



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

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 |

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11798 (De Novo) Exhibit No. 8

Submitted by: Collins & Ware, Inc.

Hearing Date: August 14, 1997

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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

A handwritten signature in cursive script, appearing to read "Paul F. Kautz".

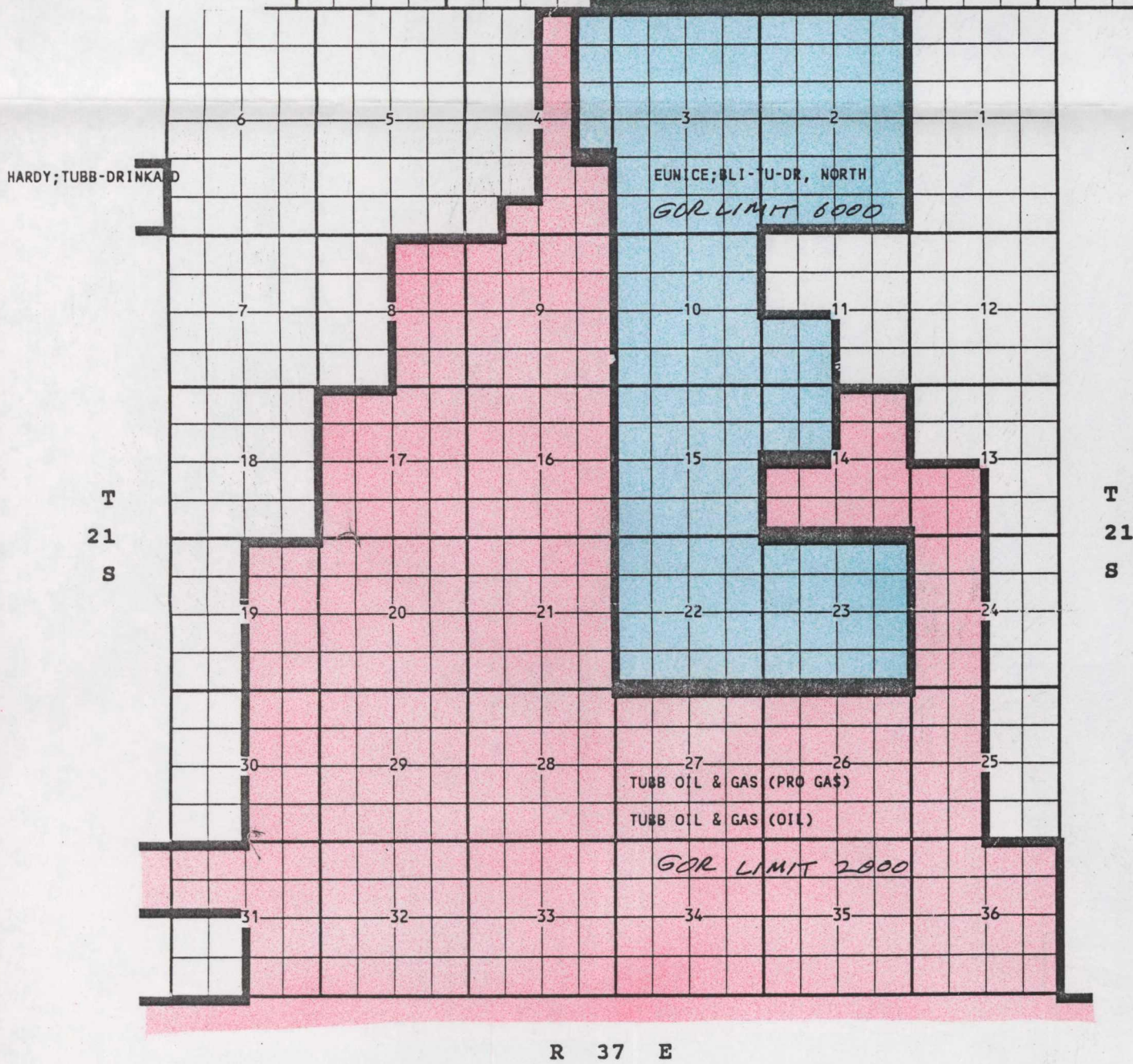
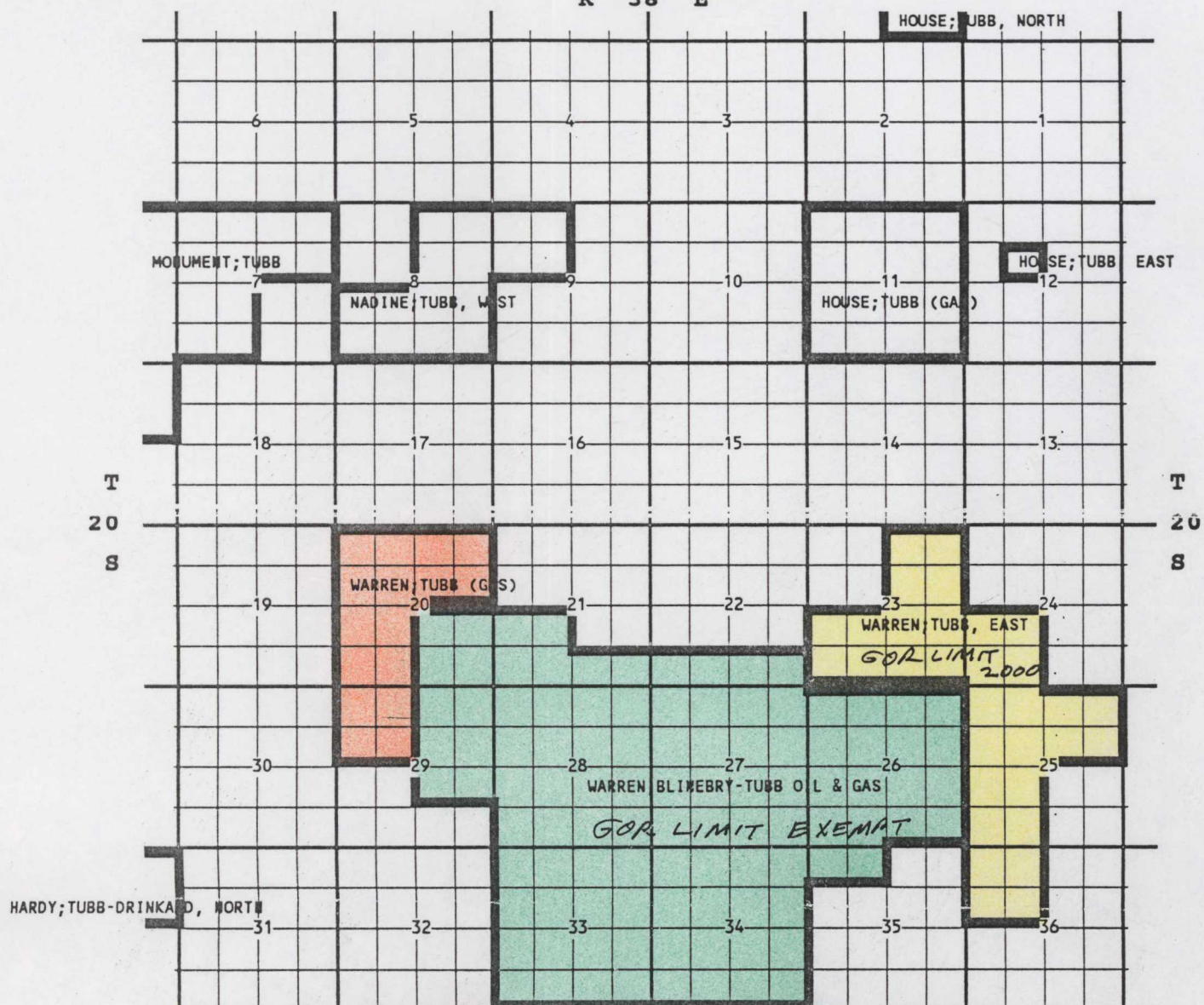
Paul F. Kautz
Geologist, III, District I

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

Enclosures:
Blinebry Pool Map
Tubb Pool Map

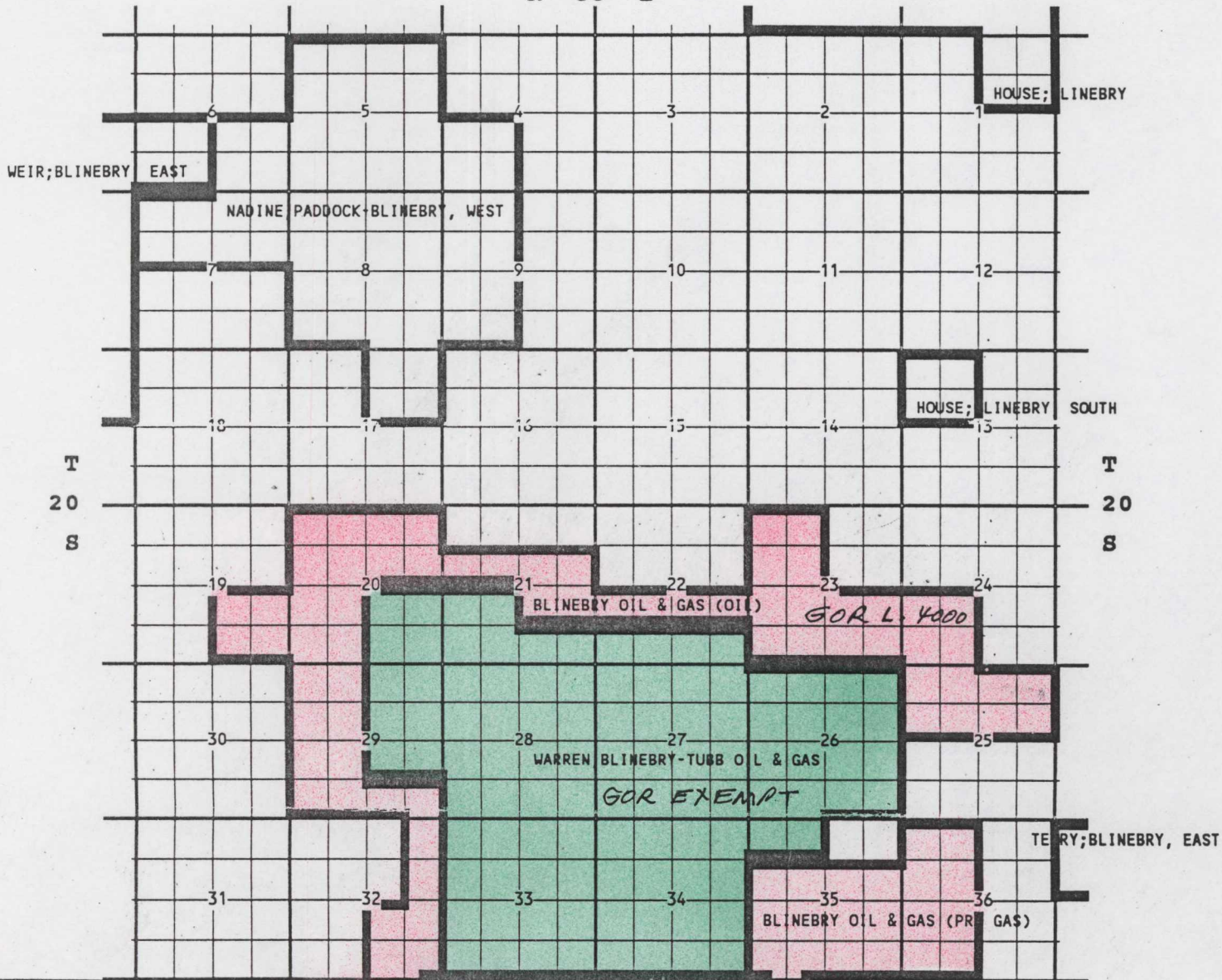
TUBB

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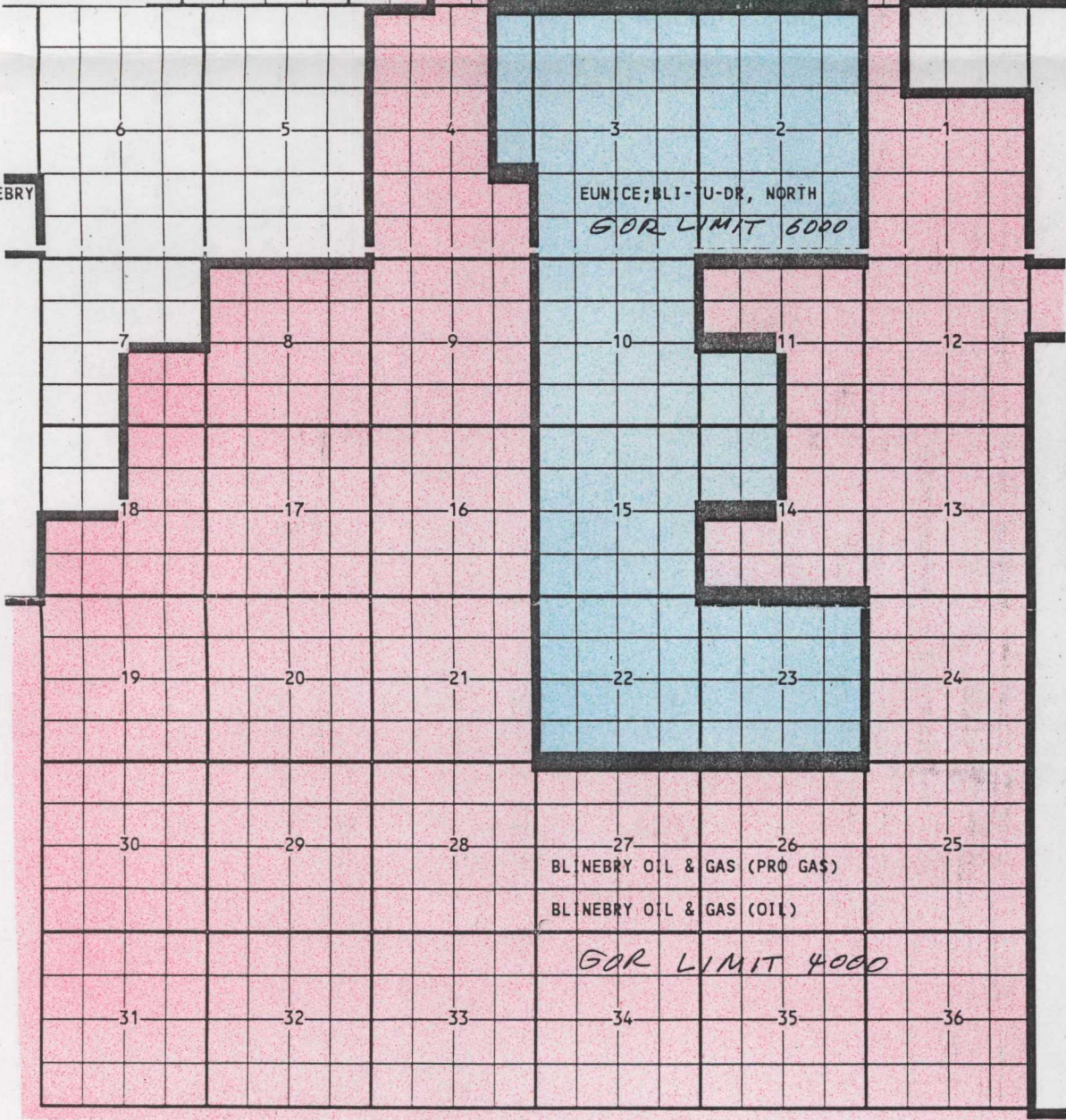
BLINEBRY

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HARDY;BLINEBRY

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