

TEXACO
INC.

PETROLEUM PRODUCTS



102/10R 10 M 10

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

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

Re: Application for Permit to Commingle
Production, TEXACO Inc., G. L. Erwin
"b" (NCT-2) Lease, North Justis (Tubb-
Drinkard, Devonian, Fusselman, McKee,
Ellenburger) Pools, Lea County, New
Mexico.

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 G. L. Erwin "b" (NCT-2) Lease, North Justis-Tubb-Drinkard, North Justis-Devonian, North Justis-Fusselman, North Justis-McKee, and North Justis-Ellenburger Pools, Lea County, New Mexico, in support of which is stated the following:

1. TEXACO Inc. is the owner and operator of the G. L. Erwin "b" (NCT-2) Lease consisting of 160 acres being the SE/4, Section 35, Township 24 South, Range 38 East, 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 G. L. Erwin "b" (NCT-2) Lease has two producing wells and two wells in the process of completion. The producing intervals and the proposed completion interval are shown on the attached producing status sheet. It is desirous to commingle all production from the subject pools to defer the added expense of installing additional storage facilities upon completion of all zones.

3. The expected daily liquid hydrocarbon production for each of the five zones along with the combined daily production after commingling is shown on the attached statistical summary sheet.

4. Previous approval was obtained from the New Mexico Oil Conservation Commission to commingle production on the North Justis-Tubb-Drinkard, North Justis-McKee, North Justis-Ellenburger Pools, on the E-2 of this lease. This previous approval was granted for commingling in accordance with Item III, Section 2 of the current Oil Conservation Commission's "Manual for the Installation and Operation

OK to commingle

*Send HOB OCC a
note to flow inspect*

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

*System upon completion
and to put seals on
mech. linkage between
all four Port valves.*

*(Also send copy of
appl to Hobbs OCC)*

April 16, 1962

of Commingling Facilities", however, it has since been ascertained that the royalty interest is not diversified but is a common royalty interest with a sliding royalty interest payment on the W/2 of the lease for all zones except the Drinkard, McKee, and Ellenburger which are straight 12.5 per cent, along with all of the E/2 of which is also 12.5 per cent. Therefore, in accordance with Item II, Section 2-A of the aforementioned manual it is proposed to meter separately prior to commingling all zones from the W/2 of the lease with the exception of the Drinkard, McKee, and Ellenburger. Samplers and positive displacement type meters with non-reset counters will be installed on all metered zones for accurate measurement prior to commingling. A schematic diagram of the proposed installation is attached and is in substantial compliance with Figure 2 of the aforementioned manual, including hydraulic subsurface equipment which will be installed as needed.

5. Royalty and working interest in the subject lease is common and royalty interest is held in part by the U. S. Geological Survey. A copy of this application is being sent this date to the U. S. Geological Survey, P. O. Box 1838, Hobbs, New Mexico, and upon receipt of approval of that application from U. S. G. S. a copy will be forwarded to New Mexico Oil Conservation Commission.

In view of the facts recited in this application it is respectfully requested that administrative approval of exception to Rule 303 (a) be granted TEXACO Inc. to permit commingling into a common tank battery the crude hydrocarbon production from the North Justis-Tubb-Drinkard, North Justis-Devonian, North Justis-Fusselman, North Justis-McKee, North Justis-Ellenburger Pools on the G. L. Erwin "b" (NCT-2) Lease from wells presently completed and from additional wells which may be completed on this lease in these reservoirs in the future.

