

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico Energy, Minerals and Natural-Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco Santa Fe, New Mexico 87505-6429

Form C-107-A New 3-12-96

APPROVAL PROCESS:

X Administrative Hearing

EXISTING WELLBORE

X YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Texaco Exploration & Production Inc. 205 E. Bender; Hobbs, NM 88240

New Mexico "O" State NCT-1 # 37 I-36-17S-34E Address: Lea

Lease: OGRID NO. 022351 Property Code 11048 Well No. API NO. 30 025 32450 Unit Lit. - Sec - Twp - Rge

Spacing Unit Lease Types: (check 1 or more) Federal State X (and/or) Fee

Table with 4 columns: Upper Zone, Intermediate Zones, Lower Zone. Rows include: 1. Pool Name and Pool Code, 2. Top and Bottom of Pay Section (Perforations), 3. Type of production (Oil or Gas), 4. Method of Production (Flowing or Artificial Lift), 5. Bottomhole Pressure, 6. Oil Gravity (°API) or Gas BTU Content, 7. Producing or Shut-In?, 8. Fixed Percentage Allocation Formula.

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling?

11. Will cross-flow occur? Yes No X No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. X Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? X Yes No

13. Will the value of production be decreased by commingling? Yes No X No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No NA

15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S). NONE

- 16. ATTACHMENTS: C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year. For zones with no production history, estimated production rates and supporting data. Data to support allocation method or formula. Notification list of all offset operators. Notification list of working, overriding, and royalty interests for uncommon interest cases. Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: [Signature] TITLE: PROD ENG. DATE: 6/25/96

TYPE OR PRINT NAME: Darrell J. Carriger TELEPHONE NO. (505) 397-0426

# Attachments

1. C-102 plats: A C-102 for each zone is attached
2. Production curve for each zone: A production curve for the Vacuum Drinkard is attached. However, because the Vacuum Blinebry is a new zone, the production had to be estimated from offset performance. Attached is a production curve from two Blinebry wells located in Unit letter K & L of the same section, township, and range, of the subject well. The two wells are the State "I" and the State "VB".
3. Estimated production rates: The plot described in item #2 above shows that production rates will probably begin around 40 BOPD for one month and then quickly fall to a steadier 25 BOPD. Allocation percentages for the subject well were determined using the 25 BOPD.
4. Data to support allocation method: The production plot described in item #2 above was used to estimate well performance (25 BOPD, 25 MCFPD) and determine an allocation split as follows:

