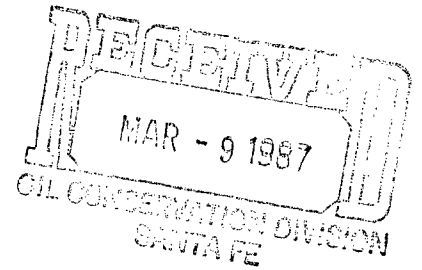




Texaco USA

P O Box 728
Hobbs NM 88240
505 393 7191

February 27, 1987



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

Attention: Mr. Bill Lemay
Secretary-Director

RE: Downhole Commingling
State "Q" Well No. 1
Unit N, Section 36, T-21-S, R-37-E
Blinebry Oil & Gas, Tubb Oil & Gas Fields
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 State "Q" Well No. 1 in accordance with New Mexico Oil Conservation Division Rule 303-C. The Blinebry Oil and Gas and Tubb Oil and Gas Pools have previously been approved for downhole commingling.

Recently, communications developed between the Blinebry Oil and Gas and Tubb Oil and Gas Zones. As a result, the Tubb Oil and Gas Zone was shut-in, and the Blinebry Oil and Gas Zone was placed 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 Oil and Gas and Tubb Oil and Gas Reserves.

This well meets all prerequisites for downhole commingling, as described in New Mexico Oil Conservation Division Rule 303-C, 1(A-H). The ownership of these zones is common, including working interest, royalty and overriding royalty. These zones have been surface commingled on this lease and no incompatibility of the fluids has been found.

Mr. Bill Lemay

-2-

February 27, 1987

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

	<u>Oil</u>	<u>Gas</u>
Blinebry Oil and Gas	80%	20%
Tubb Oil and Gas	20%	80%

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

Yours very truly,



K. L. Johnson
Area Superintendent

GKB/GDD:JRB

Attachments

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

Offset Operators
(List Attached)

DATA SHEET FOR WELLBORE COMMINGLING

Operator: Texaco Inc.

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

Lease and Well No: State "Q" Well No. 1

Location: Unit N; 660 Feet from the South Line and
1980 Feet from West Line of Section 36;
Township 21-S, Range 37-E; Lea County.

WELL DATA

	<u>Upper Pool</u>	<u>Lower Pool</u>
Name of Pool	<u>Blinebry Oil & Gas</u>	<u>Tubb Oil & Gas</u>
Producing Method	<u>Pumping</u>	<u>Pumping (Proposed)</u>
BHP	<u>Est. 425 PSI</u>	<u>Est. 475 PSI</u>
Type Crude	<u>Sour</u>	<u>Sour</u>
Gravity	<u>39.4°</u>	<u>39.4°</u>
GOR Limit	<u>4000 Limit, 428 MCF</u>	<u>2000 Limit, 284 MCF</u>
Completion Interval	<u>5520' - 5879'</u>	<u>6015' - 6296'</u>
Current Test Date	<u>1/04/87</u>	<u>Shut-In (Est. gas prod. from 8/84)</u>
Oil	<u>4</u>	<u>1</u>
Water	<u>2</u>	<u>0</u>
GOR	<u>17750</u>	<u>200 MCF</u>
Selling Price of Crude-\$/BBL.	<u>\$14.58</u>	<u>\$14.58</u>
Gross Oil & Gas Revenue		
Daily Income - \$/Day	<u>\$129.50</u>	<u>\$214.50</u>

COMMINGLED DATA:

Gravity of Commingled Crude 39.4°

Selling Price of Commingled Crude - \$/BBL. \$14.58

Daily Income - \$/Day \$344/Day

Net (Gain) (~~Loss~~) From Wellbore Commingling - \$/Day \$214.50
based on current producing rates.

STATE "Q" WELL NO. 1
LEA COUNTY, NEW MEXICO
OFFSET OPERATORS

Amoco Production Company
P. O. Box 68
Hobbs, New Mexico 88240

Arco Oil & Gas Company
P. O. Box 1710
Hobbs, New Mexico 88240

Chevron U.S.A., Inc.
P. O. Box 670
Hobbs, New Mexico 88240

Cities Service Oil & Gas Company
P. O. Box 1919
Midland, Texas 79702

Conoco
P. O. Box 460
Hobbs, New Mexico 88240

Exxon U.S.A., Inc.
1700 West Broadway
Andrews, Texas 79714

Kirby Exploration Company of Texas
Avenue "L"
Eunice, New Mexico 88231

Marathon
P. O. Box 2409
Hobbs, New Mexico 88240

Sun Exploration & Production
P. O. Box 1861
Midland, Texas 79702

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

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 3D1 and appropriate pool rules.

