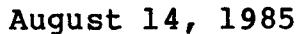




PO Box 728  
Hobbs NM 88240  
505 393 7191



State of New Mexico  
Department of Energy and Minerals  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Michael E. Stogner  
Petroleum Engineer

RE: DOWNHOLE COMMINGLING  
J. C. ESTLACK WELL NO. 1  
UNIT T, SECTION 3, T-21-S, R-37-E  
LEA COUNTY, NEW MEXICO

**Gentlemen:**

Texaco Inc. respectfully requests Administrative approval to commingle production from the Blinebry oil and gas and Tubb oil and gas pools in the wellbore of the J. C. Estlack Well No. 1 in accordance with NMOCD Rule 303-C. The Blinebry oil and gas and Tubb oil and gas have previously been approved for downhole commingling.

Recently, communications developed between the Blinebry and Tubb zones. As a result, the Tubb formation had to be shut-in, and the Blinebry formation was placed back on production. Due to the marginal producing nature of both zones, re-installing dual completion equipment is uneconomical. Downhole commingling will provide a means to effectively deplete remaining Blinebry and Tubb reserves.

This well meets all prerequisites for downhole commingling, as described in NMOCD Rule 303-C (see attached data sheet). The ownership of the Blinebry (oil) and Tubbs (gas) zones is common, including working interest, royalty interest, and overriding royalty interest. Production from these zones has been commingled at the J. C. Estlack battery in the past without indication of fluid incompatibility.

State of New Mexico  
Department of Energy & Minerals - 2 -

August 14, 1985

The recommended oil and gas allocation from the two zones is as follows:

|                | <u>Oil</u> | <u>Gas</u> |
|----------------|------------|------------|
| Blinebry (oil) | 100%       | 49%        |
| Tubb (gas)     | 0%         | 51%        |

All Offset Operators (address list attached) have been notified of this application by copy of this letter.

Yours very truly,



W. B. CADE  
District Operations Manager

LDR:JEB

Attachments

cc: Department of Energy & Minerals  
Oil Conservation Division  
Post Office Box 1980  
Hobbs, New Mexico 88240

Offset Operators  
(Address List Attached)

DATA SHEET FOR WELLBORE COMMINGLING

Operator: **TEXACO Inc.**

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

Lease and Well No: **J. C. Estlack Well No. 1**

Location: Unit     T    ;     1980     Feet from the     South     Line and  
    660     Feet from     West     Line of Section     3    ;  
Township     21-S    , Range     37-E    ;     Lea     County.

WELL DATA

|                                | <u>Upper Pool</u>         | <u>Lower Pool</u>                                                                 |
|--------------------------------|---------------------------|-----------------------------------------------------------------------------------|
| Name of Pool                   | <u>Blinebry Oil</u>       | <u>Tubb Gas</u>                                                                   |
| Producing Method               | <u>Pumping</u>            | <u>Plunger Lift</u>                                                               |
| BHP                            | <u>Est. 403 psi</u>       | <u>SIIP 440 psi</u><br><u>Est. BHP 500 psi</u>                                    |
| Type Crude                     | <u>Sweet</u>              | <u>--</u>                                                                         |
| Gravity                        | <u>35.5</u>               | <u>--</u>                                                                         |
| GOR Limit                      | <u>4000 Limit 428 MCF</u> | <u>--</u>                                                                         |
| Completion Interval            | <u>5742' - 5839'</u>      | <u>6242' - 6331'</u><br><u>Shut-in (Est. Gas</u><br><u>Prod. from 6/84 prod.)</u> |
| Current Test Date              | <u>6/5/85</u>             |                                                                                   |
| Oil                            | <u>3</u>                  | <u>0</u>                                                                          |
| Water                          | <u>1</u>                  | <u>0</u>                                                                          |
| GOR                            | <u>15,000</u>             | <u>53 MCFD</u>                                                                    |
| Selling Price of Crude-\$/BBL. | <u>\$ 25.70</u>           | <u>--</u>                                                                         |
| Gross Oil & Gas Revenue        |                           |                                                                                   |
| Daily Income - \$/Day          | <u>\$ 167.00</u>          | <u>--</u>                                                                         |

