RELEASE 5-24-93

Texaco E & P
PO Box 730
Hobbs NM 88241-0730
505 393 7191

OIL CONSERVATION DIVISION
RECEIVED
'93 MAY -4 AM 9 21

April 27, 1993

New Mexico Oil Conservation Division
Attention: Mr. William J. LeMay
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: EXCEPTION TO RULE 303(A)
A. H. Blinebry Federal NCT-1 Well No. 1
Tubb Oil & Gas and Blinebry Oil & Gas Pools
Lea County, New Mexico

Gentlemen:

Texaco Exploration & Production Inc. respectfully requests administrative approval to downhole commingle production from the Tubb Oil & Gas and Blinebry Oil & Gas pools within the wellbore of its A.H. Blinebry Federal NCT-1 Well No. 1 located 660 feet from the South line and 1980 feet from the East line of Section 19, T-22-S, R-38-E, Lea County, New Mexico. The well is currently dually completed in the Tubb Gas pool (160 acre proration unit) and Blinebry gas pool (40 acre proration unit).

Recently, both the Tubb and Blinebry completions ceased to flow because they are loading up with fluids. It is proposed to downhole commingle both the Tubb and Blinebry 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 Blinebry 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. Production curves for the Tubb and Blinebry zones

5. 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. Since both zones have loaded up with fluids and

ceased to flow, it is currently impossible to accurately allocate production to each zone. It is proposed to isolate the Blinebry interval in order to determine its production rate, then commingle both zones and allocate production to the Tubb by taking the difference between the commingled stabilized rate and the Blinebry production rate.

All offset operators have been notified of this application for downhole commingling by a copy of this request.

Texaco Exploration and Production Inc. believes that the downhole commingling and use of artificial lift in its A.H. Blinebry Federal NCT-1 Well No.1 will prolong the productive life of both the Tubb and Blinebry zones and therefore prevent waste. Any further inquiries regarding this request should be directed to Todd W. Moehlenbrock at (505) 397-0427.

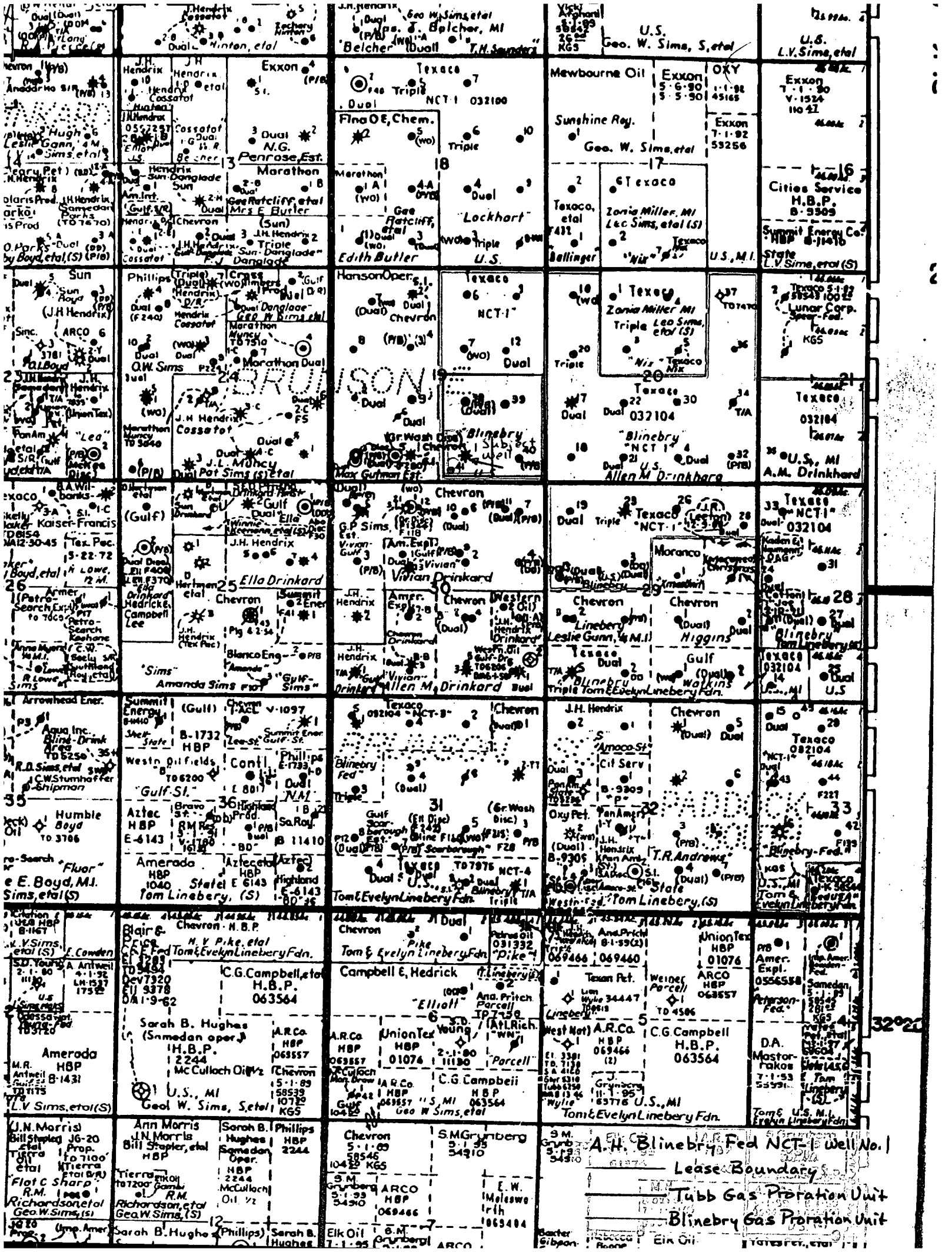
Sincerely,

Terry L. Frazier
Hobbs Area Manager

TWM/s

attachments

cc: NMOCD - Hobbs
Offset Operators (see list)


A.H. Blinebry Fed NCT-1 Well No. 1
Lease Boundary
Tubb Gas Proration Unit
Blinebry Gas Proration Unit

A. H. BLINEBRY FEDERAL NCT-1 WELL NO. 1
DATA SHEET FOR DOWNHOLE COMMINGLING

Operator: Texaco Exploration & Production Inc.

Address: P.O. Box 730, Hobbs NM, 88241-0730

Well: A. H. Blinebry Federal NCT-1 Well No. 1

Location: Unit Letter O; 660' FSL, 1980' FEL of Section 19
Township 22 South, Range 38 East, Lea County NM

WELL DATA

	UPPER POOL	LOWER POOL
Name of Pool	Blinebry Oil & Gas	Tubb Oil & Gas
BHP	107 psia (Both BHP calculated from ststic WHSIP)	153 psia
Completion Interval	5580'-5625'	6100'-6175'
Current Test Date	March 1993	March 1993
Current Producing Method	Flow	Flow
Oil	-0-	-0-
Gas	-0-	7 MCFPD
Water	-0-	-0-
GOR	-	-
GOR Limit	-	-

Fluid Characteristics: Gas from each interval averages 0.70 specific gravity. There are no measurable volumes of fluids. The Tubb and Blinebry zones have been successfully commingled in the area.

