

CASE 6856: TEXACO INC. FOR DOWNHOLE
COMMINGLING, LEA COUNTY, NEW MEXICO

James

CASE NO.

6856

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
9 April 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc., for
downhole commingling, Lea County,
New Mexico.

CASE
6856

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 MR. NUTTER: We'll call next Case Number
2 6856.

3 MR. PADILLA: Application of Texaco, Inc.,
4 for downhole commingling, Lea County, New Mexico.

5 Mr. Examiner, the applicant in this case
6 has asked that the case be dismissed.

7 MR. NUTTER: Case Number 6856 will be
8 dismissed.

9
10 (Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 622
heard by me on 4/9 1980

[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
9 April 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc., for
downhole commingling, Lea County,
New Mexico.

)
)
)
) CASE
) 6856
)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1

MR. NUTTER: We'll call next Case Number

2

6856.

3

MR. PADILLA: Application of Texaco, Inc.,

4

for downhole commingling, Lea County, New Mexico.

5

Mr. Examiner, the applicant in this case

6

has asked that the case be dismissed.

7

MR. NUTTER: Case Number 6856 will be

8

dismissed.

9

10

(Hearing concluded.)

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 4852
heard by me on 4/9 1980.

[Signature] Examiner
Oil Conservation Division



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

April 17, 1980

Mr. J. A. Schaffer
Assistant District Superintendent
Texaco Inc.
Drawer 728
Hobbs, New Mexico 88240

Re: CASE NO. 6856
nt ORDER NO. R-6316

Applicant:

Texaco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>X</u>
Artesia OCD	<u>X</u>
Aztec OCD	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6856
Order No. R-6316

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 9, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of April, 1980, the Division
Director, having considered the record and the recommendations
of the Examiner, and being fully advised in the premises,

FINDS:

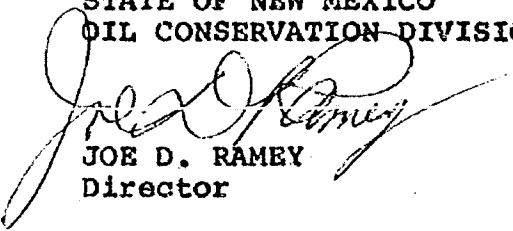
That the applicant's request for dismissal should be
granted.

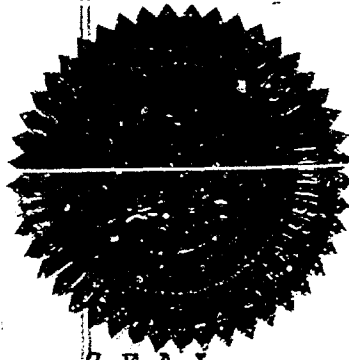
IT IS THEREFORE ORDERED:

That Case No. 6856 is hereby dismissed.

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

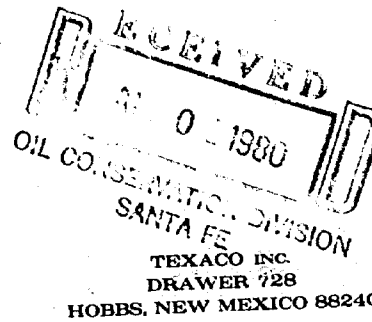
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L
fd/



PETROLEUM PRODUCTS



April 2, 1980

EXAMINER HEARING CASE NO. 6856
APPLICATION FOR DOWNHOLE COMMINGLING
C. C. FRISTOE "B" FEDERAL NCT-2
WELL NO. 6
LEA COUNTY, NEW MEXICO

State of New Mexico
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey
Secretary-Director

Gentlemen:

TEXACO Inc. respectfully requests that Docket No. 9-80, Case 6856, scheduled on April 9, 1980 to consider its Application to Commingle the Justis Blinbry, the Justis Tubb-Drinkard and the Justis Fusselman, North zones in the subject well be dismissed.

Yours very truly,

TEXACO INC.
PRODUCING DEPARTMENT-WEST U.S.

J. A. Schaffer
Assistant District Superintendent

RJB:JEB



PETROLEUM PRODUCTS

March 7, 1980

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

DOWNHOLE COMMINGLING
C. C. FRISTOE "B" FEDERAL NCT-2
WELL NO. 6
LEA COUNTY, NEW MEXICO

State of New Mexico
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 6856

Attention: Mr. Joe D. Ramey
Secretary-Director

Gentlemen:

TEXACO Inc. respectfully requests that an Examiner Hearing be scheduled on April 9, 1980 to consider its application to commingle the Justis Blinobry, the Justis Tubb-Drinkard and the Justis Fusselman, North zones in the subject well.

Yours very truly,

TEXACO INC.
PRODUCING DEPARTMENT-WEST U. S.

J. A. Schaffer
Assistant District Superintendent

VJ:JEB

CASE 6843: (Continued from March 26, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yesso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, Penasco Draw Field, each unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 6858: Application of H. L. Brown, Jr. for gas well commingling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Bluit-Wolfcamp gas and condensate production from ten federal wells located as follows: Units K and P of Section 33 and L of 34, Township 7 South, Range 37 East; Units D and L of Section 3, C and J of 4, I of 5, C of 9 and G of 10; and one fee well in D of 10, all in Township 8 South, Range 37 East. Applicant would separate and meter the gas and condensate production from each well, then recombine the well's stream and commingle all wells into a small gasoline plant. Allocation of gas and condensate to each well would be on the basis of wellhead meter readings and allocation of gasoline plant production would be on the basis of gas production and BTU content at each well.

CASE 6859: Application of R & G Drilling Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1890 feet from the North line and 1830 feet from the East line of Section 28, Township 28 North, Range 11 West, Kutz-Fruitland Pool, the NE/4 of said Section 28 to be dedicated to the well.

CASE 6860: Application of Flag-Redfern Oil Company for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit 2 of Section 3, Township 19 South, Range 31 East.

CASE 6861: Application of Zia Energy, Inc. for pool creation, special pool rules, and an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres oil pool for its State "C" Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, and special rules therefor, including a provision for a limiting gas-oil ratio of 10,000 to 1. Applicant further seeks a new onshore reservoir determination for said State "C" Well No. 1.

CASE 6837: (Continued from March 26, 1980, Examiner Hearing)

Application of Curtis Little for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 7, Township 25 North, Range 3 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6862: Application of ARCO Oil and Gas Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State 157 "D" Well No. 11 drilled 2123 feet from the South line and 1644 feet from the East line of Section 12, Township 22 South, Range 36 East, Drinkard Pool, the NW/4 SE/4 of said Section 12 to be dedicated to the well.

CASE 6863: Application of Bass Enterprises Production Co. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Big Eddy Unit Well No. 72 located in Unit R of Section 3, Township 21 South, Range 28 East, to produce undesignated Atoka and Morrow gas thru parallel strings of tubing.

CASE 6864: Application of Grace Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Smith Ranch Well No. 11, to be drilled 1980 feet from the North line and 660 feet from the West line of Section 11, Township 20 South, Range 33 East, Teas-Penn Gas Pool, the N/2 of said Section 11 to be dedicated to the well.

Dockets Nos. 12-80 and 13-80 are tentatively set for April 23 and May 7, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 9, 1980

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

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

- CASE 6850: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Jack F. Grimm, N. B. Hunt, George R. Brown, Am-Arctic, Ltd., The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Mobil J2 Well No. 1 located in Unit D of Section 32, Township 25 South, Range 1 East, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6851: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider amendments to its SPECIAL RULES FOR APPLICATIONS FOR WELLHEAD PRICE CEILING CATEGORY DETERMINATIONS as promulgated by Division Order No. R-5878 and amended by R-5878-A. The proposed amendments would make said SPECIAL RULES conform to FERC Order No. 65 which promulgated final regulations implementing filing requirements of the Natural Gas Policy Act of 1978.
- CASE 6852: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider special rules and procedures for the designation of "tight formations" or "tight sands" as outlined in the FERC interim rules and regulations issued February 20, 1980, relating to Section 107(b) of the Natural Gas Policy Act of 1978.
- CASE 6853: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cha Cha Gallup Pool underlying the N/2 NE/4 of Section 18, Township 29 North, Range 14 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6854: Application of Jack A. Cole for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Apache Hills Well No. 6, 1326 feet from the North line and 1843 feet from the West line of Section 17, Township 23 North, Range 3 West, Ballard-Pictured Cliffs Pool, the NW/4 of said Section 17 to be dedicated to the well.
- CASE 6841: (Continued from March 26, 1980, Examiner Hearing)
- Application of CIG Exploration, Inc. for two non-standard gas proration units, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard gas proration units in Township 16 South, Range 28 East, the first being 219.6 acres comprising Lots 1 thru 8 of Section 1 and the second being 219.92 acres comprising Lots 1 thru 8 of Section 2, for the Wolfcamp, Pennsylvanian, and Mississippian formations, each unit to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6855: Application of Dome Petroleum Corporation for an unorthodox well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Santa Fe 3 Well No. 1 to be drilled 1220 feet from the North line and 900 feet from the West line of Section 3, Township 21 North, Range 10 West.
- CASE 6856: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Tubh-Drinkard, and Fusselman production in the wellbore of its C. C. Fristoe "B" Federal NCT-2 Well No. 6 located in Unit H of Section 34, Township 24 South, Range 37 East, Justis Field.
- CASE 6857: Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State 14 Well No. 1, a Morrow test to be drilled 660 feet from the South line and 990 feet from the East line of Section 14, Township 18 South, Range 28 East, the S/2 of said Section 14 to be dedicated to the well.



