

to coming in production from 2 wells  
and establishment of 2 non-standard  
was proration units. Lee County, N.H.

Casa No.

1695

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Application, Transcript,  
Small Exhibits. Etc.

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. 1695  
Order No. R-1475

APPLICATION OF TEXACO, INC. FOR AN  
OIL-GAS-OIL TRIPLE COMPLETION IN THE  
BLINEBRY OIL POOL, THE TUBB GAS POOL,  
AND THE DRINKARD POOL, AND FOR PER-  
MISSION TO COMMINGLE THE PRODUCTION  
FROM THREE SEPARATE POOLS, AND FOR A  
NON-STANDARD GAS PRORATION UNIT IN  
LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m.  
on August 5, 1959, at Santa Fe, New Mexico, before Elvis A.  
Utz, Examiner duly appointed by the Oil Conservation Commission  
of New Mexico, hereinafter referred to as the "Commission," in  
accordance with Rule 1214 of the Commission Rules and Regula-  
tions.

NOW, on this 3rd day of September, 1959, the  
Commission, a quorum being present, having considered the  
application the evidence adduced, and the recommendations  
of the Examiner, Elvis A. Utz, 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 NCT-4 Well No. 1,  
located in the SE/4 SE/4 of Section 31, Township 22 South,  
Range 38 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to triple com-  
plete the above-described A. H. Blinebry NCT-4 Well No. 1  
in such a manner as to permit the production of oil from  
the Blinebry Oil Pool through tubing, the production of gas  
from the Tubb Gas Pool through the tubing-tubing annulus to a  
triple flow tube at 5497 feet, thence through the casing-tub-  
ing annulus to the surface, and the production of oil from  
the Drinkard Pool through tubing.

(4) That with the exception of the proposal that the Tubb gas be produced through the casing-tubing annulus, the mechanics of the proposed triple completion are feasible and in accord with good conservation practices.

(5) That the evidence adduced indicates that the Tubb gas zone of the triple completion is capable of producing relatively large amounts of liquid, and should, therefore, in the interest of more efficient flow, be produced through tubing.

(6) That the subject well should be so equipped that each of the three zones can be artificially lifted if necessary.

(7) That the applicant further proposes to commingle the liquids produced from the Blinebry, Tubb, and Drinkard formations from the above-described A. H. Blinebry NCT-4 Well No. 1 after separately metering the production from each pool.

(8) That the applicant further proposes the establishment of a non-standard gas proration unit in the Tubb Gas Pool consisting of the S/2 S/2 of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, said unit to be dedicated to the above-described A. H. Blinebry NCT-4 Well No. 1.

(9) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco, Inc., be and the same is hereby authorized to triple complete its A. H. Blinebry NCT-4 Well No. 1, located in the SE/4 SE/4 of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of Oil from the Blinebry Oil Pool through tubing, the production of gas from the Tubb Gas Pool through the tubing-tubing annulus to a triple flow tube at 5497 feet, thence through 1½ inch Hydrill tubing set in the triple flow tube to the surface, and the production of oil from the Drinkard Pool through tubing.

PROVIDED HOWEVER, That the above-described well shall be so equipped that each of the three zones can be artificially lifted if necessary.

PROVIDED FURTHER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A.

-3-  
Case No. 1695  
Order No. R-1475

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the gas-oil ratio test period for the Drinkard Pool. Applicant shall also take packer-leakage tests semi-annually midway between the aforementioned gas-oil ratio test periods.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to single zone or dual-zone production in the interests of conservation.

(2) That the applicant be and the same is hereby authorized to commingle the liquids produced from the Blinebry, Tubb, and Drinkard formations from said A. H. Blinebry NCT-4 Well No. 1, provided the production from each of said pools is separately metered prior to being commingled.

PROVIDED HOWEVER, That meters shall be operated, treated, and maintained in such a manner as to prevent corrosion and to ensure an accurate measurement of the production at all times.

PROVIDED FURTHER, That meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

(3) That a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the S/2 S/2 of Section 31, Township 22 South, Range 38 East, NMFM, Lea County, New Mexico, be and the same is hereby established, said unit to be dedicated to the above-described A. H. Blinebry NCT-4 Well No. 1.

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

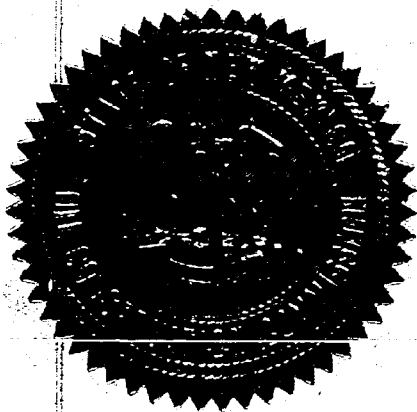
-4-  
Case No. 1695  
Order No. R-1475

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

*A. L. Porter*  
A. L. PORTER, Member & Secretary



ler/

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 4, 1959

Mr. Charlie White  
P. O. Box 787  
Bishop Building  
Santa Fe, New Mexico

Dear Mr. White:

On behalf of your client, Texaco, Inc., we enclose two copies of Order No. E-1475 issued by the Oil Conservation Commission on September 3, 1959 in Case No. 1695.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ir/

Enclosures

*Copy sent to  
Lubbock Office*

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Y

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 8-14-59

CASE NO. 1695

HEARING DATE 8-5-59

My recommendations for an order in the above numbered case(s) are as follows:

Grant Deaaro's application as follows:

1. Non std. unit <sup>in</sup> for the Subt. gas pool consisting of the  $5\frac{1}{2} \times 5\frac{1}{2}$  of sec. 31-225-38E. Dedicated well to be the triple completion of the applicant's <sup>2 A.H. Blinby</sup> NCT-4 #1, SESE 31-225-38E.
- 2 The Blinby oil - Subt. Gas - Drinkard oil triple completion for the H.H. Blinby NCT-4 #1 located SESE 31-225-38E.
- 3 The Blinby oil zone will be produced thru a Baker model "FA" packer and triple flow tube assembly set at 5500 ft. thence thru  $2\frac{3}{8}$ " FUE tubing to the surface.
- 4 The Subt. zone from perforations between 6100 to 6200 ft. into 7" casing, ~~thence~~ from 5868 to 5500 thru  $3\frac{1}{2}$ " J-55 Hardy Giffin tubing by  $2\frac{3}{8}$ " J-55 <sup>5" tubing</sup> tubing assembly, thru Baker FA packer and <sup>Staff Member</sup> triple flow tube assembly at 5500, thence thru <sup>1 1/2" tubing</sup> tubing to be set in triple flow tube to the surface.



OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date \_\_\_\_\_

CASE NO. \_\_\_\_\_

HEARING DATE \_\_\_\_\_

My recommendations for an order in the above numbered case(s) are as follows:

- ✓ (c) The Drinkard ~~with~~ oil will produce thru perforation at 6770 to 6974 into 7" casing and ~~from~~ thru 2 ~~1/8~~ ~~500FJ~~ <sup>Hydrol, 2 1/2" CS Hydrol and 2 3/4" JST-EVE</sup> tubing from 6881 to the surface.
- ✓ (d) all three zones are completed in a matter so that all zones can be pumped if necessary.
- ✓ 3. The corninging of all three zones after each zone has been metered. Corrosion resistant meters shall be used if the crudes are corrosive.
- ✓ 4. Waste ~~will~~ ~~occur~~ is likely to occur if the Butte zone is not tubed.
- ✓ 5. There ~~is~~ <sup>is</sup> a reasonable ~~likely~~ <sup>possibility</sup> that ~~the Butte zone~~ <sup>Staff Member</sup> will become an oil producing zone.

(over)

Thos. W. R.

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1695

TRANSCRIPT OF HEARING

AUGUST 5, 1959

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
Phone CHapel 3-6691

## NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing - Elvis A. UtzSanta Fe, NEW MEXICOREGISTERHEARING DATE August 5, 1959 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
William R Loar JAMES L. NORTHCUTT Robert E. Brooks	Sunray Mid-Continent SUNRAY MID-CONTINENT " "	Tulsa HOBBS Midland, Tex
L. P. White Harold Kersey	Gilbert, White & Gilbert KERSEY & CO.	Santa Fe Artesia
John Bloss H. P. Shackelford	Texaco Inc. Tidewater	Midland Hobbs
J. E. ROBINSON, JR. B. B. Bingham	TEXACO INC.	Midland
VICTOR T. LYON Jason Kellahin	CONTINENTAL OIL CO Kellahin & Fox	FUNICE, N. M. Santa Fe, N. M.

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
AUGUST 5, 1959

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IN THE MATTER OF:

CASE 1695 Application of Texaco, Inc. for a triple com-  
pletion, for permission to commingle the pro-  
duction from three separate pools, and for  
the establishment of two non-standard gas  
proration units. Applicant, in the above-  
styled cause, seeks an order authorizing it  
to triple complete its A.H.Blinebry NCT-4  
Well No. 1, located in the SE/4 SE/4 of Sec-  
tion 31, Township 22 South, Range 38 East, Lea:  
County, New Mexico, in such a manner as to  
permit production from the Blinebry formation:  
production of gas from the Tubb Gas Pool, and:  
production of oil from the Drinkard Pool  
through tubing, the annulus via cross-over,  
and tubing respectively. Applicant further  
seeks the establishment of a 160-acre non-  
standard gas proration unit in both the Tubb  
Gas Pool and Blinebry Gas Pool each consist-  
ing of the S/2 S/2 of said Section 31. Appl-  
icant further seeks permission to commingle  
the liquid production from the Blinebry, Tubb  
and Drinkard formations underlying said acre-  
age.

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BEFORE:

Elvis A. Utz, Examiner.

T R A N S C R I P T    O F    P R O C E E D I N G S

MR. UTZ: The hearing will come to order, please. The  
first case on the docket will be Continued Case 1695.

MR. PAYNE: Case 1695. Application of Texaco, Inc.

for a triple completion, for permission to commingle the production from three separate pools, and for the establishment of two non-standard gas proration units.

MR. WHITE: If the Examiner please, Charles White of Gilbert, White & Gilbert, Santa Fe, New Mexico, appearing on behalf of the petitioner. We have two witnesses, Mr. Ross and Mr. Bingham, to be sworn.

(Witnesses sworn)

MR. UTZ: Any other appearances to be made in this case? If not, you may proceed.

JOHN B. ROSS,  
called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Ross, will you state your full name, please?

A John B. Ross.

Q By whom are you employed and in what capacity?

A Texaco, Incorporated, as District Engineer in our Hobbs District.

Q Have you previously testified before the Commission--

A Yes, I have.

Q -- as an expert witness in petroleum engineering?

A Yes, I have.

Q Are you familiar with the subject application No. 1695?

A I am.

Q Will you briefly state to the Examiner the purpose of the application?

A The purpose of the application is to obtain approval for the triple completion in the Blinebry oil zone, Tubb gas zone and Drinkard oil zone. We also wish to apply for approval to commingle the production of liquid and gas from each of these three zones and to obtain a non-standard gas proration unit for the Tubb zone.

Q Will you refer to what has been previously marked as Exhibit 1, being an ownership plat, and explain that to the Commission, please?

A Exhibit No. 1 shows the location of the subject well, A. H. Blinebry NCT-1 -- NCT-4 -- excuse me, Well No. 1, which is located in the SE corner of the SE/4 of Section 31, Township 22 South, Range 38 East. This well was drilled here to satisfy offset requirements in the Tubb, Blinebry and Drinkard zones. We are offset by a Tubb well to the north which is Gulf Oil Company's Scarborough 2-TT, which is located in the SE corner of the NW/4 of the same Section, No. 31. And we are offset to the east by a Blinebry oil well, Cities Service "P" Lease No. 3, which is located substantially in the SW corner of the SW/4 of Section 32, Township 22 South, Range 38 East. We have a diagonal offset to the NE in the Drinkard formation, which is the Cities Service "P" Lease, Well No. 2, located in the NW corner of the SW/4 of Sec-

tion 32, Township 22 South, Range 38 East. Our main reason for drilling this triple was to satisfy the three offset requirements and to exploit the three horizons. The interests in this, in our property is, we have a hundred percent working interest with a common royalty ownership in all horizons, and the ownership is held by the Federal Government.

Q This Exhibit also shows all of the offset operators, is that correct?

A That is correct.

Q Now, will you refer to what has been marked as Exhibit 2 and explain that, please?

A Exhibit 2 is a copy of the radioactive log on the subject well, and we have marked the perforations in each interval on this log along with the top and bottom of each pay zone. Down at the very bottom of the log is shown the Drinkard pay zone with the Drinkard perforations and top of the Drinkard in approximately 6770 feet and up the hole, top of the Tubb pay is located at 6100 feet, and further on up the hole, the top of the Blinebry pay is located at 5556 feet.

Q Mr. Ross, will you state what some of the economic advantages are to be gained by this triple completion?

A Our main purpose for triple completing this well rather than drilling three singles or a dual plus one single, is primarily to save on the drilling and completion costs. According to our estimate, it costs us approximately a hundred and fifty-nine

thousand, six hundred dollars to triple complete a well in this manner. To drill a dual Drinkard and Tubb gas well, plus a single Blinebry oil well would cost a total of two hundred and fifteen thousand dollars. Let me read that again, two hundred and fifteen eight hundred dollars; for a saving of fifty-six thousand, two hundred dollars.

Q To your knowledge, has the Commission previously granted any dual completions within the State of New Mexico?

A The Commission has previously granted three triple completions in Northwest New Mexico. These are gas gas gas triple completions. In Order No. R-917, Case No. 1116, Northwest Production Company was granted permission to triple complete their Well "W" 1-17, located in Unit M, Section 7, Township 26 North, Range 5 West. And the Commission has also given approval in Order No. R-918, Case No. 1162, also to the Northwest Production Company, to triple complete their Jicarilla "W" Well No. 2-5 in the NW/4 NW/4 of Section 5, Township 26 North, Range 5 West, Rio Arriba County, New Mexico. And the Commission has also granted approval in Order No. R-1430, Case No. 1696 to the Caulkins Oil Company to triple complete their Brech "F" Well No. FMD-8, located 990 from the North line, 990 from the East line, Section 34, Township 27 North, Range 6 West in the -- all of these three wells were triple completed in the Blanco-Pictured Cliffs, Blanco-Mesaverde and Dakota formations.

Q Mr. Ross, what, if any, experience has Texaco, Inc.



had with triple completions?