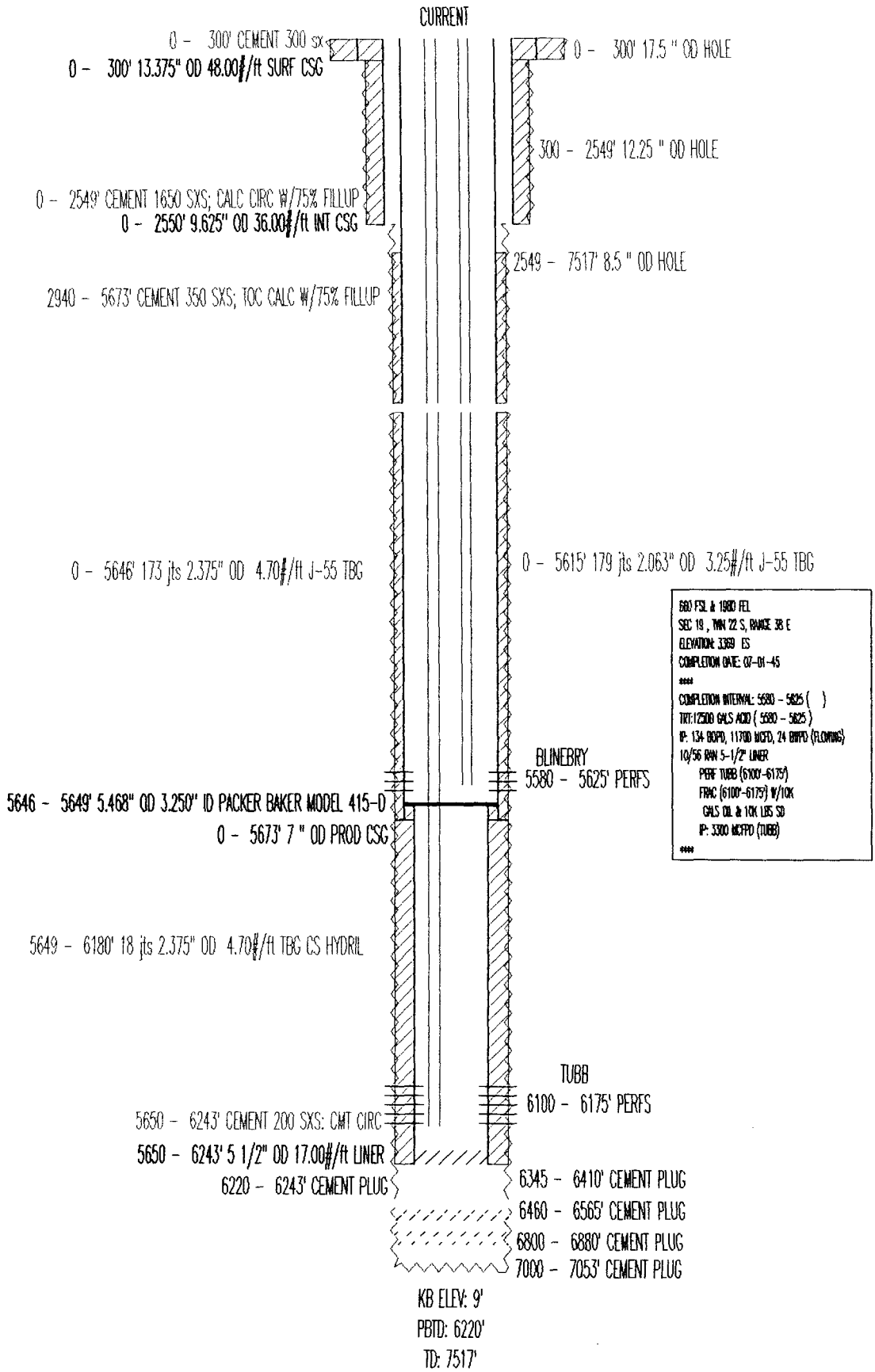
Comments: This well is loaded up with fluids. It is proposed to down hole commingle both zones and place on pump.