Case

NEW MEXICO REGION

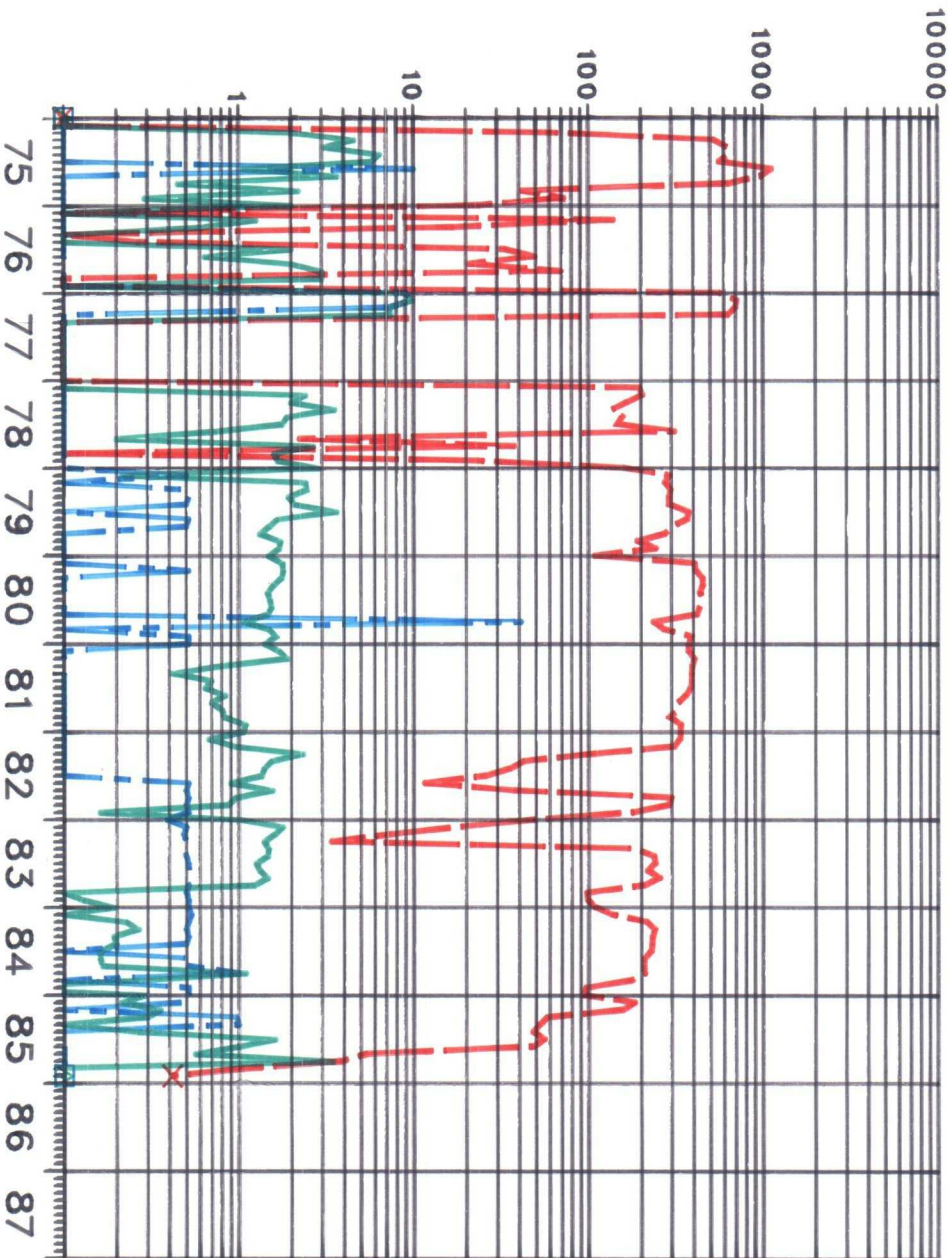
PRODUCTION VS TIME

87-02-13

STATE: NEW MEXICO
REG. DIST: -DIST NOT OBTAINED-
COUNTY: LEA
FLD: TUBB OIL AND GAS
ZONE: TUBB

PROP: STATE Q
PROP NO: 780320 WNUM: 001
LOCATION: 21S 37E 36 N
OPER: TEXACO PRODUCING CO.

