

DHC 1/13/99

November 13, 1998

DEC 24 1998

GOV-STATE AND LOCAL GOVERNMENTS

EXCEPTION to NMOCD Rule 303(A)

Application to DHC

Teague Tubb North (Assoc.) and Teague Drinkard-Abo North Assoc.

F.B. Davis #1

Unit Letter A, Sec.8, T23S, R37E

Lea County, NM

2176

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Commission  
2040 South Pacheco  
Santa F, NM 87505

Attention: Mr. Ben Stone

Texaco Exploration and Production Inc., respectfully requests approval to downhole commingle the Teague Tubb North (Assoc.) and the Teague Drinkard-Abo North (Assoc.) pool within the subject wellbore. Currently the well is producing in the Tubb formation and the Drinkard and Abo are temporarily abandoned with a CIBP at 6340'. Offset operators have been notified by a copy of this application. The royalty is common in all zones.

The proposed downhole commingling will provide a more economical means of production. It will allow complete development of the productive capacity on the subject lease by allowing both intervals to be artificially lifted simultaneously. This will extend the productive life of both completions, thereby preventing waste.

The subject will meets all of the requirements as set forth by rule 303 (C). In addition, it should be noted that all produced fluids have entered a common production facility with no fluid compatibility problems.

It is requested that the allocation of production for each zone be based on tests obtained from the Teague Tubb Pool before the DHC, with any additional production after the DHC be allocated to the Teague Drinkard- Abo Pool.

If you have any questions concerning this application, please contact Mike Quintana at (505) 397-0451 or Denise Wann at (505)397-0425.

Yours truly,

A handwritten signature in black ink that reads "Denise Wann". The signature is written in a cursive style with a large initial "D" and "W".

Denise Wann  
Production Engineer  
Eunice FMT

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

<sup>1</sup> API Number 30 025 32226		<sup>2</sup> Pool Code 96315		<sup>3</sup> Pool Name North Teague Tubb - Associated	
<sup>4</sup> Property Code 13195		<sup>5</sup> Property Name DAVIS, F. B.			<sup>6</sup> Well No. 1
<sup>7</sup> OGRID Number 022351		<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION INC.			<sup>9</sup> Elevation GR-3323', KB-3337'

<sup>10</sup> Surface Location

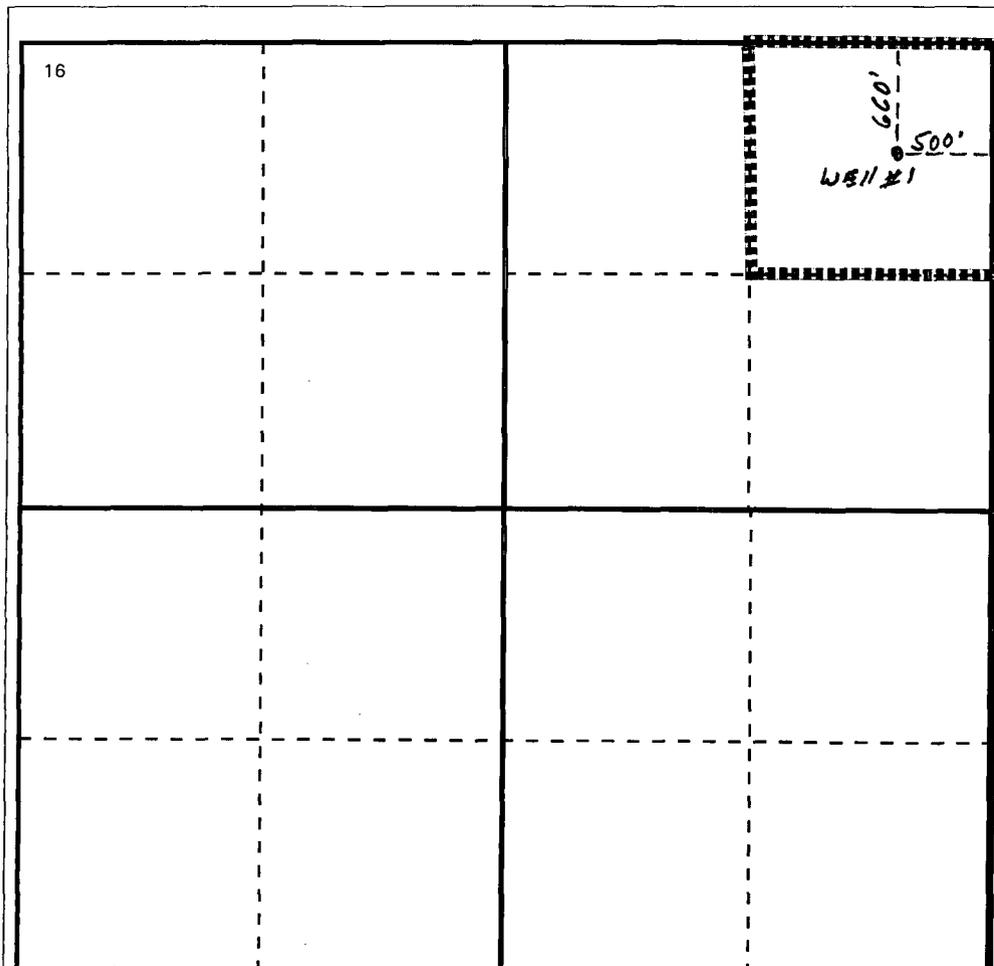
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
A	8	23S	37E		660	North	500	East	Lea

<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 40	<sup>13</sup> Joint or Infill No	<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



**17 OPERATOR CERTIFICATION**

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

Signature  
*M. Quintana*

Printed Name  
**Mike Quintana**

Position  
**Engineering Assistant**

Date  
11/13/98

---

**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.



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

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30 025 32226		<sup>2</sup> Pool Code 96313		<sup>3</sup> Pool Name Teague Drinkard Abo North Associated	
<sup>4</sup> Property Code 13195		<sup>5</sup> Property Name DAVIS, F. B.			<sup>6</sup> Well No. 1
<sup>7</sup> OGRID Number 022351		<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION INC.			<sup>9</sup> Elevation GR-3323', KB-3337'

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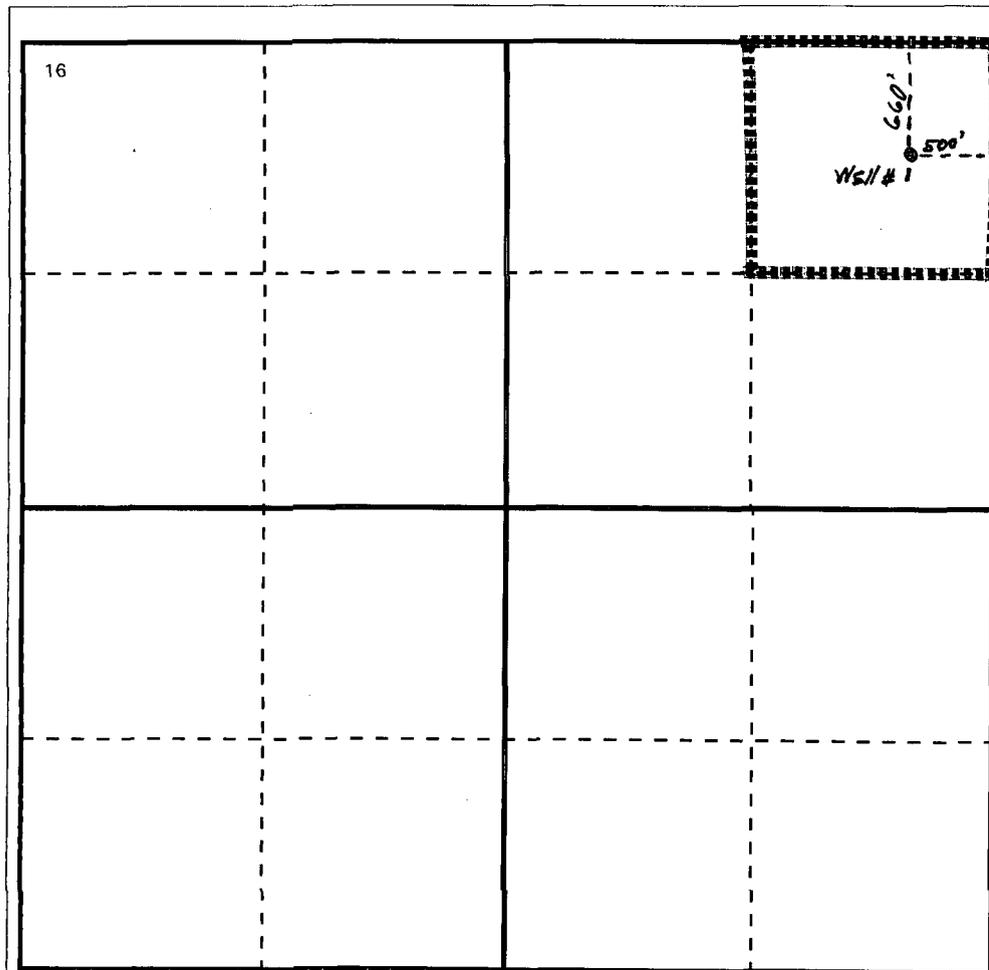
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
A	8	23-S	37-E		660	NORTH	500	EAST	LEA

<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

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

Signature

*M. Quintana*

Printed Name

Mike Quintana

Position

Engineering Assistant

Date

11/13/98

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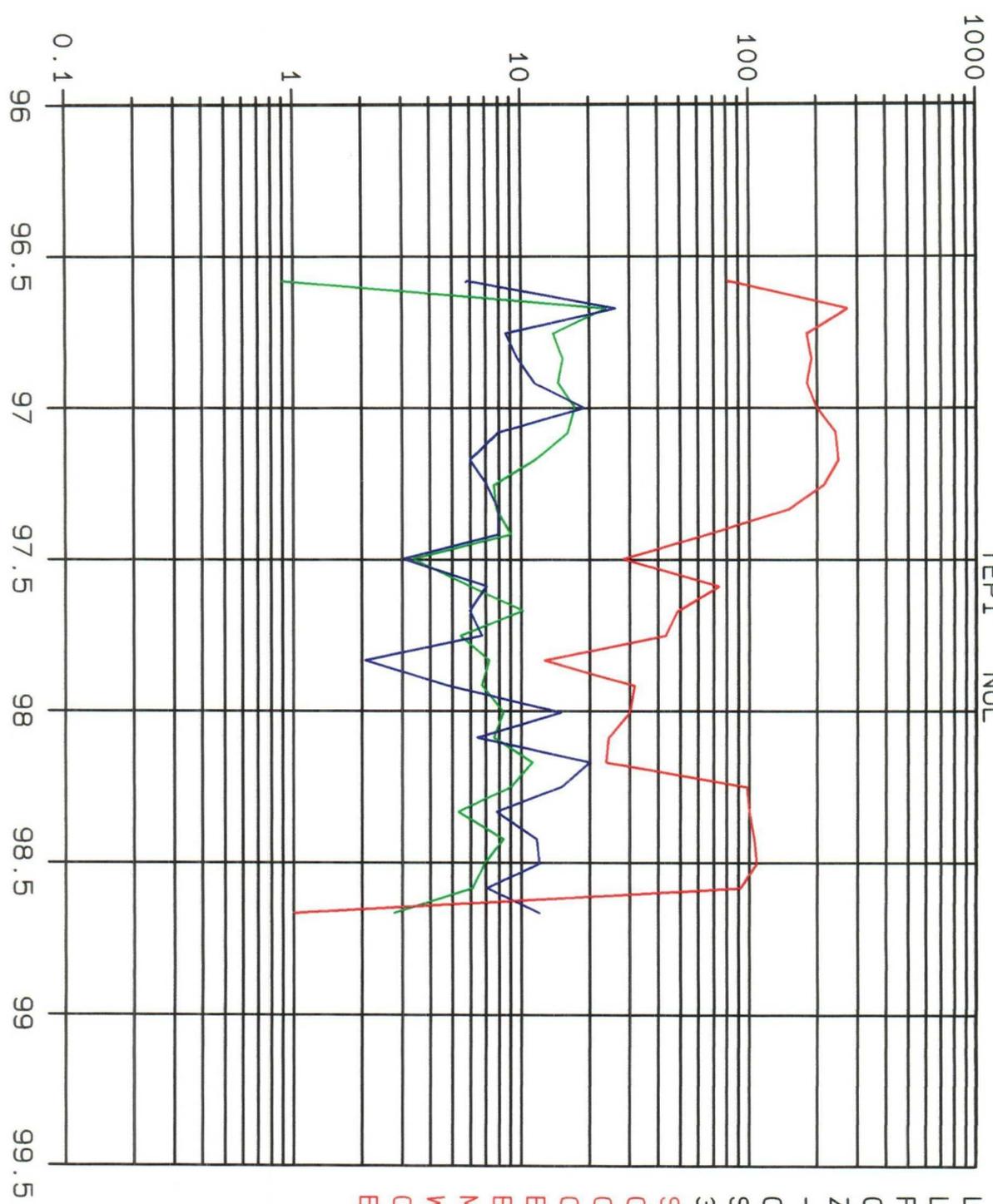
Signature & Seal of Professional Surveyor

Certificate No.



DAVIS, F. B. 1 TEAGUE TUBB, NORTH (ASSOC.)

TEPI NUL

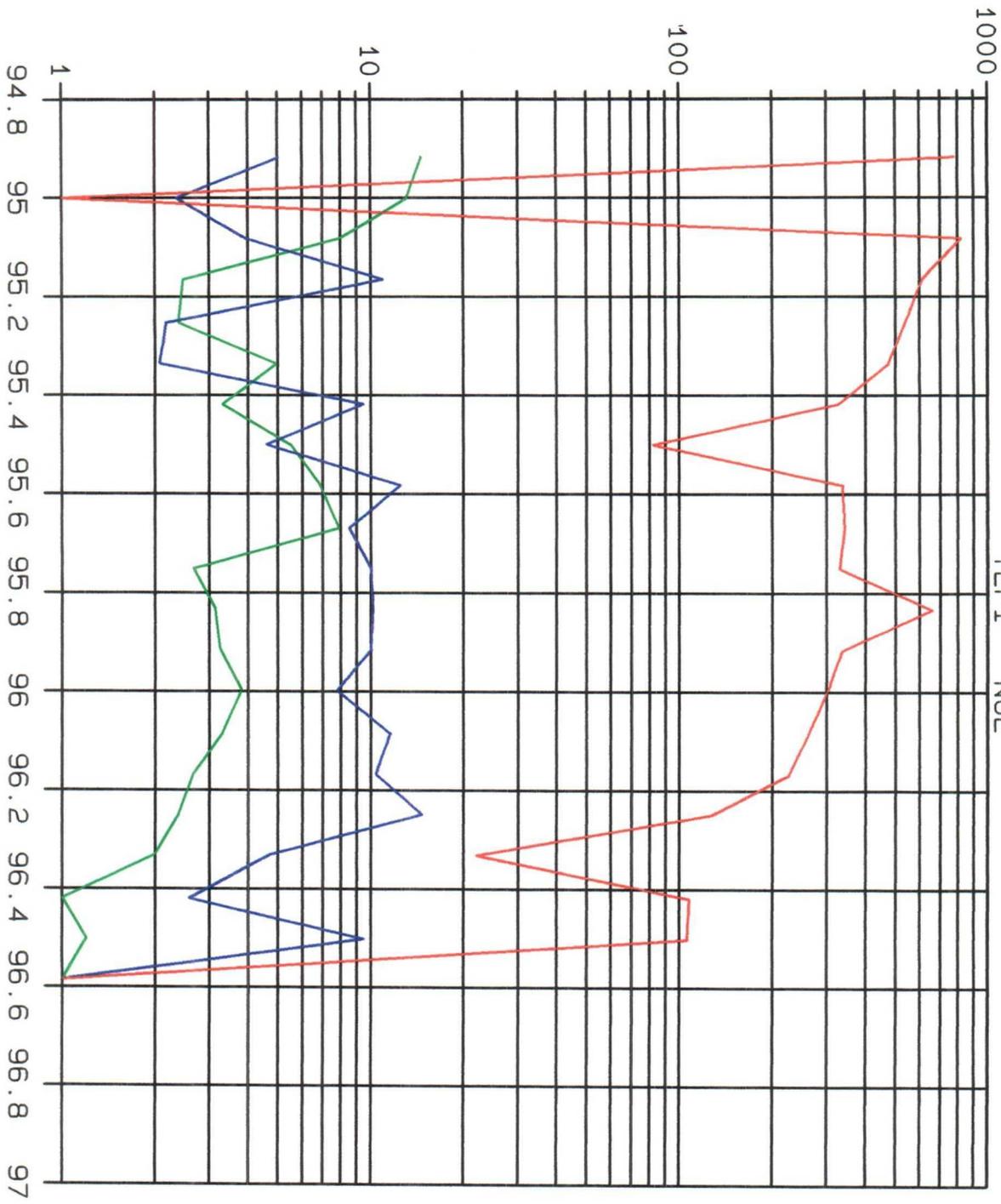


YEARS

LEASE DATA  
 LSE 013195  
 FLD 96315  
 OPER TEPI  
 ZONE NUL  
 --  
 COUNTY 025  
 STATE 30  
 30025322260004  
 STATUS 8-98  
 CO 7 MBO  
 CG 86 MMCF  
 CW 8 MBW  
 BOPD 3  
 BWPD 12  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0

DAVIS, F. B. 1 TEAGUE DRINKARD-ABO, NORTH (ASSOC.)

TEPI NUL



BOPD BWPD MCFPD

YEARS

LEASE DATA  
 LSE 013195  
 FLD 96313  
 OPER TEPI  
 ZONE NUL  
 COUNTY 025  
 STATE 30  
 30025322260003  
 STATUS 7-96  
 CO 3 MBO  
 CG 206 MMCF  
 CW 5 MBW  
 BOPD 0  
 BWPD 0  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0

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 87505-6429

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 F.B. Davis Well No. 1 Unit Ltr. - Sec - Tws - Rge A-8-23S-37E County Lea  
Spacing Unit Lease Types: (check 1 or more)  
OGRID NO. 022351 Property Code 13195 API NO. 30-025-32226 Federal \_\_\_\_\_, State \_\_\_\_\_, (and/or) Fee X

The following facts are submitted in support of downhole commingling:	Lower Zone	Intermediate Zone	Upper Zone
1. Pool Name and Pool Code	Teague Drinkard-Abo, North Assoc. 96313		Teague Tubb, North Assoc. 96315
2. Top And Bottom of Pay Section (Perforations)	6357'-6437'		6086'-6286'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Rod-pump		Rod-pump
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	(Current) a. 200 psi (est. from FBDavis #5)	a.	a. 250 psi
	(Original) b.	b.	b.
6. Oil Gravity (* API) or Gas BTU Content	40.5		39.7
