



OIL CONSERVATION COMMISSION

1000 E. 10th St.
Hobbs, NM 88240

August 4, 1992

Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. Lemay, Director

Re: SURFACE COMMINGLING PERMIT APPLICATION
Texaco Exploration & Production Inc.
R.R. Sims Lease
Section 4, T-23-S, R-37-E
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. respectfully requests permission to surface commingle produced hydrocarbons from the North Teague Ellenberger with the Wildcat Devonian pools on the referenced lease. The R.R. Sims #2 was recently completed in the Devonian at a rate of 184 bopd, 342 bwpd and 117 mcfpd. It is proposed to commingle this production with the R.R. Sims #1 Ellenberger which is making 179 bopd, 0 bwpd and 228 mcfpd. A three phase separator will be set to handle production from the #2 well and a transfer pump will be added to the battery to send produced water to the B. F. Harrison B salt water disposal system.

Texaco owns a 100% working interest in both zones on the lease. A common royalty of 12.5% applies to both zones of this Fee lease. Plats are attached that show the location of the two wells and lease production facilities. The wells will be tested monthly on a per well basis. Total monthly production will be allocated to each well by the subtraction method. Additional information is included on a separate page.

Yours very truly,

Robert McNaughton
Production Engineer

RTM/s

attachments

cc: Texas - New Mexico Pipeline
P.O. Box 2528
Hobbs, New Mexico 88240

NMOCD - Hobbs

SURFACE COMMINGLING PERMIT

R.R. SIMS LEASE

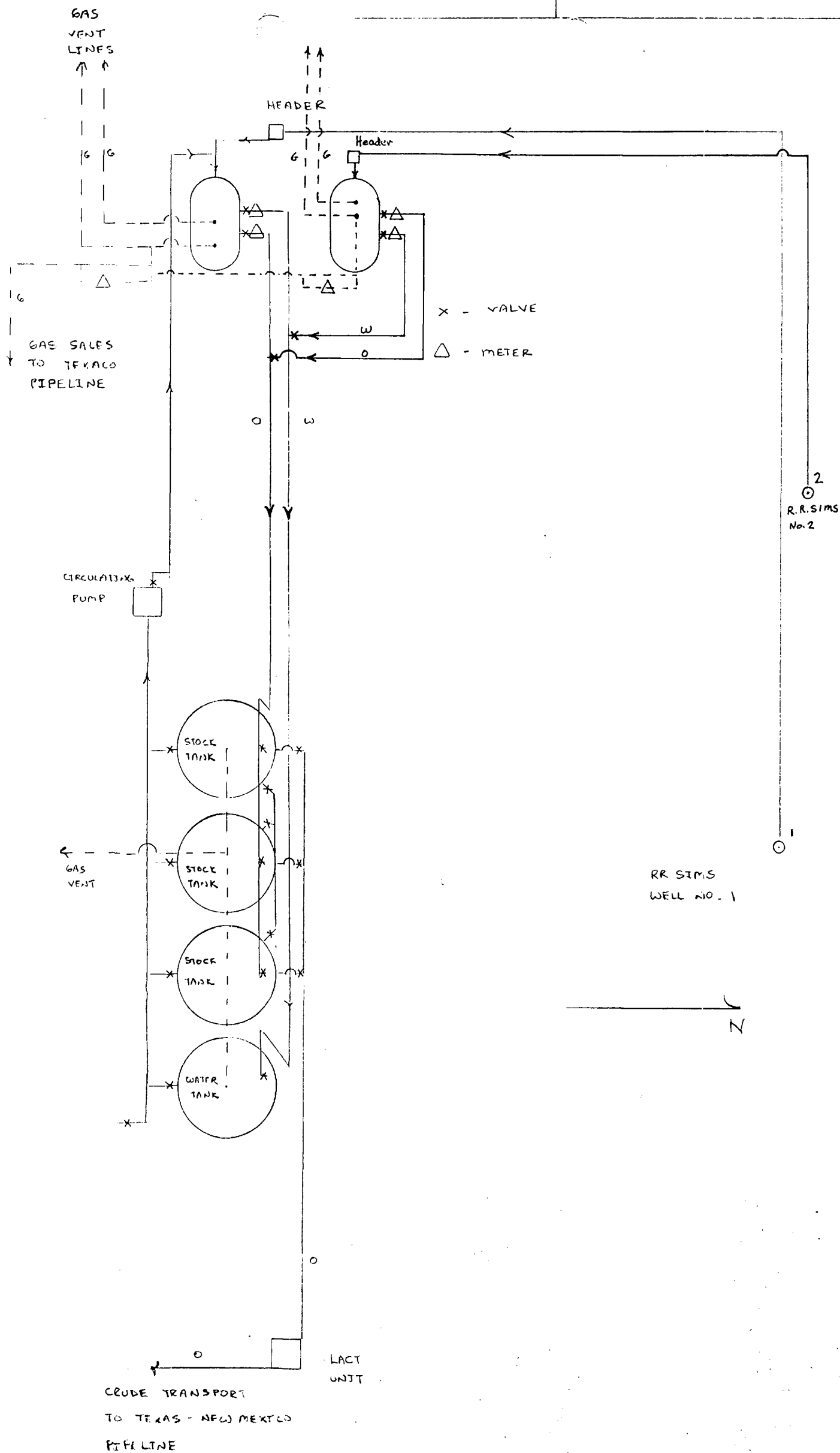
LEA COUNTY, NEW MEXICO

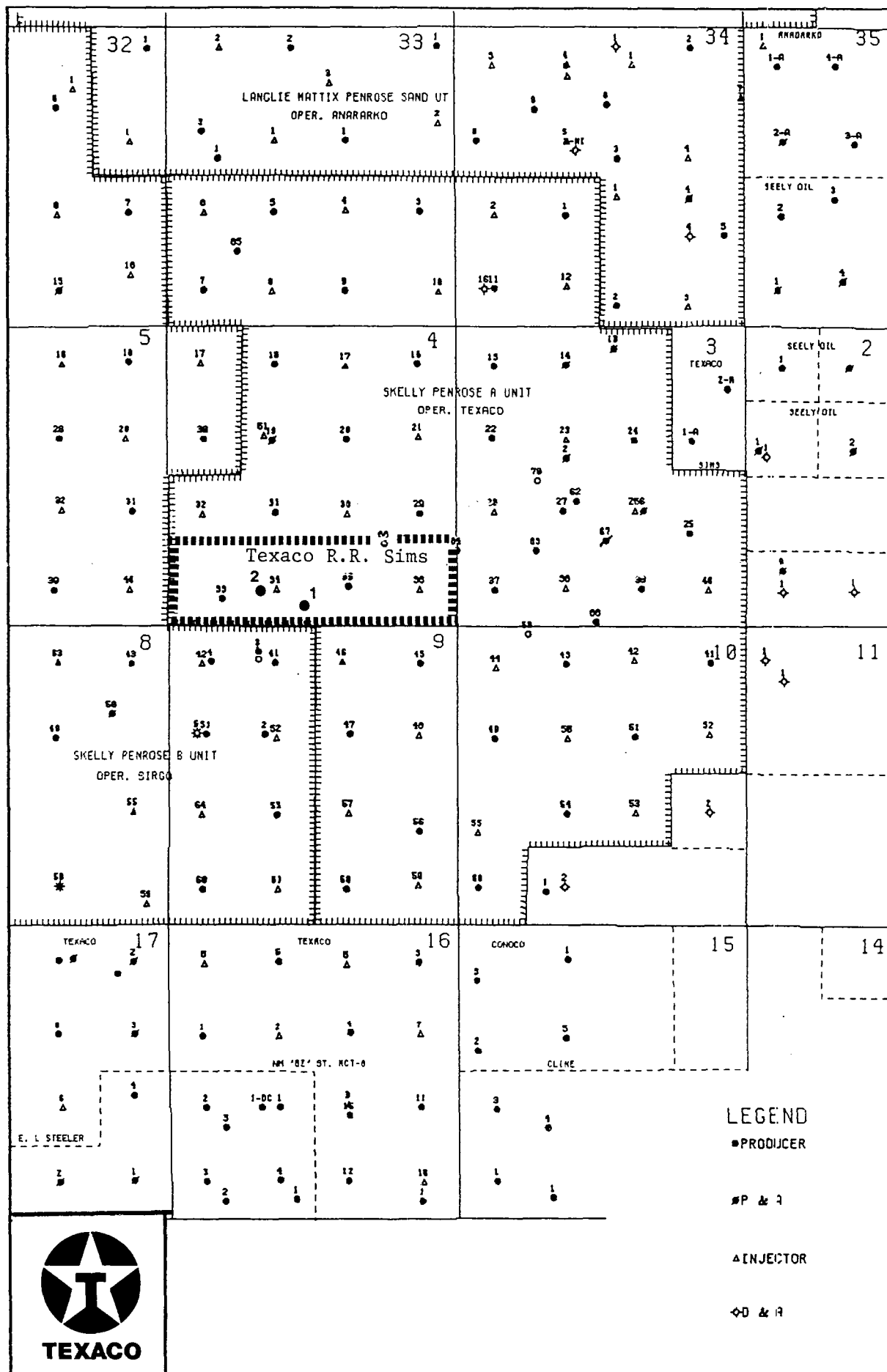
	<i>R.R. Sims #1</i>	<i>R.R. Sims #2</i>	<i>AVG.</i>
<u><i>Pool</i></u>	<i>Ellenberger</i>	<i>Devonian</i>	
<u><i>API Gravity</i></u>	<i>48.2</i>	<i>43.3</i>	<i>45.75</i>
<u><i>Avg. Bopd</i></u>	<i>179</i>	<i>184</i>	<i>363.00</i>
<u><i>Value - \$/BO</i></u>	<i>20.17</i>	<i>20.07</i>	<i>20.12</i>

Before commingling, daily sales would be \$7,303.

After commingling, daily sales would be \$7,303.

The Devonian oil in Sims #2 measured .36% sulfur which is considered sweet crude.





R.R. SIMS

1:12000
FEET 0 1000 2000 3000 4000 5000
STATUTE MILES 0 1 2 3 4 5 6 7 8 9 10

TEXACO INC.	
HOBBS	U.S.A.
SKELLY PENROSE -A- UNIT	
BASEMA=	
LEA COUNTY, NEW MEXICO	
DATE 1-1-1967	BY C. E. SODER
NO. 24-PH-81	