

8/28/2014 DATE IN	SUSPENSE	MAM ENGINEER	8/28/2014 LOGGED IN	DHC TYPE	PMA/1424036212 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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]

-DHC 2150-4
-Chevron
USA, Inc
4323

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

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ 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

[D] Other: Specify _____

[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

Well
- New Mexico
1494 State #12
30-025-33852
Pro
- Vacuum Abq, mms
61760
- Vacuum Upper
Penn
62320
- Vacuum Wolfcamp
62340

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Cindy Herrera-Murillo
Print or Type Name

Cindy Herrera-Murillo
Signature

Permitting Specialist
Title

08/28/2014
Date

Cherreramurillo@chevron.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brandy Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☐ Single Well
☐ Establish Pre-Approved Pools
☐ EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator CHEVRON USA INC. Address 15 SMITH RD. MIDLAND, TEXAS 79705
Lease NEW MEXICO O STATE Well No. 12 Unit Letter-Section-Township-Range O 25-17S-34E LEA LEA County LEA
OGRID No. 4323 Property Code 29985 API No. 30-025-33850 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Vacuum Abo North	Vacuum Wolfcamp	Vacuum Upper Penn
Pool Code	61760	62340	62320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Top 8,272' Bottom 9,237'	Top 9,258' Bottom 9,678'	Top 10,020' Bottom 10,202'
Method of Production (Flowing or Artificial Lift)	Artificial Lift - Rod Pump	Artificial Lift - Rod Pump	Artificial Lift - Rod Pump
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	170 PSI **Estimated	185 PSI ** Estimated	205 PSI ** Estimated
Oil Gravity or Gas BTU (Degree API or Gas BTU)	39	39	39
Producing, Shut-In or New Zone	New Zone	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicants shall be required to attach production estimates and supporting data.)	*See attached graph of 30-025-20986 Date: Rates: 4 BOPD 2 BWPD 11 MCFPD *Estimate based on fixed allocation % Below from State BA 8 production curve.		
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 16 % Gas 11 %	Oil 31% Gas 43%	Oil 53% Gas 46%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☒ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐
NMOC Reference Case No. applicable to this well: R-4401

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE Cindy Herrera-Murillo TITLE PERMITTING SPECIALIST DATE 09/09/2014
TYPE OR PRINT NAME CINDY HERRERA-MURILLO TELEPHONE NO. (575) 263-0431
E-MAIL ADDRESS Cherreramurillo@chevron.com

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

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

SIGNATURE  TITLE Production Engineer DATE 08/12/2014

TYPE OR PRINT NAME Sean P. Heaster TELEPHONE NO. (432) 640-9031

E-MAIL ADDRESS SHeaster@chevron.com

Name: ID: 30025338500099 Type: Completion Format: [p] Comp - CDProd_Test vs Time

WELL_LABEL:NM Q ST 12

FIELD_CODE:T49

PROD_METH:PR

LASTOCUM:

CHEVNO:BT0012

FIELD:FLD-VACUUM

CLASS_CODE:OI

LASTGUM:

