Lease, Langlie-Mattix, Justis (Blinebry), and Justis (Tubb-Drinkard) Pools, Lea County, New Mexico, in support of which is stated the following:

1. TEXACO Inc. is the owner and operator of the C. E. Penny (NCT-4) Lease, consisting of 160 acres, being the NW/4 of Section 19, T-25-S, R-38-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.

2. The C. E. Penny (NCT-4) Wells No. 1, 2, and 3 produce from the Langlie-Mattix Pool (Queen formation), Well No. 6 was recently completed as a dual producer in the Justis (Blinebry) Pool (Blinebry formation) and Justis (Tubb-Drinkard) Pool (Tubb-Drinkard formation), and Well No. 7 is currently being completed as a dual in these same latter two pools. Wells No. 4 and 5 are dually completed in the Justis (McKee) and Justis (Ellenburger) Pools and are commingled into a common tank battery equipped with lease automatic custody transfer facilities. A tank battery consisting of two 500 barrel tanks currently exists on the lease for the Langlie-Mattix production from Wells 1, 2, and 3 and it is desirous that the Justis (Blinebry and Tubb-Drinkard) production from Wells No. 6 and 7 be commingled into this tank battery rather than incur the expense of installing additional storage facilities and also to provide facilities for installation of a lease automatic custody transfer system, the application for which will be made at a later date.

PC 49

OK but hold till
consent from USGS
has been obtained

test loop
test
for meter

also
deal
mech.
lineage

3. The expected daily liquid hydrocarbon production from the Langlie-Mattix Pool is 32 barrels of 38 °API gravity oil at \$2.89 per barrel, that from the Justis (Blinebry) Pool is 92 barrels of 37 °API gravity oil at \$2.86 per barrel, and that from the Justis (Tubb-Drinkard) Pool is 92 barrels of 37 °API gravity oil at \$2.86 per barrel. The three crudes are considered as sour. The combined daily production after commingling is expected to be 216 barrels of 37.2 °API gravity liquid hydrocarbon at \$2.86 per barrel, resulting in a \$0.96 per day loss in revenue. A statistical summary sheet showing these figures is attached.

4. In accordance with Item II, Section 2-B of the current "Manual for the Installation and Operation of Commingling Facilities", it is proposed to meter prior to commingling all zones except one (Subtraction Method). The proposed zone to be unmetered is the Langlie-Mattix zone which has the highest gravity. Samplers and positive displacement type meters with non-reset counters will be installed on the two metered zones, Justis (Blinebry) and Justis (Tubb-Drinkard), for accurate measurement prior to commingling. A schematic diagram of the proposed commingling installation is attached, and is in substantial compliance with Figure 6 in the current "Manual for the Installation and Operation of Commingling Facilities".

5. Royalty interest in the subject lease is held by the U. S. Geological Survey and others as shown on the attached list of royalty owners. A copy of this application is being sent this date by registered mail to U.S.G.S., Box 6721, Roswell, New Mexico, with the understanding that a copy of U.S.G.S. consent in writing will be forwarded directly to the New Mexico Oil Conservation Commission, Santa Fe, New Mexico.

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 commingling into a common tank battery the liquid hydrocarbon production from the Langlie-Mattix, Justis (Blinebry), and Justis (Tubb-Drinkard) Pools on the C. E. Penny (NCT-4) Lease.

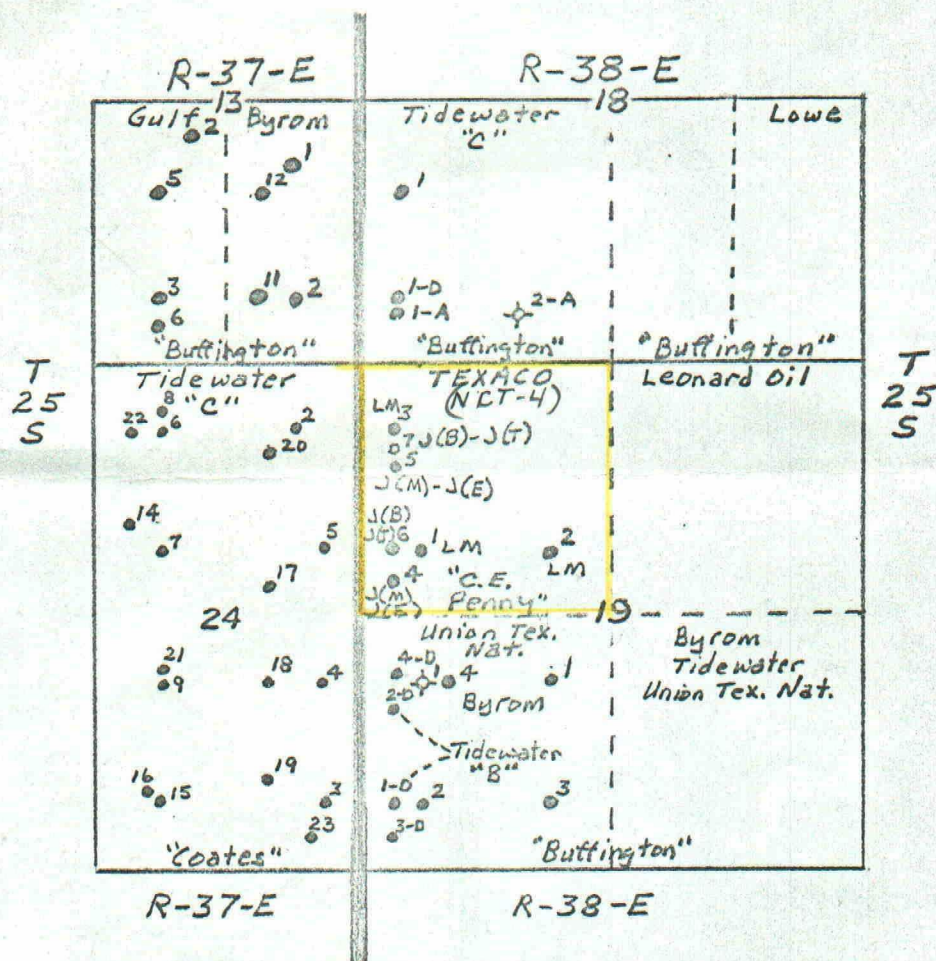
Yours very truly,

H. N. Wade dmw

H. N. Wade
Assistant District Superintendent

LMF-MSV
cc: NMOCC, Hobbs
U.S.G.S., Roswell

Attachments



PLAT OF TEXACO INC. C.E. PENNY (NCT-4) LEASE AND OFFSET LEASES

Lea County, New Mexico
Scale: 1 inch = 2000 Feet
LMF 10-4-61

OFFSET OPERATORS

Tidewater Oil Company-- Box 1231-- Midland, Texas
Gulf Oil Corporation-- Box 1938-- Roswell, New Mexico
W.K. Byrom-- 1000 N. Dal Paso-- Hobbs, New Mexico
Leonard Oil Company-- Box 708-- Roswell, New Mexico
Union Texas Natural Gas Corp.-- 1111 Pet. Life Bldg.-- Midland, Texas

LEGEND

LM-- Langlie-Mattix Pool
J(B)-- Justis (Blincbry) Pool
J(T)-- Justis (Tubb-Drinkard) Pool
J(E)-- Justis (Ellenburger) Pool
J(M)-- Justis (McKee) Pool

TEXACO Inc.
 C. E. Penny (NCT-4) Lease
 Langlie-Mattix, Justis (Blinebry) and Justis (Tubb-Drinkard) Pools
 Lea County, New Mexico

PRODUCTION CHARACTERISTICS

<u>Item</u>	<u>Langlie-Mattix</u>	<u>Justis (Blinebry)</u>	<u>Justis (Tubb-Drinkard)</u>
Type of Crude	Sour	Sour	Sour
GOR (Ft. 3/bbl.)	1991	500	912
Gravity ($^{\circ}$ API)	38	37	37

COMMINGLING STATISTICS

<u>Pool</u>	<u>Productivity (BOPD)</u>	<u>Gravity ($^{\circ}$API)</u>	<u>Price Per Barrel</u>	<u>Revenue Per Day</u>
Langlie-Mattix	32	38	2.89	92.48
Justis (Blinebry)	92	37	2.86	263.12
Justis (Tubb-Drinkard)	92	37	2.86	<u>263.12</u>
				618.72
Commingled Crude	216	37.2	2.86	<u>617.76</u>
				\$ 0.96
				per day loss

LIST OF ROYALTY OWNERS

TEXACO Inc. C. E. Penny (NCT-4) Lease
Lea County, New Mexico

U. S. Geological Survey
P. O. Box 6721
Roswell, New Mexico

John M. Loffland, Jr.
233 Rowan Building
6000 Camp Bowie
Fort Worth, Texas

Selma E. Andrews
c/o Trust Department
Albuquerque, New Mexico

Albuquerque National Bank, Testamentary
Trustee of Frank A. Andrews, Deceased
Albuquerque, New Mexico

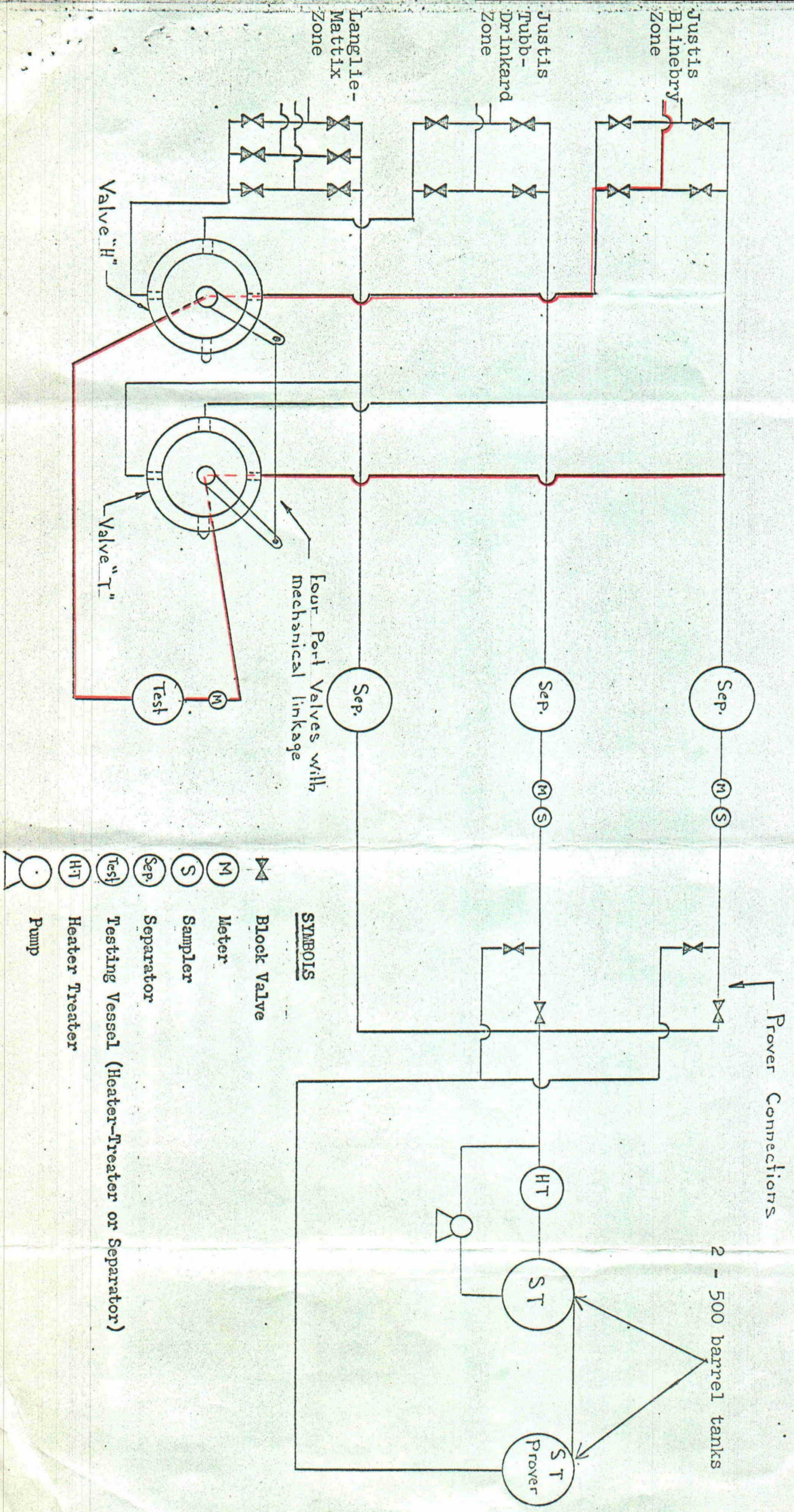
Skelly Oil Company
P. O. Box 1801
Dallas 21, Texas

