

9/27/99	10/18/99	DC	W	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Danise Leake
Print or Type Name

Danise Leake

9-24-99



Texaco E & P

205 E. Bender Blvd.
Hobbs NM 88240
505 393 7191

August 23, 1999

GOV-STATE AND LOCAL GOVERNMENTS

EXCEPTION TO NMOCD Rule 303(A)

Application to DHC

Teague Lower Paddock – Blinebry, North (Assoc) and Teague Tubb, North (Assoc)

B.F. Harrison "B" #25

Unit Letter C, Sec. 9, T23S, R37E

Lea County, NM

State of New Mexico
Energy and Minerals Department
Oil Conservation Commission
2040 South Pacheco
Santa Fe, NM 87505

Attention: Mr. Ben Stone

Texaco Exploration and Production Inc. respectfully requests approval to downhole commingle the Teague Paddock-Blinebry, North (Assoc) and the Teague Tubb, North (Assoc) pools within the subject wellbore. Currently, the well is producing in the Teague Tubb, North (Assoc). The Blinebry will be added after the DHC is approved. The royalty is common in all zones.

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 plunger lifted simultaneously. This will extend the productive life of both completions, thereby preventing waste.

The subject well meets all of the requirements as set forth by rule 303 (C). 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 based on tests obtained from the Teague Tubb, North (Assoc) Pool before the DHC, with any additional production after the DHC be allocated to the Teague Lower Paddock-Blinebry, North (Assoc) Pool.

If you have any questions concerning this application, please contact Denise Leake at (505) 397-0405 or Denise Wann at (505) 397-0425.

Yours truly,

Denise Wann
Production Engineer
Eunice FMT

Attachments

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

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 87505-8429

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

APPROVAL PROCESS:

☐ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Texaco Exploration & Producing Inc. Address 205 East Bender Hobbs, New Mexico 88240

Lease B.F. Harrison B 25 C Sec 9, T-23S, R-37E Lea Well No. 30-025-32459 Unit Ltr. - Sec - Tws - Rge Lea County Lea

OGRID NO. 022351 Property Code API NO. 30-025-32459 Federal , State X, (and/or) Fee

The following facts are submitted in support of downhole commingling:	PROPOSED		
	Lower Zone	Intermediate Zone	Upper Zone
1. Pool Name and Pool Code	Teague Tubb, North Assoc.		Teague Lower Paddock Blinbry North, Assoc.
2. Top And Bottom of Pay Section (Perforations)	6084-6234		5590-5840
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Plunger Lift (Current)		Plunger Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	420# (Original)	a.	460# estimated
Gas & Oil - Flowing: Measured Current	b.	b.	b.
All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity (* API) or Gas BTU Content	38.8 API		39.7 API
7. Producing or Shut-In? Production Marginal? (yes or no)			
* 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:		
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: 8-15-99 Rates: 6 BO, 0 BW, 215 MCFPD		estimated to be 15 BO, 0 BW, 470 MCFPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: <u> </u> Gas: <u> </u> Splits to be determined after testing, based on subtraction of prior tubb rate from total DHC rate.	Oil: <u> </u> Gas: <u> </u>	Oil: <u> </u> Gas: <u> </u>

- 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.
- 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 ☐
- 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)
- Are all produced fluids from all commingled zones compatible with other? ☒ Yes ☐ No ☐
- Will the value of production be decreased by commingling? ☐ Yes ☒ No ☐ (If Yes, attach explanation)
- If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Land or the United States Bureau of Land Management has been notified in writing of this application. ☐ Yes ☐ No ☐
- NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S).

16. ATTACHMENTS:

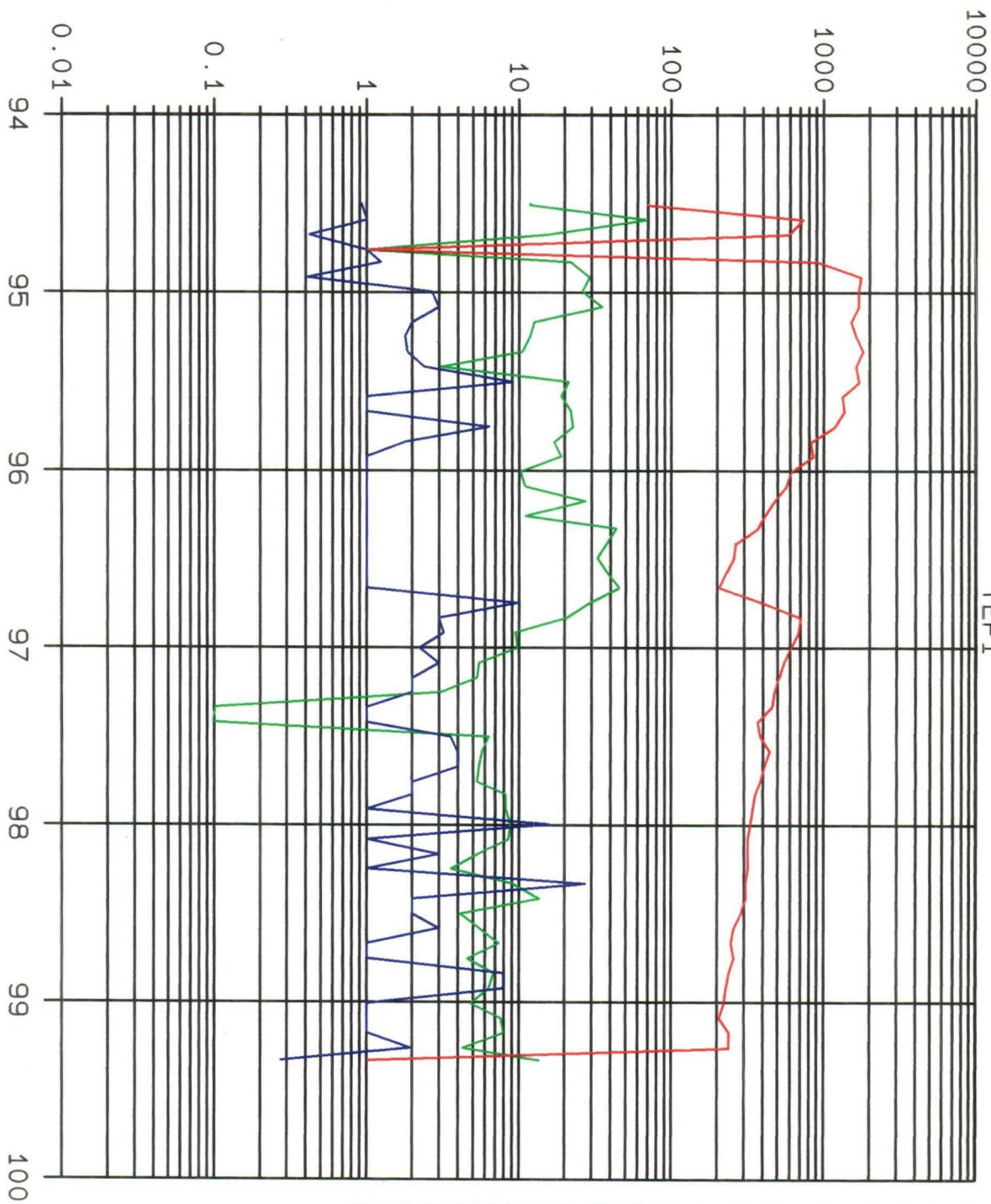
- * C-102 for each zone to be commingled showing its spacing unit and acreage deication.
- * Production curve for each zone for at lease one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Notification list of 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 Denise Wann TITLE Engineer DATE
TYPE OR PRINT NAME Denise Wann TELEPHONE NO. (505)

HARRISON, B. F. -B- 25

TEPI



BOPD BWPD MCFPD

YEARS

LEASE DATA
 LSE
 FLD
 OPER TEPI
 ZONE
 Tu88
 COUNTY 025
 STATE 30
 30025324990001
 STATUS 4-99
 CO 26 MBO
 CG 1100 MMCF
 CM 4 MBW
 BOPD 14
 BWPD 0
 MCFPD 0
 WELLS 1
 CI 0 MBWI
 BWIPD 0

DISTRICT I

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 025 32499	² Pool Code 9631 X 4	³ Pool Name lower Padlock - Blinbry (Gas) NORTH TEAGUE ASSOCIATED
⁴ Property Code 10960	⁵ Property Name HARRISON, B. F. 'B'	⁶ Well No. 25
⁷ OGRID Number 022351	⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC.	⁹ Elevation 3313'

¹⁰ Surface Location

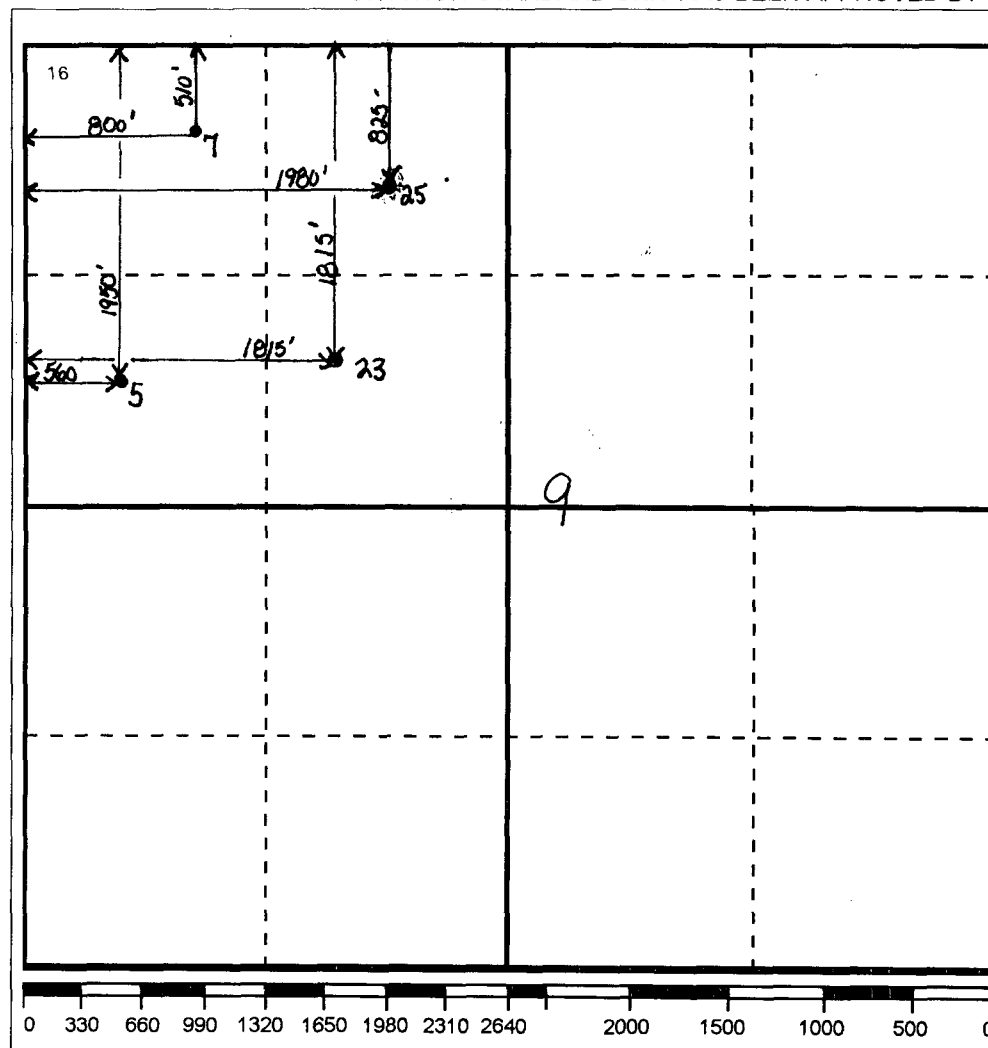
UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
C	9	23-S	37-E		825	NORTH	1980	WEST	LEA

¹¹ 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

¹² Dedicated Acres X 160	¹³ Joint or Infill No	¹⁴ Consolidation Code	¹⁵ 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

¹⁷ OPERATOR CERTIFICATION

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

Signature

J. Denise Leake

Printed Name

J. Denise Leake

Position

Engineering Assistant

Date

4/8/99

¹⁸ 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

Signature & Seal of
Professional Surveyor

Certificate No.

[Gor over 50,000]

160 Gas allowable 6420 25149

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P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code 10960	⁵ Property Name HARRISON, B. F. 'B'	⁶ Well No. 25
⁷ OGRID Number 022351	⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC.	⁹ Elevation 3313'

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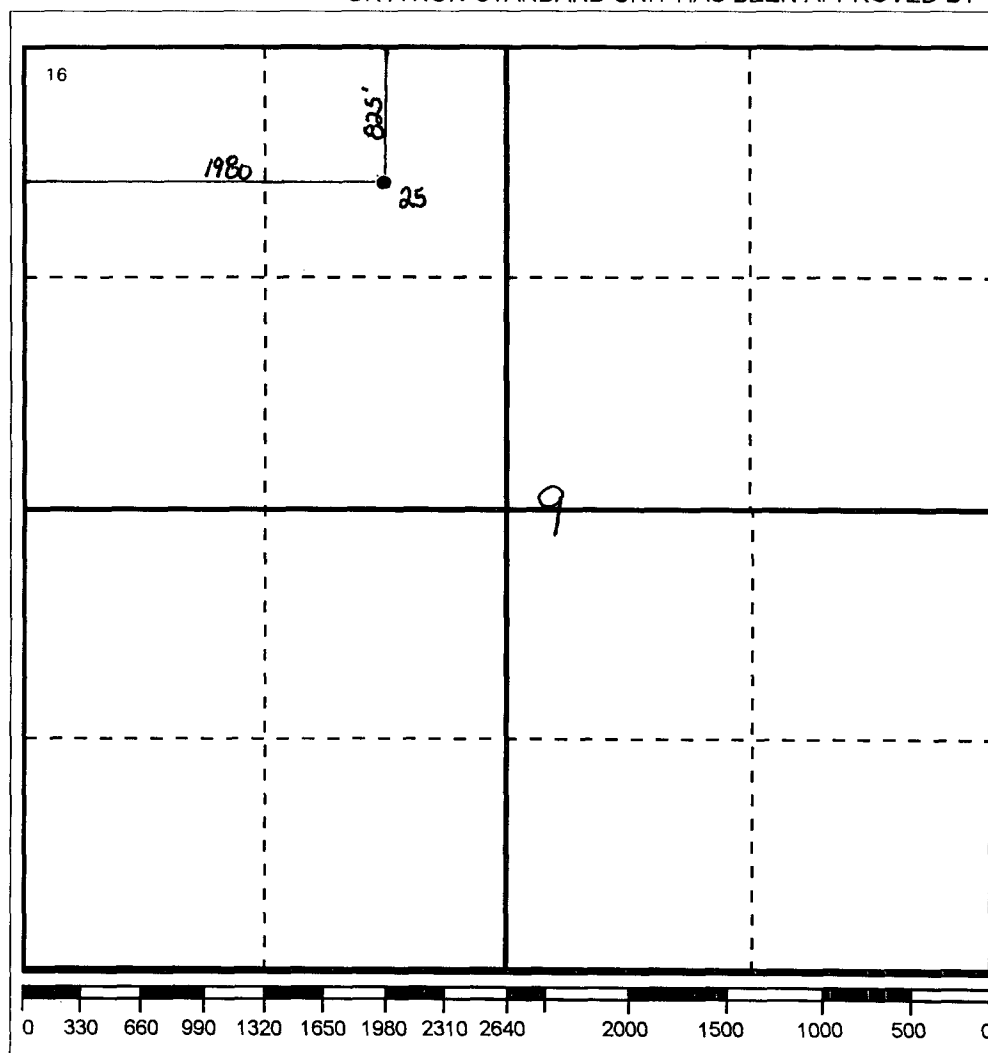
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C	9	23-S	37-E		825	NORTH	1980	WEST	LEA

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill No	¹⁴ Consolidation Code	¹⁵ Order No.
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