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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.



April 05, 1999 Texaco E & P

205 E. Bender Blvd
Hobbs NM 88240
505 393 7191

Texaco Exploration and Production
205 East Bender
Hobbs, NM 88240

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: **Application for Simultaneous Dedication of Justis Glorieta and
Downhole Commingling of Justis Glorieta (Prorated Gas Pool) with
Justis Blinebry and Justis Tubb-Drinkard Pool (Oil Pool) for the
G.L. Erwin B Fed NCT-2 #9
Unit Letter P, Section 35, Township 24S, Range 37E
Lea County, NM
Justis Glorieta (Prorated Gas Pool)**

Pending approval of the above application, Surface Commingling will be required.

Gentlemen:

Texaco Exploration and Production Inc. respectfully requests administrative approval for simultaneous acreage dedication and downhole commingling for the G.L. Erwin "B" Federal NCT-2 #9. This completion would place the subject well into a 320 acre proration unit to be shared with the G.L. Erwin "B" NCT-2 #2 (Justis Glorieta gas producer 1980' FSL and 1980' FEL). The subject well is presently DHC in the Justis Blinebry and Justis Tubb-Drinkard Pools. This well has an established production rate and decline in the Justis Blinebry Tubb Drinkard. It is requested that the well be DHC in the Justis Glorieta and Justis Blinebry, Drinkard and Tubb Pools. The well will be tested in the Justis Glorieta and an established pressure and rate will be documented before DHC with the Justis Blinebry Tubb and Drinkard Pools. Production splits will be determined from this testing.

Pending approval of the above, surface commingling will be required.

All offset operators have been notified of this proposal by a copy of this letter sent by certified mail.

If you have any questions concerning this matter please contact Denise Leake at (505) 397-0405, or myself at (505) 397-0425. Thank you in advance for your attention to this matter.

Sincerely,

Denise Wann
Production Engineer
Hobbs Operating Unit

Cc: NMOCD (Hobbs), Offset operators, BLM (Roswell)
File
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 87505-6429Form 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 88240Lease G.L. Erwin B NCT-2 #9 Well No. P Unit Ltr. - Sec - Tws - Rge Sec 35, T24S, R37EOGRID NO. 022351 Property Code API NO. 30-025-33384 Federal XX, State (and/or) Fee

The following facts are submitted in support of downhole commingling:	DHC#	Lower Zone	Intermediate Zone	Upper Zone
1. Pool Name and Pool Code		Justis Tubb Drinkard/Abo		Justis Glorieta
2. Top And Bottom of Pay Section (Perforations)		5018-6190		4764'-4780'
3. Type of production (Oil or Gas)		Oil		Gas
4. Method of Production (Flowing or Artificial Lift)		Artificial Lift (Current)		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current		Estimated 600#	a.	
Gas & Oil - Flowing: Measured Current		b.	b.	b. Estimated 650#
All Gas Zones: Estimated Or Measured Original				Will be determined after completion
6. Oil Gravity (* API) or Gas BTU Content		39.1 API		1250 BTU
7. Producing or Shut-In? Production Marginal? (yes or no)		Producing		To be perforated
* 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: 2/10/99 Rates: 15 oil, 115 gas 148 water		Estimated to be 500 Gas
** 8. Fixed Percentage Allocation Formula - % for each zone		Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

** TO BE DETERMINED FROM TESTING

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? ☒ 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. NMOC Reference Cases for Rule 303(C) Exceptions: ORDER NO(S).
16. ATTACHMENTS:

