505 393 7191

July 29, 1996

New Mexico Oil Conservation Commission 2040 South Pacheco Santa Fe, New Mexico 87505 Attention: Mr. David R. Catanach

Re:

Exception to NMOCD Rule 303 (A).
Application to Downhole Commingle
Jalmat/Langlie Mattix Pool
Cooper Jal Unit #420,#421,#422
Unit Letter G, J, N; Sec. 24, 24, 19; 23S, 37E
Lea County, New Mexico

Mr. Catanach,

Texaco Exploration & Production Inc., respectfully requests administrative approval to downhole commingle the Jalmat and the Langlie Mattix Pool within the subject wellbore. Currently, the wells are in the process of being drilled and completed. Notification to offset operators is not required give the fact that Texaco offsets all of the wells.

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.

The subject wells meet all of requirements as set forth by Rule 303 (C). It should be noted that all produced fluids from other downhole commingled wells 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 establish. Production will then be allocated to the Langlie Mattix and the Jalmat Pool using the subtraction method provided in this packet. If you have any questions concerning this application, please contact Kirk W. Spilman at (505)397-0425.

Yours yery truly,

Kirk W. Spilman Eunice Area Engineer

attachments

cc: Jerry Sexton/NMOCD/Hobbs

ATTACHMENTS

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210 DISTRICT III

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: $\underline{\underline{X}}$ Administrative $\underline{\underline{\hspace{0.5cm}}}$ Hearing

APPLICATION FOR DOWNHOLE COMMINGLING 1000 Rio Brazos Rd, Astec. NM 87410

EXISTING WELLBORE ___ YES __X NO

TEXACO EXPLORATION & PRO	DUCTION 205 E.	BENDER HOBBS NM 88240									
COOPER JAL UNIT	#420 G-	24-24S-37E	LEA County								
OGRID NO. 022351 Property Cod		025-33458 Federal	pscing Unit Lease Types: (check 1 or more) , State, (and/or) Fee								
The following facts are submitted in support of downhole commingling:	***OUG	Intermediate Zones	Lower Zone								
Pool Name and Pool Code	JALMAT (33820)		LANGLIE MATTIX								
Top and Bottom of Pay Section (Perforations)	NOT YET COMPLETED		NOT YET COMPLETED								
3. Type of production (Oil or Gas)	OIL		OIL								
Method of Production (Flowing or Artificial Lift)	ARTIFICIAL		ARTIFICIAL								
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) NA b. (Original)	a. b.	a. NA b.								
6. Oil Gravity (*API) or Gas BTU Content	36.7		36.7								
7. Producing or Shut-In?	NA	·	NA								
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	Date: Rates: NA	Date: Rates:	Date: Rates NA								
or of the production estimates and supporting data If Producing, give date andoil/gas/ water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:								
8. Fixed Percentage Allocation Formula -% for each zone	Oil: Gas: %	Oil: Gas: %	Oil: Gas: %								
 If allocation formula is based submit attachments with sup Are all working, overriding, and If not, have all working, over Have all offset operators been 	pporting data and/or explaining	method and providing rate pro	ojections or other required data.								
	ed, and will the allocation forn	nula be reliable Yes	No (If No, attach explanation)								
 Are all produced fluids from a Will the value of production b 											
14. If this well is on, or communi		ds, either the Commissioner of	Public Lands or the								
· · · · · · · · · · · · · · · · · · ·											
5. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S). DHC-1131 6. 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 explaination.) 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 informati	on above is true and complete	to the best of my knowledge	and belief.								
SIGNATURE		TITLE PETROLEUM ENGINE	ER_ DATE 7-29-96								
TYPE OR PRINT NAME KIRK W.	SPILMAN	TELEPHONE NO. (505) 397-0425								

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

TYPE OR PRINT NAME KIRK W. SPILMAN

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 87505-6429 $\frac{X}{X} \ \, \text{Administrative} \ \, \underline{\quad \quad } \text{Hearing}$

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

YES X NO

TEXACO EXPLORATIO	ON & PRODUCTION 20	05 E. BENDER HOBBS NM	88240
COOPER JAL UNIT	#421 J-2	24-24S-37E	LEA County
OGRID NO. 022351 Property Cod	10917 API NO. 30-	-025-33459 Federal	pacing Unit Lease Types: (check 1 or more) , State, (and/or) Fee X
The following facts are submitted in support of downhole commingling:		Intermediate Zones	Lower Zone
Pool Name and Pool Code	JALMAT (33820)		LANGLIE MATTIX (37240)
2. Top and Bottom of Pay Section (Perforations)	NOT YET COMPLETED		NOT YET COMPLETED
3. Type of production (Oil or Gas)	OIL		OIL
4. Method of Production (Flowing or Artificial Lift)	ARTIFICIAL		ARTIFICIAL
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	a. (Current) NA	a.	a. NA
Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. ^(Original)	b.	b.
6. Oil Gravity (*API) or Gas BTU Content	36.7		36.7
7. Producing or Shut-in?	NA		NA
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	Date: Rates: NA	Date: Rates:	Date: Rates: NA
* If Producing, give date andoil/gas/ water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Percentage Allocation Formula -% for each zone	Oil: Gas: %	Oil: Gas: %	Oil: Gas: %
If allocation formula is based submit attachments with sur	upon something other than cu	rrent or past production, or is I	based upon some other method bjections or other required data.
10. Are all working, overriding, a If not, have all working, over Have all offset operators been			•
11. Will cross-flow occur? flowed production be recover	es $\frac{X}{A}$ No lf yes, are fluids ed, and will the allocation form	compatible, will the formations nula be reliable. Yes	not be damaged, will any cross No (If No, attach explanation
12. Are all produced fluids from a			Yes No
13. Will the value of production b			•
 If this well is on, or communi United States Bureau of Land 	tized with, state or federal land I Management has been notifie	ds, either the Commissioner of ed in writing of this application.	Public Lands or theYes No
15. NMOCD Reference Cases for	Rule 303(C) Exceptions:	ORDER NO(S). DHC-1131	
* For zones with no * Data to support all * Notification list of * Notification list of	ne to be commingled showing or each zone for at least one y production history, estimated pocation method or formula. all offset operators. working, overriding, and royalt ements, data, or documents re	ear. (If not available, attach exproduction rates and supporting	xplaination.) g dața.
hereby certify that the information	on above is true and complete	to the best of my knowledge	and belief.
SIGNATURE BULSA		TITLE PETROLEUM ENGINE	EER DATE 7-29-96

_ TELEPHONE NO. (505) 397-0425

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210 <u>DISTRICT III</u> 1000 Rio Brazos Rd, Aztec, NM 87410 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 87505-6429 $\frac{\text{APPROVAL PROCESS:}}{\underline{X} \text{ Administrative } \underline{\quad} \text{Hearing}}$

EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

__ YES X_NO

TEXACO EXPLORATION	N & PRODUCTION 205	E. BENDER HOBBS NM 88	3240
COOPER JAL UNIT		19-24S-37E	LEA
DGRID NO. 022351 Property Cod			pacing Unit Lesse Types: (check 1 or more), State, (and/or) FeeX
The following facts are submitted in	Upper Zone	Intermediate	Lower Zone
Pool Name and Pool Code	JALMAT (33820)		LANGLIE MATTIX (37240)
2. Top and Bottom of Pay Section (Perforations)	NOT YET COMPLETED		NOT YET COMPLETED
3. Type of production (Oil or Gas)	OIL		OIL
4. Method of Production (Flowing or Artificial Lift)	ARTIFICIAL		ARTIFICIAL
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	a. (Current) NA	a.	a. NA
Gas & Oil - Flowing: Measured Current Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original)	b.	b. ·
6. Oil Gravity (*API) or Gas BTU Content	36.7		36.7
7. Producing or Shut-In?	NA		NA
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	Date: Rates: NA	Date: Rates:	Date: Rates: NA
history, applicant shall be required to attach production estimates and supporting data			
 If Producing, give date andoil/gas/ water rates of recent test (within 60 days) 	Date: Rates:	Date: Ratea:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone	Oil: Gas: %	Oil: Gas: %	Oil: Gas: %
	oporting data and/or explaining	method and providing rate pro	ojections or other required data
 Are all working, overriding, as if not, have all working, over Have all offset operators been 	nd royalty interests identical in riding, and royalty interests be given written notice of the pro	all commingled zones? en notified by certified mail? oposed downhole commingling?	Yes No
 Will cross-flow occur? \ flowed production be recover 	es $\underline{\mathrm{X}}$ No $$ If yes, are fluids ed, and will the allocation form	compatible, will the formations nula be reliable. Yes	not be damaged, will any cros No (If No, attach explanation
12. Are all produced fluids from a			
13. Will the value of production b			· · · · · · · · · · · · · · · · · · ·
 If this well is on, or communi United States Bureau of Land 	tized with, state or federal land Management has been notified	ds, either the Commissioner of ed in writing of this application	Public Lands or the No
5. NMOCD Reference Cases for	Rule 303(C) Exceptions:	ORDER NO(S). DHC-113	1
ivotification list of a	ne to be commingled showing or each zone for at least one y production history, estimated to cation method or formula. all offset operators. working, overriding, and royalt ements, data, or documents re		
hereby certify that the informati	of above is true and complete	to the best of my knowledge	and belief.
SIGNATURE MAJOR	/	TITLE PETROLEUM ENGIN	
TYPE OR PRINT NAME KTRK W	. SPILMAN	TELEPHONE NO. (505) 397-0425

