



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

4/22/96

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

DHC - 1260

5/23/96

RE: Proposed:

MC	_____
DHC	_____ X _____
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

<u>Texaco E&amp;P Inc</u>	<u>GW Sims</u>	<u>#4-G</u>	<u>9-235-37e</u>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OIS

Yours very truly,

Jerry Sexton  
Supervisor, District 1

/ed



April 15, 1995

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

Attention: Mr. David R. Catanach

Re: Exception to NMOCD Rule 303 (A),  
Application to Downhole Commingle  
Teague Drinkard-Abo Pool &  
Teague Lower Paddock-Blinebry Pool  
G.W. Sims Lease , Well Number 4  
G T-23-S, R-37-E, Section 9  
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. respectfully requests administrative approval to downhole commingle the Teague Drinkard-Abo Pool and the Teague Lower Paddock-Blinebry Pool within the subject wellbore. Currently the well is a dual completion and both zones do not flow continuously, and require frequent swabbing. Notification of this application has been sent to the said offset leaseholder and a statement of notification has been included in this application.

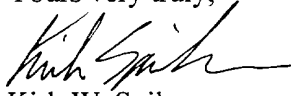
The proposed downhole commingling will provide a more economical means of production. It will allow complete development of the productive capacity on the subject lease by allowing both intervals to be artificially lifted simultaneously. This will extend the productive life of both completions, thereby preventing waste. It is therefore requested by Texaco Exploration and Production Inc., to administratively downhole commingle the Teague Drinkard-Abo Pool and the Teague Lower Paddock-Blinebry Pool within the subject wellbore. Texaco requests that the approval of this application be performed by administrative approval to expedite the proposed work.

The subject well meets all of requirements as set forth by Rule 303 (C). The well was completed 7/30/95, so a full year of production data is not available. In addition, it should be noted that all produced fluids have entered a common production facility with no fluid compatibility problems.

It is requested that the allocation of production for each zone be deferred until a stabilized production rate is established. Production will then be allocated to the Drinkard/Abo Pool by subtracting the Blinebry stabilized production rate from the total stabilized production rate after downhole commingling the well.

Texaco Exploration and Production, Inc. believes that the administrative approval for downhole commingling and use of artificial lift on the subject well will improve recovery efforts and prolong the productive life of both zones, therefore preventing waste. If you have any questions concerning this application, please contact Kirk W. Spilman at (505)397-0425.

Yours very truly,

A handwritten signature in black ink, appearing to read "Kirk Spilman", written in a cursive style.

Kirk W. Spilman  
Eunice Area Engineer

attachments

cc: Jerry Sexton/NMOCD/Hobbs

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 87505-6429

Form C-107-A  
New 3-12-96

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE

YES  NO

APPLICATION FOR DOWNHOLE COMMINGLING

TEXACO EXPLORATION & PRODUCTION 205 E. BENDER HOBBS, NM 88240

Operator	G.W. SIMS	#4	Address	G SEC. 9 T-23-S R-37-E	LEA
Well No.			UNIT Ltr. - Sec - Twp - Rge		County

OGRID NO. 022351 Property Code 13194 API NO. 30-025-32900 Spacing Unit Lease Types: (check 1 or more)  
Federal  State  Land/Orl Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	LOWER PADDOCK/BLINE 96314		DRINKARD/ABO 96313
2. Top and Bottom of Pay Section (Perforations)	5720 - 5952		6485 - 7136
3. Type of production (Oil or Gas)	OIL		OIL
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 675 (24 hr SI)	a.	a. 600 (24 hr SI)
	b. (Original)	b.	b.
6. Oil Gravity (° API) or Gas BTU Content	38.1		38.1
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		YES
* 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)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: 3-12-96 Rates: 2/11/2	Date: Rates:	Date: 3-10-96 Rates: 0/0/0
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

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 each 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 Lands 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). \_\_\_\_\_

6. 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 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 Kirk W. Spilman TITLE Petroleum Engineer DATE 4-15-96

TYPE OR PRINT NAME Kirk W. Spilman TELEPHONE NO. ( 505 ) 397-0425

# ATTACHMENTS

DISTRICT I  
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P. O. Drawer DD, Artesia, NM 88210

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  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

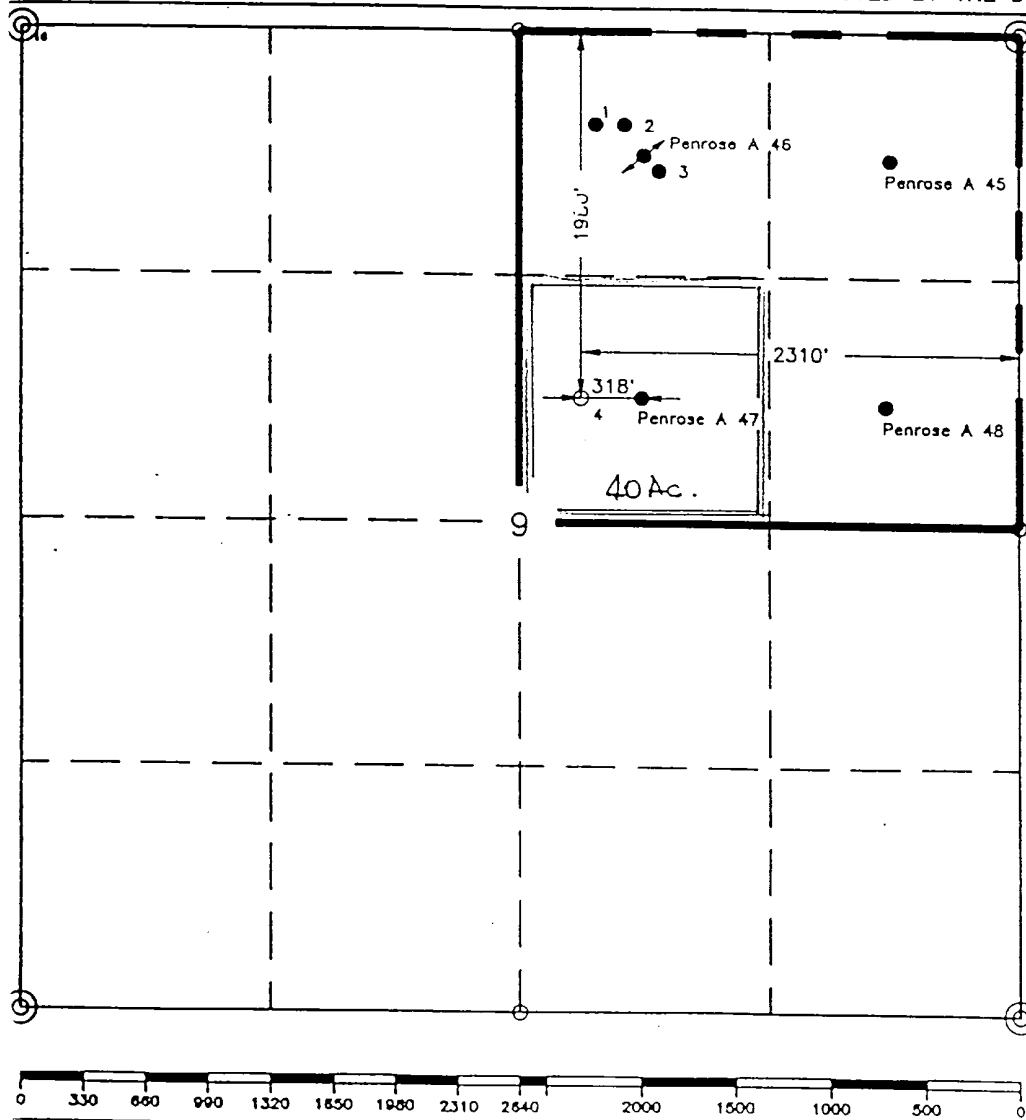
State Lease-4 copies  
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

<sup>1</sup> API Number 30-025-32900		<sup>2</sup> Pool Code 96313		<sup>3</sup> Pool Name N. Teague Drinkard/Abo					
<sup>4</sup> Property Code 13194		<sup>5</sup> Property Name G. W. Sims				<sup>6</sup> Well Number 4			
<sup>7</sup> OGRD No. 022351		<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION, INC.				<sup>9</sup> Elevation 3305'			
<sup>10</sup> Surface Location									
<sup>11</sup> UL or lot no. G	<sup>12</sup> Section 9	<sup>13</sup> Township 23-S	<sup>14</sup> Range 37-E	<sup>15</sup> Lot Idn	<sup>16</sup> Feet from the 1980'	<sup>17</sup> North/South line North	<sup>18</sup> Feet from the 2310'	<sup>19</sup> East/West line East	<sup>20</sup> County Lea
<sup>11</sup> Bottom Hole Location If Different From Surface									
<sup>21</sup> UL or lot no.	<sup>22</sup> Section	<sup>23</sup> Township	<sup>24</sup> Range	<sup>25</sup> Lot Idn	<sup>26</sup> Feet from the	<sup>27</sup> North/South line	<sup>28</sup> Feet from the	<sup>29</sup> East/West line	<sup>30</sup> County
<sup>31</sup> Dedicated Acres 40		<sup>32</sup> Joint or Infill		<sup>33</sup> Consolidation Code		<sup>34</sup> 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.