PETROLEUM PRODUCTS

March 3, 1980

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

DOWNHOLE COMMINGLING

C. C. FRISTOE "B" FEDERAL NCT-2 #6
UNIT H, SECTION 34, T-24-S, R-37-E
JUSTIS BLINEBRY, JUSTIS TUBB
DRINKARD AND JUSTIS FUSSELMAN,
NORTH FIELDS
LEA COUNTY, NEW MEXICO

State of New Mexico
Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

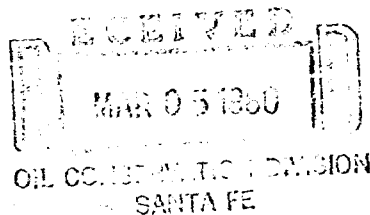
Attention: Mr. Joe D. Ramey
Secretary-Director

Gentlemen:

TEXACO Inc. respectfully requests Administrative approval to commingle production from the Justis Blinebry, Justis Tubb Drinkard and Justis Fusselman, North pools in the wellbore of the C. C. Fristoe "B" Federal NCT-2 Well No. 6 in accordance with NMOC Rule 303-C.

This well meets all prerequisites for downhole commingling, as described in NMOC Rule 303-C, 1, (a thru h).

These zones have been surface commingled and downhole commingled on other leases in the Field and no incompatibility between the fluids has been found.



*3 zones -
set for hearing
Case 6856*

March 4, 1980

- 2 -

State of New Mexico

It is recommended that the commingled production, oil and gas, be allocated on the following basis:

Justis Blinebry	- 7%
Justis Tubb Drinkard	- 44%
Justis Fusselman, North	- 49%

These allocation percentages are based on decline curve analysis. Commingled production from this well will be artificially lifted.

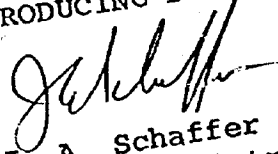
All offset operators (list attached) and the United States Geological Survey have been notified of this application by copy of this letter.

All data required by NMOCD Rule 303-C,2 for Administrative approval to downhole commingle are attached.

Yours very truly,

TEXACO INC.

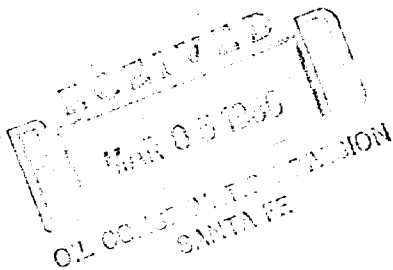
PRODUCING DEPARTMENT-WEST U. S.


J. A. Schaffer

Assistant District Superintendent

WER:JEB

Attachments



DATA SHEET FOR WELLBORE COMMINGLING

Operator: TEXACO Inc.