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

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

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

¹ API Number 30-025-33458	Pool Code 33820				
4 Property Code	•	erty Name	⁶ Well No.		
10917		ER JAL UNIT	420		
⁷ OGRID Number	•	rator Name	⁹ Elevation		
022351		ION & PRODUCTION INC.	3313'		

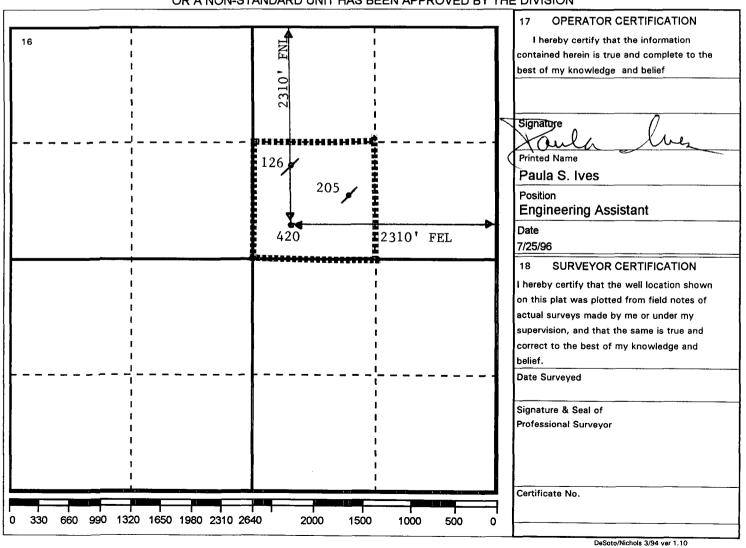
¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County
G	24	24-S	36-E		2310	NORTH	2310	EAST	LEA

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
Dedicated 40	Dedicated Acres Joint or Infili		14	Consolidation	n Code	¹⁵ Ord	ler 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



P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

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

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

¹ API Number	Pool Code	³ Pool Na	
30-025-33458	37240	LANGLIE MATTIX; 7 R	
Property Code	·	erty Name	⁶ Well No.
10917		R JAL UNIT	420
OGRID Number	•	ator Name	⁹ Elevation
022351		ON & PRODUCTION INC.	3313'

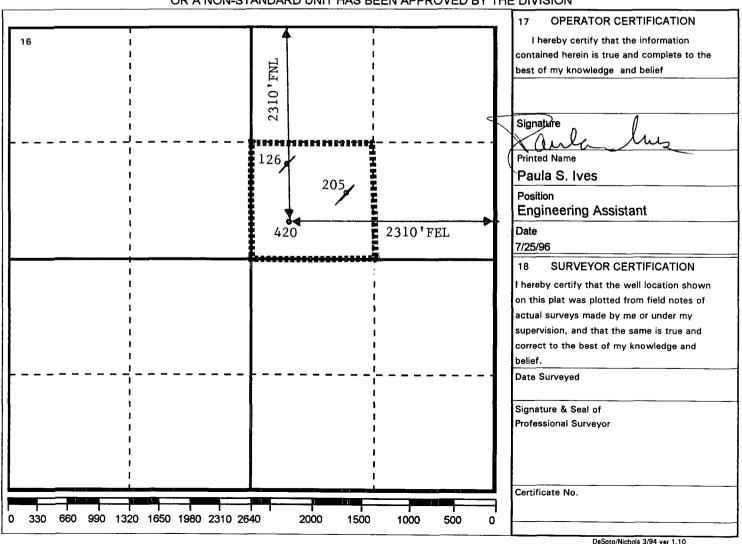
¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County	l
G	24	24-8	36-E		2310	NORTH	2310	EAST	LEA	l

