

CASE 5628: TEXACO INC. FOR
DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO

CASE NO.

5628

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

Case 5628

104 22 1976
CONSERVATION COMM.
Santa Fe



PETROLEUM PRODUCTS

January 20, 1976

TEXACO INC.
DRAWER 728
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
A. H. Blinebry Federal (NCT-3) No. 3
Blinebry, Drinkard & Brunson Ellen-
burger South Pools
Lea County, New Mexico

ATTENTION: MR. JOE D. RAMEY

Gentlemen:

It is requested that an examiner hearing be scheduled to consider TEXACO's application to downhole commingle the Blinebry, Drinkard and Brunson Ellenburger South Pools in the A. H. Blinebry Federal (NCT-3) Well No. 3, located in Unit E of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico.

The USGS and all Offset Operators have been notified of this application.

Your cooperation in this matter will be appreciated.

Yours very truly,

J. V. Gannon
District Superintendent

JBS:las

NMOCC - Hobbs, New Mexico
USGS - Hobbs, New Mexico
OFFSET OPERATORS

Case 5628

DATA SHEET FOR WELLBORE COMMINGLING

Operator: TEXACO INC.

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

Lease and Well No.: A. H. Blinebry Fed (NCT-3) No. 3

Location: 2306' FNL & 660' FML, Sec. 31, Township 22 South, Range 38 East, Lea County

WELL DATA

	Pool	Pool	Pool	Pool
Name of Pool	Blinebry	Drinkard	Brunson South Ellenburger	
Producing Method	Flow	--	Pump	
BHP	682	725 Est.	850 Est.	
Type Crude	Sweet	Sweet	Sweet	
Gravity	39.6	39.8 (Est.)	39.6	
GOR Limit	4000	6000	2000	
Completion Interval	5599' - 5734'	(Proposed) 6308' - 6926'	7586' - 7621'	
Current Test Date	12-28-75	--	12-29-75	
Oil	2	2 (Est.)	4	
Water	0	0 (Est.)	0	
GOR	3000	4500 (Est.)	8000	
Selling Price of Crude - \$/BBL.	\$10.74	\$10.74	\$10.74	
Daily Income - \$/Day	\$21.48	--	\$42.96	

COMMINGLED DATA:

Gravity of Commingled Crude 39.6

Selling Price of Commingled Crude - \$/BBL. \$10.74

Daily Income - \$/Day \$64.44

Net (Gain) ~~xxxxxx~~ from Wellbore Commingling - \$/Day \$64.44 (Production increase of 6 BOPD)
based on current producing rates.
Blinebry and Ellenburger are surface commingled.

Case 5628

2-7/8" csg. cemented with 2000 sacks. Cement top at 1950' by temperature survey.

8-5/8" csg. set at 1206'. Cemented with 700 sacks. Cement circulated.

2-7/8" csg. set at 7640'.

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BLINEBRY
Perf: 5599'-
5734'

ELLENBURGER
Perf: 7586'-
7621'

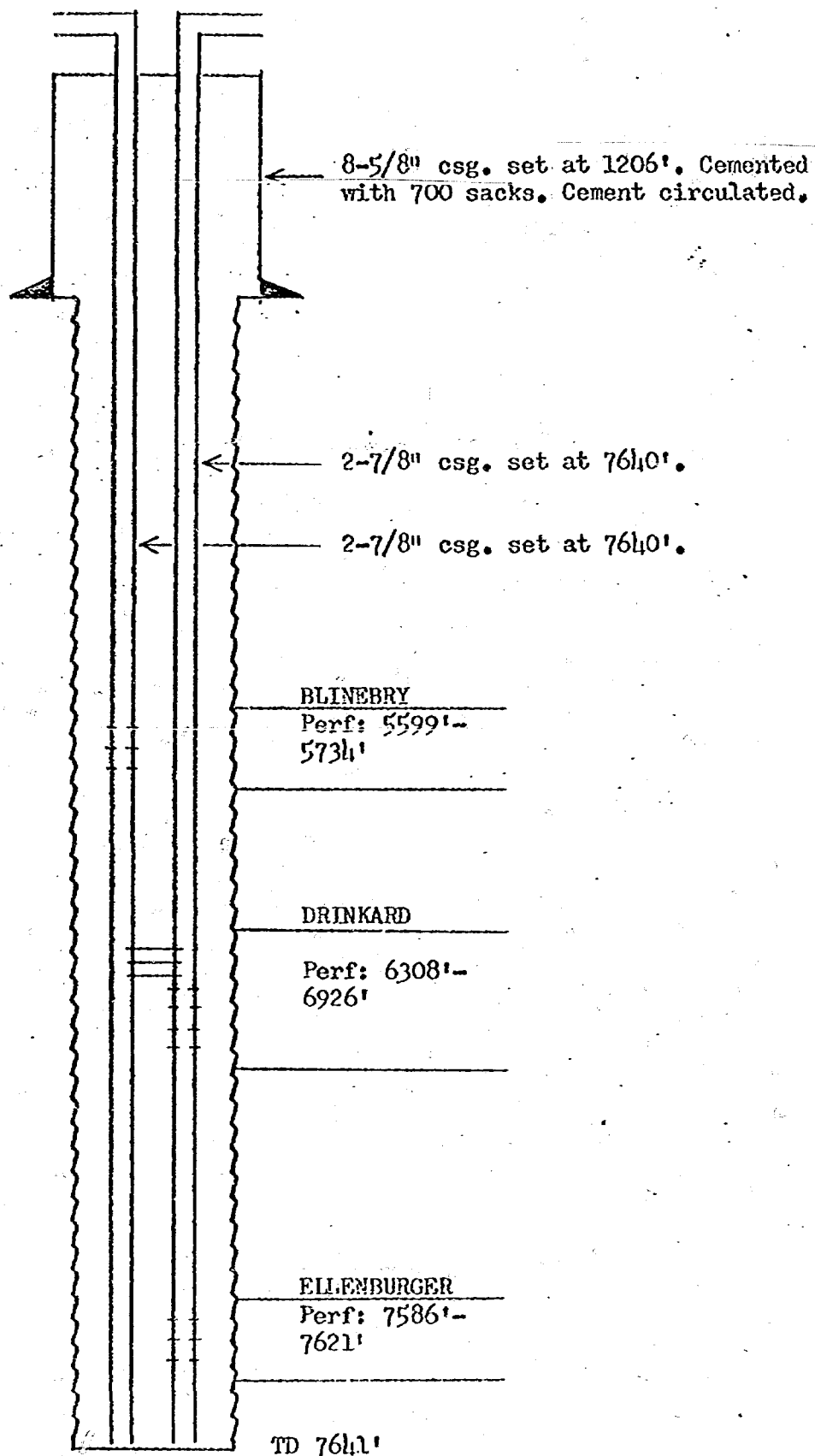
TD 7641'

Present Completion
A.H. BLINEBRY FED. (NCT-3) NO. 3
BLINEBRY & BRUNSON ELLENBURGER SOUTH POOLS
LEA COUNTY, NEW MEXICO

JBS 1-16-76

Case 5628

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Proposed Completion
A.H. BLINEBRY FED. (NOT-3) NO. 3
BLINEBRY, DRINKARD & BRUNSON ELLENBURGER SOUTH POOLS
LEA COUNTY, NEW MEXICO

JBS 1-15-76



COLEMAN PETROLEUM ENGINEERING COMPANY

PHONE 393-3813

3713 W. MARLAND ST.

P. O. BOX 1829

HOBBS, NEW MEXICO 88240

Case 5628

BOTTOM HOLE PRESSURE RECORD

OPERATOR Texaco Inc.

FIELD Blinebry FORMATION Blinebry

LEASE A. H. Blinebry NCT-3 WELL No. 3

COUNTY Lea STATE New Mexico

DATE 1-16-76 TIME 2:00 Pm

Status Shut in Test depth 5667'

Time S. I. 24 Hrs Last test date 7-31-75

Tub Pres. 579 BHP last test 868

Cas. Pres. - BHP change 186# Loss

Elev. 3317DF-10 Fluid top None

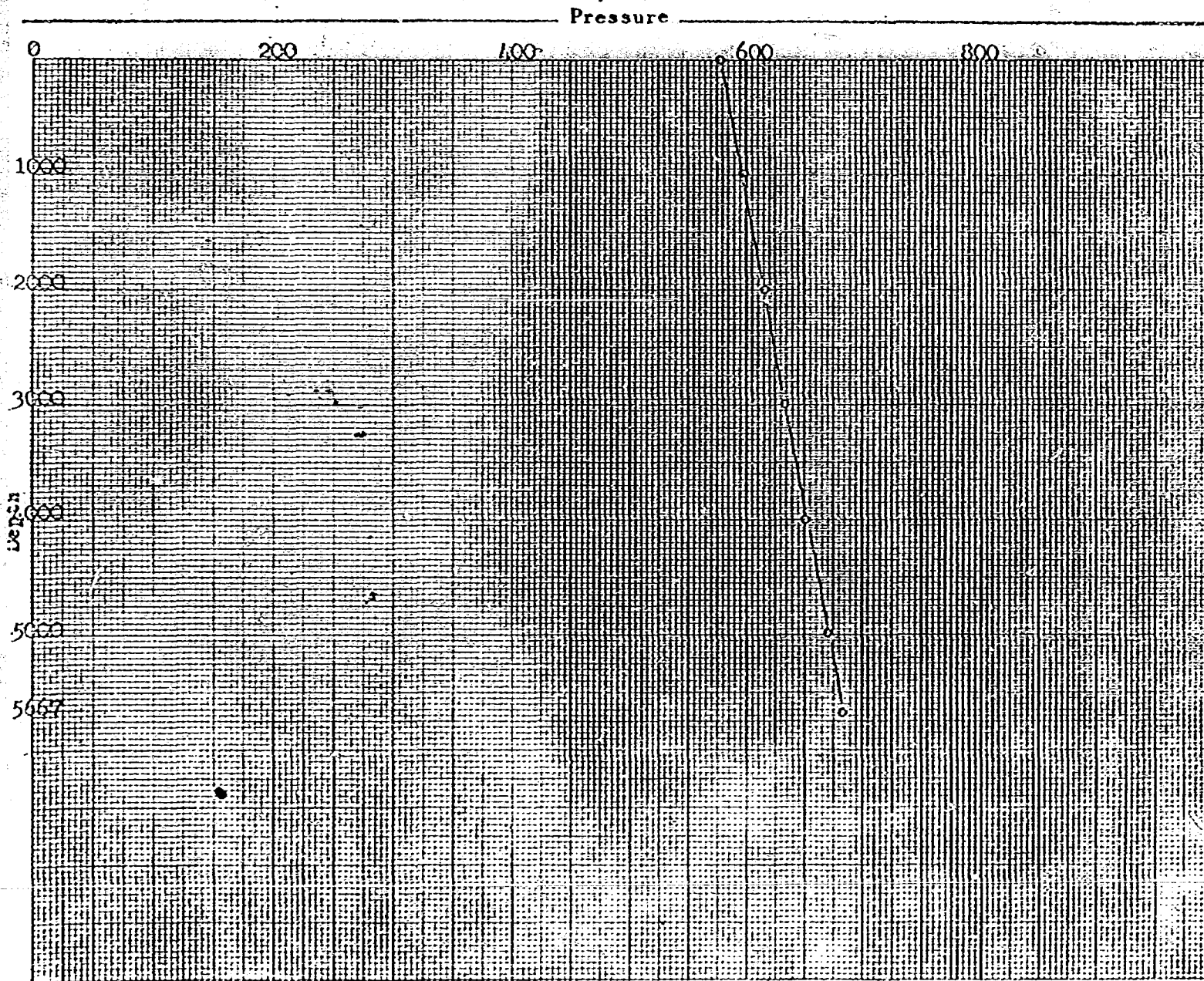
Datum (-2350)** Water top None

Temp. @ 99° F Run by Loper

Cal. No. A2602N Chart No. 2

Depth	Pressure	Gradient
0	579	-
1000	597	.018
2000	615	.018
3000	633	.018
4000	651	.018
5000	669	.018
5667(-2350)	682**	.019

** MidPoint of Casing Perforations



Case 5628

OFFSET OPERATORS

Gulf Oil Corp.
P. O. Box 670
Hobbs, New Mexico 88240

Summit Energy, Inc.
112 North First
Artesia, New Mexico 88210

Coquina Oil Corp.
200 Bldg. of the Southwest
Midland, Texas 79701

Phillips Petroleum Company
Phillips Building
4th & Washington
Odessa, Texas 79760

Aztec Oil & Gas Co.
P. O. Box 837
Hobbs, New Mexico 88240

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator TEXACO INC.		Pool See Below				County Lea									
Address P. O. Box 728 - Hobbs, New Mexico 88240						TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>			
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	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.	
A. H. Blinebry Fed (NCT-3)	3 -	E	31	22-S	38-E										
<u>Blinebry</u>						12-28-75	F 32/64	180	2	24	0	39.6	2	6	3000
<u>Brunson Ellenburger South</u>						12-29-75	P		7	24	0	39.6	4	32	8000

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.

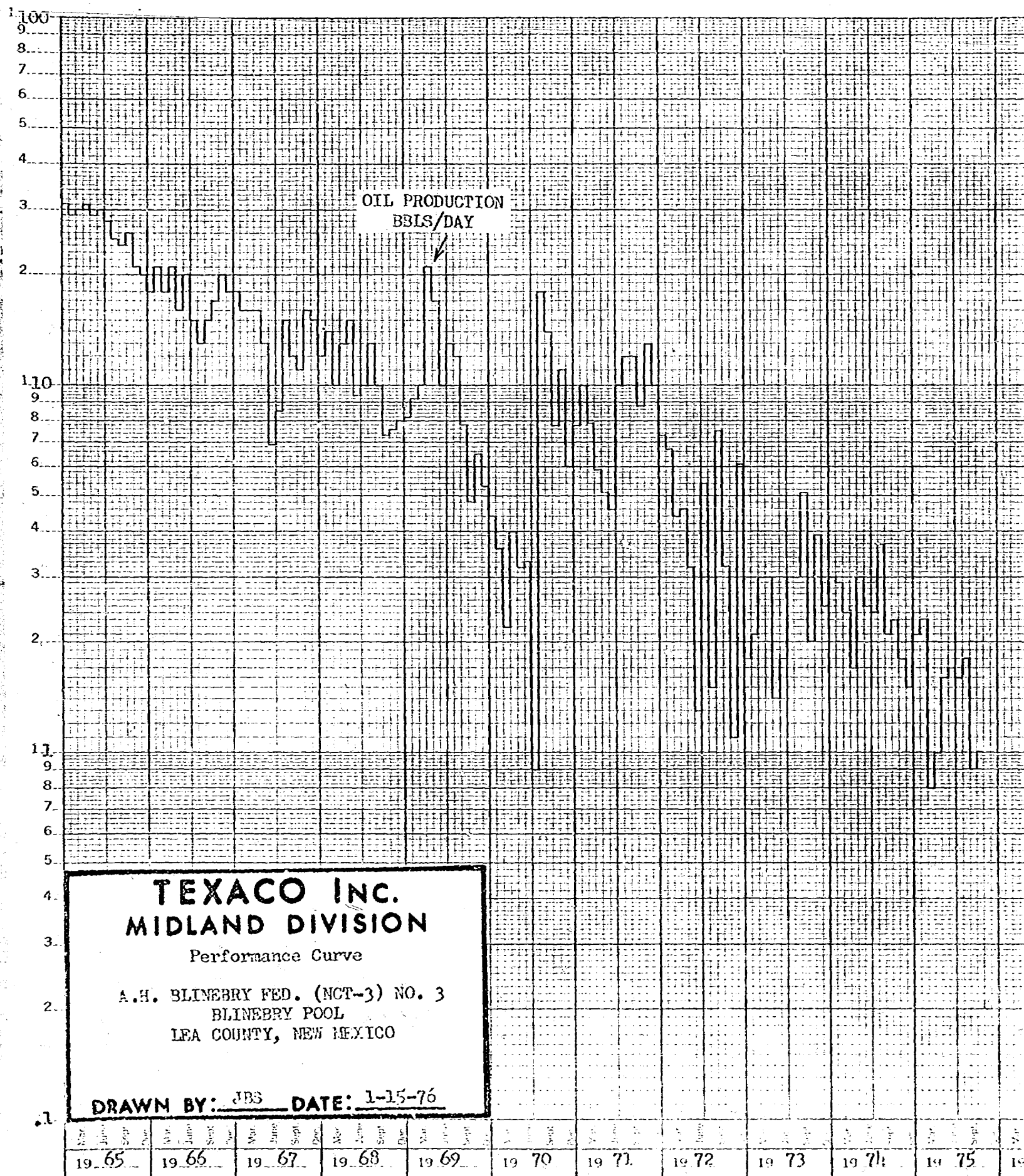
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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

