

TEXACO
U.S.A.
A DIVISION OF TEXACO INC.
P. O. BOX 728
HOBBS, NEW MEXICO 88240
(505) 393-7191

April 18, 1983

DOWNHOLE COMMINGLING

A. H. BLINEBRY FEDERAL NCT-1 NO.3
UNIT F, SECTION 29, T-22-S, R-38-E
BLINEBRY, TUBB AND DRINKARD FIELDS
LEA COUNTY, NEW MEXICO

State of New Mexico
Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico, 87501

Attention: Mr. Joe D. Ramey
Secretary-Director

Case 7880

Gentlemen:

Texaco Inc. requests that an Examiner Hearing be scheduled to consider Texaco's request for an exception to Rule 303-A to allow downhole commingling of Blinebry, Tubb and Drinkard production in the wellbore of the A. H. Blinebry Federal NCT-1 Well No. 3.

The downhole commingling is necessary to permit the production of the Blinebry and Tubb zones which were abandoned in 1977. These zones have been surface commingled and downhole commingled on this lease and on other leases in the area and no incompatibilities between the fluids have been found. Further, the commingled production will be artificially lifted to minimize the possibility of crossflow between zones.

Ownership of all three zones (including Working Interest, Royalty Interest and Overriding Royalty Interest) is common.

Attached are supporting documents and data for this request.

State of New Mexico

-2-

April 18, 1983

By copy of this letter, the United States Department of the Interior-Mineral Management Service and all Offset Operators have been notified of this request.

Yours very truly,

TEXACO INC.
PRODUCING DEPARTMENT-UNITED STATES



V. G. Johnston
Assistant District Manager

JAH:JEB

Attachments

Department of Energy & Minerals
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico, 88240

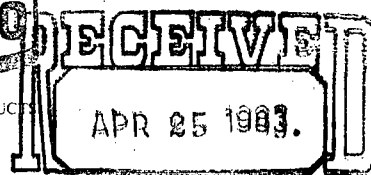
U. S. Department of the Interior
Mineral Management Service
P. O. Box 1857
Roswell, New Mexico, 88201

White, Koch, Kelly & McCarthy
Attention: Mr. Ken Bateman
P. O. Box 787
Santa Fe, New Mexico, 87501

Gulf Oil Exploration & Production Company
P. O. Box 670
Hobbs, New Mexico, 88240

Moranco
P. O. Box 1860
Hobbs, New Mexico, 88240

Summit Energy, Inc.
112 North First
Artesia, New Mexico, 88210



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DIVISION OF TEXACO INC.
P.O. BOX 728
SANTA FE HOBBS, NEW MEXICO 88240
(505) 393-7191

April 18, 1983

DOWNHOLE COMMINGLING

A. H. BLINEBRY FEDERAL NCT-1 NO. 3
UNIT F, SECTION 29, T-22-S, R-38-E
BLINEBRY, TUBB AND DRINKARD FIELDS
LEA COUNTY, NEW MEXICO

U. S. Department of the Interior
Mineral Management Service
P. O. Box 1857
Roswell, New Mexico, 88201

Attention: Mr. Armando Lopez

Gentlemen:

Texaco Inc. requests approval to downhole commingle production from the Blinebry, Tubb and Drinkard Fields in the wellbore of A. H. Blinebry Federal NCT-1 Well No. 3.

Allocation of production to these zones is to be as follows:

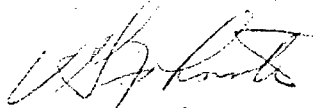
| | | |
|----------|---|------------------|
| Blinebry | - | 30% Oil, 42% Gas |
| Tubb | - | 11% Oil, 34% Gas |
| Drinkard | - | 59% Oil, 24% Gas |

Texaco has requested that the New Mexico Oil Conservation Division schedule an Examiner Hearing to consider this matter. A complete copy of this request is attached.

Your early consideration of this matter will be appreciate.

Yours very truly

TEXACO INC.
PRODUCING DEPARTMENT-UNITED STATES


V. G. Johnston
Assistant District Manager

JAH:JEB

Attachments

GAS-OIL RATIO TESTS

| Operator | | Pool | | County | | | | | | | | | | | | |
|---|---|----------|----|--|--------------|---------|---|------------|-------------|------------------|----------------------|-------------------|------------------|---------------------------|----|--------|
| Texaco Inc. | | Drinkard | | Lea | | | | | | | | | | | | |
| Address | | | | TYPE OF TEST - (X) | | | | | | | | | | | | |
| P. O. Box 728, Hobbs, New Mexico, 88240 | | | | Schedulad <input type="checkbox"/> Special <input checked="" type="checkbox"/> | | | | | | | | | | | | |
| LEASE NAME | | LOCATION | | DATE OF TEST | | | | | | | | | | | | |
| WELL NO. | U | S | T | R | DATE OF TEST | | | | | | | | | | | |
| A. H. Blinbry Federal NCT-1 | 3 | F | 29 | 22S | 38E | 3-21-83 | P | CHOKE SIZE | TBG. PRESS. | DAILY ALLOW-ABLE | LENGTH OF TEST HOURS | PROD. DURING TEST | | GAS - OIL RATIO CU.FT/EBL | | |
| | | | | | | | | | | | | WATER BBL'S. | GRAV. OIL BBL'S. | GAS M.C.F. | | |
| | | | | | | | | | | 3 | 24 | 0 | 375 | 3 | 37 | 12,333 |

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

No well will be assigned an allowable greater than the amount of oil produced on the official test.

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

Kell original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 301 and appropriate pool rules.

Assistant District Manager

(Title)

April 18, 1983

DATA SHEET FOR WELLBORE COMMINGLING

Operator: Texaco Inc.

Address: P. O. Box 728, Hobbs, New Mexico, 88240

Lease and Well No.: A. H. Blinebry Federal NCT-1 Well No. 3

Location: Unit F, 1980' FNL & 1980' FWL, Section 29, T-22-S, R-38-E
Lea County, New Mexico

WELL DATA

| | <u>Upper Pool</u> | <u>Middle Pool</u> | <u>Lower Pool</u> |
|---------------------|-------------------|--------------------|-------------------|
| Name of Pool | <u>Blinebry</u> | <u>Tubb</u> | <u>Drinkard</u> |
| Producing Method | <u>Abandoned</u> | <u>Abandoned</u> | <u>Pump</u> |
| BHP | <u>450 (Est.)</u> | <u>400 (Est.)</u> | <u>290 (Est.)</u> |
| Type Crude | <u>Sweet</u> | <u>Sweet</u> | <u>Sweet</u> |
| Gravity | <u>38.1*</u> | <u>38.2*</u> | <u>37.5*</u> |
| GOR Limit | <u>428 MCFD</u> | <u>284 MCFD</u> | <u>852 MCFD</u> |
| Completion Interval | <u>5551-5952</u> | <u>6156-6350</u> | <u>6394-6627</u> |
| Current Test Date | <u>12-76</u> | <u>12-74</u> | <u>3-21-83</u> |
| Oil | <u>2</u> | <u>1</u> | <u>3</u> |
| Water | <u>0</u> | <u>0</u> | <u>0</u> |
| GOR | <u>23,000</u> | <u>5,100</u> | <u>12,333</u> |

Selling Price of Crude -
\$/BBL.

Daily Income - \$/Day

COMMINGLED DATA:

Gravity of Commingled Crude 38.1*

Selling Price of Commingled Crude - \$/BBL. _____

Daily Income - \$/Day _____

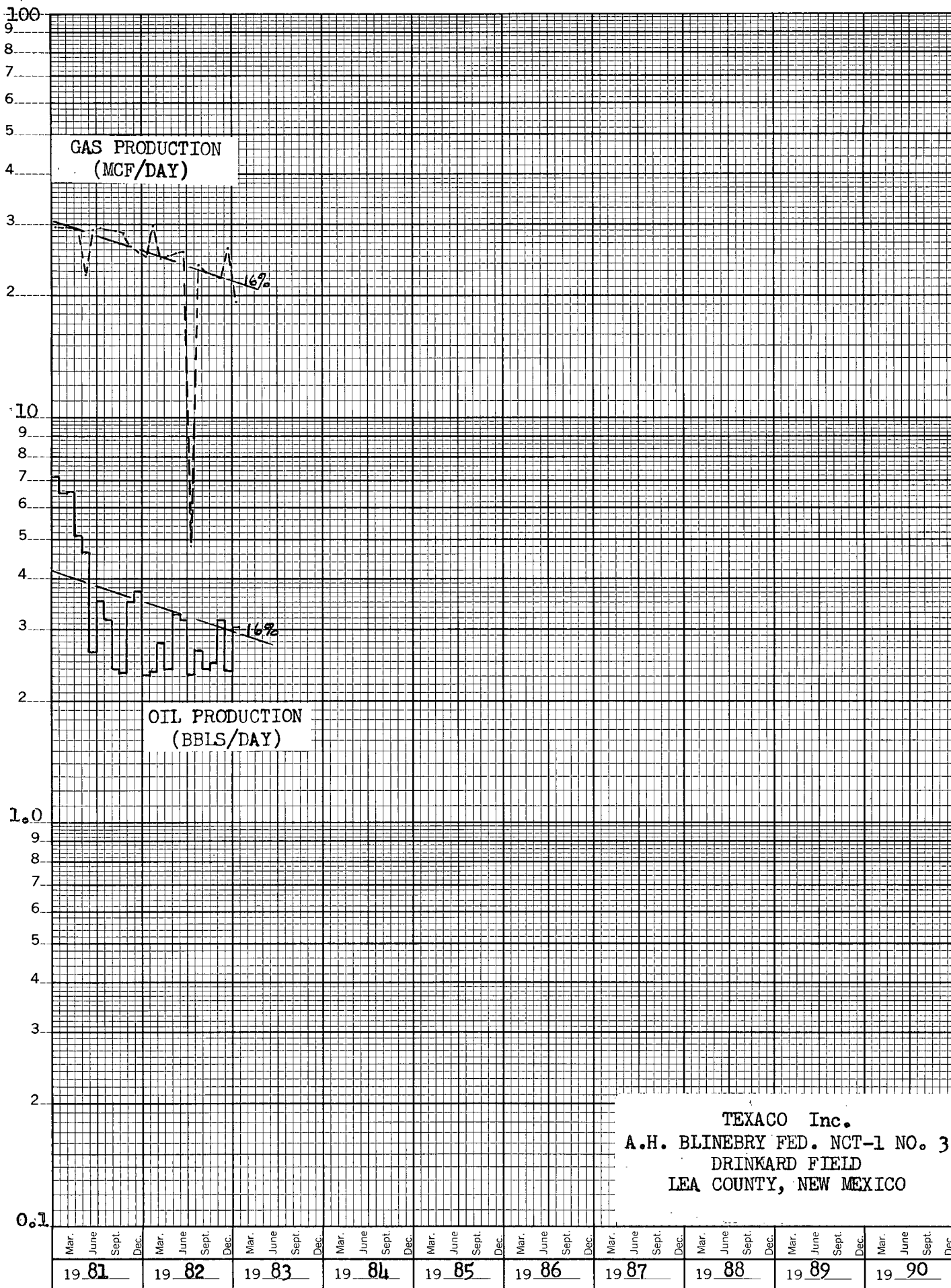
Net (Gain) (Loss) from Wellbore Commingling - \$/Day _____
based on current producing rates.

*These zones are currently commingled on the surface, therefore, there will be no change in the value of the crude.

A. H. BLINEBRY FEDERAL NCT-1 WELL NO. 3
PROPOSED ALLOCATION FORMULA

| <u>Pool</u> | <u>Blinebry</u> | <u>Tubb</u> | <u>Drinkard</u> |
|----------------------------|-----------------|-------------|-----------------|
| Anticipated Oil Prod.-BOPD | 3 | 1 | 3 |
| Anticipated Gas Prod.-MCFD | 69 | 50 | 21 |
| Decline Rate-% | 39 | 37 | 16 |
| Anticipated Life-Years | 6 | 6 | 6 |
| % Oil Allocation | 30 | 11 | 59 |
| % Gas Allocation | 42 | 34 | 24 |

This recommended allocation is based on total recoveries over the well's producing life with the initial producing rates for each zone as shown. Prior to downhole commingling, Texaco will open and separately test the Blinebry and Tubb. Should these tests indicate the need for an allocation formula different from that shown, Texaco will recommend a new allocation at that time.



