



Texaco E & P

TEPI CONSERVATION DIVISION
RECEIVED

1995 NOV 5 AM 8 52
PO Box 1980
Hobbs NM 88241-0730
505 393 7191

October 31, 1995

Attn: Mr. William J. LeMay Mr. J. T. Sexton
NMOCD NMOCD
PO Box 2088 PO Box 1980
Santa Fe, NM 87501 Hobbs, NM 88240

**RE: Application for Unorthodox North Teague Tubb- Ass. Gas Well Location
and Simultaneous Dedication
F. B. Davis #1
North Teague Tubb-Associated
UL A, Sect. 8, Town. 23S, Range 37E
Lea County, New Mexico**

Dear Mr. LeMay and Mr. Sexton:

Texaco Exploration and Production Inc. respectfully requests administrative approval for an unorthodox Tubb gas well location for the F. B. Davis #1, located 660' FNL, and 500' FEL, section 8, Township 23S, and Range 37E. The F. B. Davis #1 is currently completed in the Drinkard-Abo formation and has reached it's economic limit. TEPI intends to recomplete the subject well uphole to the Tubb gas pool. TEPI also requests simultaneous dedication of the Tubb gas production from the F. B. Davis #1 with the production from F. B. Davis #5. The F. B. Davis #5 is a Tubb gas well that is currently dedicated to an existing 160 acre proration unit comprised of the NE corner of section 8.

Attached is NMOCD form C102 identifying the proposed situation on the subject 160 acre proration unit. Also attached is a list of offset operators and/or co-owners for this unit.

TEPI believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of Tubb gas reserves from the subject acreage.

TEPI has notified offset operators of this application by copy of this application package sent by certified mail. If you need further information concerning this matter, please contact me at (505) 397-0426. Thank you for your consideration of this proposal.

Sincerely,

Darrell J. Carriger
Engineer Assistant

djc
Attachments

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 025 32495	² Pool Code 96315	³ Pool Name N. Teague Tubb Associated
⁴ Property Code 13195	⁵ Property Name DAVIS, F. B.	
⁷ OGRID Number 022351	⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC.	⁶ Well No. 5
		⁹ Elevation GR-3319', KB-3331'