COMMINGLED DATA:

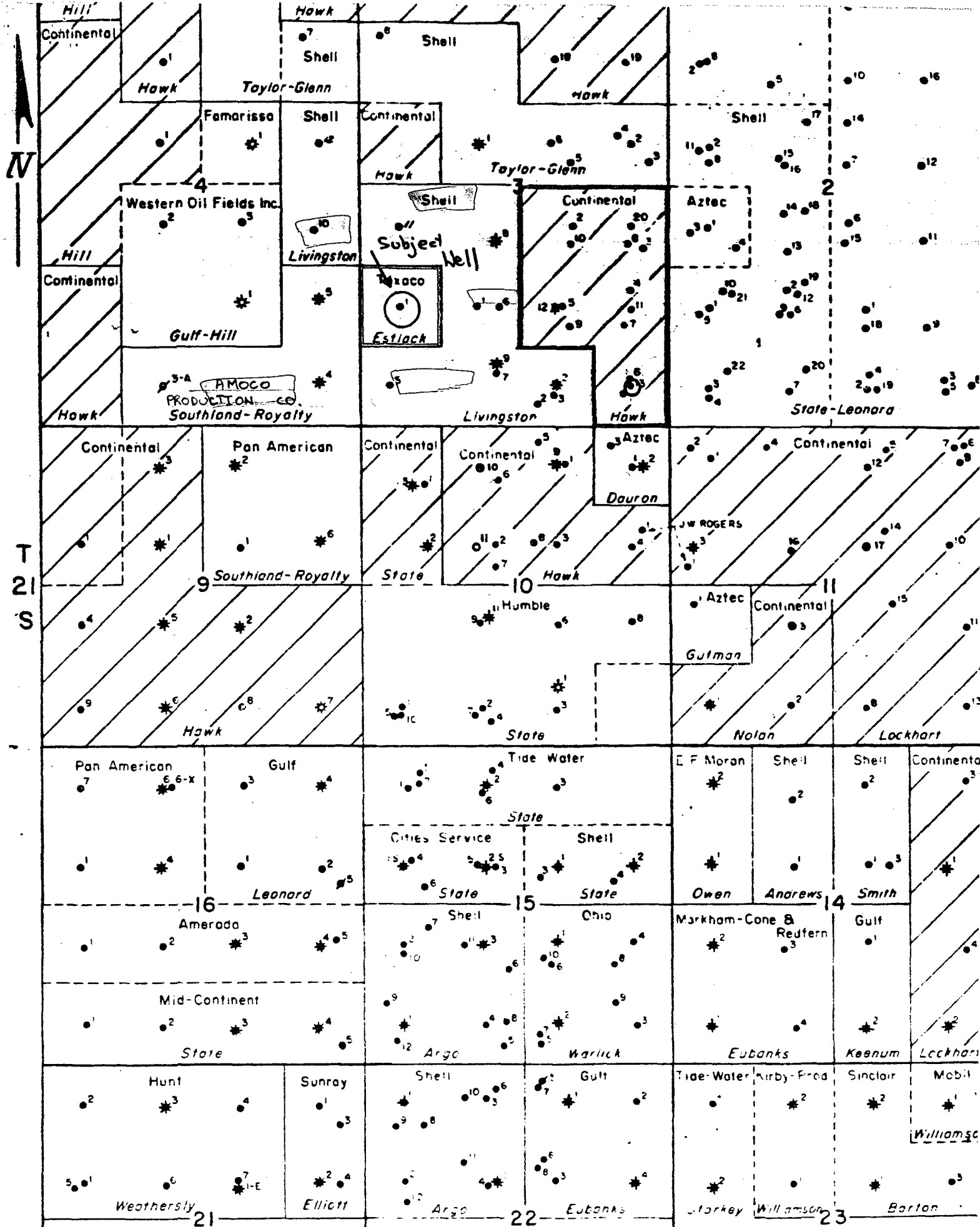
Gravity of Commingled Crude     35.5° API    

Selling Price of Commingled Crude - \$/BBL.     \$ 25.70    

Gross Oil & Gas Revenue

Daily Income - \$/Day     \$ 273/Day    

Net (Gain) (~~Loss~~) From Wellbore Commingling - \$/Day     \$ 106/Day      
based on current producing rates.



