

CASE 5421: TEXACO, INC. for down-
hole commingling, Lea County,
New Mexico.

CASE No.

5421

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 19, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc., for
downhole commingling, Lea County,
New Mexico.

Case No.
5421

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

Booker Kelly, Esq.
WHITE, KOCH, KELLY & McCARTHY
McKee Building
220 Otero Street
Santa Fe, New Mexico

PIERCE

CASE 5421
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I N D E X

PAGE

WAYNE C. PIERCE

Direct Examination by Mr. Kelly

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Cross Examination by Mr. Nutter

11

E X H I B I T S

Marked

Admitted

Texaco's Exhibits Nos.
1 through 9

--

11

PIERCE-DIRECT

MR. NUTTER: We call Case No. 5421.

MR. DERRYBERRY: Case 5421. Application of
Texaco, Incorporated, for downhole commingling, Lea
County, New Mexico.

MR. KELLY: Let the record show that there are
the same appearances as in 5420 and that the Witness is
under oath.

(Witness previously sworn.)

WAYNE C. PIERCE

called as a witness, having been first duly sworn, was
examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLY:

Q For the record, would you state your name,

position, employer, and in what capacity you are employed?

A My name is Wayne Pierce; I am currently employed
with Texaco, Incorporated, as District Production Engineer
in Hobbs, New Mexico.

Q And you have previously qualified as an expert
witness in this field before this Commission?

A Yes, sir.

Q All right. Referring to the plat, what does
Texaco seek by this Application?

A Texaco seeks approval to commingle in the wellbore oil production from the Justis Tubb-Drinkard and Justis-Fusselman North Pool in Well No. 3 on the G.L. Erwin "B" Federal Tract 2 lease located in Section 35, Township 24 South, Range 37 East, in Lea County, New Mexico.

Q All right. Now, Exhibit 2 shows the present completion status of this well. Could you go through its present status?

A The well was originally completed as a multiple tubingless completion involving five strings of 2-3/8ths and 2-7/8ths casing set at various steps from 7400 down to 8540. The well was completed in April of 1962 and all five zones indicated. Currently there are only three zones producing from this one well: The Blinebry, which is currently flowing, the Tubb-Drinkard, which is also flowing, and the Fusselman, which is artificially lifted. The Blinebry will in no way be affected by this Application for downhole commingling, and the Key Zone was squeezed and abandoned in 1963, the Devonian Zone was squeezed and abandoned in 1962, and the Wadell Zone was also abandoned and squeezed in 1965, which leaves us only three producing zones in the subject well.

Q You are actually producing the Blinebry, though,

out of two separate strings, is that true?

A That is correct, and the reason for this being that at the time when the Devonian Zone -- from 6840 to 6908, as indicated on the diagram -- was squeezed off, it watered out rather rapidly upon completion and this zone was squeezed, the string was plugged back and the Blinebry perfs from 5428 to 5492 were opened up, also in 1962, following the abandonment of the Devonian Zone. The other perfs in the Blinebry-Wadell string, 5052 to 5279, were opened up after abandonment of the Wadell Zone in 1965. The primary reason for the completion of this zone in two strings was that at this time the upper Blinebry Zone was opened, and at that time they anticipated some increase in gas production, and by isolating the two, we felt like we could adequately control any gas problems encountered in the upper interval without any adverse effect on the lower zone that was open in the Blinebry-Devonian string.

Q Now, I believe you stated, but would you repeat, which of the two proposed commingled zones is flowing and which has been pumped?

A The Tubb-Drinkard is the flowing zone and the Fusselman is the pumping zone.

Q Now, Exhibit No. 3 is a well-comparison data

sheet. Would you go through that, please?

A All right. As previously indicated, the Tubb-Drinkard is flowing; we have a measured bottomhole pressure of 829, which is compatible with the estimated bottomhole pressure of the Fusselman Zone. The crudes are both sweet, gravities are similar. The current test for the Tubb-Drinkard is 2 barrels of oil per day and no water. The Fusselman Zone has a current test of 24 barrels of oil and two barrels of water with no appreciable amount of gas being produced. These two zones are currently commingled at the surface; the royalty is common and we have previously had an application approved for the downhole commingling of these identical two zones and offset well on the same lease.

Q Now, what do you estimate your increased production will be as a result of commingling?

A We are estimating a production increase of 20 barrels per day. In addition to the commingling application we also will open up additional pay in the Tubb-Drinkard, and from this we are anticipating a production increase of 15 barrels per day and from the commingling we anticipate a five-barrel increase in production.

Q How will you achieve that five-barrel increase?

A This is due to the proposed completion venting of these two strings of tubing and producing them out of the abandoned McKee Zone.

Q Okay. Let's go to Exhibit No. 4 which is your proposed sketch and explain that.

A What we intend to do is to first open up additional perfs as indicated in the Tubb-Drinkard, the upper Tobb-Drinkard. This zone will be swab tested prior to the commingling. After ascertaining what the zone is capable of producing we will then shoot across from the Fusselman Zone into the abandoned McKee Zone and then shoot across from the Tubb-Drinkard Zone at the same depth into the McKee Zone and then produce both zones out the McKee string --

MR. NUTTER: (Interrupting) You don't mean the McKee Zone, do you, you mean into the McKee pipe?

MR. PIERCE: Into the McKee casing string, I'm sorry.

MR. NUTTER: Right.

A (Continuing) Then we will run our pumping equipment into the McKee string and produce both zones up that string. This will allow us to vent gas out of the existing Tubb-Drinkard and Fusselman strings and

maintain better pump efficiencies and allow maximum draw-downs into the two subject zones.

Q Now, Exhibit No. 5 is merely bottomhole pressure which you have already furnished on Exhibit No. 3, is that correct?

A That's correct.

Q Do you have anything else you would like to add on that?

A No, sir.

Q And Exhibit 6 and 7 are your gas-oil ratio tests for the two zones, is that correct?

A That is correct.

Q And that was also furnished on Exhibit No. 3?

A Right.

Q Okay. Now we go to your Exhibits 8 and 9, your performance curves. Would you go through those for the Examiner?

A Exhibit 8 is the performance curve over the Majestic Tubb-Drinkard Pool. As can be seen, this well periodically flows; it logs up and dies quite often and necessitates swabbing to get back on production, and this has not enabled us to maintain a continuous producing status of the well. We anticipate by opening the additional

pay and by commingling and allowing the venting of the gas that we will be able to increase our production and increase the total reserves that would otherwise be unrecoverable.

Q Now, certainly as to the Tubb-Drinkard, that zone probably reached its economic limit about the time you completed it, is that right? It never had much production?

A No, it didn't.

Q Would you state it is at its economic limit?

A It is currently at its economic limit and without any further remedial work on the well we would have to shut it in.

Q Okay. Now, let's go to Exhibit 9.

A Exhibit 9 is a performance curve of the Justis-Fusselman North Pool. This well is currently producing 24 barrels of oil per day and we anticipate in conjunction with the commingling a 5-barrel increase in production. This well is experiencing erratic production during '72 through the first part of '74 and this is due to gas interference and pump deficiencies in the slim open pool well.

Q And you feel that will be substantially corrected

by the commingling?

A Yes, sir.

Q Now, do you have some figures as far as estimates of increased production as a result of commingling?

A Right. We, of course, after opening the additional pay in the Drinkard, would test this zone to ascertain exactly what it's making, but based on its current production and the estimated increases, we would allocate 37 percent of the production to the Drinkard Zone and 63 percent of the production to the Fusselman Zone.

Q And what would your total increased production be that you would attribute to the granting of this Application?

A 5 barrels per day.

Q Do you feel that you will be able to get more efficient production of your additional oil that you'll get out of the new preparations as a result of this?

A That is correct. By maximizing producing rates and being able to pump the well down, vent gas, that we would expect to recover the majority of these reserves that we are estimating from the new zone will be recovered through the downhole commingling.

Q Now, in your opinion, would the granting of this

Application allow you to recover oil that would otherwise be left in place thereby preventing waste?

A Yes, sir.

Q Were Exhibits 1 through 9 prepared by you or under your supervision?

A Yes, sir.

MR. KELLY: We move the introduction of Texaco's Exhibits 1 through 9.

MR. NUTTER: Texaco's Exhibits 1 through 9 will be admitted into evidence.

(Whereupon, Texaco's Exhibits

Nos. 1 through 9 were admitted into evidence.)

MR. KELLY: Nothing further on direct, Mr. Examiner.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Pierce, you expect to get an additional 15 barrels of oil per day from the new perforations in the Tubb-Drinkard, is this correct?

A That is correct, in conjunction with the commingling.

Q Right.

A We're not expecting that if we weren't granted

the commingling.

Q And then you expect an additional 5 barrels of oil from the Fusselman, is that it?

A Right.

Q Because of more efficient operation?

A That's correct.

Q Now, you state that if these figures do turn out and you will test upon perforation, that then 37 percent of the oil would be attributed to Tubb-Drinkard and 63 percent to Fusselman?

A Yes, sir.

Q And also, of course, dependent upon the results of the tests, we would have to have some means of determining gas production, but it would appear essentially as it's now all the gas comes from the Tubb-Drinkard and very very little from the Fusselman?

A That's correct.

Q Do you anticipate that there would be any change in that?

A No, sir, not any appreciable change, or just based on the current GOR of the Tubb-Drinkard Zone, we will realize a slight amount of increase in gas production, but in no way will it --

PIERCE

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MR. NUTTER: Are there any further questions of the Witness? He may be excused. Do you have anything further, Mr. Kelly?

