

CASE NO.

7675

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
15 September 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc., for down-
hole commingling, Lea County, New
Mexico.

CASE
7675

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Ken Bateman, Esq.
WHITE, KOCH, KELLY, & MCCARTHY
220 Otero Street
Santa Fe, New Mexico 87501

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I N D E X

JEFFREY WOLIVER

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MR. NUTTER: Call next Case Number 7675.

MR. PEARCE: That is on the application of Texaco, Inc., for downhole commingling, Lea County, New Mexico.

MR. BATEMAN: Mr. Examiner, I'm Ken Bateman of White, Koch, Kelly, and McCarthy.

I have one witness and ask that he be sworn, please.

(Witness sworn.)

JEFFREY WOLIVER

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. BATEMAN:

Q Sir, would you state for the record your name, place of employment, and capacity in which you're employed?

A Yes, sir. My name is Jeffrey M. Woliver. I work for Texaco, Incorporated in their Midland Division Office, as their Division Petroleum Engineer. Division Operations Engineer, excuse me.

1
2 Q. Have you previously testified here and
3 made your professional credentials a matter of record?

4 A. YES, I have.

5 MR. BATEMAN: Offer Mr. Woliver as an
6 expert.

7 MR. NUTTER: He's qualified.

8 Q. Mr. Woliver, would you state briefly for
9 the record what is desired by this application?

10 A. Yes, sir. Texaco is requesting approval
11 to downhole commingle the Justis Blinebry, Justis Tubb-Drinkard
12 and Justis Devonian North Pool within the wellbore of its
13 G. L. Erwin Federal "A" Well No. 2, located in Unit K, Sec-
14 tion 35, Township 24 South, Range 37 East, Lea County, New
15 Mexico.

16 The subject well was drilled and completed
17 as a triple slim hole completion in June, 1962, with one
18 string producing the Justis Blinebry, one string producing
19 the Justis Tubb-Drinkard, and the other, the Justis Devonian
20 North Pool.

21 The Justis Tubb-Drinkard and the Justis
22 Devonian North Pool have been downhole commingled since 1976,
23 and together can produce two barrels of oil a day.

24 The Justis Blinebry zone is capable of
25 producing six barrels of oil per day, but requires periodic

1
2 swabbing in order to unload the well. This is estimated to
3 cost Texaco an average of \$600 a month.

4 Texaco proposes to drill out a cast iron
5 bridge plug set between the Blinebry and the Tubb-Drinkard
6 zones. This will allow the production from all three zones
7 to commingle within the Blinebry string. We will then run
8 tubing to approximately the top of the Devonian and pump all
9 three zones out of the Devonian string.

10 Q Mr. Woliver, you've prepared Exhibit One,
11 which I believe is an area map showing the location of the
12 well in question.

13 A Yes, sir. Exhibit One is an area
14 map of Township 24 South, Range 37 East, Lea County, New
15 Mexico. The subject well is highlighted by the -- by the
16 little orange dot.

17 Q What is the combined daily oil production
18 from the well at the present time?

19 A Presently the Justis Tubb-Drinkard and
20 the Justis Devonian North commingled production can produce
21 an average of two barrels of oil per day and the Justis Bline-
22 bry, if the periodic swabbing is done, can produce an average
23 of six barrels of oil per day, so the total combined pro-
24 duction currently is eight barrels of oil per day.

25 Q How much water is produced?

1
2 A. Approximately four barrels of oil -- four
3 barrels of water per day.

4 Q. How will the well be operated if the
5 application is approved?

6 A. Well, the well will be artificially lifted
7 from -- from the Devonian string.

8 Q. Are the fluids in the three zones in
9 question compatible?

10 A. Yes, they are.

11 Q. Will there be any adverse effect on the
12 value of the crude by commingling?

13 A. No, there will not.

14 Q. Is the ownership of the three zones in
15 common?

16 A. Yes, it is, including royalty, working
17 interest, and overriding royalty.

18 Q. Will there be any adverse effect on
19 secondary recovery operations?

20 A. No, sir.

21 Q. How will the production from these three
22 zones be allocated?

23 A. We are proposing to allocate the production
24 50 percent to the Justis Blinebry, 25 percent to the Justis
25 Tubb-Drinkard and 25 percent to the Justis Devonian North.

1

2

3

Q. Has the production been commingled on the surface?

4

A. Yes, it has.

5

Q. Any problems with that?

6

7

A. No, no, sir. We have seen no -- no evidence of incompatibility.

8

9

Q. Would you proceed then with what's been marked Exhibit Number Two and explain that to the Examiner?

10

11

12

A. Yes, sir. Exhibit Number Two is a miscellaneous data sheet for the subject well, the G. L. Erwin Federal "A" Well No. 2.

13

14

15

16

Going across the top we have tabularized the upper pool, being the Justis Blinbry; the middle pool, being the Justis Tubb-Drinkard; and the lower pool, being the Justis Devonian North.

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For each of those zones we have indicated their current producing method, the estimated bottom hole pressure, the type of crude from each pool, its estimated -- its gravity, its GOR limits, the completion interval within each pool. We give some test data. The selling price is given for each pool and then as far as the commingled data, we have estimated the gravity of the commingled crude to be 36.3 degrees API. The selling price for commingled crude would be \$30.45 per barrel. This will result in a daily in-

1
2 come of \$334.95 per day. This is anticipating an 8-barrel
3 a day increase. This will result in a net gain of \$243.78
4 per day.

5 Q Proceed then with what's been marked
6 Exhibits Three-A and B and C and describe the production
7 history of this well.

8 A Yes, sir. Exhibit Number Three-A, Three-
9 B, and Three-C are production curves for the subject well,
10 Exhibit Three-A being the production curve for the Justis
11 Devonian North Pool; Exhibit Three-B being the production
12 curve for the Justis Tubb-Drinkard Pool; and Exhibit Three-C
13 being the production curve for the Justis Blinebry Pool.

14 Q What -- you calculated the prospective
15 reserves if the application is approved.

16 A Yes, sir. Moving on to Exhibit Number
17 Four, this is the reserve comparison sheet, comparing with
18 downhole commingling and without downhole commingling. As
19 indicated across the top, we have tabulized the estimated
20 daily barrels of oil per day, the estimated economic limit,
21 and the associated reserves.

22 As can be seen, without downhole com-
23 mingling we have estimated the reserves to be on the order
24 of 5700 barrels. Now with downhole commingling we anticipate
25 that we can get the Justis Devonian North and the Justis

1
2 Devonian -- excuse me, the Justis Tubb-Drinkard commingled
3 production up to six barrels of oil per day and the Justis
4 Blinebry up to six barrels of oil per day, and the associated
5 reserves with doing that would be on the order of 31,000 bar-
6 rels, and this results in a difference, due to the downhole
7 commingling, of on the order of 26,000 barrels.

8 Q How is the well currently completed?

9 A Moving on to Exhibit Number Five, this
10 is a diagram of the present completion of the well. As can
11 be seen, we have three strings of 2-7/8ths casing and their
12 respective setting depths are given over on the right of this
13 exhibit. Over on the left we have the three zones and the
14 perforated intervals in those three zones.

