



Texaco E & P

PO Box 730
Hobbs NM 88241-0730
505 393 7191

CONSERVATION DIVISION
RECEIVED

DFIC 5-7-96
1260

APR 15 1995

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

Attention: Mr. David R. Catanach

Re: Exception to NMOCD Rule 303 (A),
Application to Downhole Commingle
Teague Drinkard-Abo Pool &
Teague Lower Paddock-Blinebry Pool
G.W. Sims Lease , Well Number 4
G T-23-S, R-37-E, Section 9
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. respectfully requests administrative approval to downhole commingle the Teague Drinkard-Abo Pool and the Teague Lower Paddock-Blinebry Pool within the subject wellbore. Currently the well is a dual completion and both zones do not flow continuously, and require frequent swabbing. Notification of this application has been sent to the said offset leaseholder and a statement of notification has been included in this application.

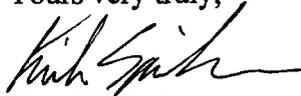
The proposed downhole commingling will provide a more economical means of production. It will allow complete development of the productive capacity on the subject lease by allowing both intervals to be artificially lifted simultaneously. This will extend the productive life of both completions, thereby preventing waste. It is therefore requested by Texaco Exploration and Production Inc., to administratively downhole commingle the Teague Drinkard-Abo Pool and the Teague Lower Paddock-Blinebry Pool within the subject wellbore. Texaco requests that the approval of this application be performed by administrative approval to expedite the proposed work.

The subject well meets all of requirements as set forth by Rule 303 (C). The well was completed 7/30/95, so a full year of production data is not available. In addition, it should be noted that all produced fluids have entered a common production facility with no fluid compatibility problems.

It is requested that the allocation of production for each zone be deferred until a stabilized production rate is established. Production will then be allocated to the Drinkard/Abo Pool by subtracting the Blinebry stabilized production rate from the total stabilized production rate after downhole commingling the well.

Texaco Exploration and Production, Inc. believes that the administrative approval for downhole commingling and use of artificial lift on the subject well will improve recovery efforts and prolong the productive life of both zones, therefore preventing waste. If you have any questions concerning this application, please contact Kirk W. Spilman at (505)397-0425.

Yours very truly,



Kirk W. Spilman
Eunice Area Engineer

attachments

cc: Jerry Sexton/NMOCD/Hobbs

State of New Mexico
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-8429

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

TEXACO EXPLORATION & PRODUCTION 205 E. BENDER HOBBS, NM 88240

Operator
G.W. SIMS

Well No. #4

Address
G SEC. 9 T-23-S R-37-E

County
LEA

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 022351

Property Code 13194

API NO. 30-025-32900

Federal State (and/or) Fee

| The following facts are submitted in support of downhole commingling: | Upper Zone | Intermediate Zones | Lower Zone |
|---|--------------------------------|--------------------|-------------------------------|
| 1. Pool Name and Pool Code | LOWER PADDOCK/BLINE 96314 | | DRINKARD/ABO 96313 |
| 2. Top and Bottom of Pay Section (Perforations) | 5720 - 5952 | | 6485 - 7136 |
| 3. Type of production (Oil or Gas) | OIL | | OIL |
| 4. Method of Production (Flowing or Artificial Lift) | FLOWING | | FLOWING |
| 5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original | a. (Current) 675 (24 hr SI) | a. | a. 600 (24 hr SI) |
| | b. (Original) | b. | b. |
| 6. Oil Gravity (° API) or Gas BTU Content | 38.1 | | 38.1 |
| 7. Producing or Shut-In? | PRODUCING | | PRODUCING |
| Production Marginal? (yes or no) | YES | | YES |
| * If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data * If Producing, give date and oil/gas/water rates of recent test (within 60 days) | Date: Rates: | Date: Rates: | Date: Rates: |
| | Date: 3-12-96 Rates: 2/11/2 | Date: Rates: | Date: 3-10-96 Rates: 0/0/0 |
| 8. Fixed Percentage Allocation Formula - % for each zone | Oil: % Gas: % | Oil: % Gas: % | Oil: % Gas: % |

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? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No

11. Will cross-flow occur? Yes 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. Yes No (If No, attach explanation)

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

13. Will the value of production be decreased by commingling? Yes 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

15. NMOCD Reference Cases for Rule 303(C) Exceptions:

ORDER NO(S). _____

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. (If not available, attach explanation.)
- * 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.

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

SIGNATURE Kirk W. Spilman TITLE Petroleum Engineer DATE 4-15-96

TYPE OR PRINT NAME Kirk W. Spilman TELEPHONE NO. (505) 397-0425

ATTACHMENTS

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

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994

Instructions on back

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office

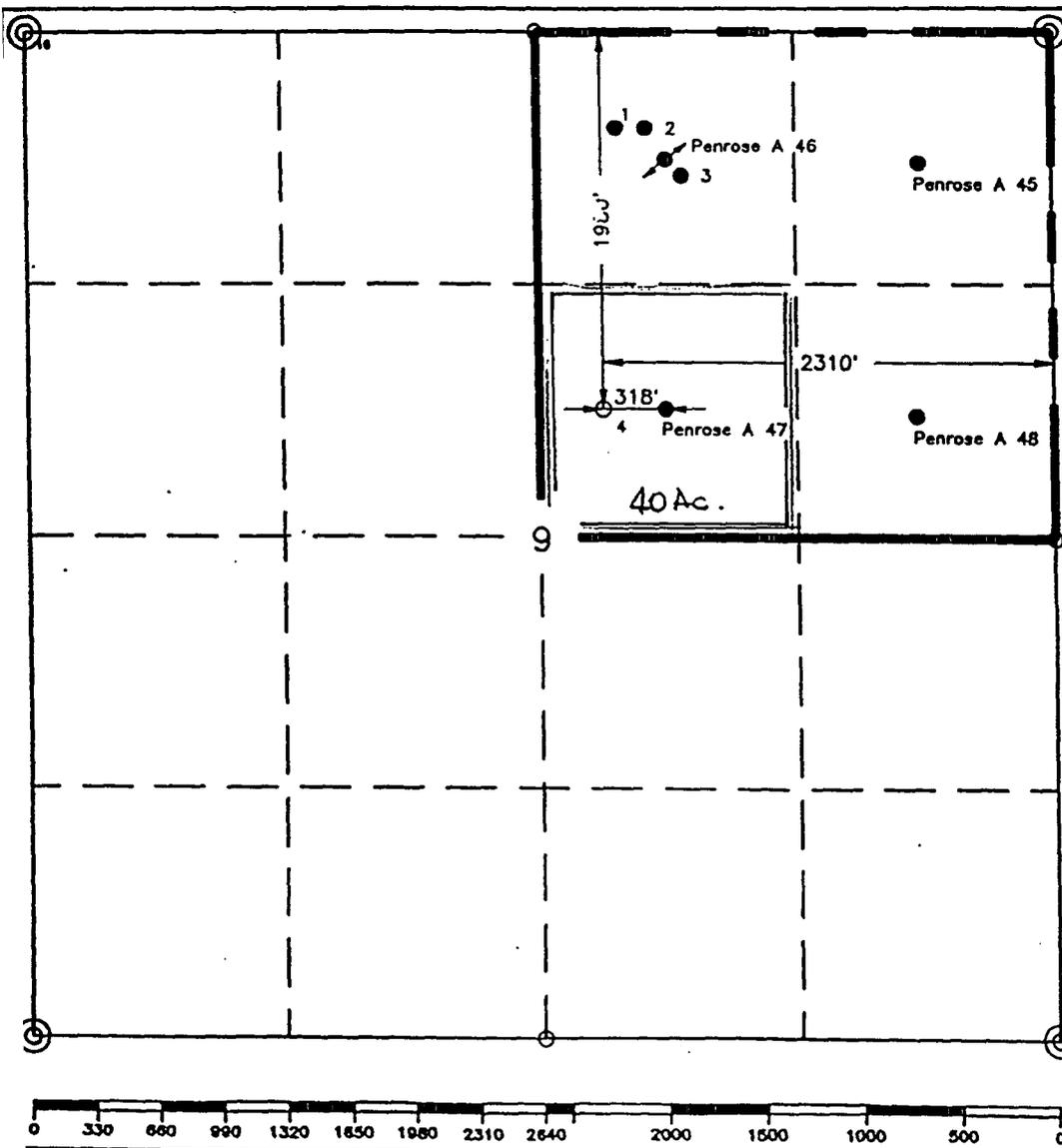
State Lease-4 copies
Fee Lease-3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number 30-025-32900 | | ² Pool Code 96313 | | ³ Pool Name N. Teague Drinkard/Abo | |
|--|-------------------------------|---|-----------------------------|--|--------------------------------------|
| ⁴ Property Code 13194 | | ⁵ Property Name G. W. Sims | | | ⁶ Well Number 4 |
| ⁷ OGRID No. 022351 | | ⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC. | | | ⁹ Elevation 3305' |
| ¹⁰ Surface Location | | | | | |
| ¹¹ UL or lot no. G | ¹² Section 9 | ¹³ Township 23-S | ¹⁴ Range 37-E | ¹⁵ Lot Idn | ¹⁶ Feet from the 1980' |
| | | | | ¹⁷ North/South line North | ¹⁸ Feet from the 2310' |
| | | | | ¹⁹ East/West line East | ²⁰ County Lea |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | |
| ²¹ UL or lot no. | ²² Section | ²³ Township | ²⁴ Range | ²⁵ Lot Idn | ²⁶ Feet from the |
| | | | | | ²⁷ North/South line |
| | | | | | ²⁸ Feet from the |
| | | | | | ²⁹ East/West line |
| | | | | | ³⁰ County |
| ³¹ Dedicated Acres 40 | ³² Joint or Infill | ³³ Consolidation Code | ³⁴ Order No. | | |

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.



¹OPERATOR CERTIFICATION

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

Signature
C. Wade Howard

Printed Name
C. Wade Howard

Position
Engineer's Assistant

Company
Texaco Expl. & Prod. Inc.

Date
March 1, 1995

¹SURVEYOR 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 17, 1995

Signature & Seal of Professional Surveyor
John S. Hobbs

Certificate No.
7254

Received
Texaco
John S. Hobbs Area

Sheet

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

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

DISTRICT III
1600 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994

Instructions on back

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office

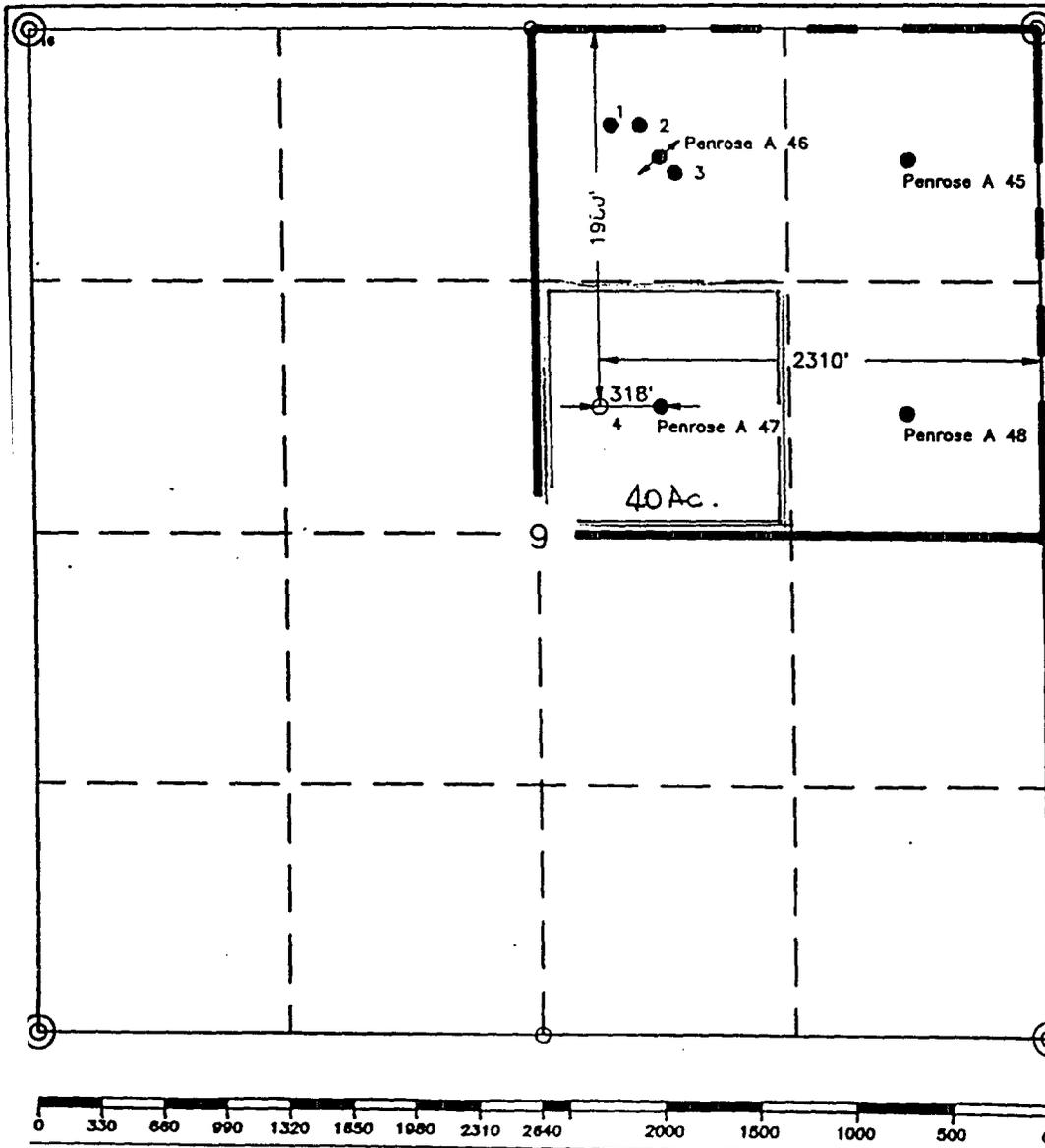
State Lease-4 copies
Fee Lease-3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number 30-025-32900 | | ² Pool Code 96314 | | ³ Pool Name N. Teague Lower Paddock/ Blinebry | | | | | |
|--|--------------|---|---------------|---|---------------------------------|---------------------------|------------------------|------------------------|-----------------------------|
| ⁴ Property Code 13194 | | ⁵ Property Name G. W. Sims | | | ⁶ Well Number 4 | | | | |
| ⁷ OGRID No. 022351 | | ⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC. | | | ⁹ Elevation 3305' | | | | |
| ¹⁰ Surface Location | | | | | | | | | |
| UL or lot no. G | Section 9 | Township 23-S | Range 37-E | Lot Idn | Feet from the 1980' | North/South line North | Feet from the 2310' | East/West line East | ¹¹ County Lea |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | ¹² County |
| ¹³ Dedicated Acres 40 | | ¹⁴ Joint or Infill | | ¹⁵ Consolidation Code | | ¹⁶ Order No. | | | |

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

Signature
C. Wade Howard

Printed Name
C. Wade Howard

Position
Engineer's Assistant

Company
Texaco Expl. & Prod. Inc.

Date
March 1, 1995

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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.

