

TEXACO

MAIN OFFICE OCC INC.

PETROLEUM PRODUCTS

1962 FEB 9 PM 1:24



P. O. Box 728  
Hobbs, New Mexico  
February 6, 1962

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

Re: Application for Permit to Com-  
mingle Production, TEXACO Inc.,  
A. H. Blinebry (NCT-4) Lease,  
Federal Lease No. LC-032104,  
Drinkard, Tubb (Gas), Blinebry  
(Oil) and Blinebry (Gas) 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 A. H. Blinebry (NCT-4) Lease, Drinkard, Tubb (Gas), Blinebry (Oil), and Blinebry (Gas) Pools, Lea County, New Mexico, in support of which is stated the following:

1. TEXACO Inc. is the owner and operator of the A. H. Blinebry (NCT-4) Lease, consisting of 160 acres, being the S/2 of the S/2 of Section 31, T-22-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 A. H. Blinebry (NCT-4) Well No. 1 is a triple producer from the Drinkard, Tubb (Gas) and Blinebry (Gas) Pools and Well No. 2 is a dual producer from the Drinkard and Blinebry (Oil) Pools. Presently there are three tank batteries, each consisting of two 500 barrel tanks. These three batteries now serve the Drinkard, Tubb (Gas) and Blinebry (Oil) Pools. The Blinebry zone in Well No. 1 was recently reclassified from oil well to gas well status and it is desirous to commingle all production from the four producing zones rather than incur the expense of installing additional storage facilities for the Blinebry (Gas) production.

3. The expected daily liquid hydrocarbon production from the Drinkard Pool is 18 barrels of 42° API gravity oil at \$3.01 per barrel and that from the Blinebry (Oil) Pool is eight barrels of 39° API gravity oil at \$2.99 per barrel. Based upon the average monthly

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gas allowables for the past six months for Tubb (Gas) and Blinebry (Gas) wells, the expected daily liquid hydrocarbon production from the Tubb (Gas) Pool is 10 barrels of 57° API oil at \$2.79 per barrel and that from the Blinebry (Gas) Pool is two barrels of 51° API gravity oil at \$2.87 per barrel. The four crudes are considered as intermediate sweet. The combined daily production after commingling is expected to be 38 barrels of 45.5° API gravity liquid hydrocarbon at \$2.99 per barrel, resulting in a \$1.88 per day gain in revenue.

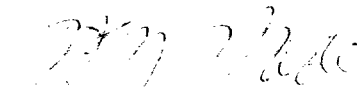
4. In accordance with Item II, Section 1 of the current "Manual for the Installation and Operation of Commingling Facilities" it is requested that permission be granted to commingle the above described production without separately measuring the production from each pool. All Drinkard and Blinebry (Oil) wells on the lease are marginal and are physically incapable of producing top unit allowable for their respective pools. Attached is a tabulation of the daily production (gross) from these wells for the two months of December, 1961 and January, 1962 which shows that the average daily production over the period was below top allowable for the subject pools.

Well tests will be conducted periodically as the Commission may prescribe, and adequate facilities will be installed for conducting such tests. A schematic diagram of the proposed commingling installation is attached.

5. Working and royalty interests are identical in all zones on the lease. Royalty interest in the lease includes the U. S. Geological Survey, and copies of this application are being sent to U.S.G.S., P. O. Box 1838, Hobbs, New Mexico, requesting consent in writing to the proposed commingling operation. Immediately upon receipt, U.S.G.S. consent will be forwarded directly to the Commission at Santa Fe.

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 Drinkard, Tubb (Gas), Blinebry (Oil) and Blinebry (Gas) Pools on the A. H. Blinebry (NCT-4) Lease.

