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June 14, 1994

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Texaco Exploration and Production Inc.  
for Abolishment of the North Teague-Lower Paddock-Blinebry Gas Pool,  
Creation of a New Oil Pool, and for Special Pool Rules, Lea County, New  
Mexico

In the Matter of the Application of Texaco Exploration and Production Inc.  
for Creation of a New Pool in the Tubb formation, Classification of this Pool  
as an Associated Pool and the Promulgation of Special Pool Rules, Lea  
County, New Mexico

In the Matter of the Application of Texaco Exploration and Production Inc.  
for Creation of a New Pool in the Drinkard and Abo formations and the  
Promulgation of Special Pool Rules, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate are the Applications of Texaco Exploration and Production Inc., in the  
above-referenced cases as well as a copies of the legal advertisement. Texaco Exploration  
and Production Inc., respectfully requests that these matters be placed on the docket for the  
July 7, 1994 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enc.: Todd Moehlenbrock

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 CLASSIFICATION OF THE NORTH  
TEAGUE-LOWER PADDOCK-BLINEBRY GAS POOL  
AS AN ASSOCIATED POOL AND THE  
PROMULGATION OF SPECIAL POOL RULES,  
LEA COUNTY, NEW MEXICO.

CASE NO. 11017

**APPLICATION**

TEXACO EXPLORATION AND PRODUCTION INC. ("Texaco"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for classification of the North Teague-Lower Paddock-Blinebry Gas Pool as an Associated Oil and Gas Pool and the promulgation of Special Pool Rules and Regulations for the pool including a special limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil produced and in support hereof states:

1. Texaco operates its B.F. Harrison "B" Well No. 5 located 1950 feet from the North line and 560 feet from the West line of Section 9, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico which it completed in the Lower Paddock-Blinebry formation in 1992. This well is the only well currently producing from the North Teague-Lower Paddock-Blinebry Gas Pool which was created by Division Order No. R-9646 (March 11, 1993) and the vertical limits extended to include the Lower Paddock formation by Division Order No. R-9937 (August 17, 1993).

2. Texaco also operates the following offsetting wells which are completed in the Blinebry formation:

B.F. Harrison C No. 1, 1840 feet from the South line and 670 feet from the West line, Section 9, Township 23 South, Range 37 East, NMPM;

F.B. Davis No. 3, 1880 feet from the North line and 565 feet from the East line, Section 8, Township 23 South, Range 37 East, NMPM;

G.W. Sims No. 3, 760 feet from the North line and 1900 feet from the East line, Section 9, Township 23 South, Range 37 East, NMPM;

Although each of these wells appears to be completed in and producing from the same source of supply as the Harrison "B" Well No. 5, they have been classified by the Division as Teague Blinebry Producers. The pool boundaries of the Teague Blinebry Oil Pool have not been expanded to include the acreage on which these wells are located.

3. The characteristics of this reservoir and the production therefrom demonstrates that this is an Associated Oil and Gas Pool and should be so classified and operated in accordance with the Division's General Rules and Regulations for Associated Oil and Gas Pools promulgated by Order No. R-5353.

4. The proposed horizontal limits of this pool should be expanded to include the following acreage:

Township 23 South, Range 37 East, NMPM

Section 8: NE/4  
Section 9: N/2, SW/4

5. Texaco also seeks the promulgation of Special Rules and Regulations for this Pool including a special gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil

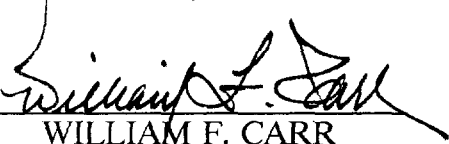
produced.

6. Approval of this application will result in the efficient and effective development of the Blinebry and Paddock formations in the area affected by this application and will otherwise 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 July 7, 1994 and that, after notice and hearing as required by law, the Division enter its order approving this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:   
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ATTORNEYS FOR TEXACO EXPLORATION  
AND PRODUCTION INC.

CASE \_\_\_\_\_: Application of Texaco Exploration and Production Inc. for classification of the North Teague-Lower Paddock-Blinebry Gas Pool as an Associated Pool and for Special Pool Rules, Lea County, New Mexico. Applicant seeks classification of the North Teague-Lower Paddock-Blinebry Gas Pool as an Associated Oil and Gas Pool for the production of oil and gas from the Blinebry and Paddock formations underlying the NE/4 of Section 8 and the N/2 and SW/4 of Section 9 of Township 23 South, Range 37 East, NMPM, Lea County, New Mexico. Applicant also seeks the promulgation of Special Rules and Regulations for the pool including a special gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil produced. Said area is located approximately 8 miles south of Eunice, New Mexico.

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