

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5286  
Order No. R-4836

APPLICATION OF TEXACO INC.  
FOR A SPECIAL ALLOWABLE,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 24, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of August, 1974, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Texaco, Inc., seeks the assignment of an additional 2320 barrels of oil allowable per day to wells in its Vacuum Grayburg-San Andres Unit Pressure Maintenance Project, Lea County, New Mexico.
- (3) That said pressure maintenance project was established by Commission Order No. R-4442 dated November 27, 1972.
- (4) That under the provisions of Order No. R-4442, said project is currently assigned additional allowable of approximately 1840 barrels per day.
- (5) That the applicant alleges that pressure maintenance injection in the project has resulted in substantial increases in productive potential of the wells within the project.
- (6) That the applicant alleges that if an additional 2320 barrels of allowable is not assigned to the project to permit higher rates of production from wells within the project, underground waste will occur.
- (7) That the applicant presented no bottom-hole pressure test data to show the affect of pressure maintenance in the unit.
- (8) That the applicant did not present net volumetric withdrawal data for the project.

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(9) That the applicant presented evidence to show that some gas-oil ratios in the project were declining.

(10) That in the absence of bottom-hole pressure information and volumetric withdrawal information, the gas-oil ratio evidence is inconclusive and could be subject to misinterpretation.

(11) That the applicant further seeks the establishment of an allowable of up to 240 barrels per day for lease line wells in the project which have demonstrated a substantial response to water injection.

(12) That the applicant presented no bottom-hole pressure test data to show that the lease line wells had experienced a substantial response to water injection.

(13) That the applicant presented potential tests purporting to demonstrate that certain lease line wells had experienced such a response.

(14) That without bottom-hole pressure test data, such potential tests are inconclusive and could be subject to misinterpretation.

(15) That in the absence of adequate bottom-hole pressure test data, the assignment of up to 240 barrels per day of allowable to project lease line wells could result in drainage from outside the project area into the project area thereby violating the correlative rights of offsetting operators.

(16) That the offset operators objected to the assignment of additional allowable to the project and the assignment of up to 240 barrels per day allowable to lease line wells in the project.

(17) That the evidence presented was insufficient to show that waste would occur in the project if the additional allowable requested is not assigned to the project.

(18) That the evidence presented was insufficient to show that the applicant's correlative rights would be adversely affected if production from lease line project wells is limited to 80 barrels of oil per day.

(19) That in order to protect correlative rights the subject application should be denied.

IT IS THEREFORE ORDERED:

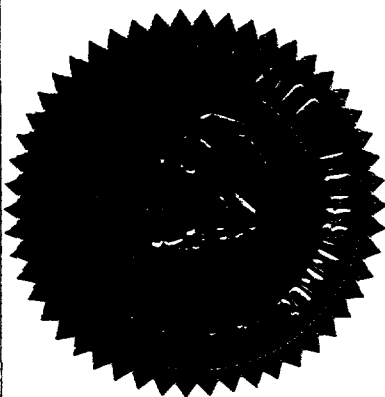
(1) That the application of Texaco Inc. for the assignment of an additional 2320 barrels per day of project allowable and the assignment of up to 240 barrels per day to lease line wells in applicant's Vacuum Grayburg-San Andres Unit Pressure Maintenance Project is hereby denied.

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

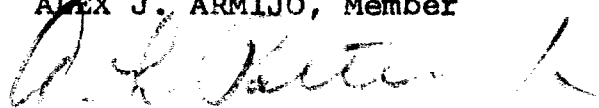
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

  
A. L. PORTER, Jr., Member & Secretary

S E A L

jr/



# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

August 13, 1974

I. R. TRUJILLO  
CHAIRMAN  
LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

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

Re: CASE NO. 5286  
ORDER NO. R-4836  
Applicant:  
Texaco Inc.

Dear Sir:

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

Very truly yours,

*A. L. Porter, Jr.*

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC       x        
Artesia OCC             
Aztec OCC           

Other                     Jason Kellahin, J. H. Brannon, Paul Cooter,  
                    Jack McAdams

*Montgomery, Johnson, Anderson - etc.*