



P O Box 728
Hobbs NM 88240
505 393 7191

October 10, 1988

State of New Mexico
Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Bill Lemay
Secretary-Director

RE: Downhole Commingling
G. L. Erwin "B" Federal NCT-2 Well No. 2
Unit J, Section 35, T-24-S, R-37-E
Justis Blinebry & Justis Devonian, North Fields
Lea County, New Mexico

Gentlemen:

Texaco Inc. respectfully requests administrative approval to commingle production from the Justis Blinebry and Justis Devonian, North Pools in the wellbore of G. L. Erwin "B" NCT-2 Well No. 2 in accordance with New Mexico Oil Conservation Division Rule 303-C. The Justis Blinebry and Justis Devonian, North Pools have previously been approved for downhole commingling on the subject lease.

The subject wellbore consists of four 2-3/8" casing strings and one 2-7/8" casing string. Of the five strings, one is abandoned, two are utilized to produce the Blinebry Zone, one is utilized to produce the Glorieta Zone and one is utilized to produce the Devonian Zone. Recently, communications developed between the Blinebry production strings and the Devonian production string (Glorieta production is still segregated). Due to the marginal producing nature of the Devonian zone, efforts to repair the communications would be uneconomical. Downhole commingling will provide a means to effectively deplete remaining Blinebry and Devonian reserves.

This well meets all prerequisites for downhole commingling, as described in New Mexico Oil Conservation Division Rule 303-C. The ownership of these zones is common, including working interest, royalty, and over-riding royalty. These zones are surface commingled on the subject lease. No indications of fluid incompatibility have been found.

Mr. Bill Lemay

-2-

October 10, 1988

The recommended oil and gas allocation from the two zones is as follows:

	<u>Oil</u>	<u>Gas</u>
Justis Blinebry	100%	89%
Justis Devonian, North	-	11%

The Bureau of Land Management and all Offset Operators (list attached) have been notified of this application by copy of this letter.

Yours very truly,



J. A. Schaffer
District Operations Manager

ESB:LDR/JRB

Attachments

cc: Department of Energy & Minerals
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

United States Geological Survey
P. O. Box 1157
Hobbs, New Mexico 88240

Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88220

Offset Operators
(List Attached)

OFFSET OPERATORS
G. L. ERWIN 'B' FEDERAL NCT-2 WELL NO. 2

AMERADA HESS CORP.
DRAWER D
MONUMENT, NEW MEXICO 88265

ATLANTIC RICHFIELD CO.
P. O. BOX 1610
MIDLAND, TEXAS 79702

CHEVRON USA INC.
P. O. BOX 670
HOBBS, NEW MEXICO 88240

CITATION OIL AND GAS CORP.
16800 GREENSPPOINT PARK DRIVE, SUITE 300, SOUTH ATRIUM
HOUSTON, TEXAS 77060-2304

NATIONAL COOP. REFINERY ASSOC.
415 W. WALL, SUITE 2215
MIDLAND, TEXAS 79701

ROBERT L. PARKER TRUST
200 PARKER BUILDING
8 EAST 3RD STREET
TULSA, OKLAHOMA 74103

TAHOE ENERGY INC.
4402 WEST INDUSTRIAL
MIDLAND, TEXAS 79703



Texaco USA

P.O. Box 725
Hobbs NM 88240
505 393 7191

October 10, 1988

OFFSET OPERATORS
(List Attached)

RE: Downhole Commingling Application
G. L. Erwin "B" Federal NCT-2 Well No. 2
Unit J, Section 35, T-24-S, R-37-E
Justis Blinebry & Justis Devonian, North Fields
Lea County, New Mexico

Gentlemen:

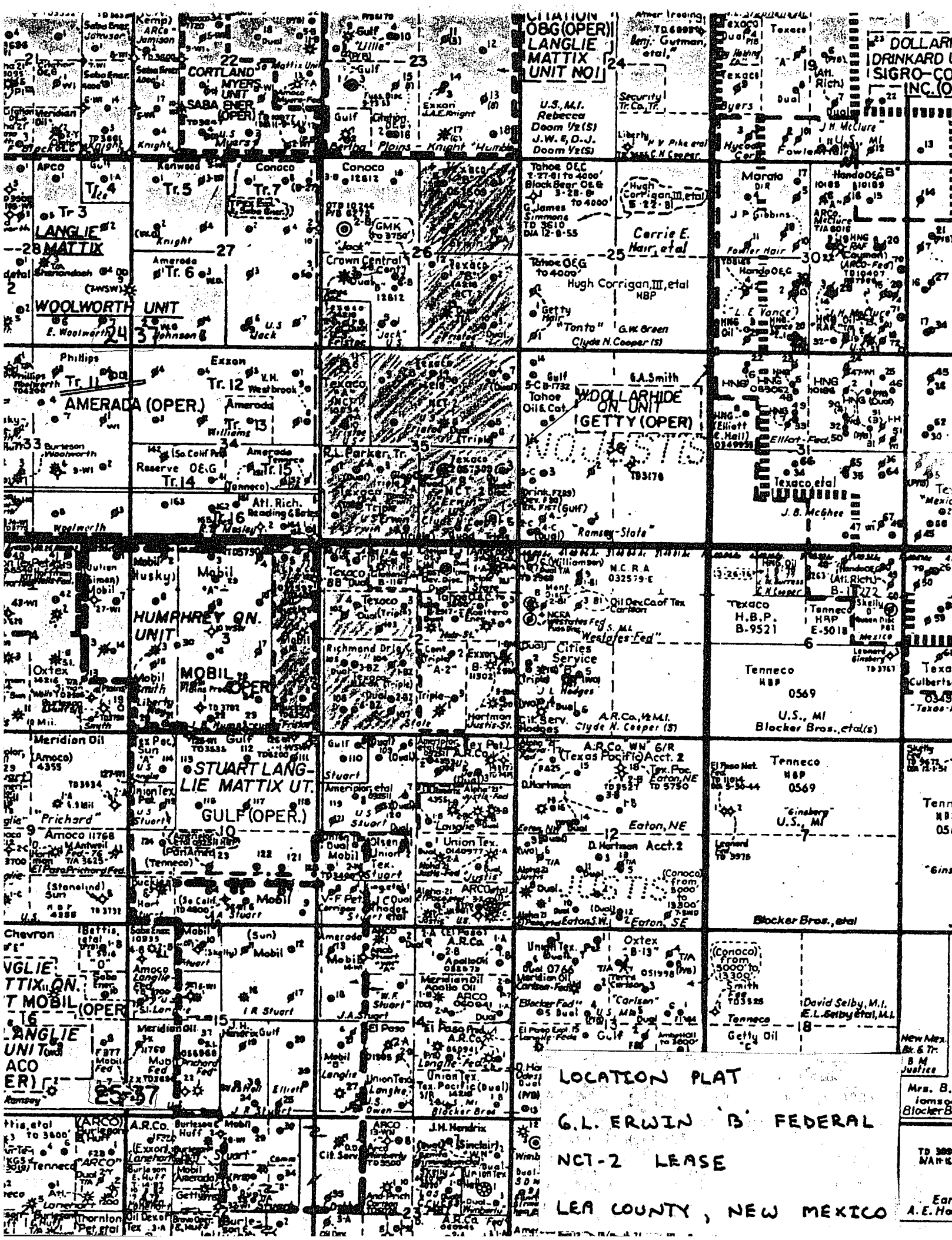
Please find attached a copy of the referenced application. This notification is required by Rule 303-C.3. Any objection to this application should be made within 20 days upon receipt of this letter.

Yours very truly,

J. A. Schaffer
District Operation Manager

LDR:JRB

Attachment



DATA SHEET FOR WELLBORE COMMINGLING

Operator: Texaco Inc.

Address: P. O. Box 728, Hobbs, New Mexico 88240

Lease and Well No: G. L. Erwin "B" Federal NCT-2 Well No. 2

Location: Unit J; 1980 Feet from the East Line and
1980 Feet from South Line of Section 35;
Township 24-S, Range 37-E; Lea County.

WELL DATA

	<u>Upper Pool</u>	<u>Lower Pool</u>
Name of Pool	<u>Justis Blinebry</u>	<u>Justis Devonian</u>
Producing Method	<u>Pumping</u>	<u>Flowing (using intermitter to Buck Line press)</u>
BHP	<u>Est. 1568 PSI</u>	<u>Est. 1092 PSI</u>
Type Crude	<u>Sweet</u>	<u>None</u>
Gravity	<u>36.0° API</u>	<u>--</u>
GOR Limit	<u>6000 Limit, 642 MCF</u>	<u>2000 Limit, 374 MCF</u>
Completion Interval	<u>5043 - 5518</u>	<u>6920 - 7050</u>
Current Test Date	<u>8/4/88</u>	<u>8/4/88</u>
Oil	<u>36</u>	<u>0</u>
Water	<u>10</u>	<u>0</u>
GOR	<u>10806 (389 MCF)</u>	<u>48 MCFD</u>
Selling Price of Crude-\$/BBL.	<u>\$17.32/\$0.87/MCF</u>	<u>--</u>
Daily Income - \$/Day	<u>\$961.95</u>	<u>\$41.76</u>

COMMINGLED DATA:

Gravity of Commingled Crude 36.0° API
Selling Price of Commingled Crude - \$/BBL. Oil \$17.32/BBL, Gas \$0.87/MCF
Daily Income - \$/Day 1003.71

Net (Gain) (Loss) From Wellbore Commingling - \$/Day \$41.76/Day
based on current producing rates.

GAS-OIL RATIO TESTS

Operator Texaco Producing Inc.		Pool Just's Blinberry		County Ira										
Address P.O. Box 728 Hobbs, New Mexico 88240		TYPE OF TEST - (X)		Completion ☐ Special ☐										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKES SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL	
		U	S	T						R	WATER BBLs.	GRAV. OIL		OIL BBLs.
G.L. ERWIN "B" Federal	2	J	35	245	37E	8-4-88	F	47	24	10	360	36	389	10806
NCT 2														

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 331 and appropriate pool rules.

