

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

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JUL - 8 1988

IN THE MATTER OF THE APPLICATION
OF HORIZON OIL & GAS COMPANY
FOR A NON-STANDARD OIL PRORATION
UNIT AND DOWN HOLE COMMINGLING,
LEA COUNTY, NEW MEXICO:

OIL CONSERVATION DIVISION

Case No. 9424

APPLICATION

Comes now the applicant, Horizon Oil & Gas Company, by and through its attorneys, Montgomery & Andrews, P.A., and requests approval of the down hole commingling of the Tubb, Blinebry and Paddock zones in its Anderson Well No. 1 located in Section 8, Township 20 South, Range 37 East, N.M.P.M. Lea County, New Mexico. In support of said application, applicant states:

1. Applicant is the operator of the Anderson Well No. 1 located 330 feet from the south line and 1980 feet from the east line of Section 8, Township 20 South, Range 37 East, N.M.P.M. Lea County, New Mexico.

2. Applicant desires to commingle the Tubb, Blinebry and Paddock zones within that well to increase the efficiency and ultimate recovery of reserves from that well.

3. Applicant further seeks the approval of a non-standard proration unit for the Tubb formation in the Anderson Well No. 1 which it proposes to commingle with the Blinebry and Paddock zones. The non-standard proration unit would be composed of the southwest quarter of the southeast quarter of Section 8 in the Monument-Tubb pool.

4. At the hearing of this matter applicant will propose the allocation of production from the commingled zones within the well to be:

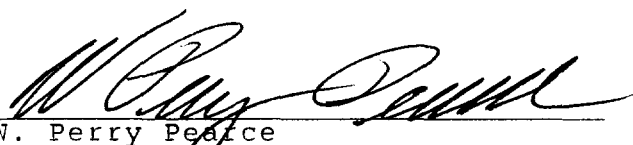
	<u>Oil Production</u>	<u>Gas Production</u>
Tubb Formation	21.6%	49.6%
Blinebry Formation	24.3%	25.2%
Paddock Formation	54.1%	25.2%

WHEREFORE, applicant Horizon Oil & Gas Company prays for an order of the Division permitting the down hole commingling of the Tubb, Blinebry and Paddock zones within the wellbore of the Anderson Well No. 1 located in the southwest quarter, southeast quarter of Section 8, Township 20 South, Range 37 East, N.M.P.M. Lea County, New Mexico. Applicant further prays that the Division enter its order, establish an allocation formula for oil and gas produced from this commingled well, and further that the Division enter its order approving a non-standard proration unit within the Tubb formation dedicated to this well. Such non-standard proration unit comprising the southwest quarter, southeast quarter of said Section 8.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By


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