A. H. BLINEBRY FEDERAL NCT-1 WELL NO. 1
COMPUTATION OF VALUE OF HYDROCARBONS
BEFORE AND AFTER DOWNHOLE COMMINGLING (DHC)

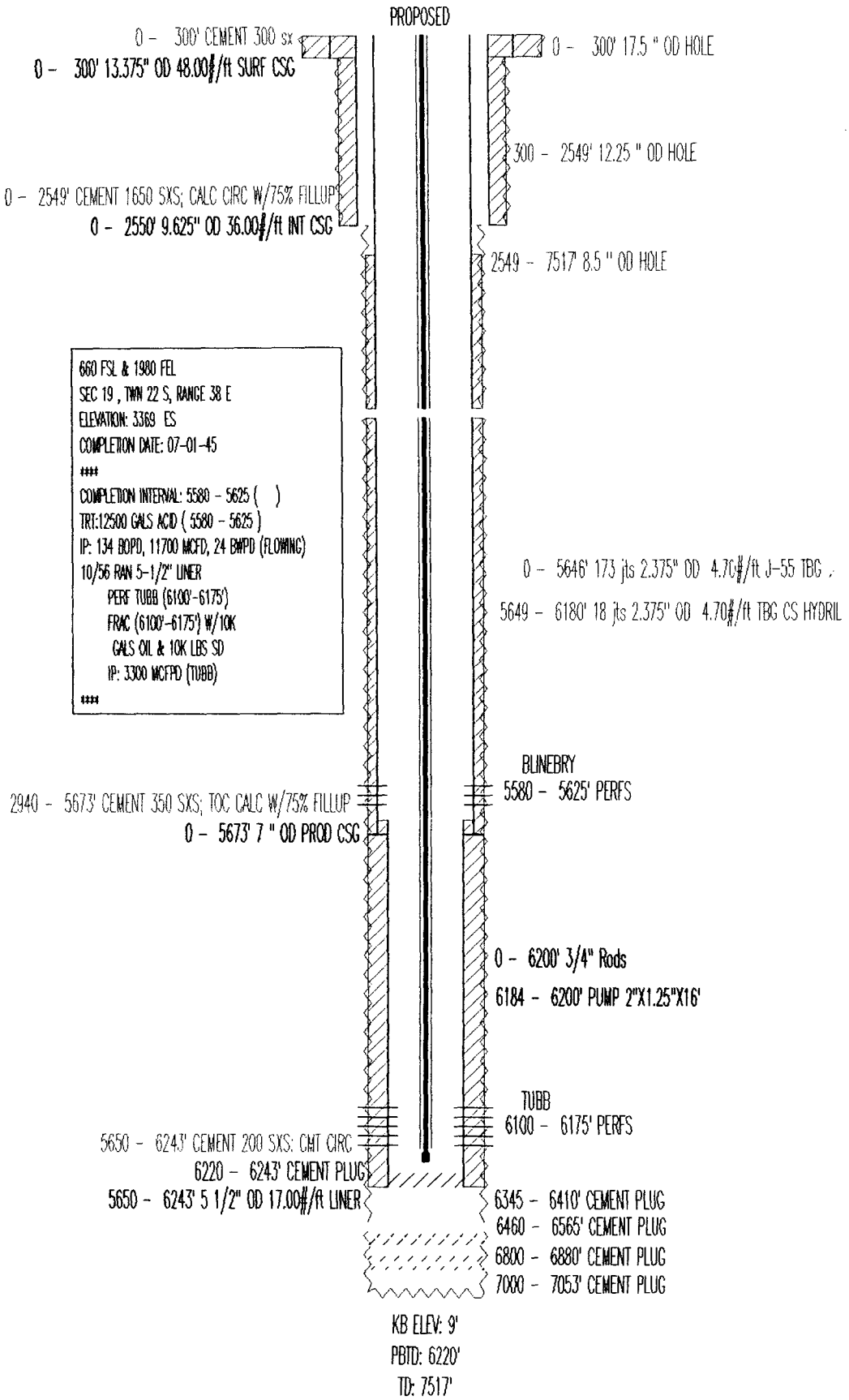
	UPPER POOL	LOWER POOL
Formation	Blinebry	Tubb
Current Daily Prod.	0 MCFPD	7 MCFPD
Estimated Production After DHC	50 MCFPD	100 MCFPD
Selling Price	$1.43/MCF	$1.43/MCF
Current Daily Income	-0-	$10.01
Estimated Daily Income After DHC	$71.50	$143.00
Net Difference From DHC =	+$71.50	+$132.99

Note: Both zones are loading up with fluids. It is proposed to downhole commingle and place on artificial lift. Production after commingling is expected to increase after placing on pump.

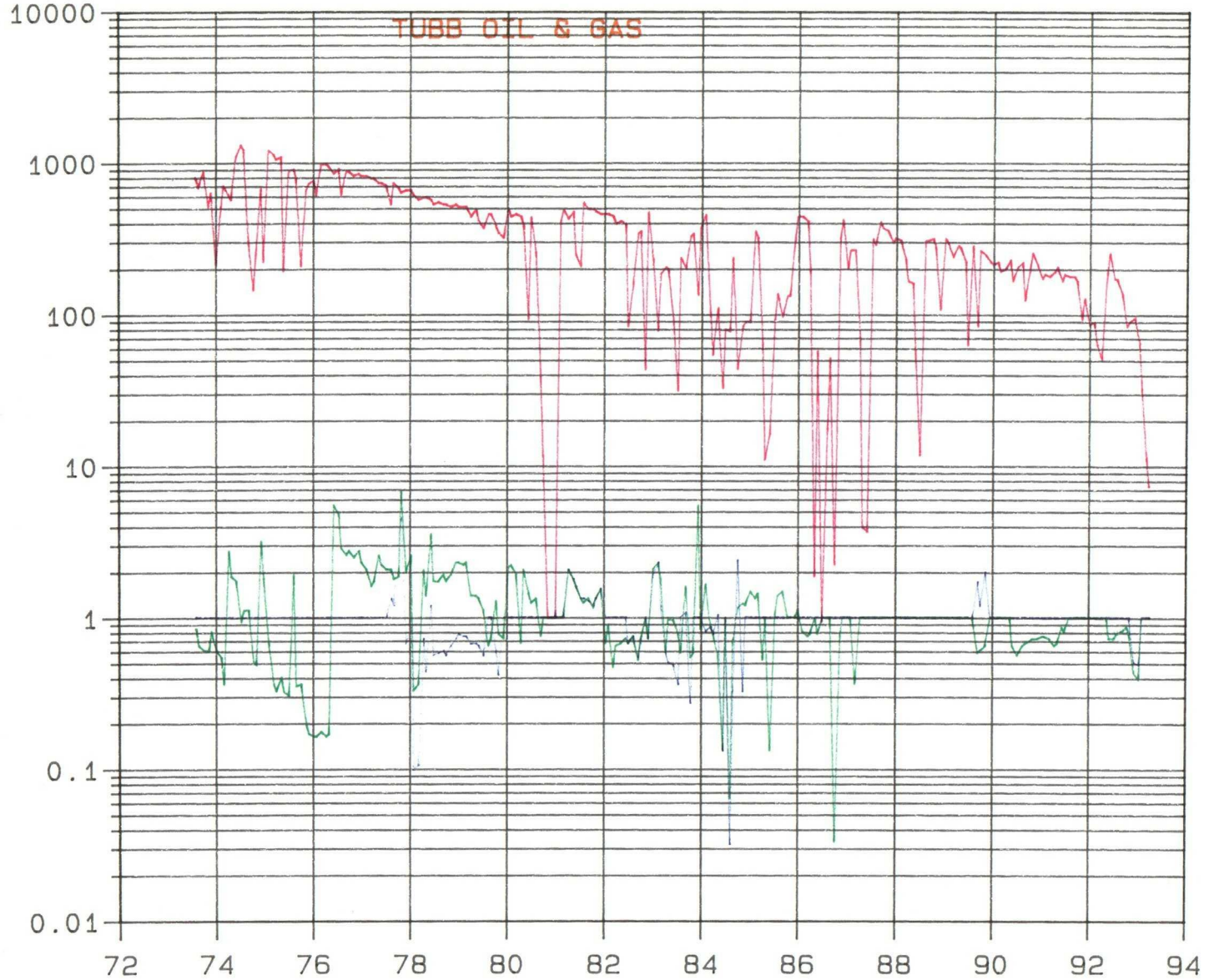
TEXACO INC
AH BLINEBRY NO. 1
API# 30025121360000