MR. KELLY: No, sir, Mr. Examiner.


MR. NUTTER: Does anyone have anything they wish to offer in Case 5421? We will take the Case under advisement.

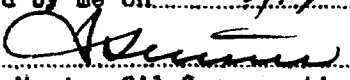
PIERCE

CASE 5421
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STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify
that the foregoing and attached Transcript of Hearing
before the New Mexico Oil Conservation Commission was
reported by me, and the same is a true and correct record
of the said proceedings, to the best of my knowledge,
skill and ability.


RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5421
heard by me on 2/19, 1975.

Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

March 11, 1975

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
PHIL R. LUCERO
MEMBER**

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY — DIRECTOR

Mr. Booker Kelly
White, Koch, Kelly & McCarthy
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

Re: CASE NO. 5421
ORDER NO. R-4972

Applicant:
Texaco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

| | |
|-------------|-----------------------------------|
| Hobbs OCC | <u> x </u> |
| Artesia OCC | <u> </u> |
| Aztec OCC | <u> </u> |

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5421
Order No. R-4972

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 19, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of March, 1975, the Commission, a quorum being present, 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 Commission 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 "B" Federal Well No. 3, located in Unit I of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, which well was originally completed as a quintuple completion (tubingless) to produce oil from the Tubb-Drinkard, Devonian, Fusselman, McKee, and Waddell formations through five strings of 2 3/8-inch and 2 7/8-inch casing cemented in a common wellbore.

(3) That applicant seeks authority to recomplete said well in such a manner as to flow oil and gas from the Blinebry formation through the former Devonian and Waddell casing strings, to pump commingled oil from the Tubb-Drinkard and Fusselman formations through the former McKee casing string, and to vent gas from the Tubb-Drinkard and Fusselman formations through the former Tubb-Drinkard and Fusselman casing strings.

(4) That the mechanics of the proposed recompletion of the subject well are feasible and in accord with good conservation practices.

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Case No. 5421

Order No. R-4972

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

(6) That from the Fusselman formation said well is capable of marginal production only.

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

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

(9) That to afford the Commission 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 Commission any time said casing string is shut-in for 7 consecutive days.

(10) That upon recompletion of the subject well as proposed herein, the applicant should discuss the prior rate of production and the new rate of production with the supervisor of the Hobbs district office of the Commission in order to allocate the commingled production to each of the commingled zones in the subject well.

(11) That any authority for downhole commingling should be rescinded if other than low marginal and marginal production as described in Findings (5) and (6), respectively, is obtained.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to recomplete its G. L. Erwin "B" Federal Well No. 3, located in Unit I of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, in such a manner as to flow oil and gas from the Blinbry formation through the former Devonian and Waddell casing strings, to pump commingled oil from the Tubb-Drinkard and Fusselman formations through the former McKee casing string, and to vent gas from the Tubb-Drinkard and Fusselman formations through the former Tubb-Drinkard and Fusselman casing strings.

PROVIDED HOWEVER, that the applicant should complete, operate, and produce the subject well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with the provisions of this order.

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Case No. 5421
Order No. R-4972

PROVIDED FURTHER, that the applicant shall take zone-segregation tests upon completion and annually thereafter during the annual Gas-Oil Ratio Test Period for the North Justis Fusselman Pool.

PROVIDED FURTHER, that the operator of the subject well shall immediately notify the Commission's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present to the Commission a plan for remedial action.

(2) That upon completion the applicant should consult with the supervisor of the Hobbs district office of the Commission to allocate the commingled production to each of the commingled zones in the subject well.

PROVIDED HOWEVER, that the authority for downhole commingling herein granted shall be rescinded if other than the low marginal and marginal production as described in Findings (5) and (6), above, is obtained.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman



Phil R. Lucero

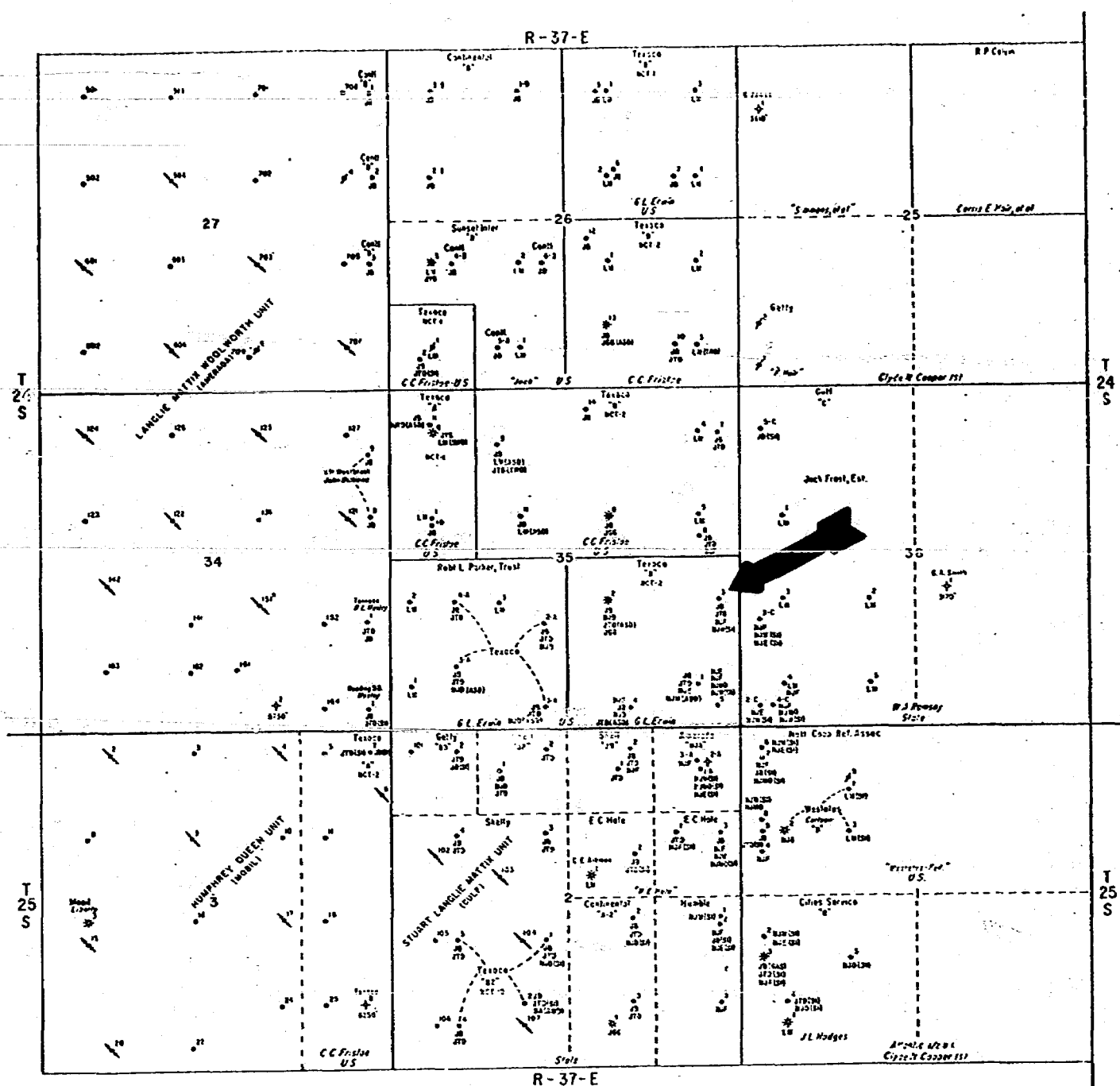
PHIL R. LUCERO, Member

A. L. Porter, Jr.

A. L. PORTER, Jr., Member & Secretary

S E A L

dr/



POOL INDEX

| YOG | YOG |
|-----|------------------------|
| JYS | JALMAT YATES GAS |
| JYS | JUSTIS BLINBERRY |
| JSG | JUSTIS GLORITA GAS |
| JTO | JUSTIS TISS-ORANGE |
| LM | LANGUE-MATIX P RIVERS |
| NJB | NORTH JUSTIS BLINBERRY |
| NJD | DEVONIAN |

| | | | |
|------|-------|--------|--------------|
| NJE | NORTH | JUSTIS | ELLENBURGER |
| NJF | " | " | FUSSELLMAN |
| NJM | " | " | McKEE |
| NJND | " | " | MONTGOMERY |
| NJTO | " | " | TUSS-CHENKIN |
| NJW | " | " | WIGGELL |

LEGEND

(190) ABANDONED
(150) ABANDONED-SALVAGE DEFERRED
(51) SHUT IN
(540) SALT WATER DISPOSAL
(1A) TEMPORARILY ABANDONED
(1TC) TO BE RECONSIDERED FOR OIL

TEXACO Inc.
JUSTIS & LANGLEIE MATTIX POOLS
LEA COUNTY, NEW MEXICO

SCALE: 0' 1000' 2000'

FMR 9-1-71

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Texaco EXHIBIT NO. 1
CASE NO. 5421

Production Casing Cemented
with 3624 sacks. Cement top
at 3100'.

BEFORE EXAMINER NUTTER

CONSERVATION COMMISSION

TEXACO EXHIBIT NO. 2

CASE NO. 5421

Bridge Plug at 5330'.

*will open up
add perf. line
to DR 2100' + 5800' inc.
from 7' max.
flows*

TUBB-DRINKARD

Perf:
5955'-6052'

Bridge Plug at 6182'.

Bridge Plug at 6785'.

pumping

FUSSELMAN
Perf:
6961'-7152'

Squeeze Plug at 7250'.

McKEE
Perf:
8050'-8119' *add 63*
SQUEEZED

2-3/8" csg. at 8192'.

2-3/8" csg. at 8540'.

16" csg. set at 279'. Cmt.
circulated.

11-3/4" csg. set at 3450'.
Cmt. top at 2160'.

BLINEBRY
Perf:
5052'-5279'

flows

BLINEBRY
Perf:
5428'-5492'

Bridge Plug at 6770'.

DEVONIAN
Perf:
6840'-6908'
SQUEEZED

2-3/8" csg. at 7399'.

2-3/8" csg. at 7406'.

Bridge Plug at 7930'.

WADDELL
Perf:
8246'-8254'
ABANDONED

2-7/8" csg. at 8540'.

Present Completion
G.L. ERWIN "B" FED. (NCT-2) NO. 3
JUSTIS (BLINEBRY, TUBB-DRINKARD)
AND
JUSTIS FUSSELMAN NORTH POOLS
LEA COUNTY, NEW MEXICO

*37 1/2 TB-DN
63 7/8" max*

DATA SHEET FOR WELLBORE COMMINGLING

XTRA

Operator: TEXACO INC.

Address: P.O. BOX 728, HOBBS, NEW MEXICO 88240

Lease and Well No: G.L. ERWIN "B" FEDERAL (NCT-2) NO. 3

Location: Unit I; 1980 Feet from the SOUTH Line and

330 Feet from EAST Line of Section 35;

Township 24-S, Range 37-E; IEA County.

WELL DATA

| | Upper Pool | Lower Pool |
|--------------------------------|-------------------------|---------------------------|
| Name of Pool | JUSTIS TUBE-DRINKARD | JUSTIS FUSSELMAN NORTH |
| Producing Method | FLOW | PUMP |
| BHP | 829 | 1000 Est. |
| Type Crude | SWEET | SWEET |
| Gravity | 38.8 | 39.2 |
| GOR Limit | 6,000 | 2,000 |
| Completion Interval | 5955'-6052' | 6961'-7152' |
| Current Test Date | 12-20-74 | 12-22-74 |
| Oil | 2 ✓ | 24 ✓ |
| Water | 0 | 2 ✓ |
| GOR | 5700 | TSTM |
| Selling Price of Crude-\$/BBL. | 11.16 | 11.16 |
| Daily Income - \$/Day | 22.32 | 267.84 |

COMMINGLED DATA:

Gravity of Commingled Crude 39.1

Selling Price of Commingled Crude - \$/BBL. 11.16

Daily Income - \$/Day 513.36

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Texaco EXHIBIT NO. 3

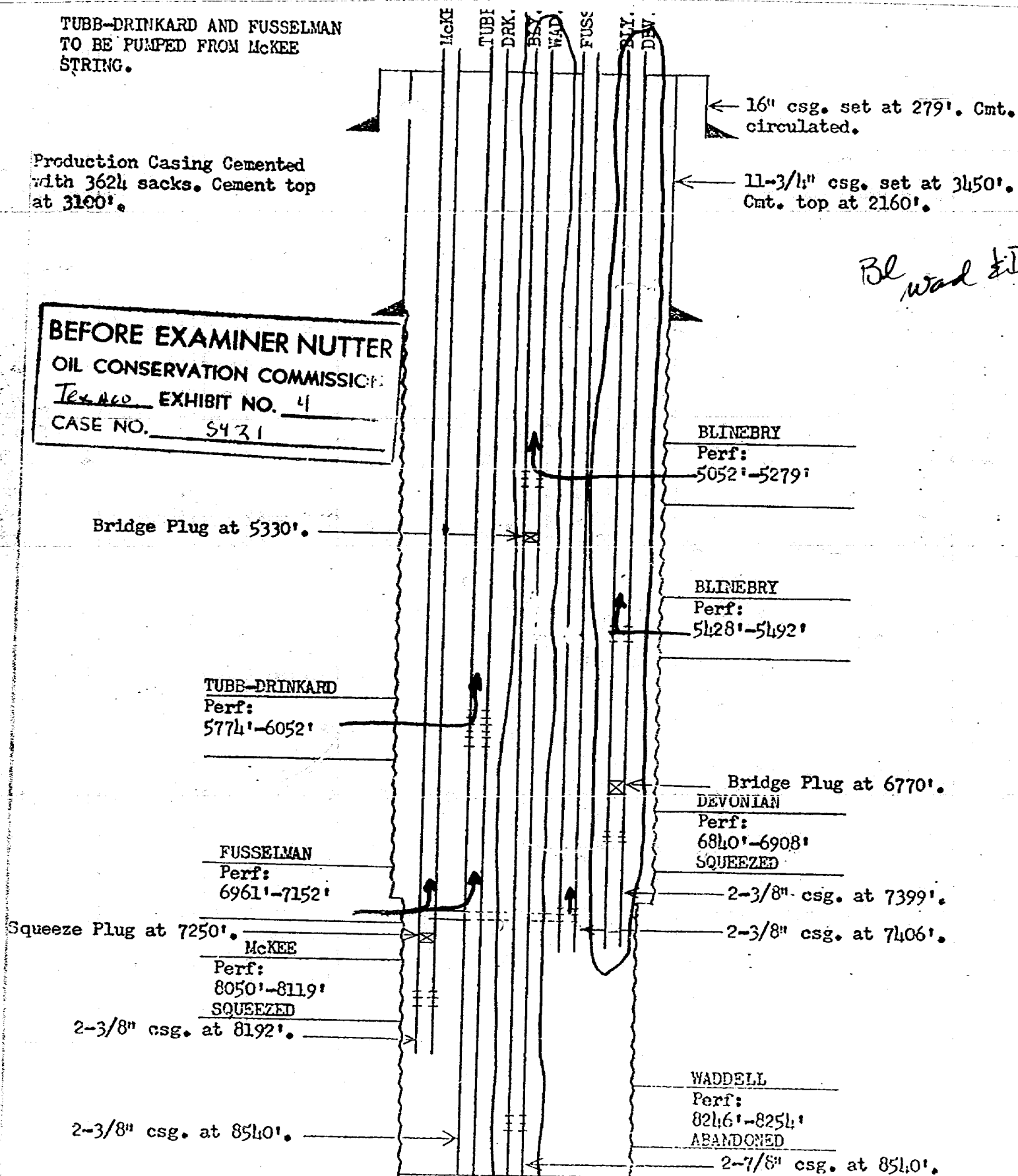
CASE NO. 5421

Net (Gain) (XXXX) From Wellbore Commingling - \$/Day 223.20 (PRODUCTION INCREASE OF 20 BOPD)
based on current producing rates.

TUBB-DRINKARD AND FUSSELMAN
TO BE PUMPED FROM McKEE
STRING.

Production Casing Cemented
with 3624 sacks. Cement top
at 3100'.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
TEXAS EXHIBIT NO. 4
CASE NO. 5431



Proposed Completion
G.L. ERWIN "B" FED. (NCT-2) NO. 3
JUSTIS (BLINEBRY, TUBB-DRINKARD)
AND
JUSTIS FUSSELMAN NORTH POOLS
LEA COUNTY, NEW MEXICO



COLEMAN PETROLEUM ENGINEERING COMPANY

PHONE EXPRESS 3 3813
621 GRIMES
P. O. BOX 1829
HOBBS NEW MEXICO

BOTTOM HOLE PRESSURE RECORD

OPERATOR Texaco, Inc. Tubb Drinkard

FIELD North Justice FORMATION

LEASE GL Erwin B Fed NCT-2 Well No. 3

COUNTY Lea STATE New Mexico

DATE 1-6-75 TIME 11:40 Am

Status Flowing Test Depth 5881

Time S. I. Last test date -

Sub Pres. 39 BHP last test -

Cas. Pres. - BHP change -

Elev. GL 3146 Fluid top 3000'

Datum (-2858)** Water top None

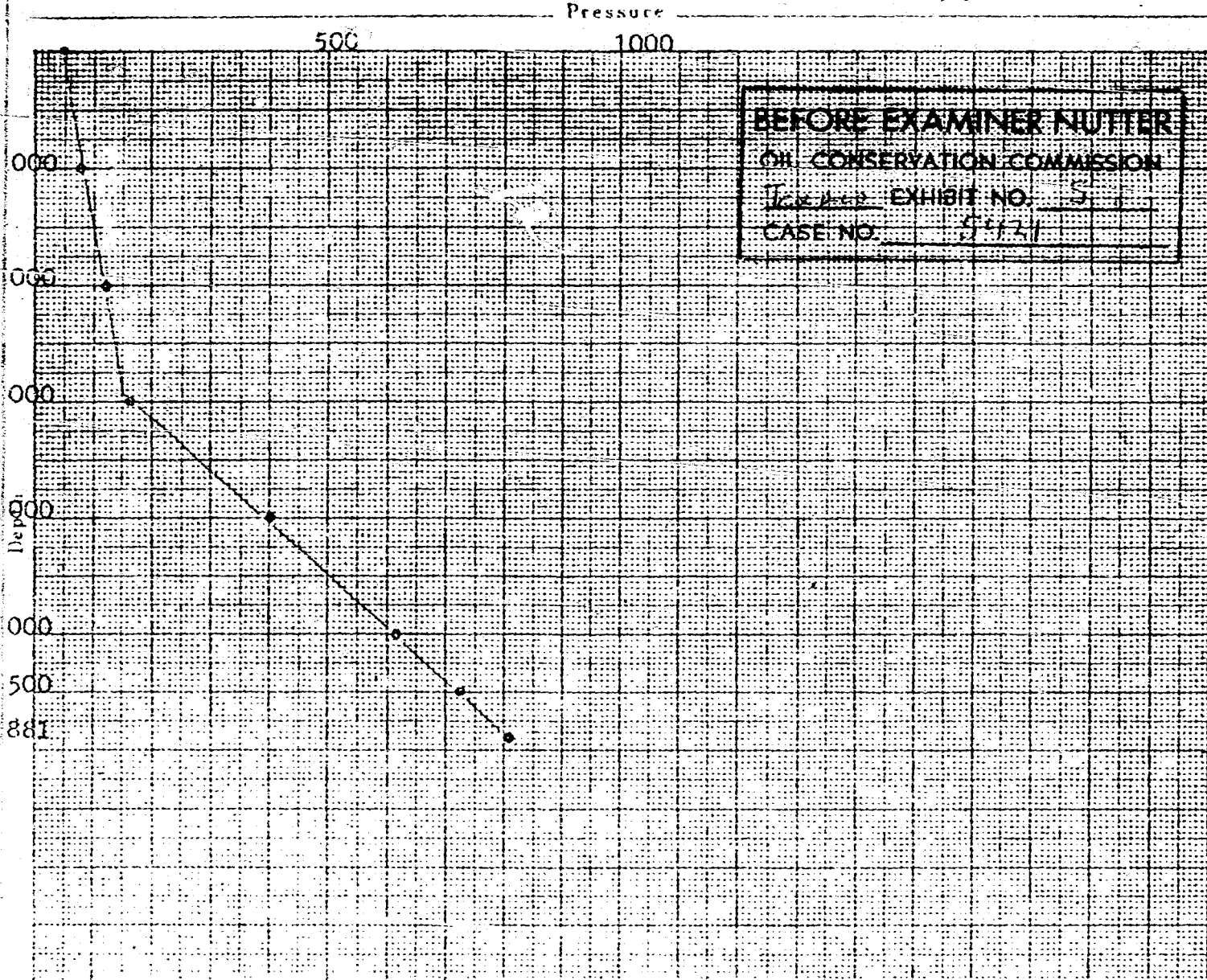
Temp. @ 104°F Run by Peacock

Cal. No A. 2419 N Chart No. 1

| Depth | Pressure | Gradient |
|--------------|----------|----------|
| 0 | 39 | - |
| 1000 | 76 | .037 |
| 2000 | 118 | .042 |
| 3000 | 161 | .043 |
| 4000 | 200 | .039 |
| 5000 | 214 | .014 |
| 5881 | 221 | .015 |
| 6004 (-2858) | 803 | .215 |
| | 829* ** | (.215) |

* Extrapolated Pressure

** MidPoint of casing perforations



**NEW MEXICO OIL CONSERVATION COMMISSION
GAS - OIL RATIO TESTS**

C-116
Revised 1-1-65

| Operator TEXACO Inc. | | Pool Justis Tubb-Drinkard | | | | | | County Lea | | | | | | | | | |
|--|----------|-------------------------------------|----|----------|----------|--------------|--------|----------------------|-------------|---|----------------------|------------------------------------|-----------|-------------------------------------|------------|---|--|
| Address P. O. Box 728, Hobbs, New Mexico 88240 | | | | | | | | | | TYPE OF TEST - (X) <input checked="" type="checkbox"/> | | Scheduled <input type="checkbox"/> | | Completion <input type="checkbox"/> | | Special <input checked="" type="checkbox"/> | |
| LEASE NAME | WELL NO. | LOCATION | | | | DATE OF TEST | STATUS | CHOKE SIZE | TBG. PRESS. | DAILY ALLOWABLE | LENGTH OF TEST HOURS | PROD. DURING TEST | | | | GAS - OIL RATIO CU.FT/88L | |
| | | U | S | T | R | | | | | | | WATER BBLs. | GRAV. OIL | OIL BBLs. | GAS M.C.F. | | |
| G. L. Erwin "B" Federal (NCT-2) | 3 | I | 35 | 24-S37 E | 12-24-74 | F | 20/64 | 100 | 8 | 24 | 0 | 38.8 | 2 | 11.4 | 5700 | | |
| <div style="border: 2px solid black; padding: 5px; width: fit-content; margin-top: 10px;"> BEFORE EXAMINER NUTTER OIL CONSERVATION COMMISSION EXHIBIT NO. <u>6</u> CASE NO. <u>5421</u> </div> | | | | | | | | | | | | | | | | | |

No well will be assigned an allowable greater than the amount of oil produced on the official test.

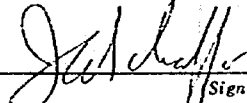
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


 (Signature)
Assistant District Superintendent
 (Title)
 January 17, 1975
 (Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

| Operator TEXACO Inc. | | Pool Justis Fusselman North | | | | County Lea | | | | | | | | | | |
|--|----------|---------------------------------------|----|------|------|---|--------|------------------------------------|---------------|-------------------------------------|----------------------|---|-----------|-----------|------------|----------------------------|
| Address P. O. Box 728, Hobbs, New Mexico 88240 | | | | | | TYPE OF TEST - (X) <input checked="" type="checkbox"/> | | Scheduled <input type="checkbox"/> | | Completion <input type="checkbox"/> | | Special <input checked="" type="checkbox"/> | | | | |
| LEASE NAME | WELL NO. | LOCATION | | | | DATE OF TEST | STATUS | CHOKE SIZE | T.B.G. PRESS. | DAILY ALLOWABLE | LENGTH OF TEST HOURS | PROD. DURING TEST | | | | GAS - OIL RATIO CU.FT./BBL |
| | | U | S | T | R | | | | | | | WATER BBLs. | GRAV. OIL | OIL BBLs. | GAS M.C.F. | |
| G. L. Erwin "B" Federal (NCT-2) | 3 | I | 35 | 24-S | 37-E | 12-22-74 | P | | | 35 | 24 | 2 | 39.2 | 24 | | TSTM |

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 7
CASE NO. 5421

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

[Signature]
(Signature)
Assistant District Superintendent
(Title)
January 17, 1975
(Date)

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TEXACO INC. MIDLAND DIVISION

Performance Curve

G.L. ERWIN "B" FED. (NCT-2) NO. 3
JUSTIS TUBB-DRINKARD POOL
LEA COUNTY, NEW MEXICO

DRAWN BY: JBS DATE: 1-6-75

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

TEXACO EXHIBIT NO. 2

CASE NO. 5421

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OIL PRODUCTION
BBLS/DAY

19 65 19 66 19 67 19 68 19 69 19 70 19 71 19 72 19 73 19 74 19 75

TEXACO INC.
MIDLAND DIVISION

Performance Curve

G.L. ERWIN "B" FED. (NCT-2) NO. 3
JUSTIS FUSSELMAN NORTH POOL
LEA COUNTY, NEW MEXICO

DRAWN BY: JBS DATE: 1-6-75

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

TEXACO EXHIBIT NO. 9

CASE NO. 5421

OIL PRODUCTION
BBL/DAY

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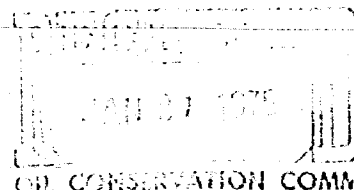
1975

Fusselman



PETROLEUM PRODUCTS

January 20, 1975



OIL CONSERVATION COMM.

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

Case 5421

Set for hearing
Feb 19th

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Wellbore Commingling
G. L. Erwin "B" Federal (NCT-2) No. 3
Justis (Tubb-Drinkard) and
Justis (Fusselman North) Pools
Lea County, New Mexico

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


Gentlemen:

In regard to TEXACO's letter dated January 17, 1975, requesting administrative approval to commingle in the wellbore production from the G. L. Erwin "B" Federal (NCT-2) Well No. 3, the second sentence of the second paragraph is in error. The sentence should read as follows:

"The Tubb-Drinkard zone is flowing and the Fusselman zone requires artificial lift."

The information contained in the "Data Sheet for Wellbore Commingling" should remain as stated.

Yours very truly,


J. V. Gannon
District Superintendent

JBS/kw
MAS, Jr.
NMOC-Hobbs
USGS-Hobbs
Offset Operators

- CASE 5423: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in formations of Pennsylvanian age or older underlying the W/2 of Section 29, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location within the spacing unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of the applicant as the operator of the well and a charge for the risk involved in drilling said well.
- CASE 5424: Application of Cities Service Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Dark Canyon Unit Area, comprising 2560 acres, more or less, of State lands in Township 23 South, Range 25 East, Eddy County, New Mexico.
- CASE 5425: Application of Continental Oil Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a non-standard 480-acre gas proration unit comprising the W/2 of Section 13 and the E/2 E/2 of Section 14, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its Lockhart B Wells Nos. 4 and 8, located at unorthodox locations in Units H and P, respectively, of Section 13, and to its Lockhart B Well No. 7, at an unorthodox location in Unit D of said Section 14. Applicant further seeks approval for the simultaneous dedication of a 320-acre non-standard gas proration unit comprising the S/2 of Section 12, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its State KN-12 Wells Nos. 1 and 2, located at unorthodox locations in Units P and N, respectively, of said Section 12.
- CASE 5426: Application of Continental Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Bell Lake Unit Well No. 16 to be drilled 660 feet from the North and East lines of Section 7, Township 24 South, Range 34 East, South Bell Lake-Morrow Gas Pool, Lea County, New Mexico, the N/2 of said Section 7 to be dedicated to said well.
- CASE 5427: Application of Penroc Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Allied B Com Well No. 1, located in Unit K of Section 27, Township 20 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce oil from the Bone Springs formation through tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.

Examiner Hearing - Wednesday - February 19, 1975

Docket No. 5-75

-4-

CASE 5428: Application of Amax Chemical Corporation for the extension of the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Potash-Oil Area in Eddy County, New Mexico, as defined by Order No. R-11-A, as amended, by the addition of the following described lands:

TOWNSHIP 19 SOUTH, RANGE 29 EAST

Section 13: S/2 SE/4

Section 14: W/2 SW/4

Section 23: N/2 NW/4, SE/4 NW/4, S/2 NE/4

Section 24: NW/4, W/2 NE/4, NE/4 NE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST

Section 14: W/2 NE/4

Section 18: SW/4

Docket No. 5-75

Dockets Nos. 6-75 and 7-75 are tentatively set for hearing on March 5 and March 19, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 19, 1975

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
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 March, 1975, from seventeen prorated pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1975, from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one-year period beginning April 1, 1975, for both of the above areas.

CASE 5402: (Continued from the January 22, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Tyra & Tyra, Fidelity and Deposit Company of Maryland and all other interested parties to appear and show cause why the Tyra & Tyra BTA Lulu Well No. 1 located in Unit C of Section 22, Township 9 South, Range 35 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5415: Application of Burk Royalty Co. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Double L Queen Unit Area, comprising 2670 acres, more or less, of Federal, State, and fee lands in Townships 14 and 15 South, Ranges 29 and 30 East, Chaves County, New Mexico.

CASE 5416: Application of Tesoro Petroleum Corporation for a unit agreement, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Coal Creek Unit Area comprising 11,225 acres, more or less, of State and Federal lands in Township 23 North, Ranges 12 and 13 West, San Juan County, New Mexico.

CASE 5409: (Continued from the February 5, 1975, Examiner Hearing)

Application of Atlantic Richfield Company for a non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the SE/4 of Section 12 and the NE/4 of Section 13, both in Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its George W. Toby WN Wells Nos. 4, 1, and 1-A, located, respectively, in Units A and H of said Section 12 and in Unit A of said Section 13.

CASE 5417: Application of Atlantic Richfield Company for a non-standard gas proration unit, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the S/2 of Section 24 and the N/2 of Section 25, both in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its McDonald State WN Wells Nos. 12 and 24, located, respectively, at unorthodox locations in Unit M of Section 24, and in Unit E of Section 25.

CASE 5418: Application of Joel B. Burr, Jr. and William J. Cooley for permission to flare casinghead gas, McKinley County, New Mexico. Applicants, in the above-styled cause, seek an exception to Order No. R-4070, to permit the flaring of casinghead gas produced by their Coleman Well No. 2, located in Unit C of Section 8, Township 17 North, Range 8 West, Lone Pine Dakota D Oil Pool, McKinley County, New Mexico.

CASE 5419: Application of J. Gregory Merrion & Robert L. Bayless for downhole commingling, Rio Arriba County, New Mexico. Applicants, in the above-styled cause, seek authority to commingle Gavilan-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of their North Lindrith Unit Com Well No. 1, located in Unit M of Section 20, Township 26 North, Range 2 West, Rio Arriba County, New Mexico.

CASE 5420: Application of Texaco, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its New Mexico "DM" State (NCT-1) Well No. 1, located in Unit N of Section 21, Township 13 South, Range 33 East, Lazy J Pennsylvanian Pool, Lea County, New Mexico, to dispose of produced salt water into the Pennsylvanian formation through the perforated interval from approximately 9742 to 9792 feet.

CASE 5421: Application of Texaco, Inc., for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Justis Tubb-Drinkard and North Justis-Fusselman production in the wellbore of its G. L. Erwin "B" Federal Well No. 3, located in Unit I of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 5422: Application of Hilliard Oil and Gas, Inc., for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special rules for the EK-Bone Springs Pool, in Township 18 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

CASE 5122: (Reopened) (Continued from the January 22, 1975, Examiner Hearing)

In the matter of Case 5122 being reopened pursuant to the provisions of Order No. R-4693, which order established temporary special pool rules for the East Lusk-Wolfcamp Oil Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units and a limiting gas-oil ratio of 4000 to 1. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing and proration units with a limiting gas-oil ratio of 2000 to 1.

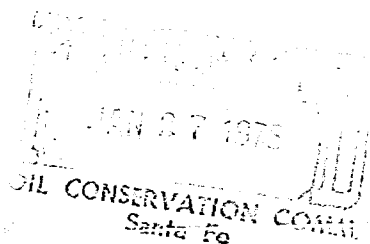
Case 5421

OIL CONSERVATION COMMISSION
Hobbs DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE 1/23/75

RE: Proposed MC _____
Proposed DHC X _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____



Gentlemen:

I have examined the application dated _____
for the Texaco Inc. G. L. Erwin "B" Fed. #3-I 35-24-37
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Two zones in a triple completion to be down hole commingled.

This will need a hearing.---J.D.R.

Yours very truly,

A handwritten signature in cursive script, appearing to read "J. D. R.", written over a horizontal line.

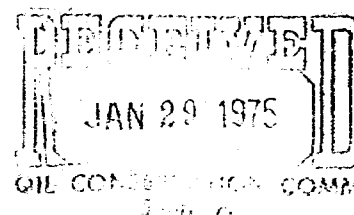
Case 5421



PETROLEUM PRODUCTS

January 28, 1975

TEXACO INC.
DRAWER 729
HOBBS, NEW MEXICO 88240



New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Request For Examiner Hearing
Application for Downhole Commingle
G. L. Erwin "B" Federal (NCT-2) No. 3
Justis (Tubb-Drinkard) and
Justis (Fusselman North) Pools
Lea County, New Mexico

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

Gentlemen:

It is requested that an examiner hearing be scheduled to consider Texaco's application to downhole commingle the Justis (Tubb-Drinkard) and Justis (Fusselman North) Pools in the G. L. Erwin "B" Federal (NCT-2) Well No. 3 located in Unit I of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

Exhibits for this application have been submitted under separate cover.

Your cooperation in this matter will be appreciated.

Yours very truly,

J. V. Gannon
District Superintendent

JBS/ar
MAS, Jr.
NMOCC-Hobbs
USGS-Hobbs
JSR

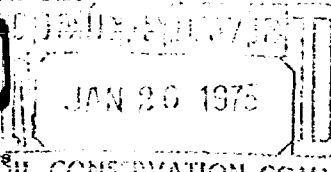
DOCKET MAILED

2/7/75

Case 5421



PETROLEUM PRODUCTS



OIL CONSERVATION COM.

Santa Fe

TEXACO INC.

DRAWER 728

HOBBS, NEW MEXICO 88240

January 17, 1975

DHC-155
Set for hearing
Due 2/1/75

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Wellbore Commingling
G.L. Erwin "B" Federal (NCT-2) No. 3
Justis (Tubb-Drinkard) and
Justis (Fusselman North) Pools
Lea County, New Mexico

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

Gentlemen:

TEXACO Inc. requests administrative approval to commingle in the wellbore oil production from the Justis (Tubb-Drinkard) and Justis (Fusselman North) Pools in Well No. 3 on the G. L. Erwin "B" Federal (NCT-2) Lease located in Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

The subject well is presently producing from the Justis (Blinbry, Tubb-Drinkard and Fusselman North) Pools. The Tubb-Drinkard zone requires artificial lift and the Fusselman zone is flowing. The Blinbry zone is flowing, but will not be included in this request for downhole commingling. Production after commingling will be by artificial lift. The Tubb-Drinkard and Fusselman zones will be communicated by perforations from 7146' to 7152'. The fluids from these reservoirs are known to be compatible. Ownership of the minerals in both zones is common, and the value of the commingled fluids is not less than the total value of the fluids if they were marketed separately. Secondary operations will not be jeopardized by approval of this application.

A data sheet is attached listing all required data for the Tubb-Drinkard and Fusselman North zones. Also attached are production decline curves, diagrammatic sketches of the wellbore showing the present completion and proposed completion, list of offset operators and a well test as submitted on Form C-116.

The USGS and all offset operators are being notified by copy of this application.

Yours very truly,

J. V. Gannon

J. V. Gannon

District Superintendent

JBS/kw
MAS, Jr.
NMOCC-Hobbs
USGS-Hobbs
Offset Operators
Attachments

R-2251 authorized joint comp.

DATA SHEET FOR WELLBORE COMINGLING

Case 5421

Operator: TEXACO INC.

Address: P.O. BOX 728, HOBBS, NEW MEXICO 88240

Lease and Well No: G.L. ERVIN "B" FEDERAL (NCT-2) NO. 3

Location: Unit I; 1980 Feet from the SOUTH Line and
330 Feet from EAST Line of Section 35;
 Township 24-S, Range 37-E; LEA County.