Bottom Hole Location If Different From Surface

Ul or lot no.	Section	Township	Range	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
12 Dedicated	Acres	13 Joint or Infill No	14	4 Consolidation	n Code	¹⁵ Ord	der 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



<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88241-198

P.O. Box 1980, Hobbs, NM 88241-1980 DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719 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

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

¹ API Number 30-025-33459	Pool Code 3 Pool Nat 33820 JALMAT;TAN-YATE		
4 Property Code	·	erty Name	⁶ Well No.
10917		ER JAL UNIT	421
⁷ OGRID Number	•	rator Name	⁹ Elevation
022351		ION & PRODUCTION INC.	3318'

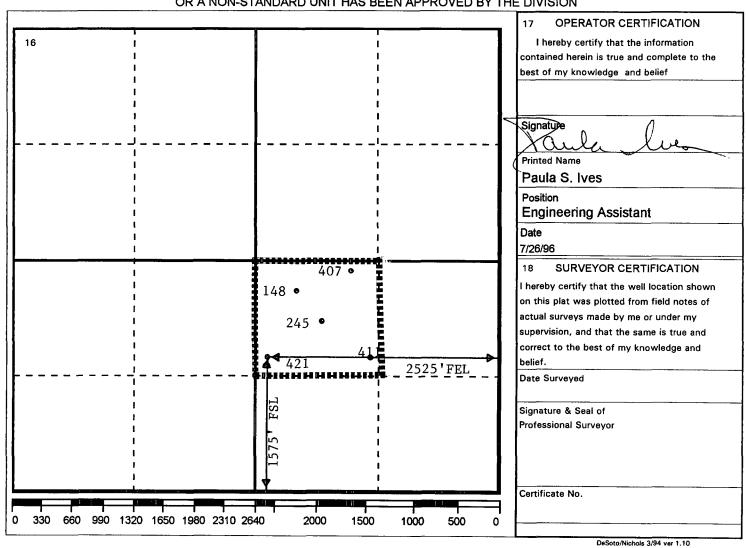
¹⁰ Surface Location

UI or lot no	. Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County
J	24	24-S	36-E		1575	SOUTH	2525	EAST	LEA

Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
Dedicated 40	Acres	Joint or Infill	14	¹ Consolidation	n Code	¹⁵ Ord	der 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



P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

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

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

¹ API Number 30-025-33459	Pool Code 37240	³ Pool Name LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG		
Property Code 10917	•	erty Name ER JAL UNIT	⁶ Well No. 421	
⁷ OGRID Number 022351	•	rator Name ION & PRODUCTION INC.	⁹ Elevation 3318'	

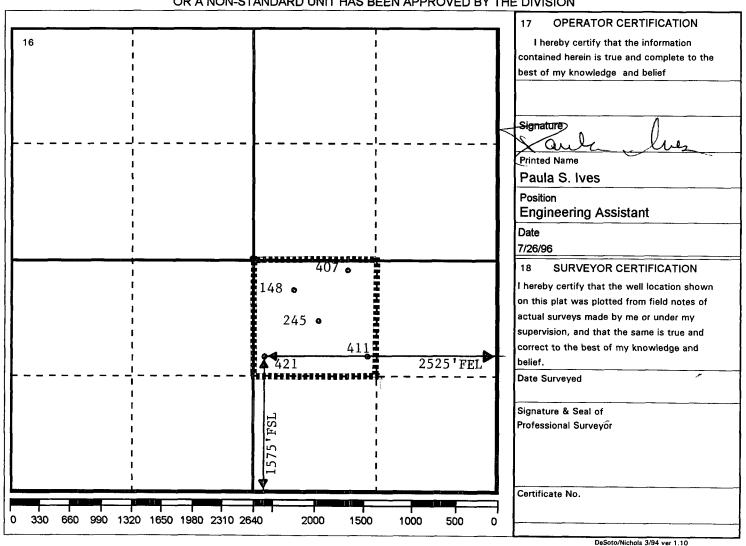
¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County
J	24	24-S	36-E		1575	SOUTH	2525	EAST	LEA

Bottom Hole Location If Different From Surface

Ul or lot no.	Section	Township	Range	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
Dedicated 40	Acres	¹³ Joint or Infill No	14	Consolidatio	n Code	¹⁵ Ord	der 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



P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

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

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

¹ API Number	Pool Code	³ Pool Name		
30-025-33490	33820	JALMAT; TAN-YATES-7-RVRS(OIL)		
4 Property Code	·	erty Name	⁶ Well No.	
10917		R JAL UNIT	422	
⁷ OGRID Number	· '	ator Name	⁹ Elevation	
022351		ON & PRODUCTION INC.	GR-3276	