SIDETRACK:0

LEASE:NEW MEXICO Q STATE

SAP_CODE:UCT183600

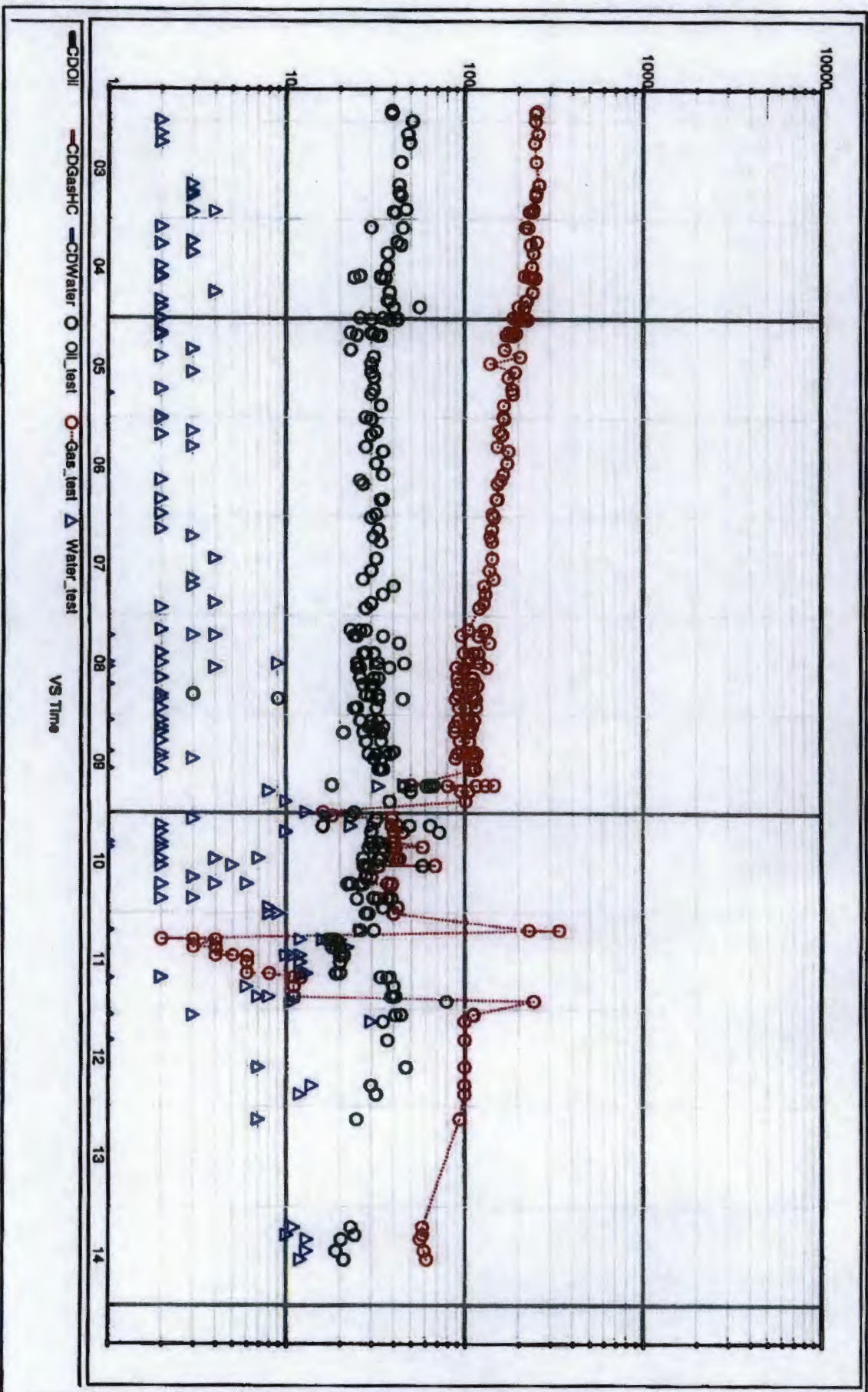
CC_NM:NEW MEXICO Q STATE

COMP_NUM:98

SEC-T-R:25 - S017 - E034

RES_CODE:0000004056

RES-ALL POOLS - NEW MEXICO



	Abo	Wolfcamp	Upper Penn
New Mexico Q State #4			
Net Perf (FT)	12	8	10
Acid Amt (Gal)	3500 (15% LSTNE)	500 acetic	500 acetic
Results	40 - 24 hr	103 bo - 24 hr	283 - 20 hr
Cumulative	83904	94336	481272
	13%	14%	73%
State BA #8			
Net Perf (FT)	18	32	96
Acid Amt (Gal)	3000 (N.E.)	1000 (N.E.)	500 (LST) 2000 (N.E.)
Results	127 bo - 24 hr	242 bo - 15.5 hr	301 bo - 23 hr
Cumulative	285765	294090	428028
	28%	29%	42%
New Mexico O State NCT 1 #18			
Net Perf (FT)	18	8	10
Acid Amt (Gal)	500 acetic	400 acetic	500 acetic
Results	94 - 24 hr	386 - 24 hr	265 bo - 24 hr
Cumulative	113354	445940	499374
	11%	42%	47%
State BA #15			
Net Perf (FT)			
Acid Amt (Gal)			
Results (IP)	32	25	12
Cumulative	89639	49869	25148
	54%	30%	15%
State BA #14			
Net Perf (FT)	60	97	32
Acid Amt (Gal)	6000 15% NE	3000 15% NE	1000 15% HCL
Results			

Abo Horizontal,
do not use

Workover
pending

		Oil Cums			Gas Cums		
API Last 5		Abo	Wolfcamp	Upper Penn	Abo	Wolfcamp	Upper Penn
20294	Q ST #4	83,904	94,336	481,272	305,447	312,053	1,313,392
	%s	12.7%	14.3%	73.0%	15.8%	16.2%	68.0%
20986	ST BA #8	289,112	396,261	431,560	614,365	2,062,775	1,157,502
	%s	25.9%	35.5%	38.6%	16.0%	53.8%	30.2%
20274	NM O ST 1 #18	113,354	445,940	499,374	83,516	1,425,850	959,670
	%s	10.7%	42.1%	47.2%	3.4%	57.7%	38.9%
	Average	16%	31%	53%	11%	43%	46%

DISTRICT I
P. O. Box 1985, Hobbs, NM 88240

DISTRICT II
P. O. Drawer 60, Artesa, NM 88210

DISTRICT III
1000 Rio Bravos 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
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

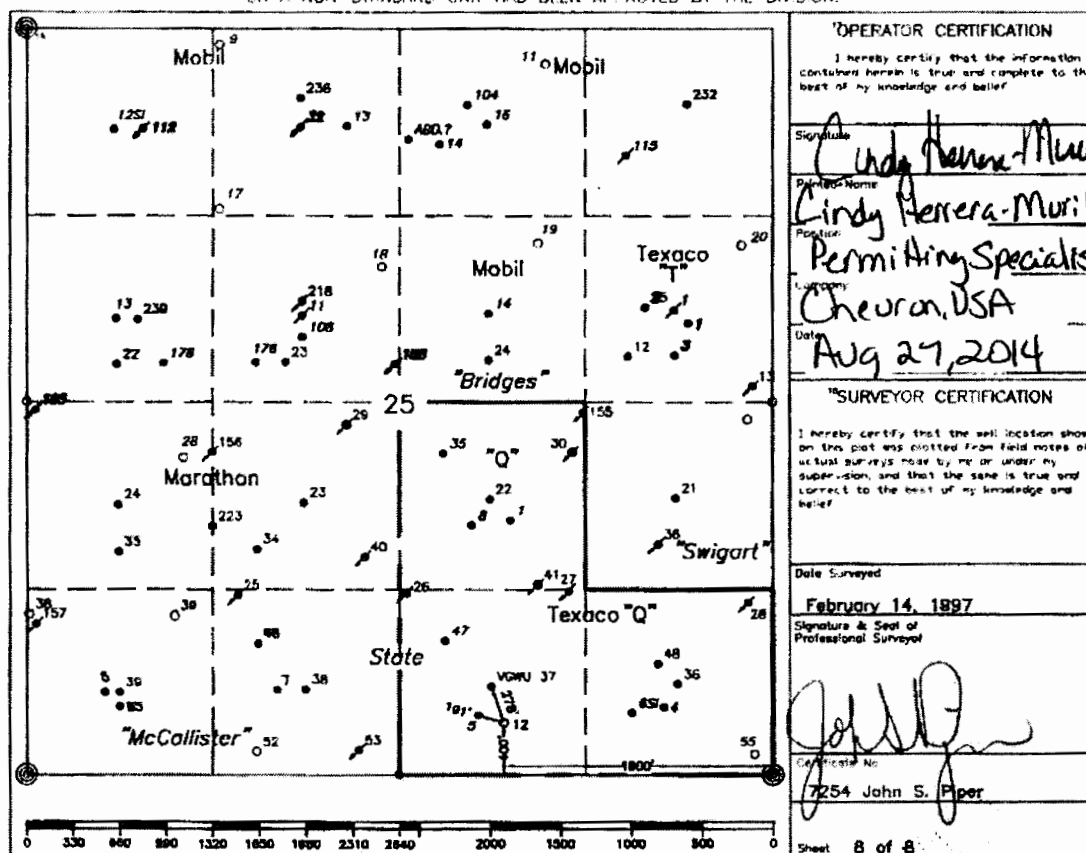
State Lease-4 copies
Fed Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APC Number 30025-33850		Pool Code 62320		Pool Name Vacuum, Upper Penn					
Property Name 29985		New Mexico "Q" State		Well Number 12					
Operator Name 4323 Chevron USA Inc				Elevation 3998					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	25	17-S	34-E		400'	South	1900'	East	Lea
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
Dedicated Acres 80		Joint or info		Consolidation Code		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.



○ = 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 655713.37		Easting 793827.12	
Latitude 32°47'59.605"		Longitude 103°30'41.822	
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.9997915	Buckeye.cr5
Drawing File		Field Book	
NM_Q12.dwg		Lea County 16, Page 34	

DISTRICT I
P. O. Box 1900, Hobbs, NM 88240

DISTRICT II
P. O. Drawer 00, Artesia, NM 88210

DISTRICT III
1000 Rte. Bruce Rd., Aler, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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PO Box 2088
Santa Fe, NM 87504-2088

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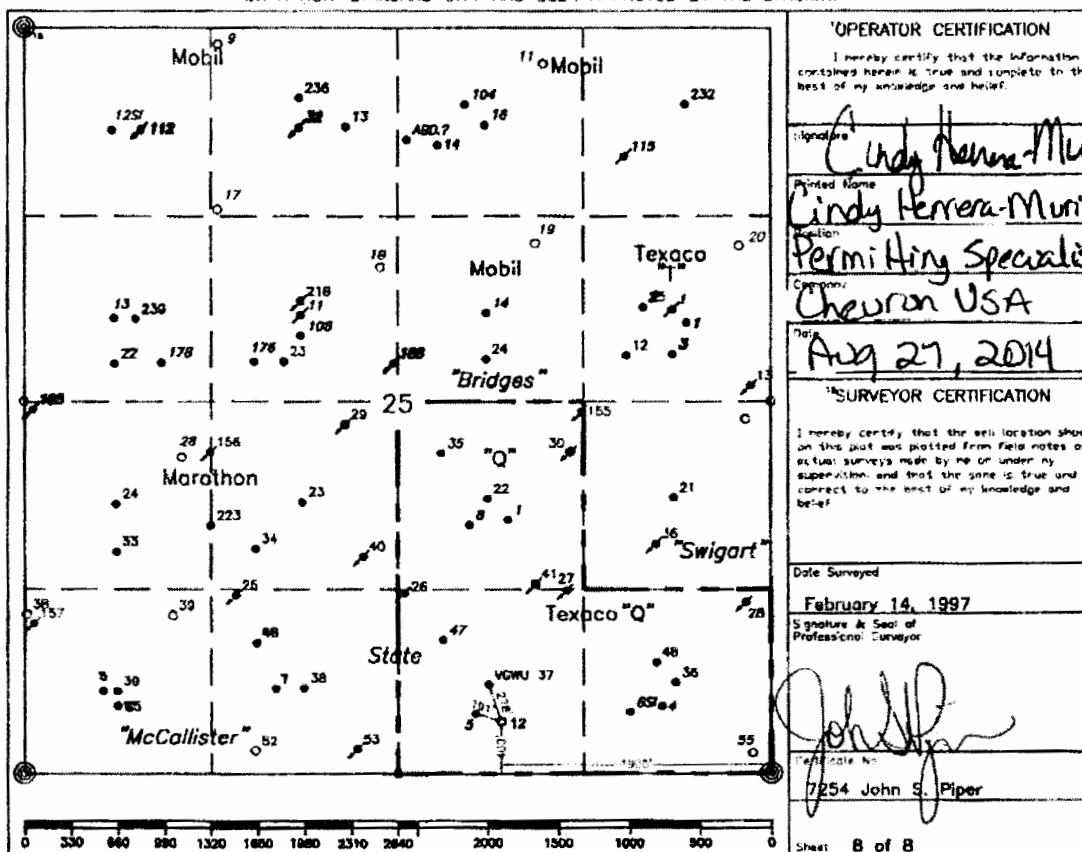
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33850		Pool Code 62340		Pool Name Vacuum Wolfcamp	
Property Code 29985		Property Name New Mexico "Q" State			Well Number 12
County No. 4323		Operator Name Chevron USA Inc			Elevation 3998
Surface Location					
UL or lot no. 0	Section 25	Township 17-S	Range 34-E	Lot Idn 400'	Feet from the South
		North/South line 1900'		East/West line East	
				County Lea	
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	
Medicated Acres 80		Joint or Int.		Consolidation Code	
				Order No.	

