STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

August 4, 1997

Case 1798

Mike Moylett Collins & Ware, Inc. 508 West Wall Avenue, Suite 1200 Midland, Texas 79701

Re: G-O-R Limit, Warren; Tubb, East, Pool

Gentlemen:

The purpose of this letter is to state the Oil Conservation Division, District I, support for a higher G-O-R limit for the Warren; Tubb, East, Oil Pool.

This support is based on the geology of the Blinebry and Tubb Pools, near Eunice, New Mexico.

As can be seen from the attached maps, with development drilling, the Blinebry pools and the Tubb Pools have merged together.

In the Blinebry formation, the Blinebry Oil & Gas Pool, the Eunice; Blinebry-Tubb-Drinkard, North, Pool, and the Warren; Blinebry-Tubb Oil & Gas Pool, is one continuous reservoir for production in the Blinebry formation.

The Warren; Tubb (Gas) Pool, Warren; Tubb, East, Pool, the Warren; Blinebry-Tubb Oil & Gas Pool, and the Tubb Oil & Gas Pool is one continuous reservoir for production in the Tubb formation.

These pools were developed under different pool rules. In the Tubb formation, these include:

Warren; Tubb, East, Pool

2000 to 1 G-O-R limit

Warren: Blinebry-Tubb Oil & Gas Pool Exempt from G-O-R limit

Eunice; Blinebry-Tubb-Drinkard, No. Pool 6000 to 1 G-O-R limit

Tubb Oil & Gas Pool

2000 to 1 G-O-R limit

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I believe that taking the G-O-R limit into consideration, when the Warren; Blinebry-Tubb Oil & Gas Pool has no G-O-R limit and the Warren; Tubb, East, Pool is limited to a G-O-R of 2000 to 1, you are not protecting correlative rights.

Very truly yours

OIL CONSERVATION DIVISION

Paul F. Kautz

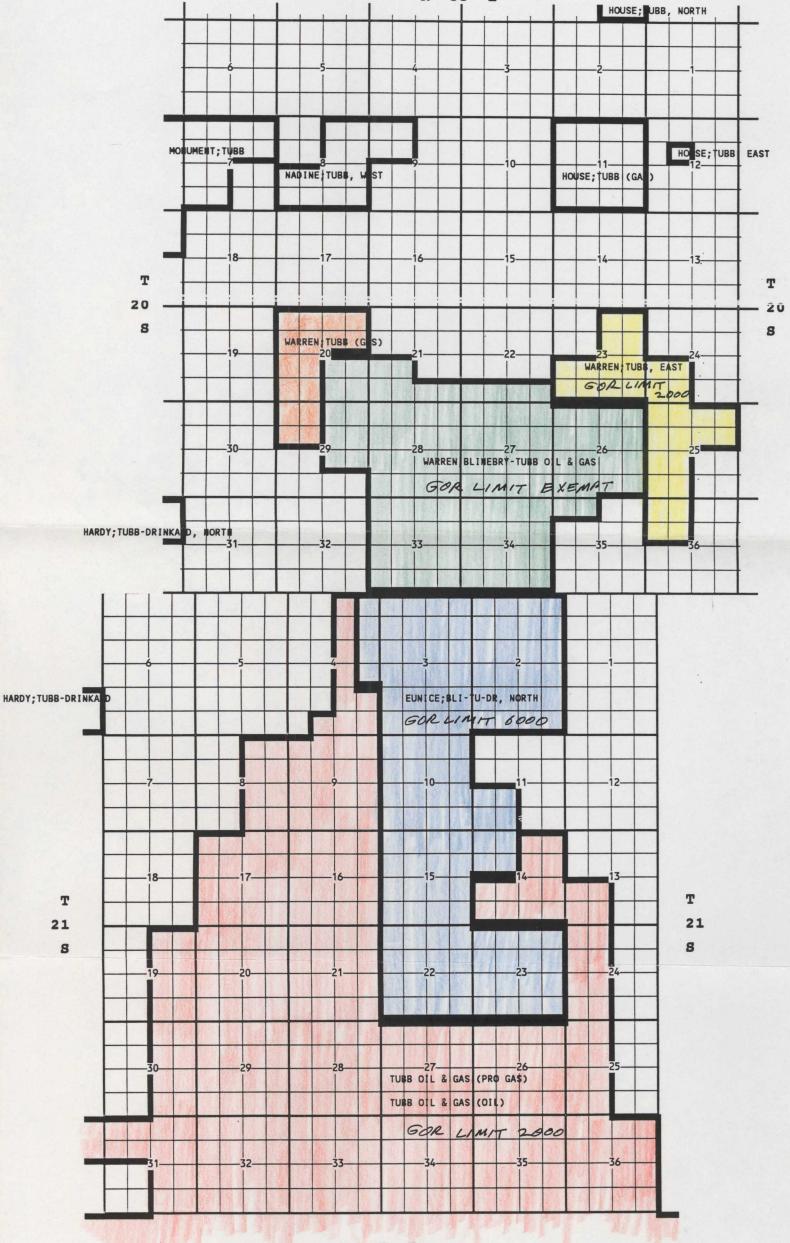
Geologist, III, District I

cc: Oil Conservation Commission, c/o William J. LeMay

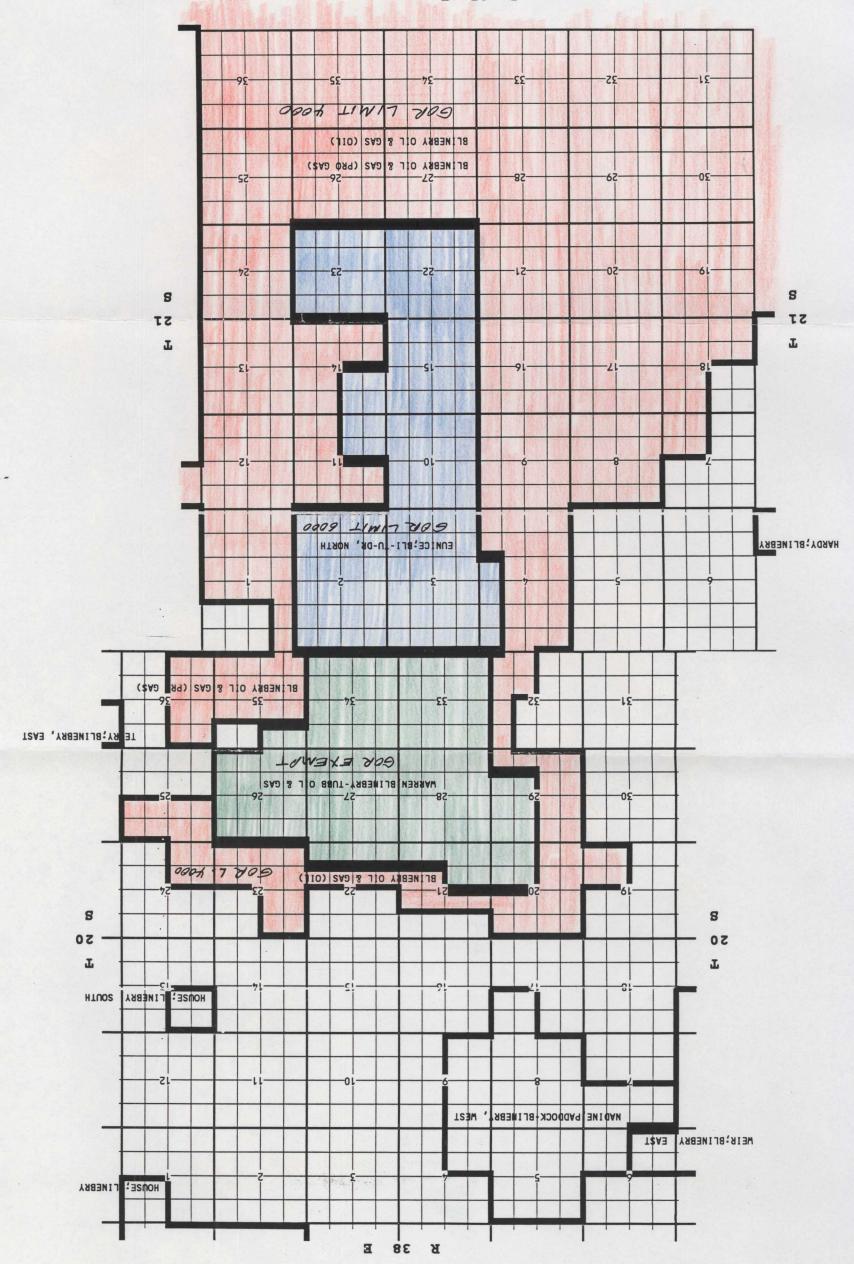
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Enclosures:

Blinebry Pool Map Tubb Pool Map



R 38 E



BLINEBRY