PRODUCTION PER DAY



UPPER PERF:N/A
LOWER PERF:N/A

CUM. TOTALS
THRU 12/31/85
CRUDE: 23879
GAS : 2385702
WATER: 3015

△ CRUDE (BBLS)
× GAS (MCF)
□ WATER (BBLS)

NEW MEXICO REGION

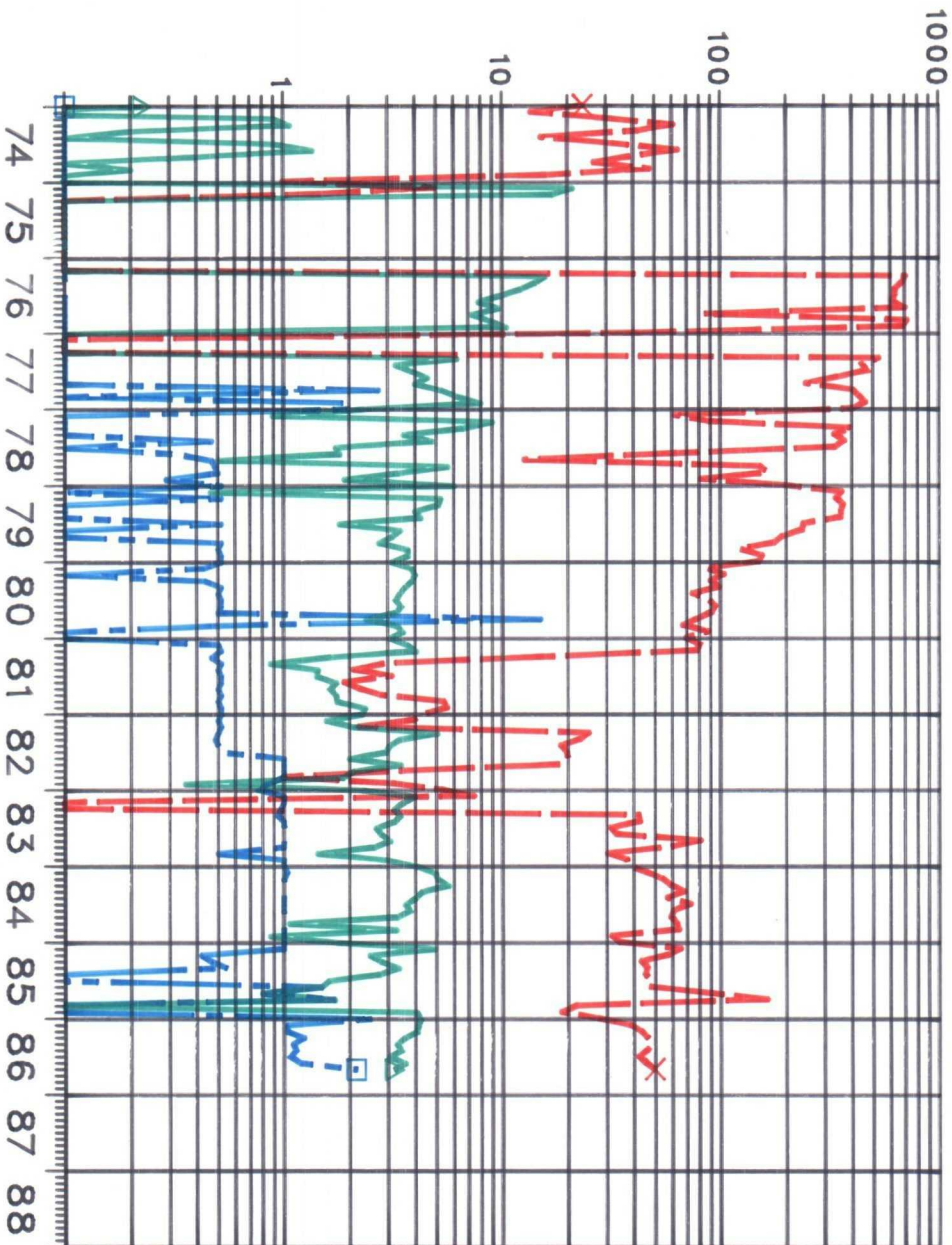
PRODUCTION VS TIME

87-02-13

STATE: NEW MEXICO
REG. DIST: -DIST NOT OBTAINED-
COUNTY: LEA
FLD: BLINEBRY OIL AND GAS
ZONE: BLINEBRY

PROP: STATE Q
PROP NO: 780320 WNUM: 001
LOCATION: 21S 37E 36 N
OPER: TEXACO PRODUCING CO.

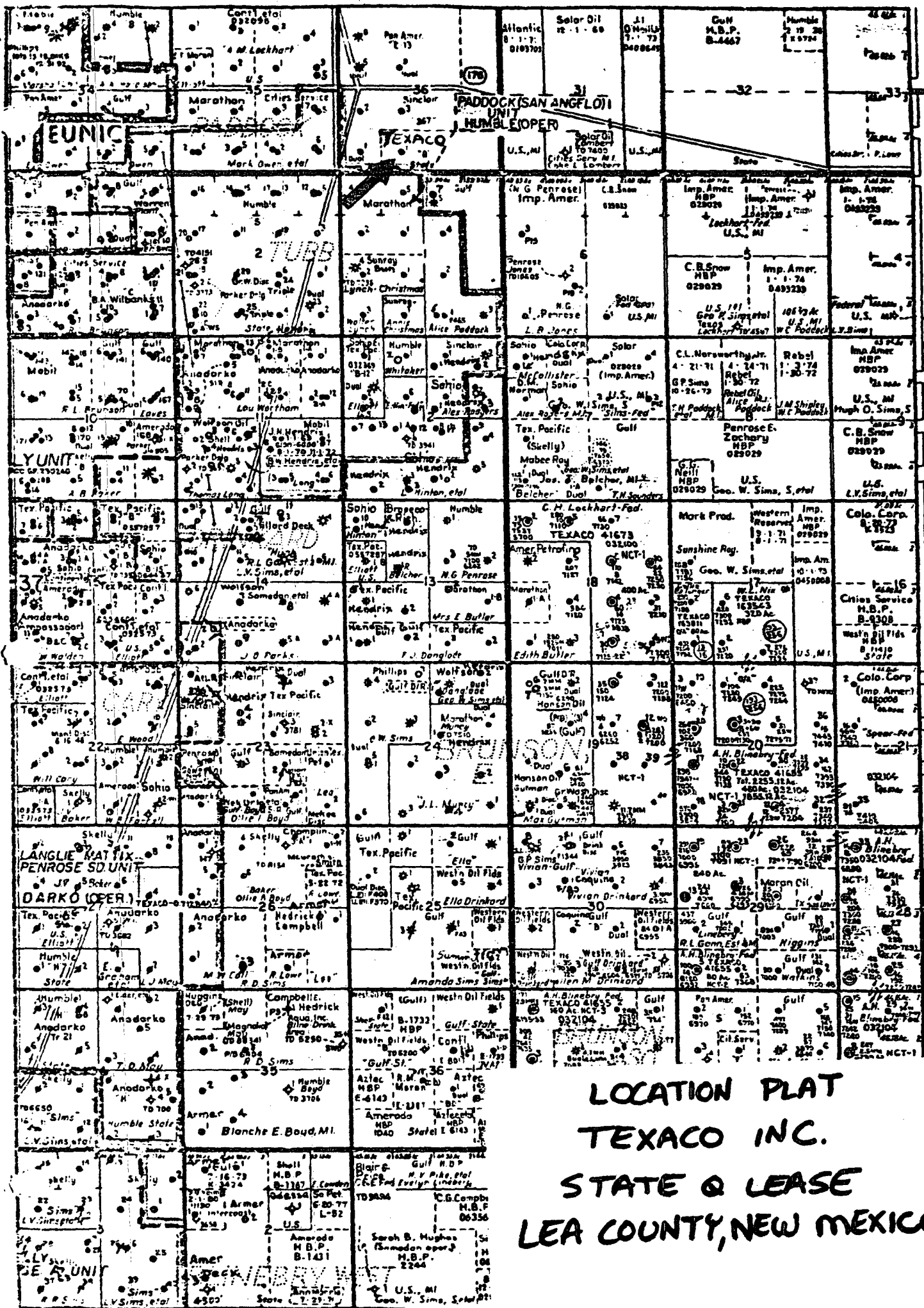
PRODUCTION PER DAY



UPPER PERF:N/A
LOWER PERF:N/A

CUM. TOTALS
THRU 9/30/86
CRUDE: 31154
GAS : 1386553
WATER: 2713

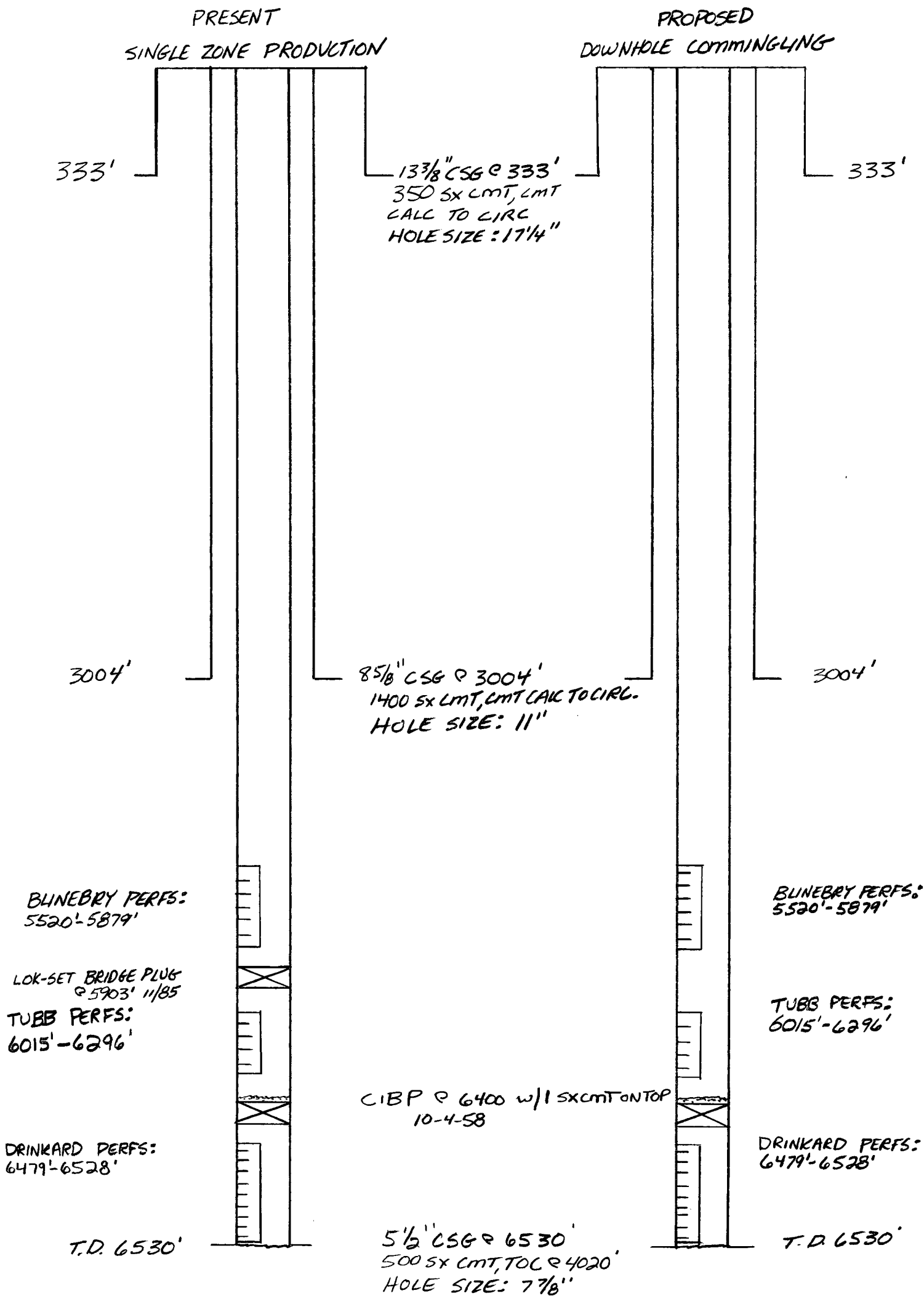
△ CRUDE (BBLS)
× GAS (MCF)
□ WATER (BBLS)



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STATE Q WELL NO. 1
 UNIT N, SECTION 36, T-21S, R-37E
 BLINEBRY OIL AND GAS, TUBB OIL AND GAS FIELDS
 LEA COUNTY, NEW MEXICO
 3387' G.L.
 3397' K.B. ALL MEASUREMENTS



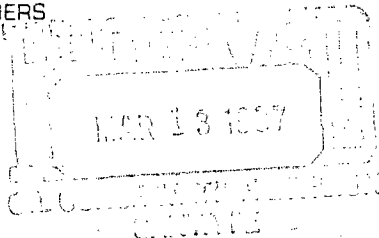


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

March 9, 1987

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



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

RE: Proposed:

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

Gentlemen:

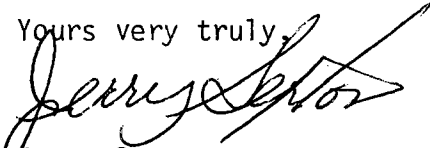
I have examined the application for the:

Texaco Producing, Inc. State Q #1-N 36-21-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK -- Jerry Sexton

Yours very truly,


Jerry Sexton
Supervisor, District 1

/ed