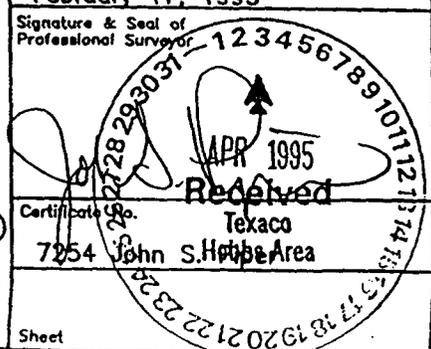
Date Surveyed
February 17, 1995

Signature & Seal of Professional Surveyor
John S. Hope

Certificate No.
7254

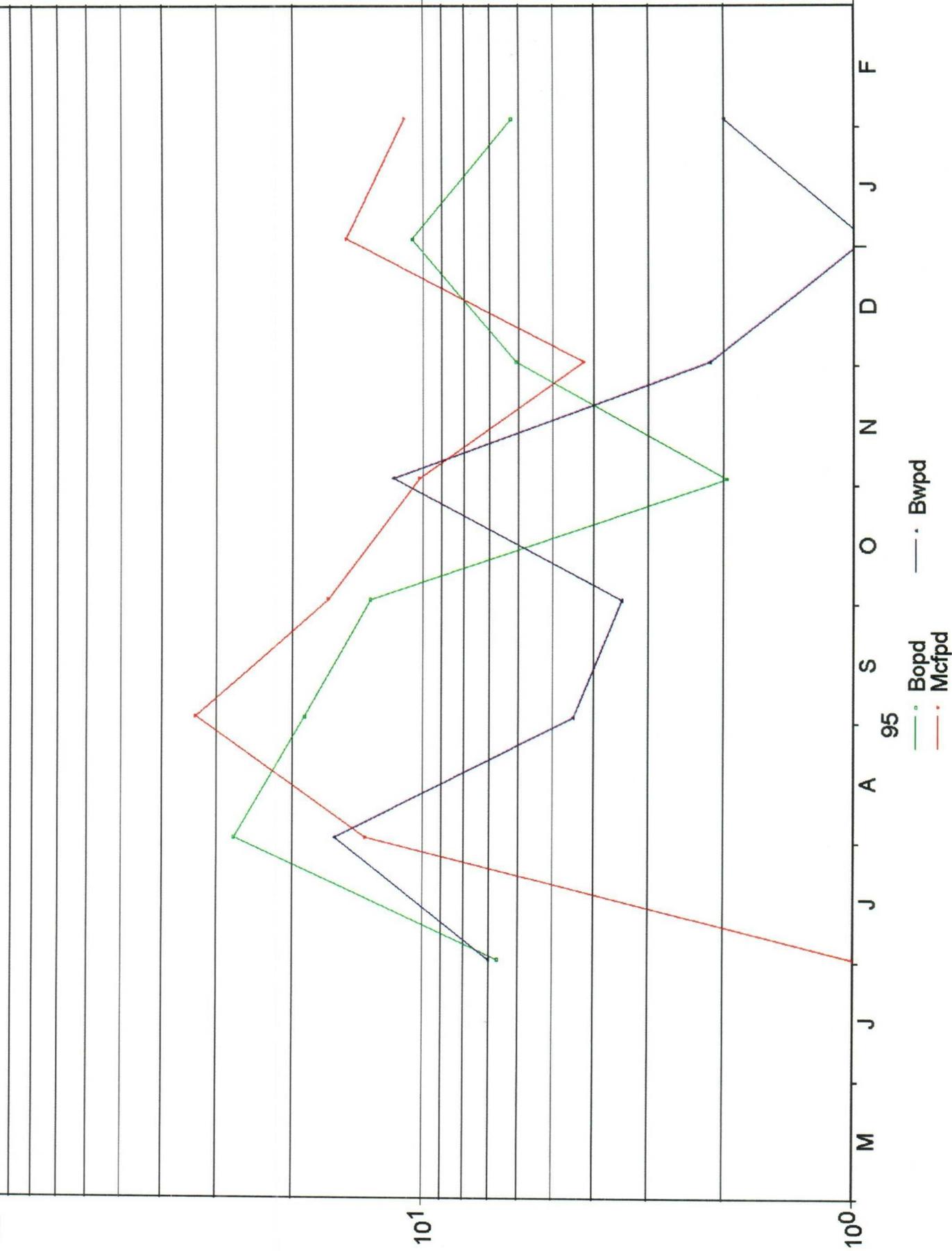
