

31857877

DHC 12/4/00

Xeric Oil & Gas Corporation  
P O Box 352  
Midland, Texas 79701  
(915) 683-3171 Fax: (915) 683-3152

2860

November 8, 2000

NOV 13 2000

Attention: Mark Ashley  
State of New Mexico  
Energy, Minerals and  
Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

Re: Downhole Commingling  
Capps Federal #2  
API 30-025-34289  
Lea County, New Mexico

Dear Mr. Ashley:

Xeric Oil & Gas Corporation respectfully requests an exception for the above captioned well to NM Statewide Rule 303. The well is currently producing from a recompletion in the DK Abo (15200) and was previously producing from the Blinebry Oil & Gas (06660) and East Warren Tubb (87085). Xeric proposes the following production allocations for the three zones based on production rates from each zone as follows:

	<u>Gas</u>	<u>Oil</u>
Blinebry Oil & Gas	37%	14%
East Warren Tubb	10%	2%
DK Abo	53%	84%

Please find attached our Form C-107A , Application for Downhole Commingling, for the captioned well for your review and approval together with supporting documentation.

Thank you for your attention to this matter and should you have any questions or need additional information, please advise.

Sincerely yours,



Mitchell Morris  
Production Analyst

Cc: OCD, Hobbs  
Bureau of Land Management, Roswell, New Mexico

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 South First Street, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, New Mexico 87505  
APPLICATION FOR DOWNHOLE COMMINGLING

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

XERIC OIL & GAS CORPORATION P. O. BOX 352 Midland, TX 79702  
Operator Address  
Capps Federal #2 ULO, Sec 13, T20S, R38E LEA  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No 025482 Property Code 022251 API No. 30-025-34289 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blinebry O & G	East Warren Tubb	Dk Abo
Pool Code	06660	87085	15200
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6034' - 6202'	6644' - 6784'	7250' - 7570'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.9	40	40
Producing, Shut-In or New Zone	Shut-in	Shut-in	Producing
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: 6 mo. avg.  Rates: 360,174G, 31W	Date: 07-10-99  Rates: 60,50G, 3W	Date: 11-06-00  Rates: 2170,251G, 103W
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 14% 37%	Oil Gas 2% 10%	Oil Gas 84% 53%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐  
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐  
Will commingling decrease the value of production? Yes ☐ No ☒  
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands  
or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

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 working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
SIGNATURE Mitchell Morris TITLE Production Analyst DATE 11-08-00  
TYPE OR PRINT NAME Mitchell Morris TELEPHONE NO. (915) 683-3171

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

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34289	Pool Code 06660	Pool Name Blinebry Oil & Gas Pool
Property Code 022251	Property Name CAPPS FEDERAL	Well Number 2
OGRID No. 025482	Operator Name XERIC OIL AND GAS CORPORATION	Elevation 3563

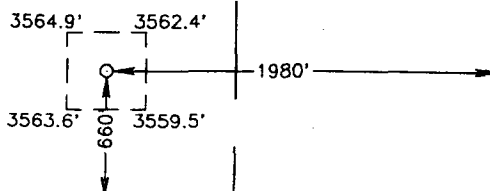
Surface Location

UL or lot No. 0	Section 13	Township 20 S	Range 38 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1980	East/West line EAST	County LEA
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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
Dedicated Acres		Joint or Infill		Consolidation Code		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

				<b>OPERATOR CERTIFICATION</b>  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  <u>Mitchell Morris</u> Signature  Mitchell Morris Printed Name  Production Analyst Title  11-08-00 Date			
				<b>SURVEYOR CERTIFICATION</b>  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 belief.  OCTOBER 24, 1997 Date Surveyed DMCC Signature & Seal of Professional Surveyor <u>Ronald E. Eison</u> 10-24-97 7-11-1728 Certificate No. JOHN W. WEST 676 RONALD E. EISON 3239 GARY EISSON 12641			
							

DISTRICT I  
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34289	Pool Code 87085	Pool Name East Warren Tubb
Property Code 022251	Property Name CAPPS FEDERAL	Well Number 2
OGRID No. 025482	Operator Name XERIC OIL AND GAS CORPORATION	Elevation 3563

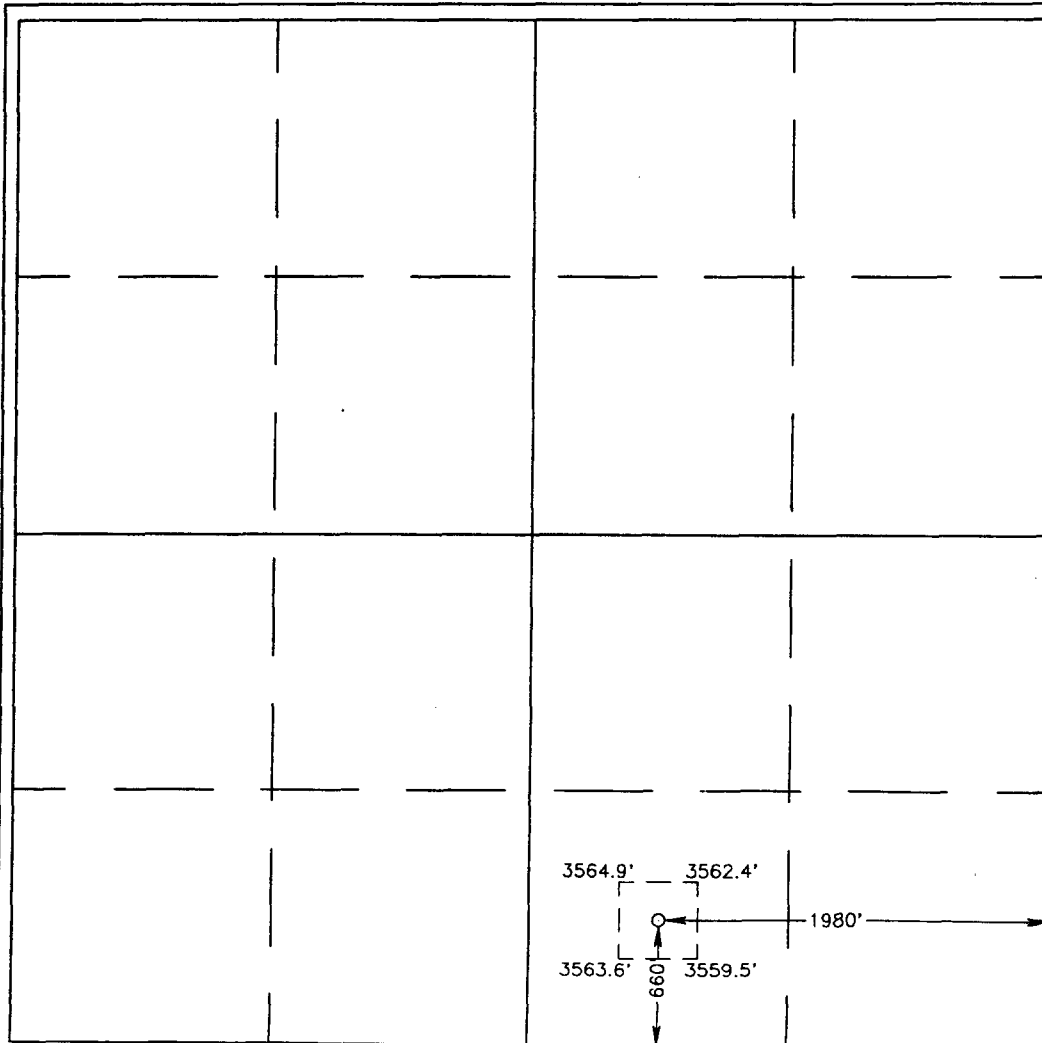
Surface Location

UL or lot No. 0	Section 13	Township 20 S	Range 38 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1980	East/West line EAST	County LEA
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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
Dedicated Acres	Joint or Infill	Consolidation Code	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



OPERATOR CERTIFICATION

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

*Mitchell Morris*  
Signature

Mitchell Morris  
Printed Name

Production Analyst  
Title

11-08-00  
Date

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 belief.