TEXACO INC
AH BLINEBRY NO. 1
API# 30025121360000



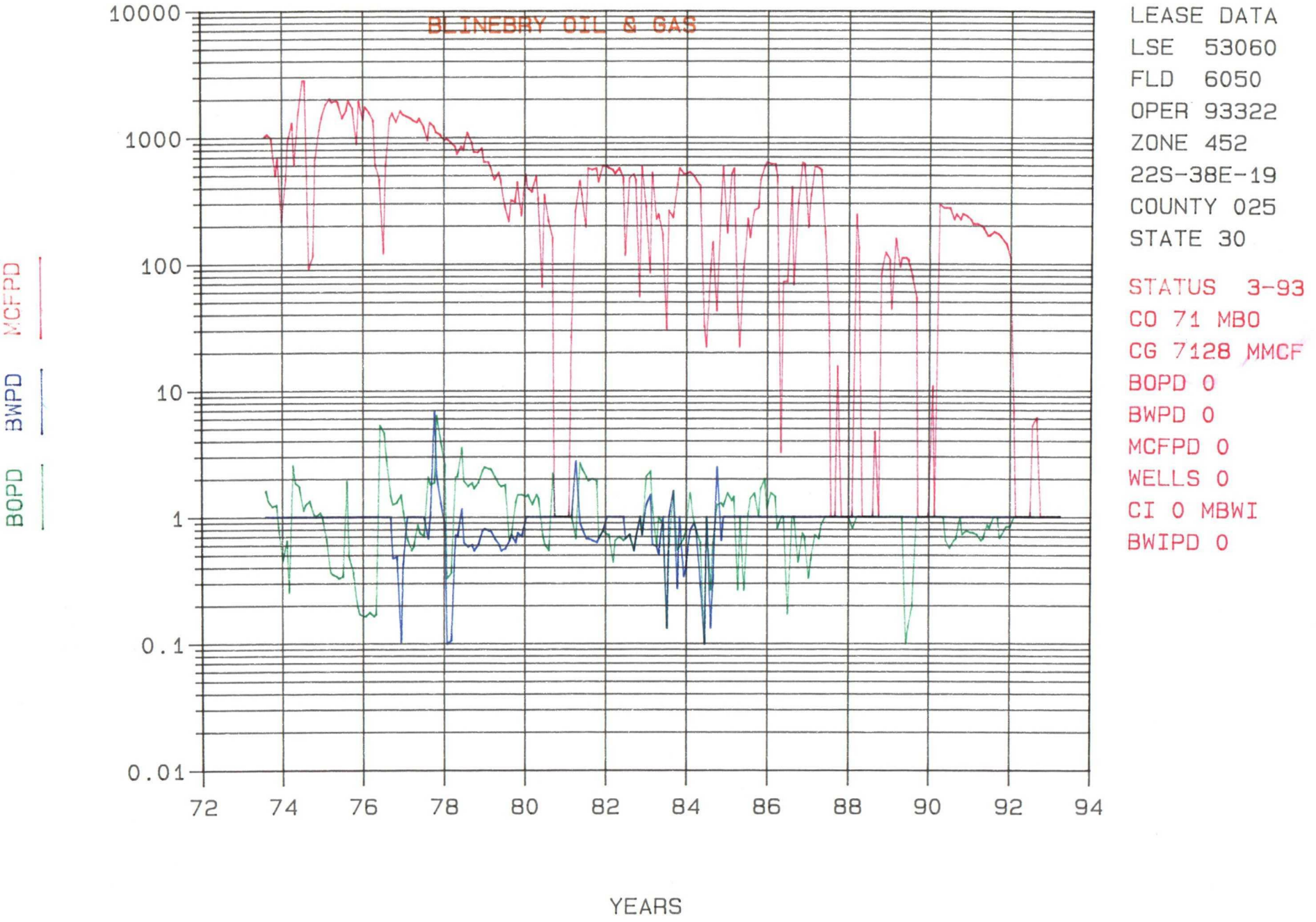
A H BLINEBRY FEDERAL NCT 1 - 001



LEASE DATA
LSE 53060
FLD 56900
OPER 93322
ZONE 452
22S-38E-19
COUNTY 025
STATE 30

STATUS 3-93
CO 29 MBO
CG 5061 MMCF
BOPD 0
BWPD 0
MCFPD 7
WELLS 1
CI 0 MBWI
BWIPD 0

A H BLINEBRY FEDERAL NCT 1 - 001



OFFSET OPERATORS

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

HANSON OPERATING CO., INC.
Box 1515
Roswell, NM 88202

Copy also sent to:
BUREAU OF LAND MANAGEMENT
P. O. Box 1778
Carlsbad, NM 88221-1778

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- 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.

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

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

BUREAU OF LAND MANAGEMENT
PO BOX 1778
CARLSBAD NM 88221 1778

P 369 424 273

4a. Article Number

4b. Service Type
☐ Registered ☐ Insured
☑ Certified ☐ COD
☐ Express Mail ☑ Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

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

6. Signature (Agent)

PS Form 3811, December 1991 ☆ U.S.G.P.O. 1992-307-530 DOMESTIC RETURN RECEIPT

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

CHEVRON USA INC
BOX 1150
MIDLAND TX 79702

P 369 424 274

4a. Article Number

4b. Service Type
☐ Registered ☐ Insured
☑ Certified ☐ COD
☐ Express Mail ☑ Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

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

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3. Article Addressed to:

HANSON OPERATING CO. INC
BOX 1515 PO
ROSWELL NM 88202

P 369 424 272

4a. Article Number

4b. Service Type
☐ Registered ☑ Insured
☑ Certified ☐ COD
☐ Express Mail ☑ Return Receipt for Merchandise

7. Date of Delivery

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

6. Signature (Agent)

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