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.



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

Signature: *Cindy Herrera-Murillo*
Printed Name: **Cindy Herrera-Murillo**
Position: **Permitting Specialist**
Company: **Chevron USA**

Date: **Aug 27, 2014**

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: **February 14, 1997**
Signature & Seal of Professional Surveyor: *John S. Piper*

Plate No.: **7254 John S. Piper**

Sheet: **8 of 8**

○ = 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.

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Drawing File		Field Book	
NM_Q12.dwg		Lea County 16, Page 34	

DISTRICT I
P. O. Box 1960, Hobbs, NM 88240

DISTRICT II
P. O. Drawer 00 Artesia, NM 88210

DISTRICT III
1050 Rto 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
PO Box 2088
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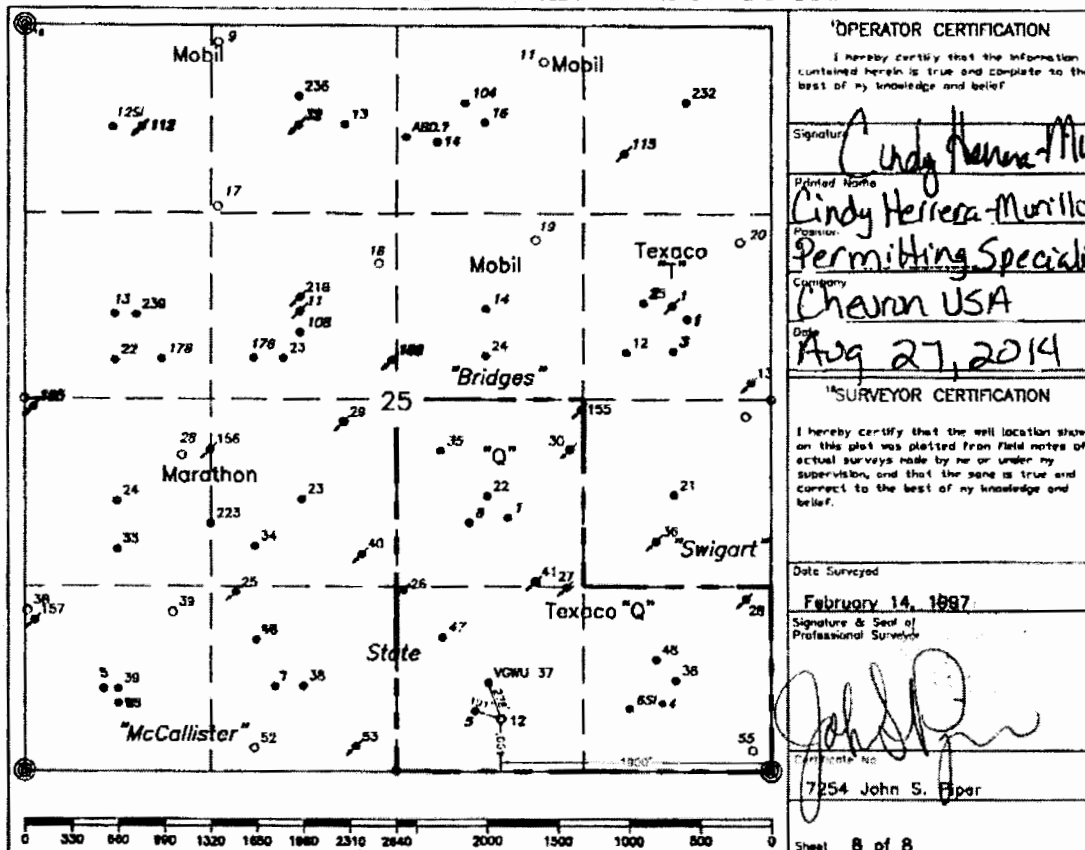
State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-33850		2 Pool Code 61760		3 Pool Name Vacuum, Abo North	
4 Bureau Code 29985		5 Property Name New Mexico "Q" State			6 Well Number 12
7 Township 4323		8 Chevron USA Inc			9 Elevation 3998
10 Surface Location					
11 UL or lot no. 0	12 Section 25	13 Township 17-S	14 Range 34-E	15 Lot 100 400'	16 North/South line South
17 Feet from the 1900'		18 East/West line East		19 County Lea	
11 Bottom Hole Location # Different From Surface					
11 UL or lot no.	12 Section	13 Township	14 Range	15 Lot 100	16 North/South line
17 Feet from the		18 East/West line		19 County	
20 Dedicated Acres 80		21 Joint or Infill		22 Consolidation Code	
23 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.