OCTOBER 24, 1997

Date Surveyed  
Signature & Seal of Professional Surveyor

*Ronald J. Eidson* 10-24-97  
67-11-1728

Certificate No. JOHN W. WEST 676  
RONALD J. EIDSON 3239  
GARY EIDSON 12641

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34289	Pool Code 15200	Pool Name Dk Abo
Property Code 022251	Property Name CAPPS FEDERAL	Well Number 2
OGRID No. 025482	Operator Name XERIC OIL AND GAS CORPORATION	Elevation 3563

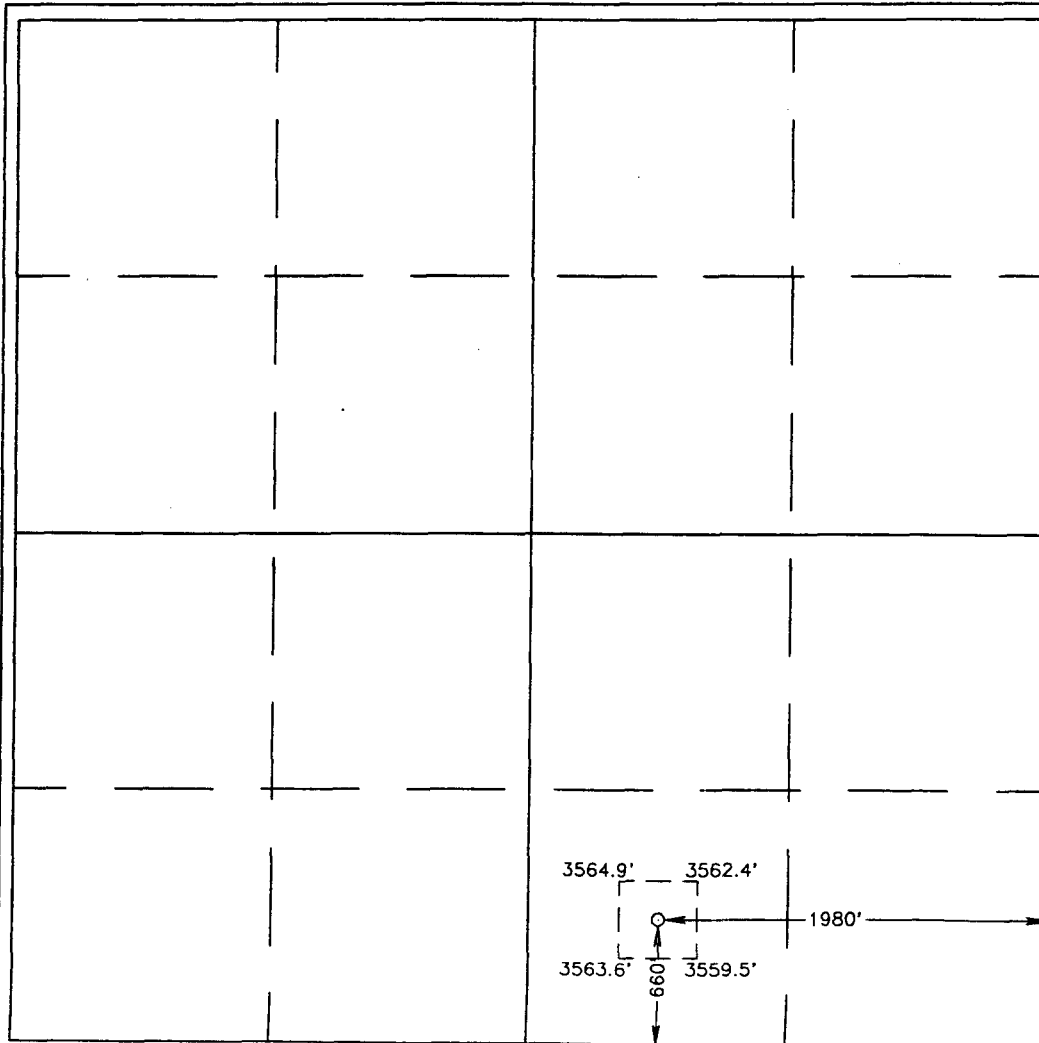
Surface Location

UL or lot No. 0	Section 13	Township 20 S	Range 38 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1980	East/West line EAST	County LEA
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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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

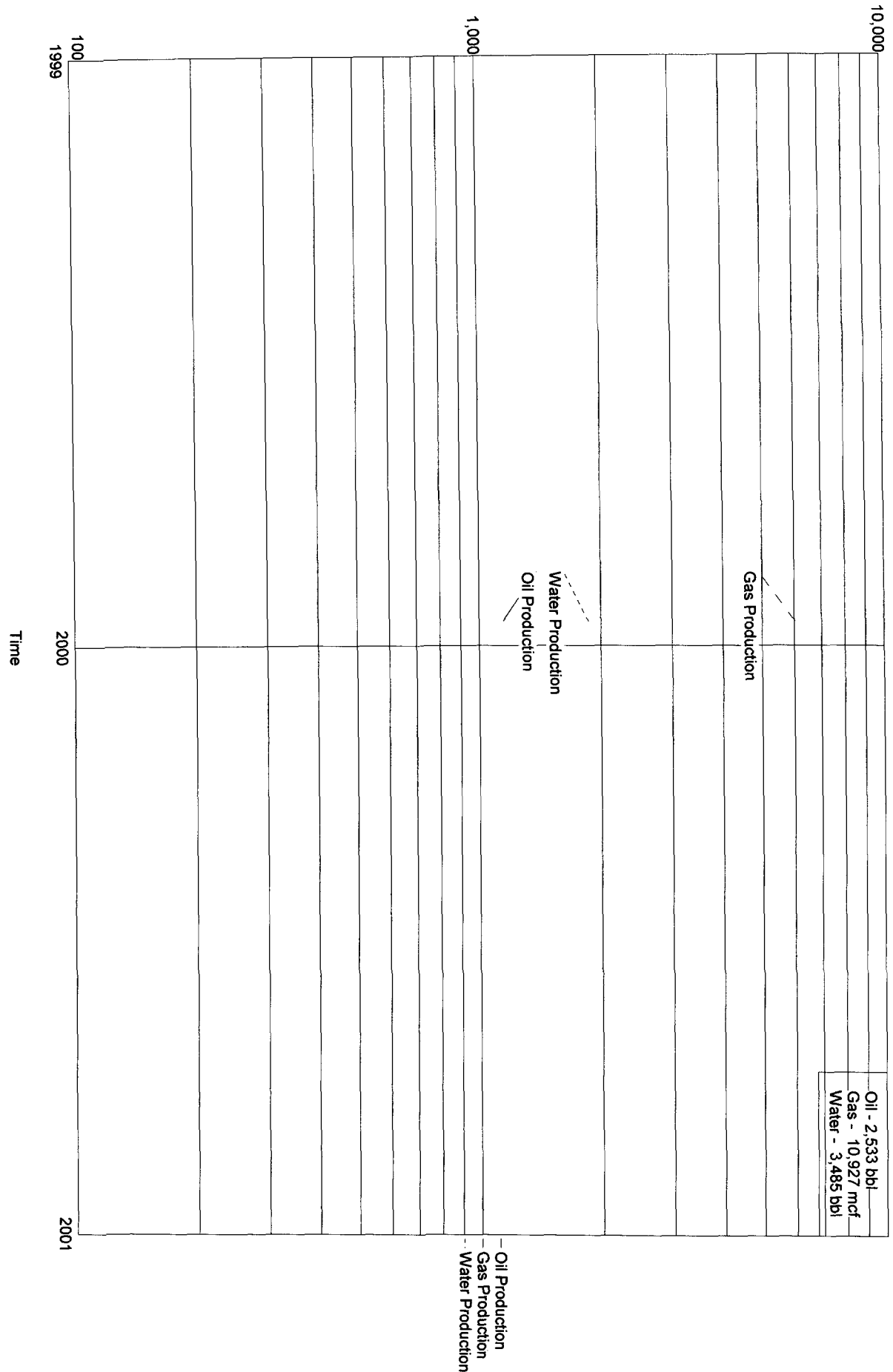
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<b>OPERATOR CERTIFICATION</b>	
I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.	
<u>Mitchell Morris</u>	
Signature	
<u>Mitchell Morris</u>	
Printed Name	
<u>Production Analyst</u>	
Title	
<u>11-08-00</u>	
Date	
<b>SURVEYOR CERTIFICATION</b>	
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 belief.	
<u>OCTOBER 24, 1997</u>	
Date Surveyed	
Signature & Seal of Professional Surveyor	
<u>Ronald J. Eidson</u> 10-24-97	
Certificate No. JOHN W. WEST 676 RONALD J. EIDSON 3239 GARY EIDSON 12641	

