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May 31, 1994

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

MAY 31 1994

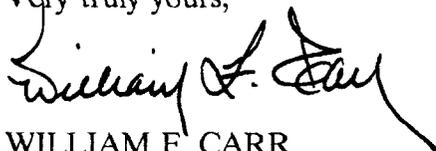
11005

Re: In the Matter of the Application of Texaco Exploration and Production Inc.  
for Abolishment of the North Teague-Lower Paddock-Blinebry Gas Pool,  
Creation of a New Oil Pool, and for Special Pool Rules, Lea County, New  
Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Texaco Exploration and Production Inc., in the  
above-referenced case as well as a copy of a legal advertisement. Texaco Exploration and  
Production Inc., respectfully requests that this matter be placed on the docket for the June  
23, 1994 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enc.: Todd Moehlenbrock

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF TEXACO EXPLORATION AND PRODUCTION  
INC. FOR ABOLISHMENT OF THE  
NORTH TEAGUE-LOWER PADDOCK-BLINEBRY  
GAS POOL, CREATION OF A NEW OIL POOL,  
AND FOR SPECIAL POOL RULES,  
LEA COUNTY, NEW MEXICO.

1993 1 1993

CASE NO. 11005

APPLICATION

TEXACO EXPLORATION AND PRODUCTION INC. ("Texaco"), through its undersigned attorneys, makes application to the New Mexico Oil Conservation Division for an order abolishing the North Teague-Lower Paddock-Blinebry Gas Pool, creating a new oil pool to include the Lower Paddock, Blinebry, Tubb, Drinkard and Abo formations and for the promulgation of Special Pool Rules and Regulations for this pool including a gas-oil ratio of 10,000 cubic feet of gas per barrel of oil produced and a special oil allowable of 400 barrels of oil per day and in support thereof states:

1. Texaco operates its B.F. Harrison "B" Well No. 5 located 1950 feet from the North line and 560 feet from the West line and its G.W. Sims Well No. 3 located 760 feet from the North line and 1900 feet from the East line both in Section 9, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico which were completed in the Lower Paddock-Blinebry formation in 1992 and 1993. These wells are the only wells currently producing from the North Teague-Lower Paddock-Blinebry Gas Pool which was created by Division Order No. R-9646 dated March 11, 1993 and the vertical limits extended to include the Lower Paddock formation by Division Order No. R-9937 dated August 17, 1993. Texaco

is the only operator in this pool.

2. Texaco operates the B.F. Harrison C No. 1 located 1840 feet from the South line and 670 feet from the West line of Section 9, and the F.B. Davis No. 3 located 1880 feet from the North line and 565 feet from the East line of Section 8, both in Township 23 South, Range 37 East, NMPM. Although each of these wells are completed in the Blinebry formation and appears to be completed in and producing from the same source of supply as the Harrison "B" Well No. 5 and the G.W. Sims No. 3 have been classified by the Division as Teague Blinebry Producers. The pool boundaries of the Teague Blinebry Oil Pool have not been expanded to include the acreage on which these wells are located.

3. Texaco also operates the F.B. Davis Well No. 1 located 660 feet from the North line and 500 feet from the East line of Section 8 and the G.W. Sims Well No. 1, located 510 feet from the North line and 2130 feet from the East line of Section 9 both in Township 23 South, Range 37 East. These wells have been classified by the Division as Teague Drinkard Producers. The pool boundaries of the Teague Drinkard Pool have not been expanded to include the acreage on which these wells are located.

4. The F.B. Davis Well No. 1 is dually completed in the Abo and Drinkard formations and has been classified by the Division as an Undesignated Abo well. The Division has granted this well a 60-day temporary Exception to Rule 112-A on multiple completions and a 60-day temporary allowable (letter dated April 18, 1994).

5. Data from the wells currently completed in the Lower Paddock-Blinebry, Drinkard, and Abo and wells currently being drilled and completed in the Tubb formation show that these formations can be produced together without damage to any of the

formations and should be produced as one pool.

6. A new pool should be created with vertical limits including the Lower Paddock-Blinebry, Tubb, Drinkard and Abo formations and with horizontal limits as follows:

**Township 23 South, Range 37 East, NMPM**

Section 8: E/2 NE/4

Section 9: NW/4, W/2 NE/4, N/2 SW/4

7. Wells in these formations are produced under state-wide rules which limit production to 107 BOPD for Lower Paddock-Blinebry formations, 142 BOPD for Tubb, Drinkard, and Abo formations and set a GOR limit of 2000:1.

8. Operating this pool under current rules is not depleting the reservoir in an efficient and timely manner.

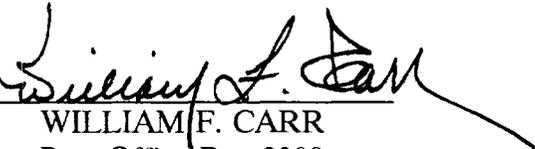
9. Texaco seeks the promulgation of Special Rules and Regulations for this pool which will increase the limiting GOR to 10,000:1 and a special oil depth bracket allowable for this pool of 400 BOPD.

10. Approval of this application will be in the best interest of conservation, will prevent waste and will protect correlative rights.

WHEREFORE, Texaco Exploration and Production Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on June 23, 1994 and, after notice and hearing as required by law, the Division enter its order approving this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:   
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ATTORNEYS FOR TEXACO EXPLORATION  
AND PRODUCTION INC.

11005  
CASE 11005:

Application of Texaco Exploration and Production Inc. for abolishment of the North Teague-Lower Paddock-Blinebry Gas Pool, creation of a new oil pool, and for Special Pool Rules, Lea County, New Mexico. Applicant, in the above styled cause, seeks the abolishment of the North Teague-Lower Paddock-Blinebry Gas Pool and the creation of a new pool for oil production from the Lower Paddock-Blinebry, Drinkard and Abo formations in portions of Sections 8 and 9, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico. Applicant also seeks the adoption of Special Rules and Regulations for this new pool including a gas-oil ratio of 10,000 cubic feet of gas per barrel of oil produced and a special depth bracket allowable of 400 barrels of oil per day. Said pool is located approximately \_\_\_ miles \_ \_\_\_ of \_\_\_\_\_, New Mexico.

11005