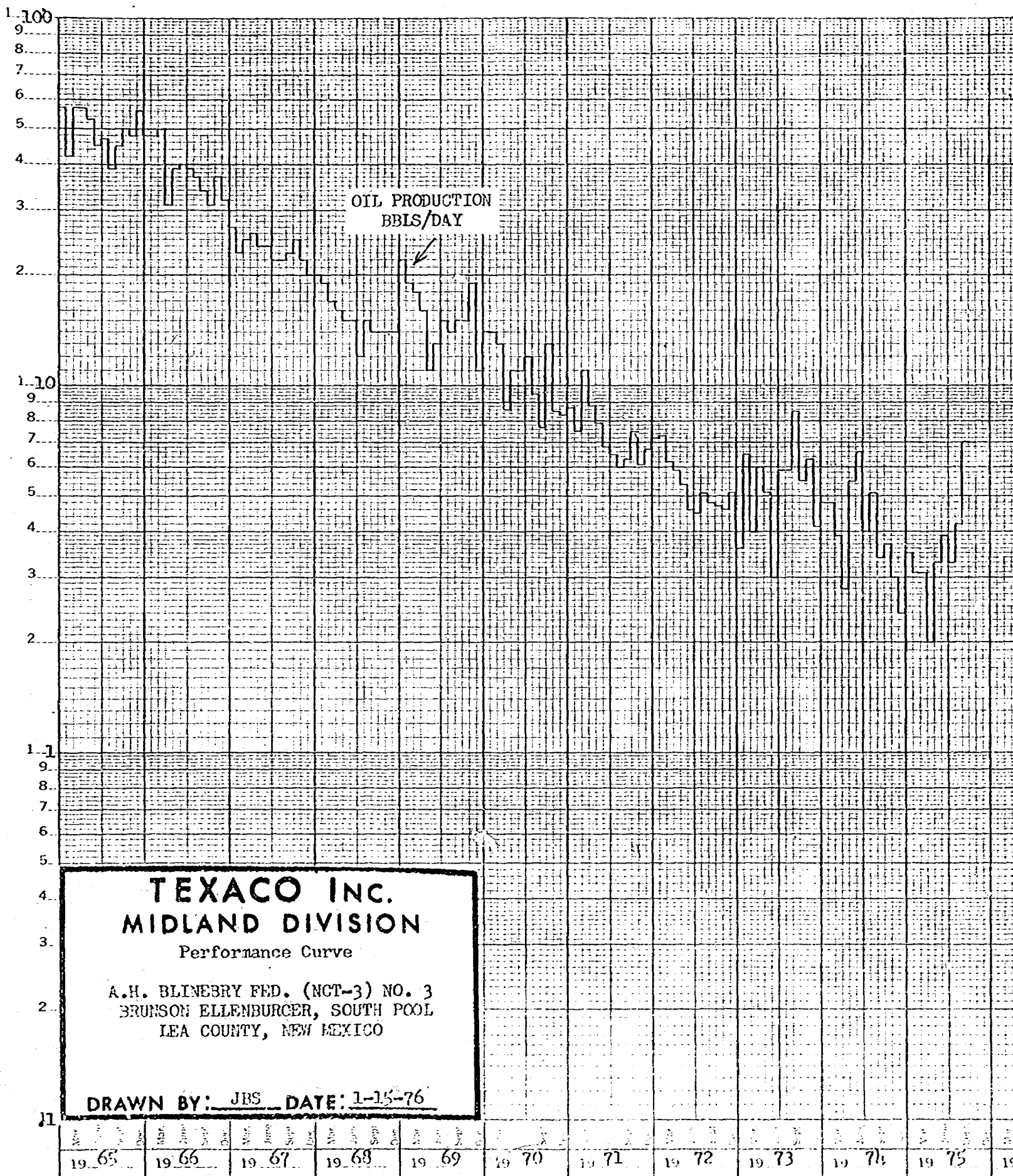
[Signature]
(Signature)
Assistant District Superintendent
(Title)
January 5, 1976
(Date)

Case 5628

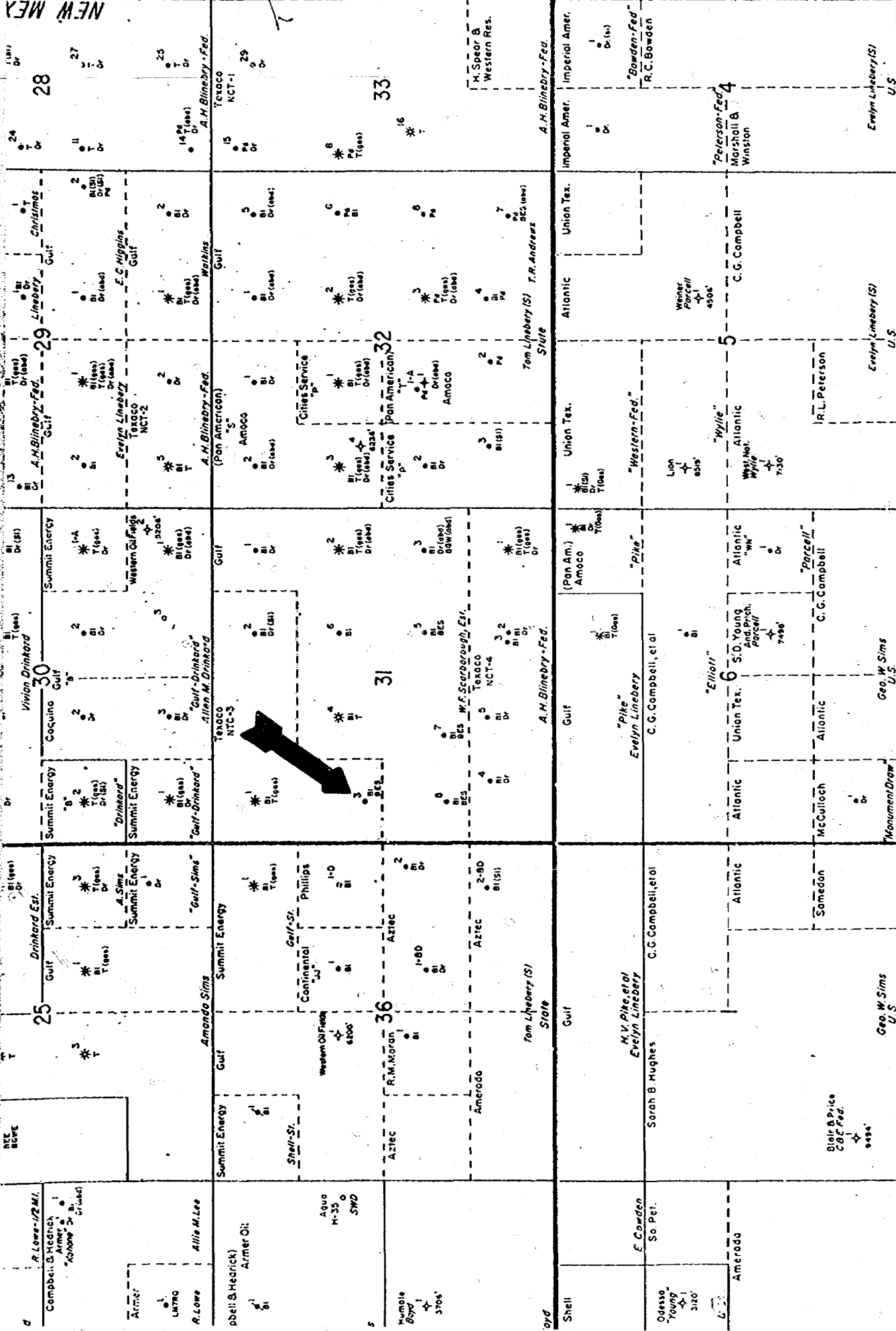
Case 5628



Case 5628



NEW MEX TEXAS



R37E

R38E

TEXACO INC.
MIDLAND DIVISION
BLINEBRY FIELD AREA
S.E. LEA COUNTY, NEW MEXICO
SCALE: 0' 1000' 2000'
DRAWN BY: ENR DATE: 11-9-69 4-18-73 5-23-74

ABBREVIATIONS:
BEE - BRUNSON ELLENBURGER EAST
BOW - BRUNSON GRANITE WASH
BOWE - BRUNSON GRANITE WASH EAST
BI - BLINEBRY
BNE - BRUNSON MCKEE EAST
BSE - BRUNSON SAN ANDRES EAST
Dr - DRINKARD
BES - BRUNSON ELLENBURGER SO.
GW - GRANITE WASH (UNDESIGNATED)
LM7RQ - LANGLEY MATTIX 7 RIVERS QUEEN
P4 - PADDOCK
P5 - PENROSE SKELLY GRAYBURG
SA - SANTA ROSA (UNDESIGNATED)
T - TUBB
WGW - WANTZ GRANITE WASH

Case 562 P

DATA SHEET FOR WELLBORE COMMINGLING

Operator: TEXACO INC.

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

Lease and Well No.: A. H. Blinebry Fed (NCT-3) No. 3

Location: 2306' FNL & 660' FNL, Sec. 31, Township 22 South, Range 38 East, Lea County

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Daily Income - \$/Day	\$21.48	--	\$42.96	

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LEA COUNTY, NEW MEXICO

JBS 1-16-76

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JBS 1-15-76



COLEMAN PETROLEUM ENGINEERING COMPANY

PHONE 393-3813

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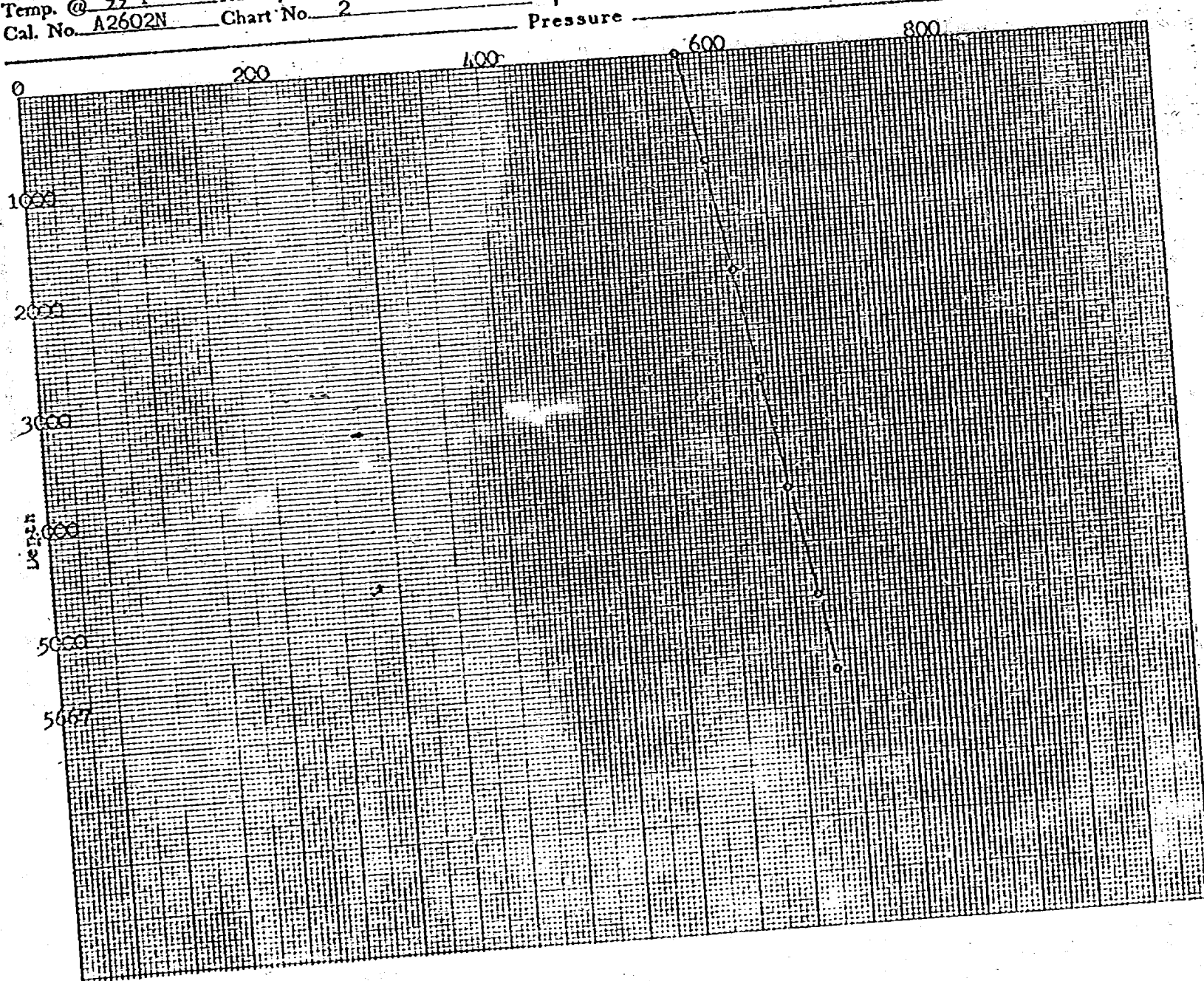
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BOTTOM HOLE PRESSURE RECORD

OPERATOR Texaco Inc.
FIELD Blinebry FORMATION Blinebry
LEASE A. H. Blinebry NCT-3 WELL No. 3
COUNTY Lea STATE New Mexico
DATE 1-16-76 TIME 2:00 Pm
Status Shut in Test depth 5667'
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** MidPoint of Casing Perforations