Lease Name: CAPPS FEDERAL  
 County, State: LEA, NM  
 Operator: XERIC OIL & GAS COMPANY  
 Field: BLINEBRY OIL AND GAS  
 Reservoir: BLINEBRY  
 Location: S20 E38 0 SW SE

CAPPS FEDERAL - BLINEBRY OIL AND GAS 30025342890000

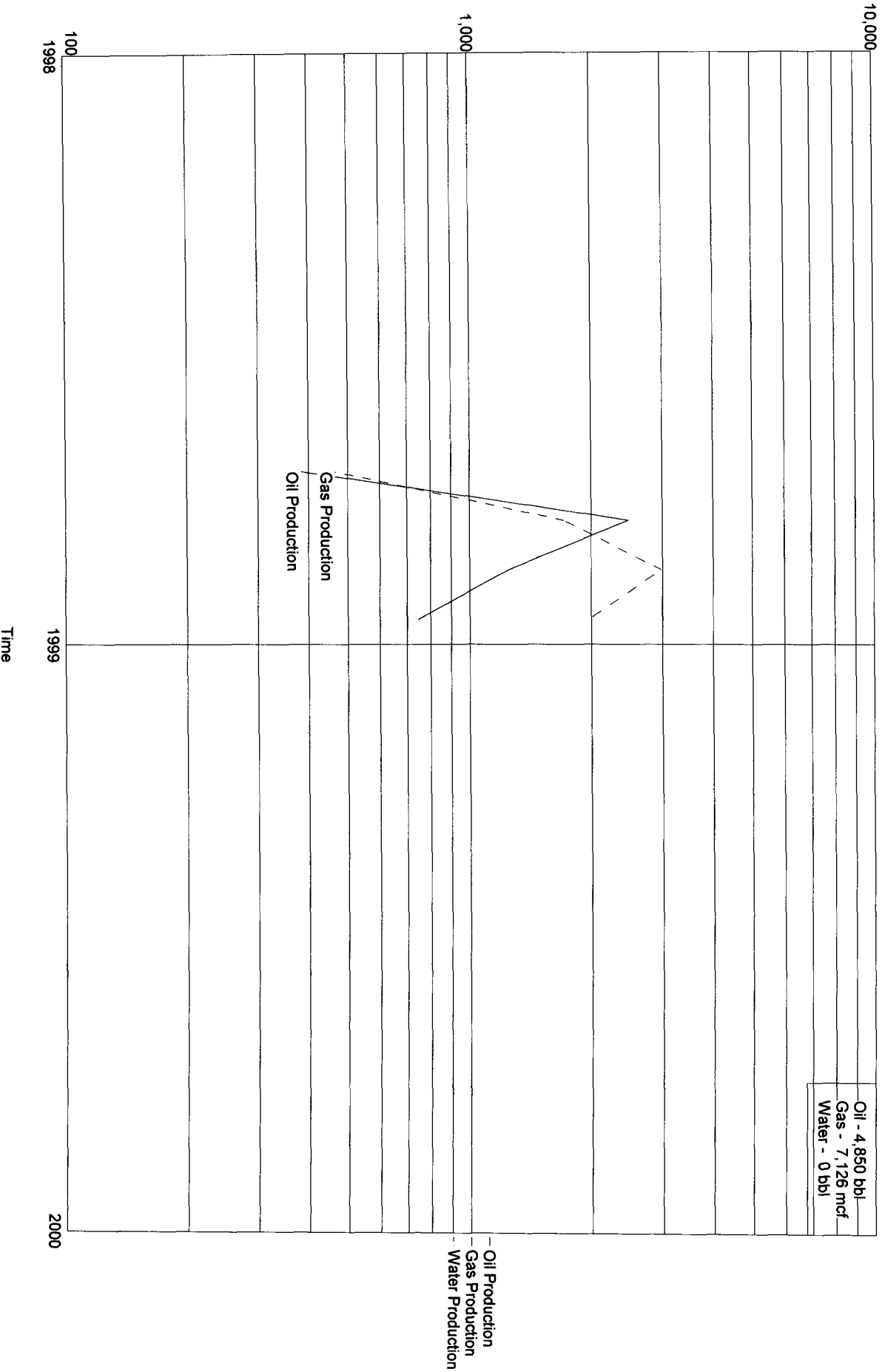


Xeric Oil & Gas Corporation  
Application for Downhole Commingling  
Capps Federal #2

There is no production curve for the East Warren Tubb zone as this zone was perforated on 6/26/99 and never produced.

Lease Name: CAPPS FEDERAL  
 County, State: LEA, NM  
 Operator: XERIC OIL & GAS COMPANY  
 Field: D-K  
 Reservoir: ABO  
 Location: S20 E38 0 SW SE

CAPPS FEDERAL - D-K 30025342890000





XERIC OIL & GAS CORPORATION  
 CAPPS FEDERAL #2  
 ALLOCATION OF PRODUCTION

	OIL BBLs/DAY	OIL BBLs/DAY %	GAS MCF/DAY	GAS MCF/DAY %	SOURCE OF PRODUCTION INFORMATION
BLINEBRY OIL	36	14%	174	37%	6 MONTH AVERAGE FROM C-115'S
EAST WARREN TUBB	6	2%	50	10%	FROM FORM C-104
DK ABO	217	84%	251	53%	GAS-OIL RATIO TEST FROM C-116
TOTAL	259	100%	475	100%	

XERIC OIL & GAS CORPORATION  
 CAPPS FEDERAL #2  
 ALLOCATION OF PRODUCTION  