A We have triply completed three wells in West Texas using similar equipment to that installed in the subject well.

Q And have they proven successful?

A Yes, sir, they have.

Q Were Exhibits 1 and 2 prepared under your direction or supervision?

A Yes, sir, they were.

MR. WHITE: Without objection, we move for the admission of Exhibits 1 and 2.

MR. UTZ: Without objection, they will be admitted into the record.

MR. WHITE: If the Examiner please, that's all the questions we have of Mr. Ross as to this phase of the petition as regards to triple completions, and to carry on the testimony regarding triple completions, we would like to call Mr. Bingham, and then recall Mr. Ross after his testimony.

MR. UTZ: Mr. Ross will be subject to cross examination?

MR. WHITE: Yes.

MR. UTZ: All right.

MR. WHITE: Mr. Bingham, will you take the stand, please?

B. B. BINGHAM,

called as a witness, having been first duly sworn, testified as

follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Bingham, will you state your full name, please?

A Boyd B. Bingham.

Q By whom are you employed and in what capacity?

A Employed by Texaco, Incorporated as equipment engineer for our Hobbs district.

Q Mr. Bingham, have you previously testified before the Commission or any Examiner thereof?

A No, I haven't.

Q Will you briefly state to the Examiner your educational background and your professional experience?

A I've graduated from the University of Tulsa with a degree in petroleum engineering. Have had eight and a half years experience, three years as a field engineer, and five and a half years as drilling and equipment engineer.

Q Have you made various studies of the different types of triple completions?

A Yes, I have.

Q Have you made a study of this particular well?

A Yes.

MR. WHITE: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir, they are.

Q (By Mr. White) Mr. Bingham, was this triple completion

conducted under your direction and supervision?

A Yes.

Q Will you refer to what has been marked Exhibit 3 and explain that in detail, please?

A Exhibit 3 is a schematic diagram of the bottom hole assembly that was installed in the well for the triple completion. We have 13 3/8 casing set at 315 feet with circulated -- the cement circulated with regular Portland cement, 400 sacks; 9 5/8 casing set at 2985, and cement circulated, and the cement used in this was 1900 sacks, four percent Jel with 200 sacks of regular Portland. The 7 inch casing was set at 7105 and cemented with 500 sacks, four percent Jel cement. The cement top was recorded by temperature survey at 3285. And the bottom hole assembly in the diagram, the yellow color coded. The yellow represents the directional flow of the Drinkard zone. The red represents the directional flow of the Tubb zone, and the blue represents the directional flow of the Blinebry zone. We have, the bottom packer set at 6220 is a Baker Model "D" permanent type packer. The middle packer set at 5847 is a Baker Model "F" permanent type packer. The packer at 5500 is a Baker Model "FA" permanent type packer. The tubing is Baker, Triple zone flow tube at the top there, 5497. From there down, the tubing represented as 3 1/2 tubing is 3 1/2 55 Hardy-Griffin. Inside the 3 1/2 we ran 2 1/16 "CS" Hydril tubing. The second, or the third zone, the Blinebry zone, produces through regular 2 3/8 OD tubing. The opening

through which the Tubb produces in the triple flow tube is the smallest diameter in the triple flow tube is an inch and a quarter in diameter. We have run in the packers Baker Model "E" 448 seal nipples to seal off any communication between the zones.

Q Will you state how the tubing was landed and tied into the packers?

A The tubing was landed below the parallel flow tubing. The tubing was screwed into the flow tube with the same type threads that are on the tubing, and then the long string represented by the yellow, the triple flow tube was run on that string of tubing and landed in the Model "FA" Packer with approximately 8,000 pounds resting on the packer. Then the second string, represented by the blue, was run and set in the triple flow tube.

Q Mr. Bingham, will you explain the triple flow assemblies, please?

A Well, taking the Drinkard zone, we have in the tubing below the bottom packer an Otis type sliding sleeve assembly that will permit us to either close off the Drinkard zone or to open it for production. The production enters through this Otis sleeve up to 2 1/16 inch on up to the 2 3/8 and on up to the surface. In the above, the triple flow tube, we have another Otis type, a valve at 5461 that will permit opening and closing to allow bottom hole pressures to be run on the Tubb zone. That valve is only there to allow bottom hole pressures to be run.

Q Have any packer leakage tests been made?

A Yes.

Q Will you refer to Exhibits 4 through 7 and explain them in reference to the tests that have been conducted?

A Exhibit 4 is the standard form used for reporting packer leakage tests in New Mexico. It has been filled out on each of the zones and shows that with any one zone producing there was little or no change in pressure in the two remaining zones that were closed in while performing the test. Exhibit 5 is the packer setting affidavit that is used in New Mexico that verifies that the packers were set at 5500, 5847 and 6262 feet.

Q That's an affidavit of your production foreman?

A Yes, sir. Exhibit 6 are the recorded charts by the pressure gauge that were used in performing the packer leakage test, and the data on Exhibit 4 was taken from the charts in Exhibit 6. Exhibit 7 is the standard form C-124 for reporting bottom hole pressures in New Mexico, and the pressures show there is a definite difference in formation pressures in the three zones.

Q Does that verify the fact that there is separation between zones, there is no communication?

A Yes, sir, it does.

Q Will you state the method by which you tested the tubing?

A In running the tubing in this well, we tested each connection that was made in both strings of tubing from top to

bottom for five minutes each. We tested three times, we pressured it up to 5,000 pounds, leave it set for five minutes, leave the pressure off, pressured up again to 5,000 pounds for five minutes. We repeated this three times in running the tubing.

Q Was this a standard packer test you conducted?

A Yes, sir.

Q Did you do anything over and above the standard requirements by duplicating your test?

A Yes, normally in running tubing, one pressure test of 5,000 pounds is considered sufficient.

Q And you ran how many?

A Three.

Q Do you have any data showing the production characteristics of these zones?

A Yes. Exhibit 8 is the initial potential test taken on each of the zones, which shows that the Blinberry zone, in thirteen hours produced 170 barrels of oil, 35 degree API with a GOR of 1688 cubic feet per barrel. The Tubb zone produced 96 barrels of 62.4 API oil in twenty-four hours with a GOR of 35,937 cubic feet. The Drinkard zone produced 40 barrels of 37 degrees API oil with a GOR of 2,625 cubic feet per barrel. The test was for twenty-four hours.

Q It is apparent from the Exhibits that the installation has been complete, is that correct?

A Yes, sir.

Q Will you state to the Examiner the reasons why you completed this installation before you made application for its approval?

A Well, in the drilling of the well, we had a possibility of four zones to complete in, the Drinkard, Blinebry, Tubb and Glorietta formation. The producing formations in this part of Lea County are rather erratic. We didn't know which zones we could complete, which three zones we could complete, but we were sure, fairly sure that we could complete three zones out of the four. But not knowing which zones it would be, we didn't feel that it would be -- that we could state in our application which zones it would be completed.

Q Are you producing any of these zones at the present time?

A No, they are closed in.

Q What are the nature of these crudes?

A They are intermediate sweet crudes.

Q What steps do you plan to take for corrosion protection?

A In running the tubing, as shown in Exhibit 3, below the triple zone flow tube, we have plastic coated internally and externally the tubing below the flow tube. In addition, through the Tubb section, the two and a sixteenth tubing has been externally wrapped with fiberglas coat, and impregnated with Paxin rosin.

Q That's between the two packers?

A Yes, to eliminate, as far as possible, any chance that should the gas, the Tubb zone make small amounts of sand or any solid material, that it would not eventually wear through the 2 1/16 tubing.

Q Do you contemplate to take any corrosion tests in the future?

A Yes, we plan running coupon tests on all three zones. We have had wells completed in the Blinebry and Drinkard and Tubb zones for some period in this field. We have noted no corrosion in the wells that have been completed to date, but should our coupon test show that corrosion is taking place, we plan to use the squeeze method of inhibition for corrosion by squeezing the corrosion inhibitor into the formation to be released at a slow rate through production.

Q And that also applies to the scale that might be in the Drinkard?

A Yes, we plan to, if scale occurs, to squeeze the scale inhibitor into the formation to treat for scale.

Q How long do you expect each of these zones to flow?

A We feel that the Blinebry zone will flow for approximately -- the Drinkard zone will flow for approximately two years; the Tubb gas zone will flow to economic depletion approximately twelve years; the Blinebry would flow for approximately five years, unless the status of the Blinebry should change to a gas zone, then



we would expect the Blinebry to flow to economic depletion about twelve years.

Q Do you anticipate encountering any trouble in flowing the Tubb through the tubing casing annulus?

A No, we have -- our A. H. Blinebry NCT Well No. 7 is completed with 7-inch casing, and 2 3/8 inch OD tubing. I have calculated the area of the annulus in this well --

Q A little louder, please.

A The area of the annulus in the A. H. Blinebry NCT No. 7 is equivalent to a pipe diameter of approximately 5 inches. In the A. H. Blinebry NCT 4 Well No. 1, the annular area is equivalent to pipe of diameter of approximately 4 1/2 inches. We have had no trouble in producing the Tubb in our A. H. Blinebry NCT Well No. 7.

Q How long has it been on production?

A It has been on production since, I believe, August of 1956.

Q And experienced no trouble?

A No trouble.

Q Have you estimated the friction loss on your triple completion?

A Yes, I have estimated the friction loss for the Tubb zone to be approximately 30 PSI.

Q As against a flowing pressure?

A Of approximately 1400 pounds.

Q And you say that was negligible?

A Yes.

Q What precautions, if any, have you taken to prevent leakage of the packer leakage assembly that might be due to contraction or expansion of the tubing?

A We have run in the bottom hole assembly on the 3 1/2 inch tubing. The tubing seal assembly is 83 1/2 inches long. The overall length of the packer, the bore through the packer, is approximately 24 3/8 inches, and in the bottom packer the overall length of the packer bore is approximately 27 3/36 inches. The tubing seal assembly that is in this packer is approximately 120 inches in length, and in the top packer, the sealing bore in the top packer does not extend all the way through the packer. It extends only down to where the triple flow tube seats in the packer. That extension is approximately 7 1/2 inches with the tubing. The triple zone sealing assembly seated, that is approximately 7 inches in length. Now, this triple zone flow tube is set in the packer with approximately 8,000 pounds resting on the packer. Therefore, there, through pumping operations, or expansions through pumping operations, the only movement that would be in the tubing below the triple flow tube would be in the, approximately 700 feet between the top and bottom packer. And I have calculated through the Akalson factor rule that the movement in the bottom packer, the maximum movement would be approximately four-tenths of an inch.

Q Then, this type of installation would definitely take care of any expansion or contraction, in your opinion?

A Yes.

Q Will you state what methods you intend to adopt to pump the Blinebry and Drinkard, if and when they should cease to flow?

A We plan to pump these zones with the conventional bottom hole pump. We have run seating nipples for the pumps in the -- for the Blinebry zone; the seating nipple is located at 5448. For the Drinkard zone, the seating nipple is located below the bottom packer at 6831 in the 2 1/16 tubing. If either zone should make sufficient amount of gas to gas lock the conventional bottom hole pump, insert other type of bottom hole pump, we plan to use the ratial compound pump that is sold by Fluid Pack Company, and this pump has proven successful in high GOR wells before it eliminates not entirely but to a great extent the possibility of gas locking on the pump.

Q What type of well head have you installed?

A It is a Camolin standard, Camolin tubing head, dual tubing head, and standard Camolin casinghead.

Q In your opinion, has this installation proven to be mechanically feasible?

A Yes, it has.

Q And is it your further opinion that this installation is in accordance with good conservation practice?

A Yes, I feel it is.

Q Were Exhibits 3 through 8 prepared by you or under your direction and supervision?

A Yes.

MR. WHITE: At this time we move for the introduction of Exhibits 3 through 8.

MR. UTZ: Without objection, Exhibits 3 through 8 will be admitted.

(Thereupon, Texaco's Exhibits Nos. 3 through 8 were received in evidence.)

MR. WHITE: If the Commission please, we have waivers from all of the offset operators consenting to this dual completion installation. They are from the following: Aztec Oil & Gas Company, Pan American Petroleum Corporation, Cities Service Oil Company, Western Oil Fields, Inc., Gulf Oil Corporation, Western Natural Gas Company. And we would like to introduce these as a collective Exhibit as Exhibit No. 9.

MR. UTZ: All right, sir.

(Thereupon, Texaco's Exhibit No. 9 was received in evidence.)

MR. WHITE: And that's all the direct testimony we have.

MR. UTZ: That completes your testimony, Mr. White?

MR. WHITE: Yes, sir.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Bingham, I am not quite clear as to what the nature of the seal is in your Baker triple flow tube insofar as the Drinkard flow zone or flow tube is concerned?

A You mean in the bottom packer?

Q No, sir, in the upper packer.

A Well, the seal for the Drinkard zone through this triple zone flow tube is regular tubing. There is no other mechanical seal other than the tubing. It is screwed directly into the triple flow tube at the top and at the bottom.

Q I see. And the Blinebry zone is -- has a sitting nipple that sits in your triple flow tube?

A Yes.

Q I believe you stated what the length of your seal nipple was in your middle packer?

A Yes, it is approximately 83 1/2 inches.

Q And the packer is how long?

A 24 3/8 inches. That is the sealing bore in the packer.

Q What was the name of the well that you stated you had been flowing from the Tubb zone since August 1956?

A It is the A. H. Blinebry NCT-1, Well No. 7.

Q What is the gas-oil ratio on that well?

A I think I have that. The test taken in 6/19/59 the GOR was 63,000 to 1.

Q It is quite a bit higher than the GOR in this installation, isn't it?

A Yes.

Q You say you never experienced any logging or liquid trouble with your NCT No. 1 at all flowing through the equivalent 5-inch casing?

A No, sir. If we should have experienced difficulty in this well, there is room remaining in the annular spacing in the 7-inch and 2 3/8 inch string that we can run inch and a half Hy-drill tubing to set in this triple zone flow tube.

Q And if you have liquid troubles, then you would do that?

A Yes.

Q Then the flow string from the Blinebry zone through the triple flow tube at 5448 in the vicinity of 5448 would be three and a half by two and one-sixteenth annular flow?

A For the Bline bry zone, no, it would be between the 3 1/2 inch tubing and the bore of the Model "FF" packer, and the bore of that packer, the ID of it is 4 3/4 inches for the Bline-bry zone.

Q Did I say Blinebry? I meant to say Tubb.

