



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS  
GOVERNOR

October 28, 1987

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

Texaco Producing, Inc.  
Box 728  
Hobbs, NM 88240

Attn: Banker Cade

Re: New Mexico Z State TN Com #1-C  
Section 2, T18S, R34E

Gentlemen:

Completion reports for the above-referenced well have been received in this office. These reports have been examined by myself and our Geologist and we do not concur with your classification of the well as a gas well. I am enclosing a copy of our Geologist's recommendations that the well be classified as an oil well.

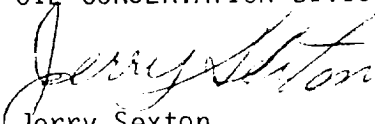
Based on the above, the well will be classified as a "wildcat" oil well with a top allowable of 365 BOPD but could be limited by a high GOR. This office will support you if you make application for hearing requesting a new pool with special spacing and GOR limit.

In order to get your allowable assigned, please refile the C-104, C-105, and C-102 (acreage dedication plat dedicating 40 acres to oil well). Also, your lease name should possibly be changed to delete the word "com".

As soon as these revised reports have been received an oil allowable will be assigned. If we can be of further help, please let us know.

Very truly yours,

OIL CONSERVATION DIVISION

  
Jerry Sexton  
Supervisor, District I

JS/ED/ed

cc: Bob Shaw - Texaco  
Well File

Encl.



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

October 23, 1987

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

MEMO TO: Jerry Sexton  
  
FROM: Paul Kautz  
District Geologist  
  
RE: TEXACO PRODUCING INC.  
New Mexico Z State TN Com #1-C  
Section 2, T18S, R34E

Formation top Morrow at 11,894'

Perforations 11860--11884 are in the Atoka formation.

In the area around this pool the Strawn produces oil in T18S, R33E & R35E. To the south the Scharb Penn Oil Pool produced from the Morrow in Section 6, T19S, R35E. The Atoka formation produces either gas or oil to the north in the Kemnitz area in T16S, R34E. The Kemnitz-Atoka oil pool produced 40.0°API gravity oil. The Reeves Penn (Strawn) and South Corbin Strawn are oil pool with 45° to 46° API gravity oil. The gravity of condensate from Morrow gas pools in the area is greater than 56° API.

I would recommend classifying this as an oil well.