 BLINEBRY OIL  
 SOURCE OF INFORMATION: C-115

MONTH	OIL	GAS	WATER	DAYS
Sep-00	1388	5429	659	30
Aug-00	1857	5963	1040	31
Jul-00	847	4737	1306	27
Jun-00	628	4336	611	23
May-00	806	4726	958	31
Apr-00	732	4737	738	30
TOTAL	6258	29928	5312	172
6 MTH DAILY AVG	36	174	31	

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-104

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address Xeric Oil & Gas Corporation P.O. Box 352 Midland, Texas 79702		<sup>2</sup> OGRID Number 025482
THIS WELL HAS BEEN PLACED IN THE POOL DESIGNATED BELOW. IF YOU DO NOT COME NOTIFY THIS OFFICE.		<sup>3</sup> Reason for Filing Code RC
<sup>4</sup> API Number 30 - 0 25-34289	<sup>5</sup> Pool Name East Warren Tubb	<sup>6</sup> Pool Code 87085
<sup>7</sup> Property Code 22251	<sup>8</sup> Property Name Capps Federal	<sup>9</sup> Well Number 2

II. <sup>10</sup> Surface Location

UI or lot no. O	Section 13	Township 20S	Range 38E	Lot Idn	Feet from the 660	North/South Line South	Feet from the 1980	East/West line East	County Lea
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<sup>11</sup> Bottom Hole Location