15 As can be seen on the far right string,
16 the X string, which I will call the Blinebry string, we have
17 a cast iron bridge plug set at 5700 feet. This separates the
18 production from the Blinebry and the Tubb-Drinkard and Devon-
19 ian. As can also be seen, the Tubb-Drinkard and Devonian are
20 currently commingled in the X string and are being produced
21 out the Devonian string, the C string, the middle string, the
22 middle string.

23 Q Now how do you propose to recomplete the
24 well?

25 A Exhibit Number Six is our proposed com-

pletion upon approval of the downhole commingling.

What we will do is we will drill out the cast iron bridge plug, set at 5700 feet. This will allow the production from all three zones to commingle in the Blinbry string, the X string. We will then run tubing in column two approximately the top of the Devonian string and we will produce all three zones out of the Devonian string.

Q. Have offset operators been informed of your application?

A. Yes, sir. Exhibit Number Seven is a list of the offsetting operators and Exhibit Number Eight is the certified mail receipts, indicating that we did supply these operators a notice of our intention here today, proposals here today.

Q. You also notified the USGS of the proposed application?

A. Yes, sir.

Q. Would you describe Exhibit Number Nine?

A. Exhibit Number Nine is a -- is a letter from Mr. Jerry Sexton of the Hobbs OCD Office to the Santa Fe OCD Office indicating that he is in -- he has okayed the downhole commingling as far as -- as far as his approval goes, of the subject well.

This was part of correspondence we re-

1
2 ceived from the OCD upon trying to administratively -- get
3 administrative approval of this application. We sent in the
4 paper work and it was sent back to us saying that this could
5 not be administratively approved, with this, and this was one
6 of the attachments to that correspondence.

7 Q Mr. Woliver, in your opinion will the
8 approval of this application be in the best interest of con-
9 servation and will it prevent waste?

10 A Yes, it will.

11 Q And in your opinion will correlative
12 rights be protected?

13 A Yes, sir.

14 Q Were Exhibits One through Nine prepared
15 by you or under your direction?

16 A Yes, they were.

17 Q Do you have anything further to add to
18 the record?

19 A No, sir.

20 MR. BATEMAN: Mr. Examiner, at this time
21 I offer Exhibits One through Nine.

22 MR. NUTTER: Exhibits One through Nine
23 will be admitted in evidence.
24
25

CROSS EXAMINATION

BY MR. NUTTER:

Q. Mr. Woliver, referring to Exhibit Number Five.

A. Yes, sir.

Q. Now the lefthand string of tubing, the Y string, is the Tubb-Drinkard.

A. Yes, sir, but that is currently shut-in and the Tubb-Drinkard on the other side of the diagram here is commingled within the X string, the Blinebry string, and is being produced through the Z string.

Q. Okay, the righthand string, the X string, was originally the Blinebry string?

A. Yes, sir.

Q. That's why it's --

A. No, no. I'm sorry. Would you say that again, please?

Q. The X string.

A. The X string, yes, the X string was originally the Blinebry string and it is now what we are calling the Blinebry string on our current mechanical set-up there, and a cast iron bridge plug is allowing oil into production from the Blinebry to be produced up that string.

Q. Okay, so you went in the Blinebry string

1
2 and it was originally perforated in the Blinebry. Then you
3 went back and perforated the Tubb-Drinkard and the Devonian
4 in that string, and set the cast iron bridge plug.

5 A Mr. Examiner, I see what you're getting
6 at here. That doesn't make a whole lot of sense. Why not
7 go into the Z string and perforate the Tubb-Drinkard and
8 commingle it that way.

9 I'm not sure what the order of events
10 were to -- of the perforations in the X string, let me say
11 that.

12 Q But at the present time, anyway, the
13 production from the Tubb-Drinkard and the Devonian string
14 is coming up the Z string, is it?

15 A Yes, sir.

16 Q The Tubb-Drinkard production coming into
17 the X string, falling down to the bottom, commingling with
18 the Devonian, crossing over through the Devonian string and
19 then back up to the surface.

20 A Yes, sir.

21 Q And the Y string is completely dead at
22 this time.

23 A Well, I wouldn't -- I wouldn't say that
24 it was dead because if you opened the valve --

25 Q Well, yeah, but it's not producing.

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2

A. That's true.

3

Q. It's unused is what I'm saying.

4

A. Yes, sir.

5

Q. And the Blinebry is producing through

6

the X string above the cast iron bridge plug.

7

A. Yes, sir.

8

Q. Now you would remove the cast iron bridge

9

plug, allowing the Blinebry to fall with the Tubb-Drinkard

10

down to the bottom of the hole.

11

A. Yes, sir.

12

Q. Cross over into the -- in the Y -- in the

13

X string, cross over into the Z string and come to the sur-

14

face, --

15

A. Yes, sir.

16

Q. -- along with the Devonian.

17

A. Yes, sir.

18

Q. Okay.

19

MR. NUTTER: Are there any further ques-

20

tions of Mr. Woliver?

21

MR. STOGNER: If I may, Mr. Examiner.

22

23

QUESTIONS BY MR. STOGNER:

24

Q. Do you have the order number approving

25

the Tubb-Drinkard and Devonian downhole commingling?

1
2 A. Yes, sir. It was administrative down-
3 hole commingling order No. 169. I personally have not seen
4 that order. I received that over the phone to our District
5 Office Friday -- excuse me, yesterday.

6 MR. NUTTER: That's the order that al-
7 lowed the commingling of Devonian and Tubb-Drinkard?

8 A. Yes, sir.

9 MR. NUTTER: Are there further questions
10 of the witness? He may be excused.

11 Do you have anything further, Mr. Bateman?

12 MR. BATEMAN: Nothing further, thank
13 you.

14 MR. NUTTER: Does anyone have anything
15 they wish to offer in Case Number 7675?

16 If not, we'll take the case under ad-
17 visement.

18
19 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing Before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7675, heard by me on 9/15 1982.

[Signature], Examiner
Oil Conservation Division

SALL. BOYD, C.S.R.

Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7109

Memo

From
D. S. NUTTER
CHIEF ENGINEER

To

Reservoir (w/ commingling)

Oil

Total for T_h-DN & D_{eo}
15704

give 1/2 to each one:

T_h DN 7852 25%

D_{eo} 7852 25%

P_{bl} 15704 50%

31408 100%

Gas: GOR x oil reserves

T_h DN = 2.667 x 7852 = 20941

D_{eo} = 2.669 x 7852 = 20957

P_{bl} : 5.333 x 15704 83749

125647

T_h DN
20941
125647

= 16%

D_{eo}
20957
125647

= 17%

P_{bl}
83749
125647

= 67%

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7675
Order No. R-7083

APPLICATION OF TEXACO INC. FOR
DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 15, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of September, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texaco Inc., is the owner and operator of the G. L. Erwin "A" Federal Well No. 2, located in Unit K of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Justis Blinebry, Justis Tubb-Drinkard and Justis Devonian production within the wellbore of the above-described well.

(4) That from each of the above-named zones, the subject well is capable of low marginal production only.

