

CASE No.

4987

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Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & mc cormick

209 SIMMS BLDG. P.O. BOX 1092 • PHONE 243-8601 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
June 6, 1973

EXAMINER HEARING

IN THE MATTER OF:  
  
Application of Texaco, Inc.  
for down-hole commingling,  
Lea County, New Mexico.

Case No. 4987

BEFORE: Richard L. Stamets  
Examiner

TRANSCRIPT OF HEARING

1 MR. STAMETS: If there are no objections, we are  
2 going to take Cases 4987 and 4988 at this time.

3 MR. CARR: Case 4987, application of Texaco, Inc.  
4 for down-hole commingling, Lea County, New Mexico.

5 MR. KELLY: Booker Kelly of White, Koch, Kelly &  
6 McCarthy, Santa Fe, for the applicant. We have one  
7 witness, and ask that he be sworn.

8 (Whereupon, the witness was sworn.)

9 MR. STAMETS: Do you want to take both of these  
10 at the same time or call them separately?

11 MR. KELLY: I think we might as well call them  
12 separate. We have separate exhibits on them. They  
13 are pretty close.

14 KENDALL L. PETERS,  
15 was called as a witness and after being duly sworn, according  
16 to law, testified as follows:

17 DIRECT EXAMINATION

18 BY MR. KELLY:

19 Q Would you state your name and position and employer,  
20 please?

21 A Kendall L. Peters employed by Texaco, Inc., the District  
22 Production Engineer in Hobbs, New Mexico.

23 Q And you have previously qualified as an expert witness  
24 in your field before this Commission?

25 A Yes, sir. I have.

1 Q Referring to the plat of the field which has been marked  
2 Exhibit 1, would you briefly state what Texaco seeks  
3 by this application?

4 A Texaco requests that approval be granted to wellbore  
5 combing over fluids from the Blinebry, Tubb, and Drinkard  
6 Oil Pools in its A.H. Blinebry Well Number 20 in order  
7 to economically recover additional oil that would  
8 otherwise not be recovered under existing rules and  
9 regulations.

10 With Exhibit 1, this plat shows the A.H. Blinebry  
11 Tract 1 lease in yellow and Well Number 20 indicated by  
12 the red arrow. And this well is located in Unit E,  
13 Section 29, Township 22 South, Range 38 East, Lea County,  
14 New Mexico.

15 And this well was completed in January, 1965  
16 as a trim, tubingless completion as authorized by  
17 Commission Administrative Order Number MC-1574 dated  
18 December 29, 1964.

19 Q Now, on Exhibit 1, you have shown all wells within a  
20 two-mile radius of the subject well; is that correct?

21 A That is correct. Yes. This plat is limited to the  
22 Eastern extent by the Texas-New Mexico state line.

23 Q And Texaco controls actually all the zoning and acreage  
24 except for some acreage in Section 30 and Section 19;  
25 is that correct?

1 A Yes, that is correct.

2 Q All right, now. You have an Exhibit Number 2 which shows  
3 the present status, completion status of the well?

4 A Yes. Exhibit Number 2 shows the trim tubingless  
5 completion strings in the well. It shows that the  
6 9-5/8 casing was set at 1336 and that it was circulated,  
7 the cement was circulated, and that the cement top on  
8 the 2-7/8 casing strings were cemented with 800 sacks.  
9 The cement top is at 3660, and it shows the individual  
10 zones of interest and their perforated intervals.

11 All three zones are presently being produced by  
12 rod-type pumping equipment, rod and beam.

13 Q And Exhibit Number 3 is your proposed down-hole  
14 commingling installation?

15 A Yes, that is correct. This is similar to the present  
16 completion except that the interval from 4960 to 7076  
17 will be selectively perforated to provide down-hole  
18 commingling of the Blinbry and Tubb into the Drinkard  
19 strings, and this well will be produced with a rod and  
20 beam type pumping equipment placed in the Drinkard zone.

21 Q Now, Exhibit Number 4 is your data sheet that shows all  
22 of the relevant features for each of the pools. Would you  
23 hit the highlights on that for the Examiner?

24 A Yes. Basically, I have stated that all the zones are  
25 being produced by pumping mechanisms and that the estimated

1 bottomhole pressures of the three zones range from 350  
2 to 550 psi.

3 All of the crudes are sweet. The gas-oil ratio  
4 spans from 2,000 to 6,000 and the present test range  
5 from one barrel of no oil to six, that is, one barrel  
6 of oil and no water to six barrels of oil and one water.

7 These crudes are presently commingled on the surface  
8 as provided by Administrative Order PC-244 Amended 4472.  
9 And there will be no loss, and there has been no loss to  
10 the value of the crude or any damage to the formation  
11 from this surface commingling; and the ownership is  
12 common in the well.

13 Q Now, Exhibits 5 and 6 are the individual production  
14 curves on the three zones; is that correct?

15 A Yes, that's correct. Exhibit Number 5 is the performance  
16 curve of the Tubb Pool. It is presently at an 18 percent  
17 decline and below its economic limit.

18 The Blinebry Pool on Exhibit 6 is declining at a  
19 rate of 28 percent, and the Drinkard Pool rate is  
20 declining at a rate of 32 percent.

21 With these present performance values, it is  
22 recommended with the approval of the subject application  
23 that the following allocations be made on future oil  
24 and gas production:

25 That the Blinebry and Tubb zones would each receive

1 12-1/2 percent of the oil, and the Drinkard would receive  
2 75 percent of the allocation. On gas allocations, the  
3 Blinebry would have 10 percent. The Tubb would have  
4 35 percent, and the Drinkard would have 55 percent.