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

Lease and Well No.: C. C. Fristoe "B" Federal NCT-2 Well No. 6

Location: Unit H, Section 35, T-24-S, R-37-E

WELL DATA

Triple Completion Order No. MC-1215

	<u>Upper Pool</u>	<u>Middle Pool</u>	<u>Lower Pool</u>
Name of Pool	<u>Justis Blinebry</u>	<u>Justis Tubb</u>	<u>Justis</u>
Producing Method	<u>Flowing & Swab</u>	<u>Flowing & Swab</u>	<u>Fusselman, North</u>
BHP	<u>1911</u>	<u>2174</u>	<u>Shut-in since</u>
Type Crude	<u>Sour</u>	<u>Sour</u>	<u>11/10/78</u>
Gravity	<u>37.1</u>	<u>37.1</u>	
GOR Limit	<u>6000</u>	<u>6000</u>	
Completion Interval	<u>5053-5450</u>	<u>5887-6061</u>	<u>7150-7203</u>
Current Test Date	<u>Well is dead</u>	<u>2/10/80</u>	<u>Shut-in</u>
Oil	<u>0</u>	<u>4</u>	<u>-</u>
Water	<u>0</u>	<u>0</u>	<u>-</u>
GOR	<u>-</u>	<u>6154</u>	<u>-</u>
Selling Price of Crude - \$/BBL.	<u>37.67</u>	<u>37.67</u>	<u>-</u>
Daily Income - \$/Day	<u>0</u>	<u>150.68</u>	<u>-</u>

COMMINGLED DATA:

