

4/14/97	5/5/97	BS	W	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

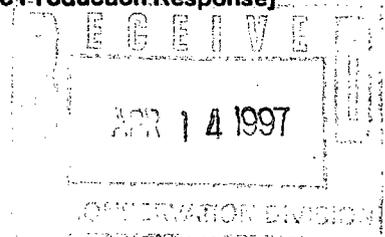
1560

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  
Title

4-8-97



Texaco E & P

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

April 8, 1997

NMOCD  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Attn: Mr. Ben Stone

**Subject: Application to DHC V. M. Henderson #16, E-30-21S-37E, in the Drinkard (19190)  
and Blinebry Oil and Gas (6660) Pools.**

Dear Mr. Stone:

Texaco Exploration and Production, Inc. respectfully requests administrative approval to downhole commingle the V. M. Henderson #16 in the Drinkard and Blinebry Oil & Gas Pool. Notification of this application has been sent to offset operators and a statement of notification has been included in this package.

This well is a new drill and there are no production curves available. Currently, the Drinkard is being plugged back and the well is being completed in the Blinebry Oil and Gas. The current rate on the Drinkard is 8 bopd, 30 bwpd, and 22 mcfpd. The expected rate for the Blinebry Oil and Gas, based on offset performance is estimated to be 18 bopd and 350 mcfpd. The cast iron bridge plug will be drilled out above the Drinkard, and the two zones will be simultaneously rod pumped. This will provide the most economical means to produce both zones.

This well will meet all of the requirements set forth by Rule 303(C). The allocation factor will be determined after we get a stabilized rate from the Blinebry Oil and Gas Pool, also at which time we will establish the bottom hole pressure. If the well satisfies the requirements, we will request allocation of the Blinebry Oil and Gas and the Drinkard Pool after the completion is done. The allocation factor will be determined in the following manner:

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

$$\% \text{ BLINEBRY OIL \& GAS PRODUCTION} = 100\% - \% \text{ DRINKARD PRODUCTION.}$$

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

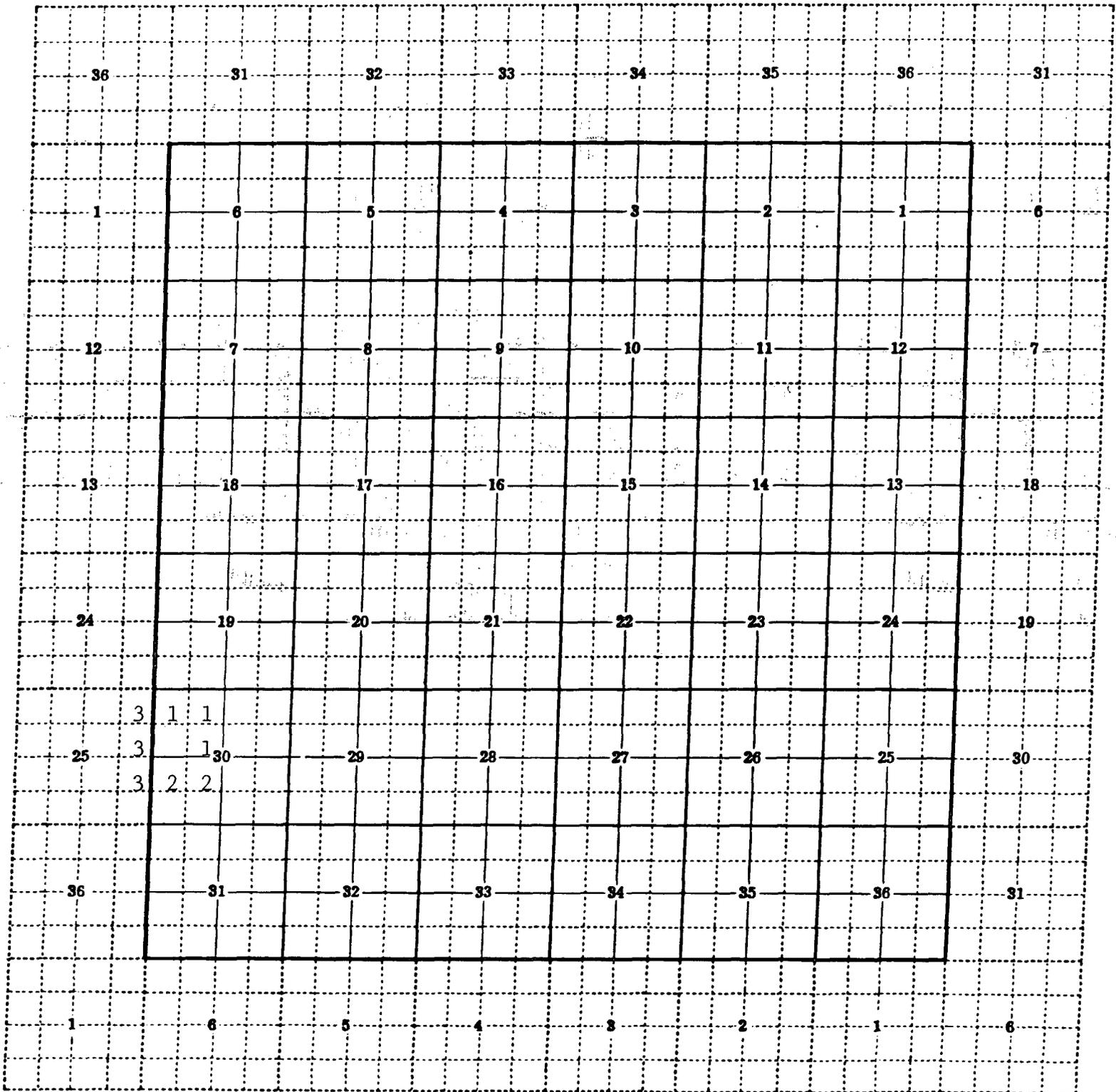
Sincerely,

Greg Maes  
Engineer Assistant  
Texaco Exploration and Production, Inc.

cc: Mr. J. T. Sexton



Offset Operators and all Lessees of Record  
 V. M. Henderson Well No. 16  
 SW/4 NW/4 of Section 30, T-21-S, R-37-E  
 Blinebry-Drinkard Formations  
 Lea County, New Mexico  
 March 27, 1997



Offset Operators and all Lessees of Record  
V. M. Henderson Well No. 16  
SW/4 NW/4 of Section 30, T-21-S, R-37-E  
Blinebry-Drinkard Formations  
Lea County, New Mexico  
March 27, 1997

**Number 1**

---

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

**Number 2**

---

Arch Petroleum Inc.  
777 Taylor St., Suite 11A  
Fort Worth, Texas 76102-4919

**Number 3**

---

Chevron USA Inc.  
P. O. Box 1150  
Midland, Texas 79702

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

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

Arch Petroleum Inc.  
777 Taylor St., Suite 11A  
Fort Worth, Texas 76102-4919

4a. Article Number

Z 004 855 443

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

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

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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3. Article Addressed to:

Chevron USA Inc.  
P.O. Box 1150  
Midland, Texas 79702

4a. Article Number

Z 004 855 452

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

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

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

10005

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

DISTRICT II  
P. O. Drawer DD, Artesia, NM 88210

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

Form C-102  
Revised February 10, 1994  
Instructions on back

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Submit to Appropriate District Office  
State Lease-4 copies  
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

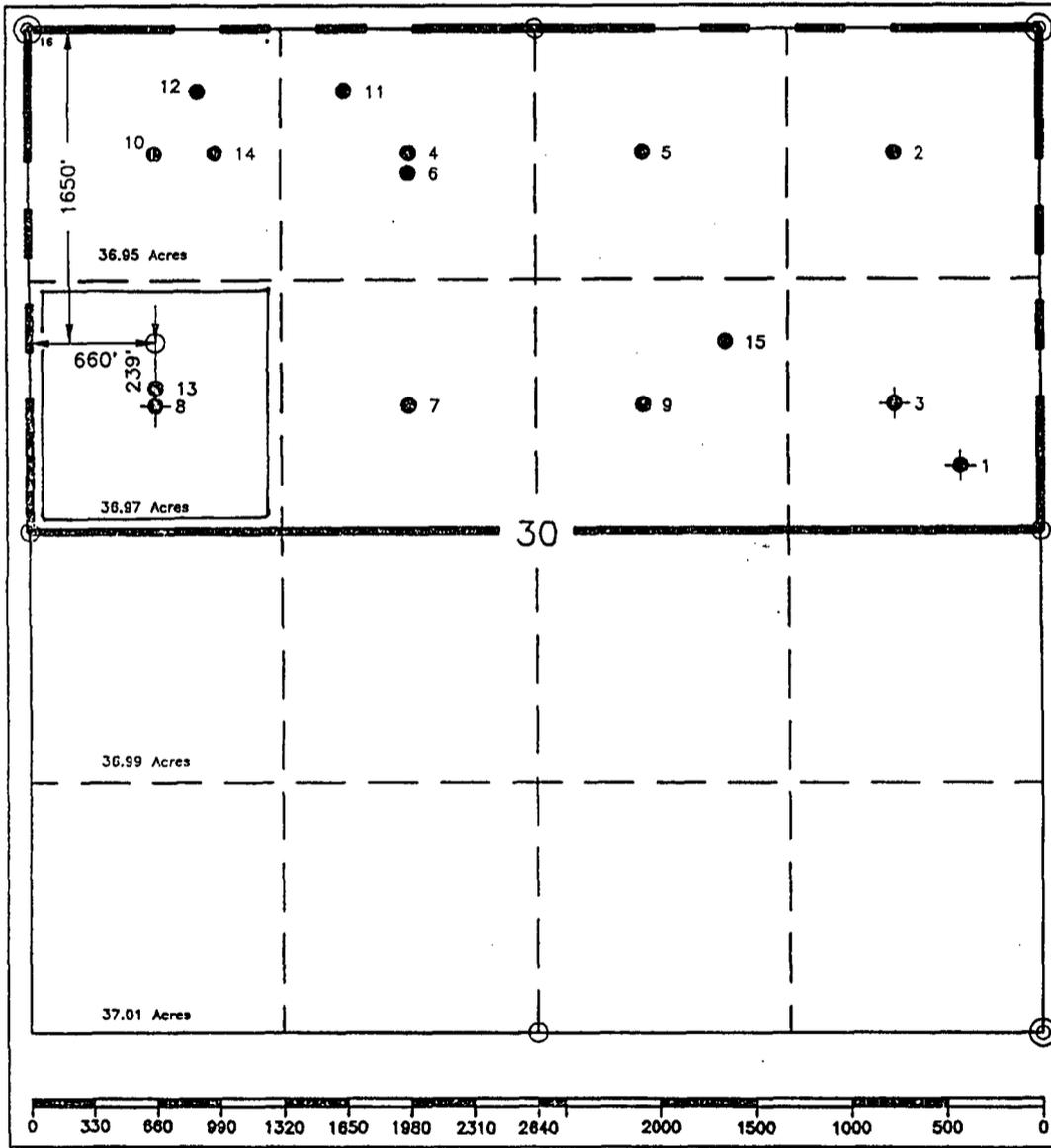
<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name Blineby Oil & Gas ; PADDOK ; DRINKARD	
<sup>4</sup> Property Code 10963		<sup>5</sup> Property Name V. M. Henderson			<sup>6</sup> Well Number 16
<sup>7</sup> OGRID No. 22351		<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			<sup>9</sup> Elevation 3499'

<sup>10</sup> Surface Location									
UL or lot no. E	Section 30	Township 21-S	Range 37-E	Lot Idn	Feet from the 1650'	North/South line North	Feet from the 660'	East/West line West	County Lea

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 36.97	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



<sup>17</sup> OPERATOR CERTIFICATION

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

Signature  
*C. Wade Howard*

Printed Name  
C. Wade Howard

Position  
Engineer's Assistant

Company  
Texaco Expl. & Prod. Inc.

Date  
January 14, 1997

<sup>18</sup> 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  
January 10, 1997

Signature & Seal of Professional Surveyor  
*John S. Piper*

Certificate No.  
7254 John S. Piper

Sheet

○ = Staked Location ● = Producing Well = Injection Well ⊕ = Water Supply Well ⊕ = Plugged & Abandon Well  
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 530228.93		Easting 888363.62	
Latitude 32°27'09.052"		Longitude 103°12'28.259"	
Zone North American Datum		Combined Grid Factor	Coordinate File
East 1983		0.9998457	Monumt83
Drawing File VMHEN_16		Field Book	
		Lea County FB 16, Pg. 20	

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

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

**DISTRICT II**  
811 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 87505-8429

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 V. M. Henderson Well No. 16 Unit Ltr. - Sec - Tws - Rge E-30-21S-37E County Lea

OGRID NO. 022351 Property Code 10963 API NO. 30-025-33782 Federal         , State X, (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	Drinkard 19190		Blinebry Oil and Gas 6660
2. Top And Bottom of Pay Section (Perforations)	6644 - 6700		5487 - 5604
3. Type of production (Oil or Gas)	oil		oil
4. Method of Production (Flowing or Artificial Lift)	artificial lift		artificial lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	(Current) a. 2203 psi @ 6644'	a.	a.
	(Original) b.	b.	b.
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity (* API) or Gas BTU Content	38.2		39.7
7. Producing or Shut-In? Production Marginal? (yes or no)	shut-in yes		To be completed
* 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: 4/2/97 Rates: 8/22/30		
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)			date: 4/8/97 completion in process
8. Fixed Percentage Allocation Formula -% for each zone	Oil: %      Gas: %	Oil: %      Gas: %	Oil: %      Gas: %

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 Engineer Assistant DATE 4/8/97

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

DHC-1560



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

4/14/97

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   X   \_\_\_\_\_
- NSL \_\_\_\_\_
- NSP \_\_\_\_\_
- SWD \_\_\_\_\_
- WFX \_\_\_\_\_
- PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

<u>Texaco E&amp;P Inc</u>	<u>VM Henderson</u>	<u>#16E</u>	<u>30-215-37e</u>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK

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Yours very truly,

*Jerry Sexton*  
 Jerry Sexton  
 Supervisor, District 1

/ed