

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

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

2491

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]

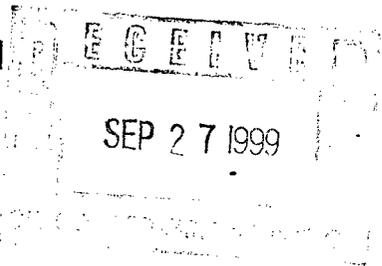
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [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.

DENISE LEAKE

Denise Leake

9-24-99



Texaco E & P

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

September 22, 1999

GOV-STATE AND LOCAL GOVERNMENTS

EXCEPTION TO NMOCD Rule 303(A)

Application to DHC  
Vacuum Drinkard and  
Vacuum Blinebry  
New Mexico M State Well No. 9  
Unit Letter C, Sec. 1, T18S, R34E  
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 Vacuum Drinkard, with the Vacuum Blinebry, pools within the subject wellbore.

The proposed downhole commingling will provide a more economical means of production. 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.

A copy of approval from the State Land Office is attached with percentage allocations designated.

If you have any questions concerning this application, please contact Britton McQuien at (505) 397-0427, or Denise Leake at (505) 397-0405.

Yours truly,

Denise Leake  
Engineering Assistant  
Texaco Exploration and Production Inc.

Attachments

COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700  
Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713  
Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-5765  
Fax (505) 827-5766



COMMERCIAL RESOURCES

Phone (505) 827-5724  
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744  
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5722  
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793  
Fax (505) 827-5711

**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

September 9, 1999

Texaco E & P  
205 E. Bender Blvd.  
Hobbs, New Mexico 88240

Attn: Mr. Britton McQuien

Re: Downhole Commingling Application  
New Mexico M State Well No. 9  
Unit Letter C, Section 1-18S-34E  
Vacuum Drinkard and Vacuum Blinebry Pools  
Lea County, New Mexico

Dear Mr. McQuien:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on September 2, 1999. Your application requests our approval to downhole commingle the Vacuum Drinkard and Vacuum Blinebry production within the wellbore of the New Mexico M State Well No. 9, Unit Letter C, located in Section 1-18S-34E, Lea County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil%</u>	<u>Gas %</u>
Vacuum Drinkard	58.80%	78.9%
Vacuum Blinebry	41.20%	21.1%
	-----	-----
	100%	100%

Since it appears that the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please submit your filing fee in the amount of \$30.00.

Also, please submit a copy of the Oil Conservation Division's Order approving this application.

**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 New Mexico M State Well No. 9 Unit Ltr. - Sec - Tws - Rge C-1-18S-34E County Lea

OGRID NO. 022351 Property Code 11046 API NO. 30-025-32016 Federal , State , (and/or) Fee

The following facts are submitted in support of downhole commingling:	Lower Zone	Intermediate Zone	Upper Zone
1. Pool Name and Pool Code	Vacuum Drinkard 62110		Vacuum Blinebry 61850
2. Top And Bottom of Pay Section (Perforations)	7530'-7858'		6850'-6920'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Rod-pump		Rod-pump
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	(Current) a. 400 psi	a.	a. 460 psi
	(Original) b.	b.	b.
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity (* API) or Gas BTU Content	39		39
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 * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Plugged back Yes		Producing Yes
	Date: 6/21/99 Rates: 30/30/0		
	Date: Rates:		8/16/99 21/8/27
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 58.8% Gas: 78.9%	Oil: % Gas: %	Oil: 41.2% Gas: 21.1%

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?  N/A 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 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 Land 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.
  - \* 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 Britton McQuien TITLE Engineer DATE 9-20-99

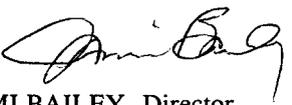
TYPE OR PRINT NAME Britton McQuien TELEPHONE NO. ( 505 ) 397-0427

Texaco Exploration & Producing Inc.  
September 9, 1999  
Page 2

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
Enclosure  
xc: Reader File

OCD--Attention: David Catanach, Ben Stone

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

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 30-025-32016		<sup>2</sup> Pool Code 62110		<sup>3</sup> Pool Name VACUUM DRINKARD	
<sup>4</sup> Property Code 11046		<sup>5</sup> Property Name NEW MEXICO 'M' STATE			<sup>6</sup> Well No. 9
<sup>7</sup> OGRID Number 022351		<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION INC.			<sup>9</sup> Elevation GR-3994', KB-4008'

<sup>10</sup> Surface Location

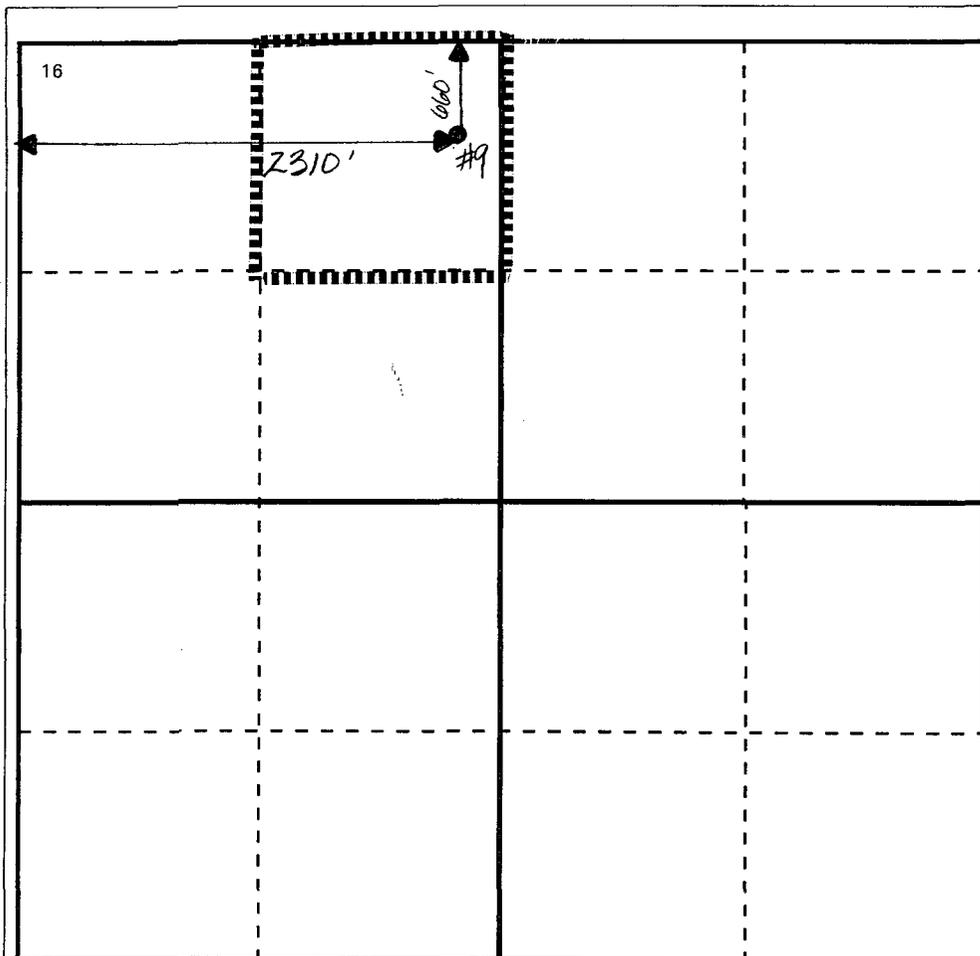
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
C	1	18S	34E		660	NORTH	2310	WEST	LEA

<sup>11</sup> 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	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



<sup>17</sup> 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: 09/24/1999

<sup>18</sup> 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.:

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

OIL CONSERVATION DIVISION

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

Form C-102

Revised February 10, 1994

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-32016		<sup>2</sup> Pool Code 61850		<sup>3</sup> Pool Name VACUUM BLINEBRY	
<sup>4</sup> Property Code 11046		<sup>5</sup> Property Name NEW MEXICO 'M' STATE			<sup>6</sup> Well No. 9
<sup>7</sup> OGRID Number 022351		<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION INC.			<sup>9</sup> Elevation GR-3994', KB-4008'

<sup>10</sup> Surface Location

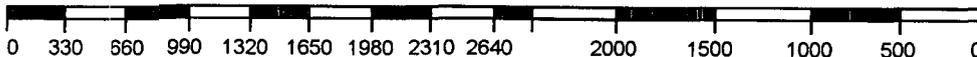
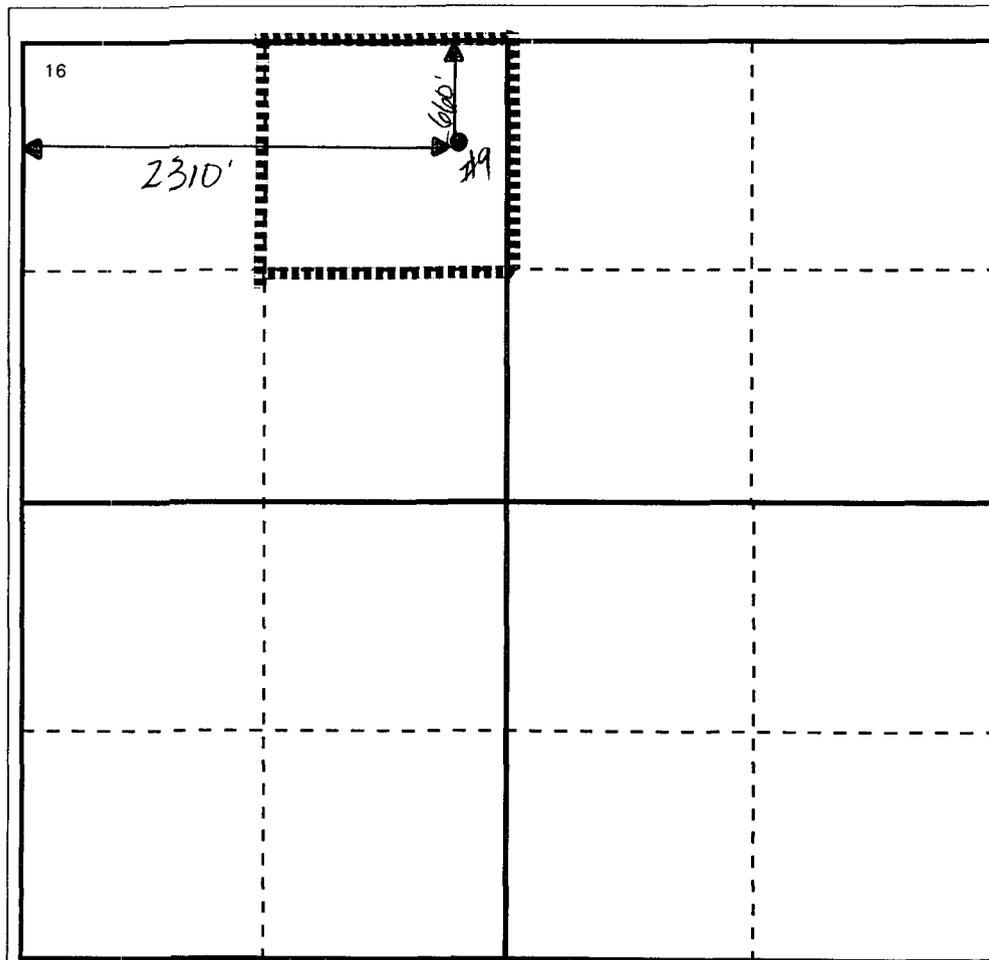
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17 OPERATOR CERTIFICATION

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

09/24/1999

18 SURVEYOR CERTIFICATION

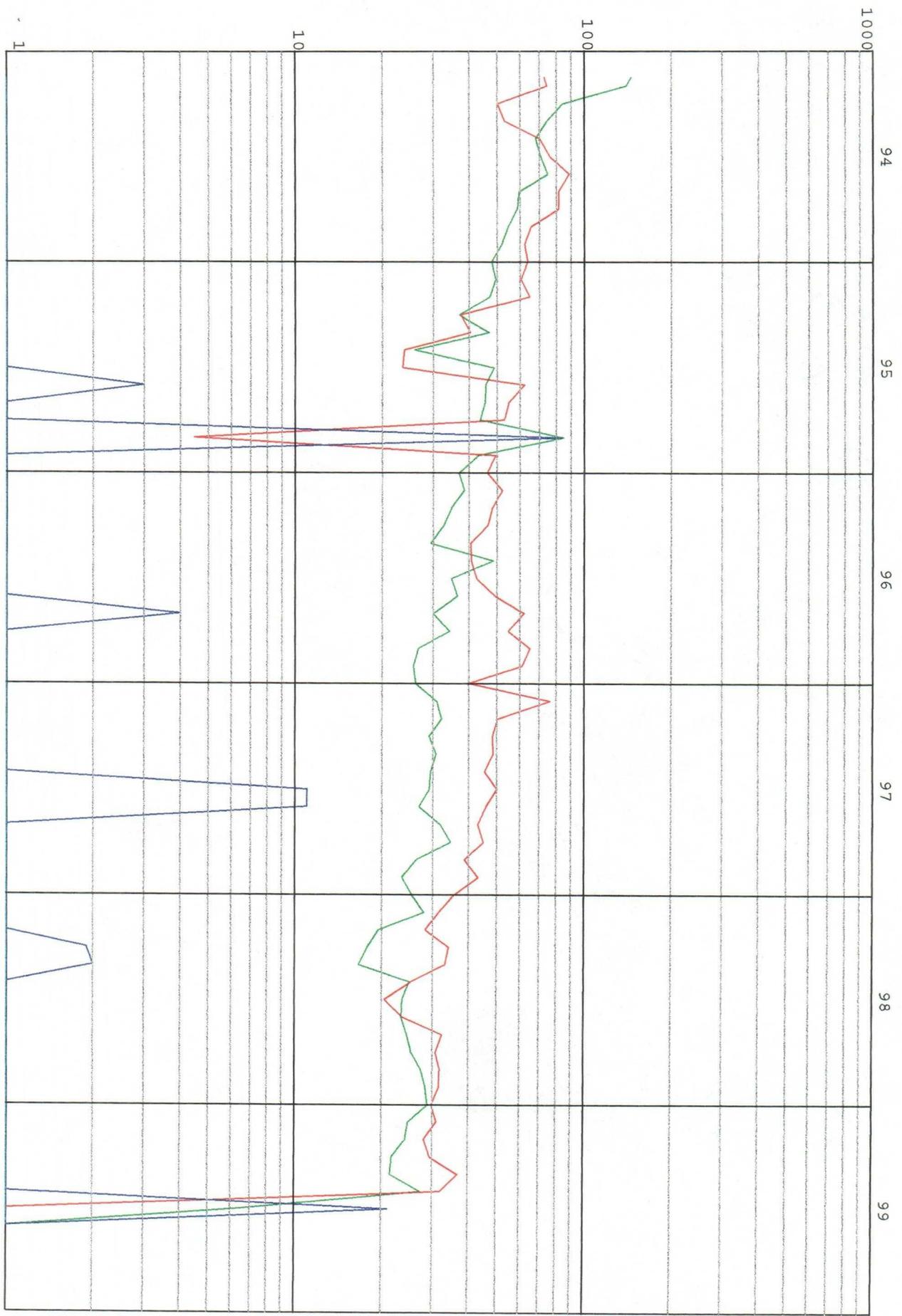
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No.

LEASE NAME: NEW MEXICO -M- STATE  
 TEX WELL\_NO: 9  
 CURR\_LSE\_NO: 011046  
 RSVR: NUL  
 REG\_FLD: 62110



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Y  
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E

---- BOPD ---- MCFPD ---- BWPD ---- BWIPD ---- AVG INT PRES / 1  
 CURRENT CUMS: OIL: 80,267 bbl GAS: 92,450 mcf WTR: 4,331 bbl WINTJ: 0 bbl



27

26

25

ARCO 3

149  
276  
288  
MOBIL  
145

138  
241  
287  
MOBIL  
153

98  
240  
95  
286  
44

12  
34  
46  
MARATHON  
545

8  
1  
36  
APACHE  
5  
TEXACO  
N. M. "O" ST.

37  
10  
TEXACO

MARATHON

ARCO

PHILLIPS

CONOCO

ST. "BA"

TEXACO

MOBIL  
ST. "H"

TEXACO

SKELLY "J" ST.

34

SHELL

MARATHON

35

20

11

21

16

76

MARATHON

ST. "E"

AMERADA

TEXACO

35

PHILLIPS

WARN ST. AC1

TEXACO

CONOCO

TEXACO

PHILLIPS

22

130

101

24

SHELL  
ST. "D"

ST. "E" 2

30

TEXACO

TEXACO

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TEXACO

TEXACO

TEXACO

N. M. "M" ST.

N. M. "L" ST.

MARATHON

WARN ST. AC1

3

2

1

CHEVRON

TEXACO

TEXACO

AMOCO  
ST. "C"

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8

N. M. "R" ST. NCT-3

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NM "AA" ST. NCT4

TEXACO

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N. M. "125" ST. NCT-  
TEXACO

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NM "AA" ST. NCT4

TEXACO

TEXACO

TEXACO

EXXON

LYN