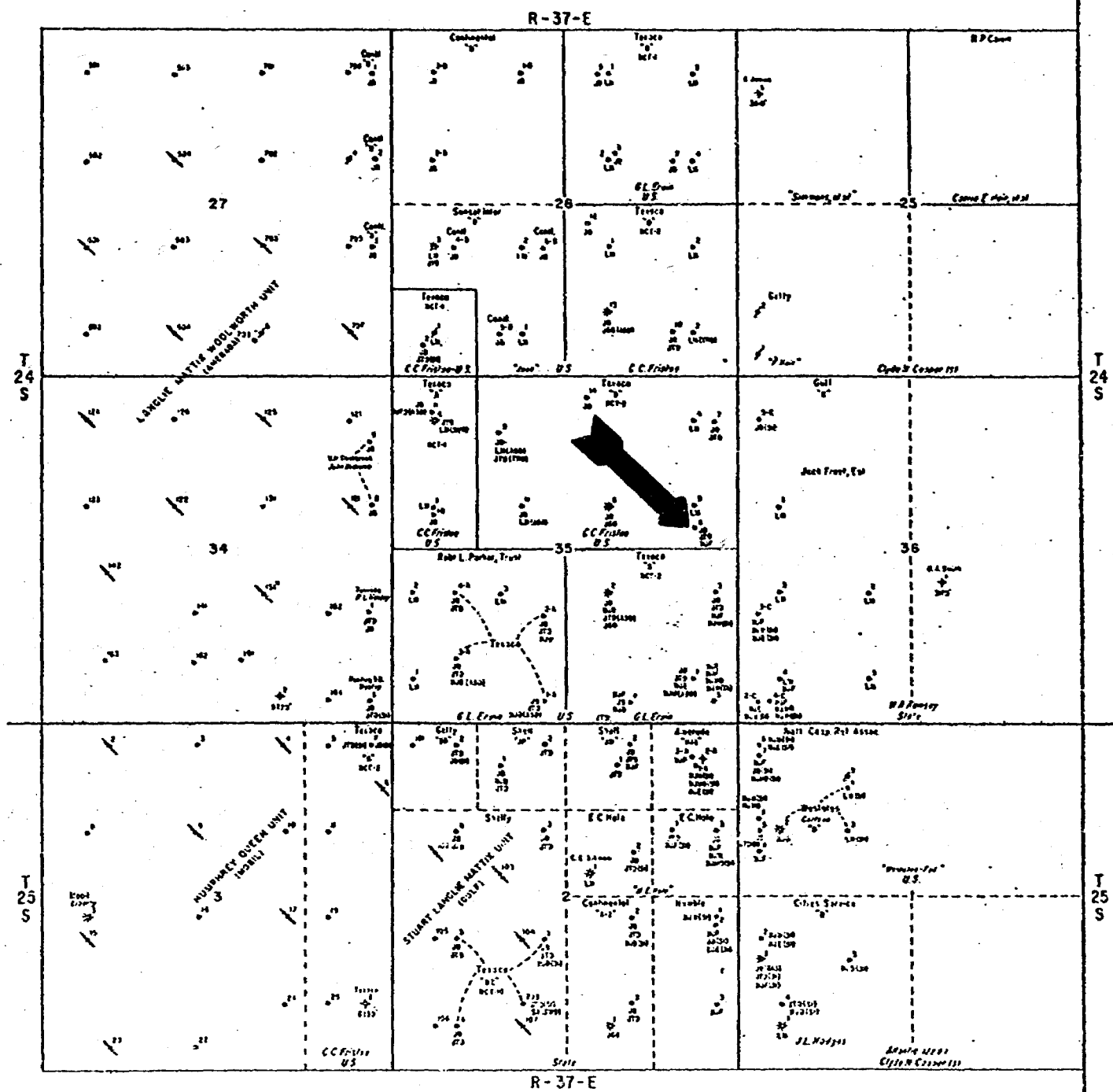
Gravity of Commingled Crude 37.1

Selling Price of Commingled Crude - \$/BBL. 37.67

Daily Income - \$/Day 791.07 (based on estimated 17 BOPD increase)

Net (Gain) (Loss) from Wellbore Commingling - \$/Day 640.39

~~based on current production rates~~ based on an expected production increase of 17 BOPD.



POOL 19223

272 JALWAY VATES GAS	NJE NORTH JUSTIS ELLENBURGER
273 JUSTIS BLINERY	NJE FUSSELLMAN
274 JUSTIS GEORGETA GAS	NJE MCKEE
275 JUSTIS TUBS-CRIMMINS	NJE MONISTA
276 LANGLIE MATTIX PRYERS	NJE TUBS-CRIMMINS
277 NORTH JUSTIS BLINERY	NJE WADDELL
278 DEVENAY	

LEGEND

(120) ABANDONED
 (120) ABANDONED-SALVAGE DEFERRED
 (51) SHUT IN
 (120) SALT WATER DISPOSAL
 (73) TEMPORARILY ABANDONED
 (120) TO BE RECOGNIZED FOR OIL

TEXACO Inc.
 JUSTIS & LANGLIE MATTIX POOLS
 LEA COUNTY, NEW MEXICO

SCALE: 0' 1200' 2000'

OIL CO. OF NEW MEXICO
 SANTA FE

**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**

C-116
Revised 1-1-65

Operator TEXACO Inc.		Pool See Below					County Lea									
Address P. O. Box 728, Hobbs, New Mexico 88240						TYPE OF TEST - (X)		Scheduled ☐		Completion ☐		Special ☒				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL.
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
C. C. Fristoe "B" Federal NCT-2	6	H	35	24S	37E											
<u>Justis Blinebry</u>						*	F	30/64	0	1		0		0	0	-
<u>Justis Tubb-Drinkard</u>						2/10/80	F	26/64	100	7	24	0	37.1	4	24.6	6154
<u>Justis Fusselman, North</u>						Shut-in		11/10/78								
*Well is dead: No test data (within last 30 days) available.																

No well will be assigned an allowable greater than the amount of oil produced on the official test.

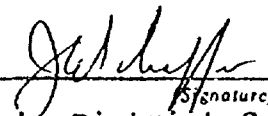
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

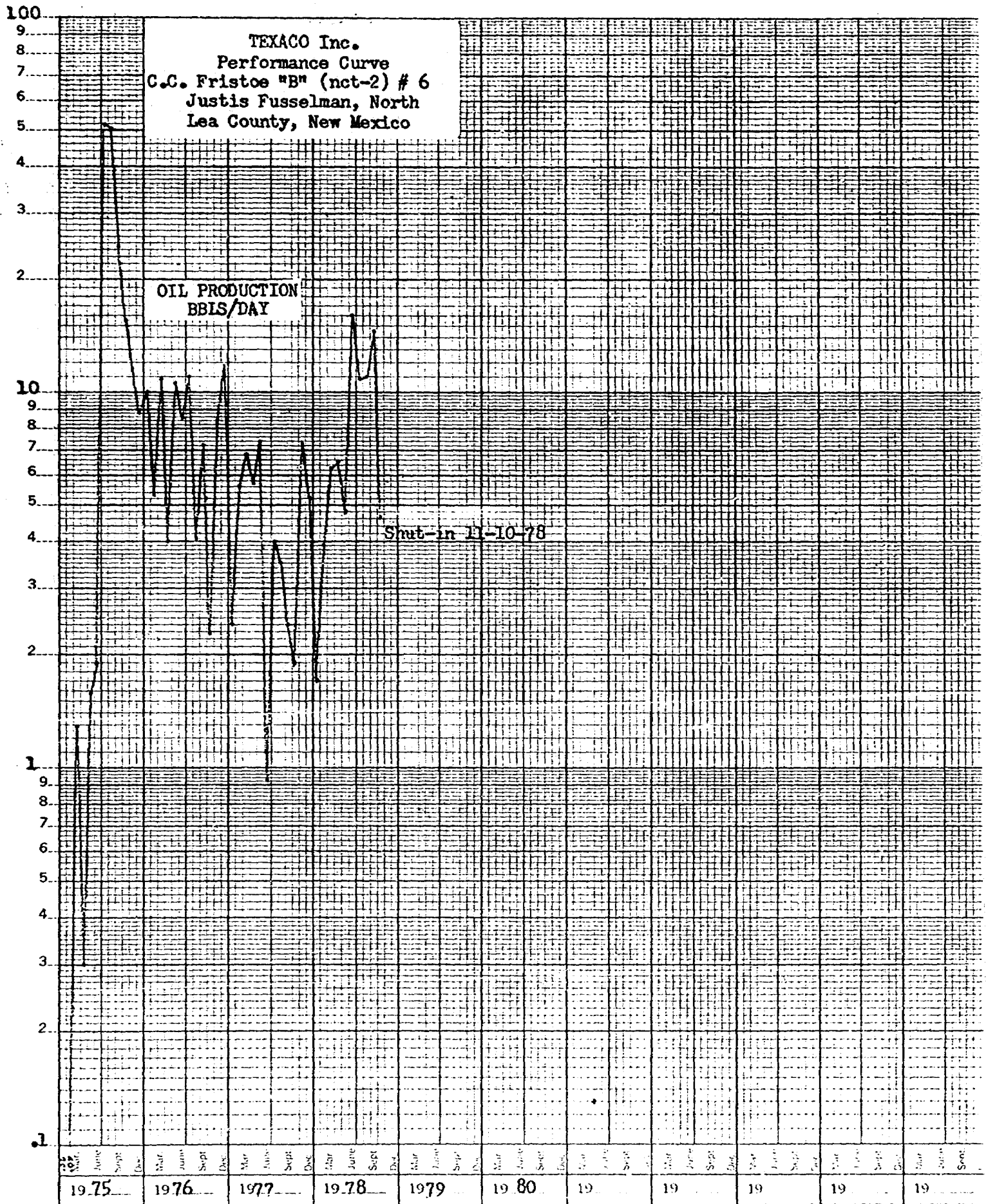
Gas volumes must be reported in MCF measured at a pressure base of 15,025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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


 Asst. District Superintendent
 (Title)
 March 3, 1980
 (Date)



OFFSET OPERATORS

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Gulf Oil Corporation
P. O. Box 1150
Midland, Texas 79702

Robert L. Parker Trust
3701 S. Atlanta place
Tulsa, Oklahoma 74105



PETROLEUM PRODUCTS

March 3, 1980

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

DOWNHOLE COMMINGLING

C. C. FRISTOE "B" FEDERAL NCT-2 #6
UNIT H, SECTION 34, T-24-S, R-37-E
JUSTIS BLINEBRY, JUSTIS TUBB
DRINKARD AND JUSTIS FUSSELMAN,
NORTH FIELDS
LEA COUNTY, NEW MEXICO

State of New Mexico
Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey
Secretary-Director

Gentlemen:

TEXACO Inc. respectfully requests Administrative approval to commingle production from the Justis Blinebry, Justis Tubb Drinkard and Justis Fusselman, North pools in the wellbore of the C. C. Fristoe "B" Federal NCT-2 Well No. 6 in accordance with NMOCD Rule 303-C.

This well meets all prerequisites for downhole commingling, as described in NMOCD Rule 303-C,1, (a thru h).

These zones have been surface commingled and downhole commingled on other leases in the Field and no incompatibility between the fluids has been found.

State of New Mexico

- 2 -

March 4, 1980

It is recommended that the commingled production, oil and gas, be allocated on the following basis:

Justis Blinebry	- 7%
Justis Tubb Drinkard	- 44%
Justis Fusselman, North	- 49%

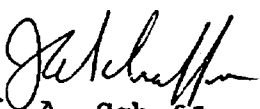
These allocation percentages are based on decline curve analysis. Commingled production from this well will be artificially lifted.

All offset operators (list attached) and the United States Geological Survey have been notified of this application by copy of this letter.

All data required by NMOCD Rule 303-C,2 for Administrative approval to downhole commingle are attached.

Yours very truly,

TEXACO INC.
PRODUCING DEPARTMENT-WEST U. S.


J. A. Schaffer

Assistant District Superintendent

WER:JEB

Attachments

DATA SHEET FOR WELLBORE COMMINGLING

Operator: TEXACO Inc.

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

Lease and Well No.: C. C. Fristoe "B" Federal NCT-2 Well No. 6

Location: Unit H, Section 35, T-24-S, R-37-E

WELL DATA	Triple Completion Order No. MC-1215		
	Upper Pool	Middle Pool	Lower Pool
Name of Pool	Justis Blinebry	Justis Tubb Drinkard	Justis Fusselman, North Shut-in since 11/10/78
Producing Method	Flowing & Swab	Flowing & Swab	
BHP	1911	2174	2591
Type Crude	Sour	Sour	Sour
Gravity	37.1	37.1	37.1
GOR Limit	6000	6000	2000
Completion Interval	5053-5450	5887-6061	7150-7203
Current Test Date	Well is dead	2/10/80	Shut-in
Oil	0	4	-
Water	0	0	-
GOR	-	6154	-
Selling Price of Crude - \$/BBL.	37.67	37.67	-
Daily Income - \$/Day	0	150.68	-

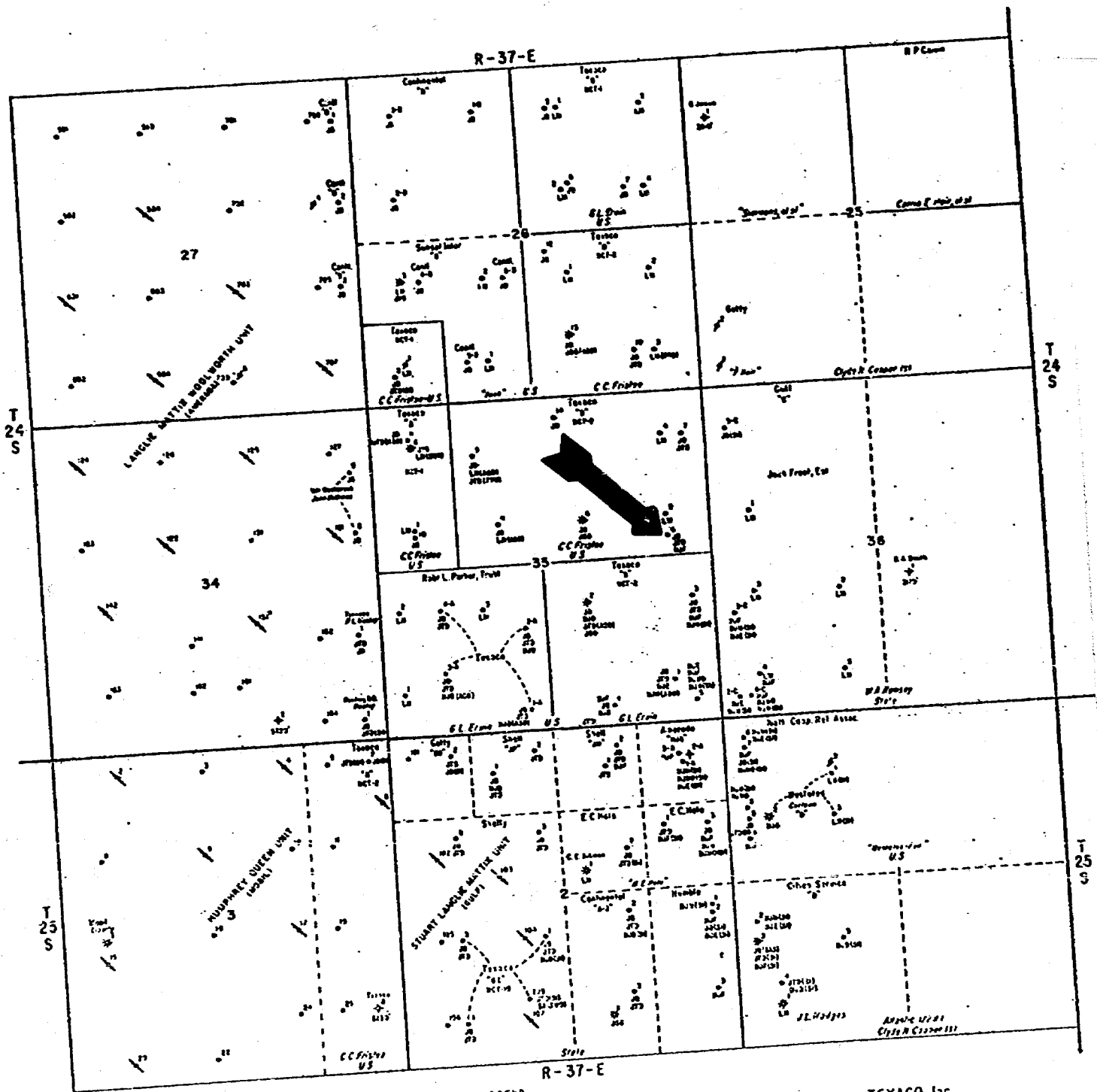
COMMINGLED DATA:

Gravity of Commingled Crude 37.1

Selling Price of Commingled Crude - \$/BBL. 37.67

Daily Income - \$/Day 791.07 (based on estimated 17 BOPD increase)

Net (Gain) (Loss) from Wellbore Commingling - \$/Day 640.39
~~based on current production rates~~ based on an expected production
 increase of 17 BOPD.



2021-1925
 JTD JALMIT LATES GAS
 JTD JUSTIS ELLINGER
 JTD JUSTIS GLOPETA GAS
 JTD JUSTIS TUBS-CRANLHO
 LW LANGLIE MATTIX 7 YEARS
 NID NORTH JUSTIS ELLINGER
 NID NORTH JUSTIS ELLINGER

NIE NORTH JUSTIS ELLINGER
 NIE NORTH JUSTIS ELLINGER
 NIE NORTH JUSTIS ELLINGER
 NIE NORTH JUSTIS ELLINGER
 NIE NORTH JUSTIS ELLINGER
 NIE NORTH JUSTIS ELLINGER

LEGEND
 (ASO) ASSIGNED
 (ASO) ASSIGNED-SALVAGE DEFERRED
 (SI) SPOT IN
 (SWD) SALT WATER DISPOSAL
 (TA) TEMPORARILY ASSIGNED
 (TRD) TO BE RECONDITIONED FOR OIL

TEXACO Inc.
 JUSTIS & LANGLIE MATTIX POOLS
 LEA COUNTY, NEW MEXICO
 SCALE 0 1000' 2000'

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator TEXACO Inc.		Pool See Below				County Lea										
Address P. O. Box 728, Hobbs, New Mexico 88240						TYPE OF TEST - (X)		Scheduled ☐		Completion ☐		Special ☒				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	T.B.G. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT/BBL
		U	S	T	R							WATER BBL.	GRAV. OIL	OIL BBL.	GAS M.C.F.	
C. C. Fristoe "B" Federal NCT-2	6	H	35	24S	37E											
<u>Justis Blinebry</u>						*	F	30/64	0	1		0		0	0	-
<u>Justis Tubb-Drinkard</u>						2/10/80	F	26/64	100	7	24	0	37.1	4	24.6	6154
<u>Justis Fusselman, North</u>						Shut-in		11/10/78								
*Well is dead: No test data (within last 30 days) available.																

No well will be assigned an allowable greater than the amount of oil produced on the official test.

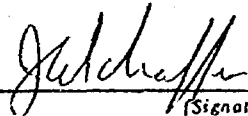
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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


(Signature)
Asst. District Superintendent
(Title)
March 3, 1980
(Date)

OFFSET OPERATORS

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Gulf Oil Corporation
P. O. Box 1150
Midland, Texas 79702

Robert L. Parker Trust
3701 S. Atlanta Place
Tulsa, Oklahoma 74105

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6856

Order No. R- 6316

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 9,
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutt.

NOW, on this day of April, 19 80, the Division
Director, having considered the record and the recommendations of
the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6856 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.