Area
John S. Hope Area

Sheet



G.W. SIMS LOWER PADDOCK-BLINEBRY

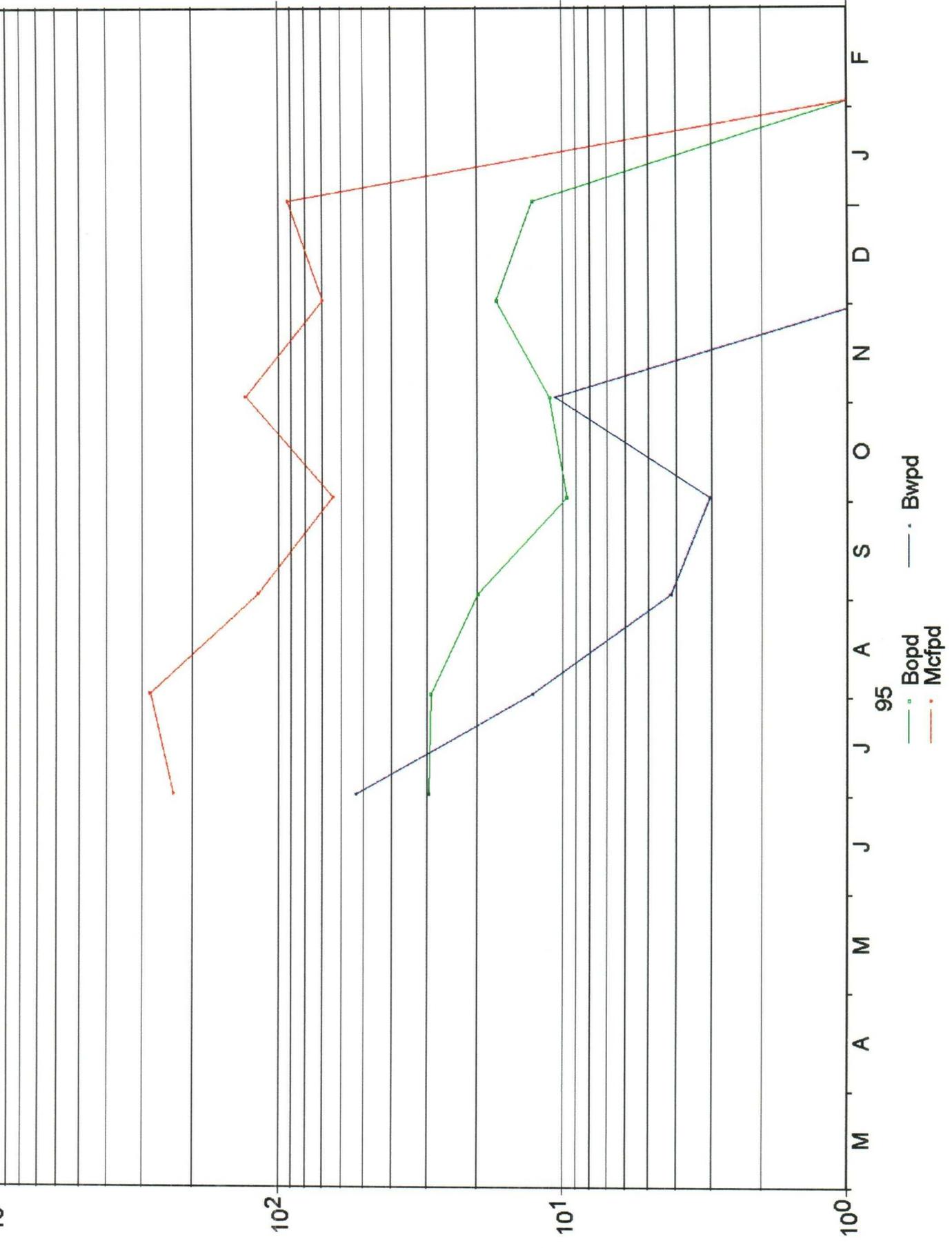
Well: GWSIMS4 ID: 30025329000000:96314 Type: GAS Daily User ID: kws 04/15/96