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C-116
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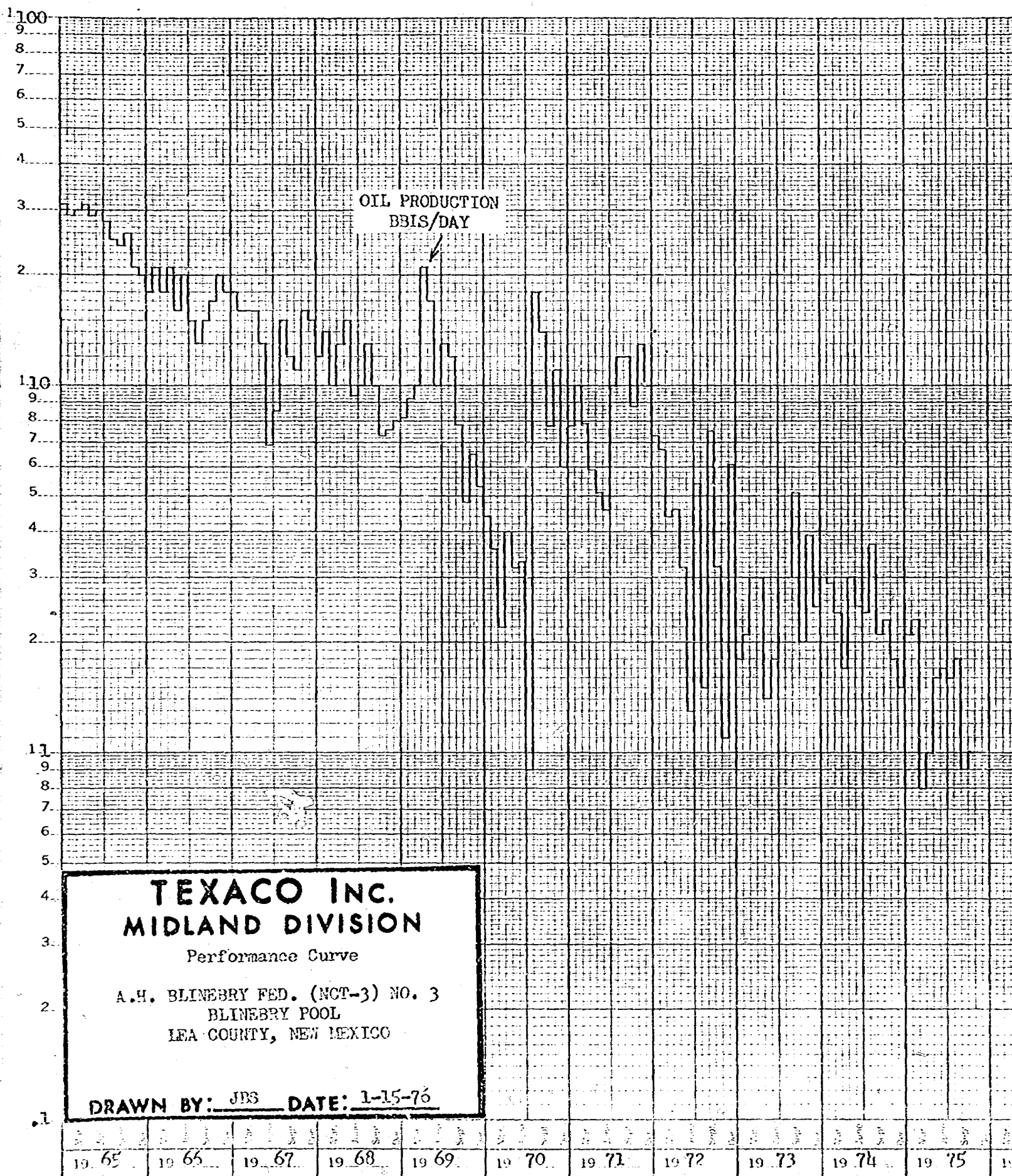
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(Title)

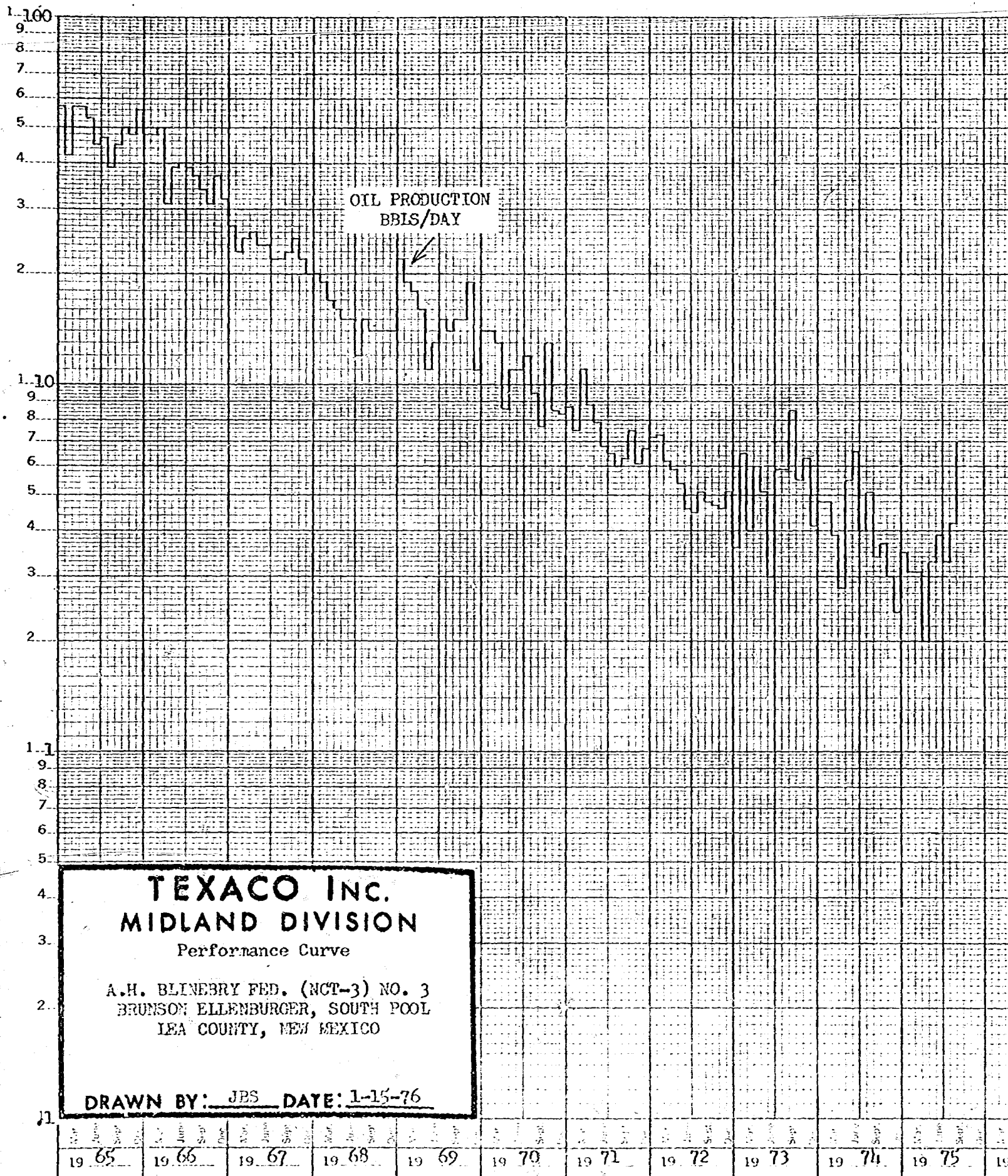
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5628

Case 5628



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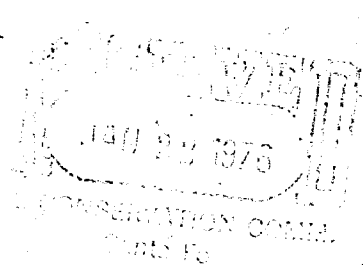
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COLEMAN PETROLEUM ENGINEERING COMPANY

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OPERATOR Texaco Inc.

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DATE 1-16-76 TIME 2:00 Pm

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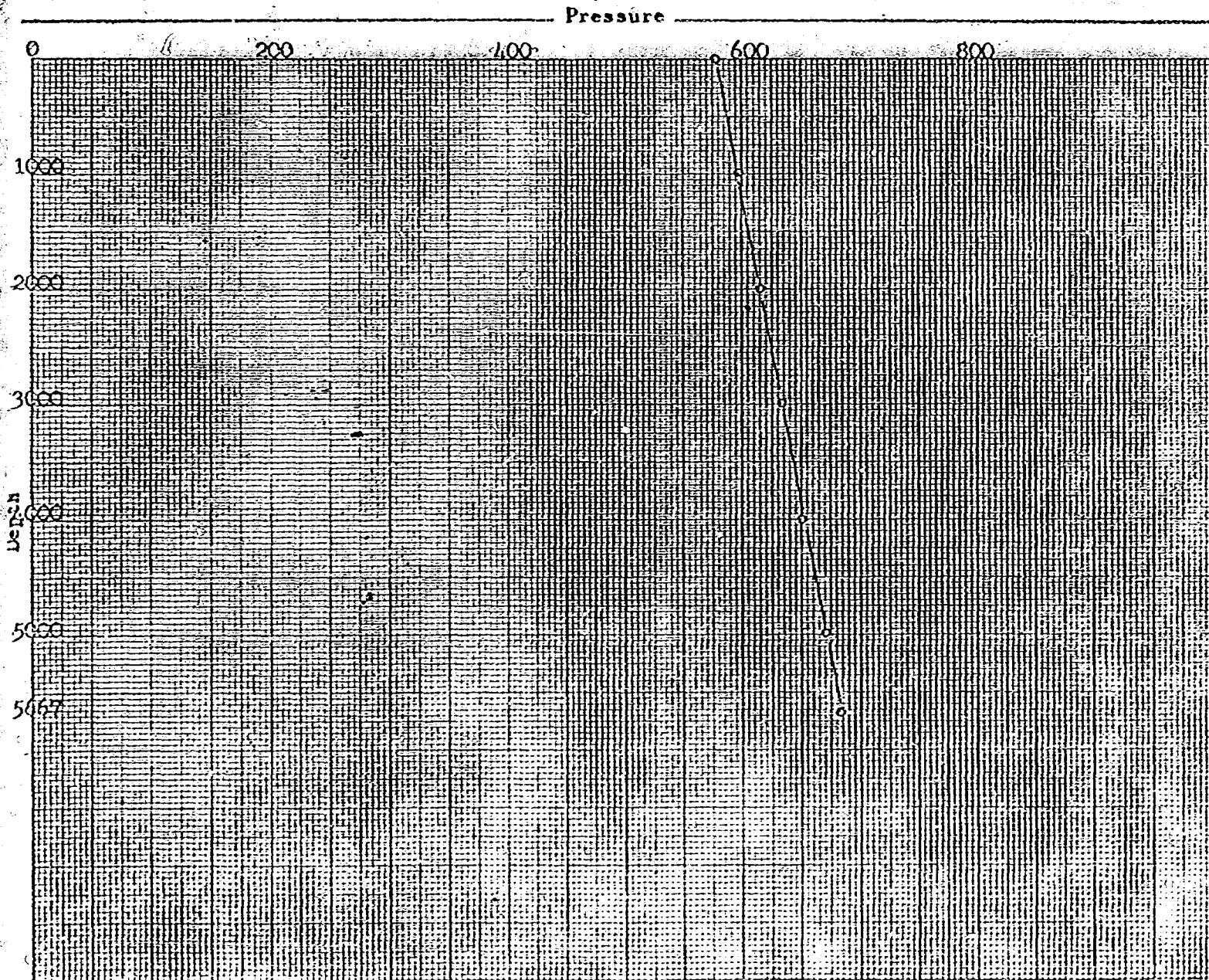
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J. P. Blum
(Signature)

Assistant District Superintendent

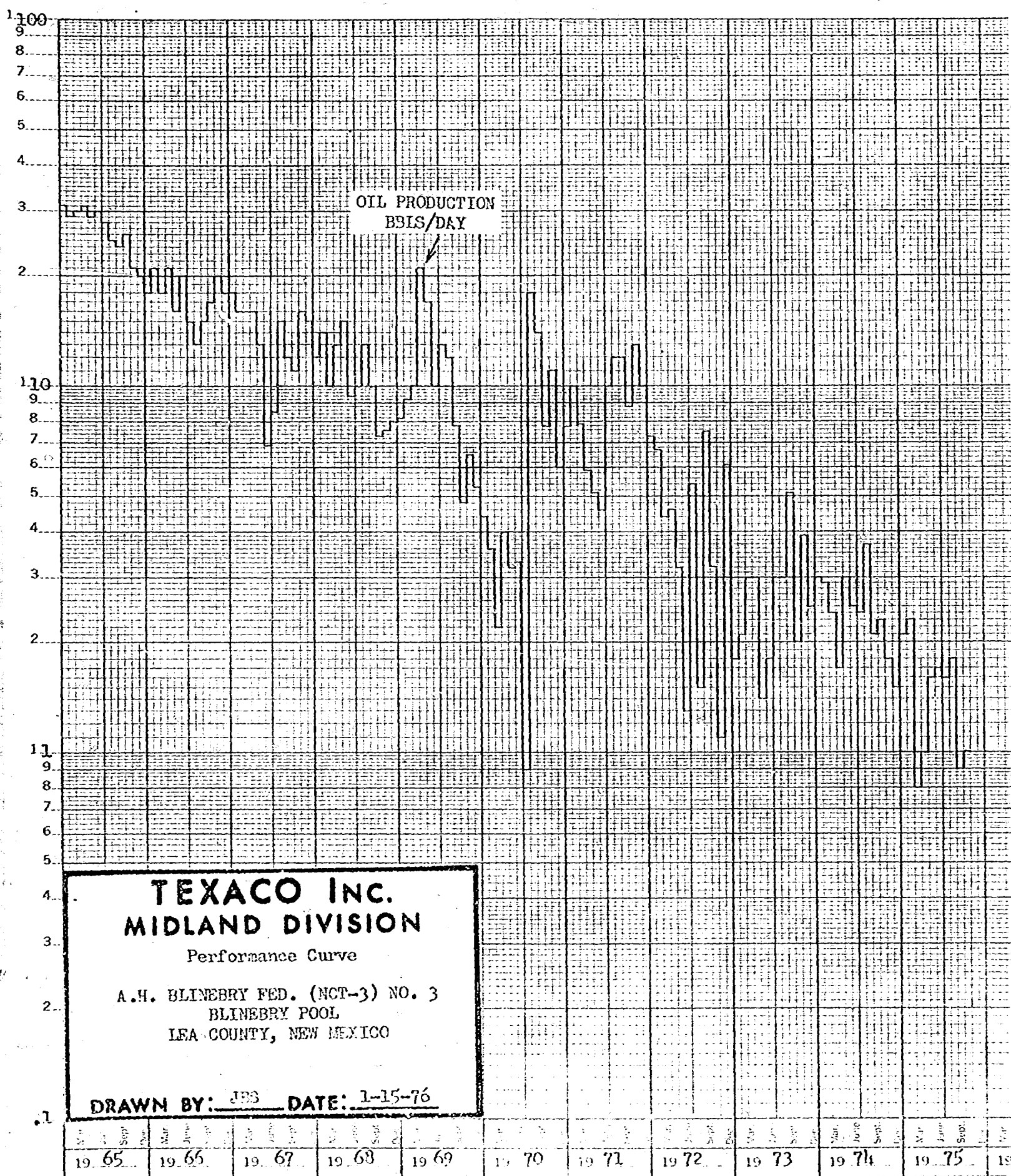
(Title)