Yours very truly,



H. N. Wade  
Assistant District Superintendent

LMF-MSV

CC: NMOCC, Hobbs

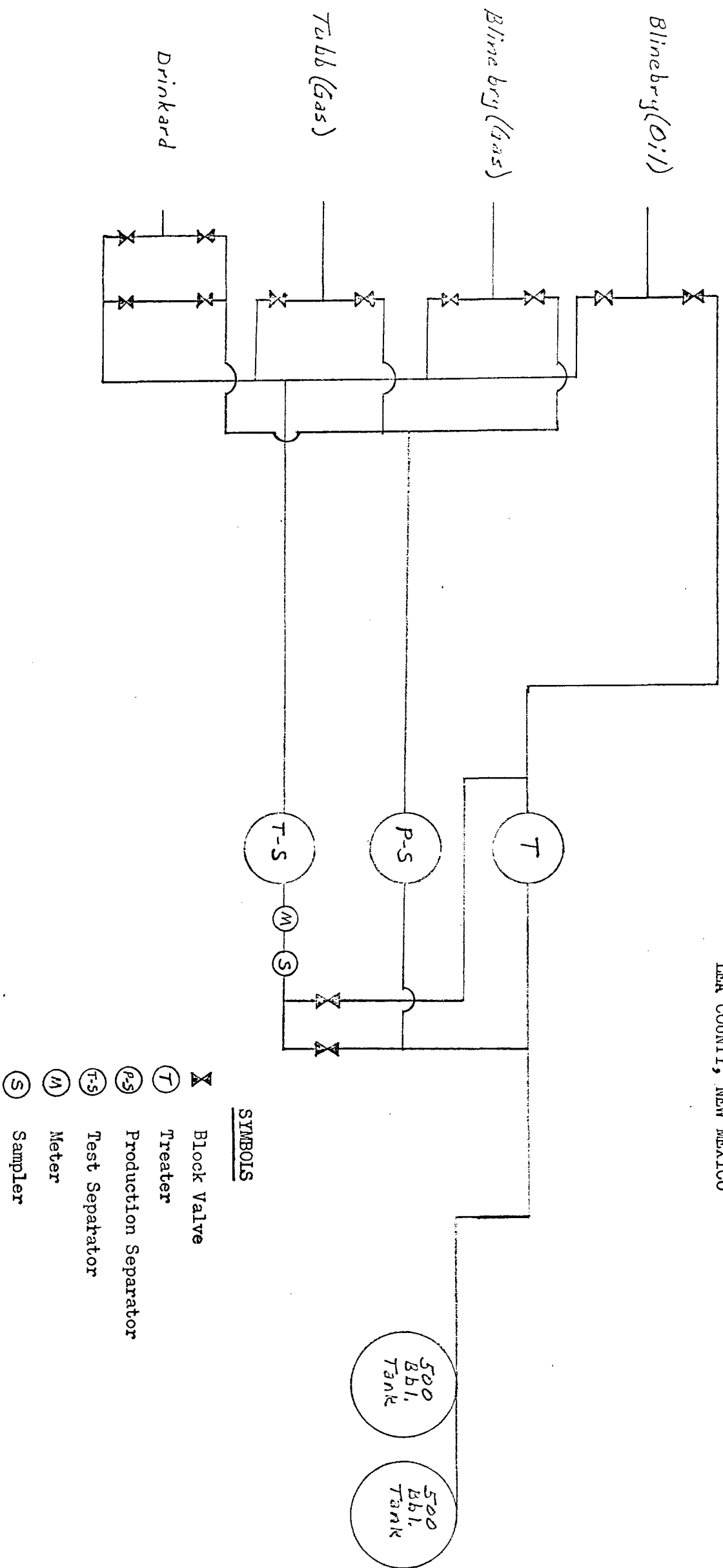
Attachments

# PRODUCTION TABULATION (GROSS BARRELS)

TEXACO Inc. A. H. Blinebry (NCT-4) Lease  
Drinkard and Blinebry (Oil) Pools

Date	DRINKARD		BLINEBRY (OIL)	Date	DRINKARD		BLINEBRY (OIL)
	Well No. 1	Well No. 2	Well No. 2		Well No. 1	Well No. 2	Well No. 2
12-1-51	8	10	18	1-1-52	9	10	8
2	8	10	18	2	8	9	6
3	8	10	18	3	9	10	14
4	8	10	4	4	8	9	14
5	8	10	8	5	9	10	6
6	8	10	11	6	9	10	6
7	8	10	11	7	9	11	6
8	8	10	3	8	9	10	6
9	7	10	8	9	9	13	6
10	7	4	0	10	10	12	8
11	6	8	22	11	10	12	8
12	10	16	14	12	10	12	8
13	10	12	8	13	10	12	8
14	10	12	14	14	10	12	6
15	8	10	8	15	5	6	6
16	8	10	8	16	9	10	8
17	8	10	8	17	4	4	11
18	8	10	11	18	10	12	8
19	10	12	8	19	9	8	8
20	10	12	11	20	8	9	8
21	8	9	11	21	8	0	11
22	10	12	11	22	8	11	11
23	10	12	11	23	9	13	3
24	10	12	6	24	8	9	11
25	8	9	7	25	9	10	11
26	7	8	12	26	7	10	8
27	12	0	12	27	4	6	8
28	10	12	11	28	7	10	11
29	10	12	8	29	7	10	8
30	10	12	11	30	10	12	11
31	8	9	8	31	10	12	11

SCHEMATIC DIAGRAM OF PROPOSED COMINGLING INSTALLATION  
TEXACO INC.  
A. H. BLINEBRY (NCT-1) LEASE  
LEA COUNTY, NEW MEXICO



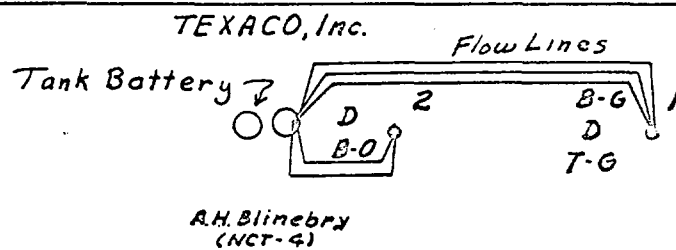
R-38-E

LEGEND

B-G	Blinebry (Gas)
B-O	Blinebry (Oil)
T-G	Tubs (Gas)
D	Drinkard

31

T  
22  
S



FEDERAL LEASE NO. LC-032104

PLAT OF TEXACO, INC. A.H. BLINEBRY (NCT-4)  
LEA COUNTY, NEW MEXICO

Scale: 1 inch = 1000'

JWM

1-25-62

**TEXACO**  
**INC.**

MAIN OFFICE CCC

PETROLEUM PRODUCTS

1962 MAR 9 PM 1 22



P. O. Box 728  
Hobbs, New Mexico  
March 6, 1962

Re: Application for Permit to Commingle  
Production, TEXACO Inc., A. H.  
Blinebry (NCT-4) Lease, Drinkard  
Tubb (Gas) Blinebry (Oil) and  
Blinebry (Gas) Pools, Lea County,  
New Mexico

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

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

Gentlemen:

Please refer to TEXACO Inc.'s application dated February 6, 1962 for permit to conduct commingling operations on the subject lease. In order that the application may be processed and approved, attached are three copies of U.S.G.S. consent in writing to the proposed commingling operations.

Yours very truly,

TEXACO Inc.

A handwritten signature in dark ink, appearing to read "H. N. Wade". The signature is fluid and cursive, written over the typed name.

H. N. Wade  
Assistant District Superintendent

LMF-MSV

Attachments



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

February 26, 1962

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

Attention: Mr. H. N. Wade

Gentlemen:

Your letter of February 7 requests approval to commingle oil production from the Blinebry and Drinkard zones with condensate production from the Blinebry and Tubb zones in the S $\frac{1}{2}$ S $\frac{1}{2}$  sec. 31, T. 22 S., R. 38 E., of Federal lease Las Cruces 032104.

The method of commingling described by the diagrams attached to your letter is hereby approved. The production from well No. 1 is subject to a 12 $\frac{1}{2}$  percent royalty rate and the production from well No. 2 is subject to step-scale (Schedule B) royalty rate. However, as well No. 2 is capable of producing only approximately 18 barrels of oil per day from the Blinebry and Drinkard zones, separate metering facilities will not be necessary until changed conditions may, in our opinion, so require. Production from each zone of said wells should be calculated and reported on the basis of monthly tests.

You are requested to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Very truly yours,

CARL C. TRAYWICK  
Acting Regional Oil and Gas Supervisor