

| | | | | |
|---------|--------|----|----|-----|
| 3/17/97 | 4/7/97 | BS | KV | DHC |
|---------|--------|----|----|-----|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

1502

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

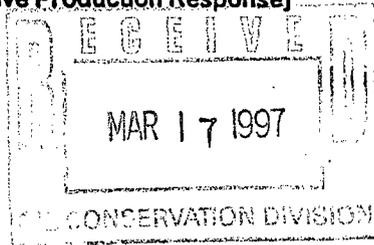
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

GREG Maes
Print or Type Name

Greg Maes
Signature

Engineer Assistant

3-10-97

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
611 South First St., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:
 Administrative Hearing

EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Texaco Exploration & Producing Inc. Address 205 East Bender Hobbs, New Mexico 88240

Lease M. B. Weir "B" Well No. 12 Unit Ltr. - Sec - Tws - Rge M-12-20S-37E County Lea

OGRID NO. 022351 Property Code 011133 API NO. 30-025-29734 Federal State (and/or) Fee _____

Spacing Unit Lease Types: (check 1 or more)

| The following facts are submitted in support of downhole commingling: | Lower Zone | Intermediate Zone | Upper Zone |
|--|-----------------------------------|-------------------|--|
| 1. Pool Name and Pool Code | Skaggs Drinkard 57000 | | Weir Blinebry, East 63800 |
| 2. Top And Bottom of Pay Section (Perforations) | 6606-6903 | | 5714-5810 |
| 3. Type of production (Oil or Gas) | oil | | oil |
| 4. Method of Production (Flowing or Artificial Lift) | plunger lift | | pumping |
| 5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current | (Current) a. 700 psi | a. | a. 900 psi |
| | (Original) b. | b. | b. |
| Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original | | | |
| 6. Oil Gravity (* API) or Gas BTU Content | 35 | | 39 |
| 7. Producing or Shut-In? Production Marginal? (yes or no) | shut-in yes | | Producing yes |
| * If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data | Date: March, 1996 Rates: 0/5/0 | | |
| * If Producing, give date and oil/gas/water rates of recent test (within 60 days) | Date: Rates: | | Date: January, 1997 Rates: 1/205/65 |
| 8. Fixed Percentage Allocation Formula -% for each zone | Oil: 17 % Gas: 31 % | Oil: % Gas: % | Oil: 83 % Gas: 69 % |

9. If allocation Formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No
11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the Formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with other? Yes No
13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Land or the United States Bureau of Land Management has been notified in writing of this application. Yes No
15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S). _____
16. ATTACHMENTS:
- * C-102 for each zone to be commingled showing its spacing unit and acreage deication.
 - * Production curve for each zone for at lease one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - * Notification list of all offset operators.
 - * Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - * Any additional statements, data or documents required to support commingling.

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

SIGNATURE Greg Maes TITLE Assistant Engineer DATE 3/7/97

TYPE OR PRINT NAME Greg Maes TELEPHONE NO. (505) 397-0431



Texaco E & P

205 E. Bender Blvd.
Hobbs NM 88240
505 393 7191

March 11, 1997

NMOCD
2040 South Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. Ben Stone

**Subject: Application to DHC M. B. Weir "B" #12, M-12-20-37, in the Skaggs Drinkard (57000)
and Weir Blinebry, East (63800) Pools.**

Dear Mr. Stone:

Texaco Exploration and Production, Inc. respectfully requests administrative approval to downhole commingle the M. B. Weir "B" #12 in the Skaggs Drinkard and Weir Blinebry, East Pools. There are no offset operators to the M. B. Weir "B" #12 so no statement of notification is included in this package. Currently, the Blinebry is being rod pumped, and the Drinkard is plugged back.

The cast iron bridge plug will be drilled out above the Skaggs Drinkard, and the two zones will be simultaneously rod pumped. This should provide the most economical means of producing this well.

This well will meet all of the requirements set forth by Rule 303(C). Due to the recency of the Blinebry completion, a full year of production data is not available. The allocation factor will be determined in the following manner:

$$\% \text{ DRINKARD} = \frac{\text{DRINKARD STABILIZED PRODUCTION}}{\text{DRINKARD} + \text{BLINEBRY STABILIZED PRODUCTION}}$$

$$\% \text{ BLINEBRY} = 100\% - \% \text{ DRINKARD.}$$

If you have any questions concerning this application, please contact Greg Maes at (505) 397-0431, or Britton M. McQuien at (505) 397-0427.

Sincerely,

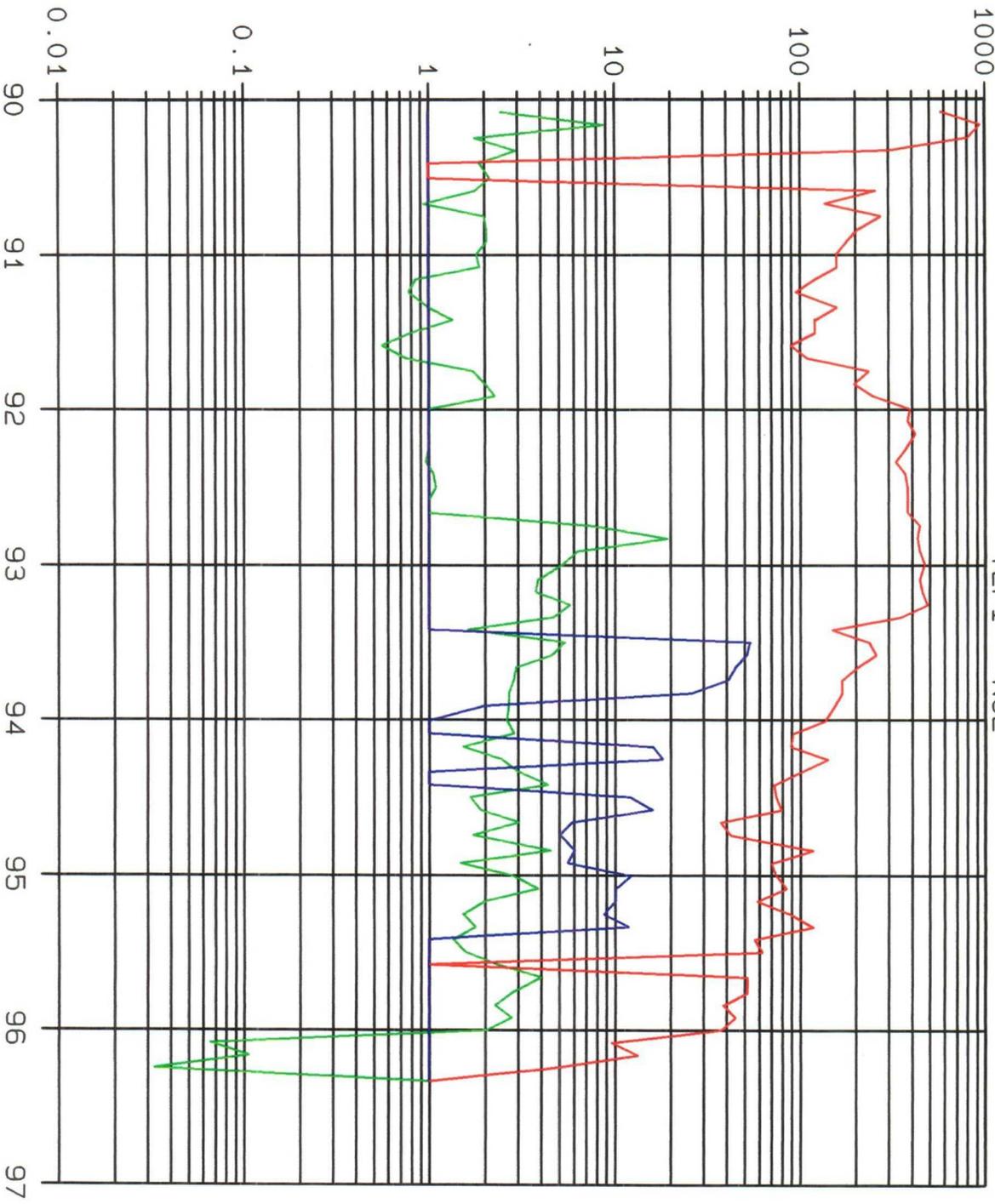
Greg Maes
Engineer Assistant
Texaco Exploration and Production, Inc.

cc: Mr. J. T. Sexton

enc

WEIR, M. B. -B- 12 SKAGGS DRINKARD

TEPI NUL



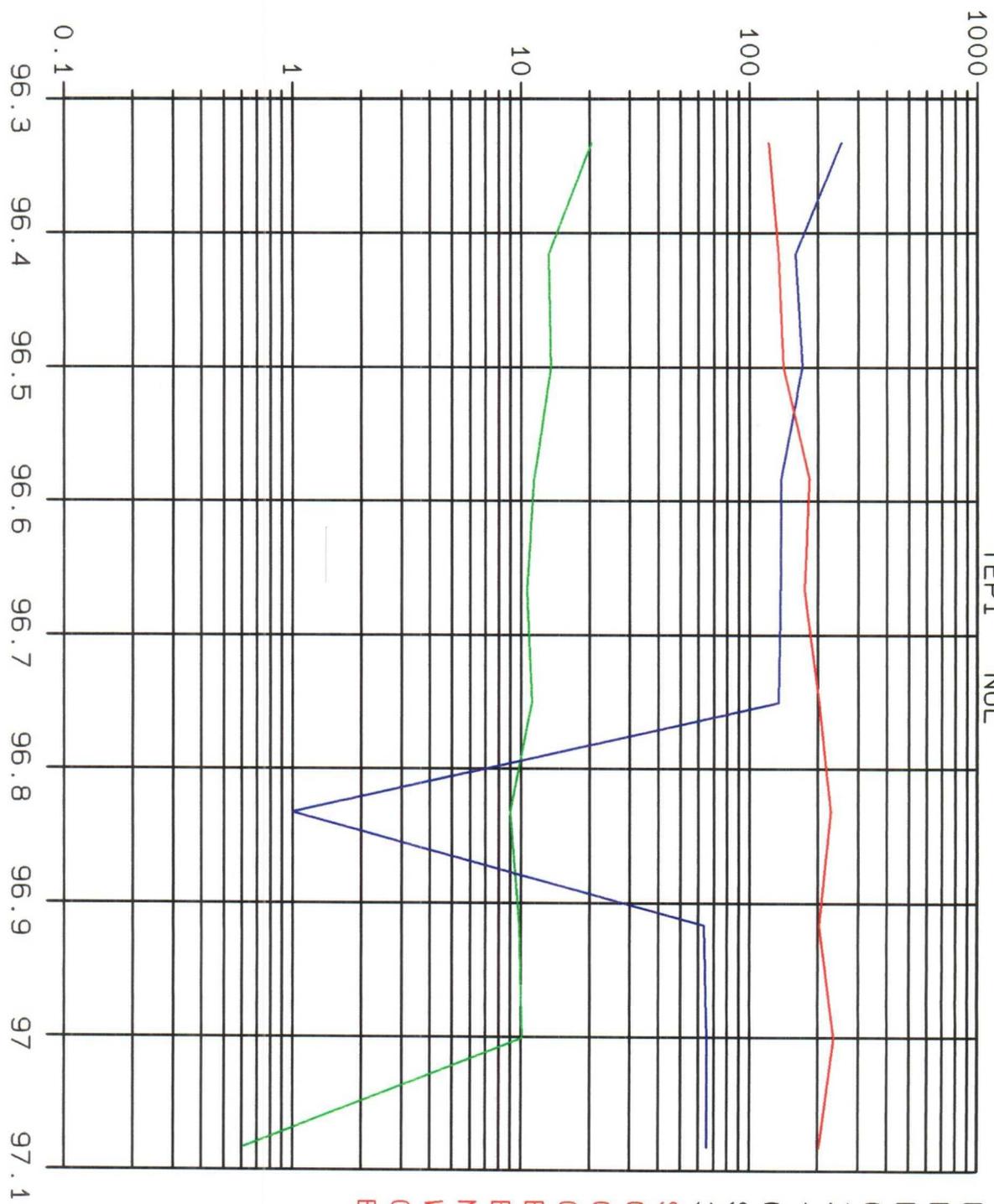
BOPD BWPD MCFPD

YEARS

LEASE DATA
 LSE 011133
 FLD 57000
 OPER TEPI
 ZONE NUL
 --
 COUNTY 025
 STATE 30
 30025297340001
 STATUS 4-96
 CO 6 MBO
 CG 472 MMCF
 CW 11 MBW
 BOPD 0
 BWPD 0
 MCFPD 0
 WELLS 1
 CI 0 MBWI
 BWIPD 0

WEIR, M. B. -B- 12 WEIR BLINEBRY, EAST

TEPI NUL

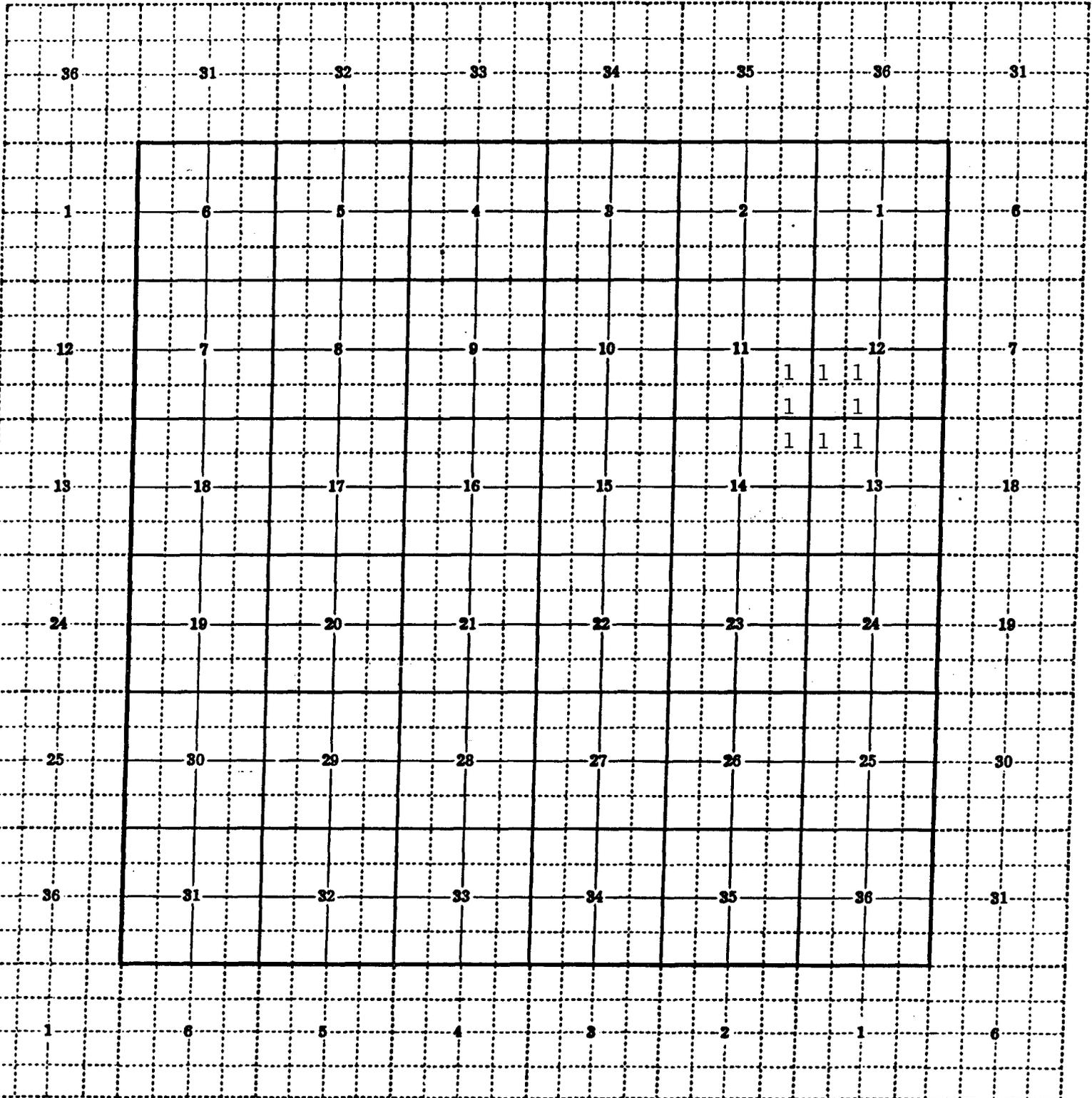


BOPD BWPD MCFPD

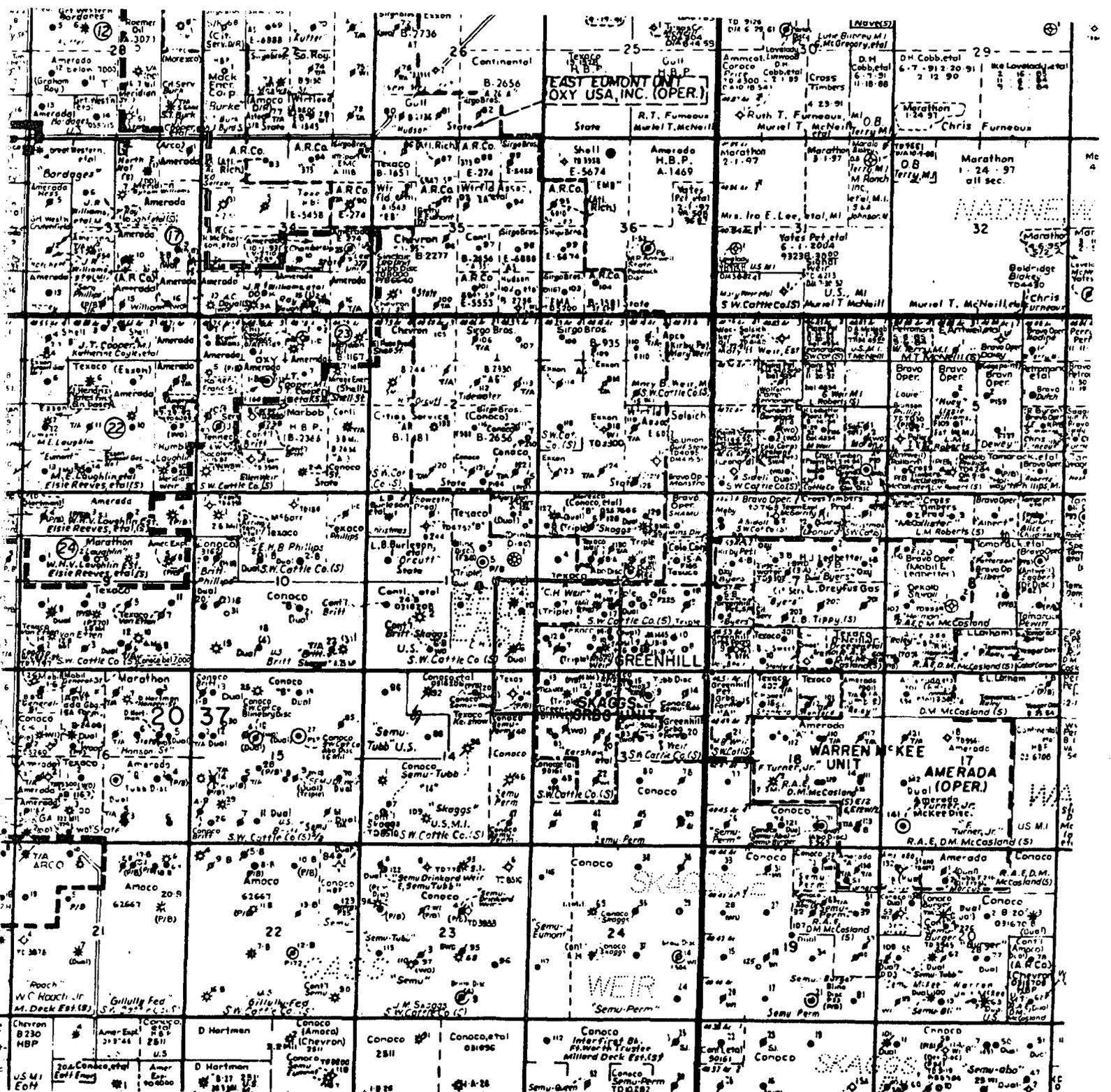
YEARS

LEASE DATA
 LSE 011133
 FLD 63800
 OPER TEPI
 ZONE NUL
 --
 COUNTY 025
 STATE 30
 30025297340002
 STATUS 1-97
 CO 3 MBO
 CG 56 MCMCF
 CW 36 MBW
 BOPD 1
 BWPD 65
 MCFPD 205
 WELLS 1
 CI 0 MBWI
 BWIPD 0

Offset Operators and all Lessees of Record
M. B. Weir "B" No. 12 Well
SW/4 SW/4 of Section 12, T-20-S, R-37-E
Weir Blinebry East/Skaggs Drinkard Formations
Lea County, New Mexico
February 13, 1997



Offset Operators and all Lessees of Record
M. B. Weir "B" No. 12 Well
SW/4 SW/4 of Section 12, T-20-S, R-37-E
Weir Blinebry East/Skaggs Drinkard Formations
Lea County, New Mexico
February 13, 1997



Offset Operators and all Lessees of Record
M. B. Weir "B" No. 12 Well
SW/4 SW/4 of Section 12, T-20-S, R-37-E
Weir Blinebry East/Skaggs Drinkard Formations
Lea County, New Mexico
February 13, 1997

Number 1

Texaco Exploration and Production Inc.
P. O. Box 3109
Midland, Texas 79702

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 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

| | | | | | |
|---|--|--|--|--|---------------------------------|
| ¹ API Number 30-025-29734 | | ² Pool Code 6.33DD-57000 | | ³ Pool Name Weir; Blinebry, East | |
| ⁴ Property Code 11133 | | ⁵ Property Name WEIR, M. B. -B- | | | ⁶ Well No. 12 |
| ⁷ OGRID Number 022351 | | ⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC. | | | ⁹ Elevation 3560' |

¹⁰ Surface Location

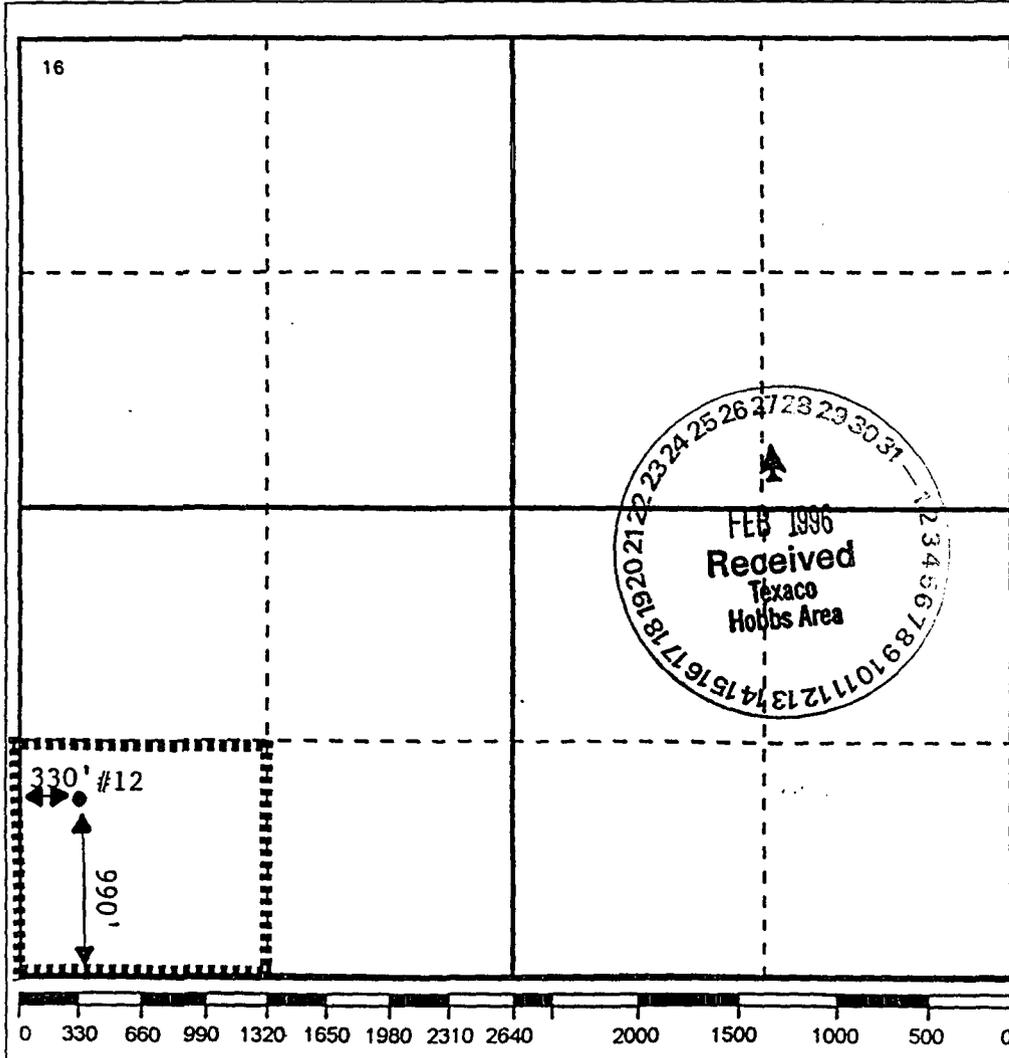
| Ul or lot no. | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 12 | 20S | 37E | | 990 | SOUTH | 330 | WEST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| Ul or lot no. | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-------------------------------------|-------------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 40 | ¹³ Joint or Infill No | 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



17 OPERATOR CERTIFICATION

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

Signature: *Darrell J. Carriger*

Printed Name: Darrell J. Carriger

Position: Engineering Assistant

Date: 2/21/96

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 knowledge and belief.

Date Surveyed:

Signature & Seal of Professional Surveyor:

Certificate No.:

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

BDB

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

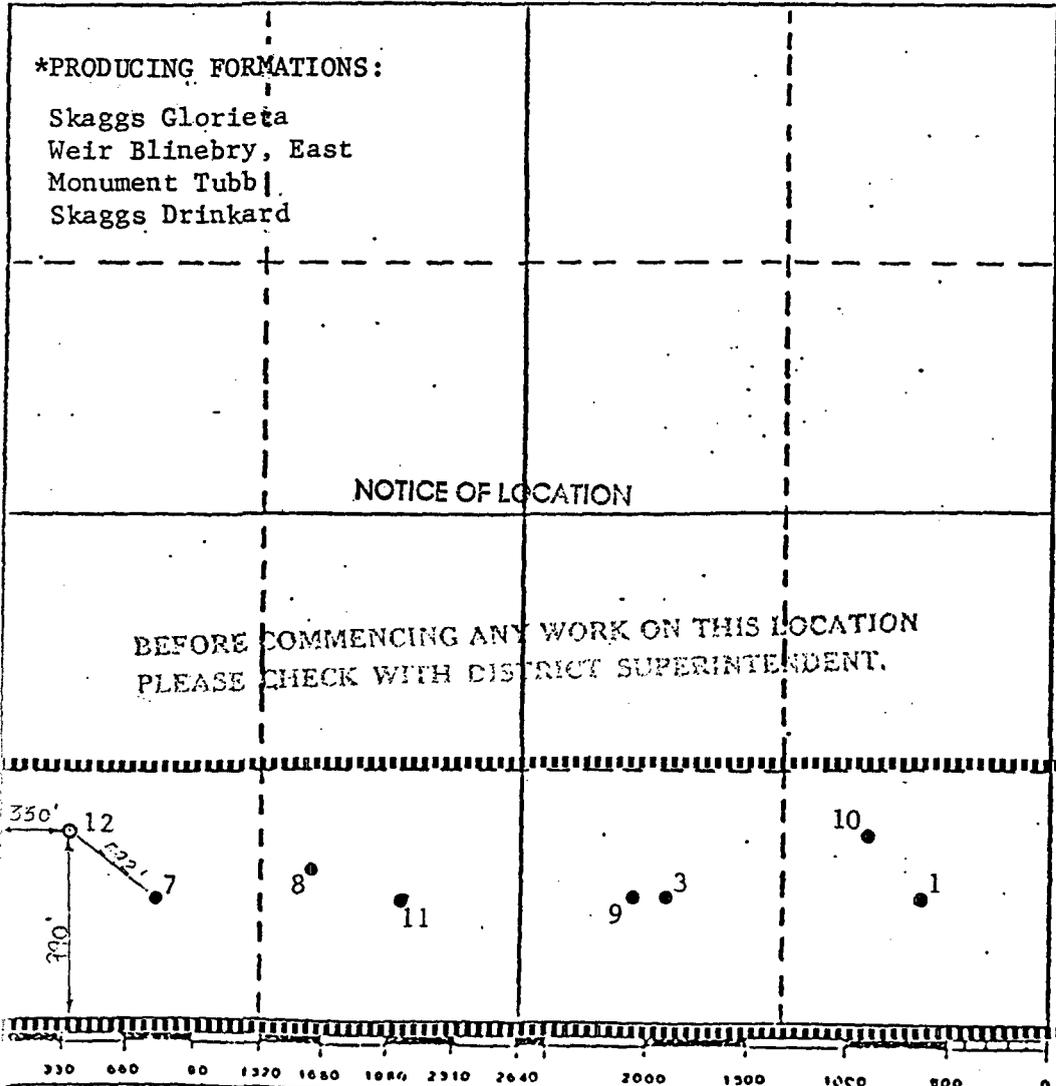
| | | | | | |
|------------------------------------|---|--------------------------------|-------------------------|---------------------------------------|-----------------------|
| Operator Texaco Inc. | | Lease M. B. Wier "B" | | | Well No. 12 |
| Unit Letter M | Section 12 | Township 20 South | Range 37 East | County Lea | |
| Actual Footage Location of Well: | | | | | |
| 990 feet from the | | South line and | | 330 feet from the West line | |
| Ground Level Elev. 3560' | Producing Formation "SEE BELOW" | Pool Skaggs Drinkard | | Dedicated Acreage: 40 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

B. L. Eiland

Name
B. L. Eiland

Position
Division Surveyor

Company
Texaco Inc.

Date
July 30, 1986

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 knowledge and belief.

REGISTERED LAND SURVEYOR

July 28, 1986

Registered Professional Engineer
and Land Surveyor
No. 4396

B. L. Eiland

Certificate No. **1114386**

DHC-1502



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

3/14 197

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

GOVERNOR

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

RE: Proposed:

- MC
- DHC
- NSL
- NSP
- SWD
- WFX
- PMX

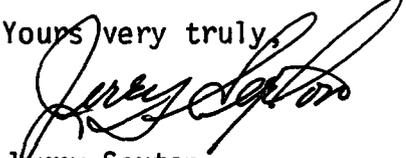
Gentlemen:

I have examined the application for the:

Texaco E & P Inc MB WPir B # 12-M 12-20s-37e
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

 Jerry Sexton
 Supervisor, District 1

/ed