<sup>1</sup> OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>C. Wade Howard</i>
Printed Name	C. Wade Howard
Position	Engineer's Assistant
Company	Texaco Expl. & Prod. Inc.
Date	March 1, 1995
<sup>16</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	February 17, 1995
Signature & Seal of Professional Surveyor	<i>[Signature]</i>
Certificate No.	7254
Sheet	

DISTRICT I  
P. O. Box 1880, Hobbs, NM 88240

DISTRICT II  
P. O. Drawer 00, Artesia, NM 88210

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

Form C-102  
Revised February 10, 1994

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

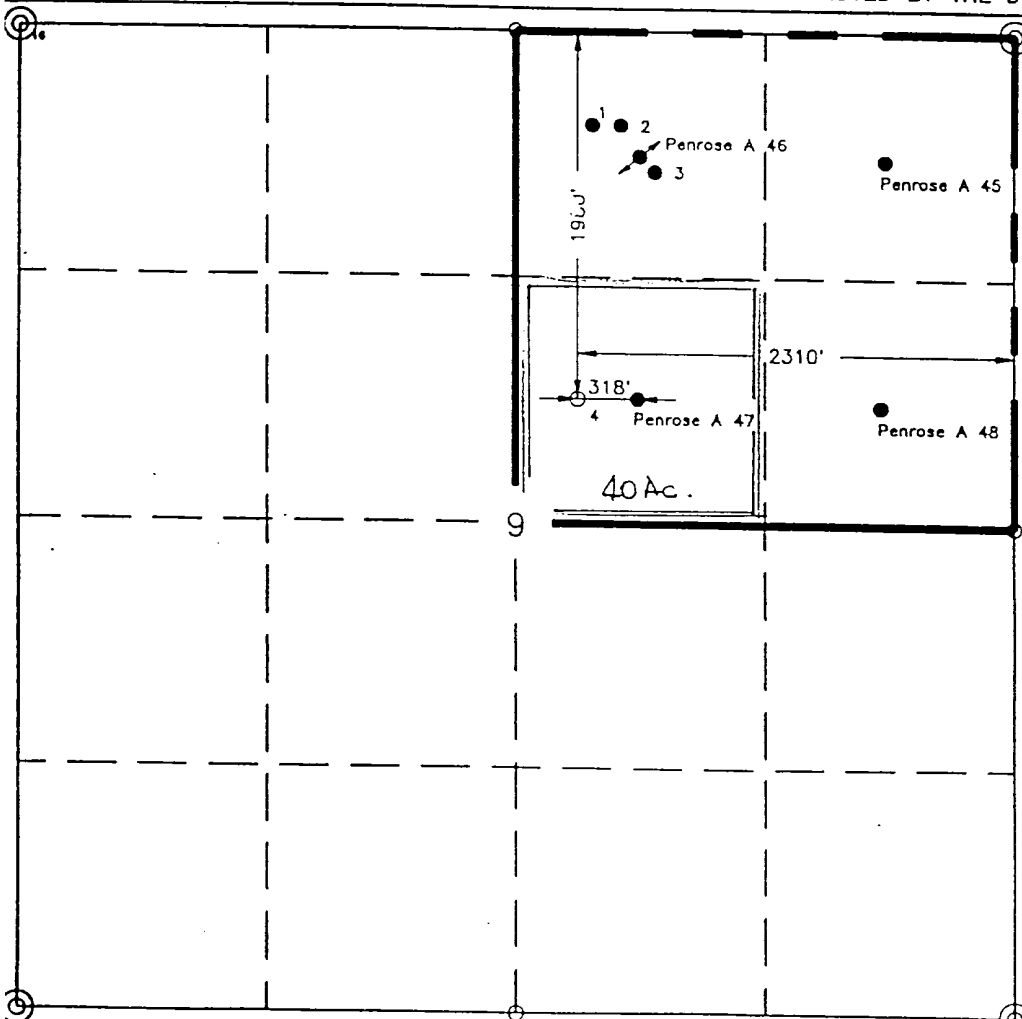
Instructions on back  
Submit to Appropriate District Office  
State Lease-4 copies  
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