100

9

8

7

6

5

4

3

2

1

0.5

0.2

0.1

0.05

0.02

0.01

0.005

0.002

0.001

0.0005

0.0002

0.0001

0.00005

0.00002

0.00001

0.000005

0.000002

0.000001

0.0000005

0.0000002

0.0000001

0.00000005

0.00000002

0.00000001

0.000000005

0.000000002

0.000000001

0.0000000005

0.0000000002

0.0000000001

0.00000000005

0.00000000002

0.00000000001

0.000000000005

0.000000000002

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0.00000000000001

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0.000000000000002

0.000000000000001

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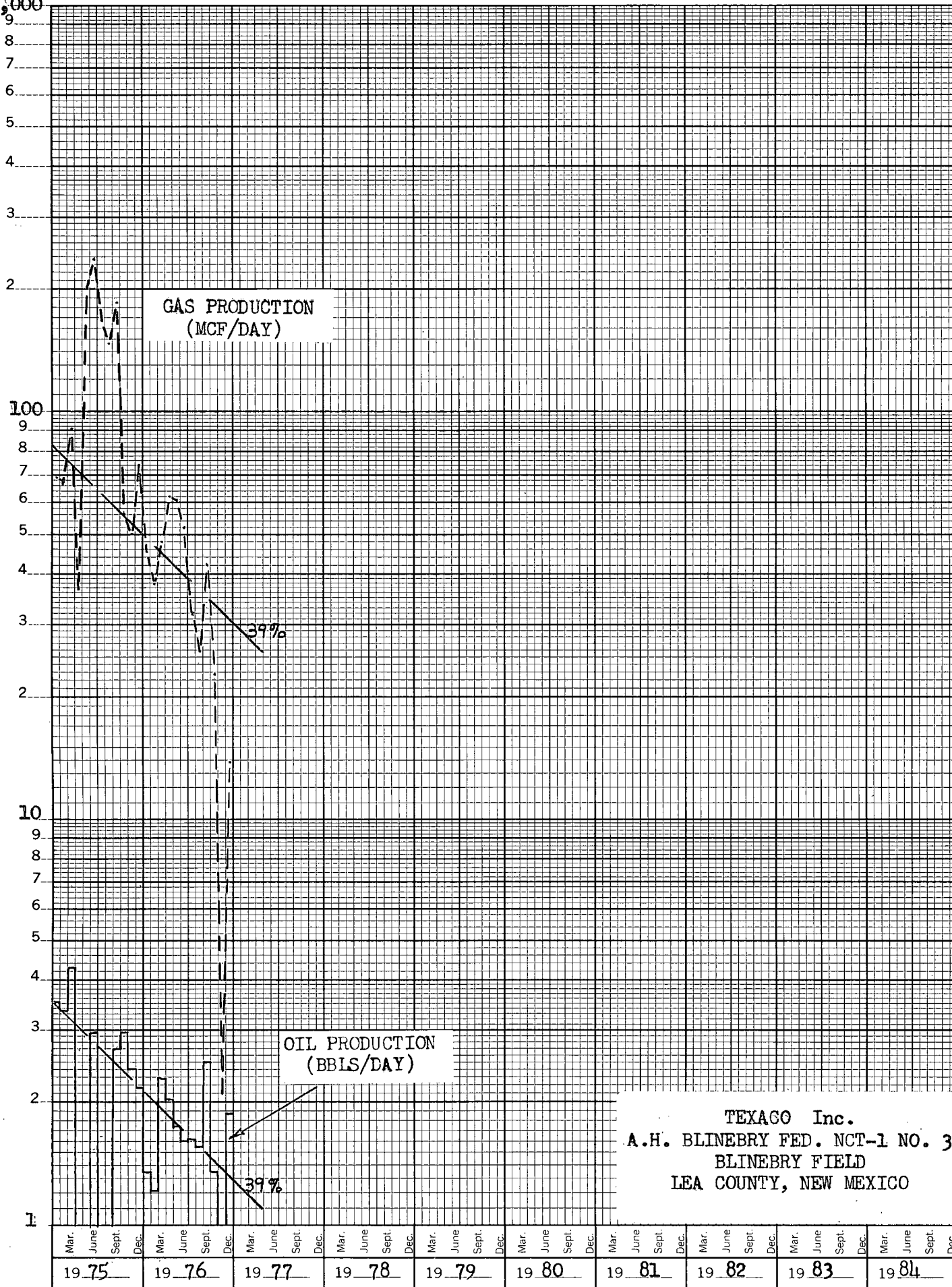
GAS PRODUCTION
(MCF/DAY)