	BOPD	MCFPD
Vacuum Drinkard	31	175
Vacuum Blinebry	<u>25</u>	<u>25</u>

**TOTAL: 56 BOPD & 200 MCFPD**

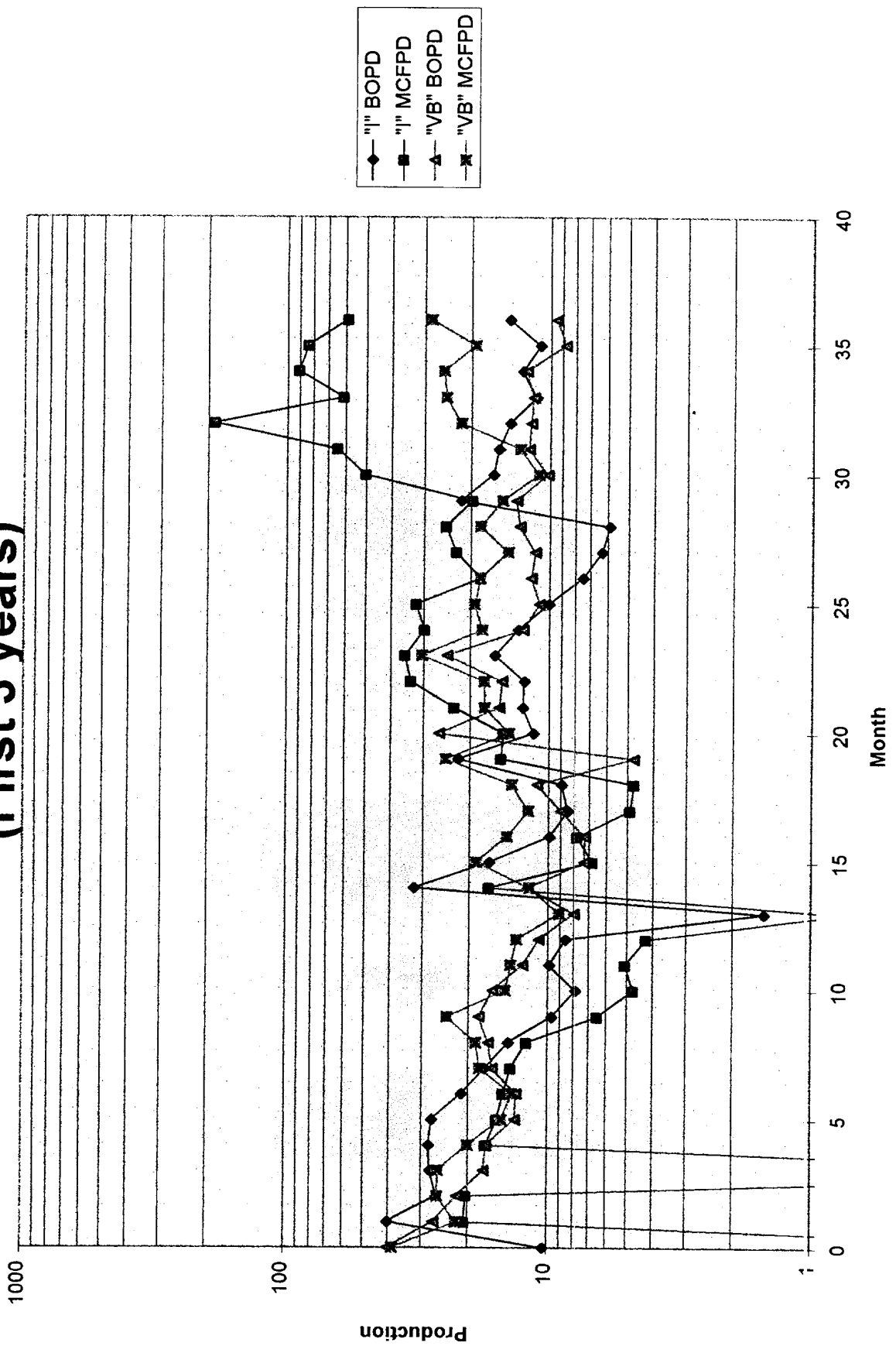
Therefore:           **Drinkard Oil - 55%**           **Blinebry Oil - 45%**  
                          **Drinkard Gas - 88%**           **Blinebry Gas - 12%**

5. Attached is a list of all offset operators and their addresses
6. Working, overriding & royalty interests are all common for the Vacuum Drinkard and the Vacuum Blinebry zones (same school).
7. Additional information: Bottomhole pressures were acquired from the following:

**Vacuum Drinkard:** New Mexico "O" State #38 (new well): Pressure tested zone while drilling (offset Drinkard)

**Vacuum Blinebry:** Marathon's Warn State Acc-2 #25 (offset Blinebry)

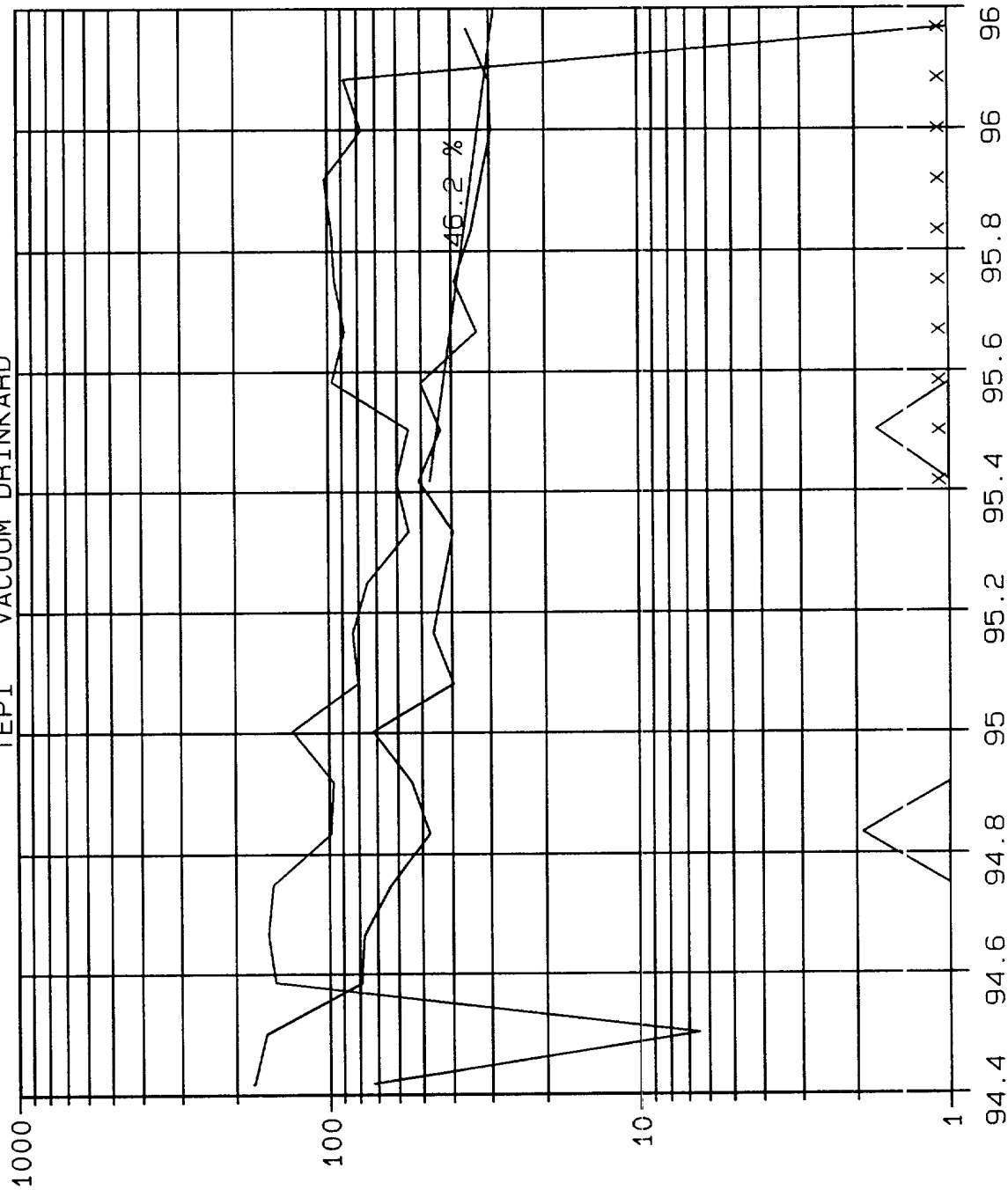
# State "I" State "VB" Normalized Daily Production (First 3 years)



Legend:  
- "I" BOPD (diamond)  
- "I" MCFPD (square)  
- "VB" BOPD (triangle)  
- "VB" MCFPD (cross)

NEW MEXICO -0- STATE NCT-1 37 VACUUM DRINKARD

TEPI VACUUM DRINKARD



LEASE DATA  
 LSE 011048  
 FLD 62110  
 OPER TEPI  
 ZONE 62110  
 --  
 COUNTY 25  
 STATE 30

STATUS 2-96  
 CO 39 MBO  
 CG 58 MMCF  
 CW 0 MBW  
 BOPD 36  
 BWPD 0  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0

BOPD  
 BMPD  
 MCFPD

YEARS

## Offset Operators

Marathon  
PO Box 552  
Midland, TX 79702

Phillips Petroleum  
4001 Penbrook  
Odessa, TX 79763

Mobil Oil Co  
PO Box 633  
Midland, TX 79702

Shell  
PO Box 576  
Houston, TX 77001

Amerada Hess  
PO Box 2040  
Houston, TX 77252

Submit to Appropriate District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
 P.O. Drawer DD, Artesia, NM 88210

