

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 19, 1964

C
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P
Y

Texaco Inc.
Drawer 728
Hobbs, New Mexico

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

Administrative Order PC-236

Gentlemen:

Reference is made to your application dated August 31, 1964, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of North Abo, Wolfcamp, and Upper Pennsylvanian production on your Texaco-Mobil "State" Lease, comprising the S/2 NE/4 of Section 25, Township 17 South, Range 34 East, Vacuum Field, Lea County, New Mexico, after separately metering the North Abo and Wolfcamp production and determining the Upper Pennsylvanian production by means of the subtraction method.

By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," and provided further, that you shall notify the Hobbs District Office of the Commission at such time as the installation is complete in order that an inspection may be made of the installation prior to putting it in operation.

Very truly yours,

A. L. Forter, Jr.
Secretary-Director

ALP:DSN:sg

cc: Oil Conservation Commission - Hobbs (with enclosure)
Oil & Gas Engineering Committee - Hobbs
Oil & Gas Accounting Commission - Santa Fe
State Land Office - Santa Fe

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TEXACO INC.

PETROLEUM PRODUCTS



13

DRAWER 728

HOBBS, NEW MEXICO 88240

August 31, 1964

10 236

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

Re: Application for Permit to
Commingle Production, TEXACO
Inc., TEXACO-Mobil "State"
Lease, Vacuum (North Abo,
Wolfcamp and Upper Pennsylvanian)
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 and exception to Rule 303 (a) to permit commingling operations to be conducted on the TEXACO Inc., TEXACO-Mobil "State" Lease, Vacuum (North Abo, Wolfcamp and Upper Pennsylvanian) Pools, Lea County, New Mexico. In support of which the following is stated:

1. TEXACO Inc. is the operator of the TEXACO-Mobil "State" Lease, consisting of 80 acres, being the SE/4 and SW/4 of the NE/4 of Section 25, Township 17 South, Range 34 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 TEXACO-Mobil "State" Lease has one triple completion well that produces from the North Abo, Wolfcamp, and Upper Pennsylvanian Pools. One well, Mobil "Bridges" Well No. 14, produces from the San Andres Pool and is not, in any respect, a part of the TEXACO-Mobil "State" Lease. Production from this well shall be maintained separate and in no way involved with the proposed commingling. The TEXACO-Mobil "State" Lease was formed by joint operating agreement between Mobil Oil Company and TEXACO Inc. in order to accomplish optimum 80-acre dedication for the North Abo, Wolfcamp and Upper Pennsylvanian Pools to TEXACO-Mobil "State" Well No. 1.

3. The expected daily liquid hydrocarbon production from the North Abo Pool is 49 barrels of 39.7° API gravity oil at \$2.99 per barrel, that from

August 31, 1964

the Wolfcamp Pool is 70 barrels of 38.9° API at \$2.97 per barrel, and that that from the Upper Pennsylvanian Pool is 247 barrels of 40.7° API at \$3.01 per barrel. The combined daily production after commingling is expected to be 366 barrels of 40.3° API gravity liquid hydrocarbon at \$3.01 per barrel, resulting in a \$3.78 per day gain in revenue. The production from zones to be commingled is considered as being intermediate sweet.

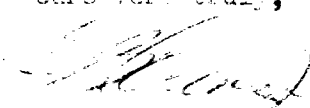
4. (Common Ownership - Subtraction Method) In accordance with Item II, Section 2-3 of the current "Manual for the Installation and Operation of Commingling Facilities", it is proposed to meter prior to commingling all but one zone. The proposed zone not to be metered is the Upper Pennsylvanian zone which produces the highest gravity crude. Positive displacement type meters with samplers and non-reset counters will be installed on the North Abo and Wolfcamp zones for accurate measurement prior to commingling. A schematic diagram of the proposed commingling is attached, and is in substantial compliance with the aforesaid manual.

5. Terms of the joint operating agreement provide for 50 percent of all production be allocated to TEXACO Inc. and 50 percent to Mobil Oil Company. The State of New Mexico owns the royalty interest in the total acreage dedicated to the pertinent producing well. A copy of this application is being sent to the New Mexico Commissioner of Public Lands.

6. Texas-New Mexico Pipe Line Company shall be crude purchaser from the subject lease and a copy of this application is being sent to them at P. O. Box 1510, Midland, Texas.

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 production from the Vacuum (North Abo, Wolfcamp, and Upper Pennsylvanian) Pools on the TEXACO-Mobil "State" Lease.

Yours very truly,

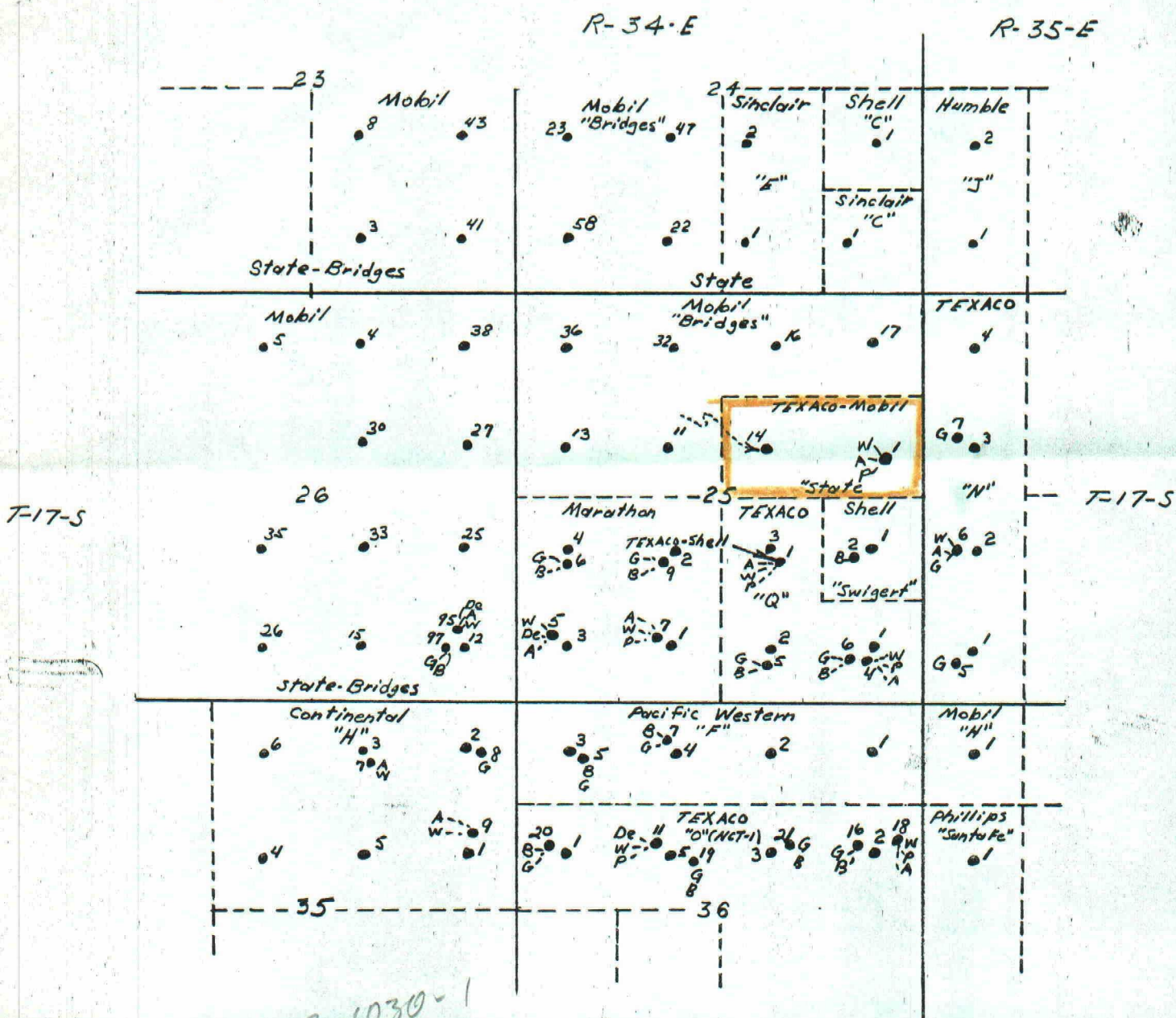


J. G. Blevins, Jr.
Assistant District
Superintendent

WPY-b1

cc: NMOCB-Hobbs
State Land Office
Tex-New Mex Pipe Line

Attachments



TEXACO Inc.

TEXACO-Mobil "State" Lease
Vacuum (Multipay) Field
Lea County, New Mexico
Scale: 1" = 2000'