A On the Tubb, yes, between the 2 1/16 and 2 1/2.

Q Yes. Equivalent, about what size tubing would you estimate?

A I would estimate something between an inch and a half and an inch and three-quarters in diameter.

Q Your Exhibit No. 7, the Drinkard datum is minus 3525. Does that fall within the producing zone?

A I haven't calculated that, but the depth is the field datum for the zone.

Q What I am getting at here, there is a pressure differential across the packers, so it would be necessary to know what the pressure is at zone?

A The datum is approximately 18 feet above it; yes, it is in the Drinkard.

Q Now, can you say the same for the other two zones, the Tubb and the Blinebry?

A For the Tubb, the datum is below the perforated interval. We have approximately 35 feet.

Q It is relatively close?

A And for the Blinebry it is approximately 25 feet below the perforations.

Q Actually, between these three zones, you have very little pressure differential, in the neighborhood of four hundred pounds?

A Yes.

Q And your packer leakage test, the difference between your static pressures and your flowing pressures was on all tests except the test of the middle zone was in excess of four hundred pounds differential, is that true?

A Yes.

Q The test between the upper completion and the middle zone was only in the neighborhood of two hundred pounds, two hun-

dred and fifty pounds?

A Yes.

Q Are all three of these packers considered to be permanent type packers?

A Yes, they are.

Q They require no pressure or tubing weight to seat?

A No.

Q All wire line seating?

A Yes.

Q Are they all drillable?

A Yes, sir.

Q I believe you stated that you could install pumping equipment satisfactorily in the Blinebry and the Drinkard oil zones?

A Yes, sir.

Q How about the Tubb zone in the event it becomes a lower gas-oil ratio and it is necessary to pump?

A It is possible to pump the lower -- it would be possible to pump the Tubb zone. It would necessitate changing out the well head to make a triple zone, make a triple tubing well head, and there, I believe, have been installations made. We haven't made any, but there have been installations made with three zones pumping from one well.

Q You would have to pump from above 5448?

A Yes, sir.



MR. UTZ: Any other questions of the witness?

MR. PAYNE: Yes, sir.

MR. UTZ: Mr. Payne.

QUESTIONS BY MR. PAYNE:

Q Mr. Bingham, is this well located within the defined horizontal limits of the Drinkard, Tubb and Blinebry pools?

A Yes, sir.

Q And it is located 660 feet from the South and East lines of Section 31?

A Yes, sir.

Q Now, the Blinebry production, that's definitely an oil well in the Blinebry?

A Yes.

Q So that you only need one non-standard unit?

A That's right.

Q That being for the Tubb?

A That's right.

Q Do you propose to meter each of these zones separately prior to commingling?

A Yes, sir. We have the plans for it.

Q That's on Exhibit 10?

A Yes, sir.

Q Now, I notice an apparent discrepancy on the gravities as listed on Exhibit 4 and Exhibit 8. Can you explain the reason for that?

A Yes -- oh, you mean on the packer leakage test, the 45.5 gravity in the Tubb?

Q Yes, sir.

A The Tubb zone we don't feel had been cleaned up sufficiently there. We had -- had to kill the well, and we feel that the man, when he was running the packer leakage test, when he took the oil sample he didn't make sure that it was clean oil, and he did have some water in it because we have checked the gravities in other Tubb zones around there, and they compare favorably with the 62 gravity that was gotten on the initial test.

Q Well, the Drinkard zone is the only one that actually makes water?

A Yes, sir, it makes a small amount. We are not sure, we haven't tested the well enough to be sure that it is all formation water.

Q Do you feel, Mr. Bingham, that there is any more danger of communication in an oil-gas-oil triple completion than a gas-gas-gas triple?

A I don't feel there is as much.

Q Now, when you take a packer leakage test, does it indicate when there is a leak through some other cause than through the packer, communication is occurring for some reason or other than the packer being defective?

A Yes, in any type of installation where you are depending upon mechanical seal, the leakage that you have could be --

the packer could still be in excellent condition; you could have a leak either through threads in your tubing or some other mechanical seal that is in the well.

Q It might perhaps, then, for psychological purposes, be better to call this test a communication test rather than a packer leakage test?

A Yes, sir because we -- when you run those tests, even though you are measuring the differential across the packer, you are also measuring the differential across the tubing throughout the entire valve that you are testing.

Q Would your company be willing to take these communication tests every six months, at least for a certain period of time?

A Yes, sir.

MR. PAYNE: That's all. Thank you.

QUESTIONS BY MR. UTZ:

Q Mr. Bingham, what was the initial potential of the Tub zone?

A The initial potential?

Q Yes.

A It was 96 barrels of oil in twenty-four hours on 24/64 choke, 62.4 degree API oil with a GOR of 35,937.

Q How much gas?

A I believe it was three million four hundred and fifty thousand cubic feet.

Q For twenty-four hours?

A Yes, sir.

Q Actually, this well won't produce anything like that rate, will it?

A No, sir, the production from the Tubb will be limited by the demand from the gasoline plant, the rate they could take it.

Q That would be approximately -- what would you estimate?

A That varies in the field out there. We haven't -- I haven't talked to the people at the gasoline plant to make sure what volume they would be taking from it.

Q Probably no more than a million a day?

A That would be my estimate of no more than a million.

Q Then, at the rate of a million a day, you would be lifting in the neighborhood of 33 barrels of oil?

A Approximately, yes.

Q You feel that a million a day rate will maintain velocity enough to lift that amount of oil satisfactorily?

A I feel that it will. If it doesn't, then we will have to run the inch and a half tubing.

MR. UTZ: Any other questions of the witness?

MR. WHITE: I would like to ask just two, if I may.

REDIRECT EXAMINATION

BY MR. WHITE:

Q In regard to Mr. Payne's questions, you feel that the oil gravity as to the Tubb as reflected in Exhibit 8 would be the

accurate one.--

A Yes, sir.

Q -- as against Exhibit 4?

A Yes, sir.

Q In regard to the 12 barrels of water being produced from the Drinkard, is that water possibly due to the water that you used to kill the well?

A Yes, sir, we feel that at least a part of it is water that was used to kill the well.

MR. WHITE: That's all the questions I have.

MR. UTZ: Any other questions? If not, the witness may be excused.

(Witness excused)

MR. WHITE: I would like to recall Mr. Ross, please.

JOHN B. ROSS,

recalled as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION (Continued)

BY MR. WHITE:

Q Are you the same Mr. John Ross who previously testified at this hearing?

A Yes, sir.

Q Mr. Ross, I direct your attention to that part of the application dealing with the commingling of the production. Will you refer to Exhibit 10 and explain that to the Commission, please?

A Exhibit 10 is a schematic diagram of the proposed hook-up for commingling liquid and gas production from the Blinebry oil, Tubb gas and Drinkard fields. We have colored each horizon with a different color; Blinebry blue, Tubb red, and the Drinkard yellow. Our well is shown at the bottom of the diagram as a circle, and the production from each of the three zones will be conducted through the tank battery through a separate flow line, and the liquid from each zone will be separately metered by either a metering separator or a regular separator with a PD meter connected to the downstream side.

Q Would you like the Commission, if it grants this order or application, to make the order in the alternative as to the type of metering?

A Yes, sir. We also propose to meter the low pressure gas separately from each separator, and we also propose to measure high pressure gas from the Tubb horizon separately. After separate measurement of the liquids, they will be combined in one line and conducted to the stock tanks.

Q Now, in regard to the application's request for a non-standard proration unit, the application originally asked that it cover both the Tubb and the Blinebry. Is that still the applicant's desire?

A No, sir. We didn't know for sure that we would have a Blinebry oil or Blinebry gas zone, since we are offset by both. However, the Blinebry has been completed with a ratio of 1688 cubic

feet per barrel, which definitely indicates it to be an oil well. Let me check that against the Exhibit we previously submitted here. That is correct

Q Then, you want the unit limited to the Tubb?

A Yes, sir.

Q What is the reason for requesting a non-standard proration unit?

A The proposed gas unit is not substantially in the form of a square. It consists of the S/2 of the S/2 of Section 31, Township 22 South, Range 38 East.

Q Will you refer to Exhibit 11 and explain that to the Commission?

A Exhibit 11 shows the location of the Tubb gas well, circled in red, and the proposed gas unit is colored in yellow with a red border.

Q Does this show any non-standard gas proration unit within the area?

A All of the adjoining Tubb gas units are non-standard gas units.

Q To your knowledge, has the Commission previously approved similar non-standard gas proration units within the area, as we request?

A The Commission in Order No. R-454, Case No. 676, approved an application by the Sunray Mid-Continent Oil Company for

a similar non-standard gas proration unit, which consists of the S/2 of the S/2 of Section 16, Township 21 South, Range 37 East. This well -- the well on their non-standard gas proration unit is similarly located in the southeast corner.

Q Now, will you refer to Exhibit 12 and explain that, please?

A Exhibit 12 is a structure map contoured on top of the Tubb horizon, and this indicates that the remaining portion, that is, the entire portion of the S/2 of the S/2 of Section 31 could be considered to be reasonably productive of gas.

Q I believe you've already testified that the royalty interests are common?

A Royalty interests are common.

Q In your opinion, would granting of this application impair waste or correlative rights?

A No, sir.

MR. WHITE: That completes our direct examination. One other question.

Q (By Mr. White) Were Exhibits 10 through 12 prepared by you or under your supervision?

A Yes, sir, they were.

MR. WHITE: We move for the admission of Exhibits 10 through 12.

MR. UTZ: Without objection, they will be admitted into the record.



## CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Ross, would it be necessary for you to install corrosion resistant dump type meters?

A Ordinarily, the dump type meters that we have installed have been plastic coated for corrosion protection, and also for purposes of accuracy. It prevents the adherence of paraffin, and if we -- that's what we have done in the past. Now, we haven't decided whether we are going to use our metering separator, which is basically a dump type separator. It can be done either way. We have both types of installation; actually, we are not sure which type we will prefer for this installation.

Q Whichever type you use, will you put in corrosion resistant equipment?

A Yes, sir.

Q Is the entire unit that you are proposing here for the Tubb zone, is the same ownership throughout, royalty and working interest?

A Yes, sir, it is.

Q And I believe you also stated that the three zones were block ownership?

A Yes, sir.

Q Referring to your Exhibit 12, particular reference to minus 2550 contour, what control did you have going west on that contour?

A     Going west, the geologists have utilized the wells over in Section 36 as control. That is the Aztec State 1 "BD," and the Shell State No. 1. Now, ordinarily, what we do is proportion the contours. In other words, we have control by two points in one place. We'll carry it along and adjust it to fit the points further over.

Q     And the control to the south or on the minus 2800 is from the Gulf Pike Well?

A     Yes.

Q     And your little dip to the south on the minus 2750 contour was based on that contour?

A     Yes, sir. This -- Gulf's Pike Well tends to indicate a slight dip there, and other contours there, of course, conform to that.

MR. UTZ: Are there any other questions of the witness?

MR. PAYNE: Yes, sir.

QUESTIONS BY MR. PAYNE:

Q     Mr. Ross, what is the nearest Tubb gas well to the South of your subject well?

A     The nearest Tubb gas well to the west is the well marked Western Oil Fields Gulf State Well No. 1 in the northeast corner of Section 36.

MR. UTZ: The Aztec Well is not a Blinebry well?

A     It is a Blinebry oil well.

MR. UTZ: I meant Tubb Well.

A No, sir.

Q (By Mr. Payne) Mr. Ross, I believe the test indicates that the -- all these crudes are intermediate grade sweet crudes?

A Yes, sir.

Q Why is the Drinkard generally considered sour and at other times considered sweet? Does it depend on the pipe line?

A I am afraid I don't have an answer to that question. I would estimate that the Drinkard probably varies between areas, but I really don't have the answer to that.

Q If it was one common source of supply, it shouldn't vary, should it?

A Well, in an immediate area I would say no. Over a period of six, eight or ten miles, it might change in characteristics to some extent. I know the San Andres in some places changes quite widely in sulphur content and corrosion properties of not too long distances.

MR. PAYNE: Thank you. That's all.

MR. UTZ: Any other questions?

QUESTIONS BY MR. UTZ:

Q Is the entire Section 31 within the defined limits of the Tubb gas pool?

A I haven't checked to determine whether that is actually within the defined limits or if it is actually an extension of that. I would have to look at the present boundaries, and I don't

think I have that with me.

Q I think we have it here. What is the Range on this?

A Range 38 East, 22 South.

Q On your Exhibit No. 11 was the unit dedicated to the Scarborough No. 4 Well a Tubb unit?

A Yes, sir.

Q And that includes the -- in other words, other than your requested unit here, the entire Section 31 is dedicated to Tubb units?

A Yes, sir, all of those units are Tubb units colored on that map.

MR. UTZ: Any other questions? If not, the witness may be excused.

(Witness excused)

MR. UTZ: Are there any other statements to be made in this case? If not, the case will be taken under advisement.

STATE OF NEW MEXICO )  
 ) ss  
 COUNTY OF BERNALILLO )

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 14<sup>th</sup> day of August, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo  
 NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1695, heard by me on August 19, 1959.

James A. Trujillo, Examiner  
 New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO


Date 6-29-59

CASE NO. 1695

HEARING DATE 6-24-59

My recommendations for an order in the above numbered case(s) are  
as follows:

*Continue until First Examining hearing  
in August 1959.*



Staff Member

BEFORE THE  
OIL CONSERVATION COMMISSION  
EXAMINER HEARING  
Santa Fe, New Mexico  
June 24, 1959

IN THE MATTER OF: Case 1695

TRANSCRIPT OF HEARING

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
3-6691 5-9546

**PHONE CH 3-6691**

ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

Application of Texaco, Inc. for a triple completion, for permission to commingle the production from three separate pools, and for the establishment of two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its A.H. Blinebry NCT-4 Well No. 1, located in the SE/4 SE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit production from the Blinebry formation, production of gas from the Tubb Gas Pool, and production of oil from the Drinkard Pool through tubing, the annulus via cross-over, and tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in both the Tubb Gas Pool and Blinebry Gas Pool each consisting of the S/2 S/2 of said Section 31. Applicant further seeks permission to commingle the liquid production from the Blinebry, Tubb, and Drinkard formations underlying said acreage.

Case 1695

BEFORE:

Elvis A. Utz, Examiner

## TRANSCRIPT OF HEARING

MR. UTZ: The next case will be Case 1695.