5 And in summary, the granting of this application  
6 will allow the recovery of an additional 12,100 barrels  
7 of oil from down-hole commingling these three zones  
8 and thereby extending their economic life with no  
9 detrimental effect to the crude, the value of the crude  
10 or the formation, well protecting correlative rights.

11 Q And these zones have fairly reached their economic limit  
12 at the present time, separately produced?

13 A Yes, sir. That's correct.

14 Q Were Exhibits 1 through 6 prepared by you or under your  
15 supervision?

16 A Yes, sir. They were.

17 MR. KELLY: We would move their introduction of  
18 Exhibits 1 through 6 at this time.

19 MR. STAMETS: Without objection, Exhibits 1 through  
20 6 will be admitted into evidence.

21 MR. KELLY: That completes our Direct testimony.

22 CROSS-EXAMINATION

23 BY MR. STAMETS:

24 Q Mr. Peters, I notice on your Exhibit Number 1 that there  
25 are two Tubb gas wells in the vicinity of the proposed

1 down-hole commingling. Well Number 17 immediately to  
2 the South is labeled as Blinebry-Tubb Gas, and then  
3 Well Number 7 two locations to the West.

4 Is there any chance that the Tubb zone in this well  
5 will turn to gas and should not be down-hole commingled?

6 A Not in the present perforated interval. It would be  
7 if the interval was that identical with Well Number 7 and  
8 17, but the interval in which it is perforated right now,  
9 it has been defined as a gas well and should remain so  
10 as an oil well. That is in Well Number 20.

11 Q What was the Order Number that authorized the original--

12 A That was an Administrative Order MC-1574, and this was  
13 dated December 29, 1964.

14 Q I understood you to say that 12-1/2 percent of the oil  
15 production should be allocated to each of the Blinebry  
16 and the Tubb zone; right?

17 A Yes, sir. This is based on present producing rates.

18 Q Okay. What was the gas percentage again?

19 A On the Blinebry it was 10 percent. The Tubb, 36 percent.  
20 In the Drinkard, 55 percent. Again, based on current  
21 rate.

22 Q Is it possible that after the commingling is actually  
23 accomplished in this well that the production rates  
24 might vary substantially there from what you had here  
25 individually in that these percentages might be changed

1 or would have any evidence to indicate that they should  
2 be changed at that stage?

3 A Based on similar applications and operations that have  
4 been performed in the past, there has been some flush  
5 production for a period of time; but it has essentially  
6 reached equilibrium within two to three months after  
7 the actual physical down-hole commingling of the zones.

8 Q And the Drinkard tubing is the tubing string that will be  
9 perforated in all three zones?

10 A Yes, sir. That's correct.

11 MR. STAMETS: Are there any other questions of  
12 this witness? He may be excused. We will take the case  
13 under advisement.

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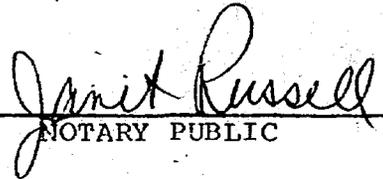
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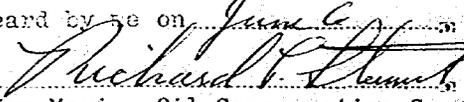
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1 STATE OF NEW MEXICO )  
 ) ss  
2 COUNTY OF BERNALILLO )

3 I, JANET RUSSELL, a Notary Public, in and for the  
4 County of Bernalillo, State of New Mexico do hereby certify  
5 that the foregoing and attached Transcript of Hearing before  
6 the New Mexico Oil Conservation Commission was reported by  
7 me; and that the same is a true and correct record of the  
8 said proceedings to the best of my knowledge, skill and  
9 ability.

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11   
12 NOTARY PUBLIC

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15 I do hereby certify that the foregoing is  
16 a complete record of the proceedings in  
17 the Examiner hearing of Case No. 7987  
18 heard by me on June 6, 1973  
19   
20 Examiner  
21 New Mexico Oil Conservation Commission  
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25I N D E XWITNESSPAGE

KENDALL L. PETERS

Direct Examination by Mr. Kelly 3

Cross-Examination by Mr. Stamets 7

E X H I B I T S

Applicant's Exhibit #1 7

Applicant's Exhibit #2 7

Applicant's Exhibit #3 7

Applicant's Exhibit #4 7

Applicant's Exhibit #5 7

Applicant's Exhibit #6 7



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 4987  
Order No. R-4554

APPLICATION OF TEXACO INC.  
FOR DOWNHOLE COMMINGLING,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 6, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of June, 1973, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Texaco Inc., is the owner and operator of the A. H. Blinebry Well No. 20, located in Unit E of Section 20, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of the above-described well and to produce the commingled production through a single string of tubing.
- (4) That from the Blinebry zone, the subject well is capable of low marginal production only.
- (5) That from the Tubb zone, the subject well is capable of low marginal production only.
- (6) That from the Drinkard zone, the subject well is capable of low marginal production only.
- (7) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(8) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(9) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, 12 percent of the commingled oil production should be allocated to the Blinebry zone, 12 percent of the commingled oil production to the Tubb zone, and 76 percent of the commingled oil production to the Drinkard zone, and that six percent of the commingled gas production should be allocated to the Blinebry zone, 24 percent of the commingled gas production to the Tubb zone and 70 percent of the commingled gas production to the Drinkard zone.

(11) That Administrative Order MC-1574 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to complete its A. H. Blinebry Well No. 20, located in Unit E of Section 20, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to commingle in the wellbore the production from the Blinebry, Tubb, and Drinkard Oil Pools and to produce said commingled production through a single string of tubing until further order of the Commission.

(2) That 12 percent of the commingled oil production shall be allocated to the Blinebry zone, 12 percent of the commingled oil production shall be allocated to the Tubb zone, and 76 percent of the commingled oil production shall be allocated to the Drinkard zone and that six percent of the commingled gas production shall be allocated to the Blinebry zone, 24 percent of the commingled gas production shall be allocated to the Tubb zone, and 70 percent of the commingled gas production shall be allocated to the Drinkard zone.

(3) That the operator of the subject well shall immediately notify the Commission's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

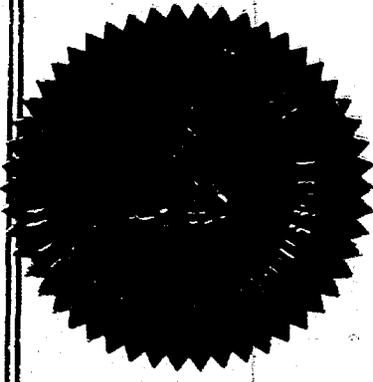
(4) That Administrative Order MC-1574 is hereby superseded.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-  
Case No. 4987  
Order No. R-4554

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*I. R. Trujillo*

I. R. TRUJILLO, Chairman

*Alex J. Armijo*

ALEX J. ARMIJO, Member

*A. L. Porter, Jr.*

A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 6, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for July, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico for July, 1973.

**CASE 4982:** Application of Brunson and McKnight for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Ojo Chiso Unit Area comprising 5,120 acres, more or less, of Federal and State lands in Township 22 South, Range 34 East, Lea County, New Mexico.

**CASE 4983:** Application of Gulf Oil Corporation for simultaneous well dedication and non-standard locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of two wells to a standard 640-acre gas proration unit comprising all of Section 35, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, said wells being the W. A. Ramsay (NCT-A) Wells Nos. 20 and 7 at non-standard locations in the center of Units E and N, respectively, of said Section 35.

**CASE 4749:** (Reopened)

In the matter of Case No. 4749 being reopened pursuant to the provisions of Order No. R-4338, which order established special rules and regulations for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units. All interested parties may appear and show cause why said pool should be developed on other than 40-acre units.

**CASE 4984:** Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Miller Federal Well No. 1 located in Unit G of Section 3, Township 21 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce gas from undesignated Atoka gas pool and from the Burton Flat-Morrow Gas Pool through the casing-tubing annulus, and tubing, respectively.

**CASE 4967:** (Continued and readvertised from the May 9, 1973 Examiner Hearing)

Application of John M. Etcheverry for dissolution of a standard proration unit and the creation of two non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks

(Case 4967 continued from page 1)

the dissolution of the standard 160-acre proration unit comprising the SW/4 of Section 29, Township 14 South, Range 34 East, West Tres Papalotes-Pennsylvanian Pool, Lea County, New Mexico, dedicated to the Mark Production Company Etcheverry Well No. 1 located in Unit L of said Section 29, and the creation of two non-standard 80-acre proration units, one comprising the N/2 and the other the S/2 of the SW/4 of said Section 29; the first unit would be dedicated to the aforesaid Etcheverry Well No. 1 and the second unit would be dedicated to a well proposed to be drilled in Unit M of said Section 29.

CASE 4985: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Pipeline Deep Unit Area comprising 3,862 acres, more or less, of federal lands in Township 19 South, Range 34 East, Lea County, New Mexico.

CASE 4986: Application of Dalport Oil Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the E/2 of Section 17, Township 12 South, Range 31 East, Chaves County, New Mexico, to be dedicated to a well to be drilled in Unit G of said Section 17. Also to be considered will be the cost of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, the establishment of charges for supervision of said well, and the designation of applicant as operator.

CASE 4987: Application of Texaco Inc. for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of its A. H. Blinebry Well No. 20 located in Unit E of Section 20, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 4988: Application of Texaco Inc. for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Tubb and Drinkard Oil Pools in the wellbore of its A. H. Blinebry Well No. 28 located in Unit A of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 4989: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of the general rules governing prorated gas pools in Northwest and Southeast New Mexico as promulgated by Order No. R-1670, as amended. Rule 15 of the aforesaid general rules would be amended to provide that if a well is

(Case 4989 continued from page 2)

overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months (or, in the case of a newly connected well or a well in a newly prorated pool, six times its average monthly allowable for the months available), it shall be shut in during that month and each succeeding month until it is overproduced in an amount less than six times its average monthly allowable, as determined above.

Rule 15 would be further amended to permit the Secretary-Director of the Commission to grant a pool-wide moratorium of up to three months on the shutting in of gas wells during periods of high demand emergency if a significant number of the wells in the pool are subject to being shut in.

CASE 4966: (Continued from the May 23, 1973 Examiner Hearing)

Application of Read & Stevens, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 36, Township 12 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled to the Queen formation in Unit B of said Section 36, in the Southeast Chaves Queen Gas Area. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 200 percent charge for risk involved in drilling said well.