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: 7/96 Rates: 1 oil 10 wtr 100 gas		
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:		10/98 4 oil, 7 wtr, 78 gas
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 Denise Wann TITLE Engineer DATE 11-13-98  
TYPE OR PRINT NAME Denise Wann TELEPHONE NO. ( 505 ) 397-0425

November 13, 1998

Texaco Exploration and Production  
205 E. Bender  
Hobbs, NM 88240

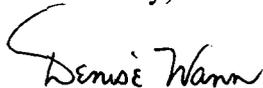
Amerada Hess Corporation  
1201 Louisiana St. 700  
Houston, TX 77022

Re: F.B. Davis Well No. 1  
Unit A, Section 8, Township 23South, Range 37 East, NMPM, Lea County, NM  
North Teague Tubb Associated (Pool I.D.N. 96315) and North Teague Drinkard-  
Abo (Pool I.D.N. 96313) Pools

Dear Sir,

Please be advised that Texaco Exploration and Production is seeking approval from the New Mexico Oil Conservation Division to DHC the F.B. Davis #1 in the North Teague Tubb and North Teague Drinkard-Abo Pools.

Sincerely,

A handwritten signature in cursive script that reads "Denise Wann". The signature is written in dark ink and is positioned to the left of the typed name.

Denise Wann  
Production Engineer  
Eunice FMT

November 13, 1998

Texaco Exploration and Production  
205 E. Bender  
Hobbs, NM 88240

Arco Permain  
P.O. Box 16101  
Midland, Tx 79702

Re: F.B. Davis Well No. 1  
Unit A, Section 8, Township 23 South, Range 37 East, NMPM, Lea County, NM  
North Teague Tubb Associated (Pool I.D.N. 96315) and North Teague Drinkard-  
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