



Texaco USA

PO Box 730
Hobbs NM 88240
505 393 7191

OIL CONSERVATION DIVISION
RECEIVED

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June 26, 1991

New Mexico Oil Conservation Division
Attention: Mr. William J. LeMay
P.O. Box 2044
Santa Fe, New Mexico 87504

Re: Exception to Rule 303(A)
Baker B Well No. 7
Tubb Oil & Gas and Drinkard Pools
Lea County, New Mexico

Gentlemen:

Texaco Producing Inc. respectfully requests administrative approval to downhole commingle production from the Tubb Oil & Gas and Drinkard pools within the wellbore of its Baker B Well No. 7 located 1980 feet from the South line and 1980 feet from the East line (Unit letter J) of Section 10, T-22-S, R-37-E, Lea County, New Mexico. The well is currently dually completed in the Tubb Gas Pool (240 acre proration unit) and the Drinkard Oil Pool.

Recently, a pressure bomb revealed that the Drinkard string was loading up with fluids. Production from the Drinkard has dropped to nearly zero. It is therefore proposed to downhole commingle both the Tubb and Drinkard pools and place on artificial lift. This will provide a more efficient means of producing the hydrocarbons and extend the productive life of both zones, thereby preventing waste.

The subject well meets all the requirements as set forth by Rule 303(C). The ownership of both zones are common (including working and royalty interest). The Tubb and Drinkard pools have been successfully commingled in the area with no incompatibility of reservoir fluids.

The following information is submitted as support for this application:

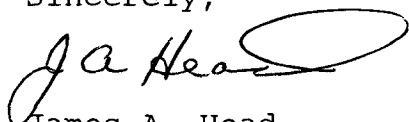
1. Location plat
2. Well data sheets
3. Computation of value for commingled production
4. Current and proposed wellbore diagrams
5. Production curves for Tubb and Drinkard zones
6. Offset operator list

It is also requested that the allocation of production for each zone be deferred until the two zones are commingled and placed on artificial lift. The subject well recently failed its packer leakage test which makes it impossible to accurately allocate production to each zone. It is proposed to isolate the Tubb interval in order to determine its production rate, then commingle both zones and allocate production to the Drinkard by taking the difference between the commingled stabilized rate and Tubb production rate.

All offset operators have been notified of Texaco Producing Inc.'s application for downhole commingling by a copy of this request.

Texaco Producing Inc. believes that the downhole commingling and use of artificial lift in its Baker B Well No. 7 will prolong the productive life of both the Tubb and Drinkard zones and therefore prevent waste. Any further inquiries regarding this request should be directed to Todd W. Moehlenbrock at (505) 397-0427.

Sincerely,

A handwritten signature in dark ink, appearing to read "J A Head", with a large, stylized loop at the end.

James A. Head
Hobbs Area Manager

TWM

attachments

cc: NMOC D - Hobbs
Offset Operators (see list)

[illegible]

DATA SHEET FOR DOWNHOLE COMMINGLING

Operator: Texaco Producing Inc.

Address: P.O. Box 730, Hobbs NM, 88240

Lease and Well No.: Baker B Well No. 7

Location: Unit Letter J; 1980' FSL, 1980' FEL of Section 10
Township 22 South, Range 37 East, Lea Co. NM

WELL DATA

	<u>Upper Pool</u>	<u>Lower Pool</u>
Name of Pool	Tubb Oil & Gas (Gas)	Drinkard
BHP	457 psia (calc. from static WHSIP)	314 psia (Pressure bomb)
Completion Interval	5942'-6062'	6342'-6424'
Current Test Date	May 1991	May 1991
Current Producing Method	Flow	Flow
Oil	-0-	-0-
Gas	113 MCFPD	6 MCFPD
Water	-0-	-0-
GOR	-	-
GOR Limit	-	-

Fluid Characteristics: Gas from each interval averages .70 specific gravity. There are no measurable volumes of fluids. The Tubb and Drinkard zones have been successfully commingled in the area.

Comments: This well failed its packer leakage test, therefore the current production test may not be accurate. It appears that the Drinkard zone is loading up and not producing. It is proposed to downhole commingle both zones and place on pump.