January 5, 1976

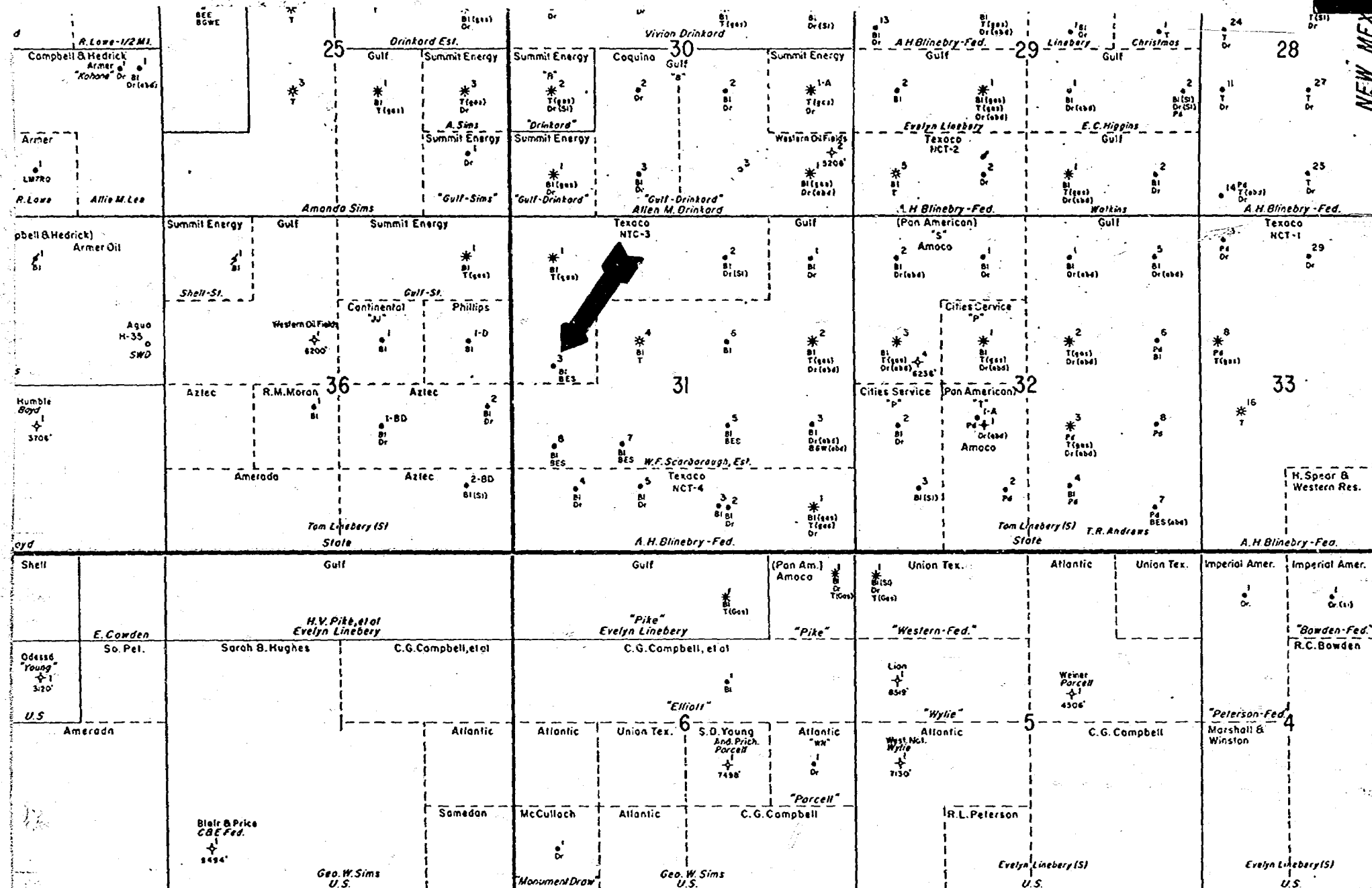
(Date)

5628

Case 5628



NEW MEX
TEXAS



R 37 E

R 38 E

ABBREVIATIONS:

- | | |
|----------------------------------|--|
| BEE - BRUNSON ELLENBURGER EAST | GW - GRANITE WASH (UNDESIGNATED) |
| BGW - BRUNSON GRANITE WASH | LM7RO - LANGLEY MATTHEW 7 RIVERS QUEEN |
| BGWE - BRUNSON GRANITE WASH EAST | Pd - PADDOCK |
| BI - BLINEBRY | Ps - PENROSE SKELLY GRAYBURG |
| BME - BRUNSON McKEE EAST | SA - SANTA ROSA (UNDESIGNATED) |
| BSE - BRUNSON SAN ANDRES EAST | T - TUBB |
| Dr - DRINKARD | WGW - WANTZ GRANITE WASH |
| BES - BRUNSON ELLENBURGER SG. | |

TEXACO INC.
MIDLAND DIVISION
BLINEBRY FIELD AREA
S.E. LEA COUNTY, NEW MEXICO
SCALE: 0' 1000' 2000'
DRAWN BY: FMR DATE: 1-9-69 4-8-73 5-23



DIRECTOR
JOE D. RAMEY

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

Re: CASE NO. 5628
ORDER NO. R-5170
Mr. Ken Bateman
White, Koch, Kelly & McCarthy
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

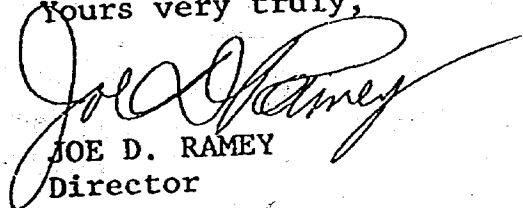
Applicant:

Texaco Inc.

Dear Sir:

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

Yours very truly,

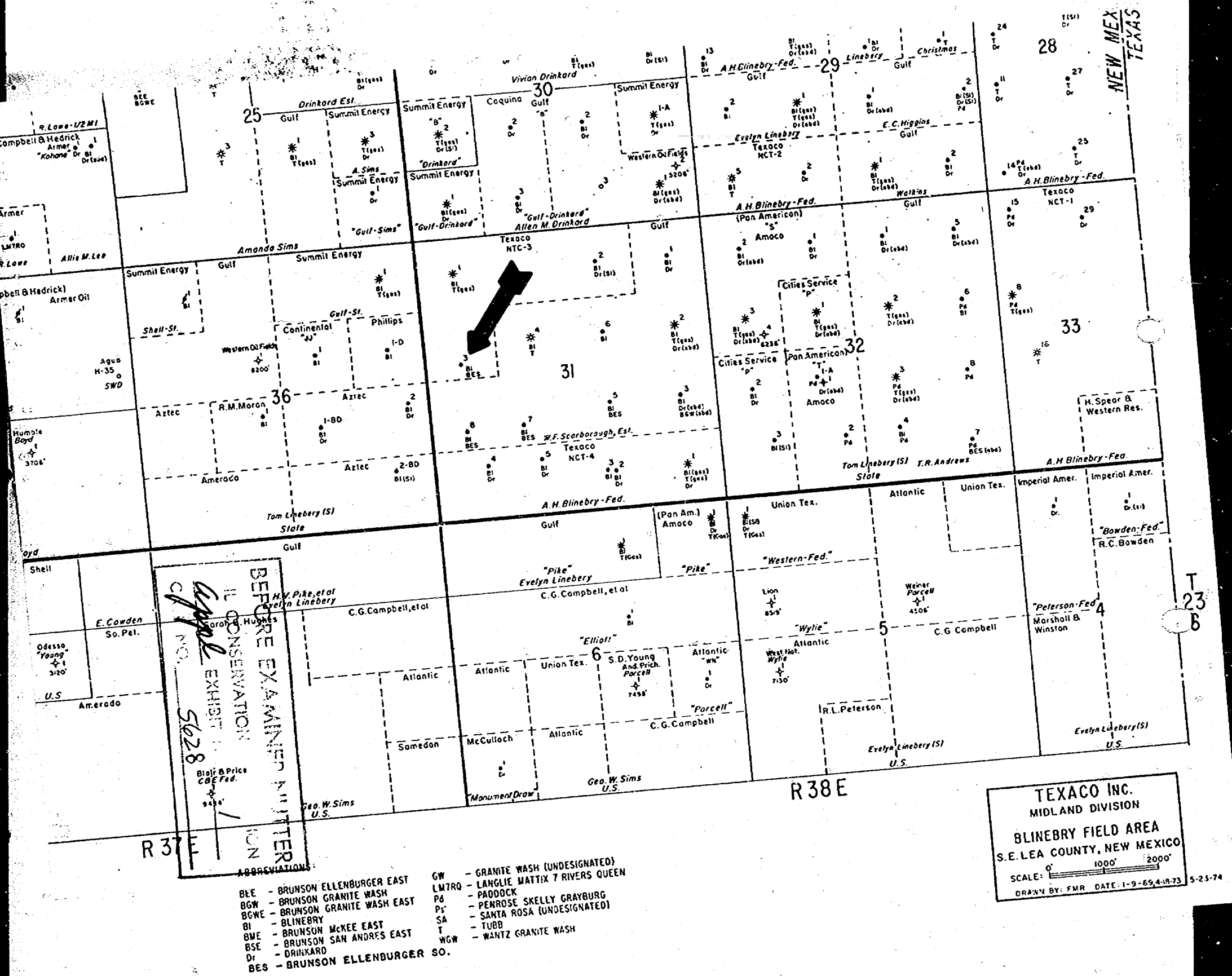

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC _____
Aztec OCC _____

Other _____



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Operator: TEXACO INC.

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

Lease and Well No.: A. H. Blinebry Fed (NCT-3) No. 3

Location: 2306' FNL & 660' FNL, Sec. 31, Township 22 South, Range 38 East, Lea County

WELL DATA

	Pool	Pool	Pool	Pool
Name of Pool	Blinebry	Drinkard	Brunson South Ellenburger	
Producing Method	Flow	--	Pump	
BHP	682	725 Est.	850 Est.	
Type Crude	Sweet	Sweet	Sweet	
Gravity	39.6	39.8 (Est.)	39.6	
GOR Limit	4000	6000	2000	
Completion Interval	5599' - 5734'	(Proposed) 6308' - 6926'	7586' - 7621'	
Current Test Date	12-28-75	--	12-29-75	
Oil	2	2 (Est.)	4	
Water	0	0 (Est.)	0	
GOR	3000	4500 (Est.)	8000	
Selling Price of Crude - \$/BBL.	\$10.74	\$10.74	\$10.74	
Daily Income - \$/Day	\$21.48	--	\$42.96	

COMMINGLED DATA:

Gravity of Commingled Crude 39.6
 Selling Price of Commingled Crude - \$/BBL. \$10.74
 Daily Income - \$/Day \$64.44

PETROLEUM EXAMINER NUTTER	
CONSERVATION COMMISSION	EXHIBIT NO. <u>2</u>
CASE NO. <u>5628</u>	

Net (Gain) ~~xkxkxkxk~~ from Wellbore Commingling - \$/Day \$64.44 (Production increase of 6 BOPD)
 based on current producing rates.
 Blinebry and Ellenburger are surface commingled.

2-7/8" csg. cemented with 2000 sacks. Cement top at 1950' by temperature survey.

8-5/8" csg. set at 1206'. Cemented with 700 sacks. Cement circulated.

2-7/8" csg. set at 7640'.

2-7/8" csg. set at 7640'.

BLINEBRY

Perf: 5599'-
5734'

DRINKLED

Perf: 6308'-
6926'

RGP AT 7246'

ELLENBURGER

Perf: 7586'-
7621'

TD 7641'

BEFORE EXAMINER NUTTER
OIL COMMISSION
Appl. NO. 3
CASE NO. 5628

Present Completion
A.H. BLINEBRY FED. (NCT-3) NO. 3
BLINEBRY & BRUNSON ELLENBURGER SOUTH POOLS
LEA COUNTY, NEW MEXICO

*Dr opened about 1st qtr. (since appl. was filed) test 2
2 BO
4500 GOR*

JBS 1-16-76

2-7/8" csg. cemented with 2000 sacks. Cement top at 1950' by temperature survey.

vent thru this string
run up this string

8-5/8" csg. set at 1206'. Cemented with 700 sacks. Cement circulated.

2-7/8" csg. set at 7640'.

2-7/8" csg. set at 7640'.

est 7600 bbl increase in recoverable reserves BL & Ellenburger only no DR reserves have been calculated.

BLINEBRY

Perf: 5599'-5731'

DRINKARD

Perf: 6308'-6926'

ELLENBURGER

Perf: 7586'-7621'

recommended 50% oil BL 20% " " DR 30% " " Ellen
%

BEFORE EXAMINER NUTTER	
CIL	4
CASE NO.	5628

TD 7641'

Proposed Completion
 A.H. BLINEBRY FED. (NCT-3) NO. 3
 BLINEBRY, DRINKARD & BRUNSON ELLENBURGER SOUTH POOLS
 LEA COUNTY, NEW MEXICO

JBS 1-16-76



PHONE 393-3813

3713 W. MARLAND ST.

P. O. BOX 1829

HOBBS, NEW MEXICO 00240

BOTTOM HOLE PRESSURE RECORD

OPERATOR Texaco Inc.

FIELD Blinebry FORMATION Blinebry

LEASE A. H. Blinebry NCT-3 WELL No. 3

COUNTY Lea STATE New Mexico

DATE 1-16-76 TIME 2:00 Pm

Status Shut in Test depth 75667'

Time S. I. 24 Hrs Last test date 7-31-75

Tub Pres. 579 BHP last test 868

Cas. Pres. — BHP change 186# Loss

Elev. 3317DF-10 Fluid top None

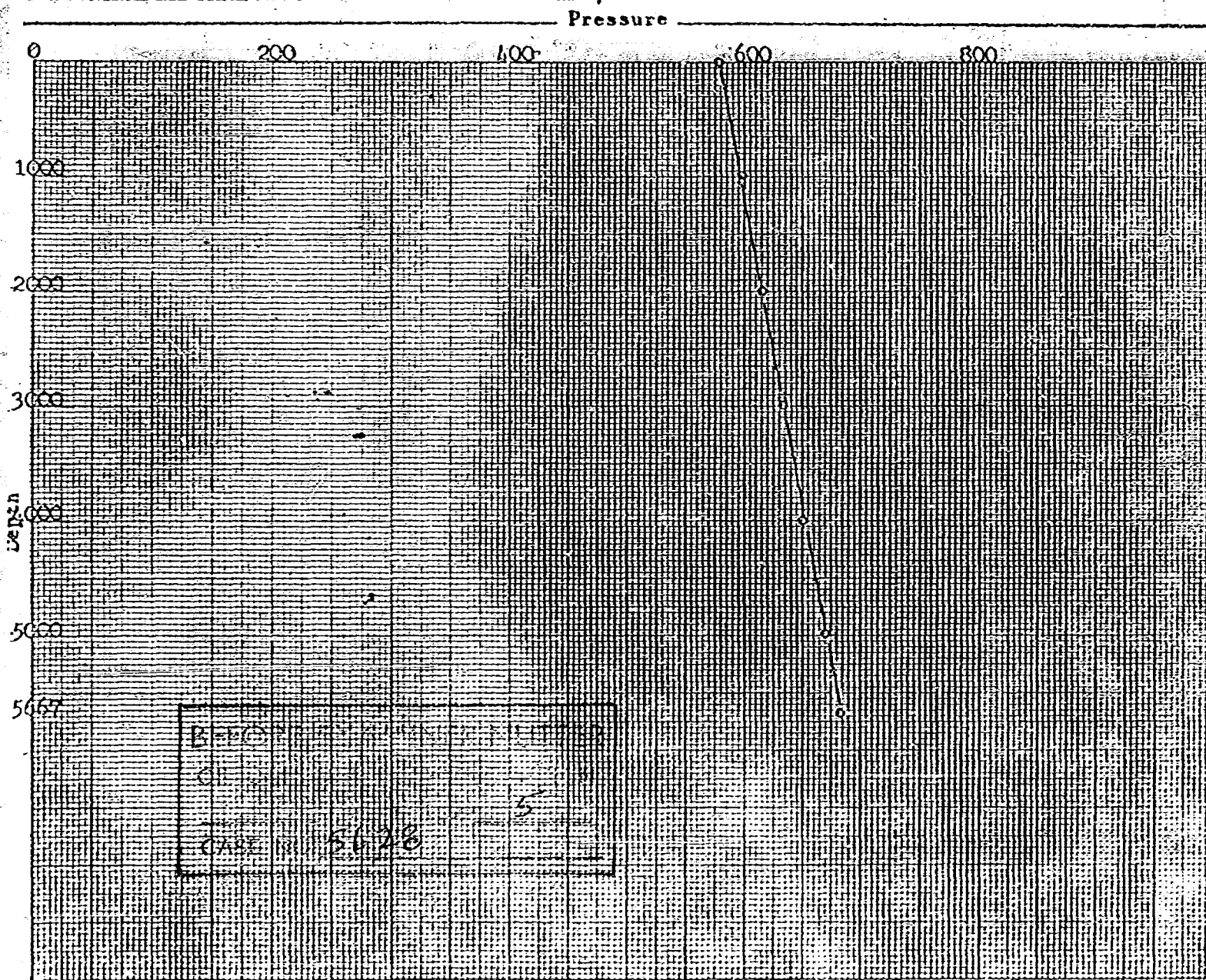
Datum (-2350)** Water top. None

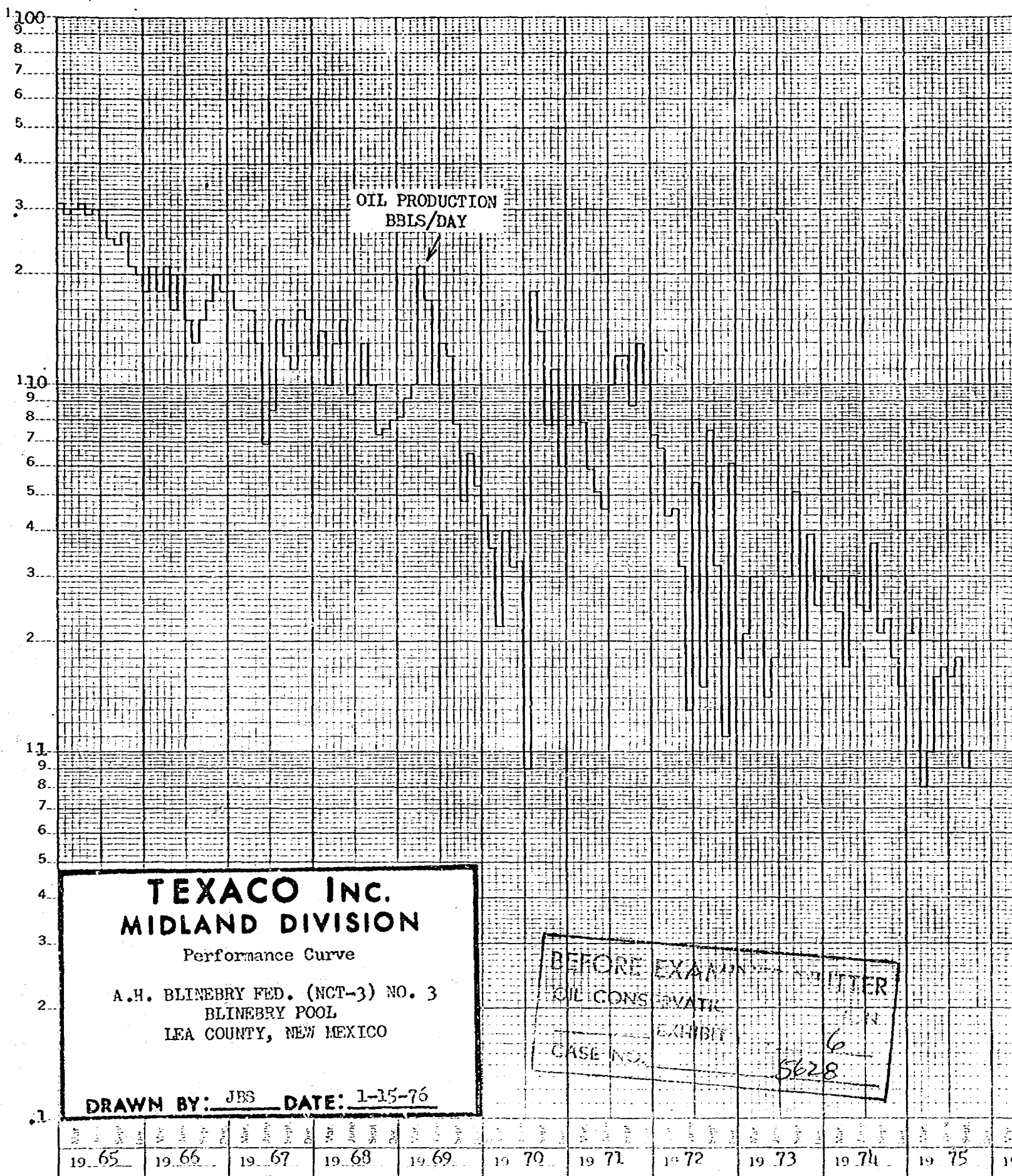
Temp. @ 99°F Run by Loner

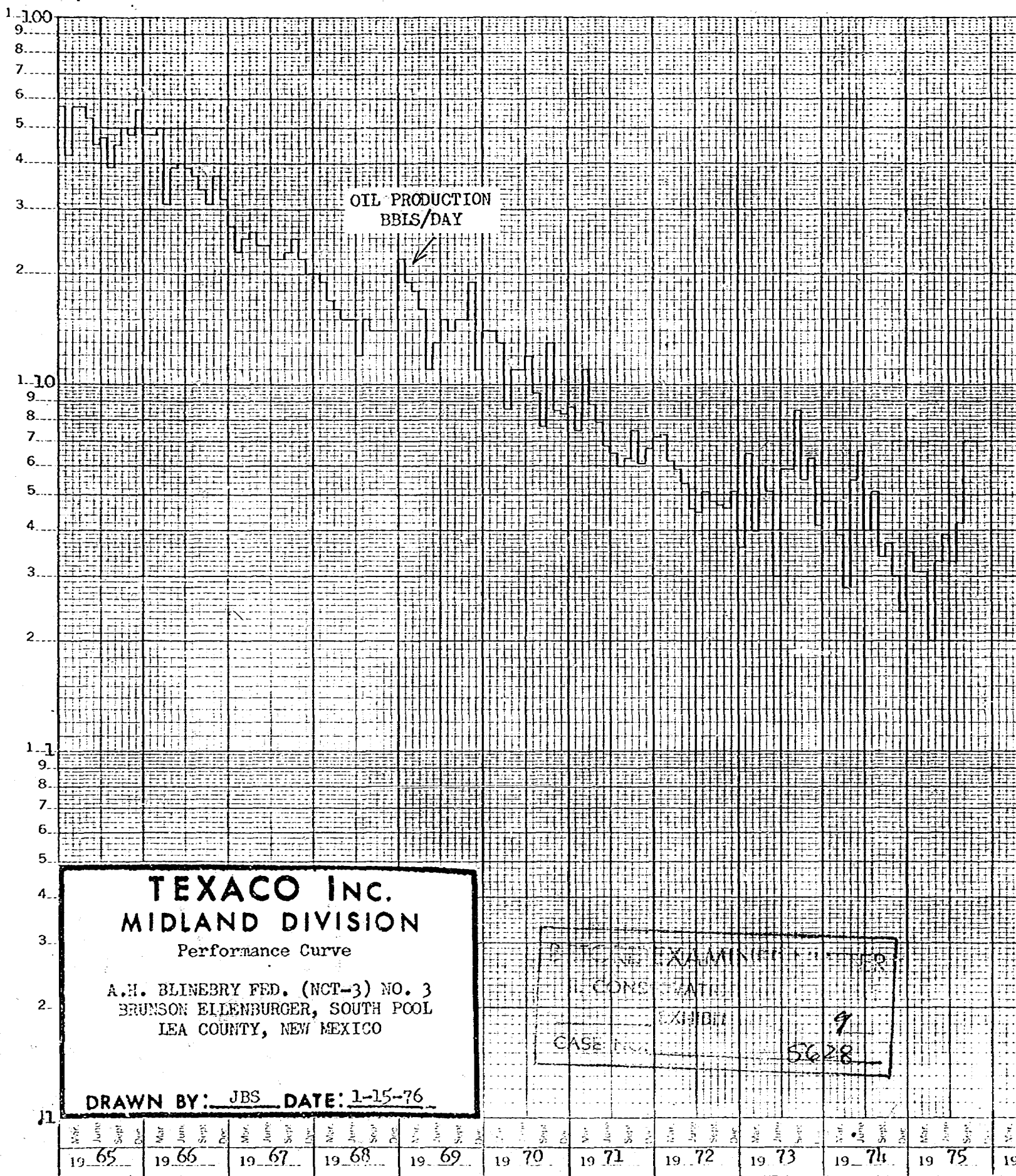
Cal. No. A2602N Chart No. 2

Depth	Pressure	Gradient
0	579	-
1000	597	.018
2000	615	.018
3000	633	.018
4000	651	.018
5000	669	.018
5667(-2350)	682**	.019

** MidPoint of Casing Perforations







OFFSET OPERATORS

Gulf Oil Corp.
P. O. Box 670
Hobbs, New Mexico 88240

Summit Energy, Inc.
112 North First
Artesia, New Mexico 88210

Coquina Oil Corp.
200 Bldg. of the Southwest
Midland, Texas 79701

Phillips Petroleum Company
Phillips Building
4th & Washington
Odessa, Texas 79760

Aztec Oil & Gas Co.
P. O. Box 837
Hobbs, New Mexico 88240

BEFORE EXAMINER NUTTER	
OIL & GAS COMMISSION	
EXHIBIT NO.	8
CA	5628

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 18, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco Inc. for downhole) CASE
commingling, Lea County, New Mexico.) 5628

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: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Ken Bateman, Esq.
WHITE, KOCH, KELLY & MCCARTHY
Attorneys at Law
220 Otero Street
Santa Fe, New Mexico

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
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Page 2

I N D E X

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5 Cross Examination by Mr. Nutter	10

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15 Texaco Exhibit No. Four, Proposed Completion	10
16 Texaco Exhibit No. Five, Bottom-hole Pressure Record	10
17 Texaco Exhibit No. Six, Production Decline Curves	10
18 Texaco Exhibit No. Seven, Production Decline Curves	10
19 Texaco Exhibit No. Eight, List of Offset Operators	10

1 MR. NUTTER: We will call Case Number 5628.

2 MR. CARR: Case 5628, application of Texaco Inc. for
3 downhole commingling, Lea County, New Mexico.

4 MR. BATEMAN: Mr. Examiner, I'm Ken Bateman of
5 White, Koch, Kelly and McCarthy, I have one witness and I ask
6 that he be sworn.

7 (THEREUPON, the witness was duly sworn.)

8
9 ROBERT G. SETZLER

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

12
13 DIRECT EXAMINATION

14 BY MR. BATEMAN:

15 Q Would you state for the record, your full name,
16 your address and your occupation?

17 A My full name is Robert Gaston Setzler.

18 MR. NUTTER: What is that last name?

19 A Setzler, S-e-t-z-l-e-r. I'm employed by Texaco in
20 Hobbs. The mailing address is Post Office Box 728.

21 Q (Mr. Bateman continuing.) Have you previously
22 testified before the Commission, Mr. Setzler?

23 A No, I haven't.

24 Q Would you state briefly for the record then, your
25 educational and work experience?

1 A. I graduated from the New Mexico School of Mines
2 at Socorro as a petroleum engineer. I have been employed by
3 Texaco for the past sixteen years and during this time I have
4 worked in various capacities, drilling, workover, proration,
5 equipment design, reservoir work in initiating studies and
6 completions for secondary and development drilling and
7 currently I'm Assistant District Engineer and I'm in charge of
8 some thirty-five to forty engineering personnel.

9 Q Mr. Setzler, are you personally familiar with the
10 well in question in this application?

11 A Yes, I am.

12 MR. BATEMAN: Mr. Examiner, are the witness's
13 qualifications acceptable?

14 MR. NUTTER: Yes, they are.

15 Q (Mr. Bateman continuing.) Mr. Setzler, would you
16 proceed then with Exhibit Number One and identify the well in
17 question and state briefly what Texaco seeks by its applica-
18 tion?

19 A We propose to triple downhole commingle the
20 A. H. Blinebry NCT-3 Well No. 3 in the Ellenburger, Blinebry
21 and Drinkard zones. We have a one hundred percent working
22 interest in all zones. This is a Federal lease in which the
23 mineral and royalty is common in all zones.

24 Q The Well No. 3, of course, is indicated by the
25 red arrow on Exhibit One, is that correct?

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Phone (505) 982-9212

1 A That is correct.

2 Q All right, would you proceed then with Exhibit
3 Number Two?

4 A Exhibit Number Two is a presentation of data on
5 the three zones. We propose to triple downhole commingle so
6 as to increase our overall recoverable reserves and decrease
7 our operating costs. Currently our Ellenburger zone is not
8 economical to produce as it will have to be pumped, unless we
9 can downhole commingle. We anticipate to increase our
10 production to twelve barrels of oil per day and increase our
11 recoverable reserves by seventy-six hundred barrels of oil.
12 As you can note on this exhibit, our bottom-hole pressures for
13 each zone are extremely similar, all of the crude is classified
14 as sweet and the gravity is very similar, the GOR's are very
15 close to the same, so, therefore, we do not feel that we will
16 have any loss of reserves due to cross flow or other adverse
17 downhole conditions.

18 Q What increase in profit do you expect by this
19 commingling?

20 A By commingling we anticipate to double our daily
21 earning from the well from approximately sixty-five dollars a
22 day to a hundred and thirty.

23 Q And would the approval of your application extend
24 the economic limit of the production of the well?

25 A Yes, it will. It will extend its productive life

1 by at least two years.

2 Q All right, sir, would you proceed then with Exhibit
3 Number Three and describe the method by which the well is
4 presently completed?

5 A Exhibit Three is a schematic of the current downhole
6 completion. And you can note, we have eight-and-five-eighths-
7 inch casing set to twelve hundred and six feet, which was
8 cemented with seven hundred sacks of cement which circulated.
9 Following this we drilled the well to a total depth of seventy-
10 six hundred and forty-one feet and set two strings of two-and-
11 seven-eighths-inch casing to seventy-six forty and were
12 cemented with two thousand sacks of cement, with the top of
13 the cement located at nineteen hundred and fifty feet by a
14 temperature survey.

15 Currently we have two zones open in this well, the
16 Blinebry and the Drinkard, each individually produced up
17 their own tubing string with a retrievable bridge plug set
18 above the Ellenburger zone at seventy-two hundred and forty
19 feet.

20 Q Mr. Setzler, now, the Blinebry production is flowing,
21 is that correct?

22 A That is correct. The Drinkard is being pumped at
23 the present time.

24 Q All right, would you state briefly for the record why
25 the Drinkard has been opened in the well?

1 A To recover additional reserves. It was identified
2 from workovers on an offset production operated by other
3 operators and has recently been opened for this purpose.

4 Q At the time of this application the Drinkard was
5 not open, is that correct?

6 A That is correct. At the time that this application
7 was made, the well was open in the Blinebry and the Ellenburger
8 but following this time we have, as I mentioned, set the
9 retrievable bridge plug and opened the Drinkard. The primary
10 reason for doing the work as we did is we had a pulling unit
11 in this area become available and since it is extremely hard
12 or we incur long waiting times, we proceeded with our work but
13 we have separated the Drinkard from the Ellenburger and the
14 Drinkard has been potential tested.