Legend

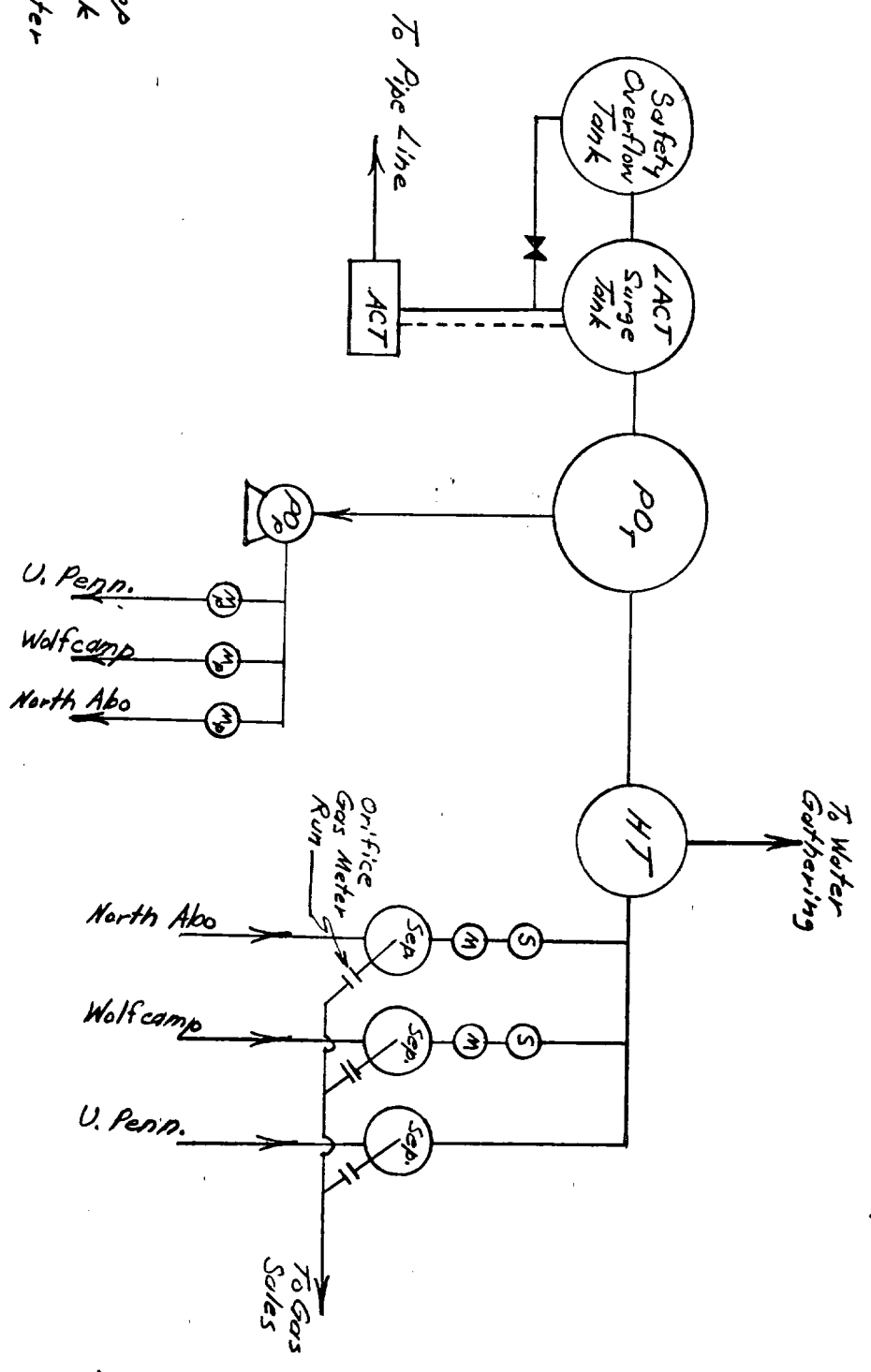
- A - North Abo
- B - Blinbry
- De - Devonian
- G - Glorieta
- P - Pennsylvanian
- W - Wolfcamp

Offset Operators

Mobil Oil Co., Box 2406, Hobbs, New Mexico
Marathon Oil Co., Box 2107, Hobbs, New Mexico
Shell Oil Co., Box 1858, Roswell, New Mexico

Wells not noted completed
in San Andres

- Legend
- Sep. - Separator
 - HT - Heater Treater
 - POP - Power Oil Pump
 - PO_T - Power Oil Tank
 - M_P - Power Oil Meter
 - M - Meter
 - S - Sampler
 - ACT - Automatic Custody Transfer Unit



TEXACO Inc.
 Proposed Commingling Battery
 TEXACO - Mobil "State" Lease
 Vacuum (Multiple) Pool
 Lea County, New Mexico

MAIN OFFICE
'64 SEP 24 PM 3

September 5, 1964

Texaco, Inc.
Post Office Drawer 728
Hobbs, New Mexico/88240

Att: J. G. Blevins, Jr.

Handwritten: 10000 7-11-64 State
24000

Re: Request for permission to
lease on State of New
Mexico Lease No. 1-1000-1,
Acum (multipy) Pool,
in Hobbs, New Mexico

Gentlemen:

The State Land Office is pleased to advise you that the Acum
(Abo, Wolfcamp, and Upper Permian) lease will be no loss of revenue
to the State of New Mexico through its operation and since ownership is
common throughout.

We would however, like to have a periodic report on each pool.

This request is approved on the condition that the Commissioner of Public
Lands reserves the right to amend or withdraw his approval should a loss of
revenue occur to the State of New Mexico at any time through its operation.

Very truly yours,

E. S. JOHNNY WALKER,
Commissioner of Public Lands

By

ROMULO MARTINEZ,
Oil and Gas Department

ESJW/RM/kcl

w/cc to: Oil Conservation Commission
Oil and Gas Accounting Commission