¹⁰ Surface Location

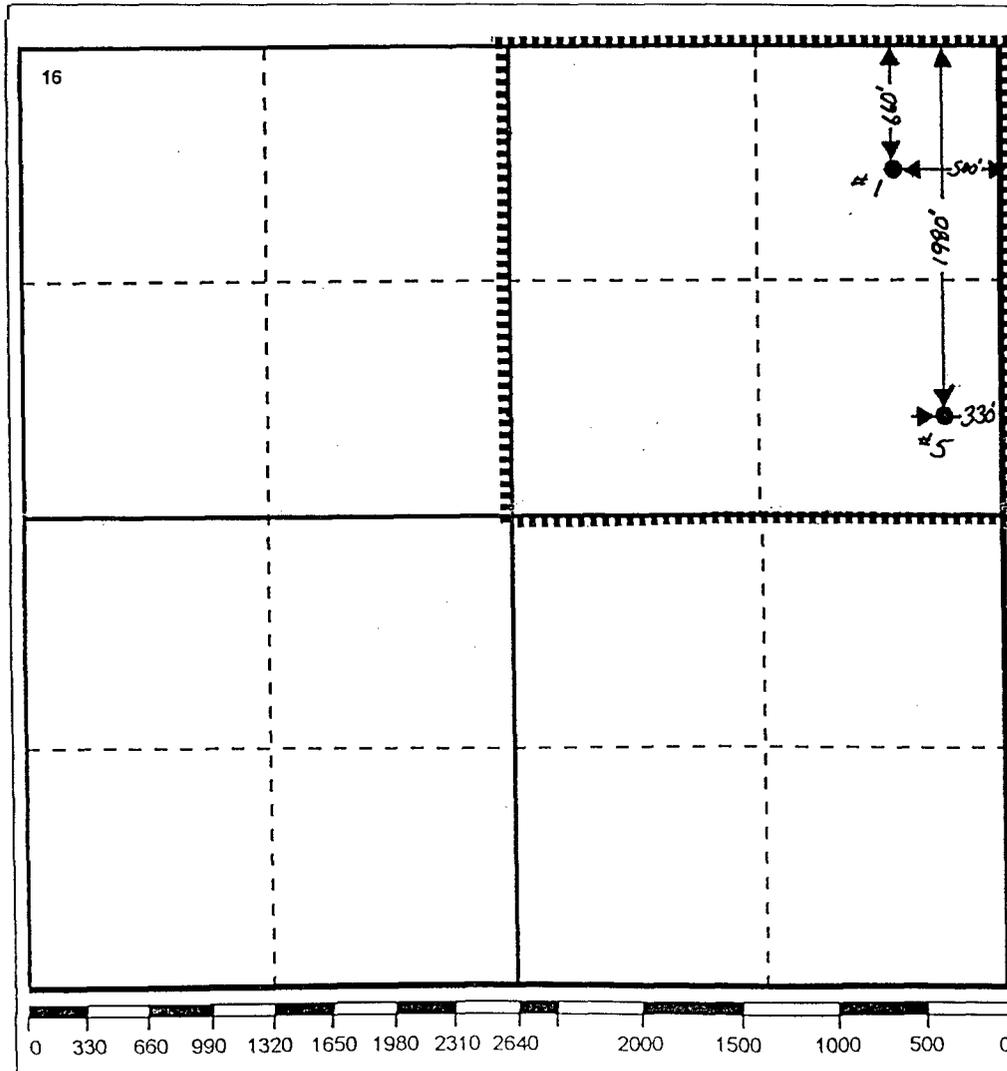
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
H	8	23-S	37-E		1980	NORTH	330	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County

¹² Dedicated Acres 160	¹³ Joint or Infill No	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Printed Name

Darrell J. Carriger

Position

Engineering Assistant

Date

10/4/95

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994

DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 025 32226		² Pool Code 96315		³ Pool Name North Teague Tubb - Associated	
⁴ Property Code 13195		⁵ Property Name DAVIS, F. B.			⁶ Well No. 1
⁷ OGRID Number 022351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC.			⁹ Elevation GR-3323', KB-3337'

