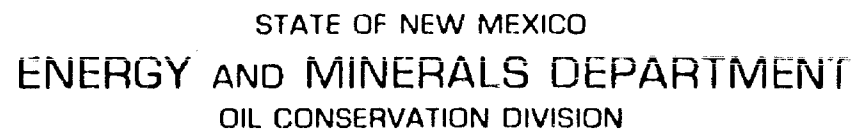


CASE NO.

7045

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



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

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. 7045  
Order No. R-6509

APPLICATION OF TEXAS OIL & GAS CORP.  
FOR DOWNHOLE COMMINGLING, EDDY  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of November, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Texas Oil & Gas Corp., is the owner and operator of the Superior Federal Com. Well No. 1, located in Unit G of Section 8, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant seeks authority to commingle Atoka and Upper Morrow production within the wellbore of the above-described well.
- (4) That said well was originally completed in the Lower Morrow formation only, but that zone was depleted, and the well was recompleted in the Atoka and Upper Morrow formations as a salvage operation.
- (5) That from the Atoka zone, the subject well is capable of low marginal production only.

-2-

Case No. 7045

Order No. R-6509

(6) That from the Upper Morrow 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 in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled production should be allocated to the Atoka zone, and 50 percent to the Upper Morrow zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Oil & Gas Corp., is hereby authorized to commingle Atoka and Upper Morrow production within the wellbore of the Superior Federal Com. Well No. 1, located in Unit G of Section 8, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.

(2) That 50 percent of the commingled production shall be allocated to the Atoka zone and 50 percent to the Upper Morrow zone.

(3) That 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.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

  
S E A L

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

EXAMINER HEARING

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IN THE MATTER OF: )  
 )  
 )  
Application of Texas Oil & Gas Corp., ) CASE  
for downhole commingling, Eddy ) 7045  
County, New Mexico. )  
 )  
-----

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:	W. Perry Pearce, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501
For the Applicant:	Chad Dickerson, Esq. LOSEE, CARSON, & DICKERSON Artesia, New Mexico

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## I N D E X

### PAUL WHITE

Direct Examination by Mr. Dickerson	3
Cross Examination by Mr. Nutter	9

## E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Schematic	4
Applicant Exhibit Three, Chronology	5
Applicant Exhibit Four, Production Data	6
Applicant Exhibit Five, Economics	6
Applicant Exhibit Six, Data	7
Applicant Exhibit Seven, Data	7
Applicant Exhibit Eight, Waivers	7
Applicant Exhibit Nine, Letter	8

1  
2 MR. NUTTER: Call Case 7045.

3 MR. PEARCE: Application of Texas Oil  
4 and Gas Corporation for downhole commingling, Eddy County, New  
5 Mexico.

6 MR. DICKERSON: Mr. Examiner, my name  
7 is Chad Dickerson, Losee, Carson, & Dickerson, P. A., Artesia,  
8 New Mexico.  
9

10 We have one witness.

11  
12 (Witness sworn.)  
13

14 PAUL WHITE

15 being called as a witness and having been duly sworn upon his  
16 oath, testified as follows, to-wit:  
17

18  
19 DIRECT EXAMINATION

20 BY MR. DICKERSON:

21 Q Will you state your name, your occupation,  
22 and where you reside, please?

23 A My name is Paul White. I'm a consulting  
24 engineer and I reside in Artesia, New Mexico.  
25

26 Q And, Mr. White, you're employed by the  
27 applicant, Texas Oil and Gas Corp. here today?

28 A Yes, sir, that's correct.

1  
2 Q Have you previously testified as an  
3 expert engineer before this Division and had your credentials  
4 made a matter of record?

5 A Yes, sir, I have.

6 Q And are you familiar with the applica-  
7 tion pending today?  
8

9 A Yes, sir, I am.

10 MR. DICKERSON: Mr. Examiner, I tender  
11 Mr. White as an expert witness.

12 MR. NUTTER: Mr. White is qualified.

13 Q Mr. White, would you briefly describe  
14 the purpose of Texas Oil and Gas Corp.'s application here  
15 today?  
16

17 A The purpose of the application is to  
18 seek permission and approval, an order, for the commingling  
19 downhole of hydrocarbons produced from the Atoka and Morrow  
20 perforations.

21 Q Would you refer to what is marked Exhibit  
22 Number One and describe what it is?

23 A Exhibit Number One is a plat showing the  
24 subject well in green and the offset operators.  
25

26 Q Turn to Exhibit Number Two and tell Mr.  
27 Examiner what it reflects.

28 A Well No. 2 is -- Exhibit Number Two is



1  
2 a schematic profile showing the mechanical conditions of the  
3 well and the present perforations, which are 11091 to 97,  
4 and 11141 to 11147. It shows the plugged back TD, 11500.

5 Q And those upper perforations are Atoka  
6 and the lower are Upper Morrow?  
7

8 A Yes, sir.

9 MR. NUTTER: Now which do you mean the  
10 lower are Upper Morrow?

11 A The perforations 11091 to 11097, Mr.  
12 Examiner, are Atoka, and the perforations 11141 to 11147 are  
13 Morrow perforations.

14 Q And then what about all these others  
15 below the cast iron bridge plug, Lower Morrow?  
16

17 A Those are -- yes, sir, they were Lower  
18 Morrow perforations which produced in the past and have  
19 since been plugged off.

20 MR. NUTTER: Okay, it was productive  
21 and depleted, then?

22 A Yes, sir.

23 MR. NUTTER: Go ahead, please.

24 Q Mr. White, refer to Exhibit Number  
25 Three and describe what it is.  
26

27 A All right. We prepared Exhibit Number  
28 Three to give the Examiner the chronology on the well from

1  
2 the time of workover date in this Atoka and Morrow zone.

3 Q Refer to Exhibit Number Four and tell  
4 what it shows.

5 A Exhibit Number Four shows the actual  
6 and estimated production from the present perforations in the  
7 Atoka and Morrow zones. The exhibit was messed up a little  
8 bit. The dates had to be changed.  
9

10 The well started producing in June of  
11 1980 and we have actual production figures through September,  
12 1980, and then the remaining production figures are estimated.

13 Q Turn to Exhibit Number Five, Mr. White,  
14 and tell us what it shows.

15 A We prepared this exhibit to show the  
16 present economics on the well and this shows what we feel  
17 is the recoverable reserves from the time the well was com-  
18 pleted in the Atoka-Morrow, and the reserves to 100 percent  
19 working interest, the gross income, we have included in the  
20 exhibit the cost of the workover, which was \$43,497, and the  
21 economics show that there will probably be in all probability,  
22 there will be a net loss even after the recovery of the re-  
23 serves that are -- that are left.  
24  
25

26 MR. NUTTER: Now, Mr. White, that work-  
27 over, that was when it was recompleted from the Lower Morrow  
28 up into these upper two sets of perforations.

1  
2 A Yes, sir, that's correct. And that was  
3 performed, Mr. Examiner, in May of 1980.

4 MR. NUTTER: Okay.

5 Q Turn to Exhibit Number Six and tell us  
6 what it shows.  
7

8 A We included Exhibit Number Six just to  
9 show that the quality of the gas has not changed substantially  
10 since the -- between the Morrow and the Atoka. The previous  
11 Morrow, the exhibit marked previous Morrow, was Lower Morrow  
12 gas, and the chromatograph that's run on the after workover  
13 is the Atoka-Morrow gas combined.

14 Q Mr. White, refer to Exhibit Number  
15 Seven and describe it, please.  
16

17 A Exhibit Number Seven is just a pencil  
18 copy of some work that I felt the -- the Commission might have  
19 handy. It just gives the cumulative production and the  
20 latest monthly rates on wells which surround this subject  
21 well.

22 Q And turn to Exhibit Number Eight and  
23 describe it.

24 A Exhibit Number Eight is the waivers of  
25 protest. There was no protest. Three of the companies off-  
26 setting sent waiver letters back with a no protest signature,  
27 and then we had one company that offsets the Superior Federal  
28

1  
2 No. 1, the Petroleum Corporation of Delaware, and Mr. Larry  
3 Shannon gave verbal approval over the phone that -- that they  
4 would not protest the commingling.

5 Q Refer to Exhibit Number Nine and describe  
6 what it is.

7  
8 A Exhibit Number Nine is the letter re-  
9 ceived from the Commission to Texas Oil and Gas Corporation,  
10 which gave the top of the Atoka at 10629 and the top of the  
11 Morrow at 11137. There was a transposition of figures by the  
12 Commission and that's been corrected, the 11137, and the  
13 picks on the top by Texas Oil and Gas Corporation's geologist  
14 was 10651 on the Atoka and 11167 on the Morrow. So there was  
15 some difference in opinion as to the tops.  
16

17 But the letter points out what the  
18 Commission -- how the Commission advised Texas Oil and Gas  
19 Company as to the tops.

20 Q Mr. White, were each of these exhibits  
21 to which this question is applicable either prepared by you  
22 or under your direction?

23 A Either prepared by me or under my  
24 direction and supervision.  
25

26 MR. DICKERSON: Mr. Examiner, move ad-  
27 mission of Exhibits One through Nine at this time.

28 MR. NUTTER: Exhibits One through Nine

1  
2 will be admitted in evidence.

3 Q Mr. White, in your opinion would any  
4 adverse consequences result, such as formation damage, or  
5 anything of that nature, by the granting of this application?  
6

7 A No, there would not be.

8 Q In your opinion would more hydrocarbons  
9 be recovered if this application is granted?

10 A Yes, sir. In fact, in my opinion it's  
11 the only way that the remaining hydrocarbons can be recovered  
12 from these two sets of perforations.

13 Q And in your opinion will the granting  
14 of this application be in the interest of conservation, the  
15 protection of correlative rights, and the prevention of waste?  
16

17 A Yes, sir, that's correct.

18 MR. DICKERSON: Mr. Examiner, we have  
19 no further questions.  
20

21 CROSS EXAMINATION

22 BY MR. NUTTER:

23 Q Mr. White, have you made any computation  
24 or estimate as to the production from each of the two zones  
25 in this well?  
26

27 A No, sir, Mr. Examiner. This was impos-  
28 sible in that the two zones were perforated at the same time.

1  
2 They were never separated and so there was no way that there  
3 was any -- any different rates ever established, and the two  
4 zones were also acidized, and it's reasonable to assume that  
5 we probably have communication between the two zones, anyway.

6 Q You mean in the formation?

7 A Yes, sir, between the Morrow perfs --

8 Q As a result of the acidizing and frac-  
9 ture?  
10

11 A Yes, sir, between the Morrow perfora-  
12 tions and the Atoka perforations.

13 Q Well now you've -- you've estimated  
14 40 million cubic feet of gas for the reserves, haven't you?

15 A Yes, sir, that's right.

16 Q Which is marginal as far as a gas well  
17 of this depth is concerned.  
18

19 A Yes, sir.

20 Q As a matter of fact, on your Exhibit  
21 Five you even anticipate the workover won't be paid out, I  
22 think.

23 A Yes, sir, that's my opinion.

24 Q So it's strictly a salvage operation.  
25 How did the original completion in the Lower Morrow do before  
26 it was depleted?  
27

28 A Mr. Examiner, I don't have the exact

figure, but it did reasonably well. I think the well cum  
was 777 million cubic feet of gas.

Q Less than a billion, however.

A Yes, sir, that's right.

Q And no estimate at all as to production  
from the two zones, either of the two zones?

A No, sir, not separately.

MR. NUTTER: Are there any other ques-  
tions of Mr. White? He may be excused.

Do you have anything further, Mr.  
Dickerson?

MR. DICKERSON: No.

MR. NUTTER: Does anyone have anything  
they wish to offer in Case Number 7045?

We'll take the case under advisement.

(Hearing concluded.)

C E R T I F I C A T E

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.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Exemption hearing of Case No. 7045,  
heard by me on 10/29 1980.

[Signature] Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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



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

EXAMINER HEARING

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IN THE MATTER OF:

Application of Texas Oil & Gas Corp.,  
for downhole corringling, Eddy  
County, New Mexico.

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) CASE  
7045  
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BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

Chad Dickerson, Esq.  
LOSEE, CARSON, & DICKERSON  
Artesia, New Mexico

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I N D E X

PAUL WHITE

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E X H I B I T S

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Applicant Exhibit Seven, Data	7
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Applicant Exhibit Nine, Letter	8

MR. NUTTER: Call Case 7045.

MR. PHARCE: Application of Texas Oil  
and Gas Corporation for downhole commingling, Eddy County, New  
Mexico.

MR. DICKERSON: Mr. Examiner, my name  
is Chad Dickerson, Losee, Carson, & Dickerson, P. A., Artesia,  
New Mexico.

We have one witness.

(Witness sworn.)

PAUL WHITE

being called as a witness and having been duly sworn upon his  
oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. DICKERSON:

Q. Will you state your name, your occupation,  
and where you reside, please?

A. My name is Paul White. I'm a consulting  
engineer and I reside in Artesia, New Mexico.

Q. And, Mr. White, you're employed by the  
applicant, Texas Oil and Gas Corp. here today?

A. Yes, sir, that's correct.

1  
2 Q Have you previously testified as an  
3 expert engineer before this Division and had your credentials  
4 made a matter of record?

5 A Yes, sir, I have.

6 Q And are you familiar with the applica-  
7 tion pending today?  
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9 A Yes, sir, I am.

10 MR. DICKERSON: Mr. Examiner, I tender  
11 Mr. White as an expert witness.

12 MR. NUTTER: Mr. White is qualified.

13 Q Mr. White, would you briefly describe  
14 the purpose of Texas Oil and Gas Corp.'s application here  
15 today?  
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17 A The purpose of the application is to  
18 seek permission and approval, an order, for the commingling  
19 downhole of hydrocarbons produced from the Atoka and Morrow  
20 perforations.

21 Q Would you refer to what is marked Exhibit  
22 Number One and describe what it is?

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24 subject well in green and the offset operators.  
25

26 Q Turn to Exhibit Number Two and tell Mr.  
27 Examiner what it reflects.

28 A Well No. 2 is -- Exhibit Number Two is

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a schematic profile showing the mechanical conditions of the well and the present perforations, which are 11091 to 97, and 11141 to 11147. It shows the plugged back TD, 11500.

Q And these upper perforations are Atoka and the lower are Upper Morrow?

A Yes, sir.

MR. NUTTER: Now which do you mean the lower are Upper Morrow?

A The perforations 11091 to 11097, Mr. Examiner, are Atoka, and the perforations 11141 to 11147 are Morrow perforations.

Q And then what about all these others below the cast iron bridge plug, Lower Morrow?

A Those are -- yes, sir, they were Lower Morrow perforations which produced in the past and have since been plugged off.

MR. NUTTER: Okay, it was productive and depleted, then?

A Yes, sir.

MR. NUTTER: Go ahead, please.

Q Mr. White, refer to Exhibit Number Three and describe what it is.

A All right. We prepared Exhibit Number Three to give the Examiner the chronology on the well from

1  
2 the time of workover date in this Atoka and Morrow zone.

3 Q Refer to Exhibit Number Four and tell  
4 what it shows.

5 A Exhibit Number Four shows the actual  
6 and estimated production from the present perforations in the  
7 Atoka and Morrow zones. The exhibit was messed up a little  
8 bit. The dates had to be changed.

9  
10 The well started producing in June of  
11 1980 and we have actual production figures through September,  
12 1980, and then the remaining production figures are estimated.

13 Q Turn to Exhibit Number Five, Mr. White,  
14 and tell us what it shows.

15 A We prepared this exhibit to show the  
16 present economics on the well and this shows what we feel  
17 is the recoverable reserves from the time the well was com-  
18 pleted in the Atoka-Morrow, and the reserves to 100 percent  
19 working interest, the gross income, we have included in the  
20 exhibit the cost of the workover, which was \$43,497, and the  
21 economics show that there will probably be in all probability,  
22 there will be a net loss even after the recovery of the re-  
23 serves that are -- that are left.

24  
25 MR. NUTTER: Now, Mr. White, that work-  
26 over, that was when it was recompleted from the Lower Morrow  
27 up into these upper two sets of perforations.  
28

1  
2 A Yes, sir, that's correct. And that was  
3 performed, Mr. Examiner, in May of 1969.

4 MR. HUTTER: Okay.

5 Q Turn to Exhibit Number Six and tell us  
6 what it shows.

7  
8 A We included Exhibit Number Six just to  
9 show that the quality of the gas has not changed substantially  
10 since the -- between the Morrow and the Atoka. The previous  
11 Morrow, the exhibit marked previous Morrow, was Lower Morrow  
12 gas, and the chromatograph that's run on the after workover  
13 is the Atoka-Morrow gas combined.

14 Q Mr. White, refer to Exhibit Number  
15 Seven and describe it, please.

16  
17 A Exhibit Number Seven is just a pencil  
18 copy of some work that I felt the -- the Commission might have  
19 handy. It just gives the cumulative production and the  
20 latest monthly rates on wells which surround this subject  
21 well.

22 Q And turn to Exhibit Number Eight and  
23 describe it.

24 A Exhibit Number Eight is the waivers of  
25 protest. There was no protest. Three of the companies off-  
26 setting sent waiver letters back with a no protest signature,  
27 and then we had one company that offsets the Superior Federal  
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No. 1, the Petroleum Corporation of Delaware, and Mr. Larry Shannon gave verbal approval over the phone that -- that they would not protest the comingling.

Q Refer to Exhibit Number Nine and describe what it is.

A Exhibit Number Nine is the letter received from the Commission to Texas Oil and Gas Corporation, which gave the top of the Atoka at 10629 and the top of the Morrow at 11137. There was a transposition of figures by the Commission and that's been corrected, the 11137, and the picks on the top by Texas Oil and Gas Corporation's geologist was 10651 on the Atoka and 11167 on the Morrow. So there was some difference in opinion as to the tops.

But the letter points out what the Commission -- how the Commission advised Texas Oil and Gas Company as to the tops.

Q Mr. White, were each of these exhibits to which this question is applicable either prepared by you or under your direction?

A Either prepared by me or under my direction and supervision.

MR. DICKERSON: Mr. Examiner, move admission of Exhibits One through Nine at this time.

MR. NUTTER: Exhibits One through Nine



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will be admitted in evidence.

Q Mr. White, in your opinion would any adverse consequences result, such as formation damage, or anything of that nature, by the granting of this application?

A No, there would not be.

Q In your opinion would more hydrocarbons be recovered if this application is granted?

A Yes, sir. In fact, in my opinion it's the only way that the remaining hydrocarbons can be recovered from these two sets of perforations.

Q And in your opinion will the granting of this application be in the interest of conservation, the protection of correlative rights, and the prevention of waste?

A Yes, sir, that's correct.

MR. DICKERSON: Mr. Examiner, we have no further questions.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. White, have you made any computation or estimate as to the production from each of the two zones in this well?

A No, sir, Mr. Examiner. This was impossible in that the two zones were perforated at the same time.

1  
2 they were never separated and so there was no way that there  
3 was any -- any different rates ever established, and the two  
4 zones were also acidized, and it's reasonable to assume that  
5 we probably have communication between the two zones, anyway.  
6

7 Q You mean in the formation?

8 A Yes, sir, between the Morrow perfs --

9 Q As a result of the acidizing and frac-  
10 ture?

11 A Yes, sir, between the Morrow perfora-  
12 tions and the Atoka perforations.

13 Q Well now you've -- you've estimated  
14 40 million cubic feet of gas for the reserves, haven't you?

15 A Yes, sir, that's right.

16 Q Which is marginal as far as a gas well  
17 of this depth is concerned.

18 A Yes, sir.

19 Q As a matter of fact, on your Exhibit  
20 Five you even anticipate the workover won't be paid out, I  
21 think.

22 A Yes, sir, that's my opinion.

23 Q So it's strictly a salvage operation.  
24 How did the original completion in the Lower Morrow do before  
25 it was depleted?  
26

27 A Mr. Examiner, I don't have the exact  
28

figure, but it did reasonably well. I think the well cum  
was 777 million cubic feet of gas.

Q Less than a billion, however.

A Yes, sir, that's right.

Q And no estimate at all as to production  
from the two zones, either of the two zones?

A No, sir, not separately.

MR. NUTTER: Are there any other ques-  
tions of Mr. White? He may be excused.

Do you have anything further, Mr.  
Dickerson?

MR. DICKERSON: No.

MR. NUTTER: Does anyone have anything  
they wish to offer in Case Number 7045?

We'll take the case under advisement.

(Hearing concluded.)

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY 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 correct and true transcript of the hearing in  
the case of 7045,  
heard by me on 10/29, 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  
15 October 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Oil & Gas Cor-  
poration for downhole commingling,  
Eddy County, New Mexico.

CASE  
7045

BEFORE: Richard L. Stamets

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

For the Applicant:

SALLY W. BOYD, C.S.R.

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

1 MR. STAMETS: The hearing will please  
2 come to order.

3 We'll call first Case Number 7045.

4 MR. PADILLA: Application of Texas Oil  
5 and Gas Corporation for downhole commingling, Eddy County,  
6 New Mexico.

7 MR. STAMETS: At the request of the appli-  
8 cant, this case will be continued till the October 29th Exa-  
9 miner hearing.

10  
11 (Hearing concluded.)  
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SALLY W. BOYD, C.S.R.

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

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation 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 correct and true transcript of the hearing in  
file No. 7046  
heard on 10/15 at 11:30  
Richard D. Starnes Examiner  
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Oil & Gas Cor-  
poration for downhole commingling,  
Eddy County, New Mexico.

CASE  
7045

BEFORE: Richard L. Stamets

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

For the Applicant:

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 435-7409



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MR. STAMETS: The hearing will please  
come to order.

We'll call first Case Number 7015.

MR. PADILLA: Application of Texas Oil  
and Gas Corporation for downhole commingling, Eddy County,  
New Mexico.

MR. STAMETS: At the request of the appli-  
cant, this case will be continued till the October 29th Exa-  
miner hearing.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

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

## C E R T I F I C A T E

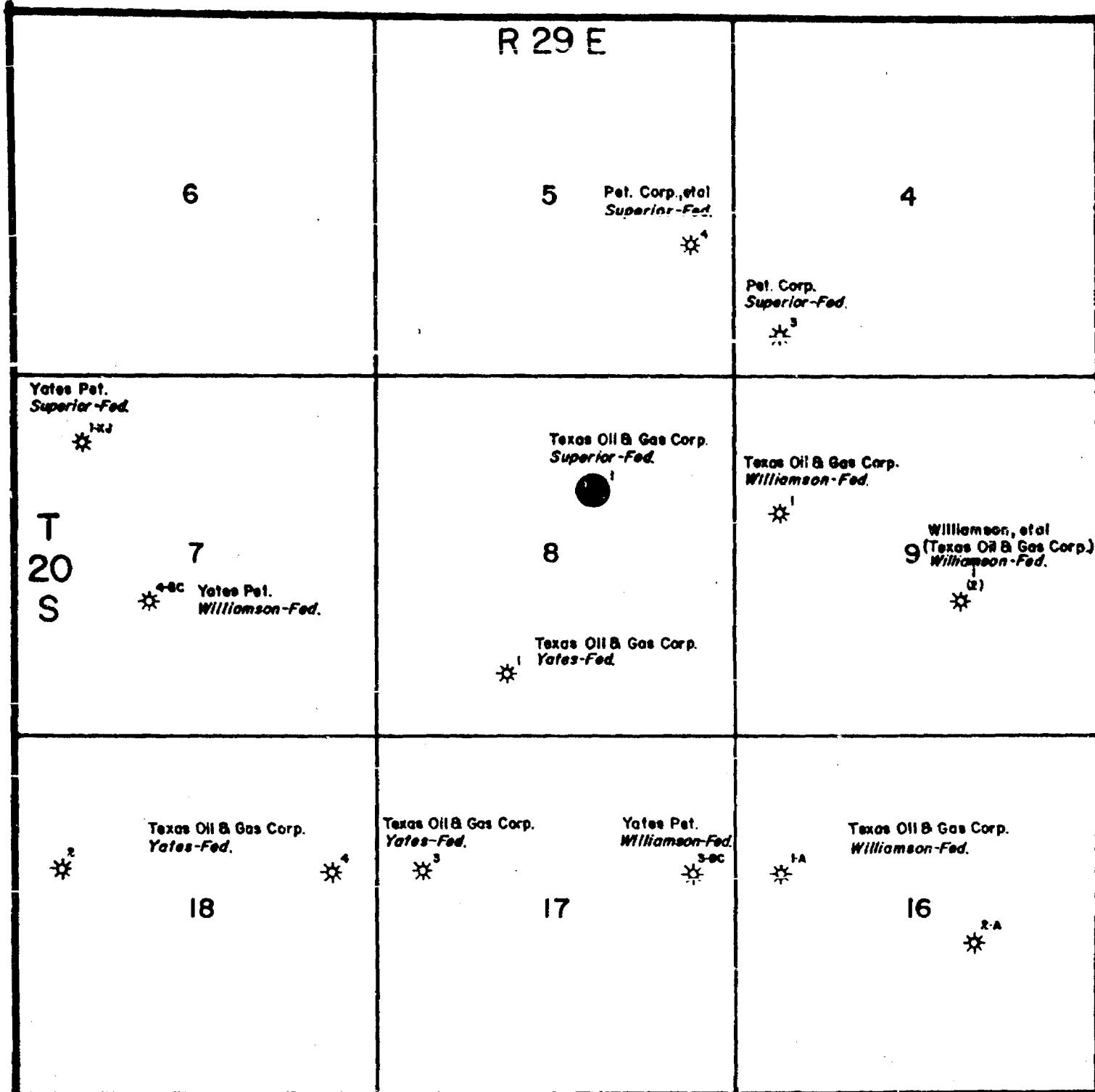
I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

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 correct and true transcript of the hearing in  
the case of \_\_\_\_\_,  
heard by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division



Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 1



### Texas Oil & Gas Corp.

SUPERIOR FEDERAL NO. 1

1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County  
New Mexico

Scale: 1" = 2000'

OPERATOR Texas Oil & Gas Corp.  
FIELD East Barton Flat  
ELEVATION KB 3293 DF GL 3279  
TD 11,700 FBTD 11,500 Recompl.  
KMMX 6-9-80  
(Date)

LEASE & WELL NO. Superior Federa. Com. #1

LOCATION 1650' ENL and 1980' FEL  
Unit E TWN RANGE  
SEC 8 20 S 29 E  
COUNTY Eddy STATE New Mexico

AVAILABLE DATA

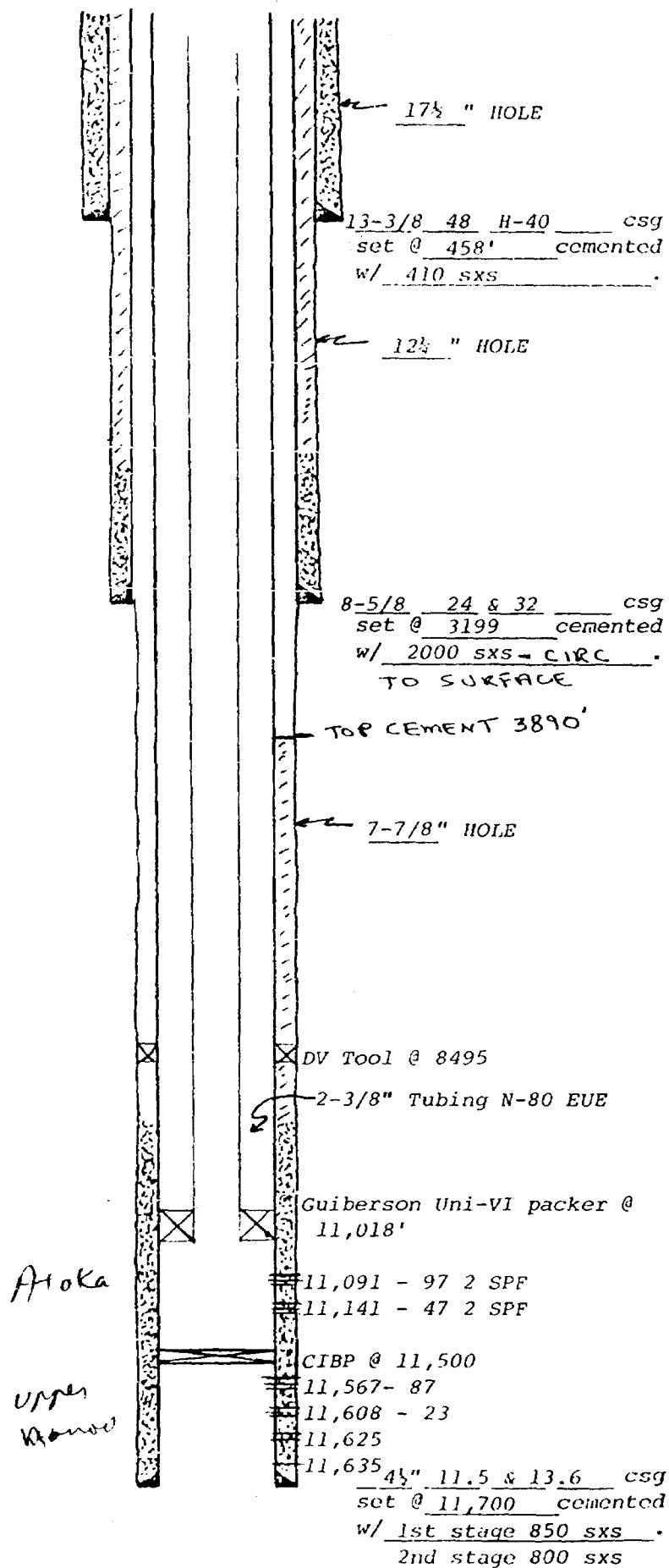
LOGS:

SAMPLE LOGS:

CORE:

DST:

COMPLETION & REMEDIAL WORK



CURRENT STATUS:

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 2

Workover Cronology  
Texas Oil & Gas Corp.

