



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

Hobbs - District I
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Hobbs, NM 88240
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Jennifer A. Salisbury
CABINET SECRETARY

April 25, 2000

Texaco Exploration & Production Inc.
ATT: Denise Leake
205 East Bender
Hobbs, NM 88240

RE: DOWNHOLE COMMINGLE REQUIREMENTS

G. W. Sims, 4-G, 9-23-37
Teague Lower Paddock-Blaine (Assoc) N.
Teague Drinkard-Abo, N.

Gentlemen:

Prior to a well being produced as a Downhole Commingle well an operator will submit a letter requesting same which includes formations (pools) to be produced therefrom to the Division Director in Santa Fe.

In accordance with the Rules and Regulations and in order to enable an operator to be able to produce a well for Downhole Commingling of multiple producing zones (pools), the following shall be submitted in order to comply with regulations:

The following attachments shall be included with Form C-107-A:
(If delinquent they are marked as follows.)

- ___ (a) Form C-102 for each zone to be commingled showing the acreage dedicated to each completion;
- ___ (b) Production curve for each zone for at least one year; (Briefly explain if this data is not available;
- ___ (c) For zones with no production history, estimated producing rates and supporting data;
- ___ (d) Data to support allocation method for formula;
- ___ (e) Notification list of all working, royalty and overriding royalty interests for cases where ownership is not common;
- ___ (f) List of all offset operators;
- ___ (g) Any additional statements, data or documents required to support commingling.
- X (h) Form C-104 for each individual pool with production test included for applicable allocations.
- ___ (i) Form C-103 for effective date of removal of Cast Iron Bridge Plug or Packer.

If you have any questions in regard to the above, please contact Nelda at (505) 393-6161, Ext. 101.

Very truly yours,
OIL CONSERVATION DIVISION

Chris Williams
Chris Williams
District I, Supervisor
CW:nm