G.W. SIMS DRINKARD/ABO

User ID: kws 04/15/96

Well: GWSIMS4 ID: 30025329000000:96313 Type: GAS Daily



FORMULA FOR DETERMINING ALLOCATION OF PRODUCTION

OIL

X = LOWER PADDOCK/BLINEBRY STABILIZED OIL PRODUCTION RATE, BOPD

T = TOTAL COMMINGLED, STABILIZED OIL PRODUCTION RATE, BOPD

DRINKARD/ABO PROD. = D = (T - X) , BOPD

GAS

X = LOWER PADDOCK/BLINEBRY STABILIZED GAS PRODUCTION RATE, MCFPD

T = TOTAL COMMINGLED, STABILIZED GAS PRODUCTION RATE, MCFPD

DRINKARD/ABO PROD. = D = (T - X) , MCFPD

****ALLOCATION OF PRODUCTION WILL THEN BE BASED ON PERCENTAGE OF TOTAL PRODUCTION**

LIST OF 40-ACRE OFFSET OPERATORS TO G.W. SIMS NO. 4

OPERATORS OTHER THAN TEXACO E & P :

The 80 acres in the N 1/2 of the SE 1/4 of Section 9, T-23-S, R-37-E adjacent to the subject 40 acre tract, is operated by the following company :

Samedan Oil Corp.
12600 Northborough
Suite 250
Houston, TX 77067



Texaco E & P

PO Box 130
Houston, TX 77001
505-681-1111

CERTIFIED MAIL

April 15, 1995

To: Samedan Oil Corp.
12600 Northborough
Suite 250
Houston, TX 77067

Subject: Exception to NMOCD Rule 303 (A).
Application to Downhole Commingle
Teague Drinkard-Abo Pool &
Teague Lower Paddock-Blinebry Pool
G.W. Sims Lease, Well Number 4
G T-23-S, R-37-E, Section 9
Lea County, New Mexico

Dear Gentlemen:

Enclosed is a copy of Texaco's application for N.M. O.C.D. administrative approval to downhole commingle the above mentioned pools.

The N.M. O.C.D. regulations require that offset operators be notified before such action can be approved. Questions concerning this matter should be directed to myself at (505) 397-0425.

Sincerely,

Kirk W. Spilman
Pertroleum Engineer
Hobbs Operating Unit

Enclosure

CERTIFIED

P 622 723 686

MAIL

2 E & P 1/16
135000512
JUN 11 88210

U.S. POSTAL SERVICE

P 622 723 686

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to
Street & Number
Post Office, State, & ZIP Code

Samedan Oil Corp
12600 Northborough
Suite 250, Hov. Tx 77067

| | |
|---|--------|
| Postage | \$ 55 |
| Certified Fee | ✓ |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | ✓ |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees Postmark or Date | \$2.75 |

PS Form 3800, April 1995

Fold at line over top of envelope to the right of the return address

Your RETURN ADDRESS completed on the reverse side?

SENDER:
 Complete items 1 and/or 2 for additional services.
 Complete items 3, 4a, and 4b.
 Print your name and address on the reverse of this form so that we can return this card to you.
 Attach this form to the front of the mailpiece, or on the back if space does not permit.
 Write "Return Receipt Requested" on the mailpiece below the article number.
 The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
SAMEDAN OIL CORP.
12600 NORTHBROUGH
Suite 250
Houston, Tx 77067

4a. Article Number
P 622 726 686

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD
 Certified
 Insured
7. Date of Delivery

I also wish to receive the following services (for an extra fee):
1. Addressee's Address
2. Restricted Delivery
Consult postmaster for fee.

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent) X

Thank you for using Return Receipt Service.

DHC-1260



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

OIL CONSERVATION DIVISION
HOBBBS DISTRICT OFFICE

RECEIVED

96 APR 26 AM 8 52

4/22/96

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

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC X _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

| | | | |
|---------------------------|------------------|-------------|------------------|
| <u>Texaco E&P Inc</u> | <u>GW Sims</u> | <u>#4-G</u> | <u>9-23s-37e</u> |
| Operator | Lease & Well No. | Unit | S-T-R |

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed