



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

June 3, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Ken Bateman
White, Koch, Kelly & McCarthy
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

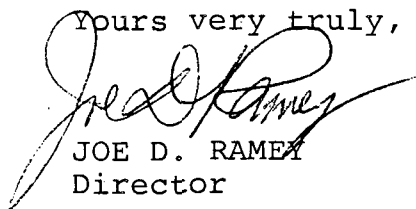
Re: CASE NO. 7878
ORDER NO. R-7295

Applicant:
Texaco Inc.

Dear Sir:

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

Yours very truly,


JOE D. RAMEZ
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD _____

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7878
Order No. R-7295

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 25, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 2nd day of June, 1983, 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, Texaco Inc., is the owner and operator of the A. H. Blinebry Federal NCT-4 Well No. 1, located 660 feet from the South line and 660 feet from the East line of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Blinebry, Tubb and Drinkard production within the wellbore of the above-described well.

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

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

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

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

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

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

(10) That in order to allocate the commingled oil and gas production to each of the commingled zones in the well, applicant should consult with the supervisor of the Hobbs district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to commingle Blinebry, Tubb and Drinkard production within the wellbore of the A. H. Blinebry Federal NCT-4 Well No. 1, located 660 feet from the South line and 660 feet from the East line of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Hobbs district office of the Division and determine an allocation formula for the allocation of oil and gas production to each zone in the subject well.

(3) That the operator of the subject well shall immediately notify the Division's Hobbs 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.

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

-3-

Case No. 7878

Order No. R-7295

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director