MR. PAYNE: Application of Texaco, Inc. for a triple completion, for permission to commingle the production from three separate pools, and for the establishment of two non-standard gas





proration units.

MR. WHITE: Charles White, Santa Fe, New Mexico, appearing on behalf of Applicant. We would like to continue this case until the first Examiner Hearing in August, if we may.

MR. UTZ: Is there objection to the counsel's motion? If not, the case will be continued until the first Examiner Hearing in August.

\*\*\*\*\*

C E R T I F I C A T E

STATE OF NEW MEXICO     )  
                                  ) ss  
COUNTY OF BERNALILLO    )

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 1st day of July, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1685, heard by me on June 24, 1959.

\_\_\_\_\_  
Examiner  
New Mexico Oil Conservation Comm.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO     )  
                                  )  
COUNTY OF BERNALILLO    )

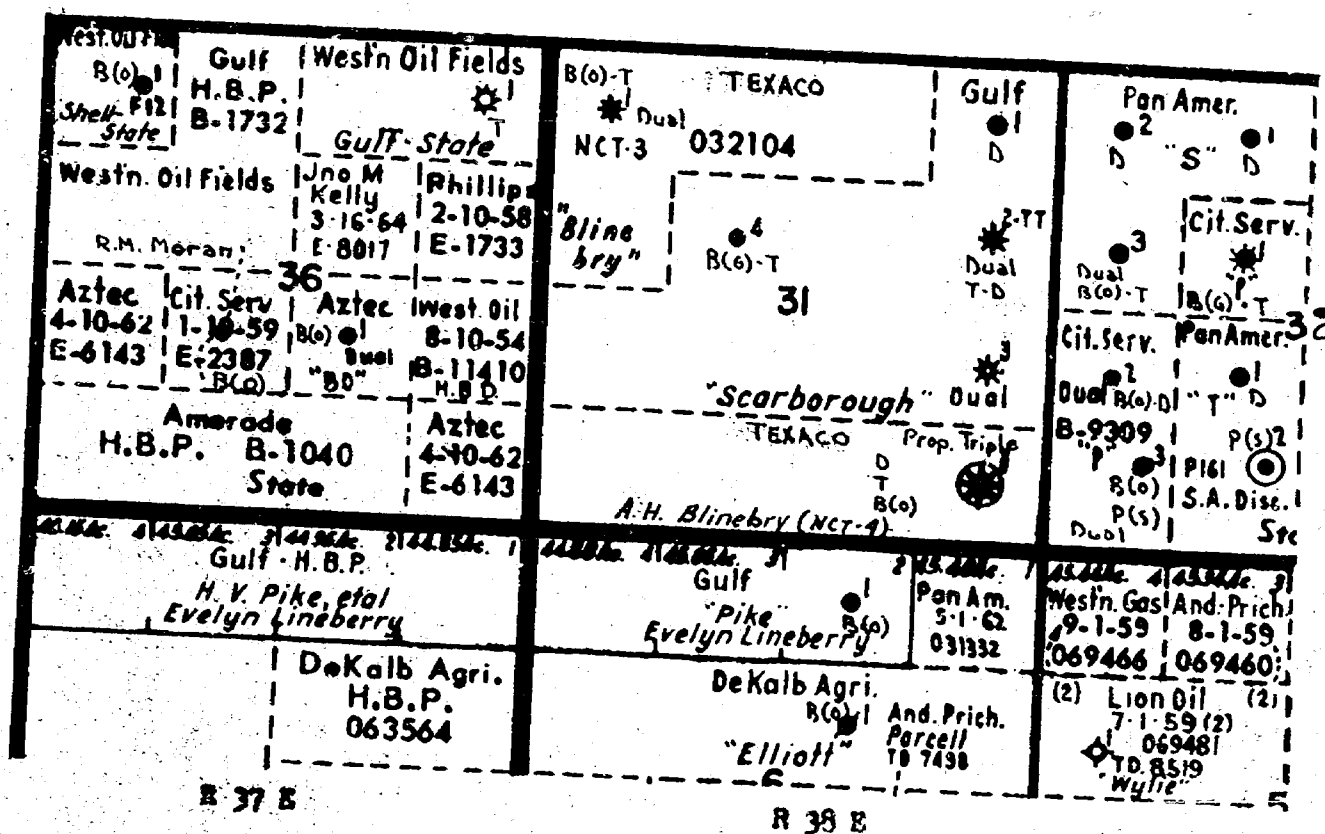
I, Paul Searnley, Notary Public  
in and for the County of Bernalillo, State of New Mexico, do  
hereby certify that the foregoing and attached Transcript of  
Proceedings before the New Mexico Oil Conservation Commission  
was reported by me in Stenotype and reduced to typewritten  
transcript by me, and that the same is a true and correct  
record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 5<sup>th</sup> day  
of July, 1959, in the City of Albuquerque, County  
of Bernalillo, State of New Mexico.

Paul Searnley  
NOTARY PUBLIC

My Commission Expires:

June 19, 1963.



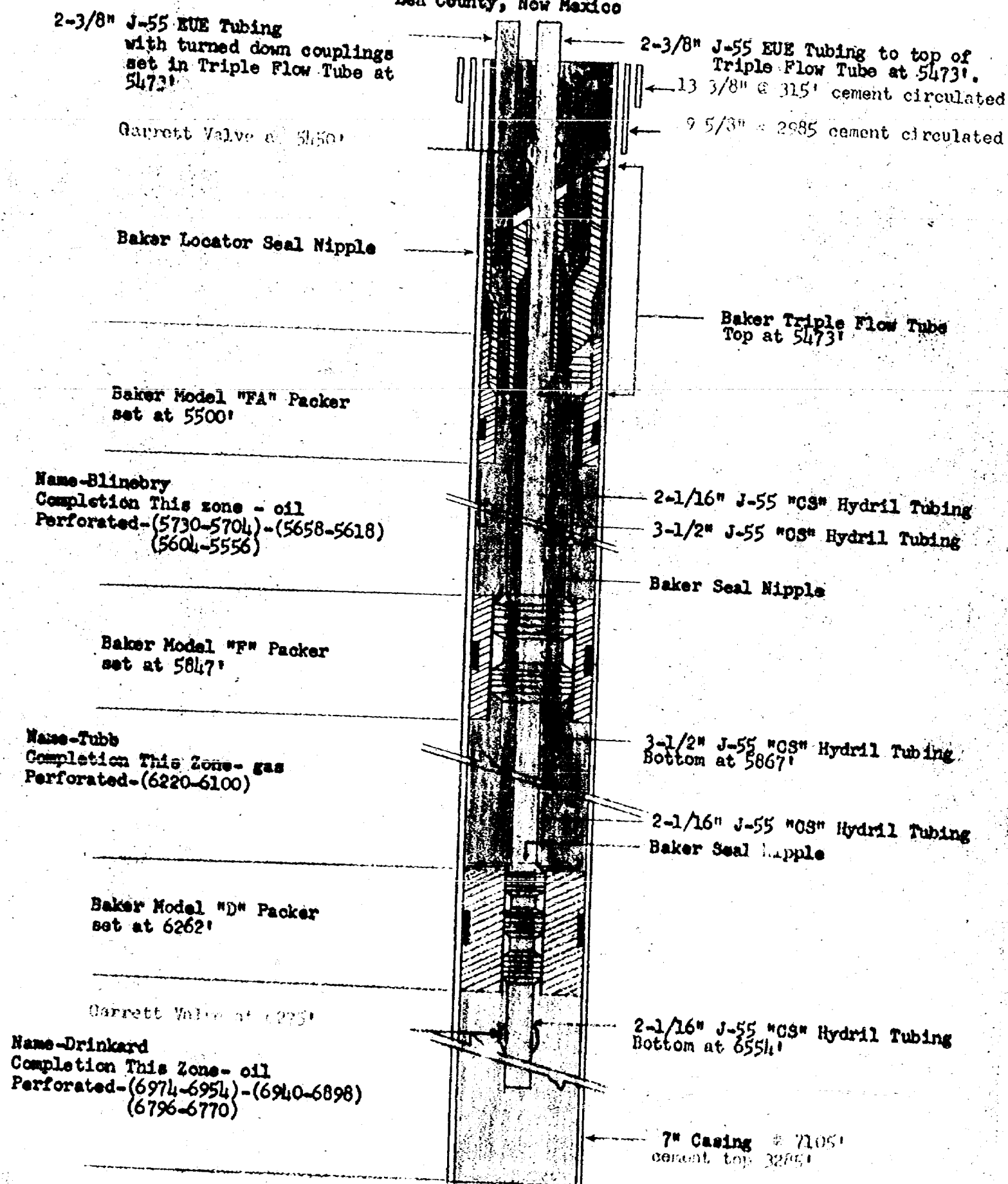
Lee County, New Mexico

Scale: 1 inch equals 2000'

Western Natural Gas Company, 823, Midland Tower Bldg., Midland, Texas

EXHIBIT A

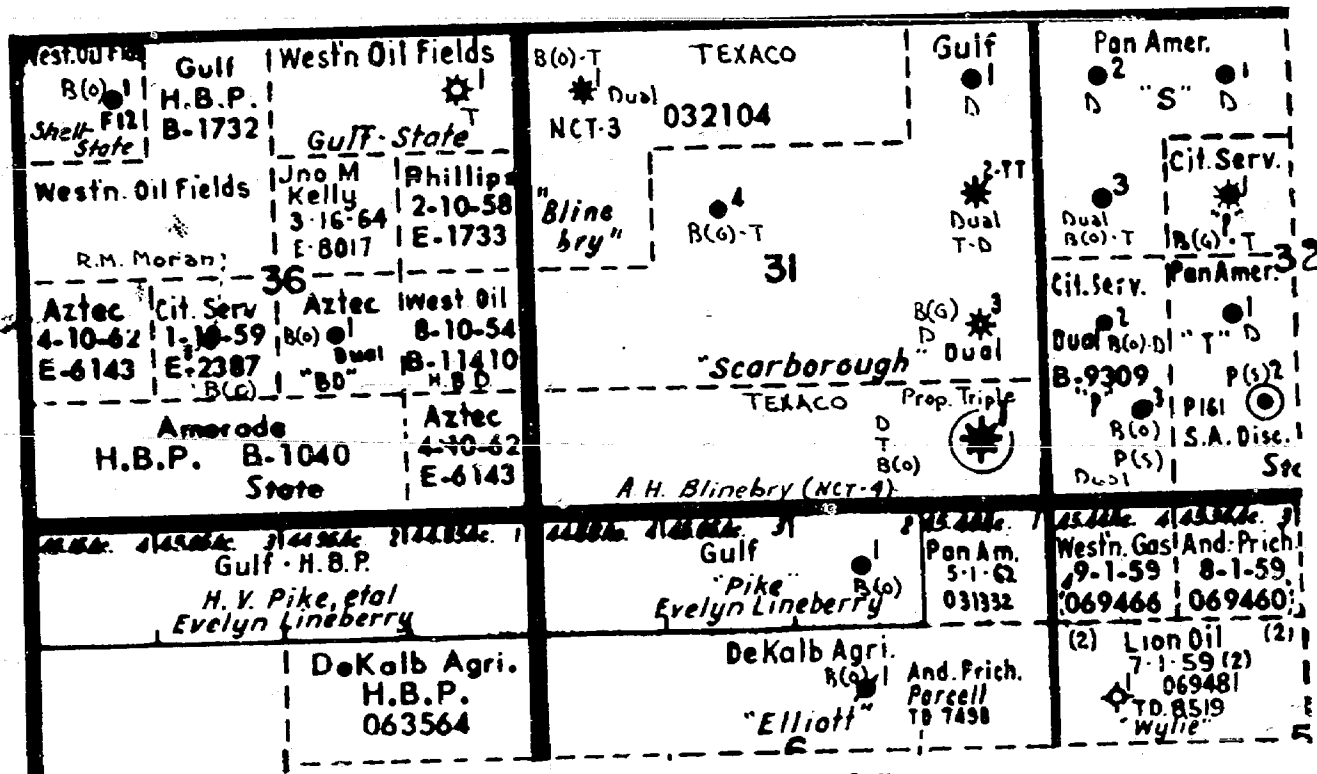
TEXACO Inc.  
A. Blinebry (NCT-4) Well No. 1  
Drinkard, Tubb (Gas) and Blinebry (Oil) Field  
Lea County, New Mexico



Diagrammatic Sketch Showing Triple Completion Installation

EXHIBIT B

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 1  
CASE NO. 1695



R 37 E

R 38 E

Lea County, New Mexico

Scale: 1 Inch equals 2000'

LEGEND

- B (O) - Blinebry Oil
- B (G) - Blinebry Gas
- T - Tubb Gas
- D - Drinkard
- P (S) - Paddock, South

OFFSET OPERATORS

Aztec Oil & Gas Company, Route 1, Box 385-C, Odessa, Texas  
Cities Service Oil Company, Box 97, Hobbs, New Mexico  
Gulf Oil Corporation, P.O. Drawer 669, Roswell, New Mexico  
Pan American Petroleum Corporation, Box 899, Roswell, New Mexico  
Western Oil Fields Inc., Box 1117, Hobbs, New Mexico  
Western Natural Gas Company, 823 Midland Tower Bldg., Midland, Texas

EXH. 1

TEXACO Inc.  
A. H. Blinebry (NCT-4) Well No. 1  
Drinkard, Tubb (Gas) and Blinebry (Oil) Field  
Lea County, New Mexico

Blinebry Oil

2 3/8" J-55 EUE Tubing set in Triple  
Flow Tube at 5497'

Tubb Gas

Drinkard Oil

2 3/8" J-55 EUE Tubing to top of  
Triple Flow Tube at 5497'

Otis Valve at 5461'

13 3/8" at 315' cement circulated

9 5/8" at 2985' cement circulated

1 25/32" seating nipple at 5448'

Baker Locator Seal Nipple

Baker Triple Flow Tube  
Top at 5497' 3 1/2"

Baker Model "FA" Packer  
set at 5500'

2 1/16" J-55 "CS" Hydril  
Tubing

Top at 5556'

NAME: Blinebry

COMPLETED THIS ZONE: Oil

PERFORATED: 5556' to 5604'

5618' to 5658'

5704' to 5730'

3 1/2" J-55 Hardy-Griffin  
Tubing

Baker Seal Nipple  
(83 1/2")

Bottom at 5730'

Baker Model "F" Packer  
set at 5847'

Top at 6100'

NAME: Tubb

COMPLETED THIS ZONE: Gas

PERFORATED: 6100' to 6220'

3 1/2" J-55 Hardy-Griffin  
Tubing bottom at 5868'

2 1/16" J-55 "CS" Hydril  
Tubing bottom at 6894'

Baker Seal Nipple

Bottom at 6220'

Baker Model "D" Packer  
set at 6262'

Top at 6770'

NAME: Drinkard

COMPLETED THIS ZONE: Oil

PERFORATED: 6770' to 6796'

6898' to 6940'

6954' to 6974'

1 1/2" seating nipple at  
6831'

Otis Valve at 6861'

2 3/8" OD "FJ" Hydril &  
10 RT Tubing

Bottom at 6974'

7" Casing at 7105'  
cement top 3285'

DIAGRAMATIC SKETCH SHOWING TRIPLE COMPLETION INSTALLATION

NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

6-1-56

PACKER-SETTING AFFIDAVIT  
(Dual Completions)

STATE OF New Mexico )  
County of Lea ) ss

T. H. Taylor, being first duly sworn according to law, upon his oath deposes and says:

That he is of lawful age and has full knowledge of the facts herein below set out.