R-37-E

# WELL FILE

J. C. Estlin #1

## Legal Description:

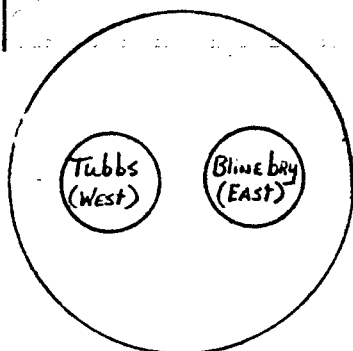
Unit Letter T  
Sec. 3 T21S R37E

Completion Date: 3-1-50

Elevation: 3467 DF

KB or DF Corr. 9'

North



Casing Size: 13 3/8"

Weight: 48"

Grade: 8RT SMLS

Set @: 286'

Hole Size: 17 1/4"

Cmt. Info: 3005X Cmt.

Circulated.

Tubbs - 2 1/2" Hydril @  
5855' IJ-SN @ 5841' 1.46"

Blinbry - 2 1/2" CS Hydril  
177 jts. @ 5683 SN @ 5613'

Casing Size: 8 5/8"

Weight: 32"; 28"

Grade: 8RT SMLS

Set @: 2972'

Hole Size: 11"

Cmt. Info: 1800SX TOC.

110' (TEMP SURVEY)

Blinbry: 5742'-5764'; 5768-82'  
5829'-5839' 2 JS PF.

JAN. '62

Tubbs (GAS) PERF: 6242'-48';  
6260-65; 6279-94'; 6307-19'  
6327-31'. (2 JS PF)

JAN. '61

DRINKARD: 2 JS PF - 6527-37';  
6554'-62'; 6590'-6608'

DEC. 1960 (Abandoned 1/4/62)

Top 6620'

Producing Zone Drinkard

Bottom 6690

PBTD: 6388'  
TD: 6690

Tbg. Stop @ 5834' for Plugger.

BAKER Model 'D' set @ 5855'  
58' of 2" BAKER Tail Pipe Below  
Pipe End @ 5913'

Cast Iron Bridge Plug set @ 6400'  
w/ 25X CMT. ON TOP. PBTD-6388'  
JAN. 1962'

Casing Size: 5 1/2"

Weight: 17"; 15.5"

Grade: 8RT SMLS

Set @: 6620'

Hole Size: 7 7/8"

Cmt. Info: 6005X-TOC 2620'

TEMP SURVEY

CEMENT RETAINER

Open Hole Size: 4 3/4"

Spr. w/ 200 SX CMT. REVERSED 100SX  
PUTTING 100SX IN FORMATION.  
PBTD-6615' 12/60.

Present Wellbore  
Diagram

R. Lemmons

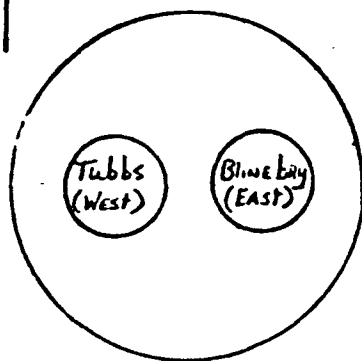
6/12/84

J. C. EST/ACK #1

## Legal Description:

UNIT LETTER T  
SEC 3 T1S R37ECompletion Date: 3-1-50Elevation: 341.7 D.F.KB or LF Corr. 9'Casing Size: 13 3/8"Weight: 48"Grade: 8 RT SMLSSet @: 286'Hole Size: 17 1/4"Cmt. Info: 3005' Cmt.Circumfered

North

2 1/16" tubingCasing Size: 8 5/8"Weight: 32"; 28"Grade: 8 RT SMLSSet @: 2972'Hole Size: 11"Cmt. Info: 1800' SK TOP.110' (TEMP SURVEY)Blinney: 5742'-5764'; 5768-82'  
5829'-5839' 2 JS PF.JAN. '62Tubbs (Gas) PERF: 6242'-48';  
6260-65; 6279-94; 6307-19'  
6327-31'. (2 JS PF)JAN. '61DRINKARD: 2 JS PF - 6527-37';  
6554'-62'; 6590'-6608'DEC. 1960 (Abandoned 1/1/62)

Top

6620'Producing  
ZoneDRINKARD

Bottom

66906388'Cast Iron Bridge Plug set @ 6400'  
w/ 25' SK CMT. ON TOP. PBD-6388'JAN. 1962'Casing Size: 5 1/2"Weight: 17"; 15.5"Grade: 8 RT SMLSSet @: 6620'Hole Size: 7 7/8"Cmt. Info: 6005' SK TOP 2420'TEMP SURVEYCEMENT RETAINEROpen Hole Size: 4 3/4"Log w/ 200' SK CMT. REVERSED 1005'  
Putting 1005' in formation.  
PBD-6615' 12/60.PBD: 6388'  
TD: 6690'Proposed Wellbore  
Diagram

## GAS-OIL RATIO TESTS

Page 5 of 7

| LEASE NAME                                                                   | WELL NO.                           | LOCATION           |    |         | DATE OF TEST | CHOKE SIZE | TSG. PRESS. | DAILY ALLOW. ABLE | NUMBER OF TEST HOURS | PROD. DURING TEST |           |          |            | GAS - OIL RATIO CU.FT./MBL |
|------------------------------------------------------------------------------|------------------------------------|--------------------|----|---------|--------------|------------|-------------|-------------------|----------------------|-------------------|-----------|----------|------------|----------------------------|
|                                                                              |                                    | TYPE OF TEST - (X) |    |         |              |            |             |                   |                      | WATER BBL.        | GRAV. OIL | OIL BBL. | GAS M.C.F. |                            |
|                                                                              |                                    | U                  | S  | R       |              |            |             |                   |                      |                   |           |          |            |                            |
| A. N. Blinberry Federal<br>NCT-4<br>Donohoe Cunningham<br>Permit No. DHC-129 | 2                                  | 0                  | 31 | 22S 38E | 7-28-85      | P          |             | 4                 | 24                   | 1                 | 37.6      | 6        | 29         | 4733                       |
|                                                                              | Blinberry = 10%<br>Drillhard = 90% |                    |    |         |              |            |             |                   |                      |                   |           |          |            |                            |
|                                                                              | 4                                  | H                  | 31 | 22S 38E | 7-21-85      | P          |             | 4                 | 24                   | 1                 | 37.6      | 4        | 32         | 8000                       |
| Donohoe Cunningham<br>Permit No. DHC-131                                     | Blinberry = 20%<br>Drillhard = 80% |                    |    |         |              |            |             |                   |                      |                   |           |          |            |                            |
|                                                                              | 5                                  | H                  | 31 | 22S 38E | 7-6-85       | P          |             | 5                 | 24                   | 1                 | 37.6      | 5        | 49         | 9800                       |
|                                                                              | Blinberry = 60%<br>Drillhard = 40% |                    |    |         |              |            |             |                   |                      |                   |           |          |            |                            |
| J. G. Rutlack                                                                | 1                                  | T                  | 3  | 21S 37E | 8-5-85       | P          |             | 5                 | 24                   | 1                 | 35.5      | 2        | 54         | 27,000                     |
|                                                                              |                                    |                    |    |         |              |            |             |                   |                      |                   |           |          |            |                            |

The well will be assigned an allowable greater than the amount of oil produced on the official test.

During second ratio test, each well shall be produced at a rate not exceeding the top well allowable for the pool in which well is located by more than 10 percent. Operator is encouraged to take advantage of this 10 percent tolerance in order that well can be assigned corrected allowable when authorized by the Division.

Gas volume must be reported in MCF measured at a pressure base of 14.73 psia and a temperature of 60° F. Specific gravity base will be 0.66.

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

Print original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 204 and appropriate pool rules.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## GAS-OIL RATIO TESTS

Page 4 of 5

| CONTRACT                                                                  | TEXACO INC. | ADDRESS | P. O. Box 728, Hobbs, New Mexico 88240 | Pool     |          | County       |            | Lea | TYPE OF TEST - (X) |                   | Completion     |             | Special   |           |            |                             |        |
|---------------------------------------------------------------------------|-------------|---------|----------------------------------------|----------|----------|--------------|------------|-----|--------------------|-------------------|----------------|-------------|-----------|-----------|------------|-----------------------------|--------|
|                                                                           |             |         |                                        | Well No. | Location | Date of Test | Choke Size |     | T.B.G. Press.      | Daily Allow. Able | Length of Test | Water Bbls. | Grav. Oil | Oil Bbls. | Gas M.C.P. | Gas - Oil Ratio Cu.Ft./Bbl. |        |
| A. H. Blinbry Federal NCT-4<br>Downhole Commingling<br>Permit No. R-7295  | 1           | P       | 31                                     | 22S      | 38E      | 4-12-84      | P          |     |                    |                   | 23             | 24          | 36        | 37.4      | 28         | 568                         | 20,286 |
|                                                                           | Tubb        |         |                                        |          |          |              |            |     |                    |                   |                |             | 8         |           | 7          | 290                         | 41,429 |
|                                                                           | Blinbry     |         |                                        |          |          |              |            |     |                    |                   | 11             |             | 13        |           | 10         | 102                         | 10,200 |
|                                                                           | Drinkard    |         |                                        |          |          |              |            |     |                    |                   | 12             |             | 15        |           | 11         | 176                         | 16,000 |
| J. C. Estlack                                                             | 3           | O       | 31                                     | 22S      | 38E      | 10-15        | F          | 2"  | 180                |                   | Gas            | 24          | -0-       |           | -0-        | 120                         | -      |
|                                                                           | 1           | T       | 3                                      | 21S      | 37E      | 10-27        | G          | 2"  | 150                |                   | 2              | 24          | -0-       | 35.5      | 1          | 67                          | 67,000 |
| C. H. Lockhart Federal NCT-1<br>Downhole Commingling<br>Permit No. DHC-51 | 2           | D       | 18                                     | 22S      | 38E      | 4-20         | P          |     |                    |                   | 6              | 24          | 2         | 37.7      | 5          | 63                          | 12,600 |
|                                                                           | Tubb        |         |                                        |          |          |              |            |     |                    |                   | 2              |             | 1         |           | 1          |                             |        |
|                                                                           | Blinbry     |         |                                        |          |          |              |            |     |                    |                   | 4              |             | 1         |           | 4          |                             |        |
|                                                                           | 3           | O       | 18                                     | 22S      | 38E      | 4-21         | P          |     |                    |                   | 9              | 24          | 3         | 37.7      | 8          | 89                          | 11,125 |
| Downhole Commingling<br>Permit No. R-4659                                 | Tubb        |         |                                        |          |          |              |            |     |                    |                   | 3              |             | 1         |           | 2          |                             |        |
|                                                                           | Blinbry     |         |                                        |          |          |              |            |     |                    |                   | 3              |             | 1         |           | 3          |                             |        |
|                                                                           | Paddock     |         |                                        |          |          |              |            |     |                    |                   | 3              |             | 1         |           | 3          |                             |        |

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 allowable 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.

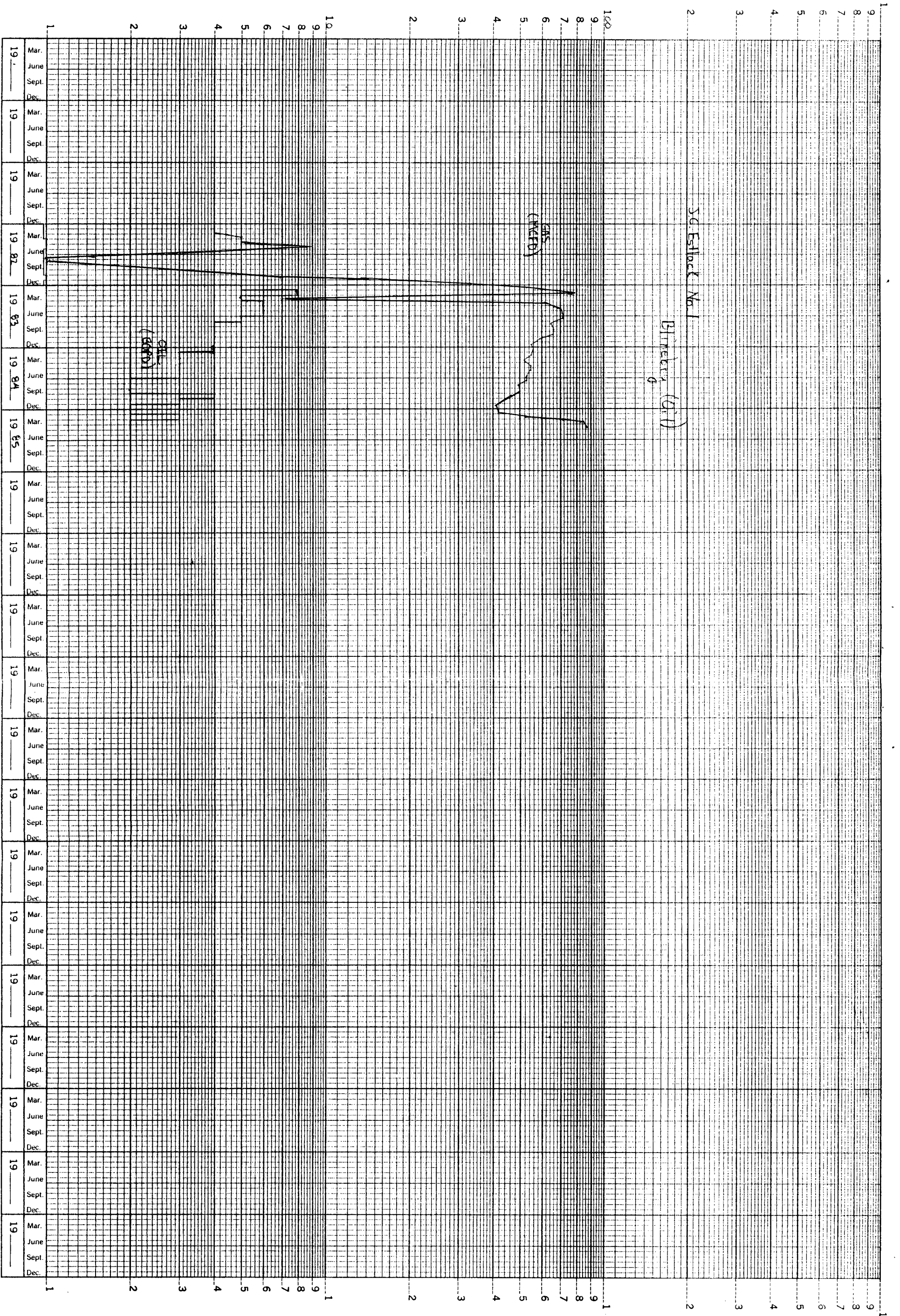
Report casing pressure in line of tubing pressure for any well producing through casing.

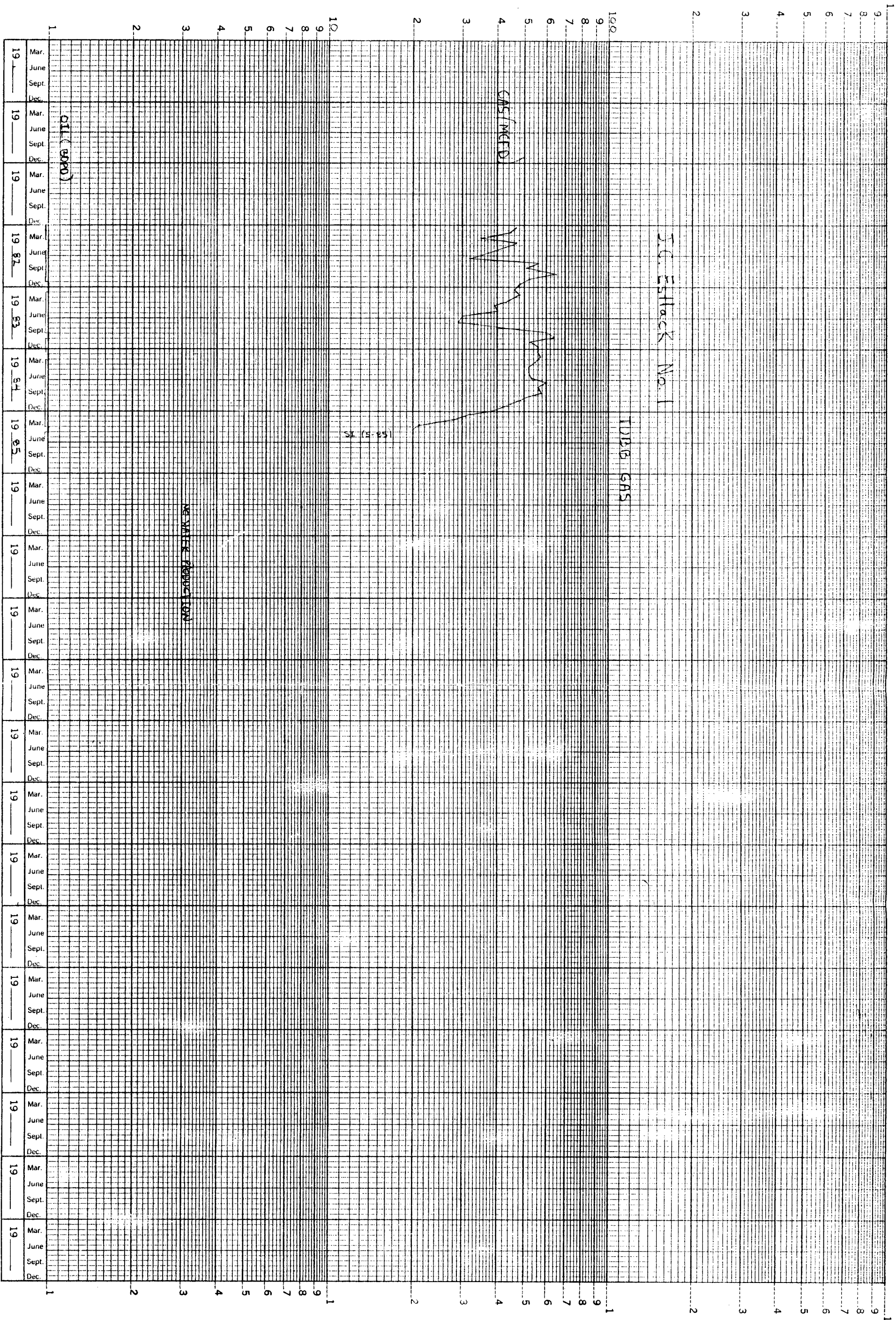
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 201 and appropriate pool rules.

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

W. B. Loh  
(Signature)District Operations Manager  
(Title)

NOV 9 1984





OFFSET OPERATORS

J. C. ESTLACK WELL NO. 1

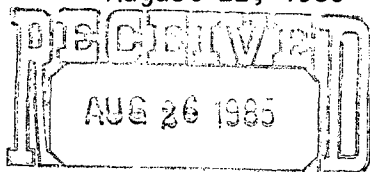
Shell Western Exploration & Production, Inc.  
Post Office Box 2463  
Houston, Texas 77001

Amoco Production Company  
Post Office Box 68  
Hobbs, New Mexico 88240



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

August 22, 1985



OIL CONSERVATION DIVISION  
SANTA FE

TONEY ANAYA  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88240  
(505) 393-6161

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

RE: Proposed:

MC  
DHC           X            
NSL                             
NSP                             
SWD                             
WFX                             
PMX                           

Gentlemen:

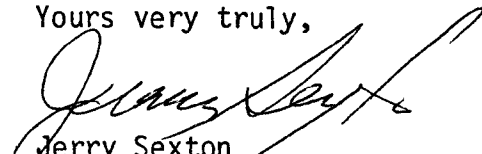
I have examined the application for the:

|             |                  |         |         |
|-------------|------------------|---------|---------|
| Texaco Inc. | J. C. Estlack    | No. 1-T | 3-21-37 |
| Operator    | Lease & Well No. | Unit    | S-T-R   |

and my recommendations are as follows:

O.K.-----J.S.

Yours very truly,

  
Jerry Sexton  
Supervisor, District 1

/mc