• = Staked Location • = Producing Well ■ = Injection Well ◊ = Water Supply Well ✕ = Plugged & Abandon Well
— = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. o = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

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Drawing File		Field Book	
NM_Q12.dwg		Lea County 16, Page 34	

McMillan, Michael, EMNRD

From: PEQUENO, DANIEL <PEQD@chevron.com>
Sent: Friday, August 29, 2014 12:42 PM
To: Herrera-Murillo, Cindy O
Cc: McMillan, Michael, EMNRD
Subject: QLS-085619 - State of New Mexico B-1056 Lease - NM Q State 12 API#30-025-33850 - Lea County, New Mexico
Attachments: Scanned from a Xerox multifunction device.pdf

Cindy,

Attached is the Land Ownership Status for the Chevron – New Mexico “Q” State Well No. 12 (API #30-025-33850). The 80 acres for the well is owned by Chevron 100% with the State of New Mexico owning the 1/8th Royalty. The well is on a standard location.

Chevron also owns the working interest in the NW/4SE/4 of Section 25-T17S-R34E from the Top of the Grayburg-San Andres Formation to the Base of the Paddock Formation (Unitized formations for the Chevron-operated Central Vacuum Unit and the Chevron-operated Vacuum Glorieta West Unit). The rights above and below the Unitized formations in the NW/4SE/4 is owned/operated by Diamond S Energy Company, 6608 Bryant Ervin, Fort Worth, Texas 76132 with contact phone number (817) 263-3505.

Finally, as additional information, Chevron also owns NE/4SE/4 of Section 25-T17S-R34E.

This should clarify the questions for the well location.

Thanks,

Daniel Pequeno, CPL/ESA

Senior Land Representative

Mid-Continent Business Unit

Chevron North America Exploration and Production Co.

a division of Chevron U.S.A. Inc.

15 Smith Rd., RM-2235

Midland, Texas 79705

Tel 432 687 7461

Fax 432 687 7871

peqd@chevron.com

From: "Herrera-Murillo, Cindy O" <CHerreraMurillo@chevron.com>

Date: August 28, 2014 at 10:01:50 AM CDT

To: "Heaster, Sean P" <SHeaster@chevron.com>

Subject: FW: NM Q State 12 API#30-025-33850

Sean,

Can you help me with the 80 acres description he is asking about below also about S Energy Company.

Thanks,



Sean Heaster
Petroleum Engineer

MidContinent Business Unit
Chevron North America
Exploration and Production Company
15 Smith Road
Midland, TX 79705
Office: 432-687-7366
Cell: 432-640-9031
SHeaster@chevron.com

September 5, 2014

Mr. Michael McMillan
New Mexico Oil Conservation Division
1220 South San Francis Drive
Santa Fe, New Mexico 87504

RE: NM Q State 12 API# 30-025-33850

As per your request, Chevron U.S.A. Inc. is responding to your question posed on August 28th, 2014. In the attached e-mail, you asked for additional information as follows:

Q: Provide an engineer's description of how the production will be measured.

A: A proposed workover on the New Mexico Q State #12 will add additional perforations into the Vacuum Wolfcamp (62340), which is currently authorized to DHC with the Vacuum Upper Penn (62320) pool. The workover also includes adding perforations into the Vacuum Abo, North (61760). Production was allocated between these three pools using three offset wells that were all completed and surface commingled in these reservoirs. The three offset wells are the State BA #8 (30-025-20986), New Mexico O State NCT 1 #18 (30-025-20274), and the New Mexico Q State #4 (30-025-20294). These wells were all triple string completions that produced volumes from each zone separately. Production allocation for the New Mexico Q State #12 was determined using the cumulative production from each zone from these three nearby wells. The cumulative volume from each zone was divided by the total production from the well, from this, an average production percentage was then determined for each zone. This production percentage will be applied to production from the New Mexico Q State #12. The percent allocation for oil production is as follows: Vacuum Abo, North - 16%, Vacuum Wolfcamp - 31%, Vacuum Upper Penn - 53%. The percent allocation for gas production is: Vacuum Abo, North - 12%, Vacuum Wolfcamp - 42%, Vacuum Upper Penn - 46%.

If additional information is required, you may contact me at 432-687-7366 or email me at SHeaster@chevron.com.

Sincerely,

A handwritten signature in black ink, appearing to be "Sean Heaster", written over a horizontal line.

Sean Heaster
Petroleum Engineer

Chevron



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

**Chevron North America
Exploration and Production
Company**
1616 W. Bender Blvd Room 121
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Fax 575-263-0445
cherreramurillo@chevron.com

August 28, 2014

**Re: Application to DHC NM Q State # 12
Amend DCH 2150
Section 25, T17S, R34E,
Lea County, New Mexico**

**State Of New Mexico
Commissioner of Public Lands
Royalty Interest Owner,**

Chevron U.S.A. Inc. respectfully gives notice of intent to Downhole Commingle the New Mexico Q State #12, located in Section 25, Township 17 South and Range 35East. The New Mexico Q State #12 is currently a Vacuum Upper Penn (62320) and Vacuum Wolfcamp Oil pool, (62340). This order DHC 2150 is currently approved for the Vacuum Upper Penn and Vacuum Wolfcamp pools and we are requesting to add the Vacuum Abo North pool (61760) formation.

New Mexico Q State #12, API # 30-025-33850, is currently an active well and Chevron plans to add the Vacuum Abo North Pool.

Any objections to this commingle must be sent to the New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504, within 20 days of receipt of this notification. If you require additional information, please contact me at 575-263-0431, or by email at: cherreramurillo@chevron.com.

Sincerely,

Cindy Herrera-Murillo
Permitting Specialist

9286 6220 0002 0279 9826

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
SANTA FE NM 87504	
Postage	\$ 0.49
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.49
0640	
Postmark Here AUG 28 2014	
08/28/2014	
Sent To State of New Mexico Land Office	
Attn: Will Jones	
Street, or PO Box P O Box 1148	
City, St. Santa Fe, NM 87504	
PS Form	uctions



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-2150

Texaco Exploration & Production Inc.
205 East Bender
Hobbs, New Mexico 88240

Mr. Britton M. McQuien

*New Mexico Q State No. 12
API No. 30-025-33850
Unit O, Section 25, Township 17 South, Range 34 East, NMPM,
Lea County, New Mexico.
Vacuum-Upper Pennsylvanian (Oil - 62320), and
Vacuum-Wolfcamp (Oil - 62340) Pools*

Dear Mr. McQuien:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 355 B/D

Gas 710 MCF/D

Water 710 B/D

The applicant shall consult with the supervisor of the Hobbs District Office of the Division upon completion and testing of the well in order to determine a fixed allocation of production from each of the commingled zones. Upon approval by the Hobbs District Office of the Division, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.


REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Administrative Order DHC-2150
Texaco Exploration & Production Inc.
January 4, 1999
Page 2

Approved at Santa Fe, New Mexico on this 4th day of January, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/MWA/kv

cc: Oil Conservation Division - Hobbs
State Land Office-Oil & Gas Division