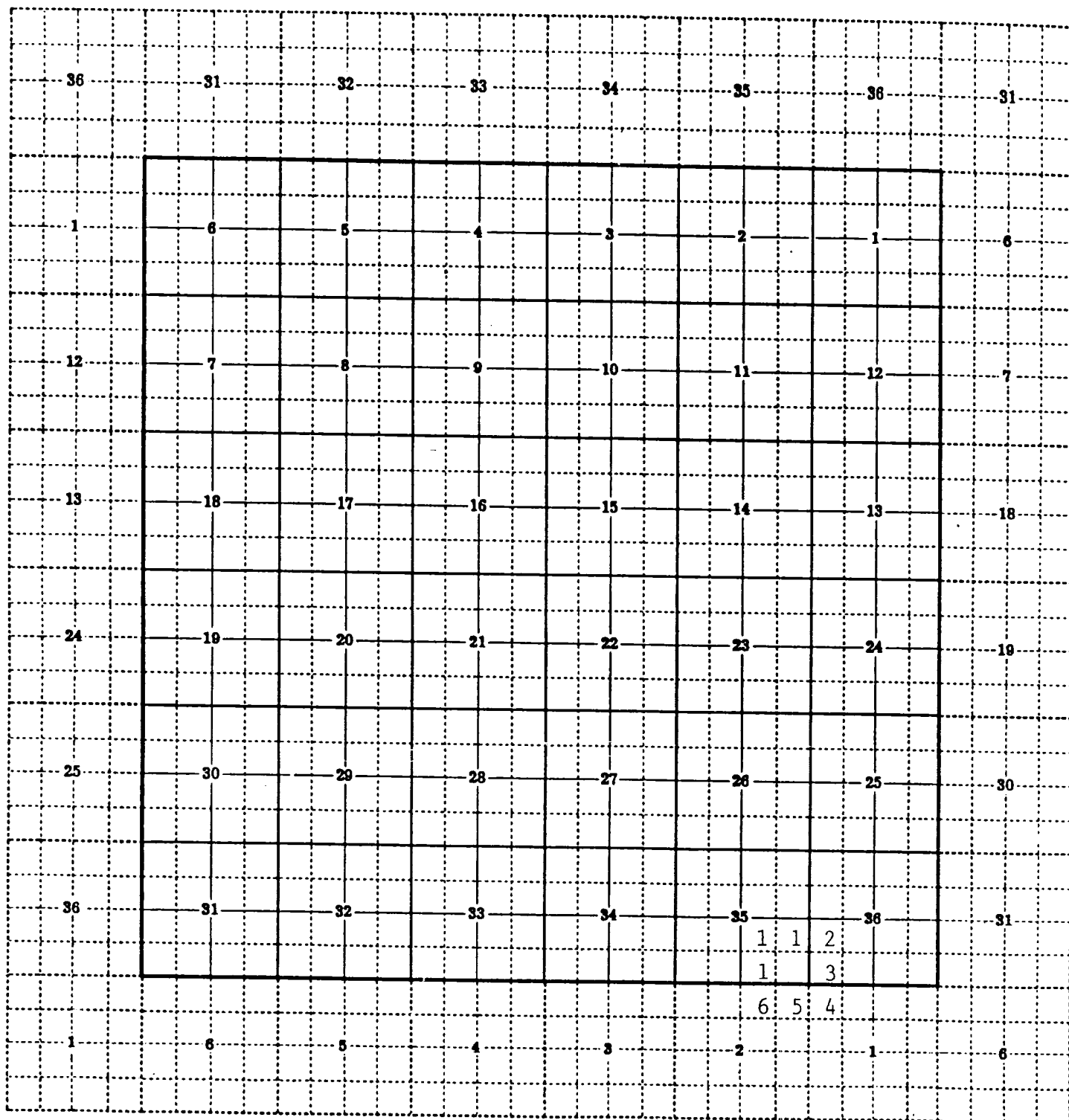
- * C-102 for each zone to be commingled showing its spacing unit and acreage deication.
- * Production curve for each zone for at lease one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Notification list of 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 Petroleum Engr DATE 4/6/99TYPE OR PRINT NAME Denise Wann TELEPHONE NO. (505) 399-0425