BAKER B WELL NO. 7
 COMPUTATION OF VALUE OF HYDROCARBONS
BEFORE AND AFTER DOWNHOLE COMMINGLING

	<u>UPPER POOL</u>	<u>LOWER POOL</u>	<u>COMMINGLED</u>
Formation	Tubb	Drinkard	
Current Daily Prod.	115 MCFPD	(not prod)	115 + X
Selling Price	\$1.10/MCF	\$1.10/MCF	\$1.10/MCF
Daily Income	\$126.50	\$1.10 * X	\$1.10*(115 +X)
Total Daily Income (Pools Separated) = \$1.10*(115 + X)			
Net difference from downhole commingling = -0-			

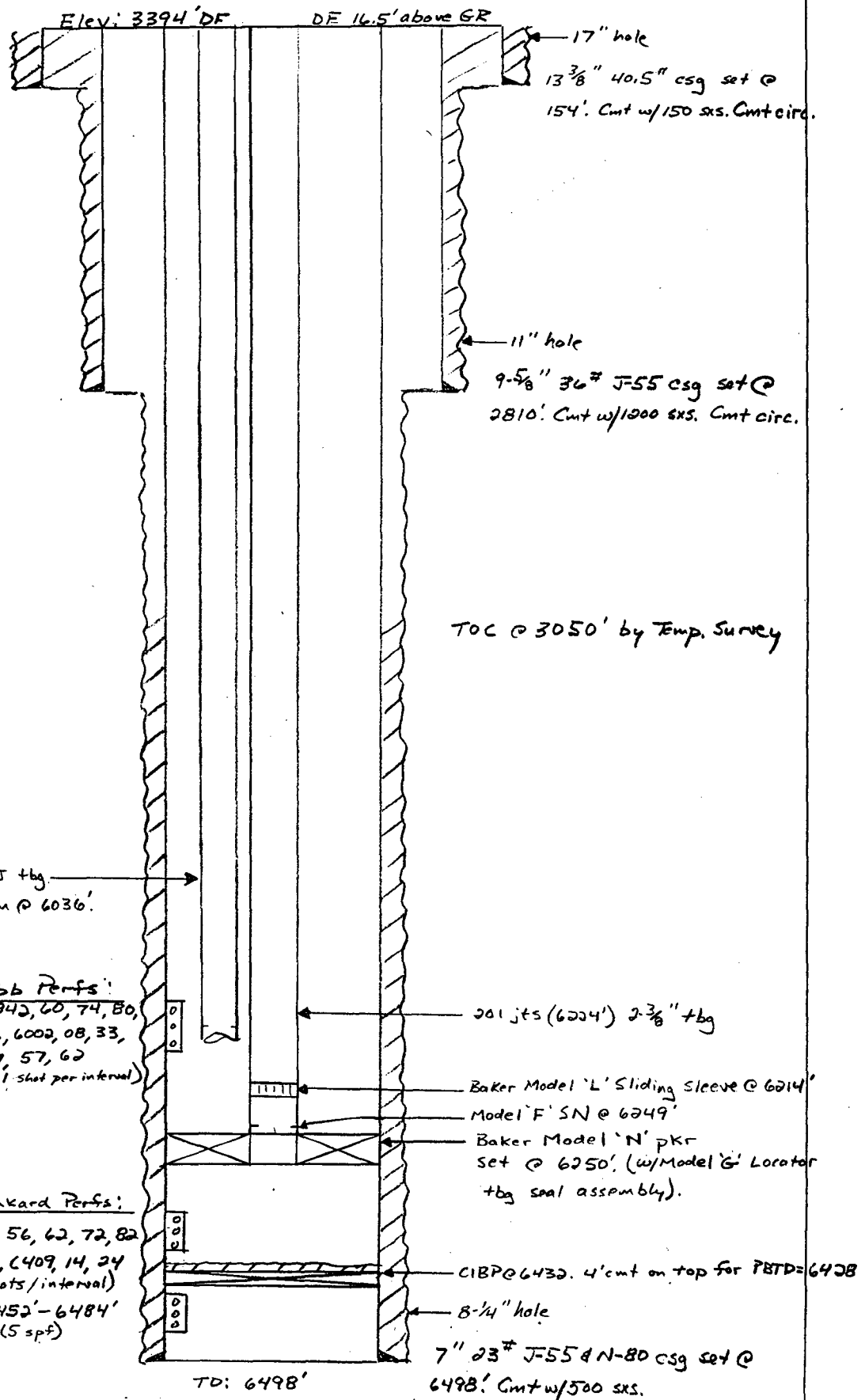
Note: Production has ceased from the Drinkard string do to loading. It is proposed to downhole commingle and place on artificial lift. Production is expected from the Drinkard after placing on pump but the volume will not be predicted at this time.

