DHC 10/12/99

September 15, 1999



Request for Exception to Rule 303-A Downhole Commingling Wantz-Abo & Wantz-Granite Wash Hugh No. 13 710' FNL & 330' FEL, Unit Letter A, Section 14, T-22-S, R-37-E Lea County, New Mexico

Chevron U.S.A. Production Company P.O. Box 1150 Midland, TX 79702

SEP 2 0 1999

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State of New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division 2040 S. Pacheco Santa Fe, New Mexico 87505

Attention: Ms. Lori Wrotenbery - Director

Dear Ms. Wrotenbery:

Chevron U.S.A. Inc. respectfully requests administrative approval for an exception to Rule 303-A to permit downhole commingling of the Wantz-Abo & Wantz-Granite Wash zones in the Hugh Well No. 13.

Currently the Hugh #13 is producing from the Wantz-Abo zone. Chevron is proposing to add pay in the Upper Granite Wash, re-establish production from the Lower Granite Wash and commingle the Granite Wash production with existing Abo production. The proposed downhole commingling will allow continued production of the Abo & Granite Wash zones to a lower economic limit, thus increasing ultimate recovery.

Enclosed is the pertinent data supporting this application as outlined in Rule 303-A. A copy of this administrative application is being provided to our offset operators via Certified Mail. If you have any questions, or if you require further information, please contact Craig Wright at (915) 687-7284.

Sincerely,

Crarg A. Wright

C.A. Wright Petroleum Engineer West Basin Asset Team

Attachments

cc: NMOCD – Hobbs, NM
R. Papasan
C.A. Wright
Central Files – Lease and Well Files

# REQUEST FOR EXCEPTION TO RULE 303-A Hugh #13 Wantz-Abo & Wantz-Granite Wash Fields

#### A: Operator

Chevron USA Prod. Co. P.O. Box 1150 Midland, TX 79702

#### **B:** Lease Name and Well Number

Hugh #13 Unit Letter A, 710' FNL & 330' FEL Section 14, T-22-S, R-37-E Lea County, New Mexico Wantz-Abo & Wantz-Granite Wash Pools

## **C:** Plats and Offset Operators

Attached

## D: C-116's

- 1. Current Gas-Oil Ratio Test for Wantz-Abo zone. (Attached).
- 2. Wantz-GW was capped with a CIBP in April, '94; consequently, there is not a current C-116 for the Wantz-GW zone. Prior to being shut-in, the Wantz-GW was producing at an average rate of 6 bopd 172 mcfpd 1 bwpd. (See Attached Production Plot).

#### **E:** Production Decline Curves

Attached

## F: Estimated Bottomhole Pressure

	Current	Original
Wantz-Abo	300 psi	2500 psi
Wantz-GW	250 psi	2600 psi

#### **G:** Production Characteristics

Chevron currently surface commingles Wantz-Abo and Wantz-GW production at the Hugh lease without compatibility problems. Downhole commingling these same produced fluids will not cause formation damage.

#### H: Value

**.**\*

Chevron receives the same price for product from these zones and value will not be adversely affected.

#### I: Production Allocation

Pool	<b>BOPD</b>	<u>MCFD</u>	<b>BWPD</b>	<b>Estimated Method</b>
Wantz-Abo	2	134	4	Allocated production
Wantz-GW (Upper)	10	75	1	Offset production
Wantz-GW (Lower)	6	172		Allocated production
Total	18	381	6	

Wantz-Abo rates are averages from the last three months (May-Jul, '99) of allocated production.

Wantz-GW (Upper Zone) rates are estimates based on offset allocated production (see attached).

Wantz-GW (Lower Zone) rates are averages from the last three months (Jan-Mar, '94) of allocated production.

Allocated Percentages	<u>Oil_%</u>	<u>Gas %</u>	<u>Water %</u>
Wantz-Abo	11	35	67
Wantz-GW	89	65	33
Total	100	100	100

## J: Ownership

Ownership of all zones is common and correlative rights will not be compromised.

#### **K: Offset Operator Notification**

All offset operators have been notified by copy of this letter via certified mail.

# Hugh #13 Production Data

## Wantz/Abo - Allocated Production

•

<u>Date</u>	<b>CDOIL</b>	<b>CDGAS</b>	<b>CDWAT</b>
May 99	2	141	4
Jun 99	2	132	4
Jul 99	2	130	4

## Wantz/Granite Wash (Lower Zone) – Allocated Production

<u>Date</u>	<u>CDOIL</u>	<b>CDGAS</b>	<u>CDWAT</u>
Jan 94	6	172	1
Feb 94	6	173	1
Mar 94	6	172	1

## Wantz/Granite Wash (Upper Zone) - Offset Production

Well	<b>CDOIL</b>	<b>CDGAS</b>	<u>CDWAT</u>	<u>Status</u>
Cossatot 'B' #2 (Hendrix)	2	30	0	SI (1997)
Cossatot 'I' #1 (Hendrix)	0	3	0	SI (1996)
Elliott 'B' 13-#2 (Hendrix)	10	40	0	SI (1993)
Hugh #11 (Chevron)	4	100	0	SI (1985)
SE Long #3 (Mobil)	1	40	1	SI (1991)
SE Long #4 (Titan)	2	30	4	Producing
Estimated	10	75	1	

Note: Rates for each offset well are averages from the last three months of active production.

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District I PO Box 1988, Hobbs, NM 28241-1988

District II

PO Drawer DD. Artonia, NM \$1211-0719

District III

1000 Rio Brams Rd., Aziar, NM \$7418

District IV

PO Box 2088, Santa Fe. NM \$7504-2088

State of New Mexico Energy, Mineran & National Resources Departments

## OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 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

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District 1 PO Box 1988, Elobin, NM 28241-1988

District II PO Drawer OD, Artonia, NM \$8211-0719

District III

1000 Rio Brazon Rd., Aziar. NM 87410

District IV

PO Box 2088, Santa Fe, NM \$7584-2088

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe. NM 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

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## **Offset Operators:**

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J.H. Hendrix Corp. P.O. Box 3040 Midland, TX 79702-3040

Mobil Producing Texas & New Mexico P.O. Box 633 Midland, TX 79702

Titan Resources, Inc. 500 W. Texas, Suite 500 Midland, TX 79701

FORM C-116 SED 1/1/89								CHVRN USE ONLY
FORM C-116 REVISED 1/1/89								GAS-OIL RATIO CU.FT/BBL 65,500
								GAS MCF 131.0
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SUBMIT 2 COPIES TO	AFFRUERLATE ULSTRICT UFFICE DISTRICT I -	P.O. BOX 1980, HOBBS, NM 88240	DISTRICT II -	P.O. DRAWER DD, ARTESIA, NM 88210	DISTRICT III ~	2000 RIO BRAZOS RD., AZTEC, NM 87410	: CHEVRON U.S.A. P.O. BOX 1949	
SUBMIT	DISTRICT.	P.O. BO	DISTRIC	P.O. DR	DISTRIC'	2000 RI(	OPERATOR ADDRESS :	LEASE NAME Hugh

INSTRUCTIONS:

WELL IS LOCATED BY MORE THAN 25 PERCENT. OPERATOR IS ENCOURAGED TO TAKE AUVANTAGE OF THIS 25 PERCENT TOLERANCE IN ORDER THAT THE WELL CAN BE ASSIGNED INCREASED ALLOMALES WHEN AUTHORIZED BY THE DIVISION. GAS VOLUMES MUST BE REPORTED IN MCF AT 15.025 PSIA AND A TEMPERATURE OF 60 DEGREES F. SPECIFIC GRAVITY BASE WILL BE 0.60. REPORT CASING PRESSURE IN LIEU OF TUBING PRESSURE FOR ANY WELL DURING GAS-OIL RATIO TEST, EACH WELL SHALL BE PRODUCED AT A RATE NOT EXCEEDING THE TOP UNIT ALLOWABLE FOR THE POOL IN WHICH THE

PRODUCING THROUGH CASING. (SEE RULE 301, RULE 1116, AND APPROPRIATE POOL RULES.)

915-687-7284 TELEPHONE NUMBER

Petroleum Engineer Sep 15, 1999 DATE

Craig A. Wright Cray A. Wryd

I HEREBY CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELLEF.

