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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN RE THE MATTER OF THE APPLICATION
OF THE TEXAS COMPANY FOR PERMISSION
FOR THE DUAL COMPLETION OF ITS
PEERY-FEDERAL (NCT-1) WELL NO. 1
LOCATED IN SECTION 29, TOWNSHIP 15
SOUTH, RANGE 30 EAST, CHAVES COUNTY,
NEW MEXICO, AND TO COMINGLE THE
PRODUCTION BETWEEN THE DEVONIAN AND
ELLENBURGER FORMATIONS INTO COMMON
SURFACE STORAGE.

Case No. 1553

APPLICATION

TO: The Oil Conservation Commission of the State of New Mexico.

Comes now The Texas Company and makes application for an Order permitting
the dual completion of its Peery-Federal (NCT-1) Well No. 1 and to comingle
in common surface storage the crude production from the Devonian reservoir
and distillate production from the Ellenburger reservoir and in support of
its application states:

1. That Applicant is the owner and operator of Peery-Federal Lease
~~comprising~~ comprising all of Section 29, Township 15 South, Range 30 East,
N.M.P.M., Chaves County, New Mexico.

2. That Applicant is presently completing its wild cat Peery-Federal
(NCT-1) Well No. 1 upon said Lease, the particular location of which is more
fully set forth on EXHIBIT A.

3. That the production of commercial oil has been determined in the
Devonian formation at an approximate depth of 11,000 to 11,165 feet, and
commercial gas production has been tested from the Ellenburger formation
from 12,068 to 12,106 feet.

4. A plat showing the location of the Lease, the subject well, and all
off-set operators so far as known is attached hereto marked EXHIBIT A and
made a part hereof by reference. It is to be noted that said location is
outside the limits of a defined oil pool and to Applicant's knowledge there

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1 is no dual completion within the same zones within a mile thereof.

2 5. That the proposed manner and method of installing the dual comple-
3 tion is set forth on the diagramatic sketch attached hereto as EXHIBIT B and
4 made a part hereof by reference.

5 6. That in order to provide adequate lease storage facilities for the
6 anticipated production without duplicating facilities and equipment Applicant
7 seeks an exception to OCC Rule 309 for permission to comingle the crude pro-
8 duction from the Devonian, the distillate production from the Ellenburger,
9 from the two zones into a common tank battery to be located in the center of
10 Section 29, Township 15 South, Range 30 East, and to produce the low pressure
11 gas without separate metering. Applicant is willing and able to provide and
12 install such equipment, as the Commission may deem necessary, including the
13 metering of the liquid production from each reservoir prior to comingling.

14 WHEREFORE, Applicant prays that this matter be set down for hearing
15 before this Commission, or one of its Examiners; that notice thereof be given
16 in accordance with law and that the subject Order issue upon such terms and
17 conditions as may be just and reasonable in the premises.

18 THE TEXAS COMPANY

19 BY GILBERT, WHITE AND GILBERT

20
21 By Lew L. P.
One of its Attorneys