Offset Operators and all Lessees of Record
G. L. Erwin "B" Fed NCT-2 Well #9
Justis Tubb Drinkard/Abo Justis Blinebry Glorietta
SE/4 SE/4 of Section 35, T-24-S, R-37-E
Lea County, New Mexico
March 31, 1999

Offset Operators and all Lessees of Record
 G. L. Erwin "B" Fed NCT-2 Well #9
 Justis Tubb Drinkard/Abo Justis Blinebry Glorieta
 SE/4 SE/4 of Section 35, T-24-S, R-37-E
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 March 31, 1999



Offset Operators and all Lessees of Record
G. L. Erwin "B" Fed NCT-2 Well #9
Justis Tubb Drinkard/Abo Justis Blinebry Glorieta
SE/4 SE/4 of Section 35, T-24-S, R-37-E
Lea County, New Mexico
March 31, 1999

Number 1

Texaco Exploration and Production Inc.
P. O. Box 3109
Midland, Texas 79702

Number 2

Arch Petroleum Inc.
777 Taylor, Suite 11-A
Fort Worth, Texas 76102

Number 3

Five States 1993-A, Ltd.
Five States 1993-C (Leverage), Ltd.
4925 Greenville Ave.
1220 One Energy Square
Dallas, Texas 75206

Mark L. Shidler, Inc.
911 Walker St., Suite 565
Houston, Texas 77002

Number 4

States, Inc.
Breck Operating Corp.
P. O. Box 911
Breckenridge, Texas 76424-0911

Samson Resources
Geodyne Nominee Corporation
Two West Second Street
Tulsa, Oklahoma 74103-3101

Fulfur Oil & Cattle Co., L.L.C.
P. O. Box 578
Jal, New Mexico 88252

Santa Fe Energy Resources, Inc.
550 W. Texas, Suite 1330
Midland, Texas 79701

Number 5

Collins & Ware, Inc.
508 W. Wall, Suite 1200
Midland, Texas 79701

Offset Operators and all Lessees of Record
G. L. Erwin "B" Fed NCT-2 Well #9
Justis Tubb Drinkard/Abo Justis Blinebry Glorieta
SE/4 SE/4 of Section 35, T-24-S, R-37-E
Lea County, New Mexico
March 31, 1999

Number 6

Collins & Ware, Inc. (Gas rights)
508 W. Wall, Suite 1200
Midland, Texas 79701

Citation Oil & Gas Corp. (Oil & Casinghead Gas rights)
8223 Willow Place South, Suite 250
Houston, Texas 77070-5623

Well: EB2 9 ID: 3002533840000 Type: Bl/DK Monthly

104

LOG OPENHOLE

MORE Pumped

REC need to install

PMF pump

POPBlinebry

chemical

HIVAC cage

scaled/SH

Misc Switch to T Test Water 4.5

HIT Hole in

acidize

H3036/Coir

tubing due to

hole in

PBTest Blinebry

casing

only

PSCFMR

upsized to

2in

TEST SOLIDS:

95%

Fes, 5%

CaCO3

UNPBCommingle:

Bline/tub/bd

103

th,

5-THT93222

SURE PU motor

burned

NOTE Needle

squeeze

upper 3200ft

CSG

MORE Unseat-Fes

in SV

TEST SOLIDS-Pu

mp: 95%

Fes, 5%

CaCO3

OPT 84/124/446

TEST NABLA:

Foam/Fat

2374/ liquid

at 53/2

Rods

Top plug

break, plug

pitted,

Stuck-strip

Solids:

Test

100% Fes

Centrifuge

Prod string

3700' surfac

e, Fe-94 @

TEST Water:

Fe=14mg/l,

Mang.=1.3

mg/l

102

101

100

□ Bopd
— Mcpd
△ Bwmd
— Residuals

EB2 #9
02-01-99

Name: EB2_9 ID: 30025333840000 Type: Bli/Drk Date: 19990308
KB: 0.0 TD: 0.0 PBTD: 0.0 Comp Date: 0