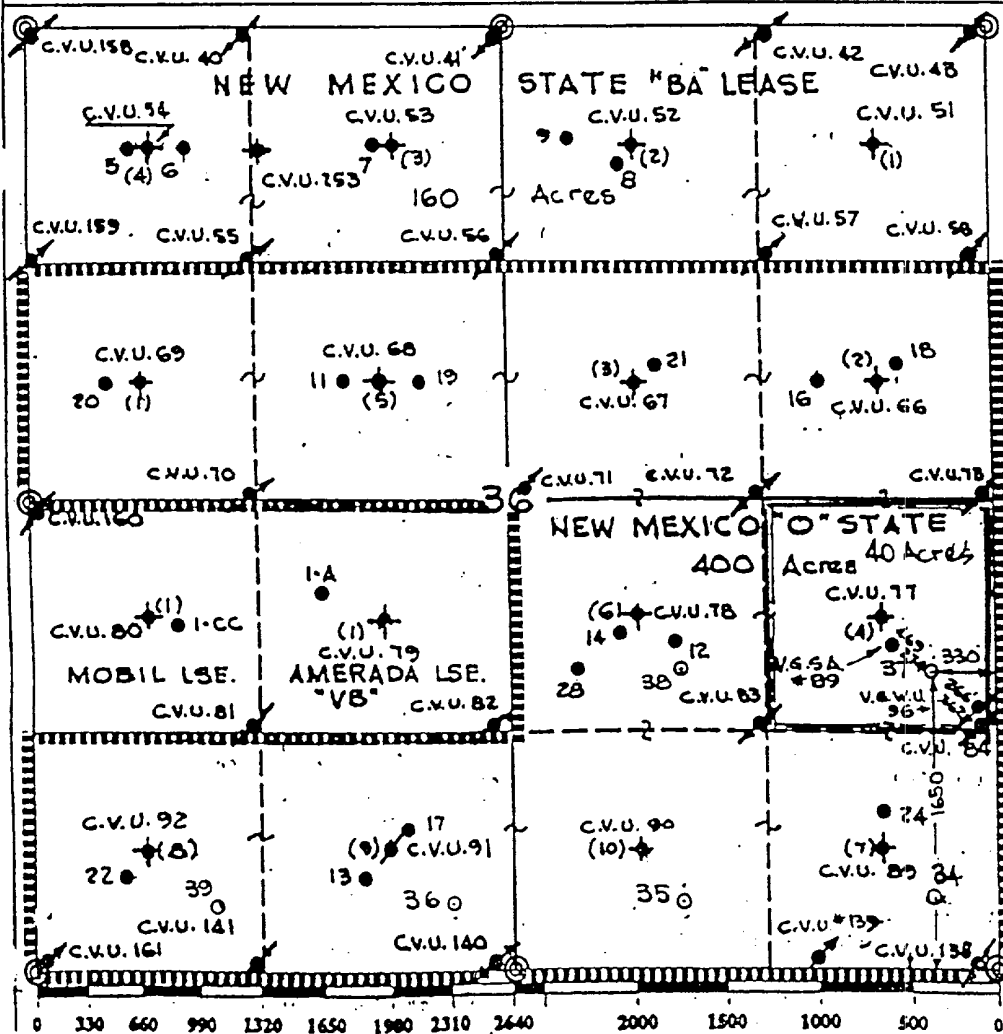
**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator TEXACO EXPLORATION AND PRODUCTION Inc.		Lease New Mexico "O" State NCT-1		Well No. 37
Unit Letter I	Section 36	Township 17 South	Range 34 East	County Lea
Actual Footage Location of Well: 1650 feet from the South line and 330 feet from the East line				
Ground level Elev. 3986	Producing Formation Drinkard	Pool Vacuum Drinkard	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
  - Yes  No If answer is "yes" type of consolidation \_\_\_\_\_
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Royce Mariott*  
 Printed Name: Royce Mariott  
 Position: Division Surveyor  
 Company: Texaco Expl. & Prod...Inc.  
 Date: March 3, 1994

**SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: February 25, 1994  
 Signature & Seal of Professional Surveyor: *John S. Piper*  
 Certificate No. 7254

Lea Co. FB 10, Pg. 33

◆ = CENTRAL VACUUM UNIT PRODUCER    ● = CENTRAL VACUUM UNIT INJECTION WELL

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies  
 AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-32450		<sup>2</sup> Pool Code 61850		<sup>3</sup> Pool Name VACUUM BLINEBRY	
<sup>4</sup> Property Code 011048		<sup>5</sup> Property Name NEW MEXICO O STATE NCT-1			<sup>6</sup> Well No. 37
<sup>7</sup> OGRID Number 022351		<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION INC.			<sup>9</sup> Elevation GR-3986', KB-3998'

### <sup>10</sup> Surface Location

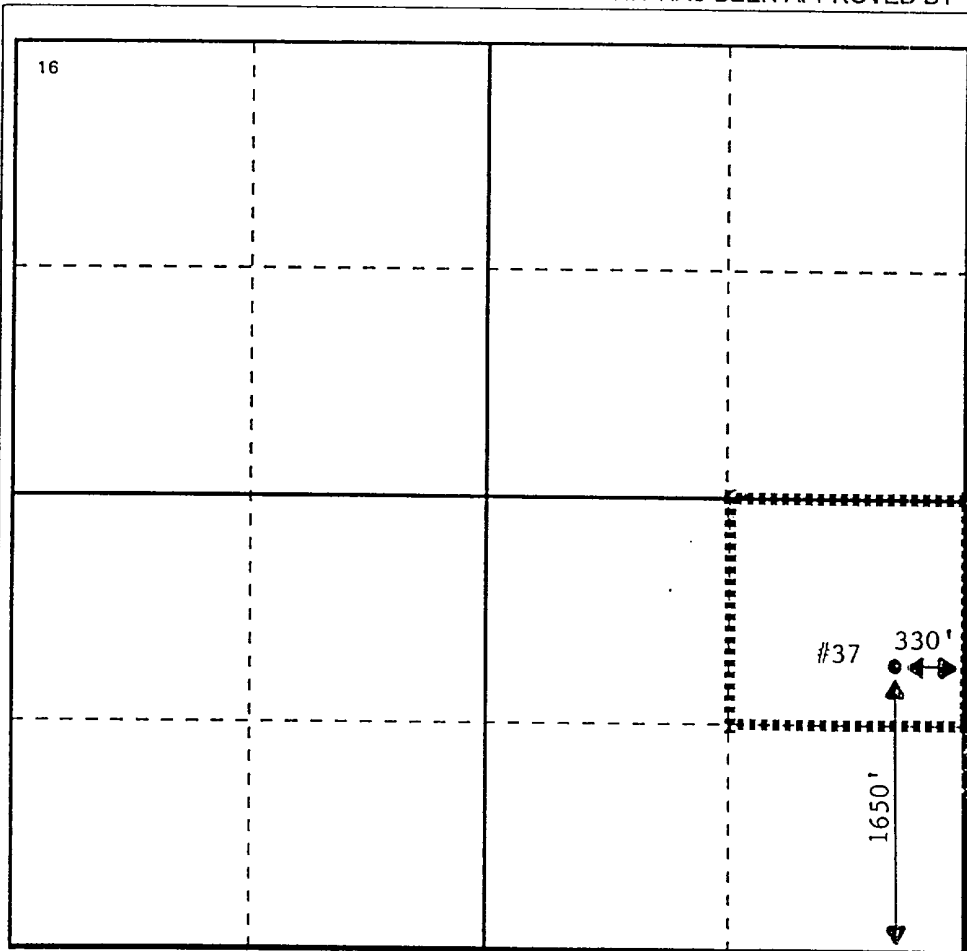
UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
I	36	17-S	34-E		1650	SOUTH	330	EAST	LEA

### <sup>11</sup> Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill No	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
Signature <i>Monte C. Duncar</i>
Printed Name Monte C. Duncar
Position Engr Asst
Date 6/25/96
<b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.
Date Surveyed
Signature & Seal of Professional Surveyor
Certificate No.