M. W. Coll
P. O. Box 919
Roswell, New Mexico

Roger B. Owings
Fair Building
Fort Worth, Texas

Neville G. Penrose
Fair Building
Fort Worth, Texas

SCHEMATIC DIAGRAM OF PROPOSED COMMINGLING INSTALLATION
 TEXACO Inc. C. E. Penny (NCT-4) Lease
 Lea County, New Mexico



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 1, 1962

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

Attention: Mr. H. N. Wade,
Assistant District Superintendent

Gentlemen:

Reference is made to your letter dated February 27, 1962, regarding Texaco Inc.'s application to commingle production on the C. E. Penny (NCT-4) Lease.

Enclosed herewith please find a copy of Administrative Order PC-49, which was issued on February 2, 1962, authorizing the commingling for which you applied.

Very truly yours,

JAMES E. WHITFIELD
Legal Assistant

JEW/esr
Enclosure

Memo

From

D. S. Nutter
Chief Engineer

Re: Administrative Order PC-49

To

Joe:

Please check the system, particularly the test loop for a test meter and also the seal mechanism linkage.

Dan

February 2, 1962

DSN/JEW/esr

MAIN OFFICE GOC
1962 MAR 1 PM 1:27
TEXACO
INC.
PETROLEUM PRODUCTS



Gee
P. O. Box 728
Hobbs, New Mexico
February 27, 1962

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

Re: Application for Permit to Commingle
Production, TEXACO Inc., C. E. Penny
(NCT-4) Lease, Langlie-Mattix, Justis
(Blinebry) and Justis (Tubb-Drinkard)
Pools, Lea County, New Mexico

Attention: Mr. Daniel S. Nutter

Gentlemen:

Please refer to TEXACO Inc.'s application dated November 3, 1961 requesting permission to commingle production on the subject lease. This application is being held in abeyance by the Commission pending receipt of U.S.G.S. consent in writing to the proposed commingling.

Our records indicate that copies of U.S.G.S. written consent were sent the Commission to the attention of Mr. A. L. Porter, Jr. on January 31, 1962; however, Texaco has not received approval of the commingling application to date. In the event the letters were misplaced in some manner, attached are three additional copies for your use in processing our application.

Your early consideration in this matter will be appreciated.

Yours very truly,

A handwritten signature in dark ink, appearing to read "H. N. Wade".

H. N. Wade
Assistant District Superintendent

LMF-MSV

Attachments



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

JAN 26 1962

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

Attention: Mr. H. N. Wade

Gentlemen:

Your letter of January 16, 1962, requests approval to commingle oil produced from the Langlie Mattix, Justis (Blinbry) and Justis (Tubb-Drinkard) Pools in the NW $\frac{1}{4}$ of section 19, T. 25 S., R. 38 E., lease Las Cruces 062368.

The method of metering and commingling the oil as described by your schematic diagrams is hereby approved.

All meter proving tests should be scheduled so that a representative of our Hobbs office may be notified in sufficient time to witness the calibration.

Very truly yours,

Carl E. Tracy, for

JOHN A. ANDERSON
Regional Oil and Gas Supervisor