UI or lot no. O	Section 13	Township 20S	Range 38E	Lot Idn	Feet from the 660	North/South Line South	Feet from the 1980	East/West line East	County Lea
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<sup>12</sup> Lse Code F	<sup>13</sup> Producing Method Code P	<sup>14</sup> Gas Connection Date 10/07/98	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date
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III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
037480	EOTT Energy Operating Co. P.O. Box 1660 Midland, Texas 79702	2821966	O	B - 24 - 20S - 38E Lea Co., NM Tank Farm
024650	Dynegy Midstream Svc., LP P.O. Box 1589 Tulsa, OK 74102	2821967	G	B - 24 - 20S - 38E Lea Co., NM Tank Farm

IV. Produced Water

<sup>23</sup> POD 2821968	<sup>24</sup> POD ULSTR Location and Description B - 24 - 20S - 38E, Lea Co., NM - Tank Farm
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V. Well Completion Data

<sup>25</sup> Spud Date 09/01/98	<sup>26</sup> Ready Date 10/07/98	<sup>27</sup> TD 7570	<sup>28</sup> PBTD 7200	<sup>29</sup> Perforations 6644'-6784'	<sup>30</sup> DHC, DC, MC
<sup>31</sup> Hole Size 12 1/4	<sup>32</sup> Casing & Tubing Size 8 5/8"	<sup>33</sup> Depth Set 1600	<sup>34</sup> Sacks Cement 820 sx - circ		
7 7/8	5 1/2	7250	1700 sx		

VI. Well Test Data

<sup>35</sup> Date New Oil 07/01/99	<sup>36</sup> Gas Delivery Date 07/01/99	<sup>37</sup> Test Date 07/10/99	<sup>38</sup> Test Length 24	<sup>39</sup> Tbg. Pressure 30	<sup>40</sup> Csg. Pressure 30
<sup>41</sup> Choke Size n/a	<sup>42</sup> Oil 6	<sup>43</sup> Water 3	<sup>44</sup> Gas 50	<sup>45</sup> AOF n/a	<sup>46</sup> Test Method Pumping

<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Michael G. Mooney</i>		Approved by: ORIGINAL SIGNED BY CHRIS WILLIAMS DISTRICT I SUPERVISOR	
Printed name: Michael G. Mooney		Title:	
Title: Consulting Engineer		Approval Date:	
Date: 11/16/99		NOV 24 1999	
Phone: 915/683-3171			

<sup>48</sup> If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature	Printed Name	Title	Date

3/1

Submit 2 copies to Appropriate

District Office.

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brezons Rd., Aztec, NM 87410

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-116  
Revised 1/1/89

GAS - OIL RATIO TEST

Operator <i>Hunter Oil &amp; Gas Corp.</i>	Pod <i>ABO</i>	County <i>Lea</i>											
Address <i>PO Box 352</i>		<i>MIDLAND, TX 79702</i>											
LEASE NAME <i>Capps Federal</i>	WELL NO. <i>2</i>	LOCATION U S T R	DATE OF TEST <i>11/6/00</i>	TYPE OF TEST - (X) <i>SLTS</i>	CHOKE SIZE <i>N/A</i>	TBQ. PRESS. <i>30</i>	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS <i>24</i>	Completion <input type="checkbox"/>			Special <input type="checkbox"/>	
									WATER BRLS.	PROD. DURING TEST GRAV. OIL	OIL BRLS.	GAS MCF.	GAS - OIL RATIO CU FT/BRL.
									<i>103</i>	<i>40</i>	<i>217</i>	<i>251</i>	<i>1157</i>

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature

*Glenda Hunt*

Printed name and title  
*Glenda Hunt Sr. Prod. Analyst*

Date  
*11/7/00*

Telephone No.  
*915-683-3650*



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

11/14/00

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:

*Xeric Oil & Gas Corp* *Capps Federal* # *2-P-13-20s-38e*  
Operator Lease & Well No. Unit S-T-R *30-025-34289*

and my recommendations are as follows:

*OK*

Yours very truly,

*Paul Williams*

Chris Williams  
Supervisor, District 1