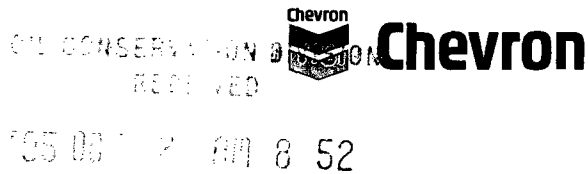


DHC 10-24-95
1167

Midland, Texas
September 27, 1995



Request for Exception to Rule 303-A
Downhole Commingling
Blinebry Oil and Gas Pool and
Drinkard Oil and Gas Pool
Mark Owen No. 3
1980' FSL and 960' FEL
Section 34, T21S, R37E
Lea County, New Mexico

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William J. LeMay - Director

Dear Mr. LeMay:

Chevron U.S.A. Inc. respectfully requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of the Blinebry and Drinkard zones in the Mark Owen No. 3 well.

Currently the well is a dual completion in the Blinebry and the Drinkard zones. The zones are isolated by a packer at 6265'. The proposed downhole commingling will allow the continued production of the Drinkard and Blinebry to a lower economic limit, thus increasing recovery.

Enclosed is the pertinent data supporting this application as outlined in Rule 303-A. A copy of this administrative application is being provided to our offset operators via Certified Mail. If you have any questions, or if you require further information, please contact Michelle LeVan at (915) 687-7307.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michelle LeVan".

M. L. LeVan
Petroleum Engineer
New Mexico Area

Attachments

cc: NMOCD - Hobbs, New Mexico
C.O. Blake/A.L. Alexander
M. L. LeVan
S.J. Gray

R.E. Green
J.A. Howard
Central Files - Lease and Well Files

Request for Exception to Rule 303-A

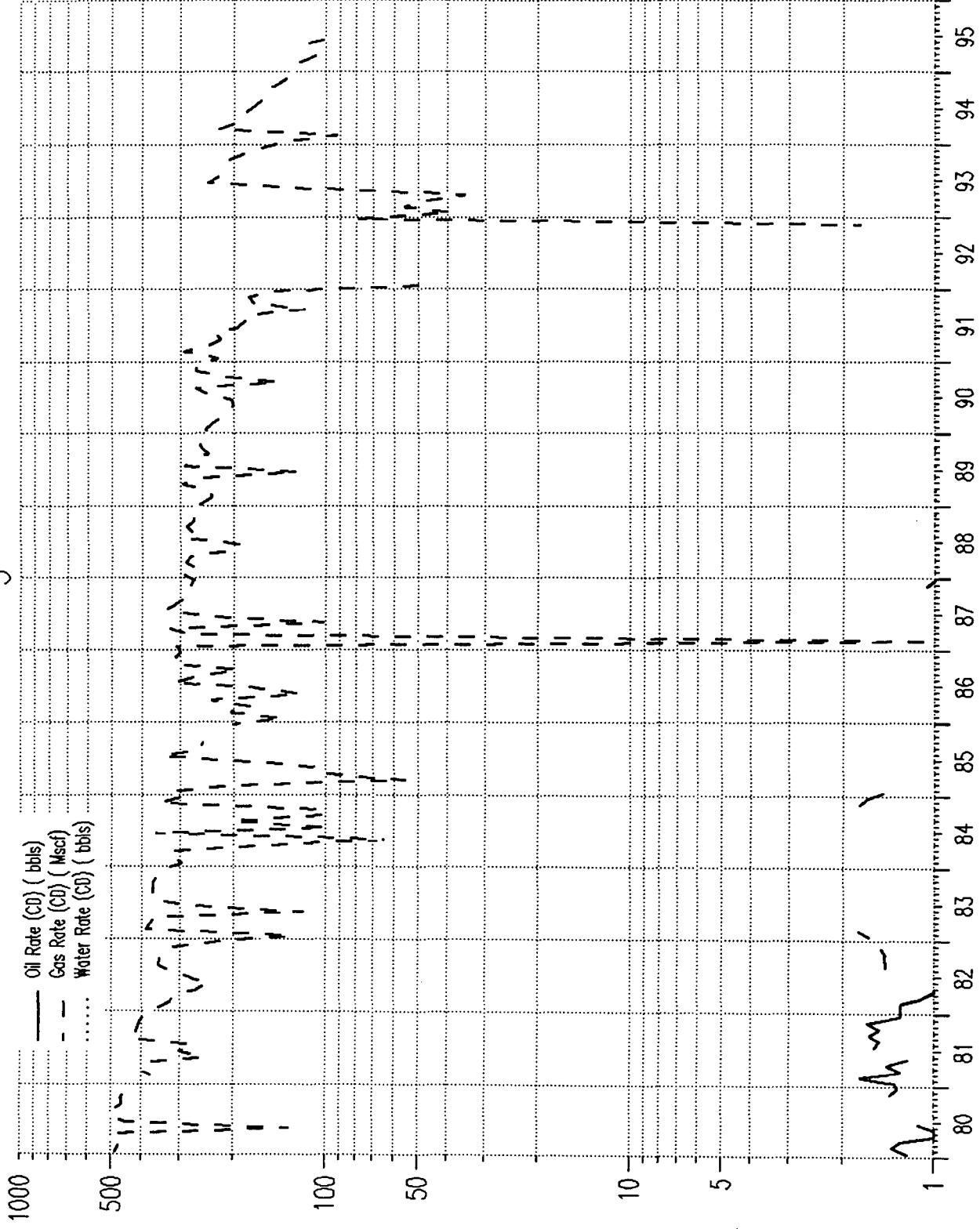
Mark Owen No. 3
Blinebry and Drinkard Fields

- (A) Operator: Chevron U.S.A. Inc.
15 Smith Rd.
Midland, TX 79705
- (B) Lease and well number Mark Owen No. 3
1980' FSL and 960' FEL
Section 34, T21S, R37E
Lea County, New Mexico
- Pools to be commingled Blinebry Oil and Gas
Drinkard Oil and Gas
- (C) A plat of the area is attached.
- (D) A current C-116 is attached.
- (E) Decline curves are attached.
- (F) Bottom-hole pressure Blinebry - 460 psi
Drinkard - 460 psi
- (G) The Blinebry and Drinkard fluids are currently being surface commingled and several wells in the area are currently downhole commingled. There has been no evidence of compatability problems.
- (H) The fluids are commingled at the surface already, downhole commingling will not affect the price.
- (I) Production allocation
- | Producing Interval | Production | % Oil | % Gas |
|--------------------|--------------------|-------|-------|
| Blinebry | 0 bopd/ 104 mcfgpd | 0 | 41 |
| Drinkard | 0 bopd/ 151 mcfgpd | 0 | 59 |
- (J) All offset operators have been notified by copy of this letter.
- (K) In addition, all working interest and royalty interest ownership in both zones is the same.

FIELD : BLINEBRY OIL & GAS

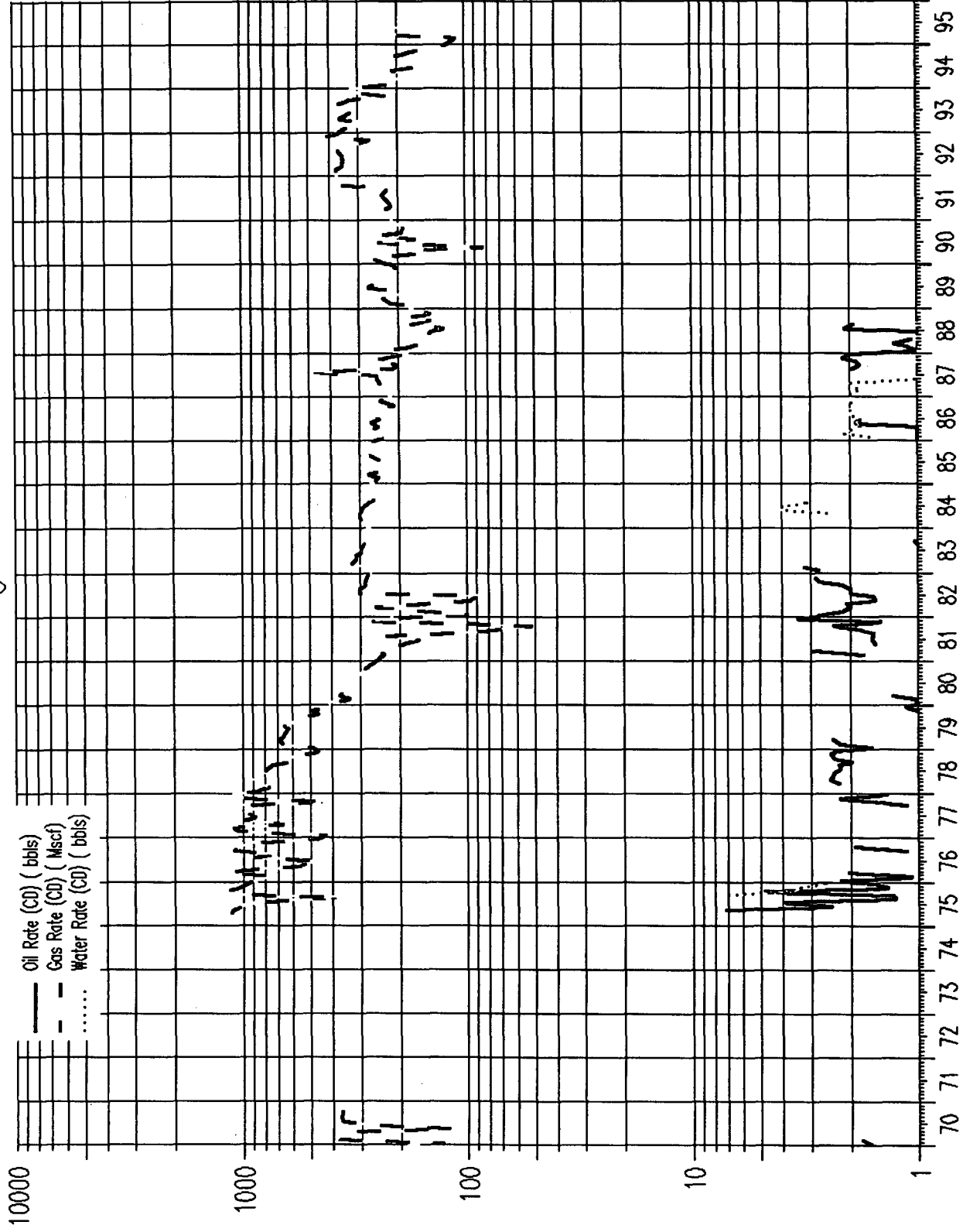
LEASE : OWEN MARK

3



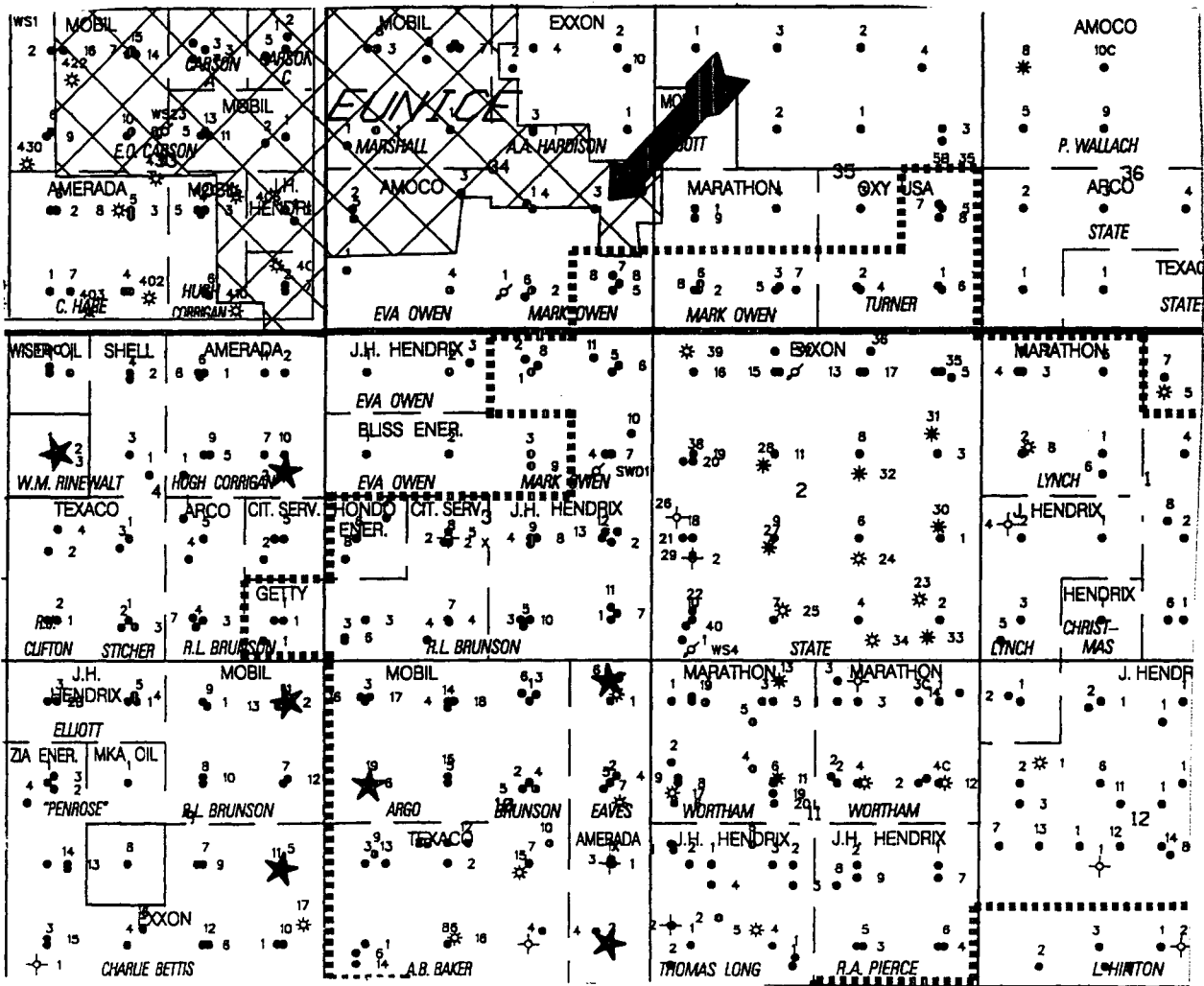
FIELD : DRINKARD
LEASE : OWEN MARK

3



CHEVRON U.S.A INC.

Request for Exception to Rule 303-A
Downhole Commingling
Blinebry Oil and Gas Pool and
Drinkard Oil and Gas Pool
Mark Owen No. 3
1980' FSL and 960' FEL
Section 34, T21S, R37E
Lea County, New Mexico



★ Denotes well currently downhole commingled in Blinebry and Drinkard

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Michelle L. LeVan</u> Signature <u>Michelle L. LeVan</u> Printed Name <u>Petroleum Engineer</u> Title <u>9/26/95</u> Date
				18 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 belief. Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____
		#4 #6	#3 960' 1980'	

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-07022		Pool Code 19190		Pool Name Drinkard	
Property Code 2701		Property Name Mark Owen			Well Number 3
OGRID No.		Operator Name Chevron			Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
—	34	215	37E	—	1980	South	960	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

¹² Ductile 1 Acres 160	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ 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

¹⁶				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Michelle L. LeVan</u> Printed Name: <u>Michelle L. LeVan</u> Title: <u>Petroleum Engineer</u> Date: <u>9/26/95</u>	
				¹⁸ 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 belief. Date of Survey: _____ Signature and Seal of Professional Surveyor: _____ Certificate Number: _____	



Chevron

Midland, Texas
September 27, 1995

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Request for Exception to Rule 303-A
Downhole Commingling
Blinebry Oil and Gas Pool and
Drinkard Oil and Gas Pool
Mark Owen No. 3
1980' FSL and 960' FEL
Section 34, T21S, R37E
Lea County, New Mexico

Amoco Production Company
200 Amoco Court
Farmington, NM 87401

Operator:

Attached is a copy of an administrative application for NMOCD approval to downhole commingle the above well. Enclosed is a copy of the application as outlined in Rule 303-A.

If you have any questions about the application, please contact Michelle LeVan at (915) 687-7307.

Sincerely,

M. L. LeVan
Petroleum Engineer
New Mexico Area

Attachments

cc: Central Files-Lease and Well Files



Chevron

Midland, Texas
September 27, 1995

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Request for Exception to Rule 303-A
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Blinebry Oil and Gas Pool and
Drinkard Oil and Gas Pool
Mark Owen No. 3
1980' FSL and 960' FEL
Section 34, T21S, R37E
Lea County, New Mexico

Oxy USA Inc.
Regulatory Affairs Department
P. O. Box 50250
Midland, Texas 79710-0250

Operator:

Attached is a copy of an administrative application for NMOCD approval to downhole commingle the above well. Enclosed is a copy of the application as outlined in Rule 303-A.

If you have any questions about the application, please contact Michelle LeVan at (915) 687-7307.

Sincerely,

M. L. LeVan
Petroleum Engineer
New Mexico Area

Attachments

cc: Central Files-Lease and Well Files



Chevron

Midland, Texas
September 27, 1995

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

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Lea County, New Mexico

John H. Hendrix Corporation
223 Wall St.
Midland, Texas 79701

Operator:

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Sincerely,

M. L. LeVan
Petroleum Engineer
New Mexico Area

Attachments

cc: Central Files-Lease and Well Files



Chevron

Midland, Texas
September 27, 1995

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

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Mark Owen No. 3
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Lea County, New Mexico

Exxon Company U.S.A.
Box 1600
Midland, Texas 79702

Operator:

Attached is a copy of an administrative application for NMOCD approval to downhole commingle the above well. Enclosed is a copy of the application as outlined in Rule 303-A.

If you have any questions about the application, please contact Michelle LeVan at (915) 687-7307.

Sincerely,

M. L. LeVan
Petroleum Engineer
New Mexico Area

Attachments

cc: Central Files-Lease and Well Files



Chevron

Midland, Texas
September 27, 1995

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Request for Exception to Rule 303-A
Downhole Commingling
Blinebry Oil and Gas Pool and
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Mark Owen No. 3
1980' FSL and 960' FEL
Section 34, T21S, R37E
Lea County, New Mexico

Mobil Producing
Box 633
Midland, Texas 79702

Operator:

Attached is a copy of an administrative application for NMOCD approval to downhole commingle the above well. Enclosed is a copy of the application as outlined in Rule 303-A.

If you have any questions about the application, please contact Michelle LeVan at (915) 687-7307.

Sincerely,

M. L. LeVan
Petroleum Engineer
New Mexico Area

Attachments

cc: Central Files-Lease and Well Files



Chevron

Midland, Texas
September 27, 1995

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Request for Exception to Rule 303-A
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Blinebry Oil and Gas Pool and
Drinkard Oil and Gas Pool
Mark Owen No. 3
1980' FSL and 960' FEL
Section 34, T21S, R37E
Lea County, New Mexico

Marathon Oil Company
Box 552
Midland, Texas 79702

Operator:

Attached is a copy of an administrative application for NMOCD approval to downhole commingle the above well. Enclosed is a copy of the application as outlined in Rule 303-A.

If you have any questions about the application, please contact Michelle LeVan at (915) 687-7307.

Sincerely,

A handwritten signature in cursive script that reads "Michelle L. LeVan".

M. L. LeVan
Petroleum Engineer
New Mexico Area

Attachments

cc: Central Files-Lease and Well Files

CHEVRON U.S.A. INC.

**Request for Exception to Rule 303-A
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Mark Owen No. 3
1980' FSL and 960' FEL
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Lea County, New Mexico**

Offset Operators

**Amoco Production Company
200 Amoco Court
Farmington, NM 87401**

**Oxy USA Inc.
Regulatory Affairs Department
P.O. Box 50250
Midland, TX 79710-0250**

**John H. Hendrix Corporation
223 Wall St.
Midland, TX 79701**

**Exxon Company U.S.A.
Box 1600
Midland, TX 79702**

**Mobil Producing
Box 633
Midland, TX 79702**

**Marathon Oil Company
Box 552
Midland, TX 79702**

DHC-1167



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GOVERNOR

10/3/95

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:

Chevron USA Inc Mark Owen #3-I 34-21-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed