

**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. 3344 (Reopened)  
Order No. R-3007-A**

**APPLICATION OF TEXACO INC. FOR  
AMENDMENT OF DIVISION ORDER NO.  
R-3007, LEA COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on April 2 and 30, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of May, 1992, 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-3007 issued in Case No. 3344 on December 3, 1965, the Division, upon application of Texaco Inc., approved the West Vacuum Unit Agreement comprising some 2,000 acres, more or less, of State lands in portions of Townships 17 and 18 South, Range 34 East, NMPM, Lea County, New Mexico, for the purpose of initiating and conducting secondary recovery operations.

(3) The applicant, Texaco Inc., seeks to amend the West Vacuum Unit Agreement and thereby Order No. R-3007, by revising the definition of the "Unitized Formation" as originally incorporated in said agreement.

(4) According to evidence presented, the original "Unitized Formation" comprised portions of the Grayburg-San Andres formation which occur between the log depths, measured from the kelly bushing, of 4,213 feet and 4,750 feet in the Texaco Inc. State "V" Well No. 8 located 660 feet from the North and West lines (Unit D) of Section 34, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, as shown on the Schlumberger Gamma Ray-Neutron Log run on said well.

(5) The applicant now proposes that the "Unitized Formation" comprise portions of the Queen, Grayburg and San Andres formations which occur between the log depths, measured from the derrick floor, of 4,004 feet and 4,774 feet in the Texaco Inc. West Vacuum Unit Well No. 13 located 330 feet from the North line and 660 feet from the East line (Unit A) of Section 34, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, as shown on the Gamma Ray-Neutron Log run on said well.

(6) According to applicant's evidence and testimony, the "Unitized Formation" was originally intended to include the entire interval as described in Finding No. (5) above, however, due to the difficulty in correlating the San Andres formation between logs and due to the thickening of the reservoir in the unit area, such intent was not originally implemented.

(7) According to further evidence, the revenue from production from the unit area has historically been distributed among the various interest owners as if the "Unitized Formation" comprised the entire interval as now proposed by the applicant.

(8) As of the date of the hearing, approximately 99.8% of the working interest owners in the West Vacuum Unit have approved the applicant's proposed expansion of the "Unitized Formation".

(9) No interest owner appeared at the hearing in opposition to the application.

(10) Approval of the proposed amendment will allow the applicant the opportunity to recover hydrocarbons which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

(11) Pursuant to Part (4) of the West Vacuum Unit Agreement, the applicant is in the process of obtaining approval for the proposed amendment from the Commissioner of Public Lands for the State of New Mexico.

(12) Approval of the proposed expansion should become effective as per the terms of Part (4) of the West Vacuum Unit Agreement and upon approval of such expansion from the Commissioner of Public Lands for the State of New Mexico.

(13) The applicant should be required to file with the Division copies of the "Amendment to the Unit Agreement for the West Vacuum Unit Area" executed by the various working interest owners in said unit.

**IT IS THEREFORE ORDERED THAT:**

(1) The application of Texaco Inc. for an amendment to the West Vacuum Unit Agreement, originally approved by Division Order No. R-3007, to provide for expansion of the "Unitized Interval" is hereby granted.

(2) The "Unitized Interval" shall hereinafter comprise portions of the Queen, Grayburg and San Andres formations which occur between the log depths, measured from the derrick floor, of 4,004 feet and 4,774 feet in the Texaco Inc. West Vacuum Unit Well No. 13 located 330 feet from the North line and 660 feet from the East line (Unit A) of Section 34, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, as shown on the Gamma Ray-Neutron Log run on said well.

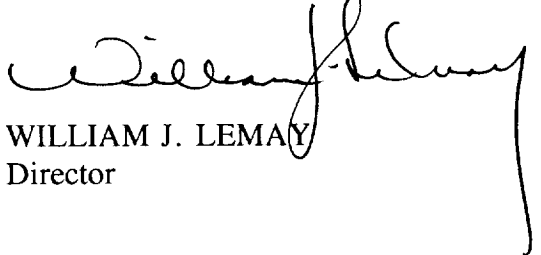
(3) The expansion of the "Unitized Interval" shall become effective as per the terms of Part (4) of the West Vacuum Unit Agreement and upon approval of such expansion from the Commissioner of Public Lands for the State of New Mexico.

(4) The applicant shall file with the Santa Fe Office of the Division copies of the "Amendment to the Unit Agreement for the West Vacuum Unit Area" executed by the various working interest owners in said unit.

(5) Jurisdiction is hereby 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

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