OIL PRODUCTION
(BBL/DAY)

TEXACO Inc.
A.H. BLINEBRY FED NCT-1 NO. 3
TUBB FIELD
LEA COUNTY, NEW MEXICO

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------|------|-------|------|--------|------|-------|------|--------|------|-------|------|--------|------|-------|------|--------|------|-------|------|--------|------|-------|------|--------|------|-------|------|--------|------|-------|------|--------|--|--|--|--------|--|--|--|
| Mar. | June | Sept. | Dec. | Mar. | June | Sept. | Dec. | Mar. | June | Sept. | Dec. | Mar. | June | Sept. | Dec. | Mar. | June | Sept. | Dec. | Mar. | June | Sept. | Dec. | Mar. | June | Sept. | Dec. | Mar. | June | Sept. | Dec. | | | | | | | | |
| 19_73_ | | | | 19_74_ | | | | 19_75_ | | | | 19_76_ | | | | 19_77_ | | | | 19_78_ | | | | 19_79_ | | | | 19_80_ | | | | 19_81_ | | | | 19_82_ | | | |

1,000



TEXACO Inc.
A.H. BLINEBRY FED. NCT-1 NO. 3
BLINEBRY FIELD
LEA COUNTY, NEW MEXICO

R-38-E

Texaco

Texaco

NCT-1

Gulf

Texaco

NCT-1

7
BI

19
BI
Dr

23
BI
Dr

26
BI
Dr

28
BI
Dr
T

33
T
Dr

4
BI
Dr (SI)

13
BI
Dr

3
BI
T (gas)
Dr (abd)

1
BI
Dr

1
T

24
T
Dr

T
22
S

Summit Energy

Gulf

29

Gulf

I-A
T (gas)
Dr

2
BI

1
BI (gas)
T (gas)
Dr (abd)

1
BI
Dr (abd)

2
BI (SI)
Dr (SI)
Pd

11
T
Dr

Western Oil Fields

Gulf

2
5206'
BI (gas)
Dr (abd)

5
BI
T

2
Dr

1
BI
T (gas)
Dr (abd)

2
BI
Dr

14
Pd
T (abd)
Dr

A.H. Blinebry

Evelyn Linebry

Texaco
NCT-2

E. C. Higgins

Gulf

A.H. Blinebry - Fed.

Watkins

Gulf

(Pan American)

Gulf

1
BI
Dr

2
BI
Dr (abd)

1
BI
Dr

1
BI
Dr (abd)

5
BI
Dr (abd)

15
Pd
Dr

Cities Service
"P"

