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June 14, 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

FILED
JUN 14 1994
OIL CONSERVATION DIVISION
11018

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

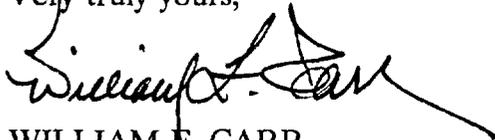
In the Matter of the Application of Texaco Exploration and Production Inc. for Creation of a New Pool in the Tubb formation, Classification of this Pool as an Associated Pool and the Promulgation of Special Pool Rules, Lea County, New Mexico

In the Matter of the Application of Texaco Exploration and Production Inc. for Creation of a New Pool in the Drinkard and Abo formations and the Promulgation of Special Pool Rules, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate are the Applications of Texaco Exploration and Production Inc., in the above-referenced cases as well as a copies of the legal advertisement. Texaco Exploration and Production Inc., respectfully requests that these matters be placed on the docket for the July 7, 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 CREATION OF A NEW POOL IN THE
DRINKARD AND ABO FORMATIONS AND THE
PROMULGATION OF SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

CASE NO. 11018

APPLICATION

TEXACO EXPLORATION AND PRODUCTION INC. ("Texaco"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for the creation of a new pool for the production of oil from the Drinkard and Abo formations, and the promulgation of Special Pool Rules and Regulations for the pool including a special limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil produced and in support hereof states:

1. Texaco operates its F.B. Davis Well No. 1 in the NW/4 NE/4 of Section 8 which is dually completed in the Drinkard formation and Abo formation and the G.W. Sims Well No. 1 in the NW/4 NE/4 of Section 9, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico which is completed in the Drinkard formation. Although the boundaries of the Teague-Drinkard Pool have not been extended to include this acreage, both the F.B. Davis Well No. 1 and the G.W. Sims Well No. 1 are classified as Teague-Drinkard Pool producers. The Abo production from the F.B. Davis No. 1 is classified as undesignated Abo production.

2. Data from these wells shows that the Drinkard and Abo formations can be produced together without damage to either of the formations and they should be produced as one pool.

3. The Drinkard and Abo formations under this acreage constitute a separate source of supply for which no pool has been created by the Division.

4. The proposed horizontal limits of this pool should include the following acreage:

Township 23 South, Range 37 East, NMPM

Section 8: NE/4 NE/4

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

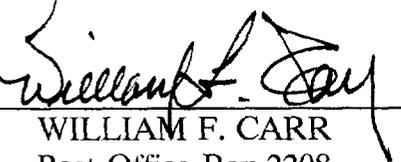
5. Texaco also seeks the promulgation of Special Rules and Regulations for this Pool including a special gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil produced.

6. Approval of this application will result in the efficient and effective development of the Drinkard and Abo formations in the area affected by this application and will otherwise be in the best interest of conservation, the prevention of waste and the protection of 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 July 7, 1994 and that, 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.

CASE _____: Application of Texaco Exploration and Production Inc. for creation of a new pool in the Drinkard and Abo formations, and for Special Pool Rules, Lea County, New Mexico. Applicant seeks the creation of a new oil pool in the Drinkard and Abo formations, underlying the NE/4 NE/4 of Section 8 and the NW/4 NE/4 of Section 9, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico. Applicant also seeks the promulgation of Special Rules and Regulations for the pool including a special gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil produced. Said area is located approximately 8 miles south of Eunice, New Mexico.

11018

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