Yours very truly,


H. N. Wade
Assistant District Superintendent

ODB-MSV

cc: NMOCC, Hobbs

Attachments

TEXACO Inc.
G. L. Erwin (b) NCT-2 Lease
Lea County, New Mexico

Producing Status

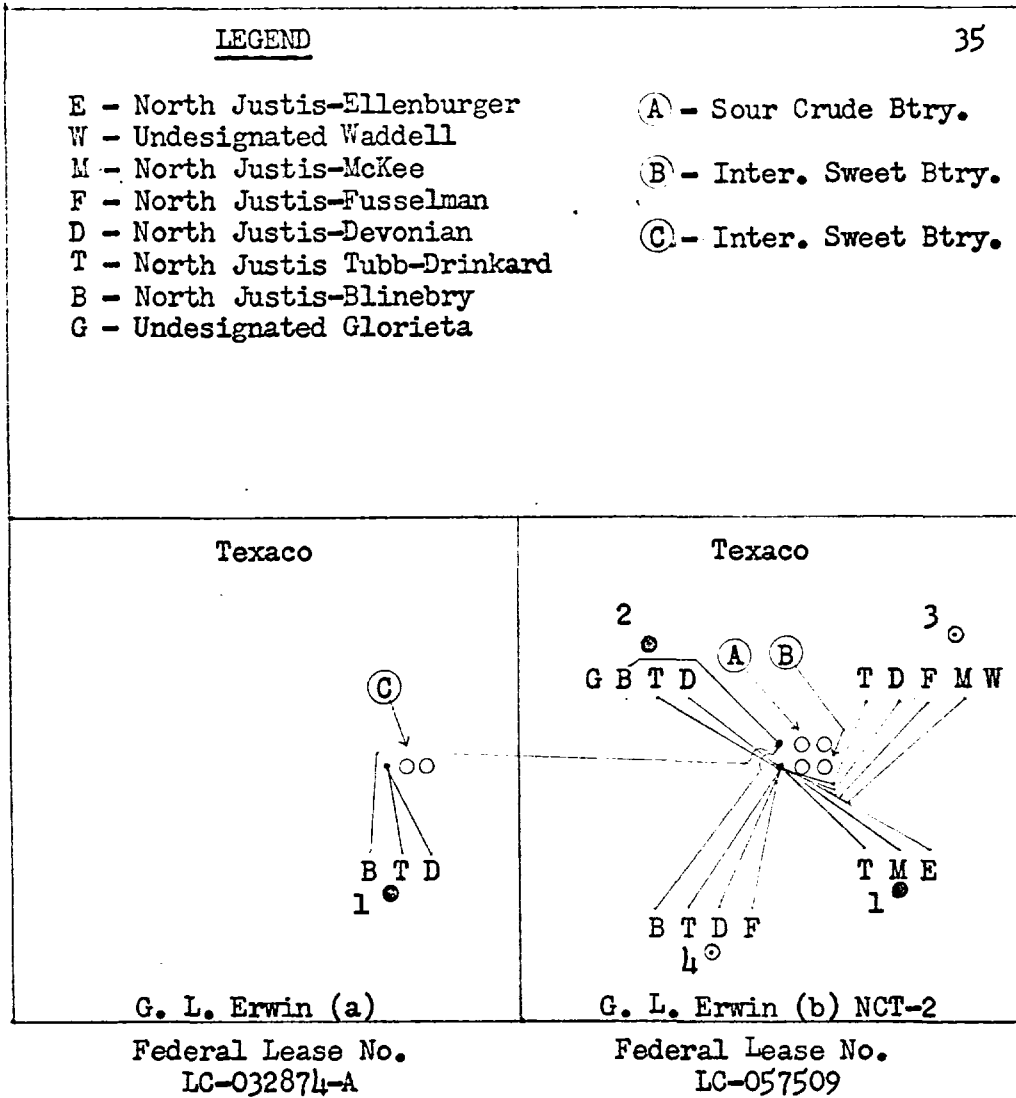
Well No.	Type	Undesignated Glorieta	North Justis Blinbry	North Justis Tubb-Drinkard	Undesignated Devonian	North Justis Fusselman	North Justis McKee	North Justis Ellenburger
1	Triple			X			X	X
2	Quadruple	0	X	X				
3	Quintuple			0	0	0	0	0
4	Quadruple		0	0	0	0		

X - Completed and producing.
0 - Drilling or in the process of completing.

Compling Statistics

Zone	Type of Crude	Productivity (BOPD)	Gravity (° API)	Price Per Barrel	Revenue Per Day
Drinkard	Int. Sweet	192	37	\$2.95	\$ 566.40
Devonian	Int. Sweet	192	38	2.97	570.24
Fusselman	Int. Sweet	168	36	2.93	492.24
McKee	Int. Sweet	168	44	3.01	505.68
Ellenburger	Int. Sweet	216	45	2.99	645.84
All Zones		936	40	\$3.01	<u>\$2735.40</u> \$2817.36 \$ 36.96