<sup>1</sup> API Number 30-025-32900		<sup>2</sup> Pool Code 96314		<sup>3</sup> Pool Name N. Teague Lower Paddock/ Blinebry					
<sup>4</sup> Property Code 13194		<sup>5</sup> Property Name G. W. Sims			<sup>6</sup> Well Number 4				
<sup>7</sup> OGRID No. 022351		<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			<sup>9</sup> Elevation 3305'				
<sup>10</sup> Surface Location									
<sup>1</sup> UL or lot no. G	<sup>2</sup> Section 9	<sup>3</sup> Township 23-S	<sup>4</sup> Range 37-E	<sup>5</sup> Lot Idn	<sup>6</sup> Feet from the 1980'	<sup>7</sup> North/South line North	<sup>8</sup> Feet from the 2310'	<sup>9</sup> East/West line East	<sup>10</sup> County Lea
<sup>11</sup> Bottom Hole Location If Different From Surface									
<sup>1</sup> UL or lot no.	<sup>2</sup> Section	<sup>3</sup> Township	<sup>4</sup> Range	<sup>5</sup> Lot Idn	<sup>6</sup> Feet from the	<sup>7</sup> North/South line	<sup>8</sup> Feet from the	<sup>9</sup> East/West line	<sup>10</sup> County
<sup>11</sup> Dedicated Acres 40		<sup>12</sup> Joint or Infill		<sup>13</sup> Consolidation Code		<sup>14</sup> 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.



**<sup>15</sup>OPERATOR CERTIFICATION**

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

Signature  
*C. Wade Howard*

Printed Name  
C. Wade Howard

Position  
Engineer's Assistant

Company  
Texaco Expl. & Prod. Inc.

Date  
March 1, 1995

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**<sup>16</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  
February 17, 1995

Signature & Seal of Professional Surveyor  
*John S. Hildebrand*

Certificate No.  
7254

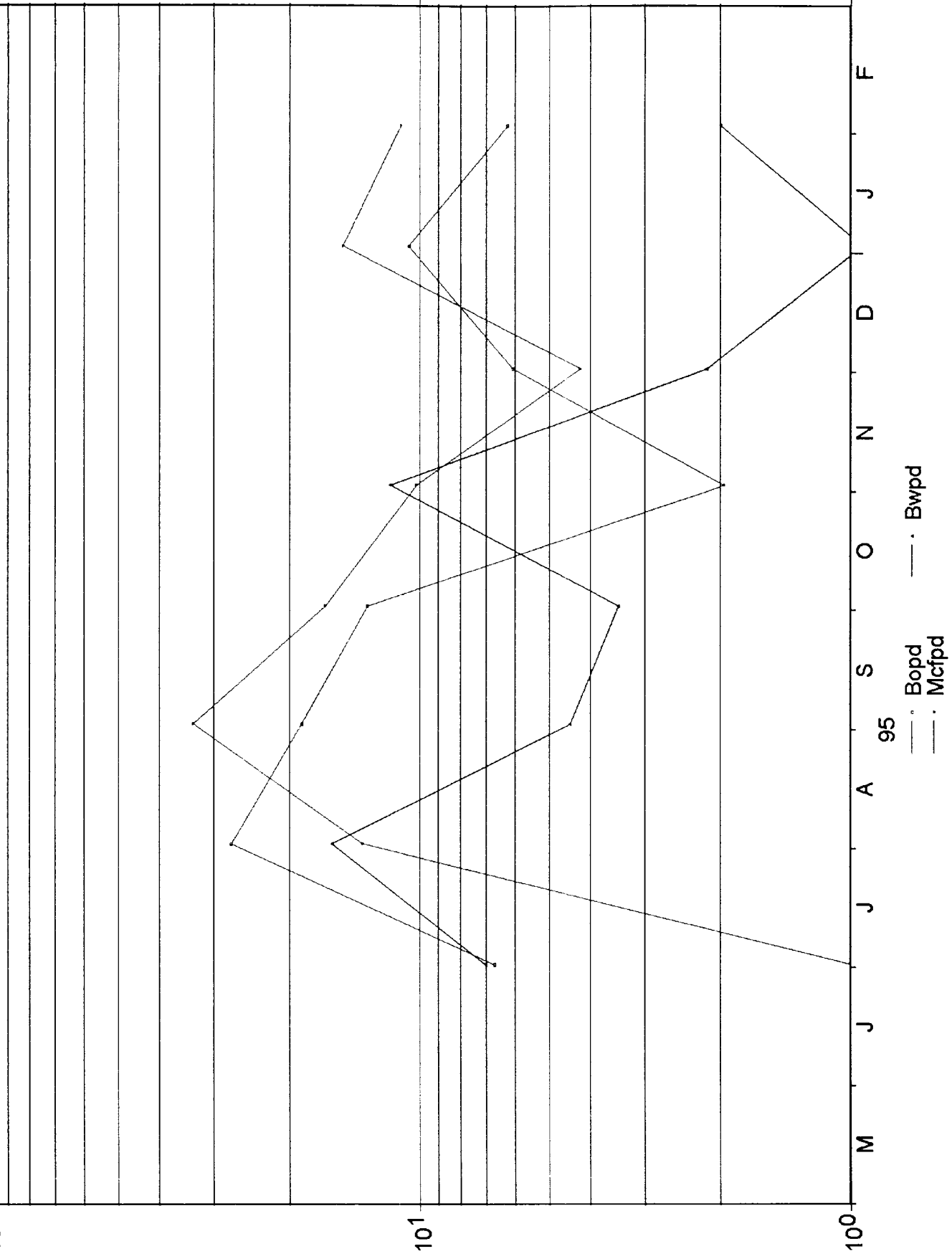
Received  
APR 1995  
Texaco  
John S. Hildebrand

Sheet

G.W. SIMS  
LOWER PADDOCK-BLINEBRY

User ID: kws 04/15/96

Well: GWSIMS4 ID: 30025329000000:96314 Type: GAS Daily

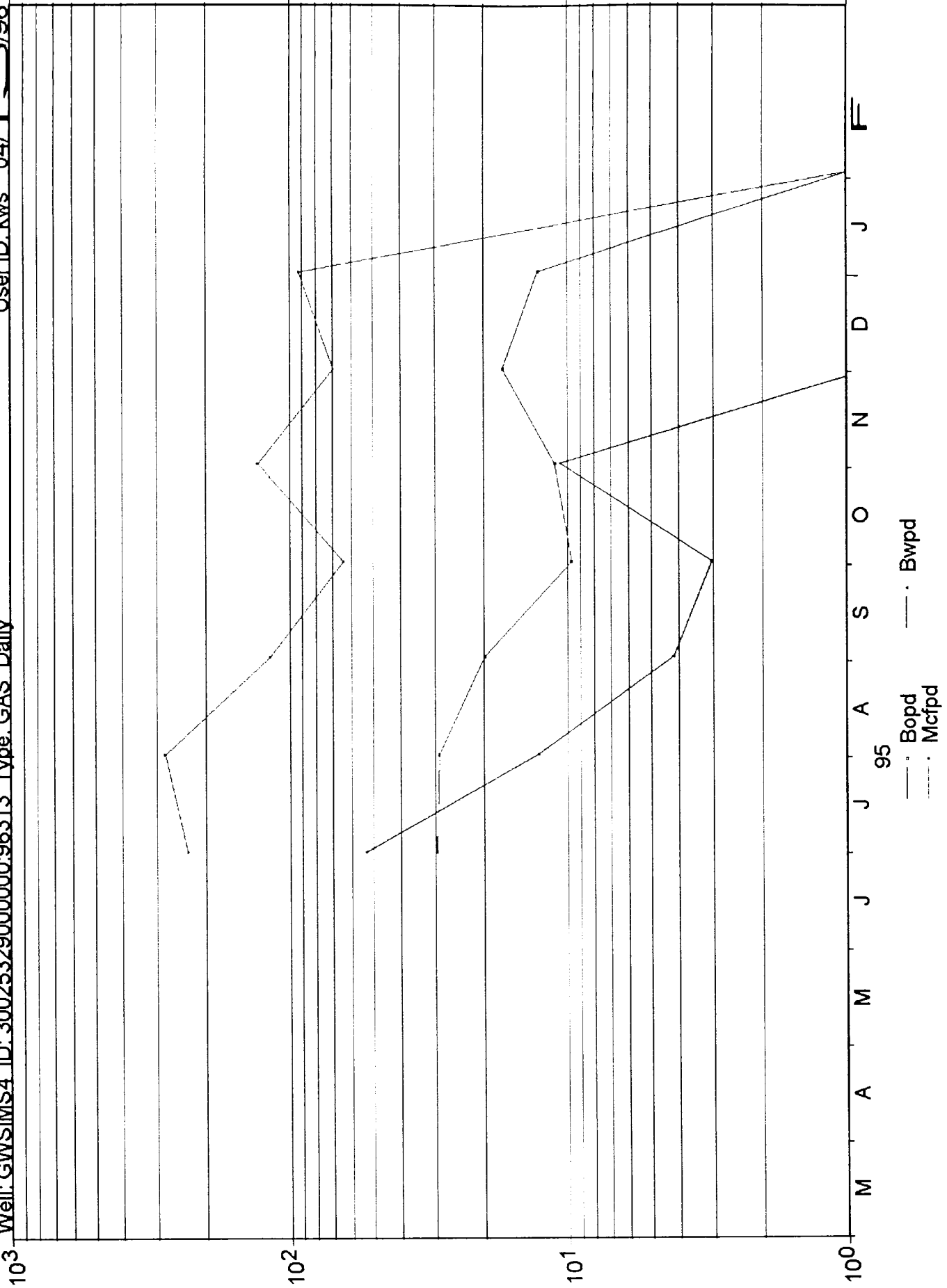




G.W. SIMS  
DRINKARD/ABO

Well: GWSIMS4 ID: 30025329000000:96313 Type: GAS Daily

User ID: kws 04/15/96



## FORMULA FOR DETERMINING ALLOCATION OF PRODUCTION

### OIL

X = LOWER PADDOCK/BLINEBRY STABILIZED OIL PRODUCTION RATE, BOPD

T = TOTAL COMMINGLED, STABILIZED OIL PRODUCTION RATE, BOPD

DRINKARD/ABO PROD. = D = (T - X) , BOPD

### GAS

X = LOWER PADDOCK/BLINEBRY STABILIZED GAS PRODUCTION RATE, MCFPD

T = TOTAL COMMINGLED, STABILIZED GAS PRODUCTION RATE, MCFPD

DRINKARD/ABO PROD. = D = (T - X) , MCFPD

\*\*ALLOCATION OF PRODUCTION WILL THEN BE BASED ON PERCENTAGE OF TOTAL PRODUCTION

LIST OF 40-ACRE OFFSET OPERATORS TO G.W. SIMS NO. 4

OPERATORS OTHER THAN TEXACO E & P :

The 80 acres in the N 1/2 of the SE 1/4 of Section 9, T-23-S, R-37-E adjacent to the subject 40 acre tract, is operated by the following company :

Samedan Oil Corp.  
12600 Northborough  
Suite 250  
Houston, TX 77067



Texaco E & P

**CERTIFIED MAIL**

April 15, 1995

To: Samedan Oil Corp.  
12600 Northborough  
Suite 250  
Houston, TX 77067

Subject: Exception to NMOCD Rule 303 (A),  
Application to Downhole Commingle  
Teague Drinkard-Abo Pool &  
Teague Lower Paddock-Blinbry Pool  
G.W. Sims Lease , Well Number 4  
G T-23-S, R-37-E, Section 9  
Lea County, New Mexico

Dear Gentlemen:

Enclosed is a copy of Texaco's application for N.M. O.C.D. administrative approval to downhole commingle the above mentioned pools.

The N.M. O.C.D. regulations require that offset operators be notified before such action can be approved. Questions concerning this matter should be directed to myself at (505) 397-0425.

Sincerely,

Kirk W. Spilman  
Pertoleum Engineer  
Hobbs Operating Unit

Enclosure

**CERTIFIED**

P 622 723 686

**MAIL**

7 E C P 1986  
SAMEDAN  
JAN 28 1986

P 622 723 686

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to  
Street & Number  
Post Office, State, & ZIP Code

Samedan Oil Corp  
12600 Northborough  
Suite 250 Houston, Tx 77067

Postage	\$ 2.55
Certified Fee	✓
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	✓
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$2.75</b>
Postmark or Date	

**Fold at line over top of envelope to the right of the return address**

PS Form 3800, April 1995

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

SAMEDAN OIL CORP.  
12600 NORTHBROUGH  
Suite 250  
Houston, Tx 77067

4a. Article Number

P 622 726 686

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.