BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF TEXACO EXPLORATION AND PRODUCTION INC. FOR DOWNHOLE COMMINGLING, LEA COUNTY, NEW MEXICO.

CASE NO. _//2'78

APPLICATION

TEXACO EXPLORATION AND PRODUCTION INC. ("Texaco"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for blanket approval for downhole commingling of production from the Blinebry formation (Justis-Blinebry Pool), and the Tubb Drinkard formation (Justis Tubb-Drinkard Pool) for all wells on certain lands located in Lea County, New Mexico, and in support thereof states:

1. Texaco owns interests and operates wells in the following described lands in Lea County, New Mexico (hereinafter referred to as the "Redevelopment Area"):

Township 24 South, Range 37 East, N.M.P.M.

Section 26: E/2, SW/4 SW/4

Section 35: All

Township 25 South, Range 37 East, N.M.P.M.

Section 2: SW/4, S/2 NW/4, NW/4 NW/4

containing 1,280 acres, more or less.

2. Texaco seeks blanket approval for downhole commingling of production from

the Blinebry formation, and the Tubb-Drinkard formation in the wellbore of all existing wells

and all wells subsequently to be drilled in the Redevelopment Area described in paragraph

1 of this application.

3. Granting this application will result in the most efficient production of

hydrocarbons from the Redevelopment Area and will not damage the reservoirs involved.

4. Granting this application will be in the best interest of conservation, the

prevention of waste and the protection of correlative rights.

WHEREFORE, Texaco Exploration and Production Inc. requests that this application

be set for hearing before a duly appointed Examiner of the Oil Conservation Division on

May 4, 1995 and that, after notice and hearing as required by law, the Division enter its

Order granting this application.

Respectfully submitted,

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