WELL DATA

| | Upper Pool JUSTIS TUBB-DRINKARD | Lower Pool JUSTIS FUSSELMAN NORTH |
|--------------------------------|---------------------------------------|---|
| Name of Pool | | |
| Producing Method | FLOW | PUMP |
| BHP | 829 | 1000 Est. |
| Type Crude | SWEET | SWEET |
| Gravity | 38.8 | 39.2 |
| GOR Limit | 6,000 | 2,000 |
| Completion Interval | 5955'-6052' | 6961'-7152' |
| Current Test Date | 12-20-74 | 12-22-74 |
| Oil | 2 | 24 |
| Water | 0 | 2 |
| GOR | 5700 | TSTM |
| Selling Price of Crude-\$/BBL. | 11.16 | 11.16 |
| Daily Income - \$/Day | 22.32 | 267.84 |

COMINGLED DATA:

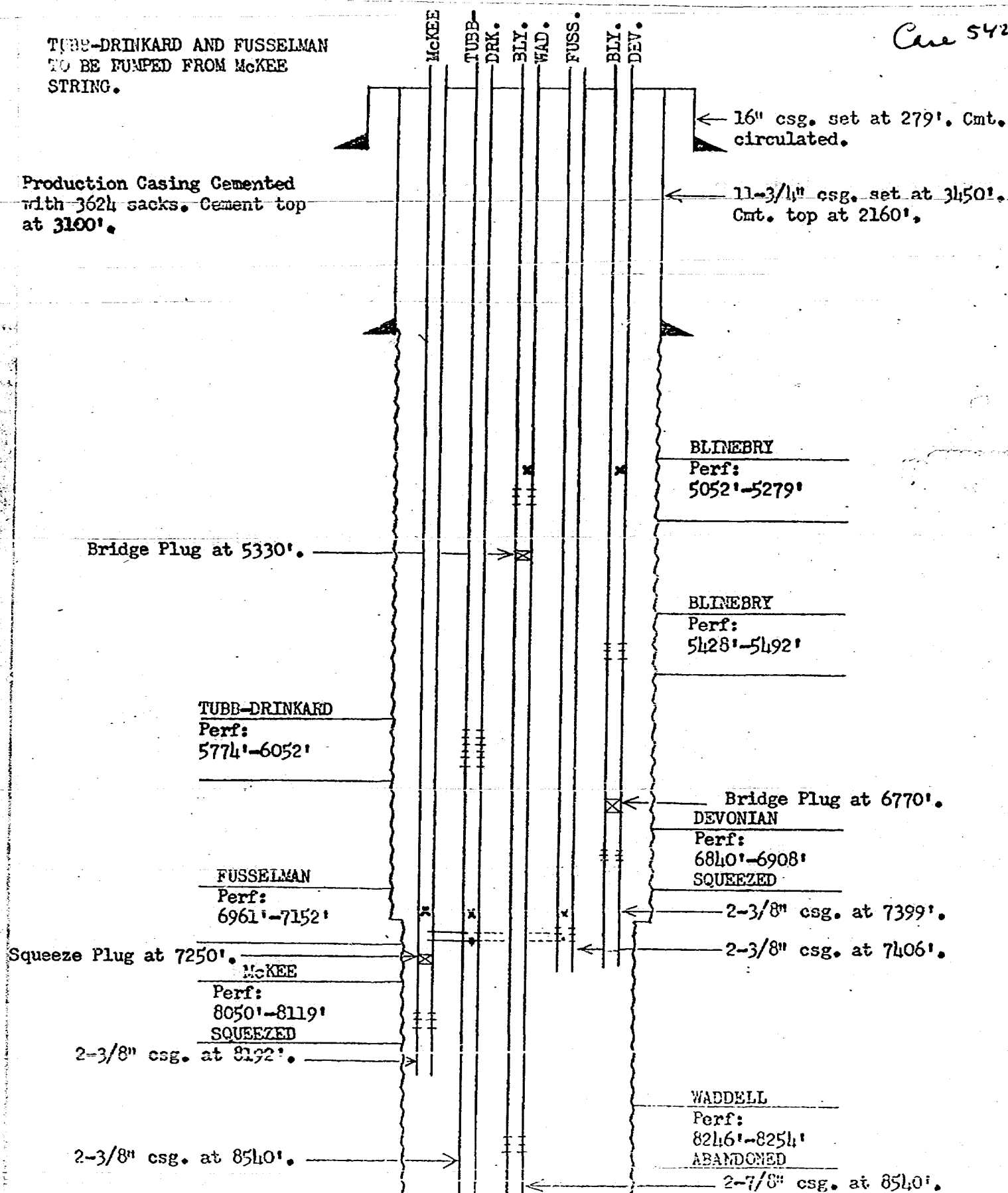
Gravity of Comingled Crude 39.1
 Selling Price of Comingled Crude - \$/BBL. 11.16
 Daily Income - \$/Day 513.36

Net (Gain) (~~XXXX~~) From Wellbore Comingling - \$/Day 223.20 (PRODUCTION INCREASE OF
 based on current producing rates. 20 BOPD)

TUBE-DRINKARD AND FUSSELMAN
TO BE PUMPED FROM McKEE
STRING.

Case 5421

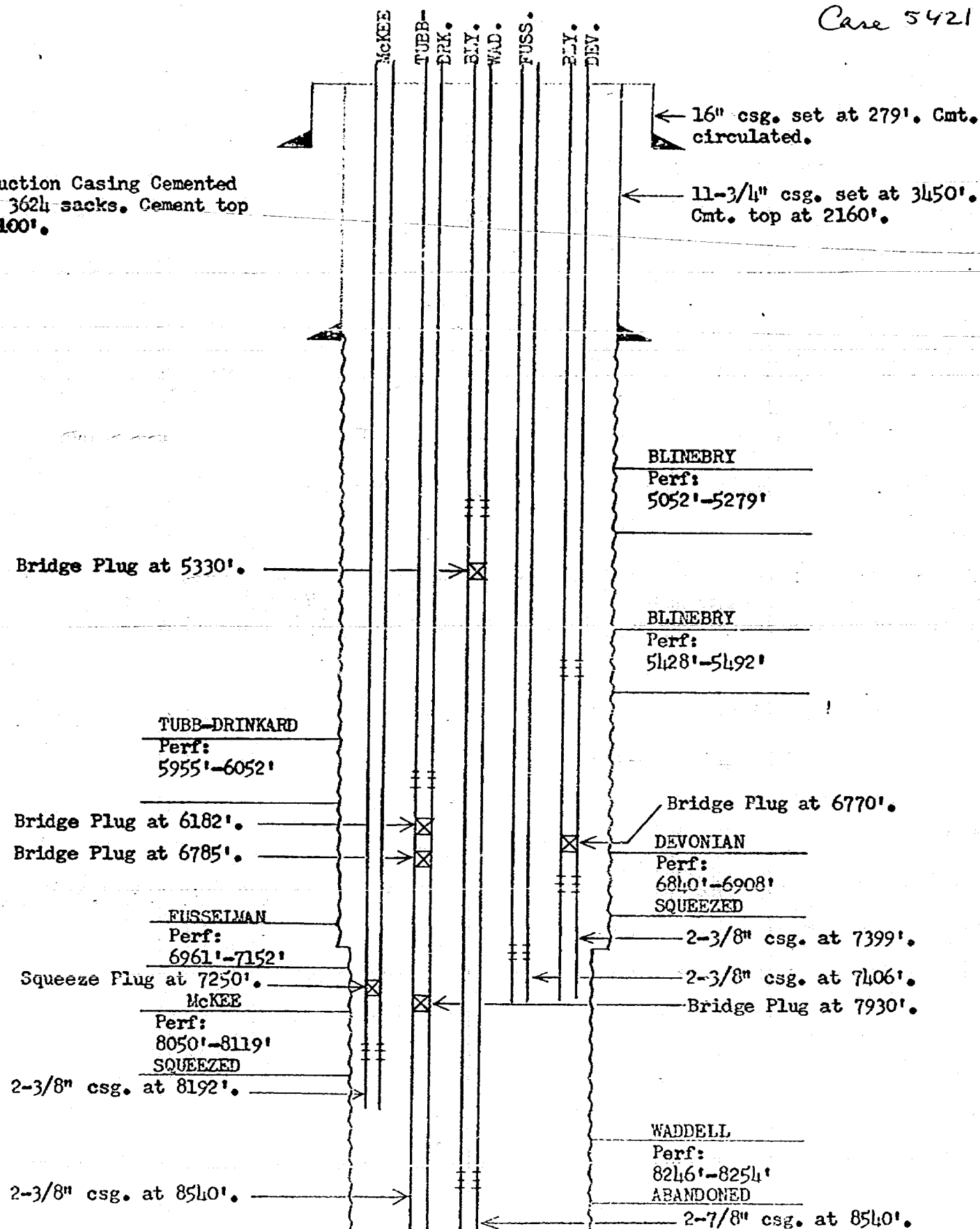
Production Casing Cemented
with 3624 sacks. Cement top
at 3100'.



Proposed Completion
G.I. ERWIN "B" FED. (NCT-2) NO. 3
JUSTIS (BLINEBRY, TUBE-DRINKARD)
AND
JUSTIS FUSSELMAN NORTH POOLS
LEA COUNTY, NEW MEXICO

Case 5421

Production Casing Cemented
with 3624 sacks. Cement top
at 3100'.



Present Completion
G.L. ERWIN "B" FED. (NCT-2) NO. 3
JUSTIS (BLINEBRY, TUBB-DRINKARD)
AND
JUSTIS FUSSELMAN NORTH POOLS
LEA COUNTY, NEW MEXICO

Case 5421



COLEMAN PETROLEUM ENGINEERING COMPANY

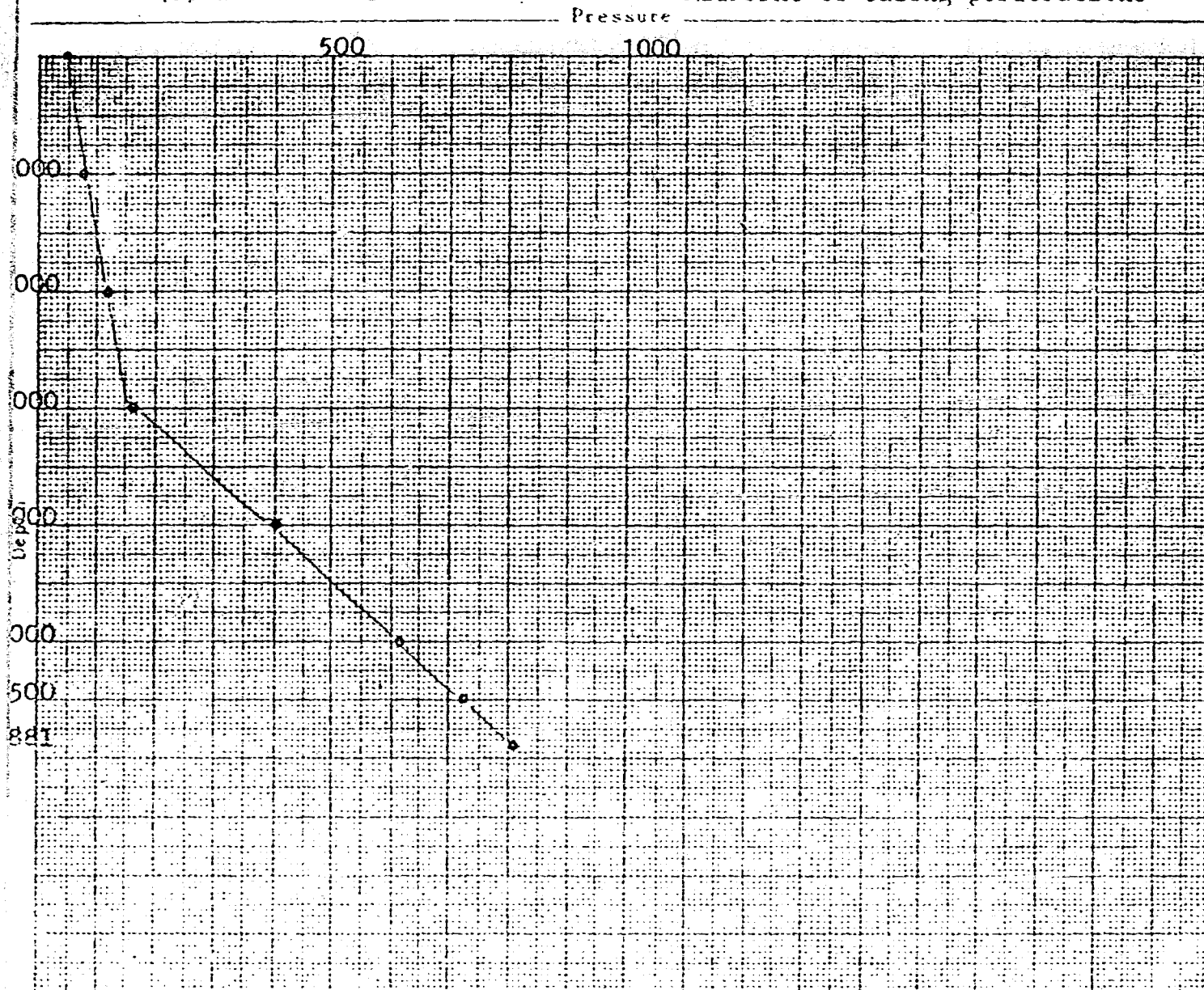
PHONE EXPRESS 33813
611 GOMES
P. O. BOX 1829
ALBUQUERQUE, NEW MEXICO

BOTTOM HOLE PRESSURE RECORD

OPERATOR Texaco, Inc.
FIELD North Justice FORMATION Tubb Drinkard
LEASE GL Erwin B Fed NCT-2 WELL No. 3
COUNTY Lea STATE New Mexico
DATE 1-6-75 TIME 11:40 Am
Status Flowing Test depth 5881
Time S. I. Last test date -
Tub Pres. 39 BHP last test -
Gas Pres. - BHP change -
Elev. GL 3146 Fluid top 3000'
Datum (-2858)** Water top None
Temp. @ 104°F Run by Peacock
Cal. No. A. 2419 N Chart No. 1

| Depth | Pressure | Gradient |
|--------------|----------|----------|
| 0 | 39 | - |
| 1000 | 76 | .037 |
| 2000 | 118 | .042 |
| 3000 | 161 | .043 |
| 4000 | 400 | .239 |
| 5000 | 614 | .214 |
| 5500 | 721 | .214 |
| 5881 | 803 | .215 |
| 6004 (-2858) | 829* ** | (.215) |

* Extrapolated Pressure
** MidPoint of casing perforations



C-116
Revised 1-1-65


No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.


(Signature)
Assistant District Superintendent
(Title)
January 17, 1975
(Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

| Operator TEXACO Inc. | | Pool Justis Tubb-Drinkard | | | | County Lea | | | | | | | | | | |
|--|----------|-------------------------------------|----|----------|----------|---|--------|------------------------------------|-------------|-------------------------------------|----------------------|---|-----------|------------|------------|----------------------------|
| Address P. O. Box 728, Hobbs, New Mexico 88240 | | | | | | TYPE OF TEST - (X) <input checked="" type="checkbox"/> | | Scheduled <input type="checkbox"/> | | Completion <input type="checkbox"/> | | Special <input checked="" type="checkbox"/> | | | | |
| LEASE NAME | WELL NO. | LOCATION | | | | DATE OF TEST | STATUS | CHOKE SIZE | TBG. PRESS. | DAILY ALLOW-ABLE | LENGTH OF TEST HOURS | PROD. DURING TEST | | | | GAS - OIL RATIO CU.FT./BBL |
| | | U | S | T | R | | | | | | | WATER BBL.S. | GRAV. OIL | OIL BBL.S. | GAS M.C.F. | |
| G. L. Erwin "B" Federal (NCT-2) | 3 | I | 35 | 24-S37 E | 12-24-74 | F | 20/64 | 100 | 8 | 24 | 0 | 38.8 | 2 | 11.4 | 5700 | |

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.69.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

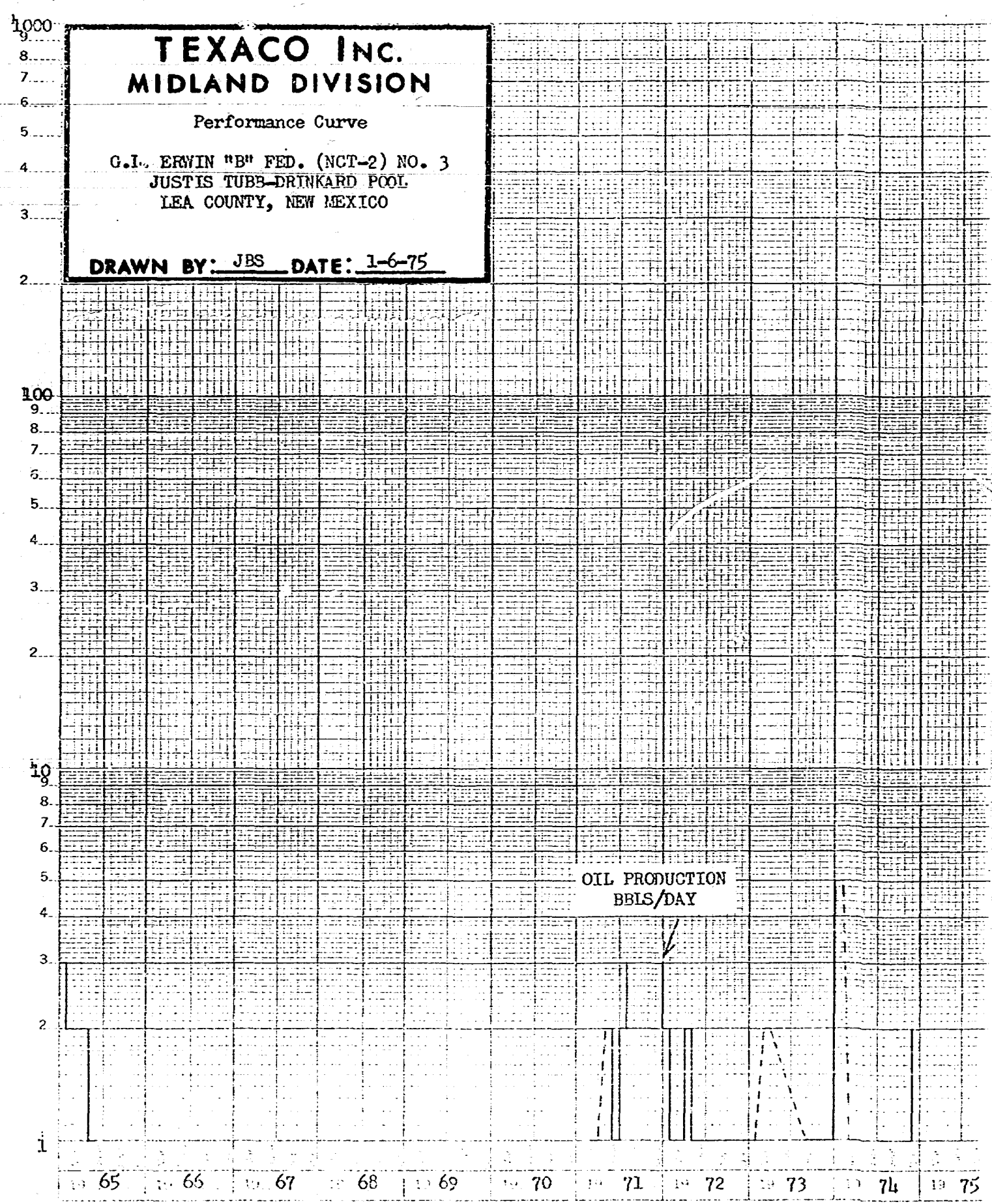
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

[Signature]
(Signature)
Assistant District Superintendent
(Title)
January 17, 1975
(Date)

Case 5421

Case 5421



Case 5421

1000

TEXACO INC. MIDLAND DIVISION

Performance Curve

G.L. ERWIN "B" FED. (NCT-2) NO. 3
JUSTIS FUSSELMAN NORTH POOL
LEA COUNTY, NEW MEXICO

DRAWN BY: JBS DATE: 1-6-75

2

OIL PRODUCTION
BBL/DAY

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Case 5421

OFFSET OPERATORS

Gulf Oil Corporation -- U.S.
900 N. Turner
Hobbs, New Mexico 88240

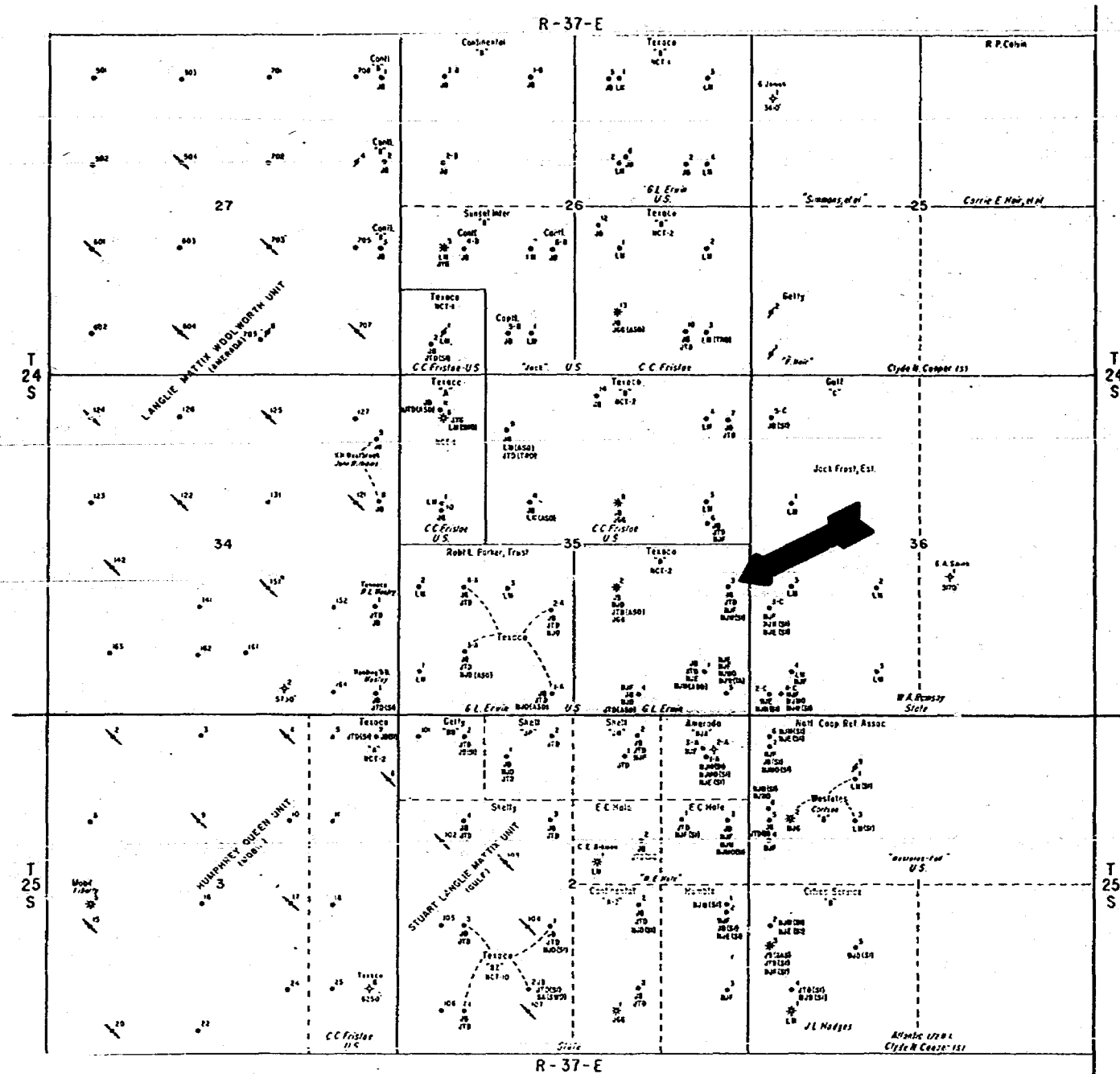
Westates Petroleum Company
728 Capital National Bank Bldg.
Houston, Texas 77002

National Cooperative Refinery Associates
915 Wilco Building
Midland, Texas 79701

Amerada Hess Corporation
P. O. Box 591
Midland, Texas 79701

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Case 5421



POOL INDEX

JYG JALMAT YATES GAS
J3 JUSTIS BLINERY
J66 JUSTIS GLORETHA GAS
JTO JUSTIS TUBB-DRAKAPD
LM LANGLE MATTIX T RIVERS
N79 NORTH JUSTIS BLINERY
N7D NORTH JUSTIS DEVONIAN

N7E NORTH JUSTIS ELLENSBURGER
N7F - - - FUSSELLMAN
N7W - - - MCKEE
N7O - - - MONTOYA
N7D - - - TUBB-DRAKAPD
N7W - - - WADELL

LEGEND

(ABD) ABANDONED
(ASD) ABANDONED-SALVAGE DEFERRED
(SI) SHUT IN
(SWD) SALT WATER DISPOSAL
(TA) TEMPORARILY ABANDONED
(TRC) TO BE RECONTACTED FOR OIL

TEXACO Inc.
JUSTIS & LANGLE MATTIX POOLS
LEA COUNTY, NEW MEXICO

SCALE 0 1000 2000
FMR 9-1-71

DRAFT.

jr/TWD

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

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

CASE NO. 5421

Order No. R- 4972

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 19, 1975
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of March, 1975, the Commission,
a quorum being present, 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 Commission 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 "B" Federal Well No. 3, located in
Unit I of Section 35, Township 24 South, Range 37 East, Lea County,
New Mexico, which well was originally completed as a quintuple
completion (tubingless) to produce oil from the Tubb-Drinkard,
Fusselman, Devonian, McKee, and Waddell formations through five
strings of 2 3/8-inch ^{and 2 1/2-inch} casing cemented in a common wellbore.

(3) That applicant seeks authority to recomplete said well in such a manner as to flow oil ^{and gas} from the Blinebry formation through the former Devonian and Waddell casing strings, to pump commingled oil from the Tubb-Drinkard and Fusselman formations through the former McKee casing string, and to vent gas from the Tubb-Drinkard and Fusselman formations through the former Tubb-Drinkard and Fusselman casing strings, respectively.

(4) That the mechanics of the proposed recompletion of the subject well are feasible and in accord with good conservation practices.

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

(6) That from the Fusselman formation said well is capable of marginal production only.

(7) That the proposed commingling ^{of Tubb-Drinkard and Fusselman production} may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

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

(9) That to afford the Commission 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 Commission any time said casing string is shut-in for 7 consecutive days.

(10) That upon recompletion of the subject well as proposed herein, the applicant should discuss the prior rate of production and the new rate of production with the supervisor of the Hobbs district office of the Commission in order to allocate the commingled production to each of the commingled zones in the subject well.

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(11) That any authority for downhole commingling should be rescinded if other than low marginal and marginal production as described in Findings (5) and (6), respectively, is obtained.

IT IS THEREFORE ORDERED:

(1) That the applicant, ^{Texaco Inc.} ~~Continental Oil Company~~, is hereby authorized to recomplete ^{the} G. L. Erwin "B" Federal Well No. 3, located in Unit I of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, ^{in such a manner as} ~~as a quadruple completion (tubing-~~ ^{and gas} ~~less)~~ to flow oil from the Blinbry formation through the former Devonian and Waddell casing strings, to pump commingled oil from the Tubb-Drinkard and Fusselman formations through the former McKee casing string, and to vent gas from the Tubb-Drinkard and Fusselman formations through the former Tubb-Drinkard and Fusselman casing strings.

PROVIDED HOWEVER, that the applicant should complete, operate, and produce the subject well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with the provisions of this order.

PROVIDED FURTHER, that the applicant shall take zone-segregation tests upon completion and annually thereafter during the annual Gas-Oil Ratio Test Period for the North Justis Fusselman Pool.

PROVIDED FURTHER, that the operator of the subject well shall immediately notify the Commission's Hobbs District Office any time the well has been shut-in for 7 consecutive days and shall concurrently present to the Commission a plan for remedial action.

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(2) That upon completion the applicant should consult with the supervisor of the Hobbs district office of the Commission to allocate the commingled production to each of the commingled zones in the subject well.

PROVIDED HOWEVER, that the authority for downhole commingling herein granted shall be rescinded if other than the low marginal and marginal production as described in Findings (5) and (6), above, is obtained.

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

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