Baker B Well No. 7

Unit Ltr J, Sec 10, T-20S, R-37E

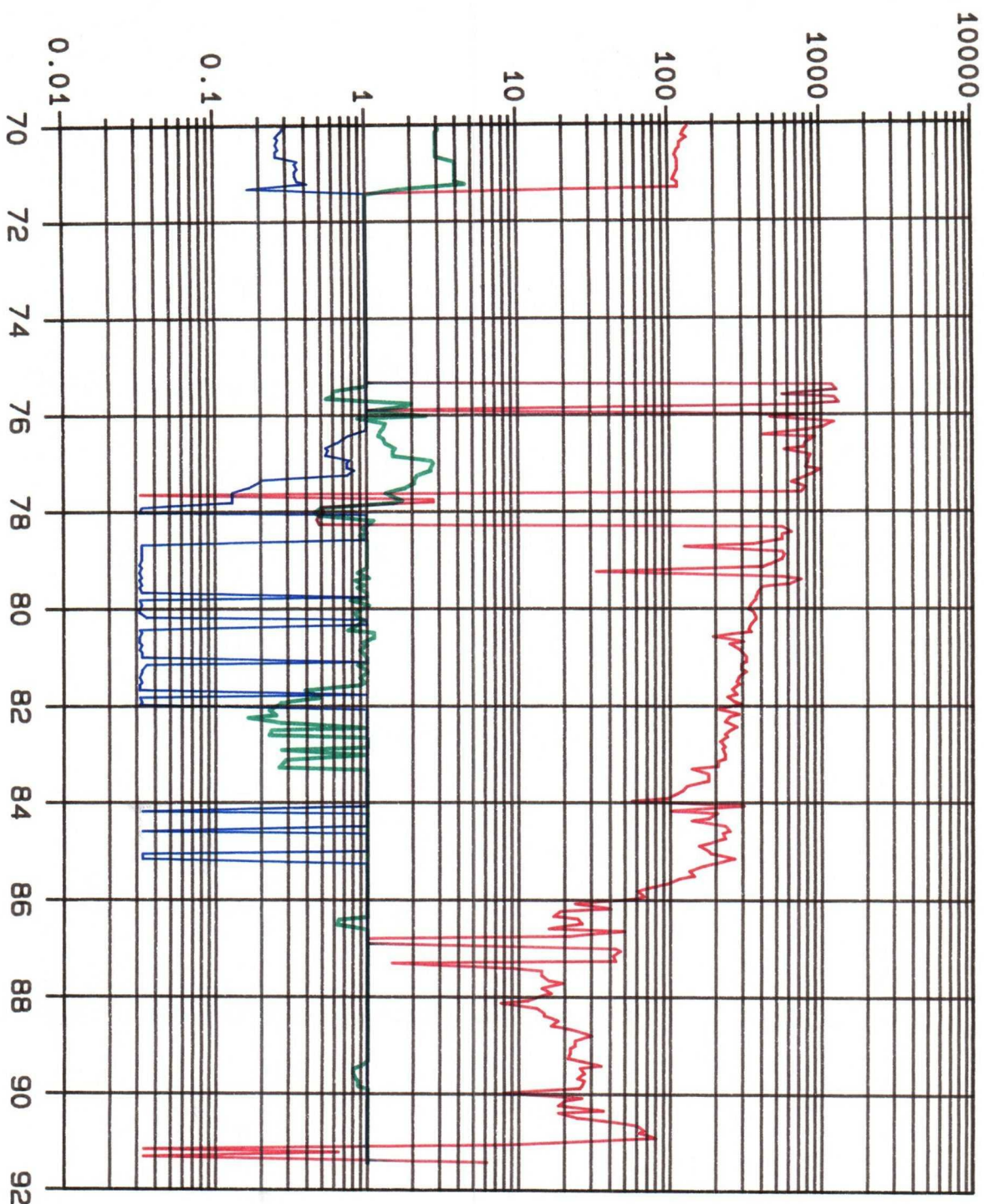
Lea County, New Mexico

Current



Unit Ltr J, Sec 10, T-22S, R-37E
Lea County, New Mexico

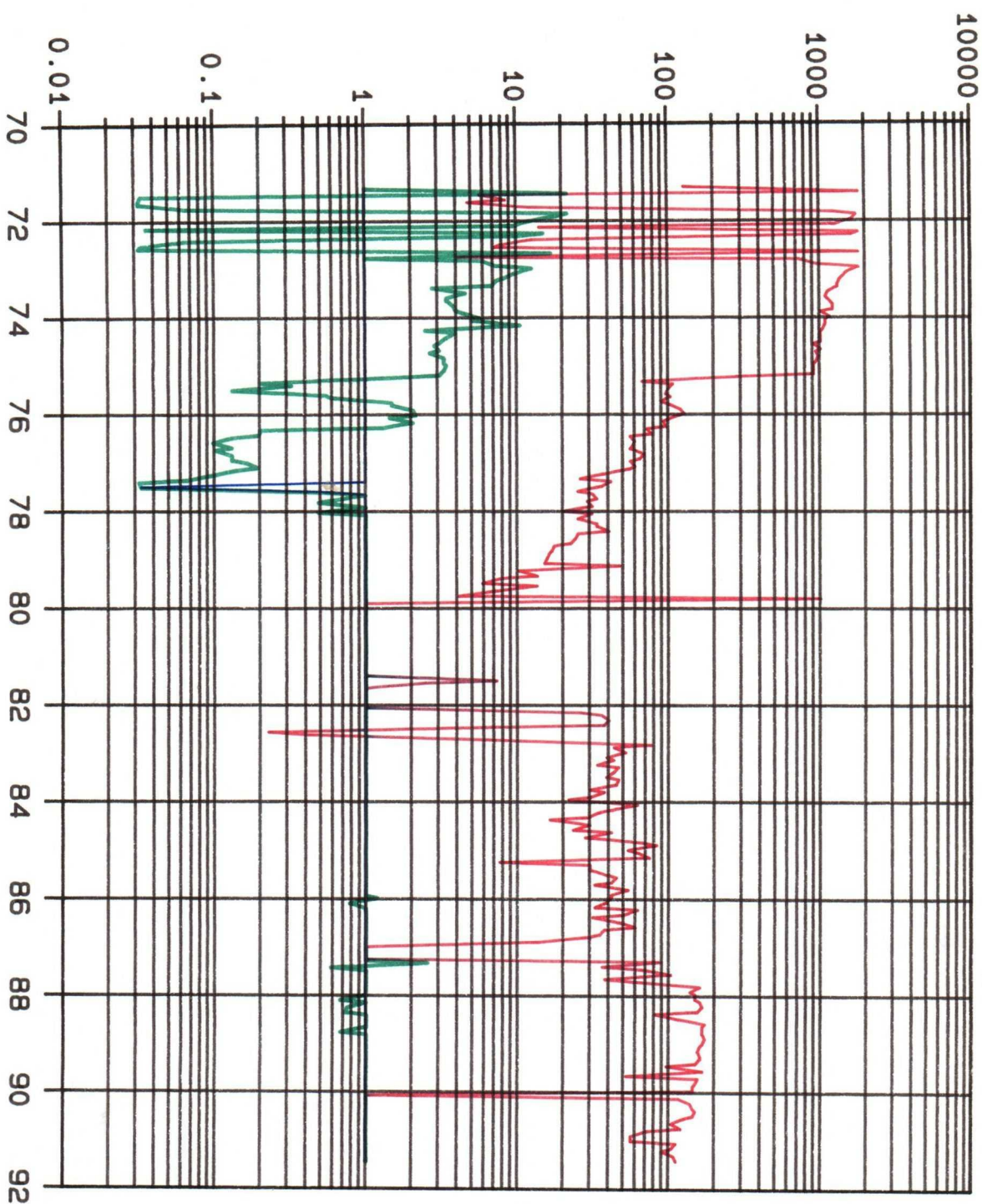
Baker B Well No. 7 - Drinkard



LEASE DATA
 LSE 28970
 FLD 17300
 OPER 833331
 ZONE DR
 22S-37E-10
 COUNTY 025
 STATE 30
 STATUS 5-91
 CO 177 MBO
 CG 2117 MMCF
 BOPD 0
 BWPD 0
 MCFPD 6
 WELLS 0

YEARS

Baker B Well No. 7 - Tubb Oil & Gas



LEASE DATA
 LSE
 FLD
 OPER
 ZONE
 22-37-10
 COUNTY
 STATE
 STATUS 5-91
 CO 9 MBO
 CG 1760 MMCF
 BOPD 0
 BWPD 0
 MCFPD 113
 WELLS 0

YEARS

OFFSET OPERATORS

AMERADA HESS CORPORATION
Box 840
Seminole, TX 79360

CHEVRON U.S.A. INC.
Box 1150
Midland, TX 79702

EXXON COMPANY U.S.A.
Box 1600
Midland, TX 79702-1600

J. H. HENDRIX CORPORATION
223 W. Wall, Ste. 525
Midland, TX 79701

MOBIL PRODUCING TEXAS AND NEW MEXICO, INC.
P.O. Box 633
Midland, TX 79702

ORYX ENERGY CO.
P.O. Box 1861
Midland, TX 79702-1861



CONSERVATION DIVISION
RECEIVED

STATE OF NEW MEXICO

'91 JUL 22 AM 10 49

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

7-19-91

BRUCE KING
GOVERNOR

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 X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Texaco Expl & Prod. Inc. Baker B # 7-8 10-22-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed