

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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

**CASE NO. 11017 (Reopened)
Order No. R-5353-Q-1**

**IN THE MATTER OF CASE NO. 11017 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF DIVISION ORDER NO. R-5353-Q, WHICH
ORDER RECLASSIFIED AND PROMULGATED
SPECIAL RULES AND REGULATIONS FOR THE
NORTH TEAGUE LOWER PADDOCK-BLINEBRY
ASSOCIATED POOL, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 16, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 30th day of May, 1996, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) Case Nos. 11016 (Reopened), 11017 (Reopened) and 11018 (Reopened) were consolidated at the time of the hearing for the purpose of testimony.

(3) By Order No. R-5353-Q entered in Case No. 11017 on September 26, 1994, the Division, upon application of Texaco Exploration & Production Inc.:

- a) reclassified the North Teague Lower Paddock-Blinebry Gas Pool as an "associated pool" and redesignated the pool as the North Teague Lower Paddock-Blinebry Associated Pool. As an "associated pool" the North Teague Lower Paddock-Blinebry Associated Pool was to be governed by the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico, as promulgated by Division Order No. R-5353, as amended; and,
- b) promulgated Temporary Special Rules and Regulations for the North Teague Lower Paddock-Blinebry Associated Pool including 40-acre oil spacing and 160-acre gas spacing, and a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil.

(4) Pursuant to the requirements of Order No. R-5353-Q, this case was reopened to allow the operators in the subject pool to appear and present evidence and testimony as to whether the North Teague Lower Paddock-Blinebry Associated Pool should remain classified as an "associated pool" and whether the limiting gas-oil ratio for the pool should remain at 6,000 cubic feet of gas per barrel of oil.

(5) Texaco Exploration & Production Inc., one of two current operators in the pool, appeared and presented evidence and testimony to support its request that the Temporary Special Rules and Regulations for the North Teague Lower Paddock-Blinebry Associated Pool be made permanent.

(6) The North Teague Lower Paddock-Blinebry Associated Pool currently comprises the following described area in Lea County, New Mexico:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 4: S/2

Section 8: NE/4

Section 9: N/2, SW/4

(7) There are nine wells currently producing from the North Teague Lower Paddock-Blinebry Associated Pool, eight of which are operated by Texaco Exploration & Production Inc.

(8) The engineering evidence and testimony presented by Texaco Exploration & Production Inc. in this case indicates that:

- a) the horizontal extent of the reservoir has essentially been defined by development;
- b) although the North Teague Lower Paddock-Blinebry Associated Pool is a solution gas drive reservoir with no apparent gas cap, the producing characteristics of the pool are such that it is appropriate to permanently classify the pool as an "associated pool"; and,
- c) continued production at a gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil should not decrease ultimate oil recovery from the pool.

(9) Samedan Oil Corporation, the only other operator in the pool, did not appear at the hearing either in support of or in opposition to the continuation of the current pool classification and limiting gas-oil ratio.

(10) The evidence and testimony presented by Texaco Exploration & Production Inc. in this case indicates that the continued classification of the North Teague Lower Paddock-Blinebry Associated Pool as an "associated pool" is appropriate and continued production at a gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil should not decrease ultimate oil recovery and should otherwise not be detrimental to the reservoir.

(11) The Temporary Special Rules and Regulations for the North Teague Lower Paddock-Blinebry Associated Pool should be made permanent.

IT IS THEREFORE ORDERED THAT:

(1) The classification of the North Teague Lower Paddock-Blinebry Associated Pool as an "associated pool" is hereby made permanent. The North Teague Lower Paddock-Blinebry Associated Pool shall be governed by the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico, as promulgated by Division Order No. R-5353, as amended, insofar as said General Rules and Regulations are not inconsistent with the special rules and regulations for the subject pool.

CASE NO. 11017 (Reopened)

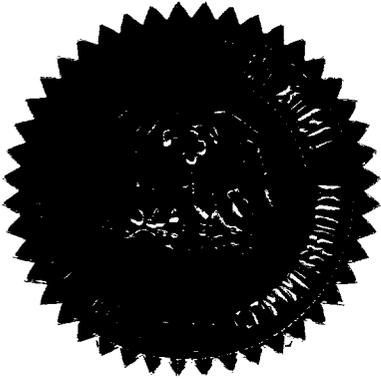
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(2) The Temporary Special Rules and Regulations for the North Teague Lower Paddock-Blinebry Associated Pool, as promulgated by Division Order No. R-5353-Q, are hereby continued in full force and effect until further order of the Division.

(3) Jurisdiction is hereby 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

W. J. Lemay Deputy Director

WILLIAM J. LEMAY
Director