

PETROLEUM PRODUCTS

1. TEXACO Inc. is the owner and operator of the U. D. Sawyer Lease comprising 320 acres, being the E/2 of Section 34, T-9-S, R-36-E, 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 U. D. Sawyer Well No. 4 is being completed as an oil producer in the Mississippian formation and will have to be pumped from approximately 11,800 feet. A Devonian tank battery currently exists which is comprised of three 500-barrel stock tanks and three 500-barrel tanks used as the power oil reservoir for the hydraulic pumping system now in operation for the Devonian production which makes it economically attractive to commingle the Mississippian liquid hydrocarbon production into this battery. An additional economic advantage of the proposed commingling would be realized since lease automatic custody transfer has been approved for this battery and is currently

June 30, 1960

being placed into operation. It is to be noted that Order No. R-1608 authorizes automatic custody transfer for the Devonian production only; therefore, it is respectfully requested that Order No. R-1608 be extended administratively to include Mississippian production.

3. The expected liquid hydrocarbon production from the Mississippian is 80 barrels of 41.5° API gravity oil per day at \$3.01 per barrel, and that from the Devonian is 669 barrels of 44.0° API gravity oil at \$3.01 per barrel, therefore no gain or loss will be realized from the proposed commingling operations since both crudes are within the 40 - 44° API gravity range. Both crudes are considered as intermediate sweet.
4. The liquid hydrocarbon production from the Mississippian and Devonian formations will be accurately measured by positive displacement type meters located on both the power oil lines and the production lines of the system. A diagrammatic sketch of the proposed commingling installation is attached.
5. Royalty interests in the subject lease are as noted on the attached list and are being sent copies of the application this date by registered mail.

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 the commingling into a common tank battery of liquid hydrocarbon production from the Mississippian and Devonian formations presently completed on the U. D. Sawyer Lease and from all wells on this lease which may be completed in these reservoirs in the future. In addition, administrative extension of automatic custody transfer Order No. R-1608 to include Mississippian production is requested.

Yours very truly,

TEXACO Inc.

J. G. Blevins, Jr.
Asst. Dist. Supt.

LMF-LJW
ERF, Jr.
Attach.
cc: All royalty interests
Attach.