

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 5, 1964

**Tenaco Inc.
Drawer 728
Hobbs, New Mexico**

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

Administrative Order PLC-15

Gentlemen:

Reference is made to your letter of October 7, 1964, wherein you request authority to commingle Vacuum Glorieta and Vacuum Abo Reef production on your State of New Mexico "R" (NCT-1) and State of New Mexico "AB" Leases, comprising the NE/4 and SE/4, respectively, of Section 6, Township 18 South, Range 35 East, Lea County, New Mexico, after separately measuring the production from the Glorieta zone and determining the production from the Abo Reef zone by means of the subtraction method. It is our understanding that the ownership of each lease is identical throughout and that the production will be allocated to the respective leases on the basis of periodic tests.

Pursuant to the authority granted me under the provisions of Rule 303 (b) and 309-B of the Commission's Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools and leases in the above-described manner. Provided however, that the installation shall be operated in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. You are also requested to 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.

Administrative Order CFB-106 which authorized the commingling of the Abo Reef production from the two leases is hereby cancelled.

Very truly yours,

**A. L. Porter, Jr.
Secretary-Director**

ALP:DSH:sg

**cc: Oil Conservation Commission - with enclosure - Hobbs
Oil & Gas Engineering Committee - Hobbs**

TEXACO
INC.

PETROLEUM PRODUCTS



October 7, 1964

MAIN OFFICE 000
OCT 8 PM 1 21

DRAWER 728

HOBBS, NEW MEXICO 88240

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

Re: Revision of Administrative Order
CTB-106, Production Commingling,
TEXACO Inc. State of New Mexico
"R" (NCT-1) and "AB" Lease,
Vacuum (Multipay) Field, Lea
County, New Mexico

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

Gentlemen:

TEXACO Inc. respectfully requests that Administrative Order CTB-106 be revised to permit the commingling of recently developed production from the Vacuum (Glorieta) Pool with that from the Vacuum (Abo Reef) Pool on State of New Mexico "R" (NCT-1) and State of New Mexico "AB" Leases, Lea County, New Mexico. Commingling of production from the Abo Reef Pool between the State of New Mexico "R" (NCT-1) and "AB" Leases without separate measurement prior to commingling was authorized by Order CTB-106 as an exception to Rule 309-A. Revision of Order CTB-106 as requested would be in accord with Rule 303 (b) which would grant an exception to Rule 303 (a) to authorize commingling of production between pools as well as between leases in accord with Rule 309-A.

In support of this request, the following is stated:

1. All working and royalty interests between both zones and leases is common. State of New Mexico Common Schools is the royalty beneficiary for both leases and a copy of this request is being sent this date to the State Land Office.

2. The expected daily liquid hydrocarbon production from the Glorieta zone is 50 barrels of 38.6° API gravity oil at \$2.97 per barrel and that from the Abo Reef zone is 666 barrels of 39.5° API gravity oil at \$2.99 per barrel. The combined daily production after commingling is expected to be 716 barrels of 39.4° API gravity oil at \$2.99 per barrel, resulting in a \$1.00 per day revenue gain. Both crudes are considered as being intermediate sweet.

October 7, 1964

3. In accordance with Section II, Item 2-B of the current New Mexico Oil Conservation Commission "Manual for the Installation and Operation of Commingling Facilities", it is proposed to measure the production from the Glorieta zone and determine the production from the Abo Reef zone by the subtraction method. Measurement of the Glorieta production is to be made with a positive displacement meter with non-reset counter and fluid sampler. Adequate test facilities shall be provided for accurately determining the producing capacity of each well at least once each month. A schematic diagram of the proposed commingling tank battery is attached. Production from each well and each zone shall be separately reported each month.

4. As indicated on the attached plat of the subject leases, each lease contains wells that produce from the San Andres zone. The San Andres production shall be maintained separate from all other production on both leases and in no way be involved with the subject proposed commingling.

5. Texas-New Mexico Pipe Line Company is the crude oil purchaser from the subject leases and a copy of this application is being furnished them at P. O. Box 1510, Midland, Texas.

In view of the facts recited above, TEXACO Inc. would appreciate receiving a revision of Administrative Order CTB-106 to authorize commingling of hydrocarbon production from the Vacuum (Glorieta) Pool and Vacuum (Abo Reef) Pool on State of New Mexico "R" (NCT-1) and State of New Mexico "AB" Leases, Lea County, New Mexico.

Yours very truly,

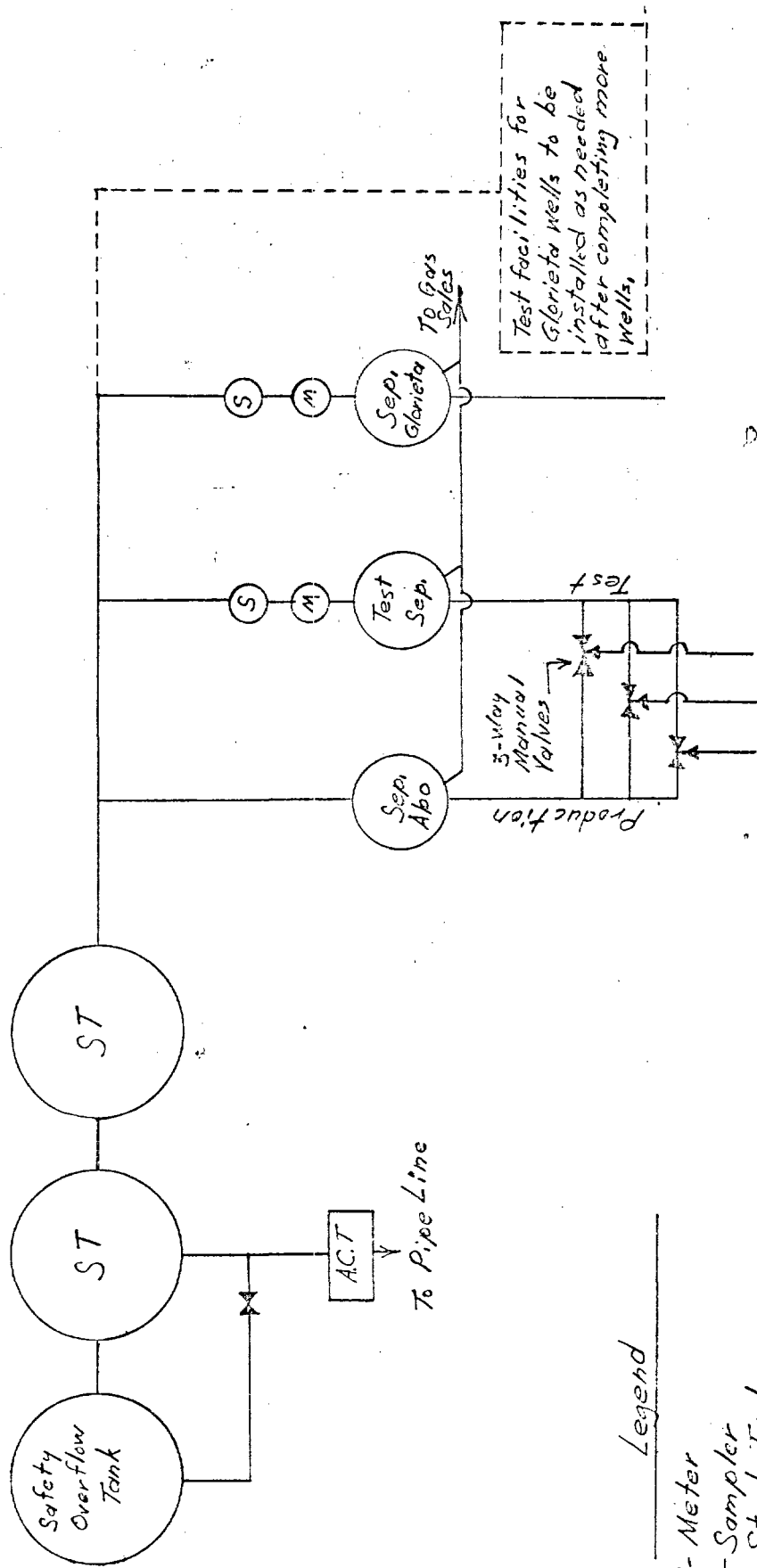


J. G. Blevins, Jr.
Assistant District Superintendent

WPY-jr

NMOCC-Hobbs

Attachments



Legend

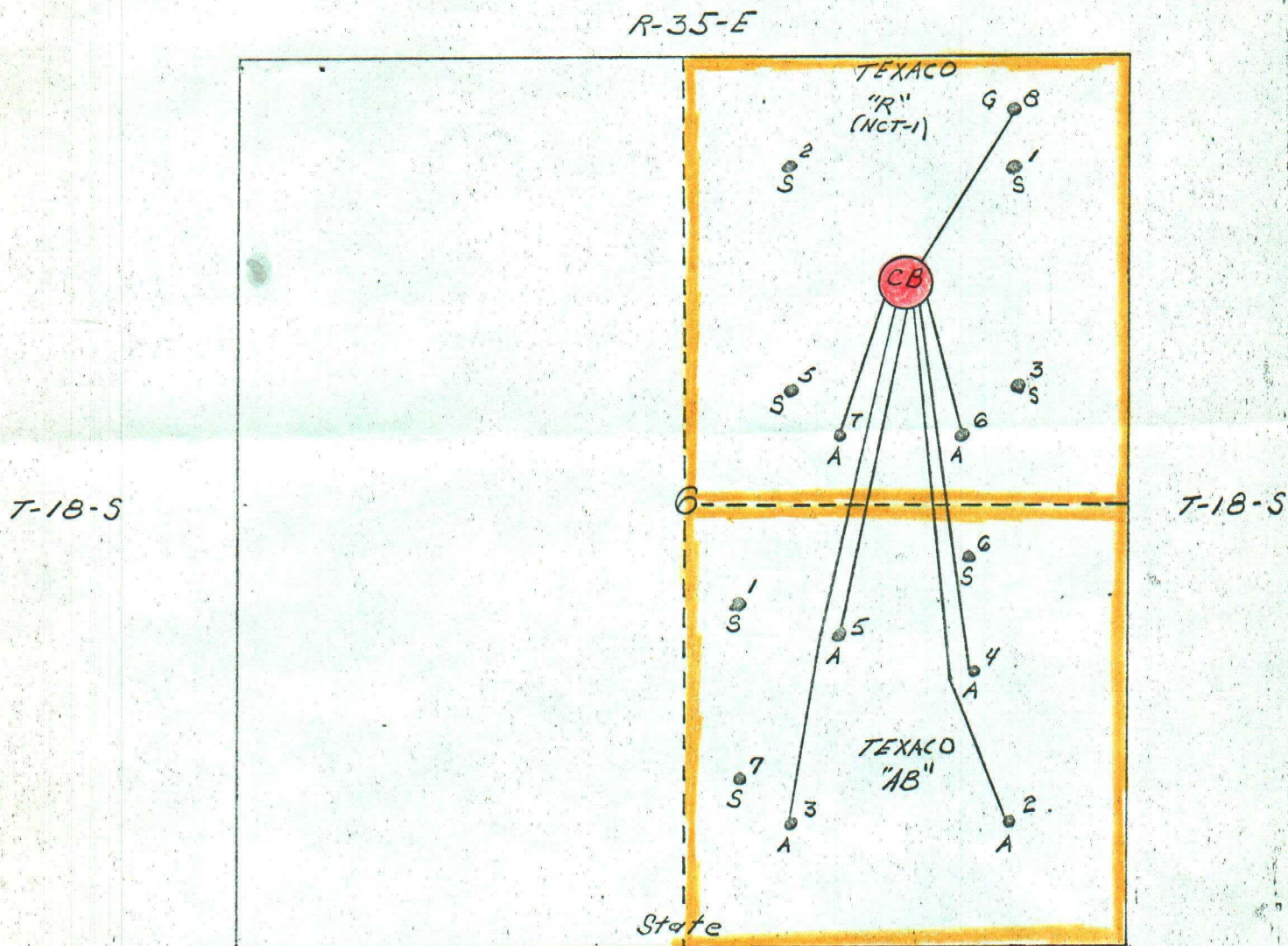
- M- Meter
- S- Sampler
- ST- Stock Tank
- A.C.T- Automatic Custody Transfer Unit
- Sepi- Separator

TEXACO Inc.

Proposed Central Battery
State of New Mexico "18 & 1/2" (N.M.T.) Leases
Vacuum (Glorieta & Abo Reef) Pools

Lea County, New Mexico

10-1-64




TEXACO Inc.

State of New Mexico "R" (NCT-1) and "AB" Leases
Vacuum (Glorieta & Abo Reef) Pools
Lea County, New Mexico

Scale: 1" = 1000'

LEGEND

A - Abo Reef Pool
G - Glorieta Pool
S - San Andres Pool
 - Central Tank Battery

NOTE: San Andres production
routed to separate tank
battery and is in no way
connected to any other
tank battery.

TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS
DIVISION MANAGER

RECEIVED
OFFICE 000
P. O. BOX 1510
MIDLAND, TEXAS 79701
OCT 20 AM 8 12

October 16, 1964

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

Gentlemen:

Texaco, Inc. advises us that they intend to make application to the New Mexico Oil Conservation Commission for permission to commingle production from the Vacuum (Glorieta) Pool and Vacuum (Abo Reef) Pool on their New Mexico "R" (NCT-1) and "AB" Leases in Section 6, T-18-S, R-35-E, Lea County, New Mexico.

Texas-New Mexico Pipe Line Company will gather the production from these leases and concurs with the operator's application to commingle these two crudes.

Yours very truly,

TEXAS-NEW MEXICO PIPE LINE COMPANY

By P. A. Lyons
P. A. Lyons
Division Manager

LPS-NLB

WPF

MAIL ROOM

64 OCT 16 PM 4 20

October 16, 1964

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

Att: J. C. Blevins, Jr.

In RE: Request for revision of
Administrative Order CTB-106
production commingling Texaco,
Inc, State of New Mexico "R"
(NTC-1) and "AB" lease Vacuum
(Multipay) Field, Lea County,
New Mexico.

Gentlemen:

We have no objections from this office for a revision of Administrative Order CTB-106 permitting commingling from Vacuum (Glorieta) Pool with previously approved Vacuum (Abo Reef) Pool on State of New Mexico "R" (NTC-1) and State of New Mexico "AB" Leases. Ownership is common throughout, and since there will be a gain of revenue through this installation, we hereby approve your request.

This approval is given under the condition that the Commissioner of Public Lands reserves the right to amend or withdraw his approval at any time should a loss of revenue occur through this installation.

Very truly yours,

E. S. JOHNNY WALKER,
Commissioner of Public Lands

By

TED BILBERRY, Director,
Oil and Gas Department

ESJW/RGM/TB/kcl

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