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

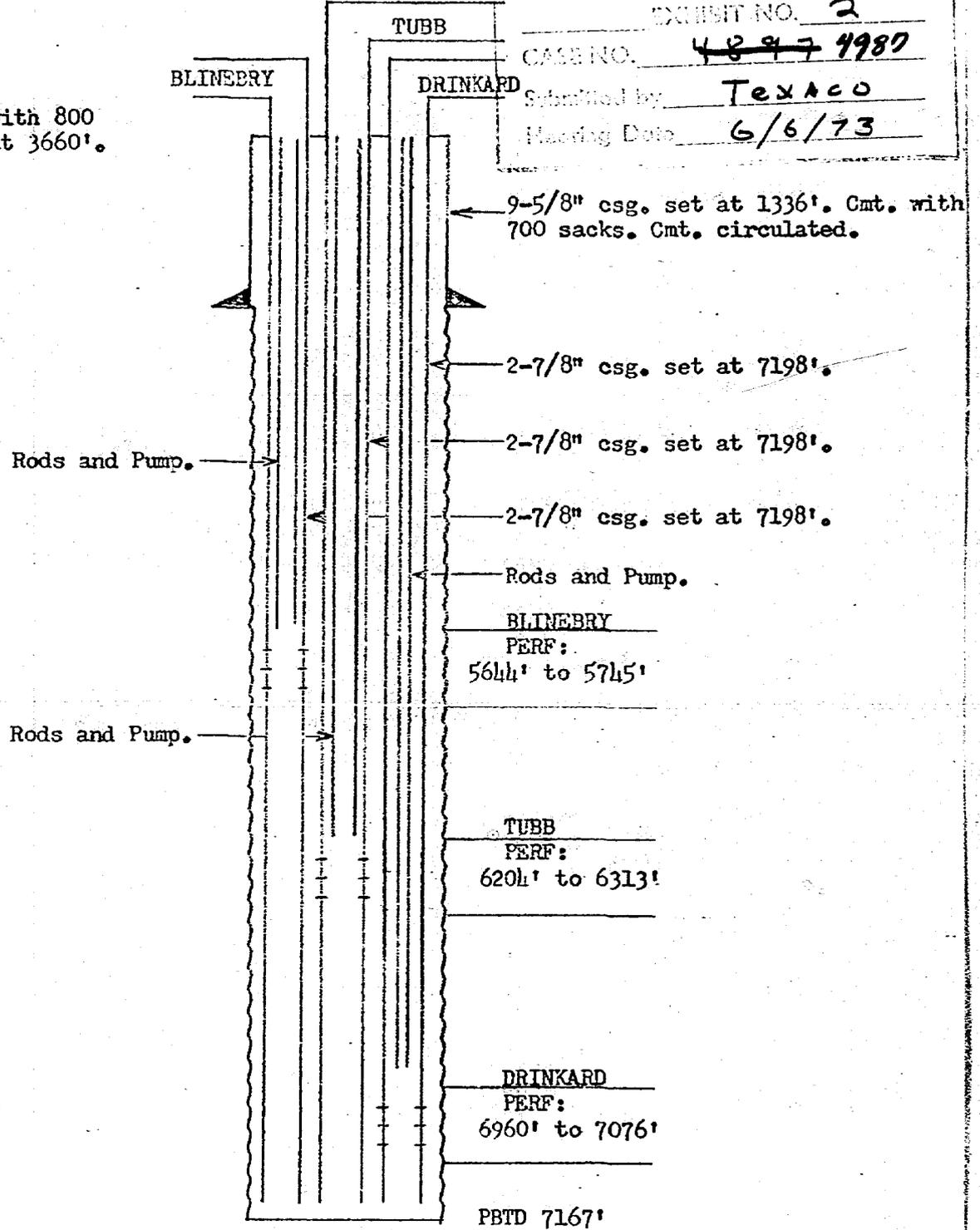
EXHIBIT NO. 2

CASE NO. 4897 4987

Submitted by Texaco

Filing Date 6/6/73

2-7/8" csg. cemented with 800  
sacks. Top of cement at 3660'.



PRESENT COMPLETION  
TEXACO INC.