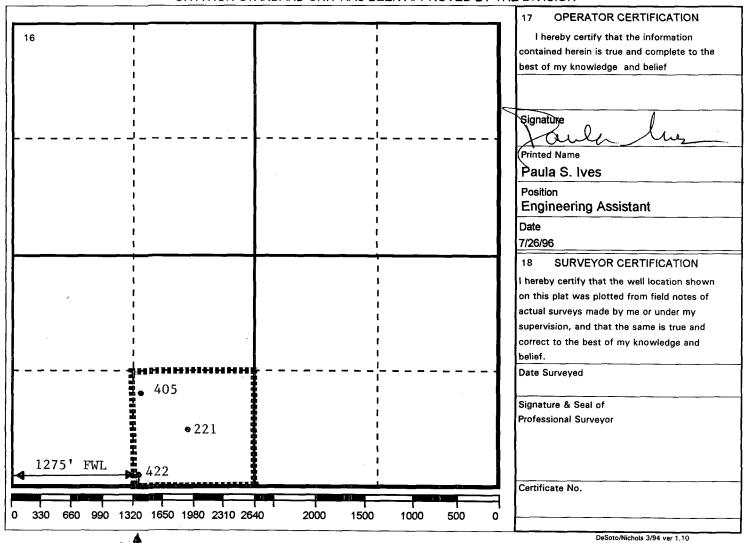
¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County
N	19	24-S	37-E		125	SOUTH	1275	WEST	LEA

Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
Dedicated 40	Acres	Joint or Infill	14	Consolidatio	n Code	¹⁵ Ord	der No.		<u></u>	

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



P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

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

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

¹ API Number	Pool Code		³ Pool Name	
30-025-33490	37240		ATTIX; 7 RVRS-Q-GRAYBURG	
Property Code	·	erty Name	⁶ Well No.	
10917		ER JAL UNIT	422	
⁷ OGRID Number	•	rator Name	⁹ Elevation	
022351		ION & PRODUCTION INC.	GR-3276	

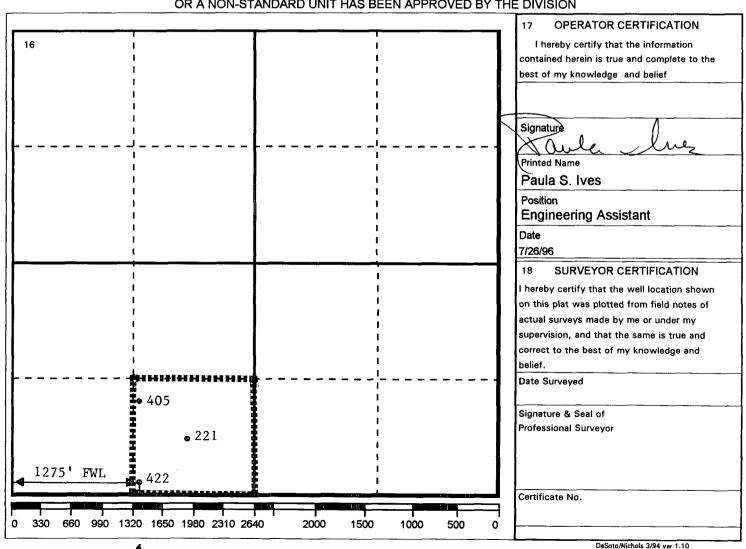
Surface Location

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County
N	19	24-S	37-E		125	SOUTH	1275	WEST	LEA

Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
Dedicated 40	Acres	Joint or Infill	14	Consolidatio	n Code	¹⁵ Ord	der 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



FORMULA FOR DETERMINING ALLOCATION OF PRODUCTION

OIL

X = JALMAT STABILIZED OIL PRODUCTION RATE, BOPD T = TOTAL COMMINGLED, STABILIZED OIL PRODUCTION RATE, BOPD

LANGLIE MATTIX PROD. = D = (T - X), BOPD

GAS

X = JALMAT STABILIZED GAS PRODUCTION RATE, MCFPD

T = TOTAL COMMINGLED, STABILIZED GAS PRODUCTION RATE, MCFPD

LANGLIE MATTIX PROD. = D = (T - X), MCFPD

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

LIST OF 40-ACRE OFFSET OPERATORS TO COOPER JAL UNIT 420,421 & 422

OPERATORS OTHER THAN TEXACO E & P:

NONE