



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 89241-1980  
(505) 293-6161

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC \_\_\_\_\_  
DHC \_\_\_\_\_  
NSL \_\_\_\_\_  
NSP \_\_\_\_\_  
SWD \_\_\_\_\_  
WFX \_\_\_\_\_  
PMX \_\_\_\_\_

*over file? case 9164*

Gentlemen:

I have examined the application for the:

*Operator* *Lease # 2-31* *24-20-36*  
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

\_\_\_\_\_  
*Will require hearing*  
\_\_\_\_\_  
\_\_\_\_\_

Yours very truly,

*Jerry Sexton*  
Jerry Sexton  
Supervisor, District 1

/ed

**Chevron**



**Chevron U.S.A. Inc.**  
P.O. Box 670, Hobbs, NM 88240

June 25, 1987

*Handwritten:*  
JLC  
7-2-87  
M.C.

R. C. Anderson  
Production Manager  
Production Department  
Oil & Gas Division

NMOCD DOCKET NO. 21-87  
CASE NO. 9164  
PHILLIPS PETROLEUM COMPANY  
DOWNHOLE COMMINGLE APPLICATION  
EUMONT QUEEN & EUNICE MONUMENT  
GRAYBURG-SAN ANDRES PRODUCTION  
IN THEIR NEW WELL NO. 2,  
UNIT H, SECTION 26, T-20-S,  
R-36-E, LEA COUNTY, NM

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State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Attn: Mr. William J. LeMay, Director

Gentlemen:

This letter is to inform the Oil Conservation Division that Chevron U.S.A. Inc. currently has no objection to Phillips' application in the subject Case No. 9164. However, we do suggest that a requirement of separately testing each zone on a periodic basis, as determined by the Commission, be incorporated in any Orders which may grant approval for Phillips to downhole commingle as advertised in Case No. 9164, Docket No. 21-87.

Chevron is making this request in view of the fact that Phillips' new Well No. 2, for which the downhole commingling application is being made, directly offsets Chevron's Eunice Monument South Unit waterflood project. This waterflood project is currently injecting into the Eunice Monument - Grayburg - San Andres zone. It is conceivable that as the waterflood matures and fill-up is achieved, pressuring-up of this zone may occur thus causing a possible cross-flow into the depleted Eumont gas zone. This could result in possible future waste of oil resources.

Your consideration of this request in making your final Orders in Case No. 9164, Docket No. 21-87 would be appreciated.

Yours very truly,

*Handwritten signature of R. C. Anderson*  
R. C. ANDERSON

AWB-DBC/cjw

cc: Mr. Jerry Sexton  
District 1 Supervisor  
Oil Conservation Division  
P.O. Box 1980  
Hobbs, New Mexico 88240

Phillips Petroleum Company  
4001 Penbrook  
Odessa, Texas 79762