Gain per day



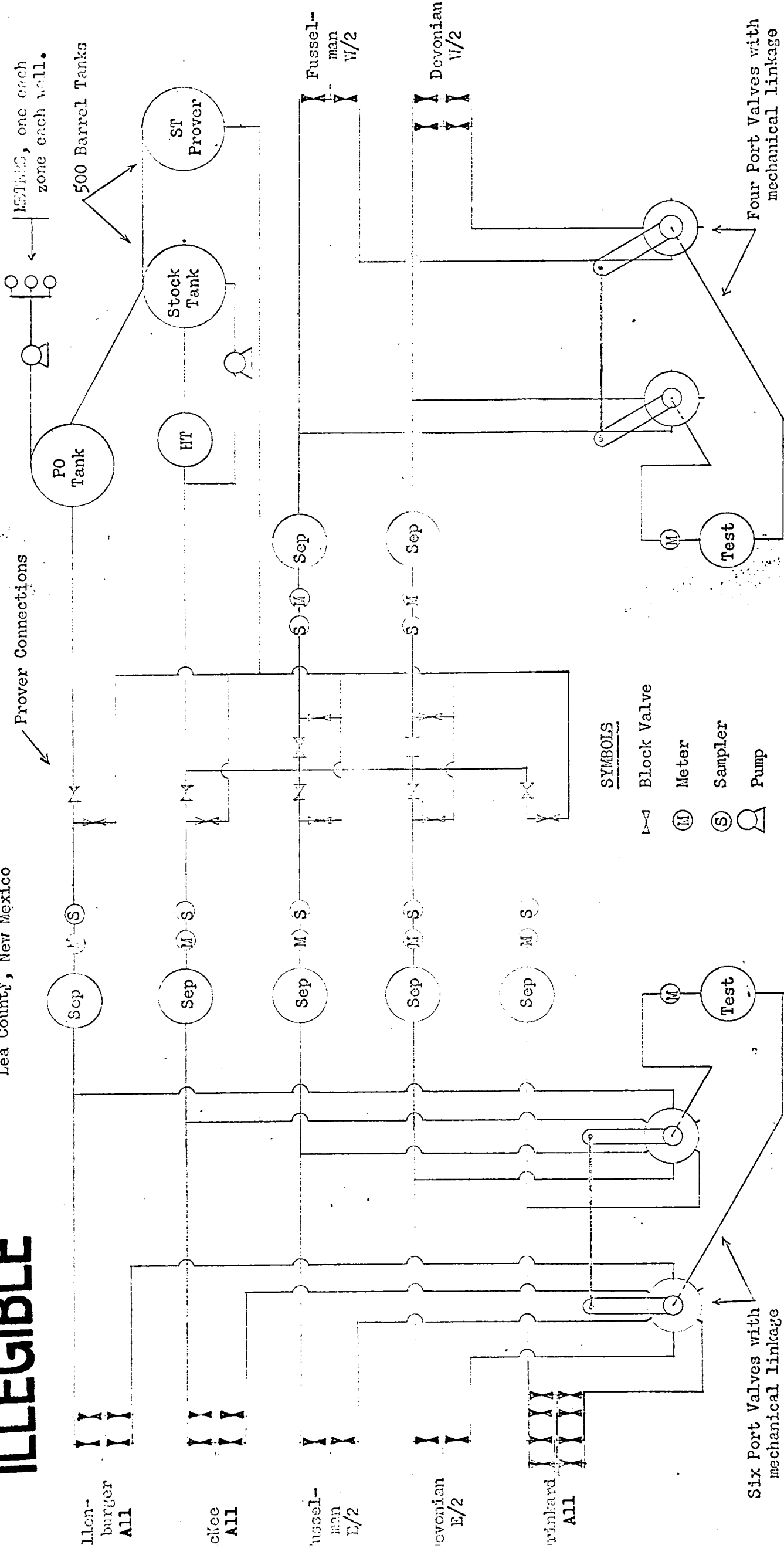
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PLAT OF TEXACO Inc. G. L. ERWIN (a)
and G. L. ERWIN (b) NCT-2 LEASES
Lea County, New Mexico
Scale 1 inch = 2000'

ILLEGIBLE

SCHEMATIC DIAGRAM OF PROPOSED COMINGLING INSTALLATION
TEXACO Inc. G. L. Ervin (b) NCT-2 Lease
Lea County, New Mexico

Hydraulic
Subsurface Pumping Installation



TEXACO

NEW MEXICO OGC

PETROLEUM PRODUCTS

1002 ADT 7 AM 7 32



P. O. Box 728
Hobbs, New Mexico
April 25, 1962

Re: Application For Permit To Commingle
Production, TEXACO Inc., G. L.
Erwin "b" NCT-2 Lease, North Justis
(Tubb-Drinkard, Devonian, Fusselman,
McKee, Ellenburger) Pools, Lea
County, New Mexico

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

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

Gentlemen:

Attached herewith are three (3) copies of USGS approval
for the proposed commingling on the subject lease.

Your earliest consideration of this application would be
greatly appreciated.

Yours very truly,

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

H. N. Wade
Assistant District Superintendent

ODB/om

NMOCC , Hobbs

Attachments



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico

April 23, 1962

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

Attention: Mr. H. N. Wade

Gentlemen:

Your letter of March 30, 1962, requests approval to commingle oil production from the North Justis Tubb-Drinkard, undesignated Devonian, North Justis Fusselman, North Justis McKee and North Justis Ellenburger Pools in the SE $\frac{1}{4}$ sec. 35, T. 24 S., R. 37 E., Lea County, New Mexico, on Federal lease Las Cruces 057509.

You propose to meter separately the oil and gas produced from the portions of the SE $\frac{1}{4}$ sec. 35 subject to different royalty rates. The method of commingling described by the diagrams attached to your letter is hereby approved. You are requested to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Form 9-361, Lessees Monthly Report of Sales and Royalty, for the subject lease should show all meter readings and computations used in determining the royalty for each portion of the lease.

Very truly yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor