



RELEASE 9-20-93

NEW MEXICO OIL CONSERVATION DIVISION
P.O. BOX 2088
SANTA FE, NM 87504

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1993 AUG 23

August 25, 1993

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

Attn: Mr. William J. Lemay
Chairman and Director, Oil Conservation Division

RE: OFF-LEASE STORAGE AND SURFACE COMMINGLING PERMIT APPLICATION
State AN, N.M. AB & R Battery (Formerly State AN battery)
Vacuum Abo Reef, Vacuum Drinkard Pools
Ltr B, Sec. 7, T-18-S, R-35-E (Battery Location)
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. requests permission for off-lease storage and surface commingling of production from the twelve wells described on the attached commingle pre-application into the above described battery. These twelve wells are owned and operated by Texaco Exploration and Production Inc. TEPI has 100% of the gross working interest in all twelve wells. All of these wells are located on state leases and all have common schools as the state beneficiary. All of these wells, with the exception of N.M. AB State #3, produce from the Vacuum Abo Reef pool. The N.M. AB State #3 was recompleted into the Vacuum Drinkard in February of this year.

Seven of these wells are currently producing, with the remaining five wells either shut-in or temporarily abandoned. These five wells are being included in this application so that, in the event of workovers on these wells, a new application will not have to be submitted. The flowlines for the five N.M. AB & R wells are currently routed to the N.M. AB & R battery. This battery is in poor physical condition, therefore, the rerouting of the production from these wells will create safer and more efficient operations in the Buckeye field. Upon the approval of this application and the subsequent rerouting of these wells' flowlines to the State AN battery, this battery will be totally dismantled. The State AN battery will be renamed the State AN, N.M. AB & R battery (AN, AB, & R battery).

On August 20, 1993 Texaco's posted price for West Texas/New Mexico Sour was \$14.25 per barrel. Detailed data of the average daily production, oil gravities, and the daily crude sales amounts of the active wells on this application for the month of July, 1993 are explained on the following page.

Mr. William J. Lemay

-2-

August 25, 1993

<u>WELL</u>	<u>OIL</u>	<u>WATER</u>	<u>GAS</u>	<u>FORMATION</u>
State AN #1	125	63	59	Vac Abo Reef
State AN #2	9	0	27	Vac Abo Reef
State AN #3	10	8	15	Vac Abo Reef
State AN #5	<u>52</u>	<u>68</u>	<u>17</u>	Vac Abo Reef
State AN Lease Total:	196	139	118	

GRAVITY 41.8

CRUDE SALES PRICE \$14.25 X 196 = \$2793.00 PER DAY

N.M. AB State #2	117	52	16	Vac Abo Reef
N.M. AB State #3	3	4	2	Vac Drinkard
N.M. AB State #9	<u>141</u>	<u>0</u>	<u>30</u>	Vac Abo Reef
N.M. AB & R Lease Total:	261	56	48	

GRAVITY 42.8

CRUDE SALES PRICE \$14.25 X 161 = \$3719.25 PER DAY

The total crude sales amounts will remain the same if the production from the seven wells is commingled at this battery. The oil will be sold to Texas New Mexico Pipeline Company, with the oil being metered though a LACT Unit into the pipeline. The gas from the N.M. AB & R wells will be sold to Texaco Exploration and Production Inc.'s Gas Division. The gas from the State AN wells will be sold to GPM Gas Corporation. Water from the battery will be sent to the Rice Disposal System.

Attached is a plat showing the location the twelve wells and the battery. Also attached is a schematic of the battery where monthly tests will be accurately measured on a per well basis through a test separator. When testing the N.M. AB & R wells, the gas will be sold to TEPI. When testing the State AN wells, the gas will be sold to GPM. Each well will be tested several times during the month. Total monthly production will then be allocated to each well based on these well tests.

A check for \$30.00 for the filing fee is enclosed.

If you have any questions concerning this request, please contact me at 397-0418 or 393-7191. Thank you for your assistance in the approval of this application.

Yours very truly,



Monte C. Duncan
Engineer's Assistant

/mcd
Chrono
Attachments

Mr. William J. Lemay

-3-

August 25, 1993

cc: New Mexico Land Department
P.O. Box 1148
Santa Fe, New Mexico 87504
Attn: Mr. Floyd Prando

New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240
Attn: Mr. Jerry Sexton

Mr. Terry Frazier, Hobbs Area Manager
Texaco Exploration and Production Inc.

COMMINGLE PRE-APPLICATION

PAGE 1

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

PLEASE SEE ATTACHED LETTER

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

ACTIVE WELLS

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
State AN #1	A 7 18S 35E	TEPI	E-7653-3	Vacuum Abo Reef
State AN #2	B 7 18S 35E	TEPI	E-7653-3	Vacuum Abo Reef
State AN #3	G 7 18S 35E	TEPI	E-7653-3	Vacuum Abo Reef
State AN #5	J 7 18S 35E	TEPI	E-7653-3	Vacuum Abo Reef
N.M. AB State #2	P 6 18S 35E	TEPI	B-1031-2	Vacuum Abo Reef
N.M. AB State #3	O 6 18S 35E	TEPI	B-1031-2	Vacuum Drinkard
N.M. AB State #9	P 6 18S 35E	TEPI	B-1031-2	Vacuum Abo Reef

NAME:

Monte C. Duncan, Engineer's Assistant

COMPANY:

Texaco Exploration and Production Inc, Box 730, Hobbs, N.M.

PHONE NUMBER:

(505) 397-0418 or (505) 393-7191

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION AT (505) 827-5744.

KKCS 06-04-91

COMMINGLE PRE-APPLICATION

PAGE 2

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

INACTIVE WELLS

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
State AN #4	H 7 18S 35E	TEPI	E-7653-3	Vacuum Abo Reef (Temporarily Abandoned)
State AN #6	O 7 18S 35E	TEPI	E-7653-3	Vacuum Abo Reef (Shut-in)
State AN #7	I 7 18S 35E	TEPI	E-7653-3	Vacuum Abo Reef (Temporarily Abandoned)
N.M. AB State #4	I 6 18S 35E	TEPI	B-1031-2	Vacuum Abo Reef (Shut-in)
N.M. R State NCT-1 #6	H 6 18S 35E	TEPI	B-1306-2	Vacuum Abo Reef (Shut-in)

NAME: Monte C. Duncan, Engineer's Assistant

COMPANY: Texaco Exploration and Production Inc., Box 730, Hobbs, N.M.

PHONE NUMBER: (505) 397-0418 or (505) 393-7191

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KKCS 06-04-91

SEC 6			N.M. R STATE NCT-1 #6 ○
			N.M. AB STATE #4 ○
			N.M. AB STATE #2 ●
			N.M. AB STATE #3 ●
SEC 7			STATE AN #1 ●
			STATE AN #4 ○
			STATE AN #7 ○
			STATE AN #6 ○

TEXACO EXPLORATION AND PRODUCTION INC.

Off-Lease Storage and Surface Commingling

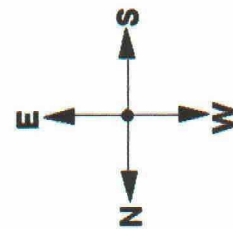
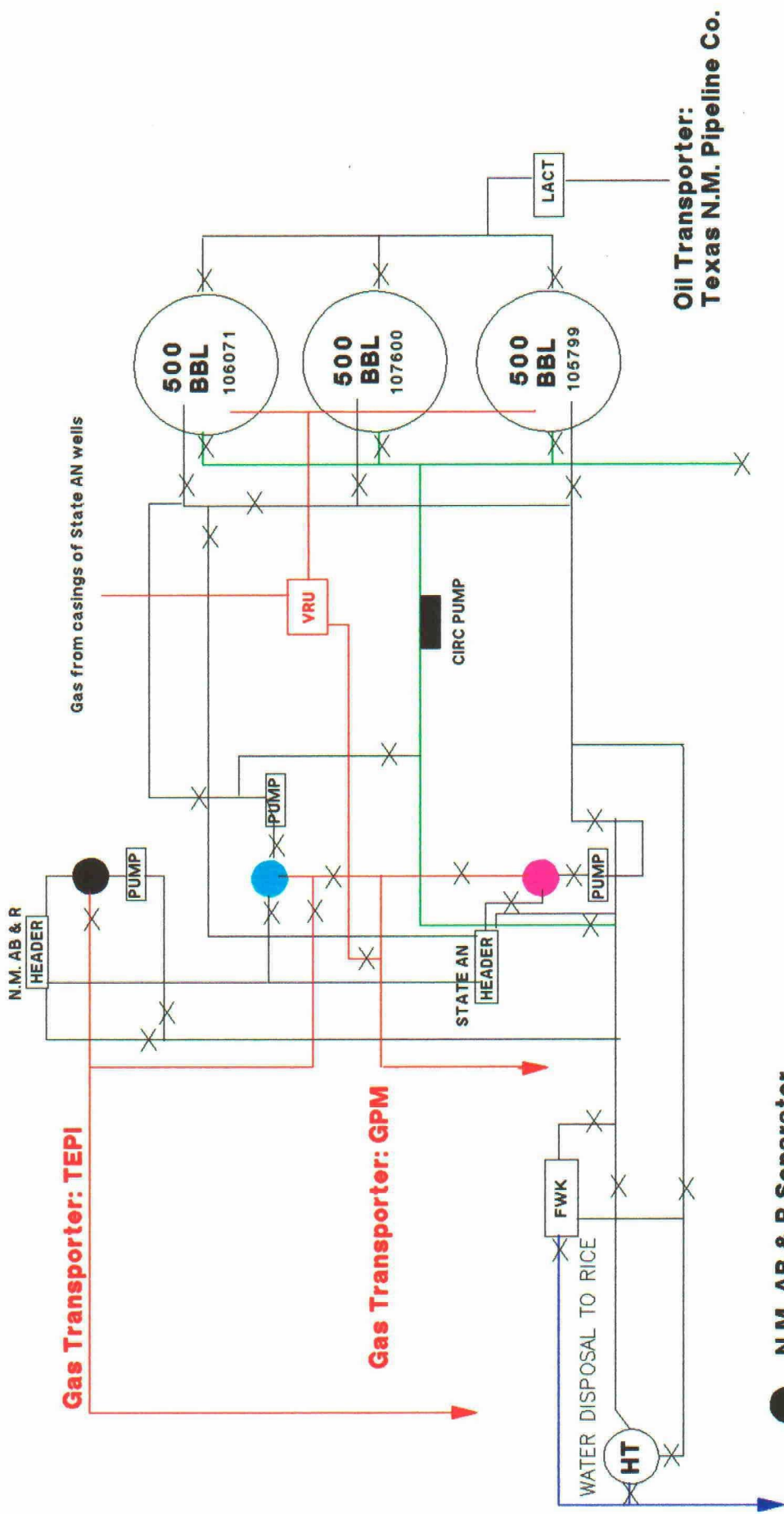
STATE AN, N.M. AB & R BATTERY

T-18-S, R-35-E

LEA COUNTY, NEW MEXICO

- Active wells producing to battery
- Inactive wells

All Flowlines Above Ground



- N.M. AB & R Separator
- Test Separator
- State AN Separator
- Oil Lines
- Water Lines
- Gas Lines
- Circ Lines
- All Lines Above Ground

TEXACO EXPLORATION AND PRODUCTION INC.
STATE AN, N.M. AB & R STATE BATTERY
 Ltr. B, Sec. 7, T-18-S, R-35-E
 Lea County, New Mexico