Well: Superior Federal No. 1  
Location: 1650' FNL-1980' FEL  
Sec. 8-T20S-R29E  
Eddy County, N.M.

- 5-20-80 11,500' PBTB. MIRUHU. Kill well w/10#/gal br wtr. Rlsd Otis MH pkr & retrvd BP. POH w/363 jts 2-3/8" 4.7# N-80 EUE tbf. RU & RIH w/CIBP set CIBP @ 11,500'. POH & SION. Prep to rn Otis Permalatch pkr. DDC: \$2698 CDC: \$2609.
- 5-21-80 11,500' PBTB. Prep to swb & tst Atoka perfs 11,091-11,147'. Yest RIH w/Otis Perma Latch pkr w/on-off receptacle w/1.79 Profile nipple on 2-3/8" tbg. Set pkr @ 11,042', NU WH. Swb FL to 10,000' FS. Perf Atoka section 11,091-97', 11,141-47', 2 SPF, tot of 28 holes, w/1-9/16" thru tbg perf gun. No incr in press aft perf SION. DDC: \$9854 CDC: \$12,552
- 5-22-80 11,500' PBTB. Prep to POH w/tbg & pkr, tst tbg & pkr in hole. Yest 11 1/2' SITP 600#. Opn well on 1/2" ck, press decr to 15# in 30". RIH w/swb, rec 4 BF, est gas vol 300 MCFPD. Attmpt to acd perfs, had tbg leak. Now prep to POH & tst tbg. DDC: \$1392 CDC: \$13,944.
- 5-23-80 11,500' PBTB. Prep to fish pkr & jar free. Yest rlsd pkr, st out of hole w/tbg & pkr. Pkr hung up @ 11,029', unable to wrk pkr free. Rls on-off tool, POH w/tbg & on-off tool. RIH w/OS, hydraui jars & bmr sub. Prep to jar on stuck pkr. DDC: \$2630 CDC: \$16,574.
- 5-24-80 11,500' PBTB. GIH w/2-3/8" tbg & pkr, prep to swb tst Atoka perfs 11,091-11,147'. Latched onto fish @ 11,029', jar'd on stuck pkr for 45". POH, rec profile nipple & pkr mandrel, thru
- 5-27-80 RIH w/spear, latched inside Otis Perma-latch pkr for 30". POH w/pkr body leaving slip segments, pkr rubber IH. RIH w/Guiberson Uni-VI pkr. Set pkr @ 11,018'. Swb tbg dry to SN. GSG, ARO 200 MCFGPD. Acd Atoka perfs 11,091-11,147' w/1500 gal 7 1/2% MS acd using 45 BSs. Perfs balled out. MP 7150#, AIR 4 1/2 bpm, ISDP 3500#, Tot LTR 86 bbls. CWI, now prep to swb well for tst aft acd. DDC: \$15,613 CDC: \$32,187.
- 5-28-80 11,500' PBTB. Prep to re-acd Atoka perfs 11,091-11,147'. Yest swb tstd Atoka perfs 11,091-11,147' 6', swb tbg dry to SN. Rec 42 BLW, -44 LTR. Well flwg on 1/2" ck, 26# FTP, ARO 260 MCFGPD. SWION for PBU. DDC: \$2090 CDC: \$ 34,277.
- 5-29-80 11,500' PBTB. Swb tstg Atoka perfs (11,091-11,147'). Yest 14' SITP 3950 psi. Open on 1/2" ck, flwd 105". TP drpd to 100 psi. Opn on 3/4" ck, flwd dn to 16 psi. Acd Atoka perfs w/1500 gal 7 1/2% MS acd. 1st form feed-in 4400 psi. ATP 4700 psi @ 2.5 bpm. MTP 5000 psi @ 3 bpm, ISDP 3600 psi, 15" SIP 3600 psi. Opn well to tst tank, flwd to 0. RIH w/swb, rec -18 BLTR of 80 tot TR. Rec SSG @ end of swb
- Case No. 7045  
N.M. Oil Conservation Div. PBU. DDC: \$5861 CDC: \$40,138.

10/29/80 Examiner Hearing

Texas Oil & Gas Corp.

Exhibit No. 3

Well: Superior Federal No. 1  
Location: 1650' FNL-1980' FEL  
Sec. 8-T20S-R29E  
Eddy County, N.M.

- 5-30-80 11,500' PBTB. Well SI for PBU. Yest 14' SITP 3200#. Bled press to 0 in 1'. RIH w/swb, swb 2', rec 6 BLW, -12 BLWTR. Tbg dry to SN. Set well on 1/4" ck, press stab for 3' @ 89# ARO 160 MCFGPD, dry. SWI. RD workover unit. DDC: \$1137 CDC: \$41,275.
- 5-31-80 11,500' PBTB. Well SI for PBU. CDC: \$41,275.
- 5-03-80 11,500' PBTB. Well SI for PBU. CDC: \$41,275.
- 6-05-80 11,500' PBTB. SITP 4350#. Opn well, flwd well 2". Press decr to 85# on 1/2" ck in 2'. ARO 150 MCFGPD. SWI for PBU. CDC: \$41,275.
- 6-06-80 11,500' PBTB. Well SI for PBU. CDC:\$41,275.
- 6-07-80 Same.  
thru  
6-08-80
- 6-09-80 3/4" ck, 165# FTP, 160# LP, 183 MCFGPD, tr of wtr, tr of condens. Producing from East Burton Flat (Atoka).  
FINAL REPORT.

[illegible]

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 4

TEXAS OIL & GAS CORP.

SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

ECONOMIC APPRAISAL

*Recoverable Reserves (MCF)	40,150	<i>32,622 credit</i>
Reserves to 100% Working Interest (MCF)	32,622	
Gross Income (\$)	47,628	
Taxes (\$)	3,572	
Operating Costs (\$)	9,750	
Net Income (\$)	34,306	
Cost of Workover, May, 1980 (\$)	43,497	
Net Profit/Loss to Operator (\$)	(9,191)	

\*Based on Apparent Monthly Rates of Decline in Production.  
See Table.

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 5



*Previous narrow*

ANALYSIS REPORT

DATE: 9/17/79

STEM Carlsbad DISTRICT West Texas  
LEASE/PLANT Superior Federal Gas Com. #STA. 23CB-1-0002-00  
FIELD \_\_\_\_\_ SAMPLE Gas/Liquid Gas  
COUNTY, STATE Eddy SAMPLE PRESS/TEMP. 100 psig  
OPERATOR Texas Oil & Gas LINE PRESS/TEMP. \_\_\_\_\_  
LAB Mobile GAS VOLUME \_\_\_\_\_  
CYLINDER NO. 18 DATE SAMPLED 9/11/79  
SAMPLED BY LC

FRACTIONAL ANALYSIS

	Mol. %	Vol. %	Wt. %	GPM
Nitrogen	.25			
Carbon Dioxide	.77			
Methane	94.96			
Ethane	3.24			.861
Propane	.56			.153
i-Butane	.08			.026
n-Butane	.10			.031
ISO-Pentane	.02			.007
n-Pentane	.02			.007
Hexanes +				
H <sub>2</sub> S				

TOTAL 100.00 1.085

Sp. Gr. Hexanes + \_\_\_\_\_

lbs/Gal. Hexanes + \_\_\_\_\_

MW Hexanes + \_\_\_\_\_

Distribution Mr. Bob Walker

Mr. Charlie Bearden

Mr. Wendell Creamer

Case No. 7045

N.M. Oil Conservation Div.

10/29/80 Examiner Hearing

Texas Oil & Gas Corp.

Exhibit No. 6

Cal. Sp. Gr. .587

Calc. API \_\_\_\_\_

Calc. RVP \_\_\_\_\_ PSIA

Calc. MW \_\_\_\_\_

Act. Sp. Gr. .596

Act. RVP \_\_\_\_\_ PSIA

Act. density \_\_\_\_\_ gm/cc

BTU/Cu.ft. 14.65 psia and 60° F

Calc. Meas.

Gross Dry 1034

Gross Wet 1016

Sulfur(Titration) \_\_\_\_\_

Hydrogen Sulfide sweet

Mercaptans \_\_\_\_\_

Residual Sulfur \_\_\_\_\_

Total Sulfur \_\_\_\_\_

Notes kp Oct Nov Dec

SUPERIOR FEDERAL NO. 1

1650' FNL - 1980' FEL

Section 8-T20S-R29E

Eddy County, N. M.

ANALYSIS REPORT

1504  
*After Workover*  
DATE: 7/18/80

SYSTEM Carlsbad  
WELL/PLANT Superior Federal Gas Com. #1  
FIELD \_\_\_\_\_  
COUNTY, STATE Eddy  
OPERATOR TXO  
LAB Mobile  
CYLINDER NO. 4

DISTRICT West Texas  
STA. 23CB-1-0002-00  
SAMPLE Gas/Liquid Gas  
SAMPLE PRESS/TEMP. 170 psig  
LINE PRESS/TEMP. \_\_\_\_\_  
GAS VOLUME \_\_\_\_\_  
DATE SAMPLED 6/30/80  
SAMPLED BY JF

FRACTIONAL ANALYSIS

	Mol. %	Vol. %	Wt. %	GPM
Nitrogen	.98			
Carbon Dioxide	.39			
Methane	91.53			
Ethane	4.20			1.116
Propane	1.37			.375
ISO-Butane	.35			.114
n-Butane	.36			.113
ISO-Pentane	.19			.069
n-Pentane	.09			.032
Hexanes +	.54			.229
H <sub>2</sub> S				
TOTAL	100.00			2.048

Sp. Gr. Hexanes + \_\_\_\_\_  
lbs/Gal. Hexanes + \_\_\_\_\_  
MW Hexanes + \_\_\_\_\_

Distribution Mr. Bob Walker  
Mr. Wendell Creamer  
GG&P - Accounting

Cal. Sp. Gr. .625  
Calc. API \_\_\_\_\_  
Calc. RVP \_\_\_\_\_ PSIA  
Calc. MW \_\_\_\_\_  
Act. Sp. Gr. .624  
Act. RVP \_\_\_\_\_ PSIA  
Act. density \_\_\_\_\_ g/cc  
BTU/Cu.ft. 14.65 psia and 60° F

	Calc.	Meas.
Gross Dry	1091	
Gross Wet	1072	
Sulfur (Titration)		
Hydrogen Sulfide	<u>sweet</u>	
Mercaptans		
Residual Sulfur		
Total Sulfur		

Notes ae  
July Aug Sept.

SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

TEXAS OIL & GAS CORP.  
 SUPERIOR FEDERAL NO. 1  
 1650' FNL - 1980' FEL  
 Section 8-T20S-R29E  
 Eddy County, N. M.

Case No. 7045  
 N.M. Oil Conservation Div.  
 10/29/80 Examiner Hearing  
 Texas Oil & Gas Corp.  
 Exhibit No. 7

*Last Monthly*

Well Name	Property	Section	Acres	Rate	By	Month	Year
Pet. Corp. #1	E. Burton	10304-10308	4.119733				
Superior Fed #1	Strawn	10314-10318	3292.270	1213	6,026	17,307	
<i>Receipts by Strawn 4-18-80</i>							
Pet. Corp	E. Burton	10512-	3308	1048819			
Superior Fed #3	Strawn	10528-	3308	28873	411	24,998	
<i>Receipts by Strawn 5-16-77</i>							
Superior Fed #1	E. Burton	11188-	32.14	(study prod 5-80)			
Superior Fed #1	Strawn	11281			208	28,344	
Superior Fed #1	E. Burton	10,744-	32.70	33,382			
Superior Fed #1	Strawn	10,747		388		354	
Superior Fed #1	E. Burton	10,486-04	32.70	1,332,549			
Superior Fed #1	Strawn	10,482-90		44,510	224	12,429	
Superior Fed #1	E. Burton	10,501-514					
Superior Fed #1	Strawn	10,501-514					
Superior Fed #1	E. Burton	10530-	32.79	792,098			
Superior Fed #1	Strawn	10552		3,613		262	
Superior Fed #1	E. Burton	10530-					
Superior Fed #1	Strawn	10552					
Superior Fed #1	E. Burton	11,170-	32.54	104,924			
Superior Fed #1	Strawn	11,626		349		498	
Superior Fed #1	E. Burton	11,289-	32.54	714,404			
Superior Fed #1	Strawn	11,420		2,277	5	5,020	
Superior Fed #1	E. Burton	11,289-	32.80	2,084,764			
Superior Fed #1	Strawn	11,420		10,689		676	
Superior Fed #1	E. Burton	11823-	3.317	918,491			
Superior Fed #1	Strawn	11867		1,453	15	18,159	
Superior Fed #1	E. Burton	10,530-	32.70	1,576,762			
Superior Fed #1	Strawn	10,593		6,953			
Superior Fed #1	E. Burton	11,524-	32.73	312,872			
Superior Fed #1	Strawn	11,814		1,760			

*3-15-77*

TEXAS OIL & GAS CORP.  
900 WILCO BUILDING  
MIDLAND, TEXAS 79701

October 23, 1980

Paul G. White Engineering  
112 North First  
Artesia, New Mexico 88210

Re: Waiver Letters  
Superior Federal Com. #1

Dear Paul:

Attached please find the waiver letters from Yates Petroleum and Superior Oil. Petroleum Corp. of Delaware and J. C. Williamson have not as yet returned their letters.

Sincerely,



Tom Myers  
Production Engineer

TM:dk

Attachments

SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 8

TEXAS OIL & GAS CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

October 17, 1980



The Superior Oil Co.  
Box 4500  
10200 Grogans  
The Woodlands, Texas 77380

Re: Texas Oil & Gas Corp.  
Superior Federal Com. #1  
Sec. 8 - T 20S - R 29E  
Eddy County, New Mexico

Gentlemen:

Our records indicate that you are an offset operator to the subject well.

Recently, Texas Oil & Gas Corp. recompleted the above referenced well to the Atoka formation; however, upon receipt of the completion papers, the New Mexico Oil Conservation Commission informed us that they considered the lowest set of perforations to be in the upper Morrow. This situation necessitates that there be a hearing by the Commission for the commingling of the Morrow and Atoka production from this well.

This well produces only about 100 MCFGPD. It is felt that there is little to no pressure differential between the two zones and that the downhole commingling of these zones would not pose any adverse problems.

If you have no objection to Texas Oil & Gas Corp. producing the Superior Federal Com. #1 as a commingled Atoka-Morrow well, please sign below and return to the letterhead address as soon as possible. The hearing on this is scheduled for October 29, 1980, so your earliest reply would be greatly appreciated.

Thank you for your cooperation and if there are any questions, do not hesitate to call me at 915/682-7992.

Sincerely,

*Tom Myers*  
Tom Myers  
Production Engineer

TM:dk  
*[Signature]*  
Name  
Sup. Int. Mgr  
TITLE  
THE SUPERIOR OIL COMPANY  
COMPANY  
10/21/80  
DATE

Sup. Int. \_\_\_\_\_  
Sup. Share \_\_\_\_\_  
Sup. AFE No. \_\_\_\_\_

TEXAS OIL & GAS CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

October 17, 1980

Yates Petroleum  
207 South 4th  
Artesia, New Mexico 88210

Re: Texas Oil & Gas Corp.  
Superior Federal Com. #1  
Sec. 8 - T 20S - R 29E  
Eddy County, New Mexico

Gentlemen:

Our records indicate that you are an offset operator to the subject well.

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Thank you for your cooperation and if there are any questions, do not hesitate to call me at 915/682-7992.

Sincerely,

*Tom Myers*  
Tom Myers  
Production Engineer

TM:dk

*Eddy H. Hays*  
Name

Petroleum Engineer

TITLE  
Yates Petroleum Corporation

COMPANY  
October 21, 1980

DATE

TEXAS OIL & GAS CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

October 17, 1980

J. C. Williamson  
P. O. Box 16  
Midland, Texas 79702

Re: Texas Oil & Gas Corp.  
Superior Federal Com. #1  
Sec. 8 - T 20S - R 29E  
Eddy County, New Mexico

Gentlemen:

Our records indicate that you are an offset operator to the subject well.

Recently, Texas Oil & Gas Corp. recompleted the above referenced well to the Atoka formation; however, upon receipt of the completion papers, the New Mexico Oil Conservation Commission informed us that they considered the lowest set of perforations to be in the upper Morrow. This situation necessitates that there be a hearing by the Commission for the commingling of the Morrow and Atoka production from this well.

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Thank you for your cooperation and if there are any questions, do not hesitate to call me at 915/682-7992.

Sincerely,

*Tom Myers*  
Tom Myers  
Production Engineer

TM:dk

Name

TITLE

COMPANY

DATE

*J. C. Williamson*  
*Owner*  
*15 days*  
*Oct 24 1980*



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

July 11, 1980

P.O. DRAWER 80  
ARTESIA, NEW MEXICO 883  
15051 745-4881  
745-1253

Texas Oil & Gas Corporation  
900 Wilco Building  
Midland, Texas 79701

Re: Superior Fed. Com.  
#1-8-20-29  
Eddy County, NM

Gentlemen:

The lower most perforations in the subject well are found in the Morrow Ls. and not in the Atoka, as reported.

This well is a cross-section log on two of the seven cross-sections prepared for this agency by an industrial committee on vertical nomenclature. In order to comply with the rules and regulations, the horizons will have to be segregated in the borehole, or application for downhole commingling must be filed with Santa Fe.

The tops indicated by the cross-section are as follows:

Wolfcamp	- 9,165
Penn	- 9,970
Strawn	- 10,250
Atoka	- 10,629
Morrow Ls.	- 11,173-37
Morrow Cl.	- 11,259

If you have any questions, please contact this office.

Sincerely,

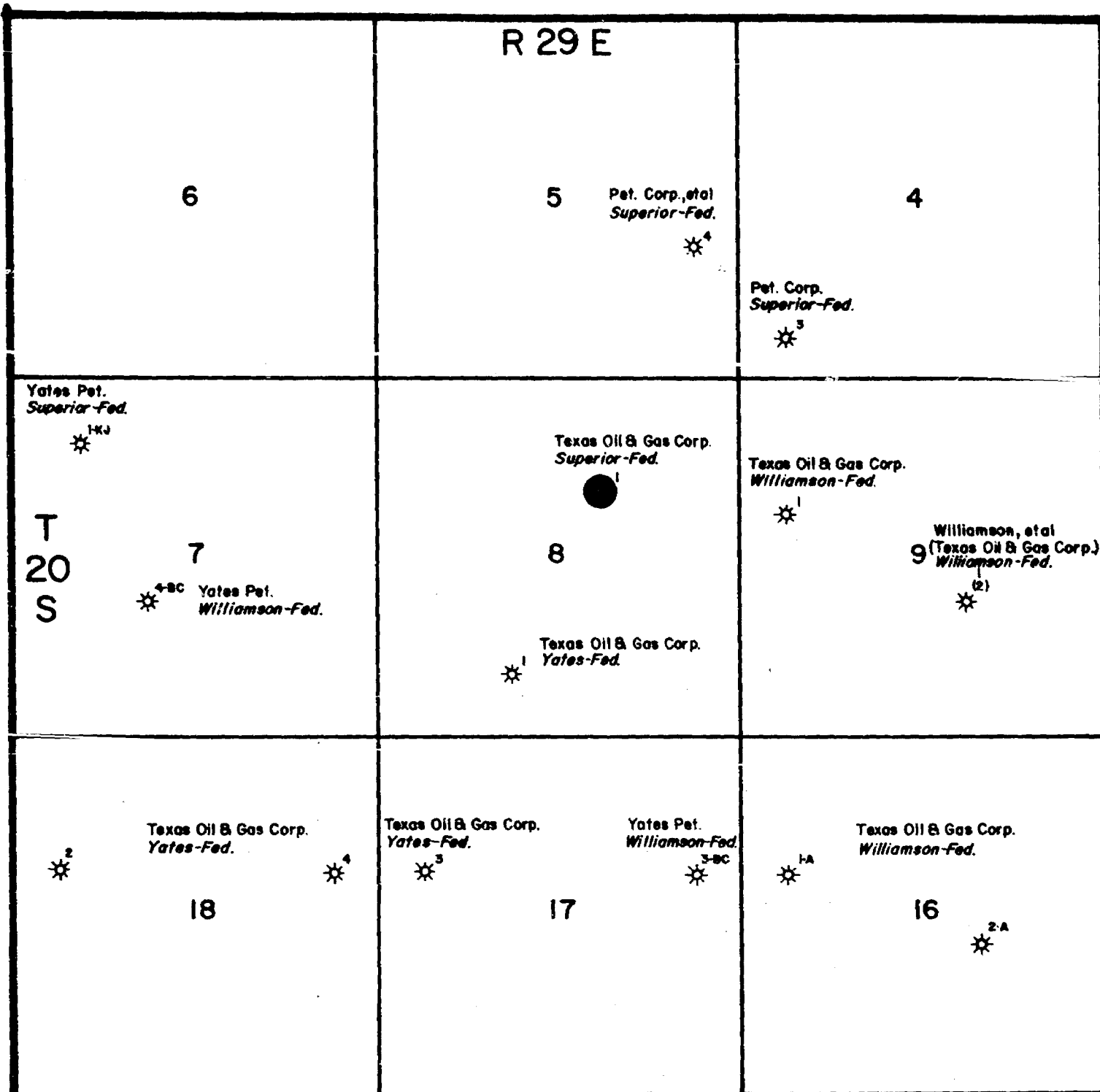
*Larry Brooks*  
Larry Brooks  
Geologist

LB:ar

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 9

SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N.M.





Case No. 7045  
 N.M. Oil Conservation Div.  
 10/29/80 Examiner Hearing  
 Texas Oil & Gas Corp.  
 Exhibit No. 1

### Texas Oil & Gas Corp.

SUPERIOR FEDERAL NO. 1

1650' FNL - 1980' FEL  
 Section 8-T20S-R29E  
 Eddy County  
 New Mexico

Scale: 1" = 2000'

TEXAS OIL & GAS CORP.  
SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

OPERATOR Texas Oil & Gas Corp.

LEASE & WELL NO. Superior Federa. Com. #1

FIELD East Burton Flat

LOCATION 1650' FNL and 1980' FEL

ELEVATION KB 3293 DF          GL 3279

Unit E          TWN 20 S RNGE 29 E  
SEC 8 ~~BLK~~ SURVEY

TD 11,700 PBTD 11,500 ~~EDWDY~~ Recompl. 6-9-80  
(Date)

COUNTY Eddy STATE New Mexico

AVAILABLE DATA

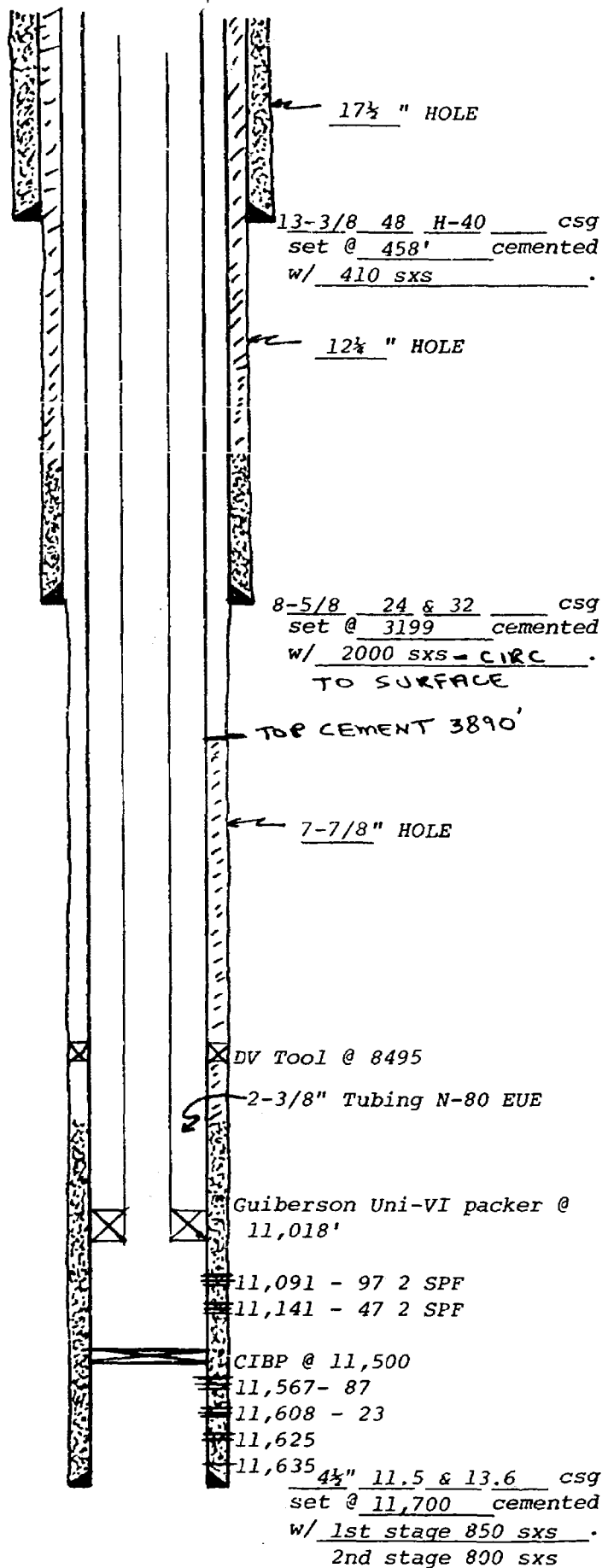
LOGS:

SAMPLE LOGS:

CORE:

DST:

COMPLETION & REMEDIAL WORK



Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 2

CURRENT STATUS:

Workover Cronology  
Texas Oil & Gas Corp.

Well: Superior Federal No. 1  
Location: 1650' FNL-1980' FEL  
Sec. 8-T20S-R29E  
Eddy County, N.M.

- 5-20-80 11,500' PBTB. MIRUCU. Kill well w/10#/gal br wtr. Rlsd Otis MH pkr & retrvd BP. POH w/363 jts 2-3/8" 4.7# N-80 EUE tbf. RU & RIH w/CIBP set CIBP @ 11,500'. POH & SION. Prep to rn Otis Permalatch pkr. DDC: \$2698 CDC: \$2609.
- 5-21-80 11,500' PBTB. Prep to swb & tst Atoka perfs 11,091-11,147'. Yest RIH w/Otis Perma-Latch pkr w/on-off receptacle w/1.79 Profile nipple on 2-3/8" tbg. Set pkr @ 11,049', NU WH. Swb FL to 10,000' FS. Perf Atoka section 11,091-9', 11,141-47', 2 SPF, tot of 28 holes, w/1-9/16" thru tbg perfg gun. No incr in press aft perfg SION. DDC: \$9854 CDC: \$12,552
- 5-22-80 11,500' PBTB. Prep to POH w/tbg & pkr, tst tbg & pkr in hole. Yest 11 1/2' SITP 600#. Opn well on 1/2" ck, press decr to 15# in 30". RIH w/swb, rec 4 BF, est gas vol 300 MCFPD. Attempt to acd perfs, had tbg leak. Now prep to POH & tst tbg. DDC: \$1392 CDC: \$13,944.
- 5-23-80 11,500' PBTB. Prep to fish pkr & jar free. Yest rlsd pkr, st out of hole w/tbg & pkr. Pkr hung up @ 11,029', unable to wrk pkr free. Rls on-off tool, POH w/tbg & on-off tool. RIH w/OS, hydraulic jars & bmr sub. Prep to jar on stuck pkr. DDC: \$2630 CDC: \$16,574.
- 5-24-80 11,500' PBTB. GIH w/2-3/8" tbg & pkr, prep to swb tst Atoka perfs 11,091-11,147'. Latched onto fish @ 11,029', jar'd on stuck pkr for 45". POH, rec profile nipple & pkr mandrel, thru
- 5-27-80 RIH w/spear, latched inside Otis Perma-latch pkr for 30". POH w/pkr body leaving slip segments, pkr rubber IH. RIH w/Guiberson Uni-VI pkr. Set pkr @ 11,018'. Swb tbg dry to SN. GSG, ARO 200 MCFGPD. Acd Atoka perfs 11,091-11,147' w/1500 gal 7 1/2% MS acd using 45 BSs. Perfs balled out. MP 7150#, AIR 4 1/2 bpm, ISDP 3500#, Tot LTR 86 bbls. CWI, now prep to swb well for tst aft acd. DDC: \$15,613 CDC: \$32,187.
- 5-28-80 11,500' PBTB. Prep to re-acd Atoka perfs 11,091-11,147'. Yest swb tstd Atoka perfs 11,091-11,147' 6', swb tbg dry to SN. Rec 42 BLW, -44 LTR. Well flwg on 1/2" ck, 26# FTP, ARO 260 MCFGPD. SWION for PBU. DDC: \$2090 CDC: \$ 34,277.
- 5-29-80 11,500' PBTB. Swb tstg Atoka perfs (11,091-11,147'). Yest 14' SITP 3950 psi. Open on 1/2" ck, flwd 105". TP drpd to 100 psi. Opn on 3/4" ck, flwd dn to 16 psi. Acd Atoka perfs w/1500 gal 7 1/2% MS acd. 1st form feed-in 4400 psi. ATP 4700 psi @ 2.5 bpm. MTP 5000 psi @ 3 bpm, ISDP 3600 psi, 15" SIP 3600 psi. Opn well to tst tank, flwd to 0. RIH w/swb, rec

Case No. 7045 -18 BLTR of 80 tot TR. Rec SSG @ end of swb  
N.M. Oil Conservation Div. PBU. DDC: \$5861 CDC: \$40,138.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 3

Well: Superior Federal No. 1  
Location: 1650' FNL-1980' FEL  
Sec. 8-T20S-R29E  
Eddy County, N.M.

- 5-30-80 11,500' PBTD. Well SI for PBU. Yest 14' SITP 3200#. Bled press to 0 in 1'. RIH w/swb, swb 2', rec 6 BLW, -12 BLWTR. Tbg dry to SN. Set well on 1/4" ck, press stab for 3' @ 89# ARO 160 MCFGPD, dry. SWI. RD workover unit. DDC: \$1137 CDC: \$41,275.
- 5-31-80 11,500' PBTD. Well SI for PBU. CDC: \$41,275.
- 6-03-80 11,500' PBTD. Well SI for PBU. CDC: \$41,275.
- 6-05-80 11,500' PBTD. SITP 4350#. Opn well, flwd well 2". Press decr to 85# on 1/2" ck in 2'. ARO 150 MCFGPD. SWI for PBU. CDC: \$41,275.
- 6-06-80 11,500' PBTD. Well SI for PBU. CDC:\$41,275.
- 6-07-80 Same.  
thru  
6-08-80
- 6-09-80 3/4" ck, 165# FTP, 160# LP, 183 MCFGPD, tr of wtr, tr of condens. Producing from East Burton Flat (Atoka).  
FINAL REPORT.

Eddy County, N. M.

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 4

TEXAS OIL & GAS CORP.

SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

ECONOMIC APPRAISAL

*Recoverable Reserves (MCF)	40,150
Reserves to 100% Working Interest (MCF)	32,622
Gross Income (\$)	47,628
Taxes (\$)	3,572
Operating Costs (\$)	9,750
Net Income (\$)	34,306
Cost of Workover, May, 1980 (\$)	43,497
Net Profit/Loss to Operator (\$)	(9,191)

\*Based on Apparent Monthly Rates of Decline in Production.  
See Table.

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 5

*Previous narrow*

ANALYSIS REPORT

DATE: 9/17/79

STEM Carlsbad DISTRICT West Texas  
LEASE/PLANT Superior Federal Gas Com. #STA. 23CB-1-0002-00  
FIELD \_\_\_\_\_ SAMPLE Gas/Liquid Gas  
COUNTY, STATE Eddy SAMPLE PRESS/TEMP. 100 psig  
OPERATOR Texas Oil & Gas LINE PRESS/TEMP. \_\_\_\_\_  
LAB Mobile GAS VOLUME \_\_\_\_\_  
CYLINDER NO. 18 DATE SAMPLED 9/11/79  
SAMPLED BY LC

FRACTIONAL ANALYSIS

	Mol. %	Vol. %	Wt. %	GPM
Nitrogen	.25			
Carbon Dioxide	.77			
Methane	94.96			
Ethane	3.24			.861
Propane	.56			.153
i-Butane	.08			.026
n-Butane	.10			.031
ISO-Pentane	.02			.007
n-Pentane	.02			.007
Hexanes +				
H <sub>2</sub> S				
TOTAL	100.00			1.085
Sp. Gr. Hexanes +				
lbs/Gal. Hexanes +				
MW Hexanes +				

Cal. Sp. Gr. .587  
Calc. API \_\_\_\_\_  
Calc. RVP \_\_\_\_\_ PSIA  
Calc. MW \_\_\_\_\_  
Act. Sp. Gr. .596  
Act. RVP \_\_\_\_\_ PSIA  
Act. density \_\_\_\_\_ gm/cc  
BTU/Cu.ft. 14.65 psia and 60° F

	Calc.	Meas.
Gross Dry	1034	
Gross Wet	1016	
Sulfur (Titration)		
Hydrogen Sulfide	sweet	
Mercaptans		
Residual Sulfur		
Total Sulfur		

Distribution Mr. Bob Walker  
Mr. Charlie Bearden  
Examiner  
Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 6

Notes kp Oct Nov Dec  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

## ANALYSIS REPORT

After Workover  
DATE: 7/13/80SYSTEM Carlsbad  
WELL/PLANT Superior Federal Gas Com. #1  
FIELD \_\_\_\_\_  
COUNTY, STATE Eddy  
OPERATOR TXO  
LAB Mobile  
CYLINDER NO. 4DISTRICT West Texas  
STA. 23CB-1-0002-00  
SAMPLE Gas/Liquid Gas  
SAMPLE PRESS/TEMP. 170 psig  
LINE PRESS/TEMP. \_\_\_\_\_  
GAS VOLUME \_\_\_\_\_  
DATE SAMPLED 6/30/80  
SAMPLED BY JF

## FRACTIONAL ANALYSIS

	Mol. %	Vol. %	Wt. %	GPM
Nitrogen	.98			
Carbon Dioxide	.39			
Methane	91.53			
Ethane	4.20			1.116
Propane	1.37			.375
ISO-Butane	.35			.114
n-Butane	.36			.113
ISO-Pentane	.19			.069
n-Pentane	.09			.032
Hexanes +	.54			.229
H <sub>2</sub> S				

TOTAL 100.00 2.048

Sp. Gr. Hexanes + \_\_\_\_\_

lbs/Cal. Hexanes + \_\_\_\_\_

MW Hexanes + \_\_\_\_\_

Distribution Mr. Bob WalkerMr. Wendell CreamerGG&P - AccountingCal. Sp. Gr. .625  
Calc. API \_\_\_\_\_  
Calc. RVP \_\_\_\_\_ PSIA  
Calc. MW \_\_\_\_\_  
Act. Sp. Gr. .624  
Act. RVP \_\_\_\_\_ PSIA  
Act. density \_\_\_\_\_ gm/cc  
BTU/Cu.ft. 14.65 psia and 60° F

	Calc.	Meas.
Gross Dry	1091	
Gross Wet	1072	

Sulfur (Titration) \_\_\_\_\_

Hydrogen Sulfide sweet

Mercaptans \_\_\_\_\_

Residual Sulfur \_\_\_\_\_

Total Sulfur \_\_\_\_\_

Notes aeJuly Aug SeptSUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.



TEXAS OIL & GAS CORP.  
SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

Well Name	Producing Formation	Elevation G.L.	Perforations	Rate of Production	Oil	Gas	Water
Pet. Corp. et al Superior Fed #4 E. Burton Flat	Strawn	10304-10308 (out of zone) 10314-10318	3292.2	119,733 1,213 4,026	17,307		
Pet. Corp Superior Fed #3 E. Burton Flat	Strawn	10512- 10528	3308	1,048,819 28,873	24,778		
Yates Petrol. Superior Fed #1-K5	E. Burton Flat Monnow	11188- 11281	3274	(stop prod 5-80)	208	28,344	
Yates Petrol. Williamson Fed #48C	E. Burton Flat Monnow	10,744- 10,747	3270	33,382 388	354		
Yates Petrol. Superior Fed #1	E. Burton Flat Monnow	10,456-04 10,482-90 10,501-54	3270	1,332,549 44,510	224	12,429	
Yates Petrol. Williamson Fed #1	E. Burton Flat Monnow	10530- 10552	3279	792,098 3,613	262		
Yates Petrol. Williamson Fed #2	E. Burton Flat Monnow	11,170- 11,626	3254	104,924 349	498		
Yates Petrol. Superior Fed #4	E. Burton Flat Monnow	11,289- 11,420	3254	714,404 2,277	5020		
Yates Petrol. Superior Fed #3	E. Burton Flat Monnow	11,289- 11,420	3280	2,084,764 10,689	676		
Yates Petrol. Williamson Fed #3-BC	E. Burton Flat Monnow	11823- 11867	3317	918,491 1,453	18,159		
Yates Petrol. Williamson Fed #1	E. Burton Flat Monnow	10,530- 10,593	3270	1,576,762 6,953	6		
Yates Petrol. Williamson Fed #1	E. Burton Flat Monnow	11,524- 11,874	3273	312,872 1,760	0		

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 7

TEXAS OIL & GAS CORP.  
900 WILCO BUILDING  
MIDLAND, TEXAS 79701

October 23, 1980


Paul G. White Engineering  
112 North First  
Artesia, New Mexico 88210

Re: Waiver Letters  
Superior Federal Com. #1

Dear Paul:

Attached please find the waiver letters from Yates Petroleum and Superior Oil. Petroleum Corp. of Delaware and J. C. Williamson have not as yet returned their letters.

Sincerely,



Tom Myers  
Production Engineer

TM:dk

Attachments

SUPERIOR FEDERAL NO. 1  
1650' TNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 8

900 WILCO BUILDING  
MIDLAND, TEXAS 79701

061201980

Re: Texas Oil & Gas Corp.  
Superior Federal Com. #1  
Sec. 8 - T 20S - R 29E  
Eddy County, New Mexico

Our records indicate that you are an offset operator to the subject well.

This well produces only about 100 MCF/GPD. It is felt that there is little to no pressure differential between the two zones and that the downhole commingling of these zones would not pose any adverse problems.

Thank you for your cooperation and if there are any questions, do not hesitate to call me at 915/682-7992.

Tom Myers  
Tom Myers  
Production Engineer

Name \_\_\_\_\_

Petroleum Engineer

**TITLE**  
Yates Petroleum Corporation

COMPANY

October 21, 1980

DATE \_\_\_\_\_

TEXAS OIL & GAS CORP.  
900 WILCO BUILDING  
MIDLAND, TEXAS 79701

October 17, 1980



The Superior Oil Co.  
Box 4500  
10200 Grogans  
The Woodlands, Texas 77380

Re: Texas Oil & Gas Corp.  
Superior Federal Com. #1  
Sec. 8 - T 20S - R 29E  
Eddy County, New Mexico

Gentlemen:

Our records indicate that you are an offset operator to the subject well.

Recently, Texas Oil & Gas Corp. recompleted the above referenced well to the Atoka formation; however, upon receipt of the completion papers, the New Mexico Oil Conservation Commission informed us that they considered the lowest set of perforations to be in the upper Morrow. This situation necessitates that there be a hearing by the Commission for the commingling of the Morrow and Atoka production from this well.

This well produces only about 100 MCFGPD. It is felt that there is little to no pressure differential between the two zones and that the downhole commingling of these zones would not pose any adverse problems.

If you have no objection to Texas Oil & Gas Corp. producing the Superior Federal Com. #1 as a commingled Atoka-Morrow well, please sign below and return to the letterhead address as soon as possible. The hearing on this is scheduled for October 29, 1980, so your earliest reply would be greatly appreciated.

Thank you for your cooperation and if there are any questions, do not hesitate to call me at 915/682-7992.

Sincerely,

*Tom Myers*  
Tom Myers  
Production Engineer

TM:dk

Name

TITLE

THE SUPERIOR OIL COMPANY

COMPANY

DATE

Sup. Int. \_\_\_\_\_  
Sup. Share \_\_\_\_\_  
Sup. AFE No. \_\_\_\_\_

TEXAS OIL & GAS CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

October 17, 1980

J. C. Williamson  
P. O. Box 16  
Midland, Texas 79702

Re: Texas Oil & Gas Corp.  
Superior Federal Com. #1  
Sec. 8 - T 20S - R 29E  
Eddy County, New Mexico

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Sincerely,

*Tom Myers*  
Tom Myers  
Production Engineer

TM:dk

*J. C. Williamson*



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

July 11, 1980

P.D. DRAWER DD  
ARTESIA, NEW MEXICO 881  
15051 745-4884  
748-1283

Texas Oil & Gas Corporation  
900 Wilco Building  
Midland, Texas 79701

Re: Superior Fed. Com.  
#1-8-20-29  
Eddy County, NM

Gentlemen:

The lower most perforations in the subject well are found in the Morrow Ls. and not in the Atoka, as reported.

This well is a cross-section log on two of the seven cross-sections prepared for this agency by an industrial committee on vertical nomenclature. In order to comply with the rules and regulations, the horizons will have to be segregated in the borehole, or application for downhole commingling must be filed with Santa Fe.

The tops indicated by the cross-section are as follows:

Wolfcamp	- 9,165
Penn	- 9,970
Strawn	- 10,250
Atoka	- 10,629
Morrow Ls.	- 11,173-37
Morrow Cl.	- 11,259

If you have any questions, please contact this office.

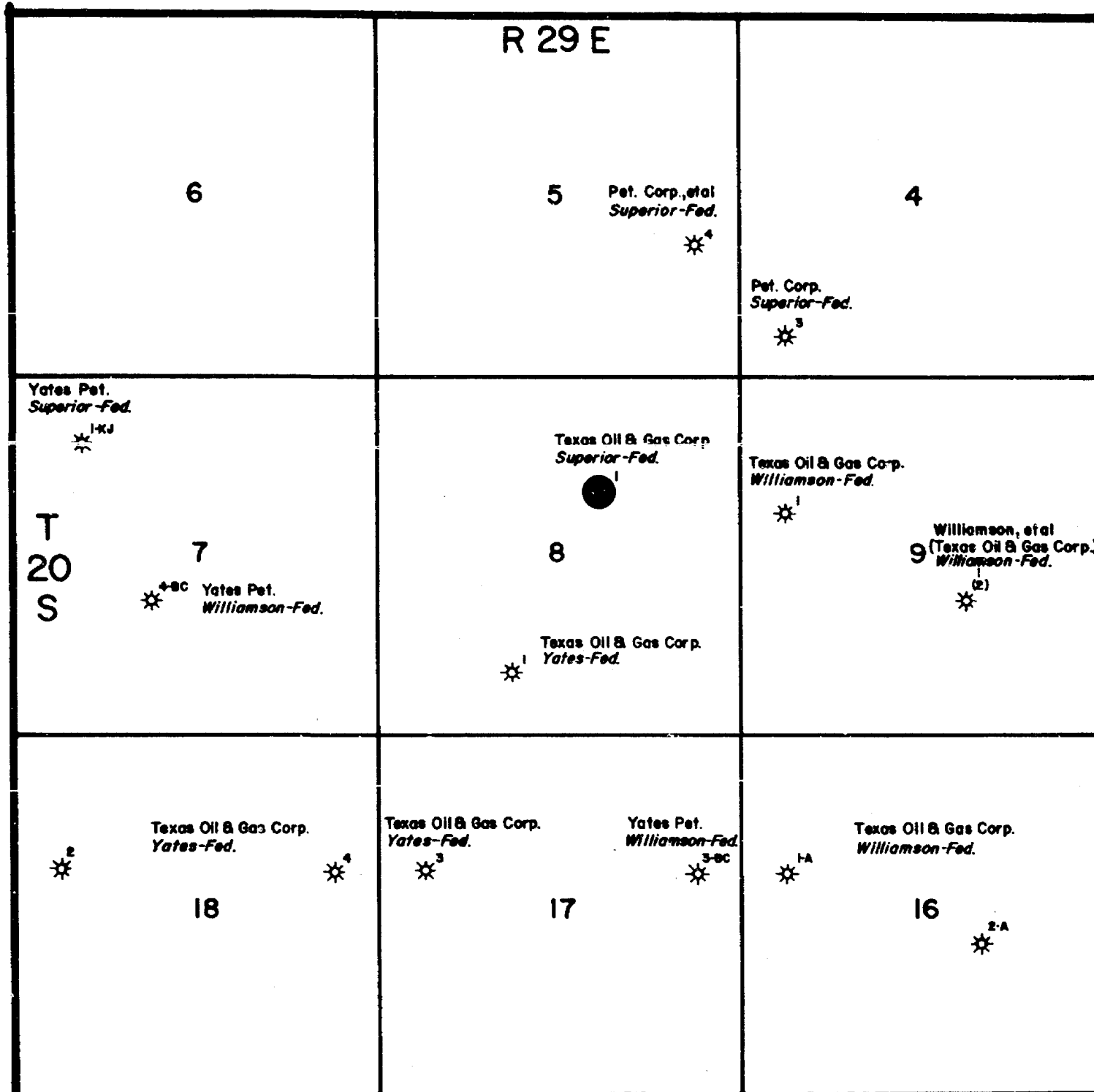
Sincerely,

*Larry Brooks*  
Larry Brooks  
Geologist

LB:ar

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 9

SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N.M.



Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 1



### Texas Oil & Gas Corp.

SUPERIOR FEDERAL NO. 1

1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County  
New Mexico

Scale: 1" = 2000'

TEXAS OIL & GAS CORP.  
SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

OPERATOR Texas Oil & Gas Corp.

LEASE & WELL NO. Superior Federa. Com. #1

FIELD East Burton Flat

LOCATION 1650' FNL and 1980' FEL

ELEVATION KB 3293 DF          GL 3279

Unit E          TWN          RNGE           
SEC 8 DLK 20 S SURVEY 29 E

TD 11,700 PBDT 11,500 Recompl.  
6-9-80  
(Date)

COUNTY Eddy STATE New Mexico

AVAILABLE DATA

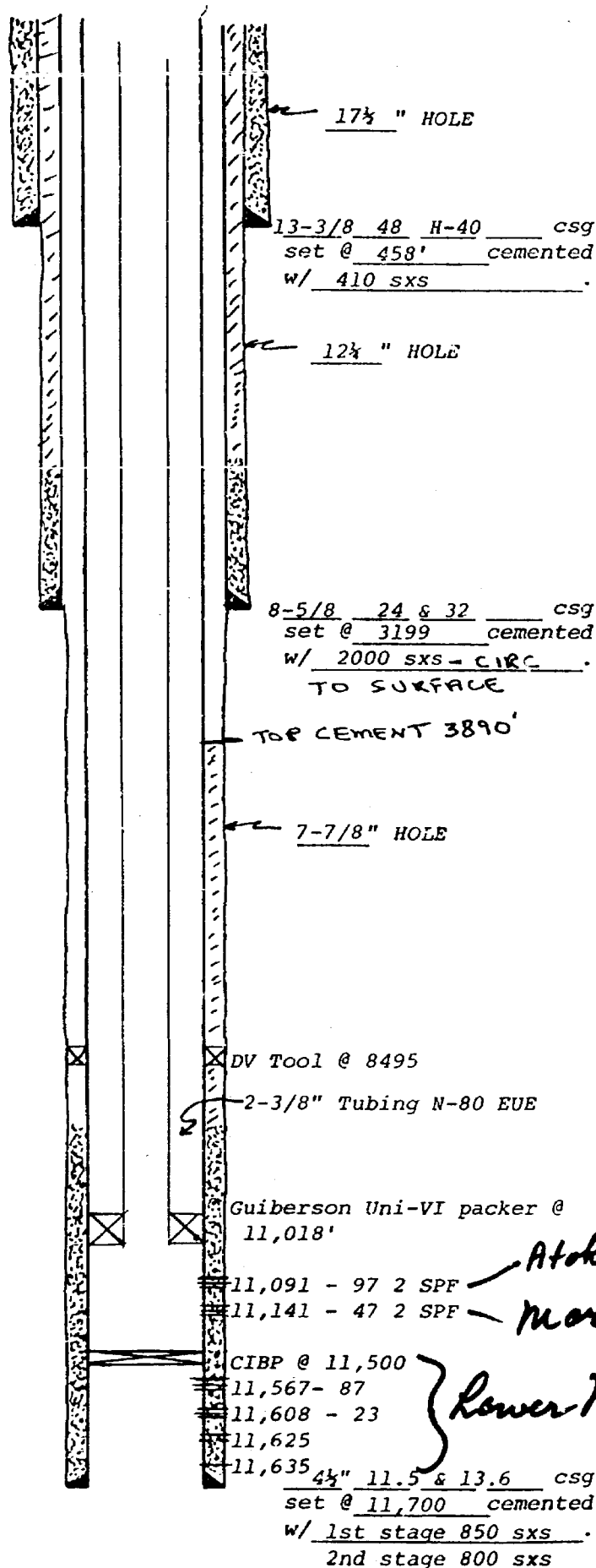
LOGS:                                 

SAMPLE LOGS:                                 

CORE:                                 

DST:                                 

COMPLETION & REMEDIAL WORK



*Atoka*

*Morrow*

*Lower Morrow*

*productive but depleted*

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 2

CURRENT STATUS:



Workover Cronology  
Texas Oil & Gas Corp.

Well: Superior Federal No. 1  
Location: 1650' FNL-1980' FEL  
Sec. 8-T20S-R29E  
Eddy County, N.M.

- 5-20-80 11,500' PBTB. MIRUCU. Kill well w/10#/gal br wtr. Rlsd Otis MH pkr & retrvd BP. POH w/363 jts 2-3/8" 4.7# N-80 EUE tbf. RU & RIH w/CIBP set CIBP @ 11,500'. POH & SION. Prep to rn Otis Permalatch pkr. DDC: \$2698 CDC: \$2609.
- 5-21-80 11,500' PBTB. Prep to swb & tst Atoka perfs 11,091-11,147'. Yest RIH w/Otis Perma-Latch pkr w/on-off receptacle w/1.79 Profile nipple on 2-3/8" tbg. Set pkr @ 11,049', NU WH. Swb FL to 10,000' FS. Perf Atoka section 11,091-97', 11,141-47', 2 SPF, tot of 28 holes, w/1-9/16" thru tbg perf gun. No incr in press aft perfg SION. DDC: \$9854 CDC: \$12,552
- 5-22-80 11,500' PBTB. Prep to POH w/tbg & pkr, tst tbg & pkr in hole. Yest 11 1/2' SITP 600#. Opn well on 1/2" ck, press decr to 15# in 30". RIH w/swb, rec 4 BF, est gas vol 300 MCFPD. Attmp to acd perfs, had tbg leak. Now prep to POH & tst tbg. DDC: \$1392 CDC: \$13,944.
- 5-23-80 11,500' PBTB. Prep to fish pkr & jar free. Yest rlsd pkr, st out of hole w/tbg & pkr. Pkr hung up @ 11,029', unable to wrk pkr free. Rls on-off tool, POH w/tbg & on-off tool. RIH w/OS, hydraul jars & bmpr sub. Prep to jar on stuck pkr. DDC: \$2630 CDC: \$16,574.
- 5-24-80 11,500' PBTB. GIH w/2-3/8" tbg & pkr, prep to swb tst Atoka perfs 11,091-11,147'. Latched onto fish @ 11,029', jar'd on stuck pkr for 45". POH, rec profile nipple & pkr mandrel, thru
- 5-27-80 RIH w/spear, latched inside Otis Perma-latch pkr for 30". POH w/pkr body leaving slip segments, pkr rubber IH. RIH w/Guiberson Uni-VI pkr. Set pkr @ 11,018'. Swb tbg dry to SN. GSG, ARO 200 MCFGPD. Acd Atoka perfs 11,091-11,147' w/1500 gal 7 1/2% MS acid using 45 BSs. Perfs balled out. MP 7150#, AIR 4 1/2 bpm, ISDP 3500#, Tot LTR 86 bbls. CWI, now prep to swb well for tst aft acd. DDC: \$15,613 CDC: \$32,187.
- 5-28-80 11,500' PBTB. Prep to re-acd Atoka perfs 11,091-11,147'. Yest swb tstd Atoka perfs 11,091-11,147' 6', swb tbg dry to SN. Rec 42 BLW, -44 LTR. Well flwg on 1/2" ck, 26# FTP, ARO 260 MCFGPD. SWION for PBU. DDC: \$2090 CDC: \$ 34,277.
- 5-29-80 11,500' PBTB. Swb tstg Atoka perfs (11,091-11,147'). Yest 14' SITP 3950 psi. Open on 1/2" ck, flwd 105". TP drpd to 100 psi. Opn on 3/4" ck, flwd dn to 16 psi. Acd Atoka perfs w/1500 gal 7 1/2% MS acid. 1st form feed-in 4400 psi. ATP 4700 psi @ 2.5 bpm. MTP 5000 psi @ 3 bpm, ISDP 3600 psi, 15" SIP 3600 psi. Opn well to tst tank, flwd to 0. RIH w/swb, rec -18 BLTR of 80 tot TR. Rec SSG @ end of swb PBU. DDC: \$5861 CDC: \$40,138.

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 3

Well: Superior Federal No. 1  
Location: 1650' FNL-1980' FEL  
Sec. 8-T20S-R29E  
Eddy County, N.M.

- 5-30-80 11,500' PBTD. Well SI for PBU. Yest 14' SITP 3200#. Bled press to 0 in 1'. RIII w/swb, swb 2', rec 6 BLW, -12 BLWTR. Tbg dry to SN. Set well on  $\frac{1}{4}$ " ck, press stab for 3' @ 89# ARO 160 MCFGPD, dry. SWI. RD workover unit. DDC: \$1137 CDC: \$41,275.
- 5-31-80 11,500' PBTD. Well SI for PBU. CDC: \$41,275.
- 6-03-80 11,500' PBTD. Well SI for PBU. CDC: \$41,275.
- 6-05-80 11,500' PBTD. SITP 4350#. Opn well, flwd well 2". Press decr to 85# on  $\frac{1}{2}$ " ck in 2'. ARO 150 MCFGPD. SWI for PBU. CDC: \$41,275.
- 6-06-80 11,500' PBTD. Well SI for PBU. CDC:\$41,275.
- 6-07-80 Same.  
thru  
6-08-80
- 6-09-80 3/4" ck, 165# FTP, 160# LP, 183 MCFGPD, tr of wtr, tr of condens. Producing from East Burton Flat (Atoka).  
FINAL REPORT.

[illegible]

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 4

TEXAS OIL & GAS CORP.

SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

ECONOMIC APPRAISAL

*Recoverable Reserves (MCF)	40,150
Reserves to 100% Working Interest (MCF)	32,622
Gross Income (\$)	47,628
Taxes (\$)	3,572
Operating Costs (\$)	9,750
Net Income (\$)	34,306
Cost of Workover, May, 1980 (\$)	43,497 —
Net Profit/Loss to Operator (\$)	(9,191)

\*Based on Apparent Monthly Rates of Decline in Production.  
See Table.

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 5

1835  
Previous Manor

DATE: 9/17/79

## FRACTIONAL ANALYSIS

Cal. Sp. Gr. .587  
Calc. API \_\_\_\_\_  
Calc. RVP \_\_\_\_\_ PSIA  
Calc. MW \_\_\_\_\_  
Act. Sp. Gr. .596  
Act. RVP \_\_\_\_\_ PSIA  
Act. density \_\_\_\_\_ gm/cc  
BTU/Cu.ft. 14.65 psia and 60° F

	Calc.	Meas.
Gross Dry	<u>1034</u>	<u>          </u>
Gross Wet	<u>1016</u>	<u>          </u>
Sulfur(Titration)	<u>          </u>	<u>          </u>
Hydrogen Sulfide	<u>sweet</u>	<u>          </u>
Mercaptans	<u>          </u>	<u>          </u>
Residual Sulfur	<u>          </u>	<u>          </u>
Total Sulfur	<u>          </u>	<u>          </u>

Notes      kp      Oct Nov Dec

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— SUPERIOR FEDERAL NO. 1 —

— 1650' FNL - 1980' FEL —

— Section 8-T20S-R29E —

— Eddy County, N. M. —

*After Workover*

ANALYSIS REPORT

DATE: 7/13/80

SYSTEM Carlsbad  
WELL/PLANT Superior Federal Gas Com. #1  
FIELD \_\_\_\_\_  
COUNTY, STATE Eddy  
OPERATOR TXO  
LAB Mobile  
CYLINDER NO. 4

DISTRICT West Texas  
STA. 23CB-1-0002-00  
SAMPLE Gas/Liquid Gas  
SAMPLE PRESS/TEMP. 170 psig  
LINE PRESS/TEMP. \_\_\_\_\_  
GAS VOLUME \_\_\_\_\_  
DATE SAMPLED 6/30/80  
SAMPLED BY JF

FRACTIONAL ANALYSIS

	Mol.%	Vol.%	Wt.%	GPM
Nitrogen	.98			
Carbon Dioxide	.39			
Methane	91.53			
Ethane	4.20			1.116
Propane	1.37			.375
ISO-Butane	.35			.114
n-Butane	.36			.113
ISO-Pentane	.19			.069
n-Pentane	.09			.032
Hexanes +	.54			.229
H <sub>2</sub> S				
TOTAL	100.00			2.048
Sp. Gr. Hexanes +				
Lbs/Cal. Hexanes +				
HW Hexanes +				

Cal. Sp. Gr. .625  
Calc. API \_\_\_\_\_  
Calc. RVP \_\_\_\_\_ PSIA  
Calc. MW \_\_\_\_\_  
Act. Sp. Gr. .624  
Act. RVP \_\_\_\_\_ PSIA  
Act. density \_\_\_\_\_ gm/cc  
BTU/Cu.ft. 14.65 psia and 60° F

	Calc.	Meas.
Gross Dry	<u>1091</u>	
Gross Wet	<u>1072</u>	
Sulfur (Titration)		
Hydrogen Sulfide	<u>sweet</u>	
Mercaptans		
Residual Sulfur		
Total Sulfur		

Distribution Mr. Bob Walker  
Mr. Wendell Creamer  
GG&P - Accounting

Notes ae  
July Aug. Sept.

SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

TEXAS OIL & GAS CORP.  
SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

Well Name	Producing Formation	Perforations	Elevation G.I.	Current Rate 1-1-80	Last Monthly Rate of Production Oil Avg.
Pet. Corp. et al Superior Fed #4 (Cum. Burton Flat - narrow)	E. Burton Flat Strawn	10304-10308 (out of zone) 10314-10318	3292.270	G 119,733 1,213	6,026 17,307
					Recomp. to Strawn 4-18-80
Pet. Corp Superior - Fed #3 (Cum. Burton Flat - narrow - GAS 328,698; Oil 557; Recomp. to Strawn 5-16-77)	E. Burton Flat Strawn	10512- 10528	3308	G 1,048,819 0 28,873	411 24,998
Yates Petrol. Superior L.D. 1-K5	E. Burton Flat narrow	11188- 11281	3274	(stayed prod 5-80)	208 28,344
Yates Petrol. Williamson - Fed #480	E. Burton Flat Strawn	10,744- 10,747	3270	G 33,382 0 388	0 354
Jesara Oil & Gas Yates Fed #1	E. Burton Flat Strawn	10,456-04 10,482-90 10,501-514	3270	G 1,332,549 0 44,510	224 12,429
Jesara Oil & Gas Williamson Fed #1	E. Burton Flat Strawn	10530- 10552	3279	G 792,098 0 3,613	0 262
Jesara Oil & Gas Williamson, et al Williamson Fed #2	E. Burton Flat Strawn	See copies			
Jesara O + G Yates Fed #2	E. Burton Flat narrow	11,170- 11,626	3254	G 104,924 0 349	0 498
Jesara O + G Yates Fed #4	E. Burton Flat narrow	11,289- 11,420	3254	G 714,404 0 2,277	5 5,020
Jesara Oil & Gas Yates Fed #3	E. Burton Flat narrow	See forms	3280	G 2,084,764 0 10,689	0 676
Yates Petrol. Williamson Fed #3-BC	E. Burton Flat narrow	11823- 11867	3317	G 918,491 0 1,453	15 18,159
Jesara Oil & Gas Williamson A - Fed #1	E. Burton Flat Strawn	10,530- 10,593	3270	G 1,576,762 0 6,953	0 6
Jesara Oil & Gas	E. Burton	11,524- 11,874	3273	G 312,872 0 1,760	0 0

TEXAS OIL & GAS CORP.  
900 WILCO BUILDING  
MIDLAND, TEXAS 79701

October 23, 1980

Paul G. White Engineering  
112 North First  
Artesia, New Mexico 88210

Re: Waiver Letters  
Superior Federal Com. #1

Dear Paul:

Attached please find the waiver letters from Yates Petroleum and Superior Oil. Petroleum Corp. of Delaware and J. C. Williamson have not as yet returned their letters.

Sincerely,



Tom Myers  
Production Engineer

TM:dk

Attachments

SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N. M.

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 8



TEXAS OIL & GAS CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

October 17, 1980

OCT 20 1980

Yates Petroleum  
207 South 4th  
Artesia, New Mexico 88210

Re: Texas Oil & Gas Corp.  
Superior Federal Com. #1  
Sec. 8 - T 20S - R 29E  
Eddy County, New Mexico

Gentlemen:

Our records indicate that you are an offset operator to the subject well.

Recently, Texas Oil & Gas Corp. recompleted the above referenced well to the Atoka formation; however, upon receipt of the completion papers, the New Mexico Oil Conservation Commission informed us that they considered the lowest set of perforations to be in the upper Morrow. This situation necessitates that there be a hearing by the Commission for the commingling of the Morrow and Atoka production from this well.

This well produces only about 100 MCFGPD. It is felt that there is little to no pressure differential between the two zones and that the downhole commingling of these zones would not pose any adverse problems.

If you have no objection to Texas Oil & Gas Corp. producing the Superior Federal Com. #1 as a commingled Atoka-Morrow well, please sign below and return to the letterhead address as soon as possible. The hearing on this is scheduled for October 29, 1980, so your earliest reply would be greatly appreciated.

Thank you for your cooperation and if there are any questions, do not hesitate to call me at 915/682-7992.

Sincerely,

*Tom Myers*  
Tom Myers  
Production Engineer

TM:dk

*G. L. H. H. H. H. H.*  
Name

Petroleum Engineer

TITLE  
Yates Petroleum Corporation

COMPANY  
October 21, 1980

DATE

TEXAS OIL & GAS CORP.

900 WILCO BUILDING  
MIDLAND, TEXAS 79701

October 17, 1980



The Superior Oil Co.  
Box 4500  
10200 Grogans  
The Woodlands, Texas 77380

Re: Texas Oil & Gas Corp.  
Superior Federal Com. #1  
Sec. 8 - T 20S - R 29E  
Eddy County, New Mexico

Gentlemen:

Our records indicate that you are an offset operator to the subject well.

Recently, Texas Oil & Gas Corp. recompleted the above referenced well to the Atoka formation; however, upon receipt of the completion papers, the New Mexico Oil Conservation Commission informed us that they considered the lowest set of perforations to be in the upper Morrow. This situation necessitates that there be a hearing by the Commission for the commingling of the Morrow and Atoka production from this well.

This well produces only about 100 MCFGPD. It is felt that there is little to no pressure differential between the two zones and that the downhole commingling of these zones would not pose any adverse problems.

If you have no objection to Texas Oil & Gas Corp. producing the Superior Federal Com. #1 as a commingled Atoka-Morrow well, please sign below and return to the letterhead address as soon as possible. The hearing on this is scheduled for October 29, 1980, so your earliest reply would be greatly appreciated.

Thank you for your cooperation and if there are any questions, do not hesitate to call me at 915/682-7992.

Sincerely,

*Tom Myers*  
Tom Myers  
Production Engineer

TM:dk

Name

TITLE

THE SUPERIOR OIL COMPANY

COMPANY

DATE

Sup. Int. \_\_\_\_\_

Sup. Share \_\_\_\_\_

Sup. AFE No. \_\_\_\_\_

TEXAS OIL & GAS CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

October 17, 1980

J. C. Williamson  
P. O. Box 16  
Midland, Texas 79702

Re: Texas Oil & Gas Corp.  
Superior Federal Com. #1  
Sec. 8 - T 20S - R 29E  
Eddy County, New Mexico

Gentlemen:

Our records indicate that you are an offset operator to the subject well.

Recently, Texas Oil & Gas Corp. recompleted the above referenced well to the Atoka formation; however, upon receipt of the completion papers, the New Mexico Oil Conservation Commission informed us that they considered the lowest set of perforations to be in the upper Morrow. This situation necessitates that there be a hearing by the Commission for the commingling of the Morrow and Atoka production from this well.

This well produces only about 100 MCFGPD. It is felt that there is little to no pressure differential between the two zones and that the downhole commingling of these zones would not pose any adverse problems.

If you have no objection to Texas Oil & Gas Corp. producing the Superior Federal Com. #1 as a commingled Atoka-Morrow well, please sign below and return to the letterhead address as soon as possible. The hearing on this is scheduled for October 29, 1980, so your earliest reply would be greatly appreciated.

Thank you for your cooperation and if there are any questions, do not hesitate to call me at 915/682-7992.

Sincerely,

*Tom Myers*  
Tom Myers  
Production Engineer

TM:dl  
*J. C. Williamson*



BRUCE KING  
GOVERNOR  
LARRY KEHDE  
SECRETARY

ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

July 11, 1980

P.O. DRAWER DD  
ARTESIA, NEW MEXICO 88  
15051 745-4981  
748-1213

Texas Oil & Gas Corporation  
900 Wilco Building  
Midland, Texas 79701

Re: Superior Fed. Com.  
#1-8-20-29  
Eddy County, NM

Gentlemen:

The lower most perforations in the subject well are found in the Morrow Ls. and not in the Atoka, as reported.

This well is a cross-section log on two of the seven cross-sections prepared for this agency by an industrial committee on vertical nomenclature. In order to comply with the rules and regulations, the horizons will have to be segregated in the borehole, or application for downhole commingling must be filed with Santa Fe.

The tops indicated by the cross-section are as follows:

Wolfcamp	- 9,165
Penn	- 9,970
Strawn	- 10,250
Atoka	- 10,629
Morrow Ls.	- 11,173-37
Morrow Cl.	- 11,259

If you have any questions, please contact this office.

Sincerely,

*Larry Brooks*  
Larry Brooks  
Geologist

LB:ar

Case No. 7045  
N.M. Oil Conservation Div.  
10/29/80 Examiner Hearing  
Texas Oil & Gas Corp.  
Exhibit No. 9

SUPERIOR FEDERAL NO. 1  
1650' FNL - 1980' FEL  
Section 8-T20S-R29E  
Eddy County, N.M.

Dockets Nos. 36-80 and 37-80 are tentatively set for November 12 and 25, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 29, 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 7055: (This case will be continued to the November 25 hearing.)

Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Eaves-Lea Unit Area, comprising 2209 acres, more or less, of State and Federal lands in Township 21 South, Ranges 32 and 33 East.

CASE 7056: Application of Getty Oil Company for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3540 feet, subsurface, under the NW/4 SW/4 of Section 3, Township 24 South, Range 36 East.

CASE 7057: Application of Doyle Hartman for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to the following depths underlying the following 40-acre tracts in Township 24 South, Range 37 East: SE/4 SE/4 of Section 30: 3364 feet; NE/4 SE/4 of Section 30: 3389 feet; and SE/4 SW/4 of Section 20: 3390 feet.

CASE 7058: Application of Tahoe Oil & Cattle Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbores of its Harrison Wells Nos. 1 and 2 located in Units A and H, respectively, and its Judy Well No. 1 located in Unit C, all in Section 7, Township 25 South, Range 37 East.

CASE 7059: Application of Gulf Oil Corporation for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3406 feet under the W/2 SW/4 of Section 30, Township 24 South, Range 37 East.

CASE 7060: Application of Mobil Producing Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbores of its Humphrey Queen Unit Wells Nos. 13 in Unit I of Section 4 and 16 in Unit K of Section 3 and its Langlie Mattix Queen Unit Well No. 10 in Unit C of Section 15, all in Township 25 South, Range 37 East.

CASE 7061: Application of Bettis, Boyle & Stovall for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbore of its Justis B Well No. 8 located in Unit G of Section 20, Township 25 South, Range 37 East.

CASE 7062: Application of El Paso Natural Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbore of its Carlson Federal Well No. 2 located in Unit N of Section 23, Township 25 South, Range 37 East.

CASE 7063: Application of Lewis Burleson for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3150 feet under the SE/4 NW/4 of Section 22, Township 25 South, Range 37 East.

CASE 7041: (Continued from October 8, 1980, Commission Hearing)

Application of John Yuronka for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3,408 feet, subsurface, under the NW/4 SW/4 of Section 17, Township 24 South, Range 37 East.

CASE 7064: Application of El Paso Natural Gas Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 440-acre proration unit comprising the S/2, S/2 NW/4, and NW/4 NW/4 of Section 33, Township 25 South, Range 37 East, Jalmat Gas Pool, to its Gregory Fed. Well No. 1 located in Unit J and its Gregory Fed. A Well No. 2, at an unorthodox location in the center of Unit L of said Section 33.

- CASE 7065:** Application of El Paso Natural Gas Company for twelve non-standard proration units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the establishment of eight non-standard proration units for Pictured Cliffs wells to be drilled in the W/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West.
- CASE 7066:** Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Britt "B" Well No. 27 located in Unit G of Section 15, Township 20 South, Range 37 East, to produce oil from the Weir-Drinkard or an undesignated Blinberry pool and an undesignated Abo pool.
- CASE 7067:** Application of Conoco Inc. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Dagger Draw Com. Well No. 4 located in Unit J of Section 25, Township 19 South, Range 24 East, to produce oil from the North Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.
- CASE 7068:** Application of Conoco Inc. for a dual completion and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Penny Federal Com. Well No. 2 at an unorthodox location 1650 feet from the North line and 1980 feet from the East line of Section 23, Township 20 South, Range 24 East, to produce oil from the South Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.
- CASE 7069:** Application of Anedarko Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and East lines of Section 4, Township 19 South, Range 25 East, the S/2 of said Section 4 to be dedicated to the well.
- CASE 7070:** Application of Tesoro Petroleum Corporation for a pilot caustic flood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a one-acre pilot caustic flood project in the Hospah Field by the injection of caustic fluid into the Seven Lakes Sand of the Upper Hospah Field at an approximate depth of 300-500 feet through four injection wells in Unit K of Section 1, Township 17 North, Range 9 West.
- CASE 7071:** Application of Jake L. Hamon for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 640-acre proration unit comprising all of Section 17, Township 20 South, Range 36 East, North Osudo-Morrow Pool, to its Amerada Federal Well No. 2 located in Unit F and its Amerada Federal Well No. 3, to be drilled at an unorthodox location 1650 feet from the South line and 660 feet from the East line of said Section 17.
- CASE 6668:** (Reopened and Readvertised)
- In the matter of Case 6668 being reopened pursuant to the provisions of Order No. R-6139 which order promulgated temporary special rules and regulations for the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing units.
- CASE 7005:** (Continued from September 17, 1980, Examiner Hearing)
- Application of Sol West III for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit I of Section 26, Township 18 South, Range 28 East.
- CASE 7072:** Application of Enserch Exploration, Inc. for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Enserch Amoco State Well No. 1 located in Unit L of Section 16, Township 4 South, Range 33 East, and the promulgation of special pool rules therefor, including a provision for 80-acre spacing.
- CASE 7073:** Application of Enserch Exploration, Inc. for pool creation, temporary special pool rules, and assignment of a discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Fusselman oil pool for its J. G. O'Brien Well No. 1 located 1980 feet from the North line and 660 feet from the West line of Section 31, Township 7 South, Range 29 East, with special rules therefor, including provisions for 80-acre spacing, a limiting gas-oil ratio of 3000 to one and special well location requirements providing for the drilling of wells within 150 feet of the center of a quarter-quarter section. Applicant further seeks approval of a 74.24-acre proration and spacing unit and a discovery allowable for said J. G. O'Brien Well No. 1.

CASE 7074: Application of Enserch Exploration, Inc. for pool creation, an unorthodox gas well location, and non-standard proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Fusselman gas pool for its J. G. O'Brien Well No. 2 located at an unorthodox location 660 feet from the South and West lines of Section 30, Township 7 South, Range 29 East, to be dedicated to a 308.96-acre non-standard unit comprising the W/2 of said Section 30.

CASE 6822: (Continued from October 1, 1980, Examiner Hearing)

In the matter of Case 6822 being reopened pursuant to the provisions of Order No. R-6293 which order created the West Double X-Wolfcamp Gas Pool as a retrograde gas condensate pool and set special production limitations therein. Operator(s) may appear and present evidence to establish the true nature of the reservoir and proper rates of withdrawal therefrom.

CASE 6648: (Continued from October 1, 1980, Examiner Hearing)

In the matter of Case 6648 being reopened pursuant to the provisions of Order No. R-6124 which order promulgated temporary special rules and regulations for the North Caprock-Mississippian Pool in Lea County, New Mexico, including a provision for 160-acre spacing and a 4000 to one gas-oil ratio limitation. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing with a 2000 to one GOR.

CASE 7045: (Continued from October 15, 1980, Examiner Hearing)

Application of Texas Oil & Gas Corp. for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Upper Morrow production in the wellbore of its Superior Federal Com. Well No. 1 located in Unit C of Section 8, Township 20 South, Range 29 East.

CASE 7024: (Continued from October 15, 1980, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 35, Township 18 South, Range 29 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7038: (Continued from October 15, 1980, Examiner Hearing)

Application of Natura Energy Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NE/4 of Section 6, Township 19 South, Range 39 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

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Docket No. 35-80

DOCKET: COMMISSION HEARING - FRIDAY - OCTOBER 31, 1980

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7075: Application of Benson-Montin-Greer Drilling Corporation for the amendment of pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Order No. R-2565-B and amended by Order No. R-6469, to require that the locations of wells in said pool be at least 1650 feet from the outer boundary of the spacing and proration unit, and that the drilling of wells be controlled so as to allow no more than a 330-foot horizontal deviation from the surface location. Further, that the location of wells on certain specified non-standard proration units approved by Order No. R-6469 should be no closer than 660 feet to the outer boundary of the non-standard unit nor closer than 330 feet to a quarter section line or 10 feet to a quarter-quarter section line. Said specified non-standard units are the two 640-acre units in Township 24 North, Range 1 West; the two 480-acre units in Township 24 North, Range 1 East; the four 640-acre units in Township 26 North, Range 1 West; the 640-acre unit in Township 26 North, Range 1 East; and the two 640-acre units, the three 600-acre units, and the 400-acre unit, all in Township 27 North, Range 1 West. Applicant further seeks an administrative procedure whereby unorthodox locations could be approved upon receipt of written waivers from all offsetting operators being "crowded" by the unorthodox location.

LAW OFFICES

LOSEE, CARSON & DICKERSON, P. A.

A. J. LOSEE

JOEL M. CARSON

CHAD DICKERSON

DAVID R. VANDIVER

300 AMERICAN HOME BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88210

AREA CODE 505

746-3508

RECEIVED  
OCT 09 1980

OIL CONSERVATION DIVISION  
SANTA FE

October 8, 1980

Mr. Joe D. Ramey, Director  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Case No. 7045

Dear Mr. Ramey:

Please continue Case No. 7045, entitled "In the Matter of the Application of Texas Oil & Gas Corp. for Downhole Commingling, Eddy County, New Mexico," from October 15, 1980, to October 29, 1980. This is an application in which applicant seeks approval for downhole commingling of Atoka and Upper Morrow production in the wellbore of its Superior Federal Com. Well No. 1, located in Unit G of Section 8, Township 20 South, Range 29 East, N.M.P.M.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.



Chad Dickerson

CD:pvm

cc: Mr. Tom Myers



Dockets Nos. 34-80 and 35-80 are tentatively set for October 29 and November 12, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 15, 1980

9 A.M. - OIL CONSERVATION DIVISION 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 November, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for November, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7044: Application of Harvey E. Yates Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Travis Penn Unit Area, comprising 400 acres, more or less, of State and Federal lands in Township 18 South, Range 26 East.
- CASE 7045: Application of Texas Oil & Gas Corp. for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Upper Morrow production in the wellbore of its Superior Federal Com. Well No. 1 located in Unit C of Section 8, Township 20 South, Range 29 East.
- CASE 7046: Application of Cotton Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Pictured Cliffs production in the wellbores of wells in the South Blanco-Pictured Cliffs Pool located in Sections 1, 2, 3, 4, 9, 10, 11, 13, 23, and 24, Township 24 North, Range 4 West.
- CASE 7047: Application of Nucorp Energy Inc. for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 10,000 to one, retroactive to April 18, 1980, for the East Caprock-Pennsylvanian Pool.
- CASE 7033: (Continued from October 1, 1980, Examiner Hearing)
- Application of Adams Exploration Inc. for three non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of three 80-acre non-standard proration units in the Vada-Pennsylvanian Pool, comprising the following acreage: SE/4 NE/4 and NE/4 SE/4 of Section 12, N/2 NE/4 of Section 12, and S/2 SE/4 of Section 2, all in Township 9 South, Range 34 East.
- CASE 7048: Application of Public Lands Exploration, Inc. for a pilot steam enhanced oil recovery project, Guadalupe County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot steam enhanced oil recovery project in the Santa Rosa formation by re-entering 2 wells and drilling 3 wells, all located in Unit A of Section 15, Township 11 North, Range 25 East.
- CASE 7036: (Continued from October 1, 1980, Examiner Hearing)
- Application of J. Gregory Merrion for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SE/4 of Section 34, Township 25 North, Range 6 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7049: Application of J. Gregory Merrion for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SW/4 of Section 35, Township 25 North, Range 6 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7050: Application of Maddox Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the N/2 of Section 23, Township 24 South, Range 28 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

**CASE 7051:** Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit C of Section 19, Township 21 South, Range 37 East.

**CASE 7052:** Application of Gulf Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 36, Township 18 South, Range 31 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

**CASE 7024:** (Continued from September 17, 1980, Examiner hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 15, Township 18 South, Range 29 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

**CASE 7038:** (Continued from October 1, 1980, Examiner Hearing)

Application of Natura Energy Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NE/4 of Section 6, Township 19 South, Range 39 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

**CASE 7053:** Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area to include the SE/4 NE/4 and NE/4 SE/4 of Section 24, Township 19 South, Range 29 East, and the S/2 NW/4 of Section 19, Township 19 South, Range 30 East.

**CASE 7054:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending the vertical and horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the East Bitter Lakes-Abo Gas Pool. The discovery well is Boyd Operating Company Blakemore Federal Well No. 1 located in Unit D of Section 20, Township 9 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM  
Section 20: NW/4

(b) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the East Bitter Lakes-Wolfcamp Gas Pool. The discovery well is Boyd Operating Company Blakemore Federal Well No. 1 located in Unit D of Section 20, Township 9 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM  
Section 20: W/2

(c) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Fusselman production and designated as the South Elkins-Fusselman Pool. The discovery well is Enserch Exploration, Inc. J. G. O'Brien Well No. 1 located in Unit E of Section 31, Township 7 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 29 EAST, NMPM  
Section 31: NW/4

(d) ABOLISH the Cary-San Andres Pool in Lea County, New Mexico, described as:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 17: NW/4

- (e) EXTEND the Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM  
Section 3: Lots 9, 10, 15 and 16

- (f) EXTEND the Angell Ranch Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 13: S/2

- (g) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 29: SW/4

- (h) EXTEND the Boyd Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 13: N/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 1: W/2  
Section 14: N/2

- (i) EXTEND the Brown Queen-Grayburg Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM  
Section 25: SE/4 SW/4 and S/2 SE/4

- (j) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM  
Section 25: N/2

- (k) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 17: S/2  
Section 20: N/2

- (l) EXTEND the vertical limits of the Comanche Stateline Tansill-Yates Pool in Lea County, New Mexico, to include the Seven Rivers formation and redesignate said pool as the Comanche Stateline Tansill-Yates-Seven Rivers Pool, and extend the horizontal limits of said pool to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 27: W/2 NW/4

- (m) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 2: S/2 NE/4

- (n) EXTEND the Jenkins-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM  
Section 32: NW/4

- (o) EXTEND the L E Ranch-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM  
Section 29: N/2 NW/4  
Section 30: N/2 NE/4

- (p) EXTEND the Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 15: N/2

- (q) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 8: All

- (r) EXTEND the West Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM  
Section 14: W/2  
Section 23: All

- (s) EXTEND the Penasco Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 6: W/2

- (t) EXTEND the Penasco Draw San Andres-Yeso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 1: W/2 NW/4 and NW/4 SW/4  
Section 13: NW/4 NW/4  
Section 14: NE/4 NE/4

- (u) EXTEND the South Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 2: Lots 1 and 2

- (v) EXTEND the Rabbit Flats-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM  
Section 30: SE/4 SE/4

- (w) EXTEND the Railroad Mountain-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 11: W/2 SW/4  
Section 14: NW/4 NW/4

- (x) EXTEND the Richard Knob Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM  
Section 36: E/2

- (y) EXTEND the Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 2: S/2 S/2

- (z) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

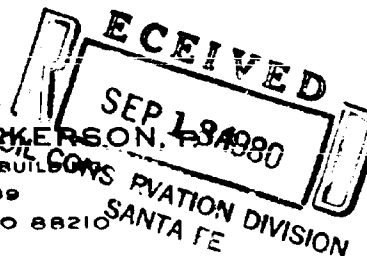
TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 26: SE/4 SE/4  
Section 35: E/2 NE/4 and NE/4 SE/4

- (aa) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 3: SE/4

A. J. LOSEE  
JOEL M. CARSON  
CHAD DICKERSON  
DAVID R. VANDIVER

LAW OFFICES  
LOSEE, CARSON & DICKERSON, P.A.  
300 AMERICAN HOME BUILDINGS  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210



AREA CODE 505  
746-3508

September 16, 1980

Mr. Joe D. Ramey, Director  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

*Case 7045*

Dear Mr. Ramey:

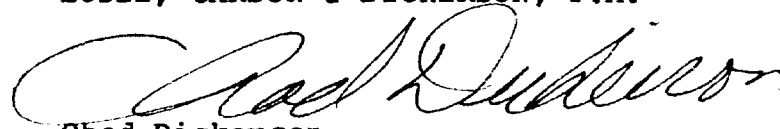
Enclosed for filing, please find three copies of the Application of Texas Oil & Gas Corp. for Downhole Commingling in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner and that you furnish us with a docket of said hearing.

Thank you.

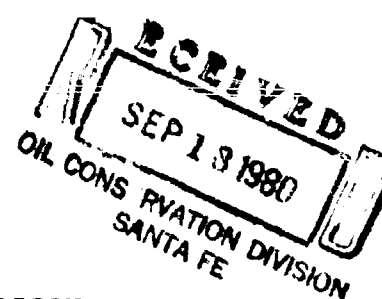
Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

  
Chad Dickerson

CD:pvm  
Enclosures

cc w/enclosure: Mr. Tom Myers  
Texas Oil & Gas Corp.



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
TEXAS OIL & GAS CORP. FOR DOWNHOLE :  
COMMINGLING, EDDY COUNTY, NEW MEXICO :  
:

CASE NO. 2045

APPLICATION

COMES NOW Texas Oil & Gas Corp., by its attorneys,  
and in support hereof, respectfully states:

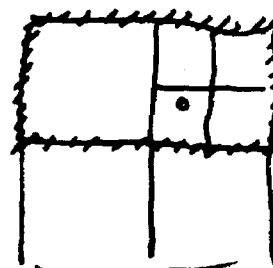
1. That applicant has drilled its Superior Federal  
Com. No. 1 Well at a location 1,650 feet from the north line  
and 1,960 feet from the east line of Section 8, Township 20  
South, Range 29 East, N.M.P.M., and has dedicated the N/2 of  
said Section 8 to the well.

2. That applicant has heretofore completed said  
well in the Upper Morrow and Atoka formations through perfor-  
ations between 11,141 and 11,147 feet in the Upper Morrow  
formation, and between 11,091 and 11,097 feet in the Atoka  
formation, and applicant now proposes to commingle said Upper  
Morrow and Atoka production through the tubing. That the down-  
hole commingling of such well is feasible, in accordance with  
good conservation practices and will otherwise prevent waste  
and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before  
an examiner and that notice of said hearing be given as re-  
quired by law.

B. That, upon hearing, the Division enter its order  
granting permission to applicant to commingle downhole its  
Superior Federal Com. No. 1 Well for the production of gas from  
the Upper Morrow and Atoka formations.



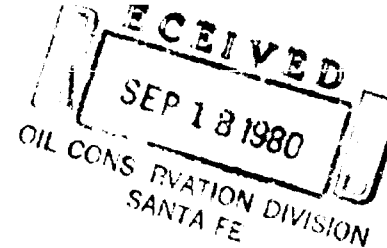
C. And for such other and further relief as may be  
just in the premises.

TEXAS OIL & GAS CORP.

By: *Chad Dickerson*  
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant



BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
TEXAS OIL & GAS CORP. FOR DOWNHOLE :  
COMMINGLING, EDDY COUNTY, NEW MEXICO :  
:

CASE NO. 7045

APPLICATION

COMES NOW Texas Oil & Gas Corp., by its attorneys,  
and in support hereof, respectfully states:

1. That applicant has drilled its Superior Federal  
Com. No. 1 Well at a location 1,650 feet from the north line  
and 1,980 feet from the east line of Section 8, Township 20  
South, Range 29 East, N.M.P.M., and has dedicated the N/2 of  
said Section 8 to the well.

2. That applicant has heretofore completed said  
well in the Upper Morrow and Atoka formations through perfor-  
ations between 11,141 and 11,147 feet in the Upper Morrow  
formation, and between 11,091 and 11,097 feet in the Atoka  
formation, and applicant now proposes to commingle said Upper  
Morrow and Atoka production through the tubing. That the down-  
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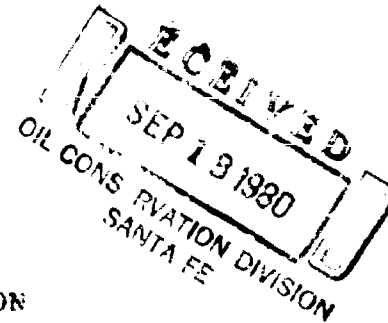
C. And for such other and further relief as may be  
just in the premises.

TEXAS OIL & GAS CORP.

By: Chad Dickerson  
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
TEXAS OIL & GAS CORP. FOR DOWNHOLE :  
COMMINGLING, EDDY COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

CASE NO. 7045

APPLICATION

COMES NOW Texas Oil & Gas Corp., by its attorneys,  
and in support hereof, respectfully states:

1. That applicant has drilled its Superior Federal  
Com. No. 1 Well at a location 1,650 feet from the north line  
and 1,930 feet from the east line of Section 8, Township 20  
South, Range 29 East, N.M.P.M., and has dedicated the N/2 of  
said Section 8 to the well.

2. That applicant has heretofore completed said  
well in the Upper Morrow and Atoka formations through perfor-  
ations between 11,141 and 11,147 feet in the Upper Morrow  
formation, and between 11,091 and 11,097 feet in the Atoka  
formation, and applicant now proposes to commingle said Upper  
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A. That this application be set for hearing before  
an examiner and that notice of said hearing be given as re-  
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granting permission to applicant to commingle downhole its  
Superior Federal Com. No. 1 Well for the production of gas from  
the Upper Morrow and Atoka formations.

C. And for such other and further relief as may be  
just in the premises.

TEXAS OIL & GAS CORP.

By Chad Dickerson  
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 7045

Order No. R-6509

APPLICATION OF TEXAS OIL & GAS CORP.

FOR DOWNHOLE COMMINGLING, EDDY

COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29, 1980, at Santa Fe, New Mexico, before Examiner Richard L. DSN  
Stamets.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texas Oil & Gas Corp., is the owner and operator of the Superior Federal Com. Well No. 1, located in Unit G of Section 8, Township 20 South Range 29 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle Atoka and Upper Morrow production within the wellbore of the above-described well.

(4) That said well was originally completed in the Lower Morrow formation only, but that zone was depleted, and the well recompleted in the Atoka and Upper Morrow formations as a salvage operation.

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

(6) That from the Upper Morrow 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.

~~(7) 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.~~

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

(8) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled        production should be allocated to the Atoka zone, and 50 percent ~~of the commingled~~        production to the Upper Morrow zone.

(ALTERNATE)

(9) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Artesia district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Oil & Gas Corp., is hereby authorized to commingle Atoka and Upper Morrow production within the wellbore of the Superior Federal Com. Well No. 1, located in Unit G of Section 8, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.

~~(2) That the applicant shall consult with the supervisor of the Artesia district office of the Division and determine an allocation formula for the allocation of production to each zone in each of the subject wells.~~

~~(ALTERNATE)~~

(2) That 50 percent of the commingled production shall be allocated to the Atoka zone and 50 percent ~~of the commingled~~ production shall be allocated to the Upper Morrow zone.

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

(3) That 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.