



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

May 5, 1989

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Mr. Scott Hall
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 9659
ORDER NO. R-8810-A

Applicant:

Texaco Producing, Inc.

Dear Sir:

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

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD _____ x
Artesia OCD _____ x
Aztec OCD _____

Other _____

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9659
Order No. R-8810-A

APPLICATION OF TEXACO PRODUCING
INC. TO AMEND DIVISION ORDER NO.
R-8810, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 26, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 5th day of May, 1989, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Order No. R-8810, dated December 9, 1988, the Division authorized Texaco Producing Inc. to surface commingle production, without separate metering, from the Lovington-Abo and Lovington Grayburg-San Andres Pools on its State "P" Lease, comprising the S/2, S/2 NW/4, and the NW/4 NW/4 of Section 32, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) The applicant, Texaco Producing Inc., seeks an amendment to said Order No. R-8810 to include authorization to surface commingle production from the Northeast Lovington-Pennsylvanian Pool with the currently commingled production as described in Finding No. (1) above.

(4) The evidence presented indicates that the applicant has recently drilled and completed its State "P" Well No. 14 in the Northeast Lovington-Pennsylvanian Pool, and that said well is currently capable of producing approximately 140 barrels of oil per day and 153 MCF gas per day.

(5) The applicant proposes to meter the production from the State "P" Well No. 14 prior to commingling and to continue to allocate production from the Lovington-Abo and Lovington Grayburg-San Andres Pools by means of monthly well tests.

(6) The working interest between the wells producing from all three of the subject pools is not common.

(7) The applicant has obtained waivers of objection to the proposed amendment from all working interest owners on the subject State "P" Lease, and has further obtained approval of the proposed amendment from the Commissioner of Public Lands for the State of New Mexico, the royalty interest owner underlying the subject acreage.

(8) Evidence further indicates that there will be no loss of value of the production from the proposed commingling.

(9) Approval of the proposed amendment will allow the applicant the opportunity to produce the wells on the subject lease without unnecessary expense and will protect the correlative rights of all interest owners on the subject lease.

IT IS THEREFORE ORDERED THAT:

(1) Ordering Paragraph Nos. 1 and 2 of Division Order No. R-8810 are hereby amended to read in their entirety as follows:

"(1) The applicant, Texaco Producing Inc., is hereby authorized to surface commingle Lovington-Abo, Lovington Grayburg-San Andres, and Northeast Lovington-Pennsylvanian Pool production from the State "P" Lease comprising the S/2, S/2 NW/4, and the NW/4 NW/4 of Section 32, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

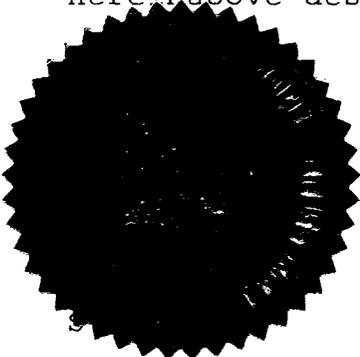
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(2) Production from the Northeast Lovington-Pennsylvanian Pool shall be separately metered prior to commingling, and the production from the Lovington-Abo and Lovington Grayburg-San Andres Pools shall be determined by means of monthly well tests."

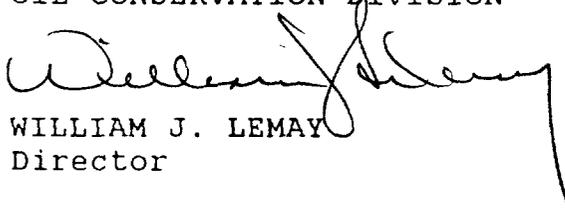
(2) All other provisions contained in Order No. R-8810 shall remain in full force and effect.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director