¹⁰ Surface Location

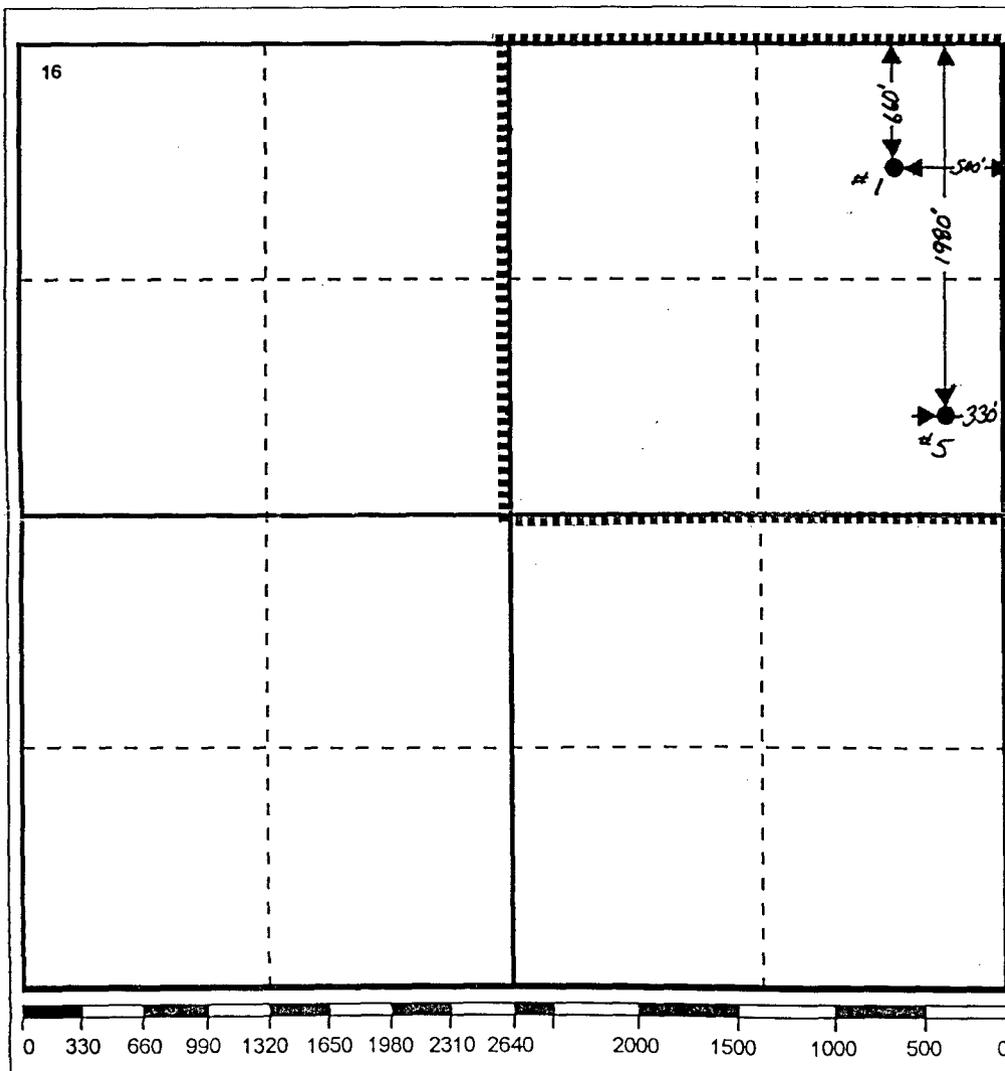
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
A	8	23-S	37-E		660	NORTH	500	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County

¹² Dedicated Acres 160	¹³ Joint or Infill No	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
Signature <i>Darrell J. Carriger</i>
Printed Name Darrell J. Carriger
Position Engineering Assistant
Date 10/4/95
18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.
Date Surveyed
Signature & Seal of Professional Surveyor
Certificate No.

DISTRICT I
P.O. Box 1983, Hobbs, NM 88241-1980
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address TEXACO EXPLORATION & PRODUCTION INC. P.O. BOX 730, HOBBS, NM 88240		² OGRID Number 022351
		³ API Number 30 025 32226
⁴ Property Code 13195	⁵ Property Name DAVIS, F. B.	⁶ Well No. 1

⁷ Surface Location

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
A	8	23-S	37-E		660	NORTH	500	EAST	LEA

⁸ Proposed Bottom Hole Location If Different From Surface

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
⁹ Proposed Pool 1 North Teague Tubb Associated					¹⁰ Proposed Pool 2				

¹¹ Work Type Code P	¹² WellType Code G	¹³ Rotary or C.T. R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation GR-3323', KB-3337'
¹⁶ Multiple No	¹⁷ Proposed Depth 7700'	¹⁸ Formation Tubb	¹⁹ Contractor Unknown	²⁰ Spud Date 10/11/95

²¹ Proposed Casing and Cement Program

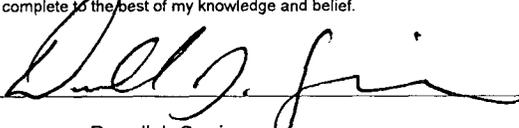
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
					SURFACE
14 3/4	11 3/4	42#	1180'	750	SURFACE
11	8 5/8	32#	3750'	1825	SURFACE
7 7/8	5 1/2	15.5#	7700'	1580	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Objective: Texaco intends to plug back the current Drinkard - Abo completion and recomplete to the North Teague Tubb Associated interval.

- MIRU. Install BOP. TOH with production equipment. Clean out wellbore to PBTD.
- RIH with CIBP and set 50' above uppermost Drinkard-Abo perforation. Cap with 35' cement. Re-classify Drinkard-Abo perforations to TA.
- Perforate the North Teague Tubb-Associated interval selectively (to be determined) with 2 jsf.
- Fracture stimulate interval with 58000 gallons gel + 203000# sand.
- Flow well back and return to production.
- Place on test.

Texaco will submit forms C-104 and C-105 at the completion of this workover.

²³ I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION
Signature 	
Printed Name Darrell J. Carriger	
Title Engineering Assistant	
Date 10/4/95 Telephone 397-0426	
Approved By:	
Title:	
Approval Date:	Expiration Date:
Conditions of Approval: Attached <input type="checkbox"/>	

**(NORTH TEAGUE DRINKARD-ABO (GAS-OIL RATIO) POOL -
Con'td.)**

(20) Production tests conducted on the Drinkard formation within the G. W. Sims Well No. 1 indicate that the well produces more efficiently on a larger choke setting and that the smaller choke setting results in higher GOR's.

(21) The test data further indicates that the G. W. Sims Well No. 1 produces more efficiently and recovers more liquid hydrocarbons at a gas-oil ratio limitation of approximately 10,000:1 than at lesser GOR's.

(22) The evidence available at the current time indicates that a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil should be established for a temporary period of time, pending the gathering of additional reservoir data.

(23) A gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil should be established for the North Teague Drinkard-Abo Pool for a temporary period of eighteen months to permit Texaco the opportunity to gather additional reservoir data. This case should be reopened at an examiner hearing in March, 1996, at which time the operators in the subject pool should be prepared to appear and show cause why a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil is appropriate, on a permanent basis, for the North Teague Drinkard-Abo Pool.

(24) At the hearing the applicant requested that the gas-oil ratio limitation established herein be made effective retroactive to February, 1994, being the date of first production from the G. W. Sims Well No. 1.

(25) The evidence presented in this case indicates that the North Teague Drinkard-Abo Pool will likely be very limited in extent and should ultimately only comprise acreage which is currently owned and operated by Texaco Exploration & Producing Inc. The applicant's request for a retroactive date for establishment of a 10,000:1 GOR should therefore not adversely affect any offset operator and should not adversely affect the reservoir, and should therefore be approved.

IT IS THEREFORE ORDERED THAT:

(1) Effective February 1, 1994, a new pool for the production of oil and gas from the Drinkard and Abo formations is hereby created and designated the North Teague Drinkard-Abo Pool. The North Teague Drinkard-Abo Pool shall comprise the NE/4 NE/4 of Section 8, and the N/2 NW/4 and the NW/4 NE/4 of Section 9, both in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The vertical limits of the North Teague Drinkard-Abo Pool shall comprise that interval containing the Drinkard and Abo formations as found from a depth of 6,346 feet to 7,160 feet as identified on the electric log run on the F. B. Davis Well No. 1 located in Unit A of Section 8, Township 23 South, Range 37 East, NMPM.

(3) Temporary Special Rules and Regulations for the North Teague Drinkard-Abo Pool are hereby promulgated as follows:

**TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE
NORTH TEAGUE DRINKARD-ABO POOL**

RULE 1. The limiting gas-oil ratio for the North Teague Drinkard-Abo Pool is 10,000 cubic feet of gas per barrel of oil.

(4) This case shall be reopened at an examiner hearing in March, 1996, at which time the operators in the subject pool should be prepared to appear and show cause why a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil is appropriate, on a permanent basis, for the North Teague Drinkard-Abo Pool.

(5) 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.

**NORTH TEAGUE-TUBB ASSOCIATED POOL
Lea County, New Mexico**

Order No. R-5353-P, Adopting Temporary Special Rules and Regulations for the North Teague-Tubb Associated Pool, Lea County, New Mexico, September 26, 1994.

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

Nomenclature
Case No. 11016
Order No. R-5353-P

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 8:15 a.m. on July 7, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 26th day of September, 1994, 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) Division Case Nos. 11016, 11017 and 11018 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Texaco Exploration and Production Inc. (Texaco), seeks the creation of a new "associated pool" for production from the Tubb formation comprising the NW/4 of Section 9, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) The applicant further seeks to adopt the "General Rules and Regulations for the Associated Oil and Gas Pools in Northwest and Southeast New Mexico", as promulgated by Division Order No. R-5353, as amended, as the rules governing this pool, including provisions for 40-acre oil and 160-acre gas spacing and proration units. The applicant further seeks to establish a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil for this pool.

(5) Texaco proposes to develop the Tubb oil and gas reserves within this area concurrently and in conjunction with the development of the oil and gas reserves within the Lower Paddock-Blinebry formations (being the subject of Division Case No. 11017), and the Drinkard-Abo formations (being the subject of Division Case No. 11018).

(6) The applicant has recently concluded drilling operations on its B. F. Harrison "B" Well No. 25 located 825 feet from the North line and 1980 feet from the West line (Unit C) of Section 9. This well was completed in the Tubb formation through the perforated interval from 6,084 feet to 6,234 feet in June, 1994.

(7) The subject well is located within one mile of the outer boundary of the Teague-Tubb Pool, an oil pool comprising the NE/4 of Section 17, Township 23 South, Range 37 East, NMPM.

(8) The applicant presented geologic evidence and testimony to support its position that the subject well has discovered a new common source of supply in the Tubb formation.

(NORTH TEAGUE-TUBB ASSOCIATED POOL - Cont'd.)

(9) Applicant's geologic evidence and testimony indicates that the proposed pool is:

a) a circular shaped feature of limited extent draped over a structural high centered approximately in the NW/4 of Section 9;

b) the reservoir trapping mechanism is a down structural limit of effective porosity within the Tubb formation which effectively isolates it and separates it from the Teague-Tubb Pool.

(10) The geologic and engineering evidence presented indicates that the B. F. Harrison "B" Well No. 25 has discovered a new common source of supply in the Tubb formation.

(11) The geologic and engineering evidence further indicates that the B. F. Harrison "B" Well No. 25 is located at the highest point of its structure feature, and that there is no indication that a gas cap exists or is being formed up-structure to any oil column.

(12) The applicant presented initial production test data from the B. F. Harrison "B" Well No. 25. This initial test data indicates a high gas-oil ratio producing rate ranging from approximately 18,000:1 to 47,000:1. Further testimony by the applicant indicates that during a recent four point test, the subject well produced at an average gas-oil ratio of approximately 20,000:1.

(13) The applicant contends that the occurrence of increased volumes of gas production in the B. F. Harrison "B" Well No. 25 is attributed to the presence of small higher porosity stringers in the Tubb formation which are both laterally and horizontally discontinuous.

(14) "Associated pools" have historically been defined as those pools that have a gas cap overlying an oil zone.

(15) Although the proposed pool does not exhibit the reservoir characteristics of an "associated pool", it appears to exhibit similar reservoir characteristics as found in the Blinebry Oil and Gas Pool and the Tubb Oil and Gas Pool, namely it is a complex reservoir system of interrelated gas-bearing and oil-bearing stringers.

(16) The proposed pool is located approximately 2 1/2 miles south of the southern boundary of the Tubb Oil and Gas Pool.

(17) Although not officially classified as "associated pools", the Blinebry Oil and Gas Pool and the Tubb Oil and Gas Pool are both essentially governed by the same rules applicable to "associated pools" as contained within Division Order No. R-5353, as amended, namely 40-acre oil and 160-acre gas spacing, a gas/oil ratio cutoff point in distinguishing between gas wells and oil wells of 50,000 cubic feet of gas per barrel of oil and restricted well location requirements.

(18) The reservoir data currently available indicates that the proposed pool should be initially classified as an "associated pool" and should be governed by the "General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico".

(19) The subject pool should be designated the North Teague-Tubb Associated Pool and should initially comprise the NW/4 of Section 9, Township 23 South, Range 37 East, NMPM.

(20) The preliminary reservoir data indicates that the North Teague-Tubb Associated Pool may be efficiently and effectively developed on 40-acre oil and 160-acre gas spacing. In addition, the evidence indicates that a gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil should be established for a temporary period of time, pending the gathering of additional reservoir data.

(21) The North Teague-Tubb Associated Pool should be governed by the "General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico", as promulgated by Division Order No. R-5353, as amended, for a temporary period of eighteen months to permit Texaco the opportunity to gather additional reservoir data. This

case should be reopened at an examiner hearing in March, 1996, at which time the operators in the subject pool should be prepared to appear and show cause why the North Teague-Tubb Associated Pool should not be reclassified as an oil pool and to show cause why a gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil is appropriate for this pool.

(22) At the hearing the applicant requested that the rules and regulations promulgated herein be made effective retroactive to the date of first production from the B. F. Harrison "B" Well No. 25, which, according to evidence presented, was approximately July 1, 1994.

(23) The applicant presented no evidence or testimony which would indicate that a retroactive effective date for the special rules promulgated herein is necessary, therefore this request should be denied.

IT IS THEREFORE ORDERED THAT:

(1) A new pool for the production of oil and gas from the Tubb formation is hereby created and designated the North Teague-Tubb Associated Pool, said pool to comprise the NW/4 of Section 9, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The North Teague-Tubb Associated Pool shall be governed by the "General Rules and Regulations for the Associated Oil and Gas Pools in Northwest and Southeast New Mexico", as promulgated by Division Order No. R-5353, as amended, insofar as said General Rules and Regulations are not inconsistent with the Special Rules and Regulations for the subject pool as hereinafter set forth, in which event the Special Rules shall apply.

TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE NORTH TEAGUE-TUBB ASSOCIATED POOL

RULE 2. (a) A standard oil proration unit shall comprise 40 acres. A standard gas proration unit shall comprise 160 acres. Top oil allowable for a 40-acre oil proration unit shall be 142 barrels of oil per day.

RULE 6. The limiting gas-oil ratio for the North Teague-Tubb Associated Pool shall be 6,000 cubic feet of gas per barrel of oil.

IT IS FURTHER ORDERED THAT:

(3) The location of all wells presently drilling to or completed in the North Teague-Tubb Associated Pool or in the Tubb formation within one mile thereof are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well within 30 days from the date of this order.

Pursuant to Paragraph A of Section 70-2-18, N.M.S.A. 1978 Comp., contained in Laws of 1969, Chapter 271, existing oil wells in the North Teague-Tubb Associated Pool shall have dedicated thereto 40 acres and existing gas wells shall have dedicated thereto 160 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating the appropriate acreage to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable until a non-standard spacing unit has been approved and, subject to said 60-day limitation, each well presently drilling to or completed in the North Teague-Tubb Associated Pool or in its corresponding vertical limits, or within one mile thereof, shall receive no more than a 40-acre allowable for the pool.

(4) This case shall be reopened at an examiner hearing in March, 1996, at which time the operators in the subject pool should be prepared to appear and show cause why the North Teague-Tubb Associated Pool should not be reclassified as an oil pool and to show cause why a gas-oil ratio limitation of 6,000:1 is appropriate for this pool.

(5) 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.