A.H. BLINEBRY (NCT-1) WELL NO. 20  
BLINEBRY, TUBB AND DRINKARD POOLS  
LEA COUNTY, NEW MEXICO

BEFORE EXAMINER OF CLAIMS  
OIL CONSERVATION COMMISSION

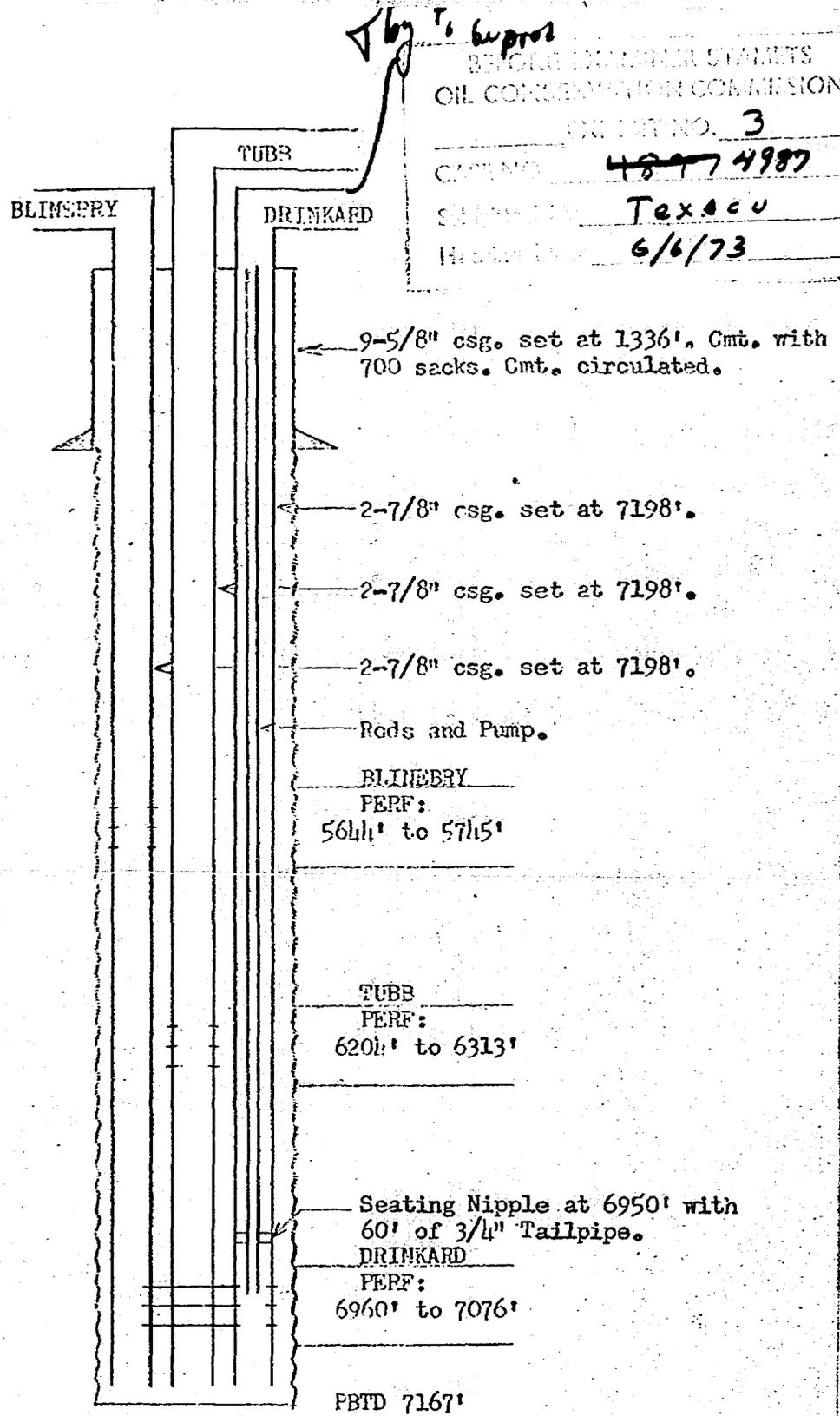
EXHIBIT NO. 3

CASE NO. ~~4877~~ 4987

STATE OF TEXAS

DATE 6/6/73

2-7/8" csg. cemented with 800  
sacks. Top of cement at 3660'.



PROPOSED COMPLETION  
TEXACO INC.

A.H. BLINEBRY (NCT-1) WELL NO. 20  
BLINEBRY, TUBB AND DRINKARD POOLS  
LEA COUNTY, NEW MEXICO

DATA SHEET FOR WELLBORE COMMINGLING

Operator: **TEXACO Inc.**

Address: **P.O. Box 728, Hobbs, New Mexico 88240**

Lease and Well No.: **A. H. Blinbry Federal NCT-1 Well No. 20**

Location: **Unit E, 1980 FML and 660 FWL, Sec. 20, T-22-S, R-38-E, Lea County, New Mexico**

WELL DATA

	Upper Pool	Middle Pool	Lower Pool
Name of Pool	<u>Blinbry</u>	<u>Tubb</u>	<u>Drinkard</u>
Producing Method	<u>Pumping</u>	<u>Pumping</u>	<u>Pumping</u>
BHP	<u>350-400 (Est.)</u>	<u>550 (Est.)</u>	<u>500 (Est.)</u>
Type Crude	<u>Sweet</u>	<u>Sweet</u>	<u>Sweet</u>
Gravity	<u>38.4</u>	<u>38.8</u>	<u>38.8</u>
GOR Limit	<u>6,000</u>	<u>2,000</u>	<u>6,000</u>
Completion Interval	<u>5,644-5,745</u>	<u>6,204-6,313</u>	<u>6,960-7,076</u>
Current Test Date	<u>5-10-73</u>	<u>5-16-74</u>	<u>5-12-73</u>
Oil	<u>1</u>	<u>1</u>	<u>6</u>
Water	<u>0</u>	<u>0</u>	<u>1</u>
GOR	<u>3,000</u>	<u>11,000</u>	<u>5,333</u>
Selling Price of Crude - \$/BBL.	<u>3.51</u>	<u>3.51</u>	<u>3.51</u>
Daily Income - \$/Day	<u>3.51</u>	<u>3.51</u>	<u>21.06</u>

COMMINGLED DATA:

Gravity of Commingled Crude 38.7

Selling Price of Commingled Crude - \$/BBL. 3.51

Daily Income - \$/Day 29.08

Net (Gain) (Loss) from Wellbore Commingling - \$/Day None-Crudes are now commingled on surface.  
based on current producing rates.

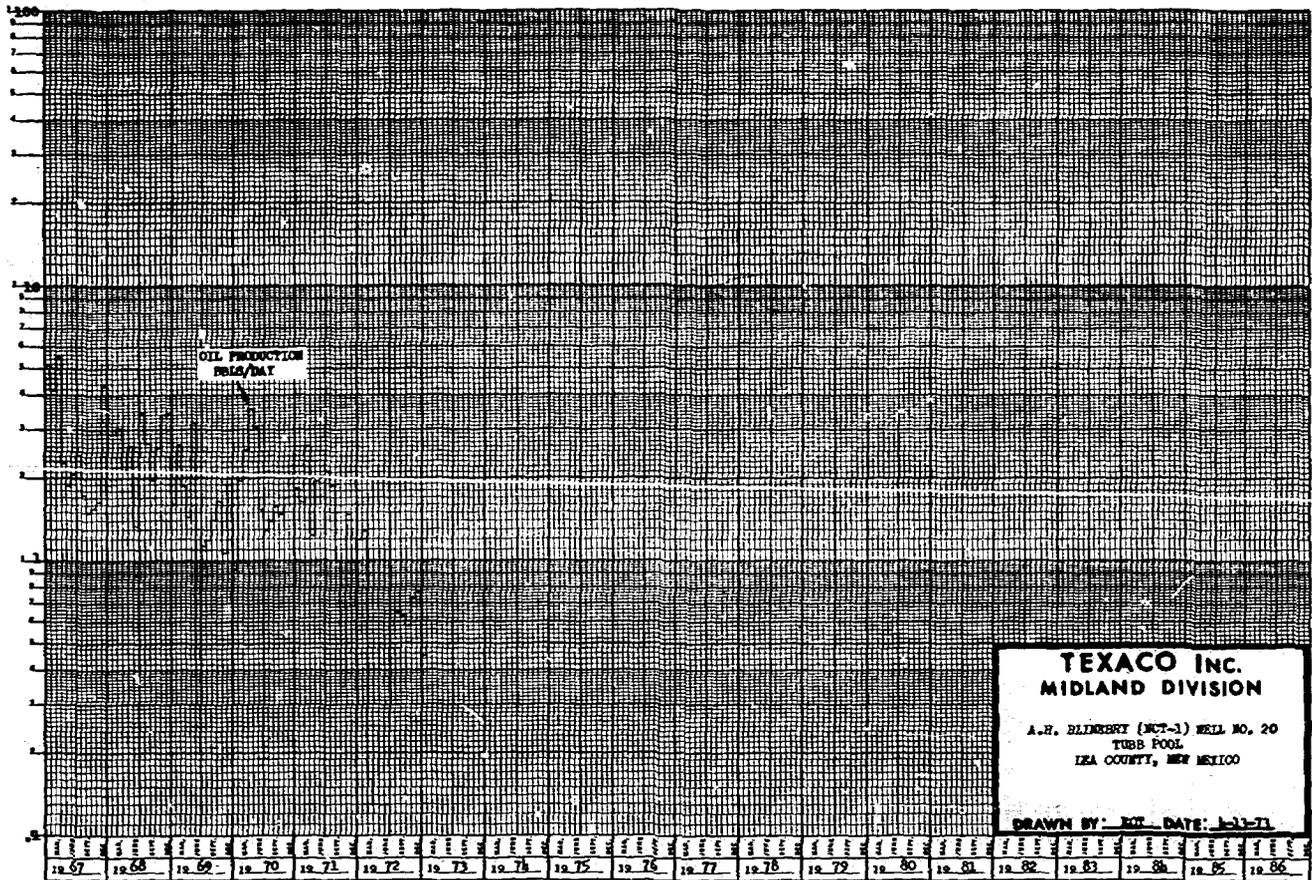
BYPASS THE OTHER STATES  
OIL COMMISSION OF NEW MEXICO

EXHIBIT NO. 4

CASE NO. 4899 9987

Submitted by TEXACO

Meeting Date 6/6/73



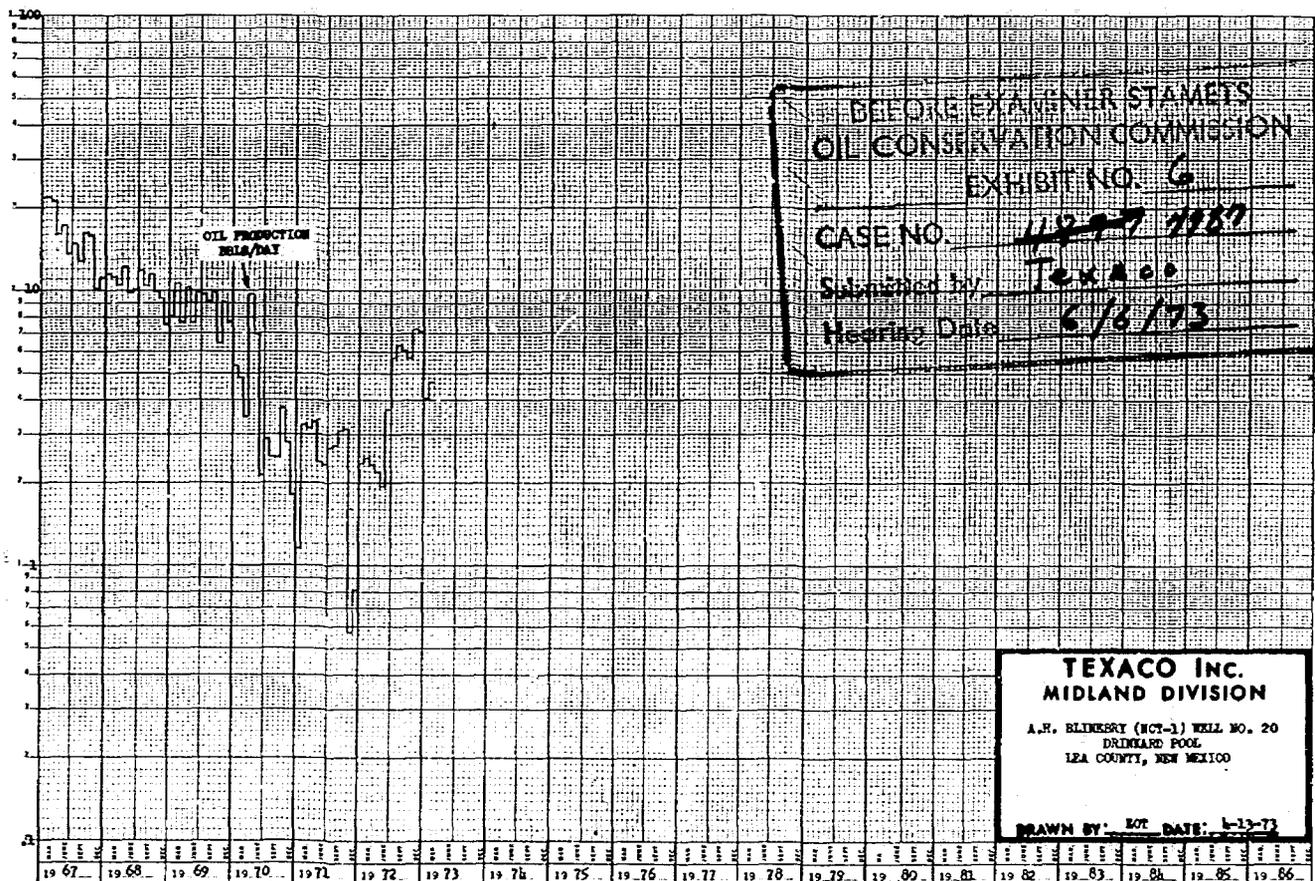
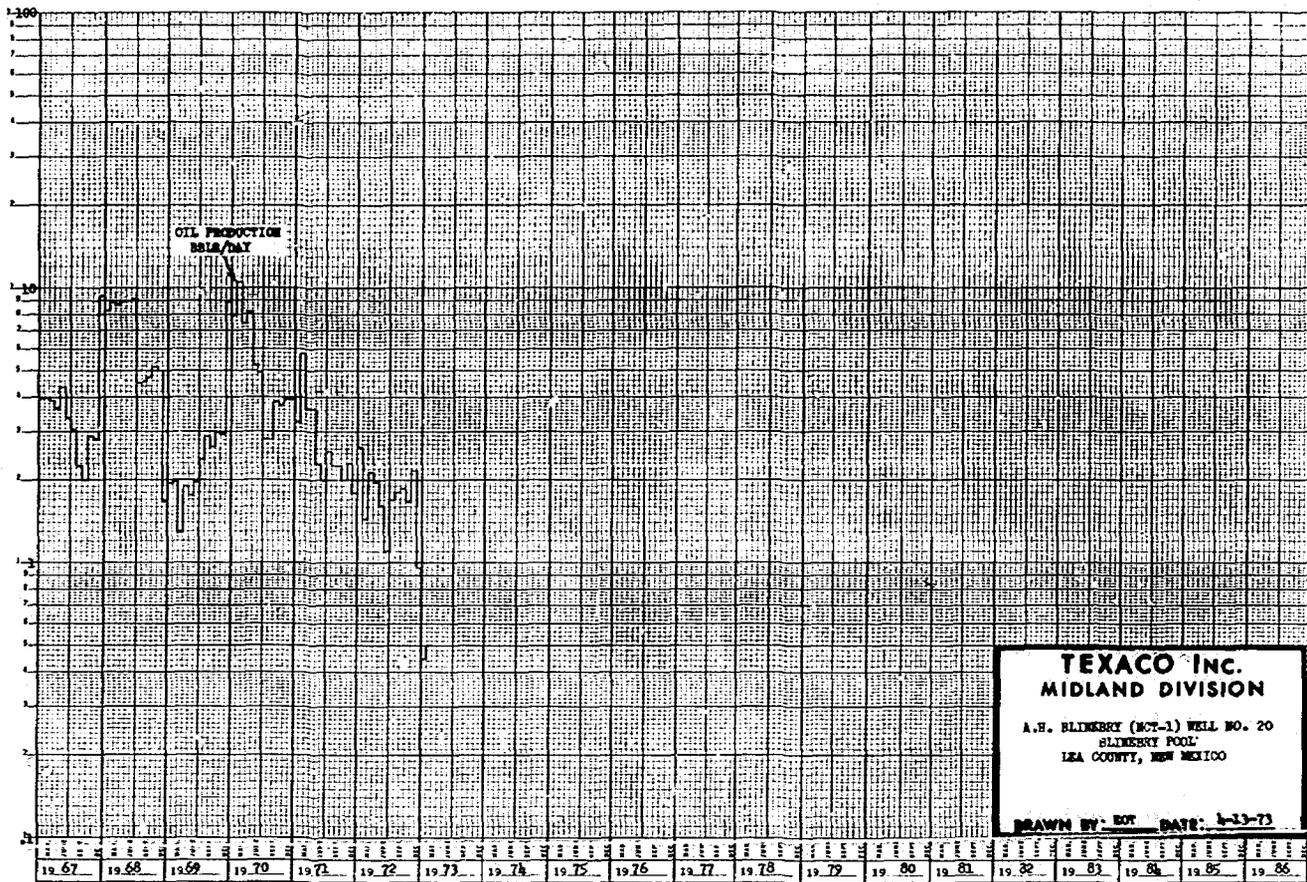
BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

Case No. 5

Produced by 4877 4987

Submitted by Texaco

Hearing Date 6/6/73





PETROLEUM PRODUCTS

May 15, 1973

RECEIVED  
MAY 16 1973

TEXACO INC.  
PRAYER 728  
OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO 88240  
Santa Fe

Case 4987

New Mexico Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Request for Examiner Hearing  
Texaco Inc.  
Lea County, New Mexico

Attention: Mr. A. L. Porter

Gentlemen:

Texaco Inc. respectfully requests that an examiner hearing be scheduled to consider its application to commingle in the wellbore oil production from the following wells:

1. The A. H. Blinebry Federal (NCT-1) Well No. 20 located in Unit E, Sec. 20, T-22-S, R-38-E, Lea County. The well is presently a triple tubingless completion completed in the Blinebry Oil, Tubb Oil, and Drinkard Oil Pools as authorized by Commission Order No. Mc-1574 dated December 9, 1964.
2. The A. H. Blinebry Federal (NCT-1) Well No. 28 located in Unit A, Sec. 29, T-22-S, R-38-E, Lea County. The well was originally completed as a dual tubingless completion in the Tubb and Drinkard Pools as authorized by Commission Order MC-1658 dated August 16, 1965. The Tubb Pool has subsequently been temporarily abandoned and the well has been recompleted in the Blinebry Pool.

In the hearing, Texaco will seek approval to downhole commingle all three zones in each well.

Yours very truly,

  
J. V. Gannon  
District Superintendent

KLP:wg  
MAS, Jr., JSR  
White, Koch, Kelly & McCartney  
(Attn.: Mr. B. Kelly)

DOCKET MAILED

Date 5-25-73

DRAFT

dr/

*(Handwritten initials)*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 4987

Order No. R-4534

APPLICATION OF TEXACO INC.  
FOR DOWNHOLE COMMINGLING,  
LEA COUNTY, NEW MEXICO.

*(Large handwritten signature and scribbles)*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 6, 1973,  
at Santa Fe, New Mexico, before Examiner Richard L. Stallers.

NOW, on this          day of June, 1973, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

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

(2) That the applicant, Texaco Inc., is the owner and  
operator of the A. H. Blinbry Well No. 20, located in Unit E  
of Section 20, Township 22 South, Range 38 East, NMPM, Lea  
County, New Mexico.

(3) That the applicant seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of the above-described well and to produce the commingled production through a single string of tubing.

(4) That from the Blinebry zone, the subject well is capable of low marginal production only.

(5) That from the Tubb zone, the subject well is capable of low marginal production only.

(6) That from the Drinkard zone, the subject well is capable of low marginal production only.

(7) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools thereby preventing waste, and will not violate correlative rights.

(8) That the reservoir characteristics of each of the subject zones <sup>are</sup> ~~is~~ such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(9) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, <sup>12 percent</sup> ~~12%~~ of the commingled oil production should be allocated to the Blinebry zone, <sup>12 percent</sup> ~~12%~~ of the commingled oil production to the Tubb zone, and <sup>76 percent</sup> ~~76%~~ of the commingled oil production to the Drinkard zone.

and that <sup>six percent</sup> ~~6%~~ of the commingled gas ~~production~~ should be allocated to the Blinebry zone, <sup>24 percent</sup> ~~24%~~ of the commingled gas production to the Tubb zone and <sup>70 percent</sup> ~~70%~~ of the commingled gas production to the Drinkard zone.

(2) That ~~12%~~<sup>12 percent</sup> of the commingled oil production shall be allocated to the Blinebry zone, ~~12%~~<sup>12 percent</sup> of the commingled oil production shall be allocated to the Tubb zone, and ~~75%~~<sup>75 percent</sup> of the commingled oil production shall be allocated to the Drinkard zone. *and*

(3) That ~~6 1/2%~~<sup>six percent</sup> of the commingled ~~oil~~<sup>gas</sup> production shall be allocated to the Blinebry zone, ~~24%~~<sup>24 percent</sup> of the commingled ~~oil~~<sup>gas</sup> production shall be allocated to the Tubb zone, and ~~67 1/2%~~<sup>70 percent</sup> of the commingled ~~oil~~<sup>gas</sup> production shall be allocated to the Drinkard zone.

entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

(4) That administrative order MC-1574  
is hereby superseded,

-3-  
Case No. 4987  
Order No. R-

(2) That ~~12%~~<sup>12 percent</sup> of the commingled oil production shall be allocated to the Blinebry zone, ~~12%~~<sup>12 percent</sup> of the commingled oil production shall be allocated to the Tubb zone, and ~~76%~~<sup>76 percent</sup> of the commingled oil production shall be allocated to the Drinkard zone. *and*

(3) That ~~6%~~<sup>six percent</sup> of the commingled ~~oil~~<sup>gas</sup> production shall be allocated to the Blinebry zone, ~~24%~~<sup>24 percent</sup> of the commingled ~~oil~~<sup>gas</sup> production shall be allocated to the Tubb zone, and ~~70%~~<sup>70 percent</sup> of the commingled ~~oil~~<sup>gas</sup> production shall be allocated to the Drinkard zone.

entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

(4) That administrative order MC-1574  
is hereby superseded,