That he is employed by TEXACO Inc. in the capacity of Production Foreman and as such is its authorized agent.

That on May 4, 1959, he personally supervised the setting of Baker Models "FA", "F", & "D" Ret-Prod Pkr in TEXACO Inc.'s  
(Make and Type of Packer) (Operator)

A. H. Blinebry (NCT-4) Well No. 1, located in Unit  
(lease)  
Letter P, Section 31, Township 22-S, Range 38-E, NMPM,  
Lea County, New Mexico.

That said packers <sup>were</sup> set at a subsurface depths of 5500, 5847 and 6262 feet,  
said depth measurement having been furnished by Welex, Inc.

That the purpose of setting this packer was to effect a seal in the annular space between the two strings of pipe where the packer was set so as to prevent the commingling, within the well-bore, of fluids produced from a stratum below the packer with fluids produced from a stratum above the packer. That this packer was properly set and that it did, when set, effectively and absolutely seal off the annular space between the two strings of pipe where it was set in such manner as that it prevented any movement of fluids across the packer.

TEXACO Inc.

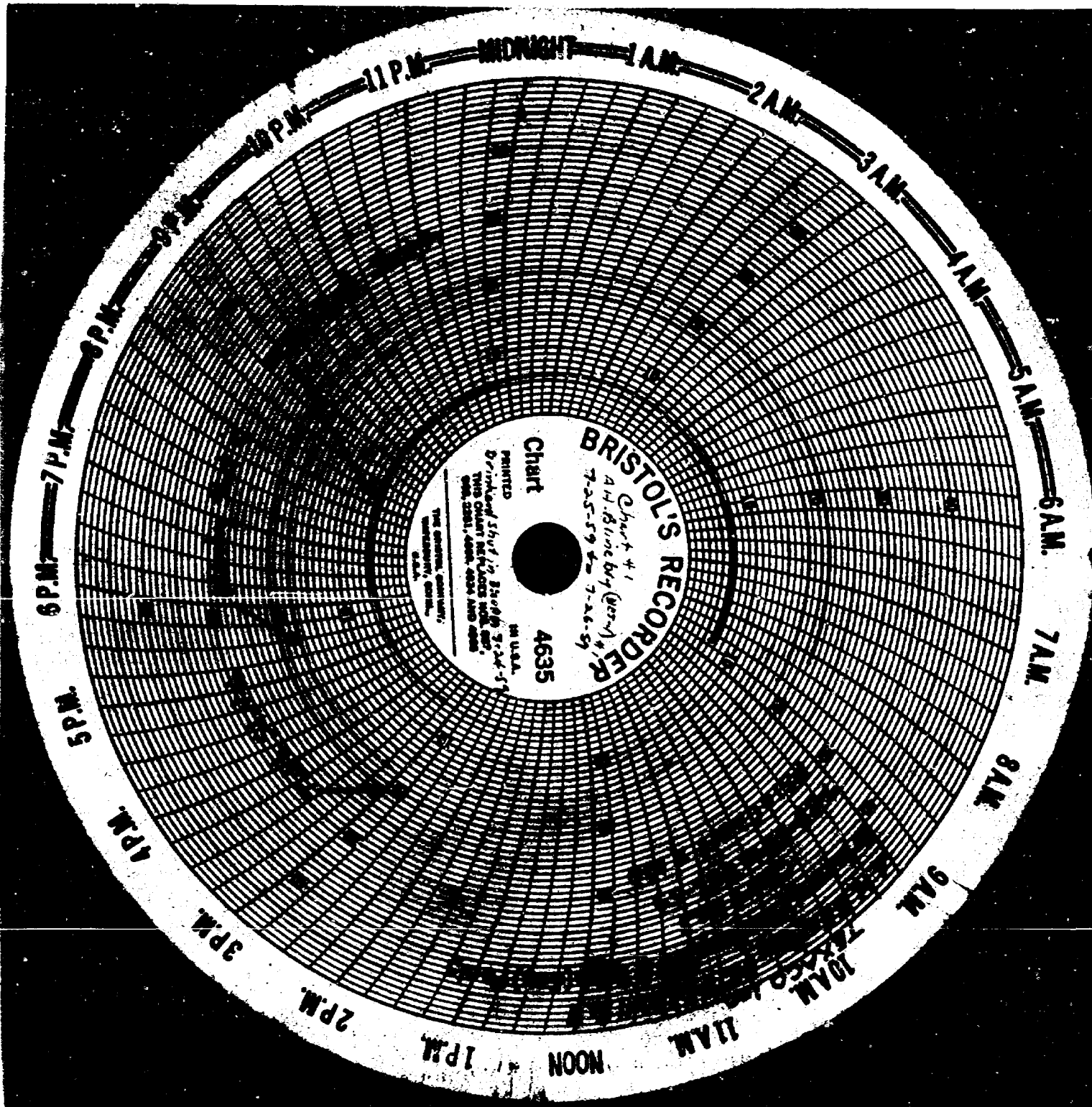
(Company)

T. H. Taylor  
(its Agent)

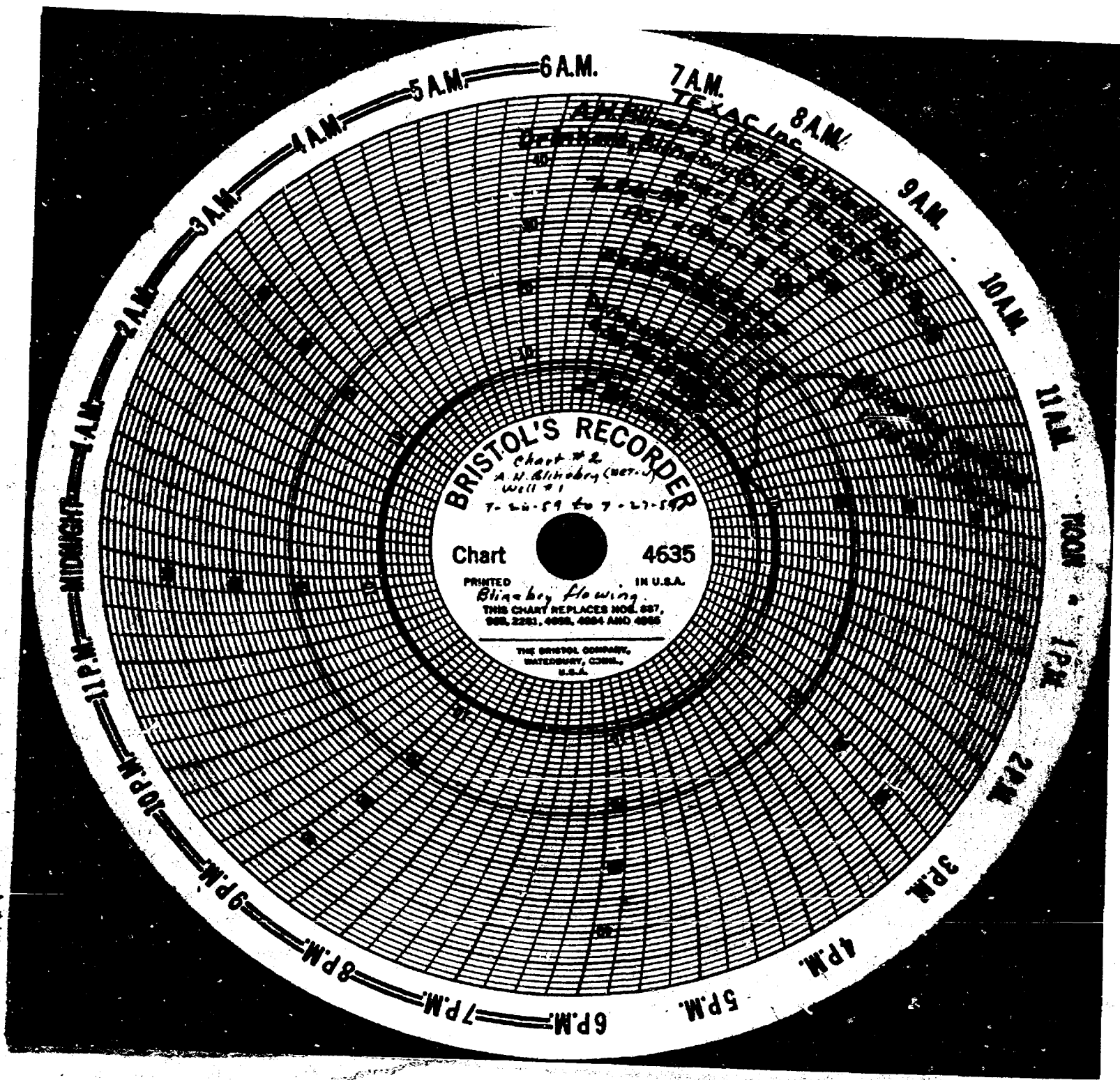
Subscribed and sworn to before me this the 25 day of May, AD, 1959.

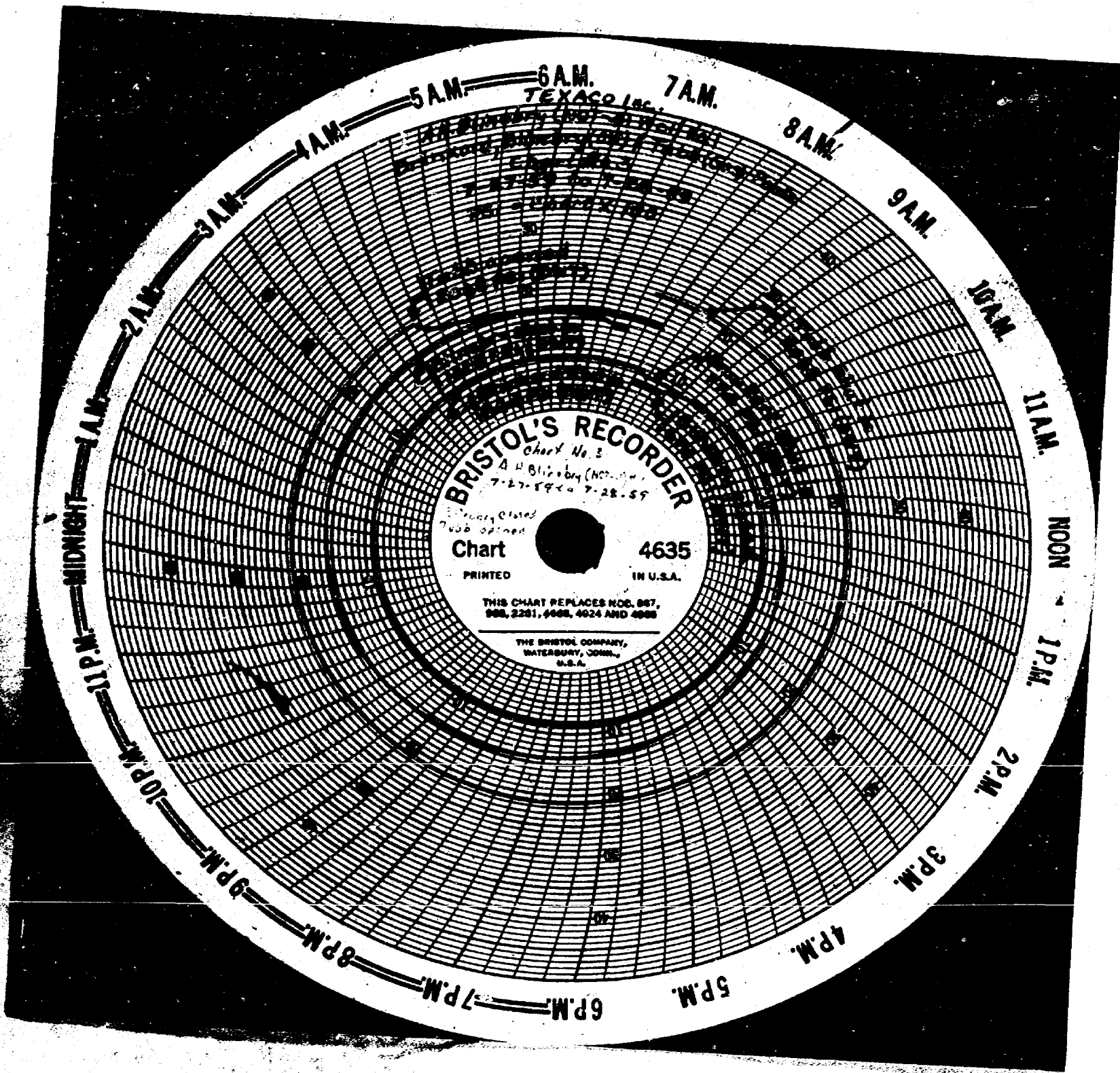
Aubrey B. Williams  
Notary Public in and for the County  
of Lea