(5) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(6) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

-2-

Case No. 7675
Order No. R-7083

(7) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Division any time the subject well is shut-in for 7 consecutive days.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled oil production and 67 percent of the commingled gas production should be allocated to the Blinebry zone, 25 percent of the commingled oil production and 16 percent of the commingled gas production should be allocated to the Tubb-Drinkard zone, and 25 percent of the commingled oil production and 17 percent of the commingled gas production to the Devonian zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to commingle Justis Blinebry, Justis Tubb-Drinkard and Justis Devonian production within the wellbore of the G. L. Erwin "A" Federal Well No. 2, located in Unit K of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That 50 percent of the commingled oil production and 67 percent of the commingled gas production shall be allocated to the Blinebry zone, 25 percent of the commingled oil production and 16 percent of the commingled gas production shall be allocated to the Tubb-Drinkard zone, and 25 percent of the commingled oil production and 17 percent of the commingled gas production shall be allocated to the Devonian zone.

(3) That the operator of the subject well shall immediately notify the Division's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinafter designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

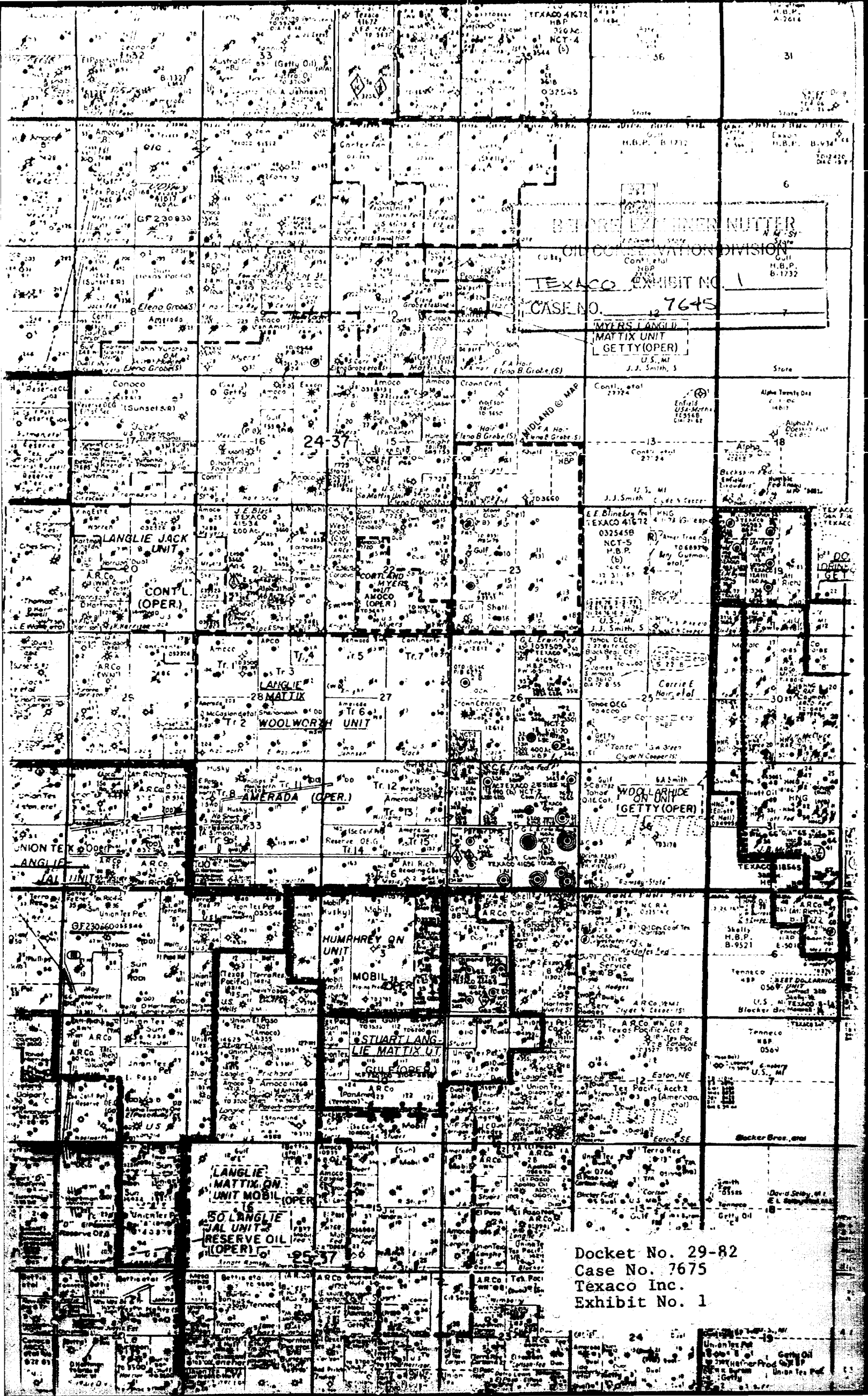


Joe D. Ramey
JOE D. RAMEY,
Director

Application of Texaco Inc. for downhole commingling of the Justis Blinebry, Justis Tubb-Drinkard, and Justis Devonian production in the wellbore of its G. L. Erwin "A" Federal Well No. 2 in Unit K, Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

Docket No. 29-82
Case No. 7675
September 15, 1982

Daw- Tb Dr
Comm. DHC 169



TEXACO EXHIBIT NO. 1
CASE NO. 7645
MYERS LANGLIE
MATTIX UNIT
GETTY (OPER)
U.S. MI
J.J. Smith, S

Docket No. 29-82
Case No. 7675
Texaco Inc.
Exhibit No. 1

DATA SHEET FOR WELLBORE COMINGLING

Operator: TEXACO Inc.

Address: P. O. Box 728, Hobbs, New Mexico, 88240

Lease and Well No.: G. L. Erwin "A" Federal Well No. 2

Location: Unit K, Section 35, Township 25-S, Range 37-E

*all ownership
owned*

WELL DATA

	Upper Pool	Middle Pool	Lower Pool
Name of Pool	<u>Justis Blinebry</u>	<u>Justis Tubbs-Drinkard</u>	<u>Justis Devonian, North</u>
Producing Method	<u>Flow</u>	<u>Pump</u>	<u>Pump</u>
SHP	<u>600</u>	<u>800</u>	<u>800</u>
Type Crude	<u>Sour</u>	<u>Sour</u>	<u>Sour</u>
Gravity	<u>37.4</u>	<u>35.2</u>	<u>35.2</u>
GOR Limit	<u>6000</u>	<u>6000</u>	<u>2000</u>
Completion Interval	<u>5293 - 5631</u>	<u>6025 - 6103</u>	<u>7076 - 7200</u>
Current Test Date	<u>SI-0</u>	<u>SI-0</u>	<u>SI-0</u>
Oil	<u>1 (4-02-82, Test)</u>	<u>1 (3-25-82, Test)</u>	<u>1 (3-25-82, Test)</u>
Water	<u>0</u>	<u>2</u>	<u>2</u>
GOR	<u>5333</u>	<u>2667</u>	<u>2669</u>
	50%	25%	25%
Selling Price of Crude - \$/BBL.	<u>30.61</u>	<u>30.28</u>	<u>30.28</u>
(Before Taxes)			
Daily Income - \$/Day	<u>0</u>	<u>0</u>	<u>0</u>

COMINGLED DATA:

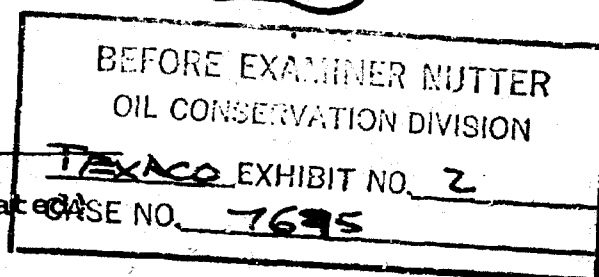
Gravity of Comingled Crude 26.3

Selling Price of Comingled Crude - \$/BBL. 30.45

Daily Income - \$/Day 334.95 (8 BOPD Increase estimated)

Net (Gain) (~~Loss~~) from Wellbore Comingling - \$/Day 243.78
based on current producing rates.

*4 BOPD
if saved*



Docket No. 29-82
Case No. 7675
Texaco Inc.
Exhibit No. 2

*total
18 BOPD
1 BOPD*

JUST:3 DEVONIAN NORTH POOL

1000

100

CASE NO. 7675

Docket No. 29-82
Case No. 7675
Texaco Inc.
Exhibit No. 3A

1981

1982

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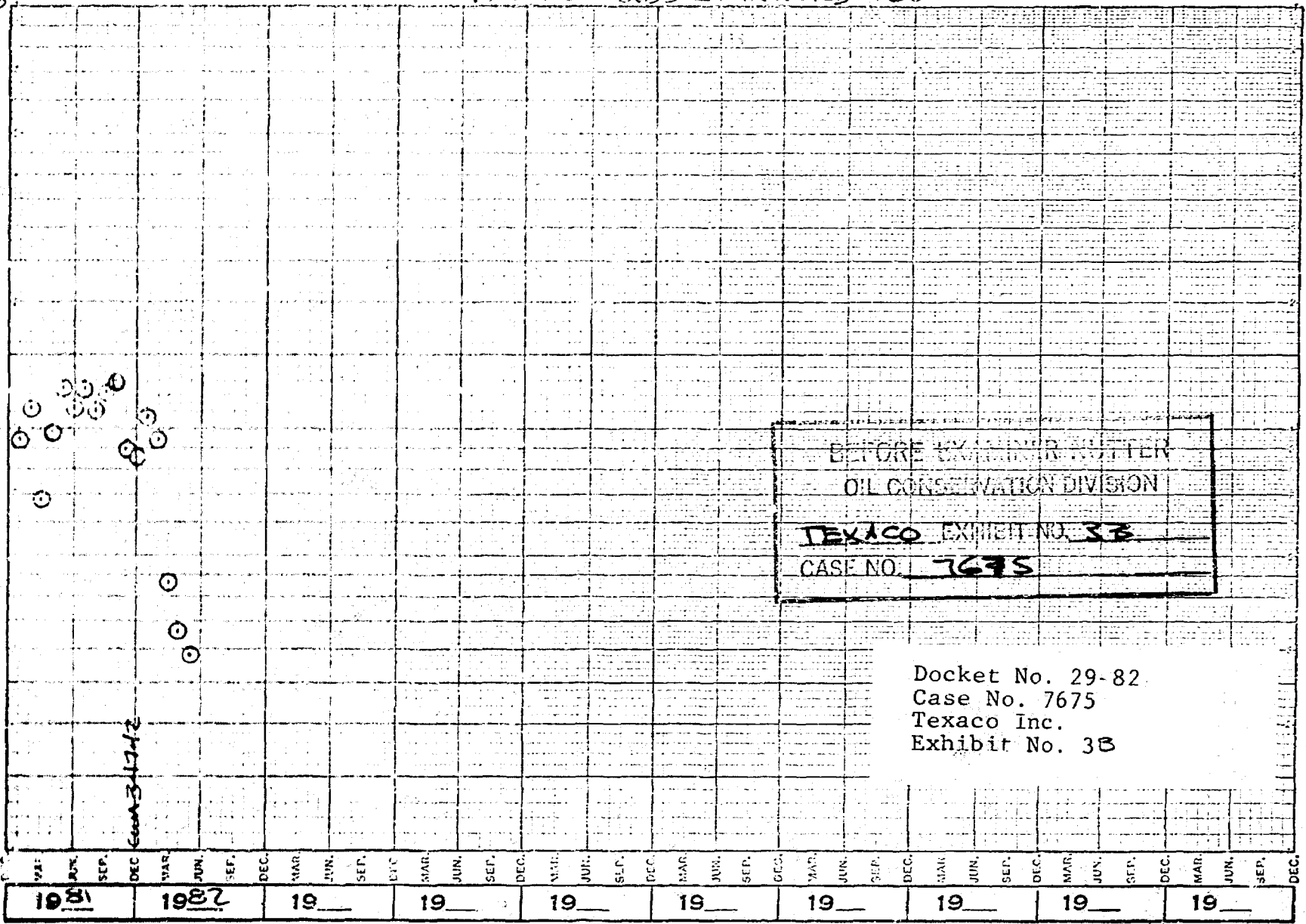
G.L. BROWN "A" FEDERAL NO. 2

JUSTIS TUBB DRINKARD TOOL

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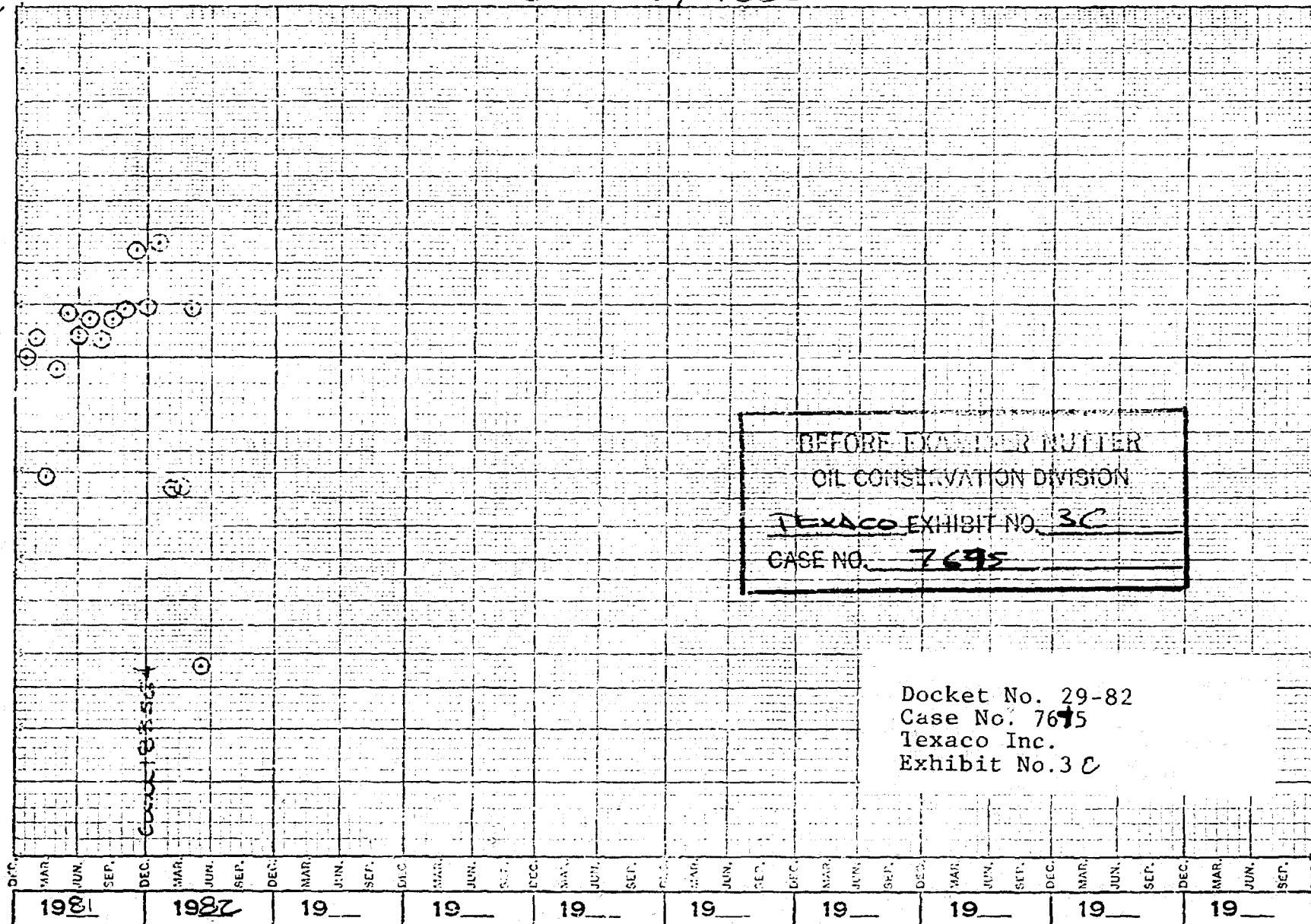
20PM

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JUSTIS BLINERY POOL

5202



G. L. ERWIN "A" FEDERAL WELL NO. 2

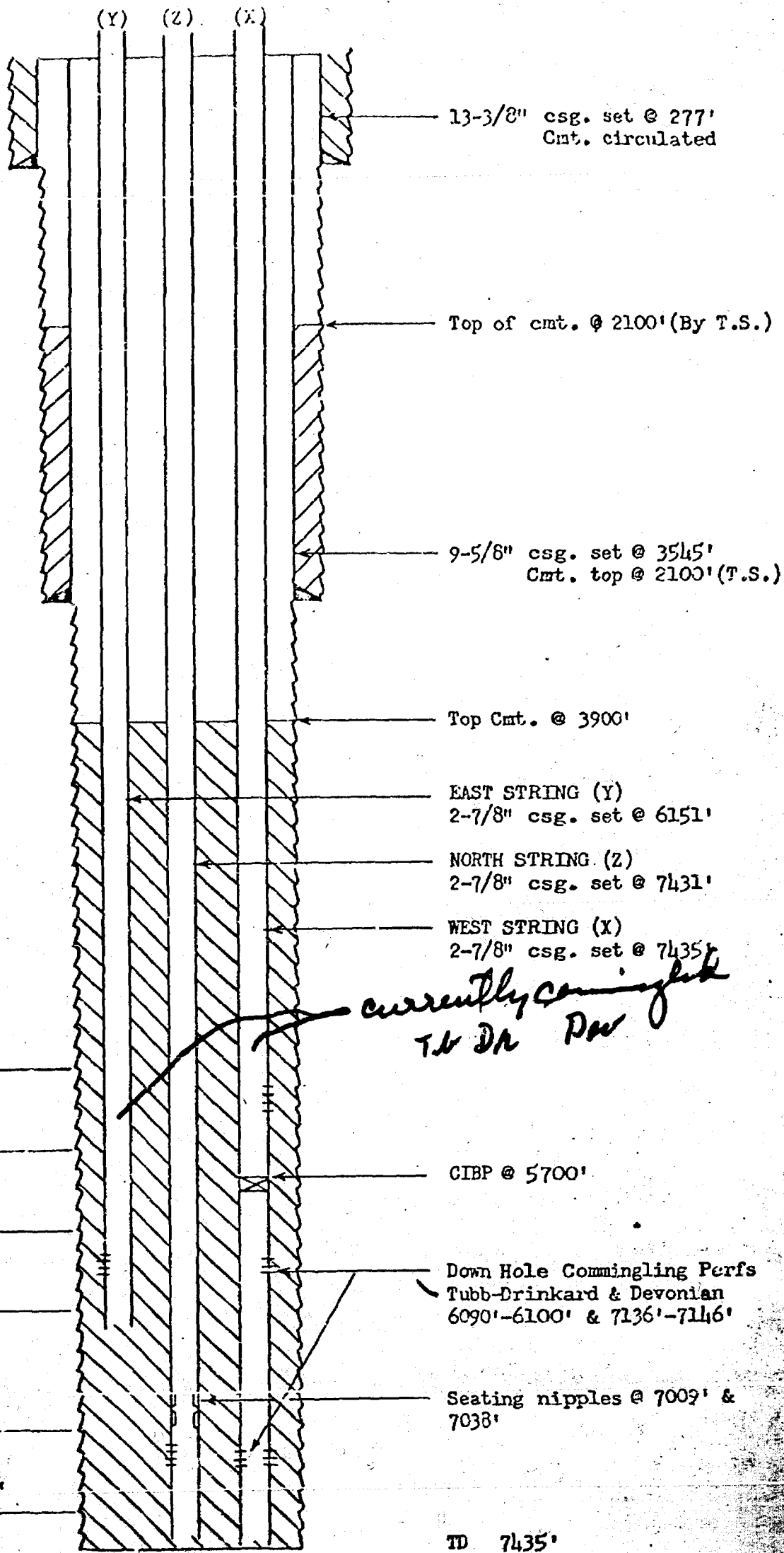
	Estimated Daily BOPD	Estimated Econ. Limit BOPD	Reserves BO
<u>Without DHC</u>			
Justis Devonian North)	2	1	2856
Justis Tubb-Drinkard)			
Justis Blinebry	<u>2</u> 4	<u>1</u> 2	<u>2856</u> 5712
<u>With DHC</u>			
Justis Devonian North)	6	0.5	15704
Justis Tubb-Drinkard)			
Justis Blinebry	<u>6</u> 12	<u>0.5</u> 1	<u>15704</u> 31408
<u>Difference</u>			
Justis Devonian North)	4	0.5	12848
Justis Tubb-Drinkard)			
Justis Blinebry	<u>4</u> 8	<u>0.5</u> 1	<u>12848</u> 25696

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

TEXACO EXHIBIT NO. 4
CASE NO. 2675

Docket No. 29-82
Case No. 7675
Texaco Inc.
Exhibit No. 4

comp 6/62

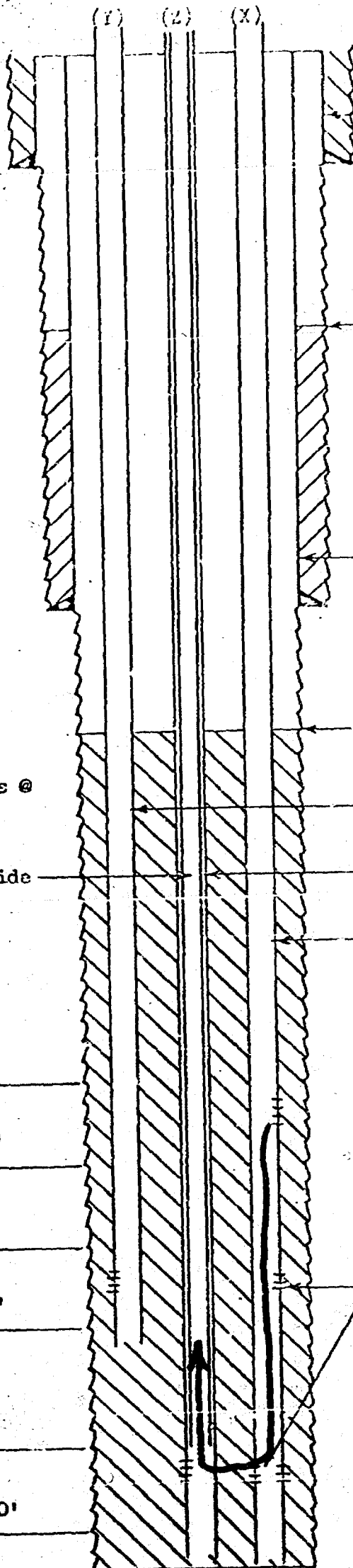


PRESENT COMPLETION

TEXACO Inc.
L. ERWIN "A" FED. NO. 2
BLINEBRY, TUBB-DRINKARD
AND
DEVONIAN FIELDS
IEA COUNTY, NEW MEXICO

Docket No. 29-82
Case No. 7675
Texaco Inc.
Exhibit No. 5

SP/CRC 6-23-82



13-3/8" csg. set @ 277'
Cmt. circulated

Top of cmt. @ 2100' (By T.S.)

9-5/8" csg. set @ 3545'
Cmt. top @ 2100' (T.S.)

PROPOSED:

REMOVE CIBP @ 5700'
West string (X)

MILL OUT Seating nipples @
7009' & 7038'
North string (Z)

RUN 2-1/16" tbg. inside
North string (Z)

Top Cmt. @ 3900'

EAST STRING (Y)
2-7/8" csg. set @ 6151'

NORTH STRING (Z)
2-7/8" csg. set @ 7431'

WEST STRING (X)
2-7/8" csg. set @ 7435'

BLINEBRY

Perf:

5293' - 5631'

TUBB-DRINKARD

Perf:

6025' - 6103'

DEVONIAN

Perf:

7076' - 7200'

REMOVE
CIBP @ 5700'

Down Hole Commingling Perfs
Tubb-Drinkard & Devonian
6090'-6100' & 7136'-7146'

MILL OUT
Seating nipples @ 7009' &
7038'

TD 7435'

PROPOSED

EXAMINER NUTTER DOWN HOLE COMMINGLING
OIL CONSERVATION DIVISION

EXHIBIT NO. 6

NO. 7675

TEXACO Inc.

G.L. ERWIN "A" FED. NO. 2

BLINEBRY, TUBB-DRINKARD
AND

DEVONIAN FIELDS

DEVONIAN FIELDS

Docket No. 29-82
Case No. 7675
Texaco Inc.
Exhibit No. 6

OFFSET OPERATORS

Getty Oil Company
Post Office Box 1231
Midland, Texas, 79702

Shell Oil Company
Post Office Box 576
Houston, Texas, 77001

Tenneco Oil Company
Post Office Box 2511
Houston, Texas, 77001

Reading & Bates Petroleum Company
2310 North Dixie Boulevard
Odessa, Texas, 79761

Parker, Robert L. Trust
3701 South Atlanta Place
Tulsa, Oklahoma, 74105

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

TEXACO EXHIBIT NO. 7

CASE NO. 7675

Docket No. 29-82
Case No. 7675
Texaco Inc.
Exhibit No. 7

PS Form 3811, Jan. 1978

SENDER: Complete Items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
 Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.\$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Reading & Bates Petroleum Co.
 9810 N. Dixie Blvd.
 Odessa, Texas 79761

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 4927874

(Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent
 Beth Beards

4. DATE OF DELIVERY: 8-27-82 POSTMARK: AUG 27 1982

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆GPO : 1979-288-848

PS Form 3811, Jan. 1978

SENDER: Complete Items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
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☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
 Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.\$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Tenneco Oil Company
 P. O. Box 2511
 Houston, Texas 77001

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 4927876

(Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY: AUG 26 1982 POSTMARK: AUG 26 1982

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆GPO : 1979-288-848

PS Form 3811, Jan. 1978

SENDER: Complete Items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
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☐ RESTRICTED DELIVERY
 Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.\$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Getty Oil Company
 P. O. Box 1231
 Midland, Texas 79702

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 4927877

(Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY: AUG 24 1982 POSTMARK: AUG 24 1982

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆GPO : 1979-288-848

PS Form 3811, Jan. 1978

SENDER: Complete Items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
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☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
 Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.\$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Parker, Robert L. Trust
 3701 S. Atlanta Place
 Tulsa, Oklahoma 74105

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 4927873

(Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY: AUG 25 1982 POSTMARK: AUG 25 1982

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆GPO : 1979-288-848

PS Form 3811, Jan. 1978

SENDER: Complete Items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
 Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.\$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Shell Oil Company
 P. O. Box 576
 Houston, Texas 77001

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 4927875

(Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY: AUG 25 1982 POSTMARK: AUG 25 1982

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆GPO : 1979-288-848

TEXACO EXHIBIT CASE NO. 7675

Docket No. 29-82
 Case No. 7675
 Texaco Inc.
 Exhibit No. 8

OIL CONSERVATION DIVISION
DISTRICT I

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

DATE July 14, 1982

RE: Proposed MC _____
Proposed DHC X _____
Proposed RSL _____
Proposed HSP _____
Proposed SWD _____
Proposed WFX _____
Proposed PHX _____

Gentlemen:

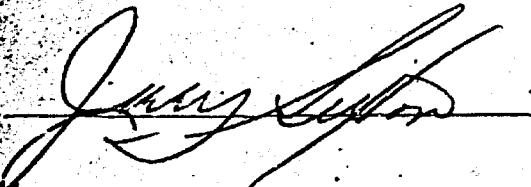
I have examined the application for the:

Texaco Inc. G. L. Erwin "A" Fed. #2-K 35-25-37
Operator _____ Lease and Well No. 24 Unit, S - T - R

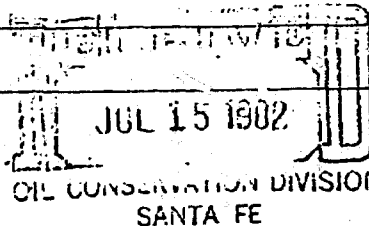
and my recommendations are as follows:

O.K.----J.S.

Yours very truly,



lmc



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Texaco EXHIBIT NO. 9
CASE NO. 7675

Docket No. 29-82
Case No. 7675
Texaco Inc.
Exhibit No. 9

Dockets Nos. 31-82 and 32-82 are tentatively set for September 29 and October 13, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING WEDNESDAY-SEPTEMBER 15, 1982

9 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7638: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, American Employers Insurance Company and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit N, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4, located in Unit M, both in Section 5, all in Township 21 North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7637: (Continued from August 18, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Fireman's Fund Insurance Company and all other interested parties to appear and show cause why the Shaw Well No. 1, located in Unit M, Section 18, Township 4 North, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7635: (Continued from September 1, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-in-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit S, Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7636: (Continued from September 1, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-in-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7673: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Almost Texas Unit Area, comprising 3,840 acres, more or less, of State and Federal lands in Township 26 South, Range 31 East.

CASE 7664: (Continued from September 1, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Little Cuevo Unit Area, comprising 13,407 acres, more or less, of State and Fee lands in Township 17 South, Range 18 East.