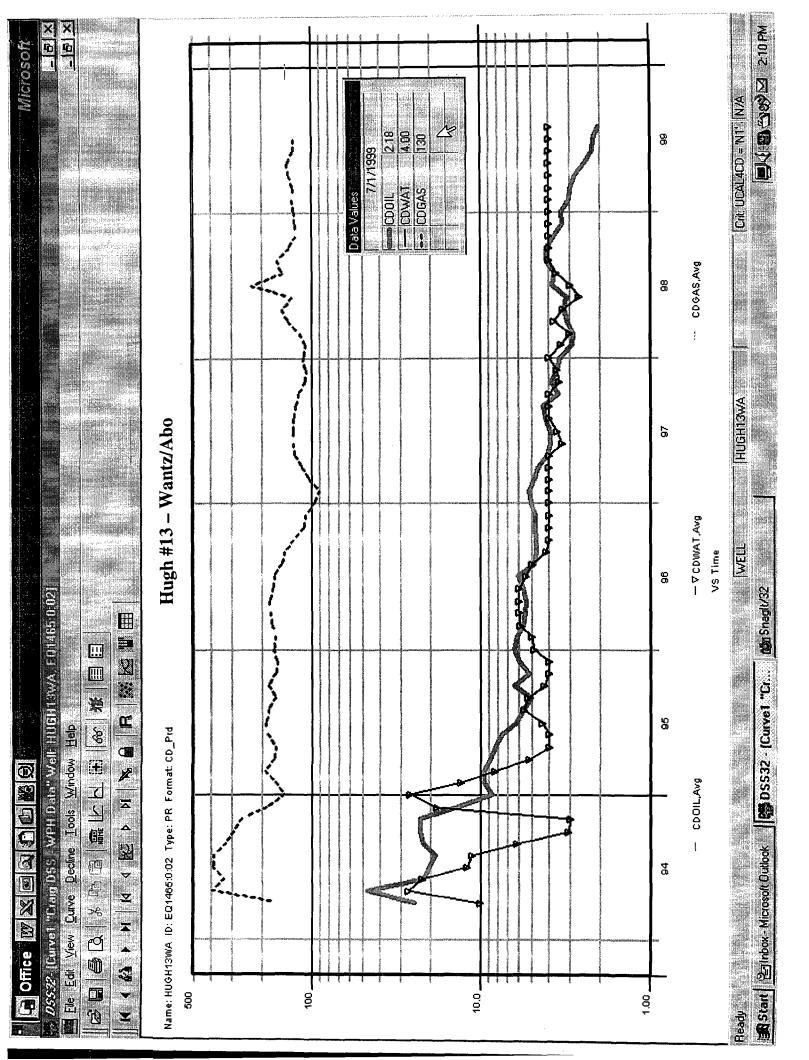
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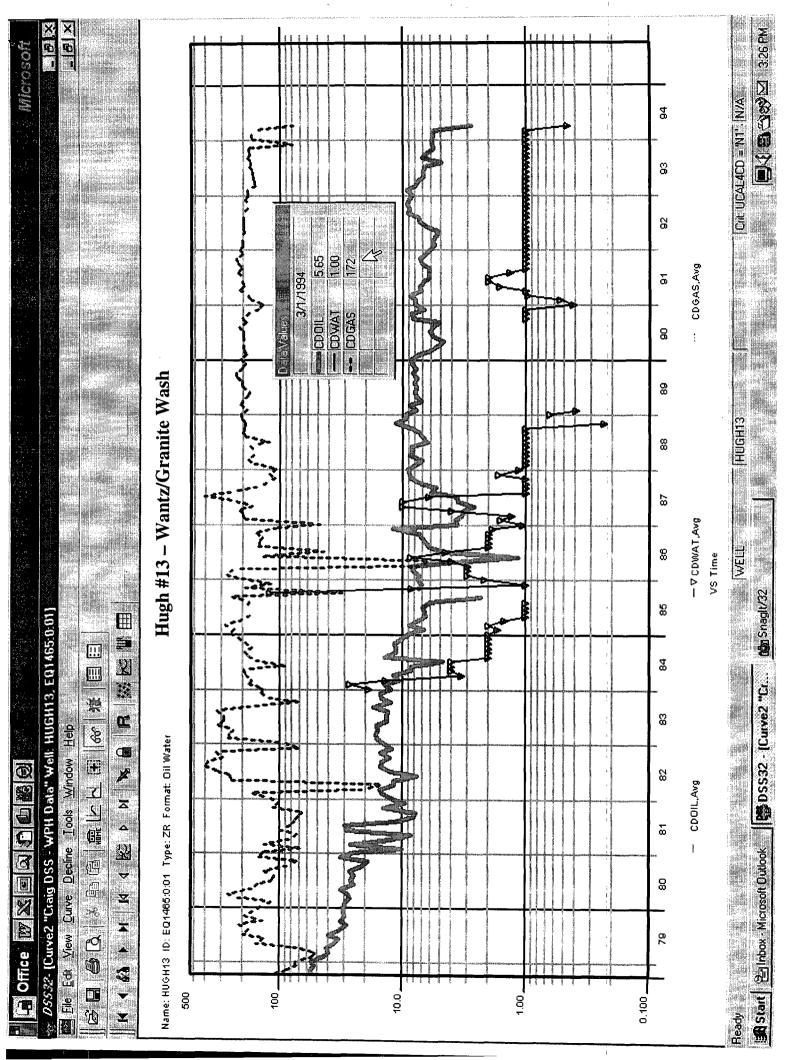
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 DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 811 South First St., Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd, Aztec, NM 87410 DISTRICT IV 2040 S. Pacheco, Santa Fe, NM 87505

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## State of New Mexico Energy, Minerals and Natural Resources Department OIL CONSERVATION DIVISION

Form C-107-A Revised August 1999

APPROVAL PROCESS:

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

APPLICATION	FOR	DOWNHOLE	COMMINGLING
	I ON	DOWNINCE	OOMMINGEN G

Administrative \_\_\_Hearing EXISTING WELLBORE \_\_\_\_YES \_\_\_NO \_\_\_\_TX 79702

	APPLICATION FOR DOW							
CHEVRON U.S.A. PRODUCTIO	ON INC. P. Addres	O. BOX 1150, MIDLAND,	TX 79702					
HUGH		4 22S 37E	LEA County					
Lease OGRID NO 4323 Property Code	0(/1 20	5pa	cing Unit Lease Types: (check 1 or more)					
OGRID NO. 4323 Property Code	∋ API NO3U-	-023-23908 Federal	, State, (and/or) Fee _X					
The following facts are submitted in	Upper	Intermediate Zone	Lower					
The following facts are submitted in support of downhole commingling:	Zone	Zone	Zone WANTZ-GRANITE WASH					
1. Pool Name and Pool Code	WANTZ-ABO 62700		62730					
2. Top and Bottom of Pay Section (Perforations)	6606'-7045'		7300'-7330'(proposed) 7439'-7662'					
3. Type of production (Oil or Gas)	OIL		OIL					
4. Method of Production (Flowing or Artificial Lift)	ROD PUMP		ROD PUMP					
5. Bottomhole Pressure	a. (Current) 300 psi	a.	a. 250 psi					
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.					
Measured Current All Gas Zones: Estimated Or Measured Original	2500 psi		2600 psi					
6. Oil Gravity (EAPI) or Gas BTU Content	38.7 @ 60 <sup>0</sup> F		34.0 @ 60 <sup>0</sup> F					
7. Producing or Shut-In?	PRODUCING		SI & NOT COMPLETED					
	YES		YES					
Production Marginal? (yes or no)	Date:	Date:	Date: 03-18-94					
* If Shut-In, give date and oil/gas/ water rates of last production	Rates:	Rates:	Rates: 6/172/1 (lower zone)					
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 09-03-99	Date:	Date:					
* If Producing, give date andoil/gas/ water rates of recent test (within 60 days)	Rates: 2/131/4	Rates:	Rates: 10/75/1 (est.) (upper zone)					
<ol> <li>Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)</li> </ol>	Oil: Gas: 11 % 35 %	Oil: Gas: %	Oil: Gas: 89 % 65 %					
<ol> <li>If allocation formula is based up attachments with supporting d</li> </ol>	oon something other than curren	t or past production, or is based and providing rate projections or	upon some other method, submi					
10. Are all working, overriding, and If not, have all working, overrid								
11. Will cross-flow occur? Y flowed production be recovered	es <u>X</u> No If yes, are fluids ad, and will the allocation formul	compatible, will the formations la be reliable Yes N	not be damaged, will any cross o (If No, attach explanation)					
12. Are all produced fluids from all	commingled zones compatible	with each other? X_Yes	s No					
13. Will the value of production be		-						
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 applicationYesNo								
15. NMOCD Reference Cases for								
16. ATTACHMENTS: * C-102 for each zone	e to be comminated showing its	spacing unit and acreage dedic	ation					
* Production curve for * For zones with no pi	each zone for at least one yea roduction history, estimated pro	spacing unit and acreage dedic r. (It not available, attach expla duction rates and supporting da	ination.) ata.					
* Notification list of wo * Any additional state	cation method or formula. orking, overriding, and royalty ir ments, data, or documents requ	terests for uncommon interest our interest our interest of the support commingling.	cases.					
I hereby certify that the information	above is true and complete to	the best of my knowledge and I	belief.					
SIGNATURE Craig A.								
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	<u> </u>							