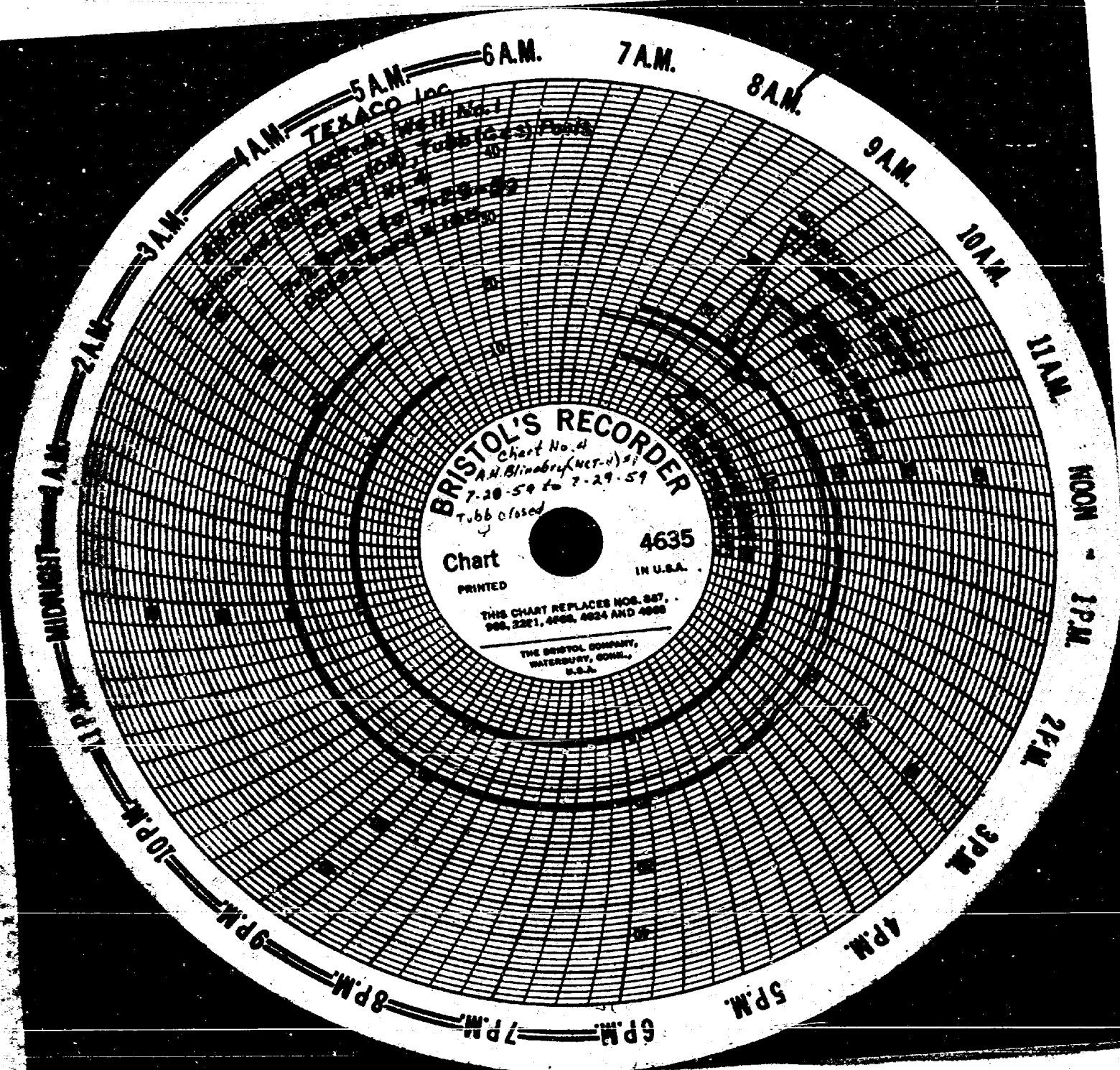
My Commission Expires April 12, 1961

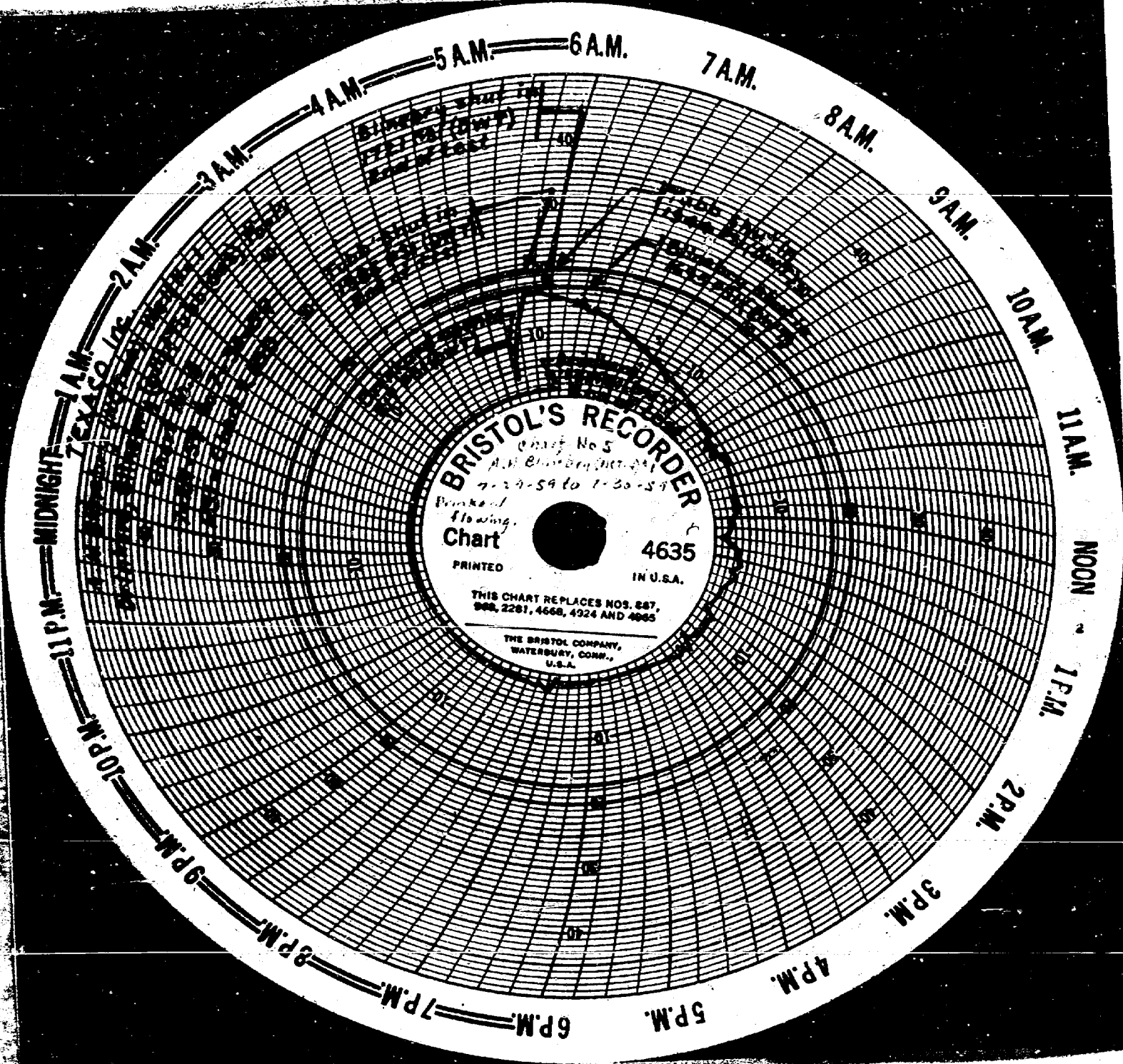












# NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-124  
(Rev. 9-53)

COMPANY TEXACO Inc. BOTTOM HOLE PRESSURES Drinkard POOL 108  
POOL DATUM -3525' NOMINAL SHUT-IN TIME 48 HRS: AVERAGE POOL TEMPERATURE 108 F°

LEASE	WELL NO.	UNIT	S-T-R	DATE PRESS. RUN	TIME S.I. HRS./MINS.	D.F. ELEV.	GAUGE DEPTH	GRADIENT TBG.	B.H.P. @ GAUGE DEPTH	B.H.P. @ POOL DATUM	PREVIOUS TEST @ DATUM PRESS.	DATE
A. H. Blinberry (NCT-4)	1	P	31-22S-38E	8-1-59	50:00	3354'	6879'	0.459	2343	2343 <i>Le in. Pay zone</i>	Initial	Test

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 7  
CASE NO. 1695

# NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-124  
(Rev. 9-53)

COMPANY TEXACO Inc. BOTTOM HOLE PRESSURES Tubb (Gas) POOL 105 °F  
 POOL DATUM -2700' NOMINAL SHUT-IN TIME 48 HRS: AVERAGE POOL TEMPERATURE

LEASE	WELL NO.	UNIT	S-T-R	DATE PRESS. RUN	TIME S.I. HRS./MINS.	D.F. ELEV.	GAUGE DEPTH	GRADIENT TBG.	B.H.P. @ GAUGE DEPTH	B.H.P. @ POOL DATUM	PREVIOUS TEST @ DATUM PRESS.	DATE
A. H. Blinberry (NCT-4)	1	P	31-228-38E	8-1-59	100:00	3354'	6160'	0.115	2545	2533	Initial	Test
										Below, 35' below. Pay zone.		

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-124  
(Rev. 9-53)

COMPANY TEXACO Inc. BOTTOM HOLE PRESSURES Blinebry (Oil) POOL.  
POOL DATUM -2400' NOMINAL SHUT-IN TIME 48 HRS: AVERAGE POOL TEMPERATURE 95 °F  
PREVIOUS TEST  
② DATUM

POOL DATUM		-2400'		NOMINAL SHUT-IN TIME		40		PREVIOUS TEST				
LEASE	WELL NO.	UNIT	S-T-R	DATE PRESS. RUN	TIME S.I. HRS/MINS.	D.F. GAUGE ELEV.	GAUGE DEPTH	GRADIENT TBG.	B.H.P. @ GAUGE DEPTH	B.H.P. @ POOL DATUM	③ DATUM PRESS.	DATE
A. H. Blinebury 1 (NCT-4)		P	31-22S-38E	8-1-59	120:30	3354'	5470'	0.122	2089	2124		Initial Test
										25 below zone.		

# TRIPLE COMPLETION

TEXACO Inc.

A. H. Blinebry (NCT-4) Well No. 1  
Unit "PM", Section 31, T-22-S, R-38-E  
Blinebry (Oil), Tubb (Gas), & Drinkard Fields

## PRODUCTION CHARACTERISTICS

<u>Initial Potential Test</u>	<u>Blinebry</u>	<u>Tubb</u>	<u>Drinkard</u>
Oil (Barrels)	170	96	40
Water (Barrels)	0	0	12
Choke	32/64"	24/64"	20/64"
Gas-Oil Ratio (cu. ft./bbl.)	1688	35,937	2625
Hours Tested	13	24	24
Oil Gravity	35° API	62.4° API	37° API
Flowing Pressure	300	1220	175
Method of Production	Flow	Flow	Flow

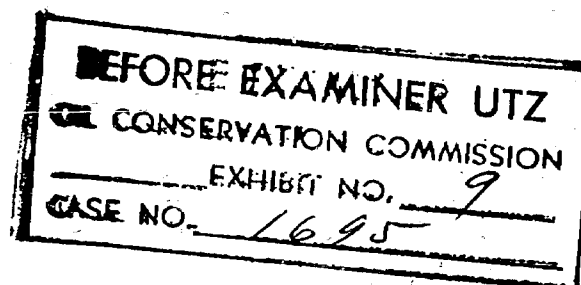
*See I.P.*

2584

$$\begin{array}{r} 56 \frac{1}{2} \times 1688 \\ 24 \times 1688 \\ \hline 2584,000 \\ 35,000 \\ \hline 43612584 \\ 2584 \\ \hline 469 \end{array}$$

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	8
CASE NO.	1695





July 27, 1959


New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Re: Waiver of Objection  
Triple Completion  
TEXACO Inc.  
A. H. Blinbry (NCT-4) Well No. 1  
Drinkard, Tubb (Gas) and Blinbry  
(Oil) Pools

Gentlemen:

The undersigned, being an authorized representative of the offset operator, has been informed by TEXACO Inc. of its application for a permit to triple complete its A. H. Blinbry (NCT-4) Well No. 1 in the Drinkard, Tubb (Gas), and Blinbry (Oil) Pools, Unit P, Section 31, T-22-S, R-38-E, Lea County, New Mexico, and hereby waives all objections to the granting of a permit for this purpose.

Yours very truly,

  
D. D. Bodie, Division Superintendent  
CITIES SERVICE OIL COMPANY  
Company

July 27, 1959

Date

EX IX



PETROLEUM AND ITS PRODUCTS

ROSWELL DISTRICT

W. A. SHELLSHEAR  
District Manager

E. B. GREAR  
District Exploration Manager

M. I. TAYLOR  
District Production Manager

G. A. PRICE  
District Services Manager

GULF OIL CORPORATION

P. O. DRAWER 669 — ROSWELL, NEW MEXICO

July 28, 1959

FORT WORTH  
PRODUCTION DIVISION

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Gentlemen:

This is to advise that Gulf Oil Corporation has been given due notice that Texaco, Inc., has made application for permission to triple complete its A. H. Blinebry (NCT-4) Well No. 1 in the Drinkard, Tubb (gas) and Blinebry (oil) Pools. We hereby waive any objection to the granting of permission to triple complete this well at the following location:

Unit P, Section 31, Township 22 South,  
Range 38 East, Lea County, New Mexico.

Executed this 28th day of July, 1959.

Very truly yours,

GULF OIL CORPORATION

W. A. SHELLSHEAR

# PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

ALEX CLARKE, JR.  
DIVISION ENGINEER

July 31, 1959

File: GWK-4433-986.510.1

Subject: Waiver of Objection  
Triple Completion, Texaco, Inc.,  
A. H. Blinebry (NCT-4) Well  
No. 1, Drinkard, Tubb (Gas) and  
Blinebry (Oil) Pools, Lea  
County, New Mexico

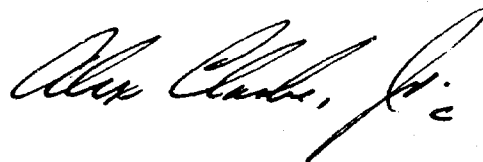
Mr. A. L. Porter  
New Mexico Oil Conservation Commission  
Capitol Annex Building  
Santa Fe, New Mexico

Dear Sir:

The undersigned, being an authorized representative of Pan American Petroleum Corporation, the offset operator, has been duly informed by Texaco, Inc. of its application for a permit to triple complete its A. H. Blinebry (NCT-4) Well No. 1 in the Drinkard (Oil), Tubb (Gas), and Blinebry (Oil) Pools, Lea County, New Mexico, and hereby waives all objections to the granting of a permit for this purpose.