15 Q Would you refer again to Exhibit Number Two, is
16 the potential production from the Drinkard approximately what
17 was estimated?

18 A Yes, the potential test was for two barrels of oil
19 a day at completion.

20 Q All right, then would you proceed with Exhibit
21 Number Four and describe how you propose to complete the well?

22 A Following approval, we propose to remove the
23 retrievable bridge plug and perforate or communicate the
24 strings across at the top of the Drinkard pay and run our
25 pump into the Drinkard string and vent gas up the Blinebry so

1 as to be able to economically produce all of the zones.

2 Q All right. Do you expect any cross flow?

3 A No, I do not based on the bottom-hole pressures
4 presented in Exhibit Two and for the flowing zone in Exhibit
5 Five we have a measured bottom-hole pressure for your approval.

6 Q Exhibit Number Five then is bottom-hole pressure
7 records for the Blinebry?

8 A The Blinebry, yes, sir, that is flowing at the present
9 time.

10 Q All right, now, have you calculated additional
11 reserves and on what data did you base your calculations?

12 A Yes, we did, or I did. We estimate that we will
13 increase our recoverable reserves by seventy-six hundred
14 barrels of oil. This is based on decline curve analysis of
15 the Ellenburger and Blinebry zones and the fact that we will
16 be able to produce all three zones with one pump and go to a
17 lower economic limit.

18 Q All right, and those production decline curves are
19 illustrated by Exhibits Six and Seven, is that correct?

20 A That is correct, sir.

21 Q All right, now, have all of the offset operators
22 been notified?

23 A Yes, sir, they have.

24 Q Is Exhibit Number Eight a list of those offset
25 operators?

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1 A. That is correct.

2 Q Have you obtained approval from the USGS for your
3 application?

4 A. Yes, we have.

5 Q Now, do you have anything to recommend with respect
6 to how the production of the well will be split?

7 A. Yes, we feel that upon completion of the downhole
8 commingling this well will produce twelve barrels of oil per
9 day and since we will be able to vent and pump that we will
10 realize our greatest production increase from the Blinebry
11 zone. We feel that it will produce six barrels of oil per
12 day and we know from potential tests that the Drinkard is
13 producing two and prior to setting the retrievable bridge
14 plug the Ellenburger was producing four, so, therefore, we
15 propose a split of fifty percent production for Blinebry,
16 twenty percent for Drinkard and thirty percent for the
17 Ellenburger.

18 Q All right, sir, then will the approval of your
19 application prevent waste and protect correlative rights?

20 A. Yes, it will.

21 Q Were exhibits One through Eight prepared by you or
22 under your direction?

23 A. That is correct, sir.

24 MR. BATEMAN: Mr. Examiner, we offer into evidence
25 Exhibits One through Eight.

1 MR. NUTTER: Texaco Exhibits One through Eight will
2 be admitted into evidence.

3 (THEREUPON, Texaco Exhibits One through Eight
4 were admitted into evidence.)

5
6 CROSS EXAMINATION

7 BY MR. NUTTER:

8 Q Mr. Setzler, you stated that the Drinkard had just
9 recently been completed, what was the date of that test that
10 you got on the Drinkard, please?

11 A I believe it was right at the end of December. I'm
12 sorry, sir, I don't know the exact date.

13 Q About the first of the year?

14 A Yes, sir. I was wanting to say the 30th or 31st but
15 I would have to check.

16 Q Okay, now, you mentioned that it made two barrels
17 on a test. What was its GOR?

18 A Forty-five hundred.

19 Q So then you've got a GOR of forty-five hundred. Well,
20 that was your estimate on your GOR, so you hit your estimate
21 right on the nose, did you?

22 A Our GOR that we estimated was six thousand for the
23 Drinkard and it tested at forty-five hundred.

24 Q Well, doesn't Exhibit Two for the Drinkard show
25 estimates?

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Phone (505) 982-9212

1 A Yes, sir. Oh, excuse me, I was looking at GOR
2 limits. That is correct, the GOR we estimated and the
3 production rate was what the well was tested at.

4 Q Do you have other Drinkard wells on this lease?

5 A One and it is shut in but we operate numerous other
6 Drinkard completions through this area.

7 Q Is this in the part of the Drinkard pool that is
8 under study for waterflood purposes?

9 A Possibly in the future, yes, sir.

10 Q Will the completion of this well with the Blinebry
11 and the Ellenburger impose any kind of a hazard on the water-
12 flood operations?

13 A At such time if waterflood operations ever became
14 active we would have to separate the zones again.

15 Q This action could be reversed then?

16 A Yes, sir.

17 Q And the Drinkard separated?

18 A Yes, sir.

19 Q Now, you stated that you expected an additional
20 seventy-six hundred barrel increase in reserves, would that
21 be from the Blinebry and Ellenburger only or does that also
22 include reserves that you are going to produce from the
23 Drinkard?

24 A We do not have enough history yet from the Drinkard
25 to estimate a reserve recovery and so, therefore, those

1 reserves are for the Blinebry and Ellenburger.

2 Q Only?

3 A Only. We do not feel, sir, that volumetrics in this
4 area are a reliable method at this low initial producing rate.

5 MR. NUTTER: Any further questions of Mr. Setzler?
6 He may be excused.

7 (THEREUPON, the witness was excused.)

8 MR. NUTTER: Do you have anything further, Mr.
9 Bateman?

10 MR. BATEMAN: Nothing further.

11 MR. NUTTER: Does anyone have anything they wish to
12 offer in Case 5628?

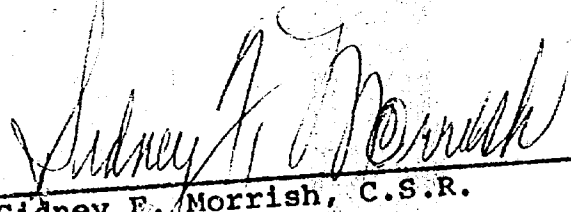
13 By the way, we do have a letter from the USGS
14 consenting to this downhole commingling.

15 If there is nothing further we will take the case
16 under advisement.

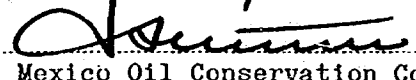
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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

REPORTER'S CERTIFICATE

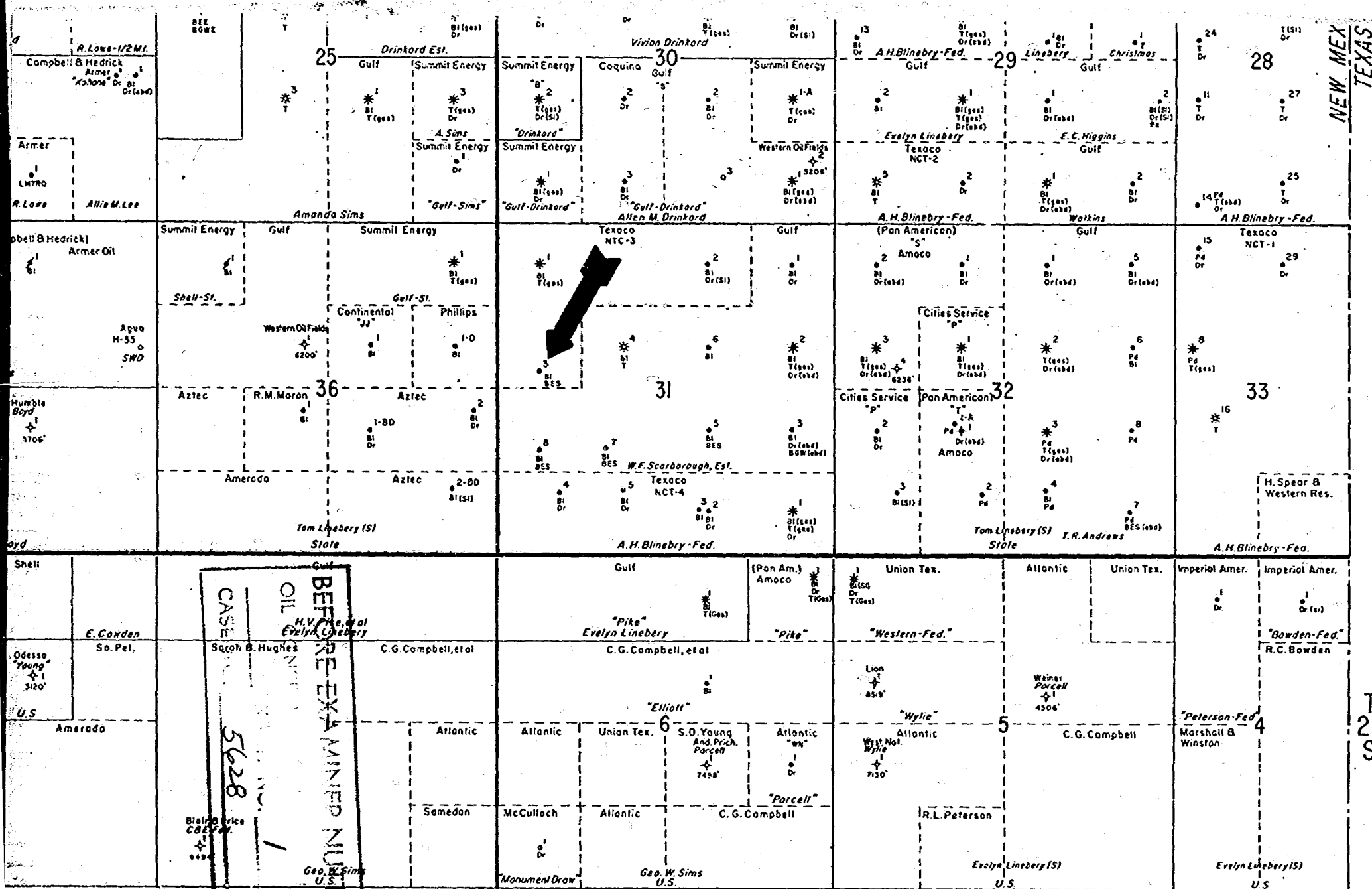
1
2 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
3 do hereby certify that the foregoing and attached Transcript
4 of Hearing before the New Mexico Oil Conservation Commission
5 was reported by me, and the same is a true and correct record
6 of the said proceedings to the best of my knowledge, skill and
7 ability.

8
9
10 
11 Sidney F. Morrish, C.S.R.

12
13
14
15
16
17
18
19 I do hereby certify that the foregoing is
20 a complete record of the proceedings in
21 the Examiner hearing of Case No. 5228
22 heard by me on 2/18, 1976

23 , Examiner
24 New Mexico Oil Conservation Commission
25

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212



ABBREVIATIONS:

BEE - BRUNSON ELLENBURGER EAST
 BGW - BRUNSON GRANITE WASH
 BGWE - BRUNSON GRANITE WASH EAST
 BI - BLINBERY
 BME - BRUNSON MCKEE EAST
 BSE - BRUNSON SAN ANDRES EAST
 DI - DRINKARD
 BES - BRUNSON ELLENBURGER SO.
 GW - GRANITE WASH (UNDESIGNATED)
 LM7RO - LANGLIE MATTIX 7 RIVERS QUEEN
 P6 - PADDOCK
 P6 - PENROSE SKELLY GRAYBURG
 SA - SANTA ROSA (UNDESIGNATED)
 T - TUBB
 WGW - WANTZ GRANITE WASH

TEXACO INC.
 MIDLAND DIVISION
 BLINBERY FIELD AREA
 S.E. LEA COUNTY, NEW MEXICO
 SCALE: 0 1000' 2000'
 DRAWN BY: FMR DATE: 1-9-69 4-18-73 5-23-74

DATA SHEET FOR WELLBORE COMINGLING

Operator: TEXACO INC.

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

Lease and Well No.: A. II. Blinebry Fed (NCT-3) No. 3

Location: 2306' FNL & 660' FWL, Sec. 31, Township 22 South, Range 38 East, Lea County

WELL DATA

	Pool	Pool	Pool	Pool
Name of Pool	Blinebry	Drinkard	Brunson South Ellenburger	
Producing Method	Flow	--	Pump	
BHP	682	725 Est.	'850 Est.	
Type Crude	Sweet	Sweet	Sweet	
Gravity	39.6	39.8 (Est.)	39.6	
GOR Limit	4000	6000	2000	
Completion Interval	5599' - 5734'	(Proposed) 6308' - 6926'	7586' - 7621'	
Current Test Date	12-28-75	--	12-29-75	
Oil	2	2 (Est.)	4	
Water	0	0 (Est.)	0	
GOR	3000	4500 (Est.)	8000	
Selling Price of Crude - \$/BBL.	\$10.74	\$10.74	\$10.74	
Daily Income - \$/Day	\$21.48	--	\$42.96	

COMINGLED DATA:

Gravity of Comingled Crude 39.6

Selling Price of Comingled Crude - \$/BBL. \$10.74

Daily Income - \$/Day \$64.44

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
NO. 2
CASE NO. 5628

Net (Gain) ~~xxxxx~~ from Wellbore Comingling - \$/Day \$64.44 (Production increase of 6 BOPD)
based on current producing rates.
Blinebry and Ellenburger are surface comingled.

2-7/8" csg. cemented with 2000 sacks. Cement top at 1950' by temperature survey.

8-5/8" csg. set at 1206'. Cemented with 700 sacks. Cement circulated.

2-7/8" csg. set at 7640'.

2-7/8" csg. set at 7640'.

BLINEBRY

Perf: 5599'-
5734'

DRINKARD

PERF: 6308'-
6926'

RSP AT 7240'

ELLENBURGER

Perf: 7586'-
7621'

TD 7641'

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 5628

Present Completion

A.H. BLINEBRY FED. (NCT-3) NO. 3

BLINEBRY & BRUNSON ELLENBURGER SOUTH POOLS

LEA COUNTY, NEW MEXICO

JBS 1-16-76

2-7/8" csg. cemented with 2000 sacks. Cement top at 1950' by temperature survey.

8-5/8" csg. set at 1206'. Cemented with 700 sacks. Cement circulated.

2-7/8" csg. set at 7640'.

2-7/8" csg. set at 7640'.

BLINEBRY

Perf: 5599'-
5734'

DRINKARD

Perf: 6308'-
6926'

ELLENBURGER

Perf: 7586'-
7621'

TD 7641'

BEFORE EXAMINER NUTTER
CIL CONSERVATION COMMISSION
EXHIBIT NO. 4
CASE NO. 5628

Proposed Completion
A.H. BLINEBRY FED. (NCT-3) NO. 3
BLINEBRY, DRINKARD & BRUNSON ELLENBURGER SOUTH POOLS
LEA COUNTY, NEW MEXICO

JBS 1-16-76



COLEMAN PETROLEUM ENGINEERING COMPANY

PHONE 393-3813

3713 W. MARLAND ST.

P. O. BOX 1829

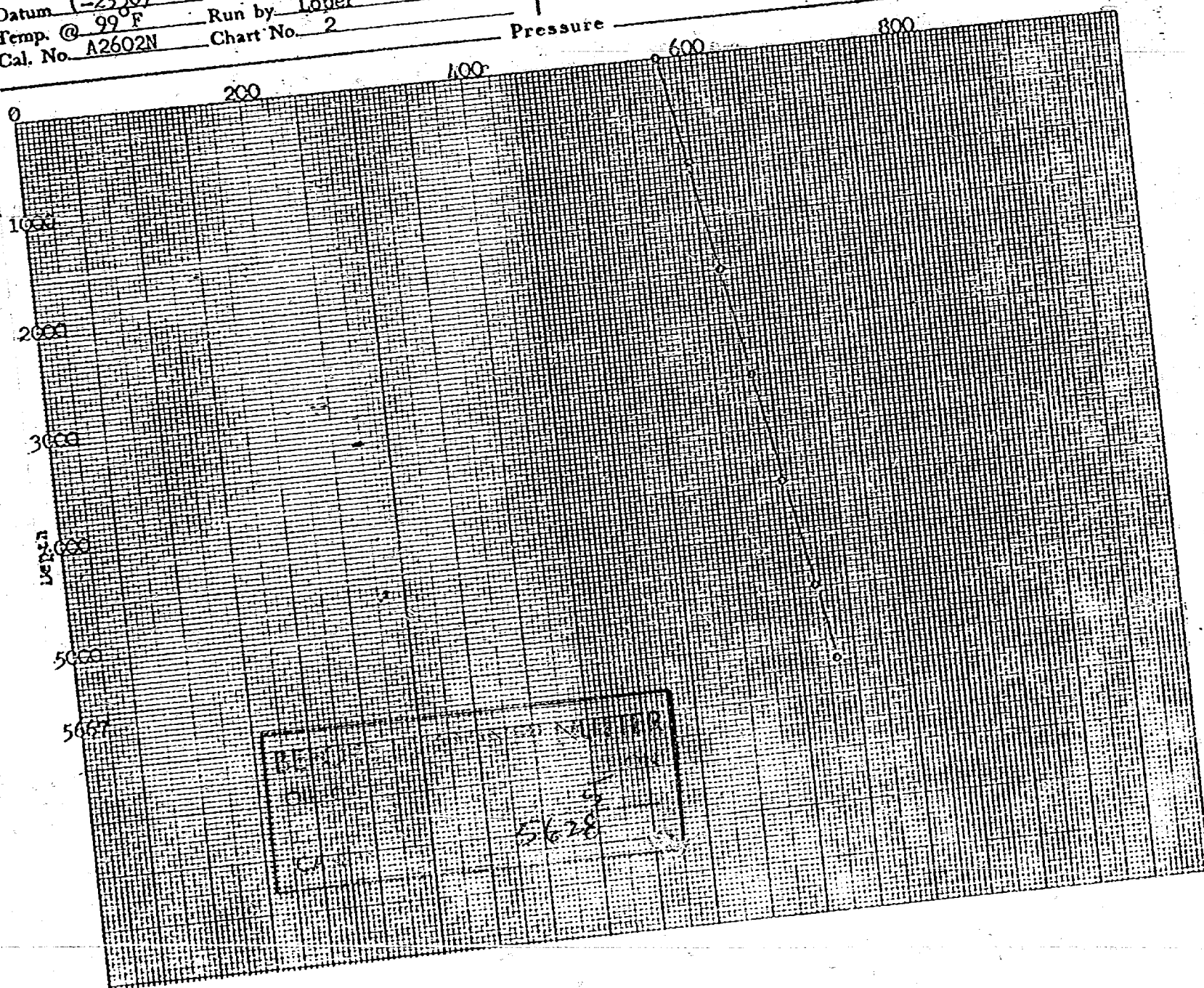
HOBBS, NEW MEXICO 88240

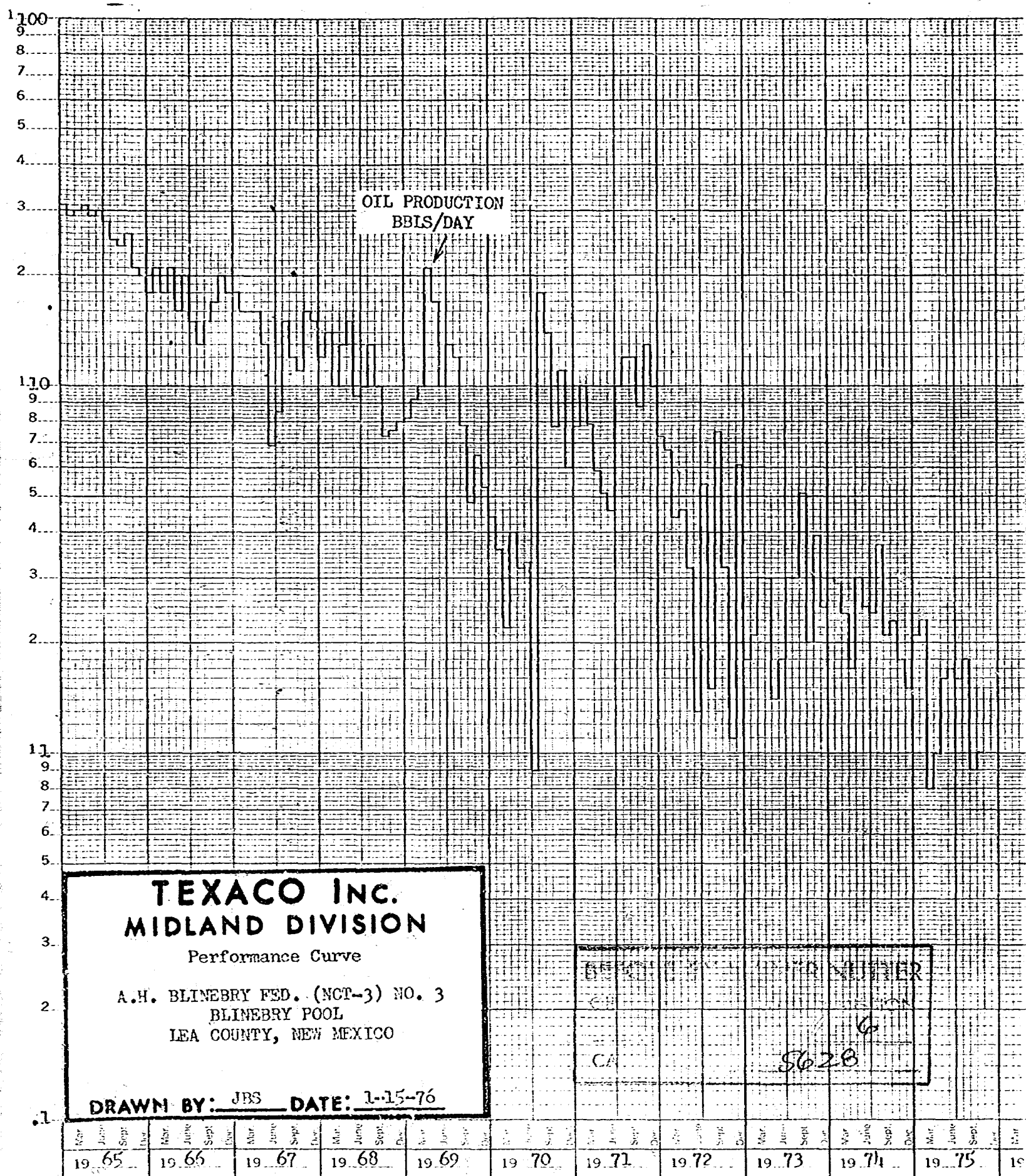
BOTTOM HOLE PRESSURE RECORD

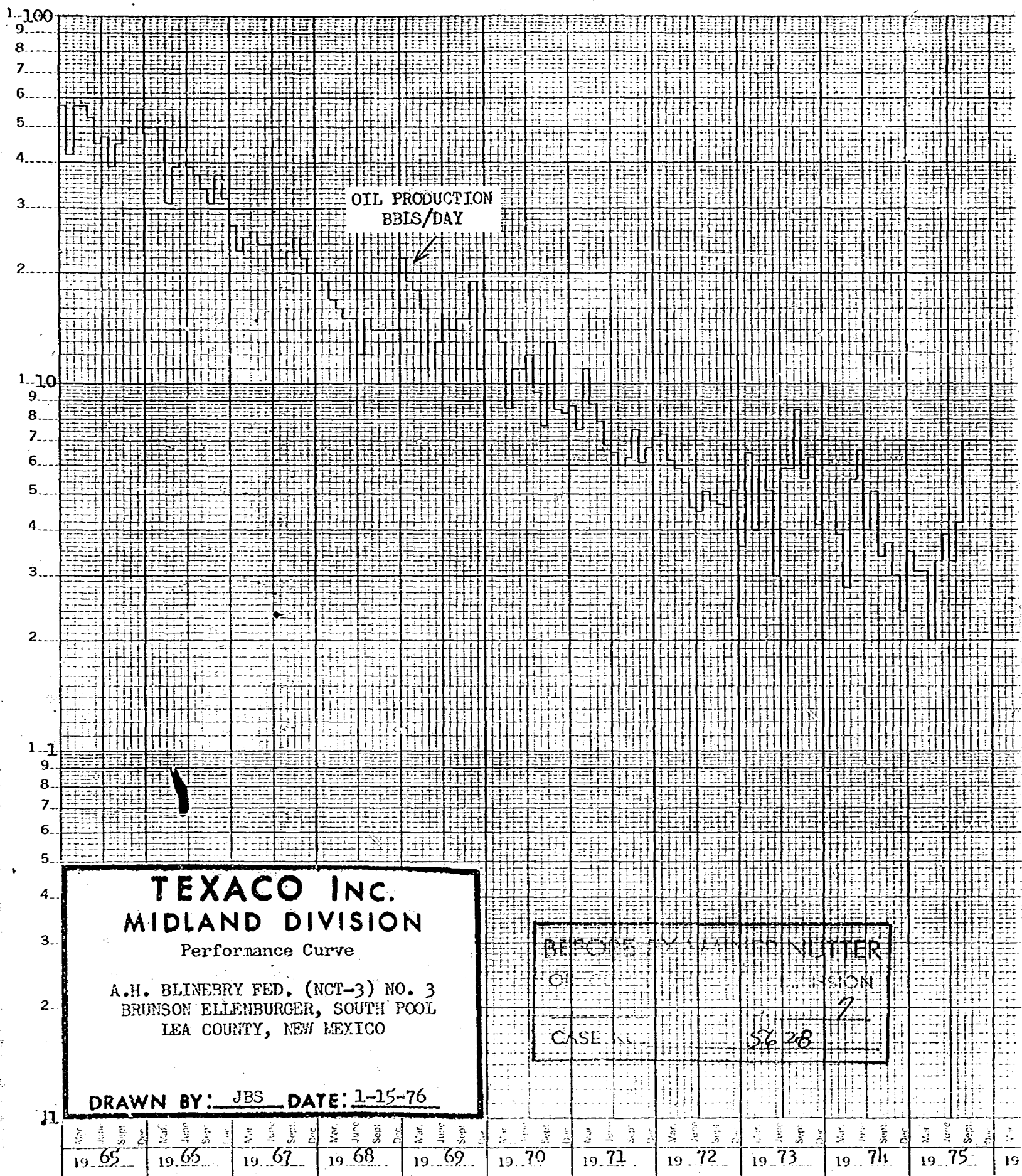
OPERATOR Texaco Inc.
FIELD Blinebry FORMATION Blinebry
LEASE A. H. Blinebry NCT-3 WELL No. 3
COUNTY Lea STATE New Mexico
DATE 1-16-76 TIME 2:00 Pm
Status Shut in Test depth 5667'
Time S. I. 24 Hrs Last test date 7-31-75
Tub Pres. 579 BHP last test 868
Gas Pres. - BHP change 186# Loss
Elev. 3317DF-10 Fluid top None
Datum (-2350)** Water top None
Temp. @ 99° F Run by Loper
Cal. No. A2602N Chart No. 2

Depth	Pressure	Gradient
0	579	.018
1000	597	.018
2000	615	.018
3000	633	.018
4000	651	.018
5000	669	.019
5667(-2350)	682**	

** MidPoint of Casing Perforations







OFFSET OPERATORS

Gulf Oil Corp.
P. O. Box 670
Hobbs, New Mexico 88240

Summit Energy, Inc.
112 North First
Artesia, New Mexico 88210

Coquina Oil Corp.
200 Bldg. of the Southwest
Midland, Texas 79701

Phillips Petroleum Company
Phillips Building
4th & Washington
Odessa, Texas 79760

Aztec Oil & Gas Co.
P. O. Box 837
Hobbs, New Mexico 88240

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 8
CASE NO. 5628

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825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 1

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 18, 1976

EXAMINER HEARING

IN THE MATTER OF:

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

CASE
5628

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:

William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

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

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 Phone (505) 982-9212

1 MR. NUTTER: We will call Case Number 5628.

2 MR. CARR: Case 5628, application of Texaco Inc. for
3 downhole commingling, Lea County, New Mexico.

4 MR. BATEMAN: Mr. Examiner, I'm Ken Bateman of
5 White, Koch, Kelly and McCarthy, I have one witness and I ask
6 that he be sworn.

7 (THEREUPON, the witness was duly sworn.)
8

9 ROBERT G. SETZLER
10 called as a witness, having been first duly sworn, was
11 examined and testified as follows:
12

13 DIRECT EXAMINATION

14 BY MR. BATEMAN:

15 Q Would you state for the record, your full name,
16 your address and your occupation?

17 A My full name is Robert Gaston Setzler.

18 MR. NUTTER: What is that last name?

19 A Setzler, S-e-t-z-l-e-r. I'm employed by Texaco in
20 Hobbs. The mailing address is Post Office Box 728.

21 Q (Mr. Bateman continuing.) Have you previously
22 testified before the Commission, Mr. Setzler?

23 A No, I haven't.

24 Q Would you state briefly for the record then, your
25 educational and work experience?

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1 A. I graduated from the New Mexico School of Mines
2 at Socorro as a petroleum engineer. I have been employed by
3 Texaco for the past sixteen years and during this time I have
4 worked in various capacities, drilling, workover, proration,
5 equipment design, reservoir work in initiating studies and
6 completions for secondary and development drilling and
7 currently I'm Assistant District Engineer and I'm in charge of
8 some thirty-five to forty engineering personnel.

9 Q Mr. Setzler, are you personally familiar with the
10 well in question in this application?

11 A. Yes, I am.

12 MR. BATEMAN: Mr. Examiner, are the witness's
13 qualifications acceptable?

14 MR. NUTTER: Yes, they are.

15 Q (Mr. Bateman continuing.) Mr. Setzler, would you
16 proceed then with Exhibit Number One and identify the well in
17 question and state briefly what Texaco seeks by its applica-
18 tion?

19 A. We propose to triple downhole commingle the
20 A. H. Blinebry NCT-3 Well No. 3 in the Ellenburger, Blinebry
21 and Drinkard zones. We have a one hundred percent working
22 interest in all zones. This is a Federal lease in which the
23 mineral and royalty is common in all zones.

24 Q The Well No. 3, of course, is indicated by the
25 red arrow on Exhibit One, is that correct?

1 A. That is correct.

2 Q. All right, would you proceed then with Exhibit
3 Number Two?

4 A. Exhibit Number Two is a presentation of data on
5 the three zones. We propose to triple downhole commingle so
6 as to increase our overall recoverable reserves and decrease
7 our operating costs. Currently our Ellenburger zone is not
8 economical to produce as it will have to be pumped, unless we
9 can downhole commingle. We anticipate to increase our
10 production to twelve barrels of oil per day and increase our
11 recoverable reserves by seventy-six hundred barrels of oil.
12 As you can note on this exhibit, our bottom-hole pressures for
13 each zone are extremely similar, all of the crude is classified
14 as sweet and the gravity is very similar, the GOR's are very
15 close to the same, so, therefore, we do not feel that we will
16 have any loss of reserves due to cross flow or other adverse
17 downhole conditions.

18 Q. What increase in profit do you expect by this
19 commingling?

20 A. By commingling we anticipate to double our daily
21 earning from the well from approximately sixty-five dollars a
22 day to a hundred and thirty.

23 Q. And would the approval of your application extend
24 the economic limit of the production of the well?

25 A. Yes, it will. It will extend its productive life

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1 by at least two years.

2 Q All right, sir, would you proceed then with Exhibit
3 Number Three and describe the method by which the well is
4 presently completed?

5 A Exhibit Three is a schematic of the current downhole
6 completion. And you can note, we have eight-and-five-eighths-
7 inch casing set to twelve hundred and six feet, which was
8 cemented with seven hundred sacks of cement which circulated.
9 Following this we drilled the well to a total depth of seventy-
10 six hundred and forty-one feet and set two strings of two-and-
11 seven-eighths-inch casing to seventy-six feet and were
12 cemented with two thousand sacks of cement, with the top of
13 the cement located at nineteen hundred and fifty feet by a
14 temperature survey.

15 Currently we have two zones open in this well, the
16 Blinbry and the Drinkard, each individually produced up
17 their own tubing string with a retrievable bridge plug set
18 above the Ellenburger zone at seventy-two hundred and forty
19 feet.

20 Q Mr. Setzler, now, the Blinbry production is flowing,
21 is that correct?

22 A That is correct. The Drinkard is being pumped at
23 the present time.

24 Q All right, would you state briefly for the record why
25 the Drinkard has been opened in the well?

1 A. To recover additional reserves. It was identified
2 from workovers on an offset production operated by other
3 operators and has recently been opened for this purpose.

4 Q At the time of this application the Drinkard was
5 not open, is that correct?

6 A That is correct. At the time that this application
7 was made, the well was open in the Blinebry and the Ellenburger
8 but following this time we have, as I mentioned, set the
9 retrievable bridge plug and opened the Drinkard. The primary
10 reason for doing the work as we did is we had a pulling unit
11 in this area become available and since it is extremely hard
12 or we incur long waiting times, we proceeded with our work but
13 we have separated the Drinkard from the Ellenburger and the
14 Drinkard has been potential tested.

15 Q Would you refer again to Exhibit Number Two, is
16 the potential production from the Drinkard approximately what
17 was estimated?

18 A Yes, the potential test was for two barrels of oil
19 a day at completion.

20 Q All right, then would you proceed with Exhibit
21 Number Four and describe how you propose to complete the well?

22 A Following approval, we propose to remove the
23 retrievable bridge plug and perforate or communicate the
24 strings across at the top of the Drinkard pay and run our
25 pump into the Drinkard string and vent gas up the Blinebry so

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1 as to be able to economically produce all of the zones.

2 Q All right. Do you expect any cross flow?

3 A No, I do not based on the bottom-hole pressures
4 presented in Exhibit Two and for the flowing zone in Exhibit
5 Five we have a measured bottom-hole pressure for your approval.

6 Q Exhibit Number Five then is bottom-hole pressure
7 records for the Blinebry?

8 A The Blinebry, yes, sir, that is flowing at the present
9 time.

10 Q All right, now, have you calculated additional
11 reserves and on what data did you base your calculations?

12 A Yes, we did, or I did. We estimate that we will
13 increase our recoverable reserves by seventy-six hundred
14 barrels of oil. This is based on decline curve analysis of
15 the Ellenburger and Blinebry zones and the fact that we will
16 be able to produce all three zones with one pump and go to a
17 lower economic limit.

18 Q All right, and those production decline curves are
19 illustrated by Exhibits Six and Seven, is that correct?

20 A That is correct, sir.

21 Q All right, now, have all of the offset operators
22 been notified?

23 A Yes, sir, they have.

24 Q Is Exhibit Number Eight a list of those offset
25 operators?

1 A. That is correct.

2 Q. Have you obtained approval from the USGS for your
3 application?

4 A. Yes, we have.

5 Q. Now, do you have anything to recommend with respect
6 to how the production of the well will be split?

7 A. Yes, we feel that upon completion of the downhole
8 commingling this well will produce twelve barrels of oil per
9 day and since we will be able to vent and pump that we will
10 realize our greatest production increase from the Blinebry
11 zone. We feel that it will produce six barrels of oil per
12 day and we know from potential tests that the Drinkard is
13 producing two and prior to setting the retrievable bridge
14 plug the Ellenburger was producing four, so, therefore, we
15 propose a split of fifty percent production for Blinebry,
16 twenty percent for Drinkard and thirty percent for the
17 Ellenburger.

18 Q. All right, sir, then will the approval of your
19 application prevent waste and protect correlative rights?

20 A. Yes, it will.

21 Q. Were exhibits One through Eight prepared by you or
22 under your direction?

23 A. That is correct, sir.

24 MR. BATEMAN: Mr. Examiner, we offer into evidence
25 Exhibits One through Eight.

1 MR. NUTTER: Texaco Exhibits One through Eight will
2 be admitted into evidence.

3 (THEREUPON, Texaco Exhibits One through Eight
4 were admitted into evidence.)
5

6 CROSS EXAMINATION

7 BY MR. NUTTER:

8 Q Mr. Setzler, you stated that the Drinkard had just
9 recently been completed, what was the date of that test that
10 you got on the Drinkard, please?

11 A I believe it was right at the end of December. I'm
12 sorry, sir, I don't know the exact date.

13 Q About the first of the year?

14 A Yes, sir. I was wanting to say the 30th or 31st but
15 I would have to check.

16 Q Okay, now, you mentioned that it made two barrels
17 on a test. What was its GOR?

18 A Forty-five hundred.

19 Q So then you've got a GOR of forty-five hundred. Well,
20 that was your estimate on your GOR, so you hit your estimate
21 right on the nose, did you?

22 A Our GOR that we estimated was six thousand for the
23 Drinkard and it tested at forty-five hundred.

24 Q Well, doesn't Exhibit Two for the Drinkard show
25 estimates?

1 A. Yes, sir. Oh, excuse me, I was looking at GOR
2 limits. That is correct, the GOR we estimated and the
3 production rate was what the well was tested at.

4 Q. Do you have other Drinkard wells on this lease?

5 A. One and it is shut in but we operate numerous other
6 Drinkard completions through this area.

7 Q. Is this in the part of the Drinkard pool that is
8 under study for waterflood purposes?

9 A. Possibly in the future, yes, sir.

10 Q. Will the completion of this well with the Blinebry
11 and the Ellenburger impose any kind of a hazard on the water-
12 flood operations?

13 A. At such time if waterflood operations ever became
14 active we would have to separate the zones again.

15 Q. This action could be reversed then?

16 A. Yes, sir.

17 Q. And the Drinkard separated?

18 A. Yes, sir.

19 Q. Now, you stated that you expected an additional
20 seventy-six hundred barrel increase in reserves, would that
21 be from the Blinebry and Ellenburger only or does that also
22 include reserves that you are going to produce from the
23 Drinkard?

24 A. We do not have enough history yet from the Drinkard
25 to estimate a reserve recovery and so, therefore, those

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1 reserves are for the Blinebry and Ellenburger.

2 Q Only?

3 A Only. We do not feel, sir, that volumetrics in this
4 area are a reliable method at this low initial producing rate.

5 MR. NUTTER: Any further questions of Mr. Setzler?
6 He may be excused.

7 (THEREUPON, the witness was excused.)

8 MR. NUTTER: Do you have anything further, Mr.
9 Bateman?

10 MR. BATEMAN: Nothing further.

11 MR. NUTTER: Does anyone have anything they wish to
12 offer in Case 5628?

13 By the way, we do have a letter from the USGS
14 consenting to this downhole commingling.

15 If there is nothing further we will take the case
16 under advisement.

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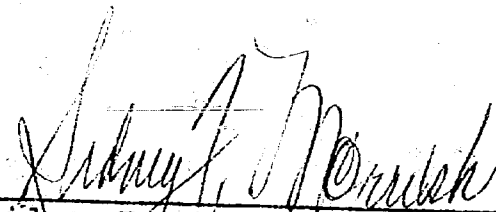
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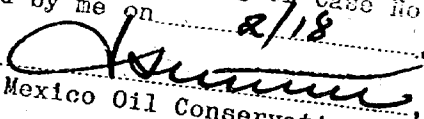
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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.


Sidney F. Morrish, C.S.R.

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 932-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5228
heard by me on 2/18, 19 76.
, Examiner
New Mexico Oil Conservation Commission



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Hobbs, New Mexico 88240

Case 5628
IN REPLY REFER TO:
RECEIVED
JAN 28 1976
OIL CONSERVATION COMM.
Santa Fe

January 27, 1976

Texaco Inc.
Drawer 728
Hobbs, New Mexico 88240

Gentlemen:

Your letter application of January 20 requests approval to downhole commingle Blinebry, Drinkard and Brunson Ellenburger pool production at your well No. 3 A. H. Blinebry (NCT-3) Federal in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 31, T. 22 S., R. 38 E., Lea County, New Mexico, Lease Las Cruces 032104.

Downhole commingling of Blinebry, Drinkard, and Ellenburger production as proposed in your letter application is hereby approved subject to like approval by the New Mexico Oil Conservation Commission.

Sincerely yours,

(Orig. Sgd.) ARTHUR R. BROWN

Arthur R. Brown
District Engineer

cc: NMOCC, Santa Fe

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. 5628
Order No. R-5170

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 18, 1976, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 24th day of February, 1976, 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 A. H. Blinebry Federal (NCT-3) Well No. 3, located in Unit E of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

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

(4) That from the Blinebry zone, the subject well is capable of low marginal production only.

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

(6) That from the Brunson-Ellenburger zone, the subject well is capable of low marginal production only.

(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.

-2-

Case No. 5628
Order No. R-5170

(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.

(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 the subject well is shut-in for 7 consecutive days.

(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 and gas production should be allocated to the Blinebry zone, 20 percent of the commingled oil and gas production to the Drinkard zone, and 30 percent of the commingled oil and gas production to the Brunson-Ellenburger zone.

IT IS THEREFORE ORDERED:

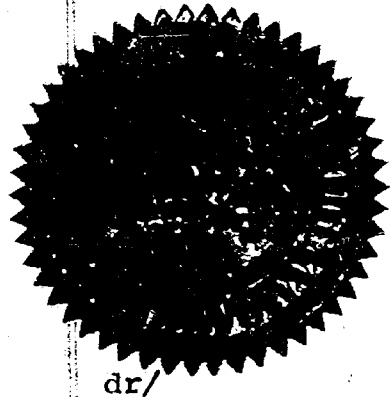
(1) That the applicant, Texaco Inc., is hereby authorized to commingle Blinebry, Drinkard and Brunson-Ellenburger production within the wellbore of the A. H. Blinebry Federal (NCT-3) Well No. 3, located in Unit E of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) That 50 percent of the commingled oil and gas production shall be allocated to the Blinebry zone, 20 percent of the commingled oil and gas production shall be allocated to the Drinkard zone, and 30 percent of the commingled oil and gas production shall be allocated to the Brunson-Ellenburger zone.

(3) 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.

(4) 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.



dr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Henry C. Arnold
HENRY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

dr/

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. 5628

Order No. R- 5170

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 18,
19 76, at Santa Fe, New Mexico, before Examiner Daniel S. Walker

NOW, on this day of February, 1976, 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 A. H. Blinebry Federal Well ^{(NCT-3) No. 3,} located
in Unit E of Section 31, Township 22 South, Range
38 East, NMPM, Lea County, New Mexico.

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

(4) That from the Blinebry zone, the
subject well is capable of low marginal production only.

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

(6) 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 from the Brunson-Ellenburger zone, the subject well is
capable of low marginal production only.

Case No. _____
Order No. R- _____

⁸
(7) 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.

⁹
(8) 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 the subject well is shut-in for 7 consecutive days.

¹⁰
(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled ~~oil and gas~~ production should be allocated to the Blinebry zone, 20 percent of the commingled oil and gas production to the Drinkard zone, and 20 percent of the commingled oil and gas production ~~should be allocated~~ to the Brunson-Ellenburger zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to commingle Blinebry, Drinkard and Brunson-Ellenburger production within the wellbore of the A. H. Blinebry Federal Well no. 3, located in Unit E of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) That 50 percent of the commingled oil and gas production shall be allocated to the Blinebry zone, 20 percent of the commingled oil and gas production shall be allocated to the Drinkard zone, and 30 percent of the commingled oil and gas production shall be allocated to the Brunson-Ellenburger zone.

(3) 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.

(4) 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.

Docket No. 7-76

Dockets Nos. 8-76 and 9-76 are tentatively set for hearing on March 3 and March 17, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - FEBRUARY 24, 1976
OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 5571: (De Novo) (Continued from January 21, 1976 Commission Hearing)

Application of Robert G. Cox for amendment of Order No. R-4561, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4561, which order permitted the directional drilling of Applicant's Federal "EA" Well No. 1, located 330 feet from the North and West lines of Section 12, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to be bottomed within 100 feet of the surface location. Applicant seeks the amendment of said order to permit bottoming of the subject well approximately 58 feet from the North line and 8 feet from the West line of said Section 12 and to permit verification of said downhole location by single-shot directional surveys made concurrently with the drilling of said well.

Upon application of Robert G. Cox, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Dockets Nos. 8-76 and 9-76 are tentatively set for hearing on March 3 and March 17, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING -- WEDNESDAY - FEBRUARY 18, 1976

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, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1976, 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, 1976, for both of the above areas.

CASE 5627: Application of J. R. Cone for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Blinebry and Drinkard oil and gas production in the wellbore of his Eubanks Well No. 3, located in Unit K of Section 14, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 5628: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Blinebry, Drinkard, and Brunson-Ellenburger production in the wellbore of its A. H. Blinebry Federal Well No. 3, located in Unit E of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5629: Application of Odessa Natural Corporation for pool creation, assignment of a discovery allowable and special pool rules, Rio Arriba and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Dakota formation in Township 23 North, Range 3 West, Rio Arriba and Sandoval Counties, New Mexico, and the promulgation of special pool rules for said pool, including a provision for 320-acre spacing. Applicant further seeks the assignment of an oil discovery allowable to the discovery well for the pool being the Dave W. Thomas Chacon Jicarilla Apache "D" Well No. 1, located in Unit A of Section 23, Township 23 North, Range 3 West, Sandoval County, New Mexico.

CASE 5098: (Reopened)

In the matter of Case 5098 being reopened pursuant to the provisions of Order No. R-4682, which order established special rules for the Red Tank-Morrow Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 5630: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the contraction of the Double L-Queen Associated Pool by the deletion of certain lands on the east side thereof and the concurrent extension of the Vest Ranch-Queen Pool to include said lands. Further, to consider the reclassification of said Vest Ranch-Queen Pool and the promulgation of special pool rules therefor similar to those rules previously adopted for the Double L-Queen Associated Pool. Also to consider redesignation of the Vest Ranch Queen Pool as the Vest Ranch Queen Associated Pool.

The Double L-Queen Associated Pool would be contracted by the deletion of the following-described lands:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 31: E/2 SE/4 Section 32: All
Section 33: SW/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 4: W/2 Section 5: All
Section 6: SE/4 Section 7: NE/4
Section 8: All Section 9: W/2
Section 16: NW/4 Section 17: N/2

The Vest Ranch Associated Queen Pool would be extended by the addition of the following-described lands:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 28: SW/4 Section 29: SE/4
Section 32: E/2 Section 33: W/2 and SE/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 4: W/2 Section 5: All
Section 8: N/2 and SE/4 Section 16: NW/4 and NW/4 SW/4
Section 17: N/2