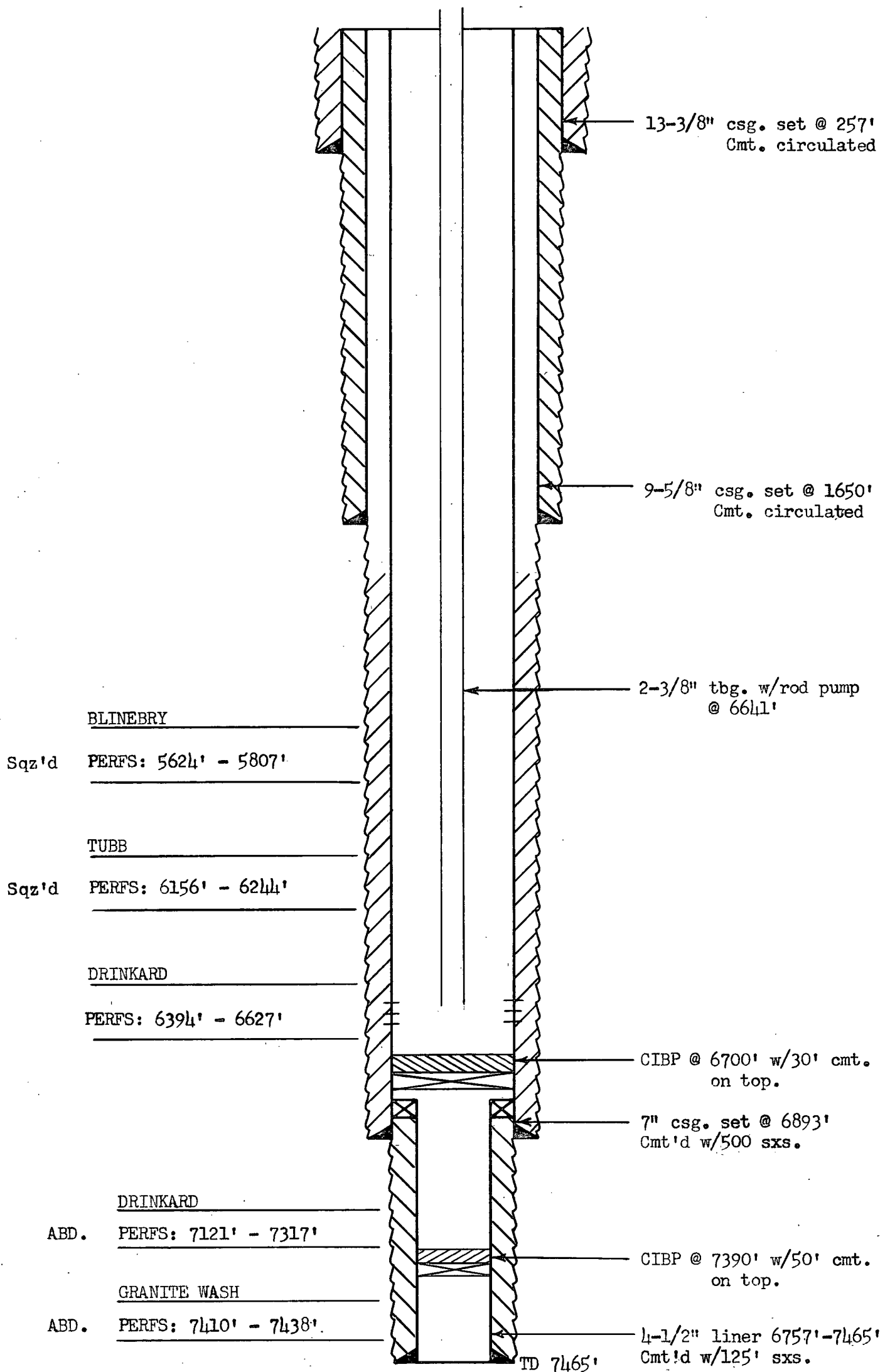


SUBJECT WELL

BLINEBRY & DRINKARD - 40 Acres

TUBB - 160 Acres

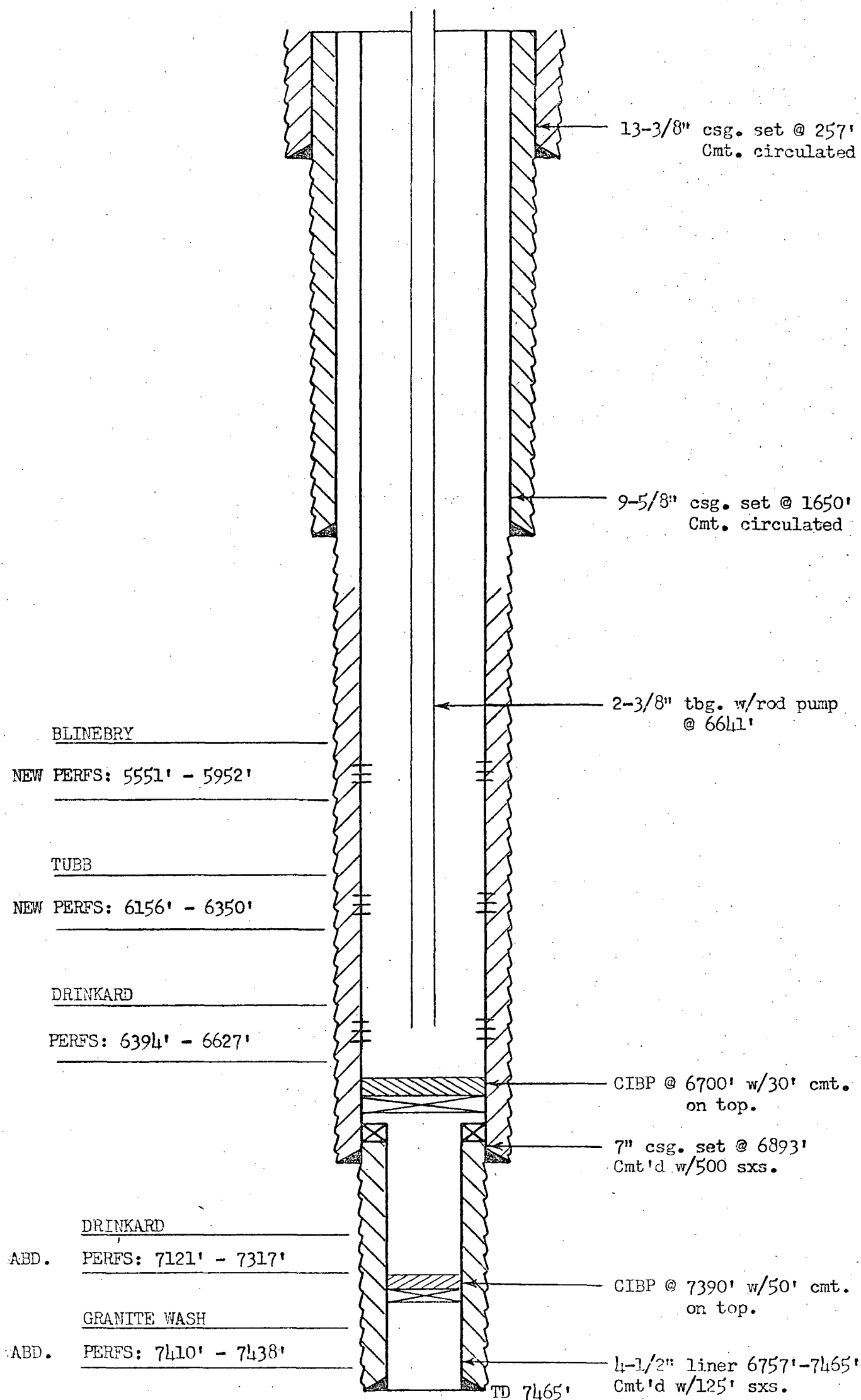
TEXACO Inc.
A.H. BLINEBRY FED NCT-1 WELL NO. 3
BLINEBRY, DRINKARD & TUBB FIELDS
LEA COUNTY, NEW MEXICO



PRESENT COMPLETION

TEXACO Inc.
A.H. BLINEBRY FED. NCT-1 NO. 3
BLINEBRY, TUBB & DRINKARD FIELDS
LEA COUNTY, NEW MEXICO

JAH/CRC 3-18-83



PROPOSED DOWNHOLE COMMINGLING

TEXACO Inc.
A.H. BLINEBRY FED. NCT-1 NO. 3
BLINEBRY, TUBB & DRINKARD FIELDS
LEA COUNTY, NEW MEXICO

JAH/CRC 3-18-83