CASE 7674: Application of Trican Energy, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Javalina Basin Unit Area, comprising 3,840 acres, more or less, of State and Federal lands in Township 25 South, Range 34 East.

CASE 7675: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Justis Blinabry, Justis Tubb-Drinkard, and Justis Devonian production in the wellbore of its G. L. Erwin "A" Federal Well No. 2 located in Unit K, Section 35, Township 24 South, Range 37 East.

- CASE 7676: Application of Tenneco Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 4970 feet to 4982 feet in its Jennings Fed. Well No. 3 located in Unit B of Section 14, Township 24 South, Range 32 East.
- CASE 7677: Application of Anadarko Production Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Teas Yates Waterflood Project by converting two wells located in Unit F of Sections 13 and 14, Township 27 South, Range 33 East and drilling three new injection wells at unorthodox locations in Units M of Section 11 and Unit L of Section 13, Township 20 South, Range 33 East, and Unit E of Section 18, Township 20 South, Range 34 East.
- CASE 7678: Application of Phillips Petroleum Company for a pressure maintenance project, Lea County, New Mexico. Applicant in the above-styled cause, seeks authority to institute a pressure maintenance project in the Vacuum Grayburg-San Andres Pool by the injection of water into the Grayburg San Andres formation through eight injection wells to be drilled at unorthodox locations in Section 35, Township 17 South, Range 34 East, as follows: 2630 feet from the South line and 1330 feet from the West line; 2630 feet from the South and West lines; 2630 feet from the South line and 1330 feet from the East line; 1310 feet from the South line and 1330 feet from the West line; 1310 feet from the South line and 10 feet from the East line; 10 feet from the South line and 1310 feet from the East line; 1330 feet from the North line and 1310 feet from the West line; and 1330 feet from the North line and 10 feet from the West line. Applicant also proposes two production wells at unorthodox locations in said Section 35 as follows: 1310 feet from the South line and 2630 feet from the East line and 1310 feet from the South and East lines.
- CASE 7630: (Continued from September 1, 1982, Examiner Hearing - This Case will be Dismissed)
- Application of Ralph Nix for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NE/4 of Section 18, Township 19 South, Range 26 East.
- CASE 7671: (Continued from September 1, 1982, Examiner Hearing)
- Application of Texas Eastern Developments, Inc. for an exception to Rule 307, San Juan County, New Mexico. Applicant in the above-styled cause, seeks an exception to Rule 307 of the Division Rules and Regulations to permit it to draw a vacuum on the Shiprock Gallup Oil Pool reservoir through 16 wells in Sections 16 and 17, Township 29 North, Range 18 West. Applicant further seeks an administrative procedure whereby it could extend the proposed vacuum system to include additional wells in the same reservoir.
- CASE 7679: Application of C & K Petroleum, Inc. for the amendment of Order No. R-4857-A and for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4857-A to provide that the lands pooled by said order shall be the W/2 SE/4 of Section 27, Township 16 South, Range 37 East, dedicated to its Ship 27 Well No. 2 located in Unit O in said Section 27. Applicant further seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 SE/4 of the aforesaid Section 27, to be dedicated to a well to be drilled in Unit P of said Section 27. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7680: Application of Unichem International, Inc. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit the commercial disposal of produced brine into several unlined surface pits located in Section 11, Township 23 South, Range 29 East.
- CASE 7681: Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Ordovician gas well to be drilled 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South, Range 27 East, the E/2 of said Section 13 to be dedicated to the well.

CASE 7682: Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Mississippian gas well drilled 330 feet from the North line and 330 feet from the West line of Section 34, Township 11 South, Range 28 East, the W/2 of said Section 34 to be dedicated to the well.

CASE 7683: Application of S & I Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying the E/2 SE/4 of Section 12, Township 29 North, Range 15 West, to be dedicated to a well drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7684: Application of R. E. Lauritsen for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup and Dakota formations underlying the W/2 of Section 11, Township 29 North, Range 15 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7685: Application of Cimarron Energy Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian test to be drilled 1980 feet from the South line and 660 feet from the West line of Section 34, Township 22 South, Range 28 East, the S/2 of said Section 34 to be dedicated to the well.

CASES 7528 and 7529: (Continued and Readvertised)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7528: NW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

(Continued from September 1, 1982, Examiner Hearing)

CASES 7666, 7667, 7668, and 7669: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the four following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7666: SW/4 Section 3;

CASE 7667: NW/4 Section 4;

CASE 7668: NW/4 Section 14;

All of the above being in Township 5 South, Range 24 East and

CASE 7669: NW/4 Section 2, Township 9 South, Range 25 East.

CASE 7670: (Continued from September 1, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 14 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7652: (Continued from August 18, 1982, Examiner Hearing)

Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco formation underlying all of partial Sections 34 and 35, Township 20 1/2 South, Range 23 East, underlying a previously approved 688-acre non-standard proration unit, to be dedicated to a well at a previously approved unorthodox location which is to be re-entered. Also to be considered will be the cost of re-entering said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entering said well.

CASE 7672: (Continued from September 1, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowable, contracting, and extending certain pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Brushy Draw-Brushy Canyon Pool. Further, to assign approximately 25,410 barrels of discovery allowable to the discovery well, the J. C. Williamson UCBEW Federal Well No. 1 located in Unit M of Section 25, Township 26 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 25: SW/4

- (b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for San Andres production and designated as the Hobbs Channel-San Andres Pool. The discovery well is the Bass Enterprises Production Company Humble City Unit Well No. 1 located in Unit D of Section 36, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 36: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Humphreys Mill-Morrow Gas Pool. The discovery well is the Florida Exploration Company Reno Com Well No. 1 located in Unit D of Section 11, Township 25 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 35 EAST, NMPM
Section 11: N/2

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Justis-Abo Pool. The discovery well is the Santa Fe Energy Company Carlson B-25 Federal Well No. 3 located in Unit O of Section 25, Township 25 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: SE/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the McMillan-Upper Pennsylvanian Gas Pool. The discovery well is the Southland Royalty Company Pecos River Federal 20 Com Well No. 1 located in Unit J of Section 20, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 20: E/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Mosley Canyon-Strawn Gas Pool. The discovery well is W. A. Moncrief, Jr., Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM
Section 8: N/2

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the West Nadine-Tubb Pool. The discovery well is the Tamarack Petroleum Company, Inc. Kornegay A Well No. 1 located in Unit F of Section 9, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 9: NW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Pitchfork Ranch-Morrow Gas Pool. The discovery well is the HNG Oil Company Madera 32 State Com Well No. 1 located in Unit C of Section 32, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 32: N/2

- (i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yaso production and designated as the Seven Rivers-Yaso Pool. The discovery well is Chama Petroleum Corporation Irami Federal Well No. 1 located in Unit N of Section 34, Township 19 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 34: SW/4

- (j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the East Skaggs-Abo Pool. The discovery well is the Texaco Inc. Ch. H. Weir A Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 12: NE/4

- (k) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the Teague-Tubb Pool. The discovery well is the Alpha Twenty-One Production Company Lea Well No. 2 located in Unit A of Section 17, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 17: NE/4

- (l) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Townsend-Devonian Pool. The discovery well is the Kimbark Oil and Gas Company New Mexico 1-4 State Com Well No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: Lots 11, 12, 13, and 14

- (m) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Welch-Bone Spring Pool. The discovery well is the Quanah Petroleum, Inc. Hay B Federal Com Well No. 1 located in Unit K of Section 9, Township 26 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM
Section 9: SW/4

- (n) CONTRACT the horizontal limits of the Buckeye-Abo Pool in Lea County, New Mexico, by the delation of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 3: W/2 NW/4

Examiner Hearing - WEDNESDAY - SEPTEMBER 15, 1982

- (o) CONTRACT the horizontal limits of the Vacuum-Abo Reef Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 3: E/2 NW/4

- (p) EXTEND the Antelope Sink-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMFM
Section 13: N/2
Section 14: N/2

- (q) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMFM
Section 20: NW/4

- (r) EXTEND the Atoka-Yaso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMFM
Section 26: E/2

- (s) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMFM
Section 5: NW/4
Section 6: E/2

- (t) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMFM
Section 14: N/2 S/2 and NE/4

- (u) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMFM
Section 3: S/2
Section 4: All

- (v) EXTEND the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMFM
Section 26: NW/4
Section 27: NE/4 and E/2 NW/4

- (w) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMFM
Section 35: S/2
Section 36: W/2

- (x) EXTEND the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMFM
Section 36: E/2 NE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMFM
Section 31: NW/4 and S/2 NE/4

- (y) EXTEND the Forty Winer Ridge-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMFM
Section 16: SE/4

- (z) EXTEND the Hardy-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 2: Lots 11, 12, 13, 14, and S/2
Section 11: NW/4

- (aa) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 20: NW/4

- (bb) EXTEND the West Milnesand-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
Section 19: W/2

- (cc) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 30: SE/4
Section 31: N/2 NE/4

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM
Section 15: S/2

- (dd) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM
Section 18: NE/4 and S/2 SE/4

- (ee) EXTEND the Ross Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 23: S/2
Section 26: N/2

- (ff) EXTEND the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 17: S/2
Section 20: All

- (gg) EXTEND the Saunders Perno-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 21: NE/4

DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 22, 1982

OIL CONSERVATION COMMISSION-MORGAN HALL - 9 A.M.
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases were continued from the August 26, 1982, Commission Hearing:

CASE 7656: Application of Cities Service Company for determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, NMSA, 1978 Comp., and Paragraph (5) of Division Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartman on lands pooled by said order.

CASE 7657: Application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the non-rescission of Order No. R-6873, which order pooled certain lands to be dedicated to a proposed Ordovician test well to be drilled thereon, being the W/2 of Section 18, Township 9 South, Range 27 East. Said order provided that should the unit well not be drilled to completion, or abandonment, within 120 days after commencement thereof, operator shall appear and show cause why the pooling order should not be rescinded.

CASE 7658: (Readvertised)

Application of Harvey E. Yates Company for a dual completion and downhole commingling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Seymour State No. 1 located in Section 18, Township 9 South, Range 27 East, in such a manner that Abo perforations from 4912 feet to 4929 feet would be commingled with Upper Atoka perforations from 5926 feet to 5952 feet and the aforesaid intervals dually completed with Lower Atoka perforations from 6008 feet to 6048 feet and produced through parallel strings of tubing.



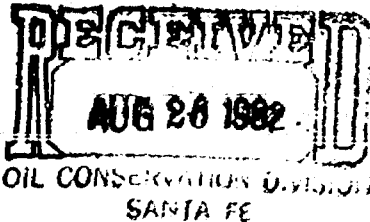
PETROLEUM PRODUCTS

PRODUCING DEPARTMENT

August 20, 1982

TEXACO
U.S.A.

A DIVISION OF TEXACO INC.
P. O. BOX 3108
MIDLAND, TEXAS 79702



REQUEST FOR HEARING
TEXACO INC.
EXCEPTION TO RULE 303-A
G. L. ERWIN "A" FEDERAL WELL NO.2
JUSTIS BLINEBRY
JUSTIS TUBB-DRINKARD, AND
JUSTIS DEVONIAN, NORTH FIELDS
LEA COUNTY, NEW MEXICO

The State of New Mexico
Dept. of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 2675

Attention: Mr. Richard L. Staments

Gentlemen:

Texaco Inc. respectfully request that a hearing be scheduled for the Docket of September 15, 1982, to consider our application for Exception to Statewide Rule 303-A to permit the downhole commingling of production from the Justis Blinebry, Justis Tubb-Drinkard, and Justis Devonian, North Fields within the wellbore of the G. L. Erwin "A" Federal Well No. 2 located in Unit K, Section 35, T-24-S, R-37-E, Lea County, New Mexico.

By a copy of this letter, all offset operators are being notified of our request by certified mail.

Yours very truly,

Alan R. McDaniel
Division Vice President

By *James W. Cox*
James W. Cox
Division Engineering Manager

JMW/r/sr

Attachment

cc: Offset Operators
cc: White, Koch, Kelly, & McCarthy

OFFSET OPERATORS

Getty Oil Company
Post Office Box 1231
Midland, Texas, 79702

Shell Oil Company
Post Office Box 576
Houston, Texas, 77001

Tenneco Oil Company
Post Office Box 2511
Houston, Texas, 77001

Reading & Bates Petroleum Company
9810 North Dixie Boulevard
Odessa, Texas, 79761

Parker, Robert L. Trust
3701 South Atlanta Place
Tulsa, Oklahoma, 74105

BASE

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

JDR

CASE NO. 7675

Order No. R-7083

GR

APPLICATION OF TEXACO INC. FOR
DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

M.S.

[Signature]
M/S

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 15, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of September, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texaco Inc., is the owner and operator of the G. L. Erwin "A" Federal Well No. 2, located in Unit K of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Justis Blinebry, Justis Tubb-Drinkard and Justis Devonian production within the wellbore of the above-described well.

each of the above-named zones,
(4) That from ~~the Justis Blinebry zone~~, the subject well is capable of low marginal production only.

(5) That from the Justis Tubb-Drinkard zone, the subject well is capable of low marginal production only.

(6) That from the Justis Devonian zone, the subject well is capable of low marginal production only.

5 (7) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

6 (8) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

7 (9) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Division any time the subject well is shut-in for 7 consecutive days.

8 (10) That in order to allocate the commingled production

to each of the commingled zones in the subject well, 50 percent of the commingled oil production and 67 percent of the commingled gas production shall be allocated to the Tubb-Drinkard zone, and 25 percent of the commingled oil production and 17 percent of the commingled gas production to the Devonian zone.

(10) (ALTERNATE) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the _____ district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to commingle Justis Blinebry, Justis Tubb-Drinkard and Justis Devonian production within the wellbore of the G. L. Erwin "A" Federal Well No. 2, located in Unit K of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) (ALTERNATE) That the applicant shall consult with the Supervisor of the Hobbs district office of the Division and determine an allocation formula for the allocation of production to each zone in each of the subject wells.

(2) That 50 percent of the commingled oil production and 67 percent of the commingled gas production shall be allocated to the Blinebry zone, and 25 percent of the commingled oil production and 16 percent of the commingled gas production shall be allocated to the Tubb-Drinkard zone, and 25 percent of the commingled oil production and 17 percent of the commingled gas production shall be allocated to the Devonian zone.

(3) That the operator of the subject well shall immediately notify the Division's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

JOE D. RAMEY,

Director

S E A L

MEXICO