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**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:**

**CASE NO. 11278  
Order No. R-10371**

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

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on May 4, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of May, 1995, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

(1) Public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Texaco Exploration and Production Inc., seeks authority to downhole commingle Justis-Blincy and Justis Tubb-Drinkard Pool production within those existing and subsequently drilled wells located within the following described area in Lea County, New Mexico:

**TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM**

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

Section 35: All

**TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM**

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

(3) The subject acreage is contained within the applicant's 1995 Re-development Area, and is composed of the following described Federal and State Leases. The interest ownership within any given lease, according to applicant's testimony, is common throughout including working, royalty and overriding royalty interests:

| <u>LEASE NAME</u>      | <u>DESCRIPTION</u>        |
|------------------------|---------------------------|
| Erwin "B" NCT-1        | NE/4 Section 26           |
| Fristoe "B" NCT-2      | SE/4 Section 26           |
|                        | NE/4, E/2 NW/4 Section 35 |
| Fristoe NCT-1          | SW/4 SW/4 Section 26      |
| Fristoe "A" NCT-1      | W/2 NW/4 Section 35       |
| Erwin "A"              | SW/4 Section 35           |
| Erwin "B" NCT-2        | SE/4 Section 35           |
| State "BB"             | NW/4 NW/4 Section 2       |
| State "L"              | S/2 NW/4 Section 2        |
| N.M. State "BZ" NCT-10 | SW/4 Section 2            |

(4) According to Division records, there are approximately fifteen wells currently producing from the Justis-Bliebry, two wells currently producing from the Justis Tubb-Drinkard, and nine wells currently downhole commingled in the Justis-Bliebry and Justis Tubb-Drinkard Pools within the subject area.

(5) Applicant's testimony indicates that approximately twelve of the existing wells within the subject area are candidates for downhole commingling. In addition, applicant testified that an additional ten wells, which may be drilled in the near future within the subject area, are also candidates for downhole commingling.

(6) The Justis-Bliebry and Justis Tubb-Drinkard Pools within the subject area are in an advanced state of primary depletion.

(7) According to production data presented by the applicant, the average production from the Justis-Bliebry and Justis Tubb-Drinkard Pools within the nine downhole commingled wells it operates within the subject area is approximately 3.22 and 3.0 BOPD, respectively.

(8) Division records further indicate that during December, 1993, the average production from the Justis-Bliebry and Justis Tubb-Drinkard Pools within the subject area was approximately 7.3 BOPD and 43.0 MCFGD and 2.0 BOPD and 12.0 MCFGD, respectively.