It is our understanding that this well is located in the SE/4 SE/4, Section 31, T-22-S, R-38-E, Lea County, New Mexico.

Very truly yours,



GWK:lj


New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Re: Waiver of Objection  
Triple Completion  
TEXACO Inc.  
A. H. Blinebry (NCT-4) Well No. 1  
Drinkard, Tubb (Gas) and Blinebry  
(Oil) Pools

Gentlemen:

The undersigned, being an authorized representative of the offset operator, has been informed by TEXACO Inc. of its application for a permit to triple complete its A. H. Blinebry (NCT-4) Well No. 1 in the Drinkard, Tubb (Gas), and Blinebry (Oil) Pools, Unit P, Section 31, T-22-S, R-38-E, Lea County, New Mexico, and hereby waives all objections to the granting of a permit for this purpose.

Yours very truly,

 Division Superintendent  
WESTERN NATURAL GAS COMPANY  
Company

July 24, 1959

Date

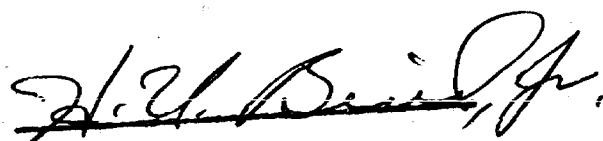
New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Re: Waiver of Objection  
Triple Completion  
TEXACO Inc.  
A. H. Blinbry (NCT-4) Well No. 1  
Drinkard, Tubb (Gas) and Blinbry  
(Oil) Pools

Gentlemen:

The undersigned, being an authorized representative of the offset operator, has been informed by TEXACO Inc. of its application for a permit to triple complete its A. H. Blinbry (NCT-4) Well No. 1 in the Drinkard, Tubb (Gas), and Blinbry (Oil) Pools, Unit P, Section 31, T-22-S, R-38-E, Lea County, New Mexico, and hereby waives all objections to the granting of a permit for this purpose.

Yours very truly,



Western Oil Fields, Inc.  
Company

July 27, 1959  
Date

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

SYMBOLS

DL = Day Letter  
NL = Night Letter  
LT = International Letter Telegram

1201

LA178 DC320

1959 AUG 3 PM 5 17

D LLT98 PD=FAX DALLAS TEX 3 345PMC=

EL C WHITE=

GILBERT WHITE AND GILBERT BISHOP BLDG

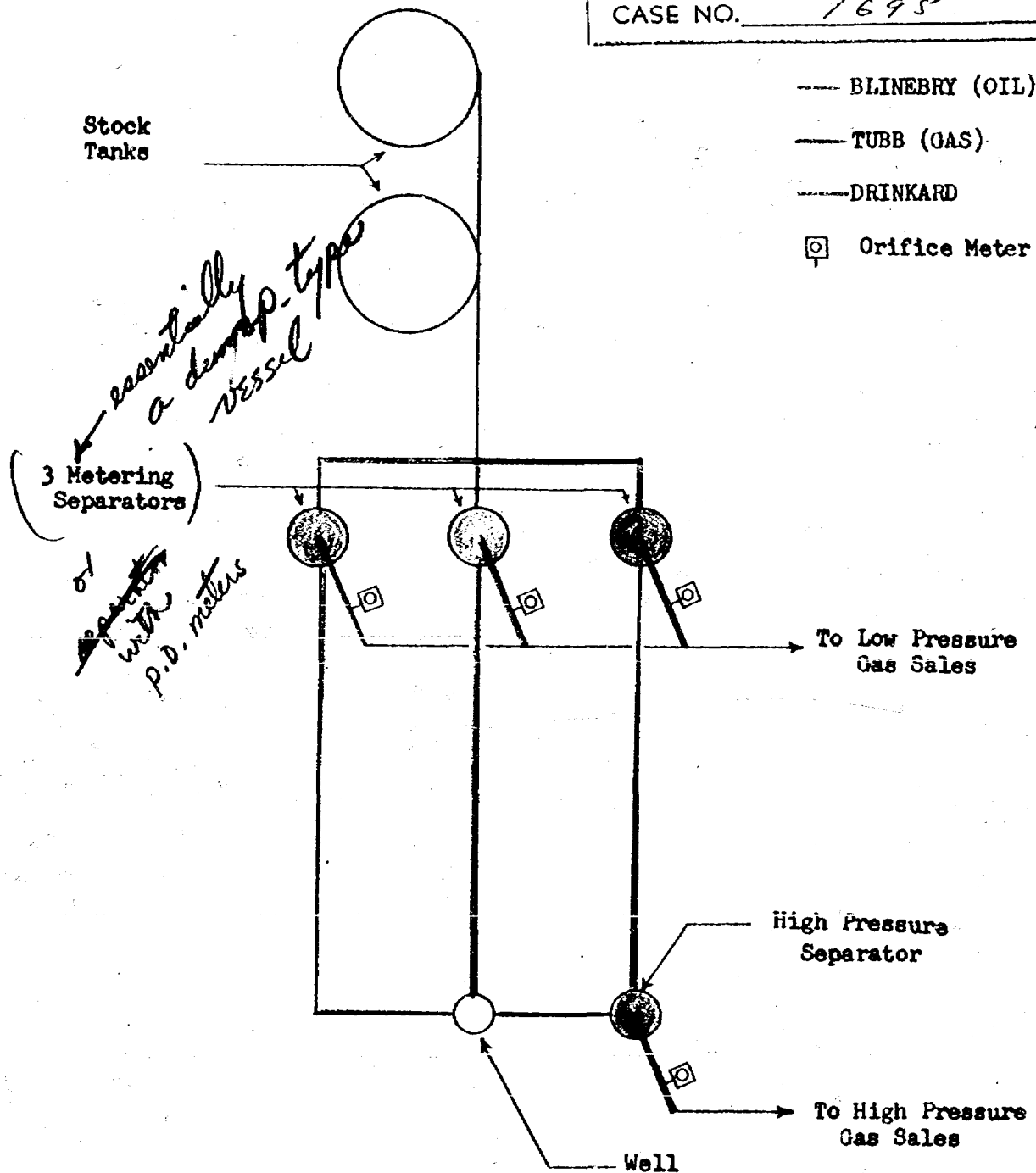
SANTA FE NMEX=

UNDER SIGNED BEING AUTHORIZED REPRESENTATIVE OF OFFSET  
OPERATOR HAS BEEN INFORMED BY TEXACO INC OF ITS  
APPLICATION FOR A PERMIT TO TRIPLE COMPLETE A. H.  
BLINERRY (NCT-4) WELL # 1 IN DRINKARD, TUBB GAS,  
AND BLINERY (OIL) POOLS, UNIT P, SECTION 31, T-22-S,  
R-38-E, LEA COUNTY N M AND HEREBY WAIVES ALL OBJECTIONS  
TO A PERMIT FOR THIS PURPOSE=

AZTEC OIL AND GAS CO VAN THOMPSON=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 10  
CASE NO. 1695



SCHEMATIC DIAGRAM OF PROPOSED HOOKUP FOR COMMINGLING,  
LIQUID AND GAS PRODUCTION  
BLINEBRY (OIL), TUBB (GAS) AND DRINKARD FIELDS  
TEXACO INC.  
A.H. BLINEBRY (NCT-4) LEASE SEC. 31, TWP.22S, R38E  
LEA COUNTY, NEW MEXICO

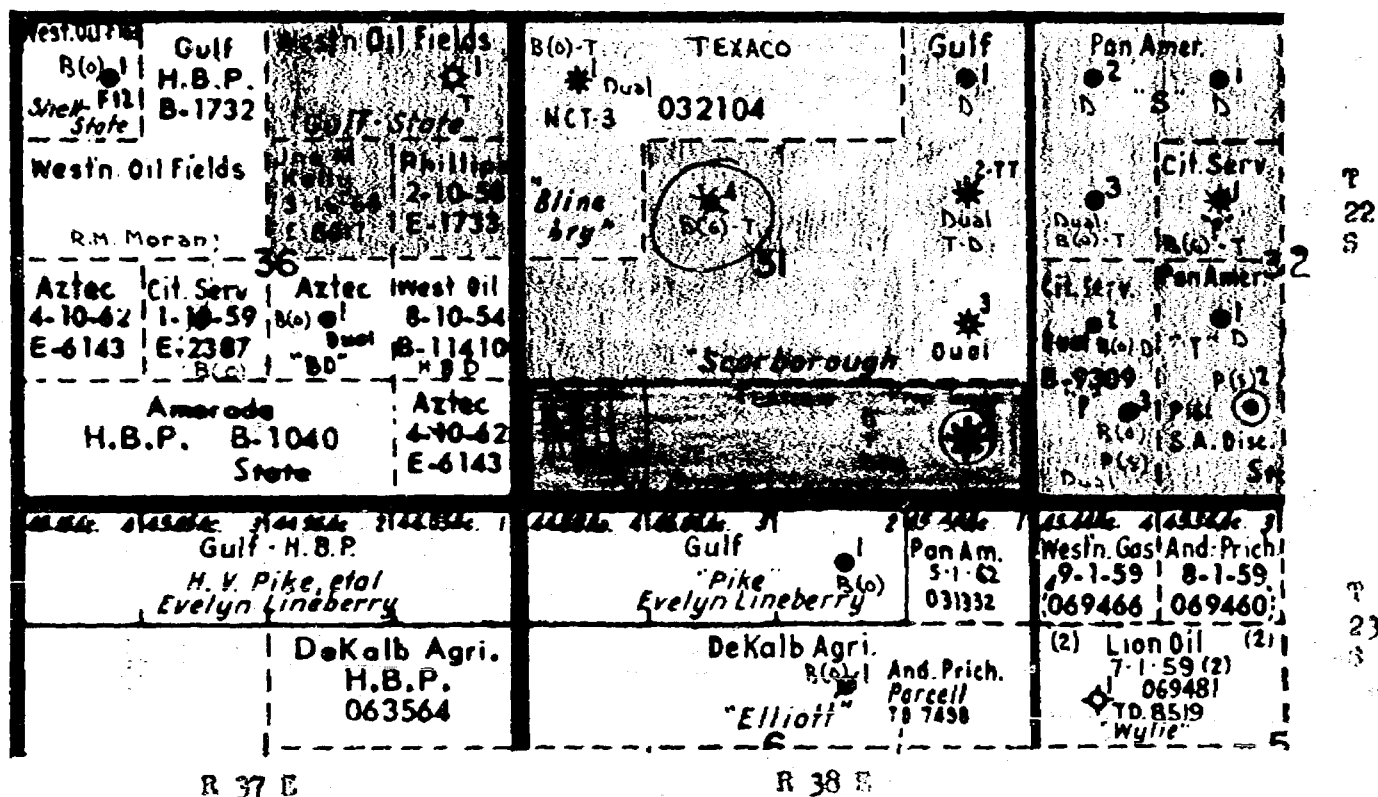
X 1

**BEFORE EXAMINER UTZ**

OIL CONSERVATION COMMISSION

EXHIBIT NO. 11

CASE NO. 1698



Lea County, New Mexico

Scale: 1 Inch equals 2000'

**LEGEND**

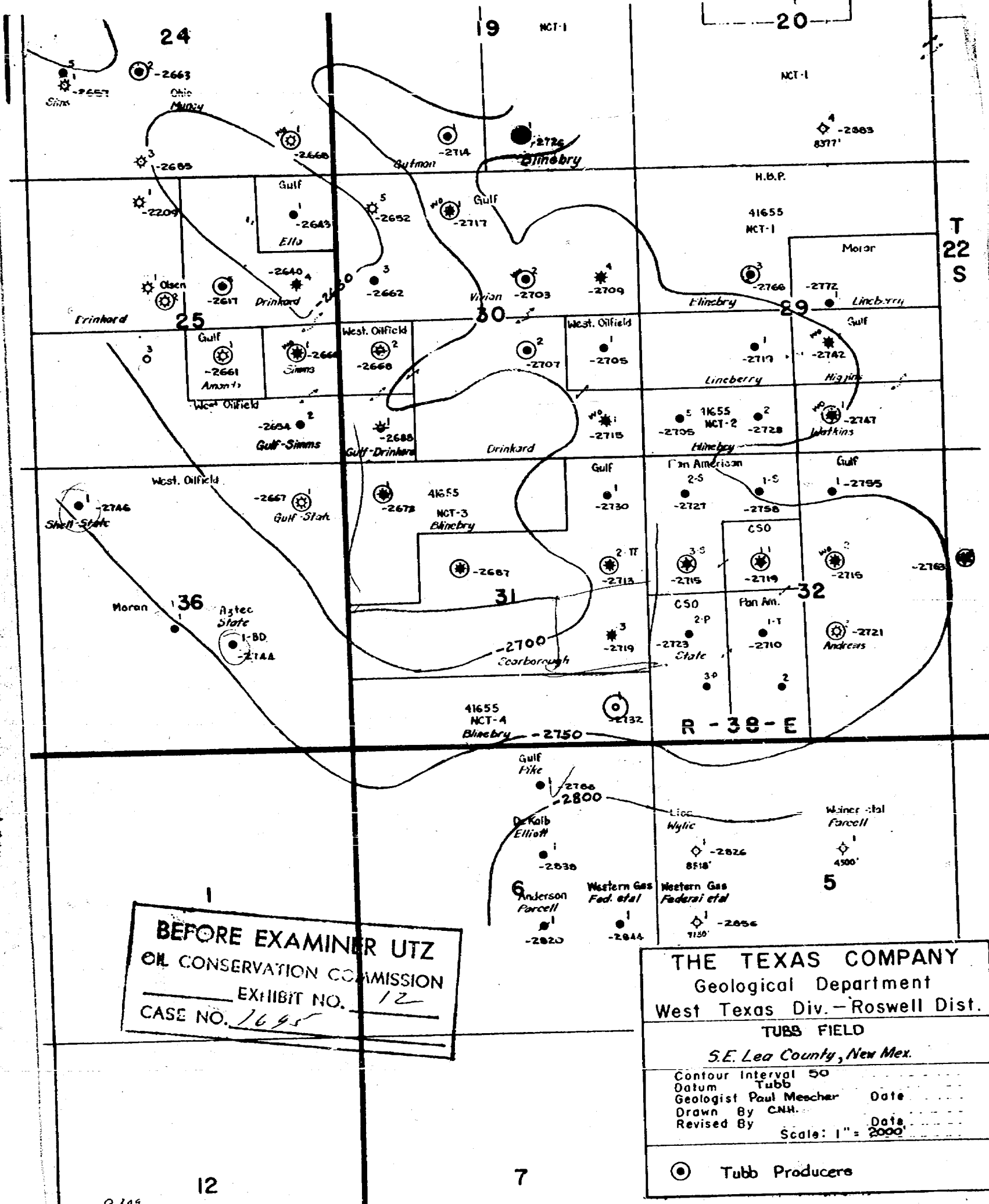
- B (O) - Blinebry Oil
- B (G) - Blinebry Gas
- T - Tubb Gas
- D - Drinkard
- P (S) - Paddock, South

**OFFSET OPERATORS**

Aztec Oil & Gas Company, Route 1, Box 385-C, Odessa, Texas  
 Cities Service Oil Company, Box 97, Hobbs, New Mexico  
 Gulf Oil Corporation, P.O. Drawer 669, Roswell, New Mexico  
 Pan American Petroleum Corporation, Box 899, Roswell, New Mexico  
 Western Oil Fields Inc., Box 1117, Hobbs, New Mexico  
 Western Natural Gas Company, 823 Midland Tower Bldg., Midland, Texas



Exh 12



BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 12  
CASE NO. 1695

THE TEXAS COMPANY  
Geological Department  
West Texas Div.-Roswell Dist.  
TUBB FIELD  
S.E. Lea County, New Mex.  
Contour Interval 50  
Datum Tubb  
Geologist Paul Mescher Date  
Drawn By C.N.H. Date  
Revised By Scale: 1" = 2000'  
Tubb Producers

DOCKET: EXAMINER HEARING AUGUST 5, 1959

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director.

Continued Case

CASE 1695:

Application of Texaco, Inc. for a triple completion, for permission to commingle the production from three separate pools, and for the establishment of two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its A. H. Blinebry NCT-4 Well No. 1, located in the SE/4 SE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit production from the Blinebry formation, production of gas from the Tubb Gas Pool, and production of oil from the Drinkard Pool through tubing, the annulus via cross-over, and tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in both the Tubb Gas Pool and Blinebry Gas Pool each consisting of the S/2 S/2 of said Section 31. Applicant further seeks permission to commingle the liquid production from the Blinebry, Tubb and Drinkard formations underlying said acreage.

NEW CASES

CASE 1365:

Application of Sunray Mid-Continent Oil Company for an amendment of Order No. R-1414. Applicant, in the above-styled cause, seeks an order amending Order No. R-1414 to include additional acreage in its Central Bisti LPG-Gas-Water Injection project in the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, and for permission to drill four additional water injection wells in said project and for permission to convert one additional well to gas injection in said project.

CASE 1731:

Application of Sunray Mid-Continent Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its D. Hardy Well No. 2, located 1980 feet from the North and East lines of Section 29, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock Pool and the production of oil from the Drinkard Pool through parallel strings of tubing.

CASE 1732:

Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lockhart B-11 Well No. 8-TB, located in the SW/4 SE/4 of Section 11, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Terry-Blinebry Oil Pool and the production of oil from the Drinkard Pool through parallel strings of tubing.

CASE 1733:

Application of Kersey and Company for a pilot water flood project, for several unorthodox locations for wells in said project, for administrative procedure for conversion of additional wells to water injection, and for a project allowable. Applicant, in the above-styled cause, seeks an order authorizing a pilot water flood project in the 2000-foot sand zone of the Grayburg formation underlying its Twin Lakes Lease comprising the SW/4 of Section 28, Township 18 South, Range 28 East, Eddy County, New Mexico.

Docket No. 28-59

Applicant further seeks the approval of unorthodox locations for three wells which would be placed on water injection immediately and the approval of an administrative procedure whereby several other wells on said lease may be converted to water injection without notice and hearing. Applicant further requests a project allowable for the acreage involved.

CASE 1734:

Application of Kersey and Company for a water injection-oil production dual completion on an unorthodox location, and for an additional injection well. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Featherstone Well No. 2, located on an unorthodox location, 1060 feet from the North line and 250 feet from the East line of Section 29, Township 18 South, Range 28 East, Eddy County, New Mexico, in such a manner as to permit the injection of water into the Grayburg sand at approximately 2000 feet and the production of oil from the Premier zone of the Grayburg sand at approximately 2230 feet. Applicant further seeks authority to inject water into a new well to be drilled 330 feet from the North line and 990 feet from the East line of said Section 29. Applicant states that Graridge Corporation is presently injecting water offsetting this tract.

Case 1695

GILBERT, WHITE AND GILBERT  
ATTORNEYS AND COUNSELORS AT LAW  
BISHOP BUILDING  
SANTA FE, NEW MEXICO

CARL H. GILBERT  
L. C. WHITE  
WILLIAM W. GILBERT  
SUMNER S. KOCH  
EDWIN E. PIPER, JR.

June 2, 1959

New Mexico Oil Conservation Commission  
Capitol Building  
Santa Fe, New Mexico

Attention: Mr. Peter Porter

Re: Application of Texaco Inc. for  
triple completion, comingling  
production, and for establishment  
of a non-standard gas proration  
unit.

Gentlemen:

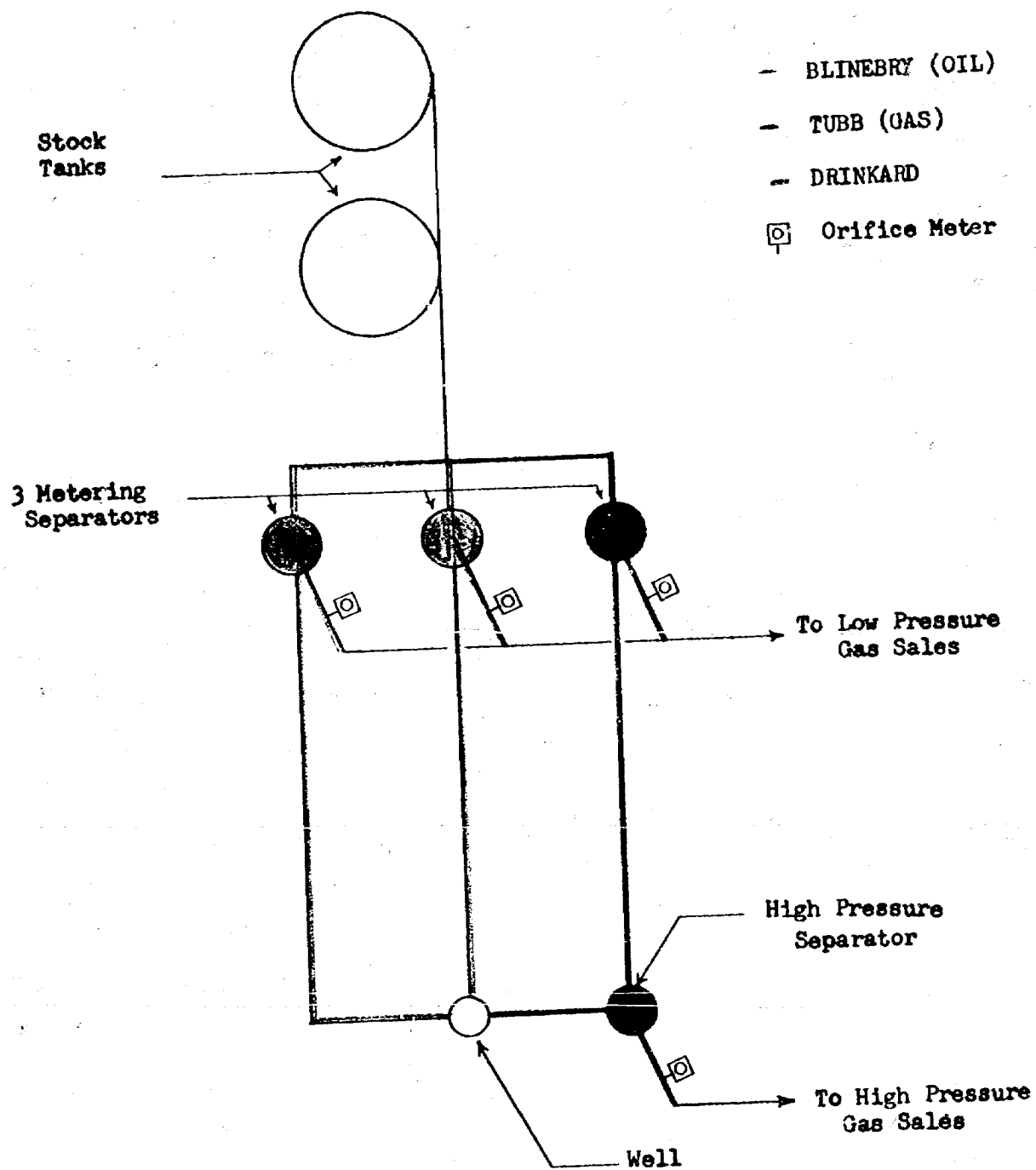
Enclosed herewith, for your information, is  
Schematic Diagram of the proposed hookup for comingling  
in reference to the above Application. We regret this  
diagram was not available at the time of filing the  
Application.

With kindest personal regards, I am

Very truly yours,

*L. C. White*  
L. C. WHITE

LCW:LG  
Enclosures



SCHEMATIC DIAGRAM OF PROPOSED HOOKUP FOR COMMINGLING,  
LIQUID AND GAS PRODUCTION  
BLINEBRY (OIL), TUBB (GAS) AND DRINKARD FIELDS  
TEXACO INC.  
A.H. BLINEBRY (NCT-1) LEASE SEC. 31, TWP.22S, R38E  
LEA COUNTY, NEW MEXICO

GILBERT, WHITE AND GILBERT  
ATTORNEYS AND COUNSELORS AT LAW  
BISHOP BUILDING  
SANTA FE, NEW MEXICO  
1 0 1

CARL H. GILBERT  
L. C. WHITE  
WILLIAM W. GILBERT  
SUMNER S. KOCH  
EDWIN E. PIPER, JR.

May 26, 1959

New Mexico Oil Conservation Commission  
Capitol Building  
Santa Fe, New Mexico

Attention: Mr. Peter Porter

Dear Mr. Porter:

Enclosed please find Texaco Inc.'s  
Application for triple completion, comingling  
production, and for establishment of a non-  
standard gas proration unit.

It will be appreciated if this could  
be set down for the June 24th hearing.

With kindest personal regards, I am

Sincerely,

*L. C. White*

L. C. WHITE

LCW:LG  
Enclosures: 2

*Noted  
mailed  
6-12-59  
JH*

GILBERT, WHITE AND GILBERT  
ATTORNEYS AT LAW  
SANTA FE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
TEXACO INC. FOR PERMISSION FOR THE  
TRIPLE COMPLETION OF ITS A. H.  
BLINEBRY NCT-4 WELL NO. 1 LOCATED  
IN THE S<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub> OF SECTION 31, TOWNSHIP  
22 SOUTH, RANGE 38 EAST, LEA COUNTY,  
NEW MEXICO; TO COMINGLE THE LIQUID  
PRODUCTION FROM THE DRINKARD, TUBB,  
AND BLINEBRY FORMATIONS INTO COMMON  
SURFACE STORAGE; AND TO ESTABLISH A  
NON-STANDARD GAS PRORATION UNIT CON-  
SISTING OF THE AFOREMENTIONED ACREAGE  
FOR THE GAS PRODUCTION FROM THE TUBB  
AND BLINEBRY FORMATIONS.

Case No. \_\_\_\_\_

APPLICATION

Comes now TEXACO INC. and makes application for an Order permitting  
the triple completion of its A. H. Blinebry NCT-4 Well No. 1 in the Drinkard,  
Tubb, and Blinebry formations; and to comingle into common surface storage  
the liquid production from the three zones; and for an Order authorizing a  
non-standard gas proration unit. In support of of its Application, Peti-  
tioner states:

1. Petitioner is the owner and operator of its lease comprising  
the S<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub> of Section 31, Township 22 South, Range 38 East, N.M.P.M., Lea  
County, New Mexico, and is the owner and operator of its A. H. Blinebry  
NCT-4 Well No. 1 located in Unit P of said Section 31.

2. That the subject well has not been completed but Petitioner has  
good cause to believe the Blinebry formation will be commercially productive  
and the Drinkard formation will be oil-productive and the Tubb formation will  
be gas-productive.

3. That a plat showing the location of the subject well and the  
names of all off-set operators is attached hereto marked EXHIBIT A and made  
a part hereof by reference.

4. That the proposed manner and method of installing the triple

GILBERT, WHITE AND GILBERT  
ATTORNEYS AT LAW  
SANTA FE, NEW MEXICO

1 completion is as shown on the attached EXHIBIT B which is made a part hereof  
2 by reference.

3 5. That in order to provide adequate lease storage facilities for  
4 the anticipated production without duplicating facilities and equipment  
5 Petitioner seeks an exception to O.C.C. Rule 309 for permission to comingle  
6 the liquid production from the subject zones involved into a common tank  
7 battery located upon the lease. To this end Petitioner is willing and able  
8 to provide and install such equipment as the Commission may deem necessary  
9 and proper.

10 6. That it is reasonable to believe that the Tubb and Blinebry  
11 formations will each be gas-productive and Petitioner requests that a non-  
12 standard gas proration unit be assigned to these zones consisting of con-  
13 tiguous quarter-quarter sections, namely, the aforementioned S<sub>1</sub>S<sub>2</sub><sup>1</sup> of Section  
14 31, Township 22 South, Range 38 East, Lea County, all of which acreage is  
15 reasonably presumed to be productive of gas from the two zones.

16 7. That the approval of the non-standard gas proration unit will  
17 not cause waste nor impair correlative rights but the approval of such unit  
18 will afford Petitioner the opportunity to reasonably recover its just and  
19 equitable share of the gas underlying its lease.

20 WHEREFORE, Petitioner prays that this matter be set down for hear-  
21 ing before this Commission or one of its Examiners; that notice thereof be  
22 given as required by law, and that upon evidence being adduced at such hear-  
23 ing the Commission issue an Order authorizing the triple completion, co-  
24 mingling into common storage, and the establishment of the non-standard gas  
25 proration unit, all as herein requested.

26 TEXACO INC.

27 BY GILBERT, WHITE AND GILBERT

28 By L. C. White  
29 L. C. White  
P. O. Box 787  
Santa Fe, New Mexico