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

[Signature]

(Signature)

Area Spt.

(Title)

9-8-88

GAS-OIL RATIO TESTS

Operator Texaco Producing Inc.		Pool Lea		County Lea	
Address P.O. Box 728 Hobbs, New Mexico 88240		TYPE OF TEST - (X)		SCHEDULED	
LEASE NAME G.L. Erwin "B" Federal NCT-2		WELL NO. 2		LOCATION U S T R J 35 245 37E	
DATE OF TEST 8-4-88		CHOKE SIZE NB		TBG. PRESS. N/A	
DAILY ALLOWABLE N/A		LENGTH OF TEST HOURS 24		PROD. DURING TEST WATER BBLs. GRAV. OIL OIL BBLs. GAS M.C.F. GAS - OIL RATIO CU.FT./BBL 0 0 0 0 48 -	

Completion ☐ Special ☒

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

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

K. L. Johnson
(Signature)

Area Sept.
(Title)

9-8-88

NEW MEXICO REGION

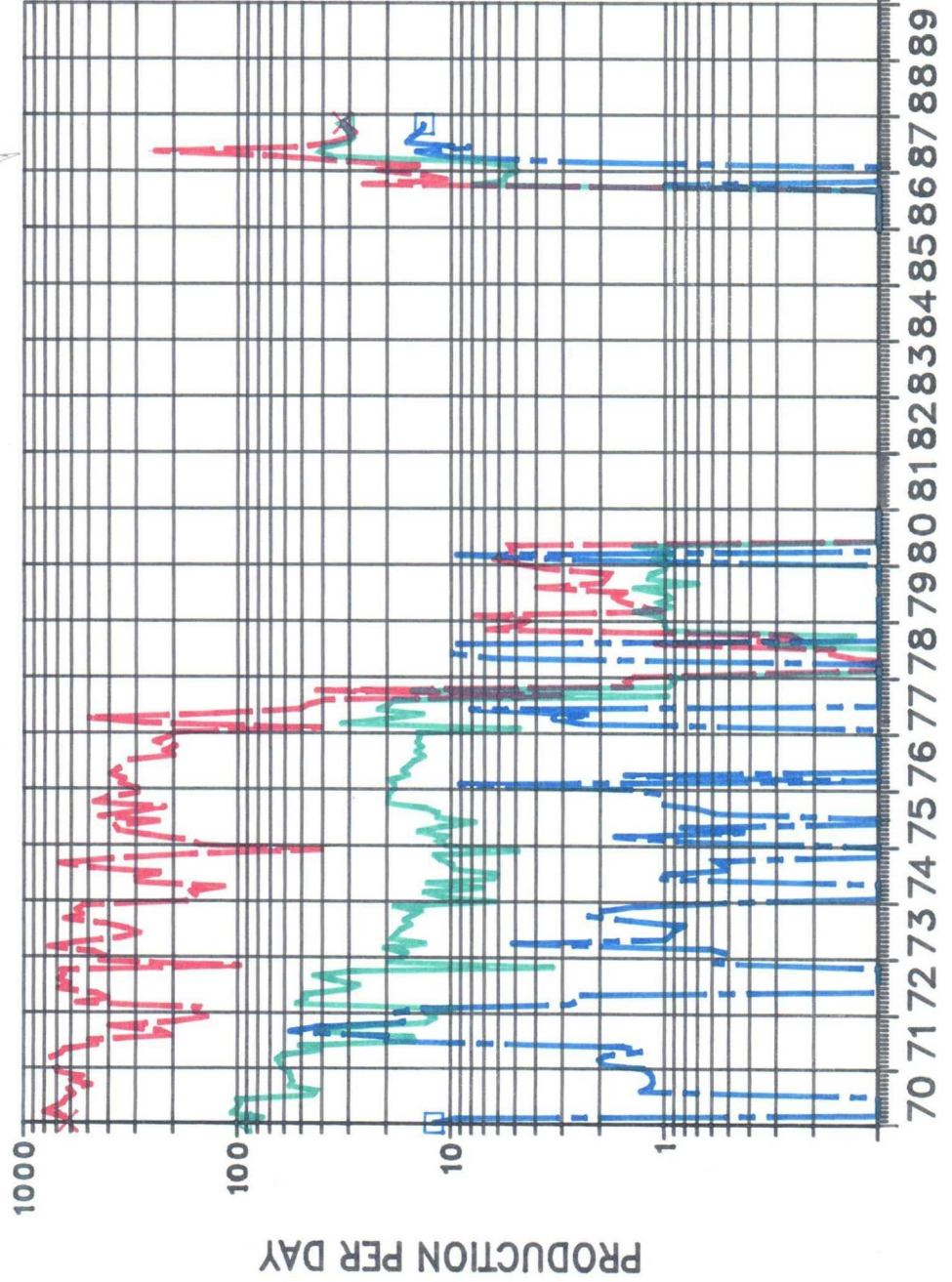
STATE: NEW MEXICO
REG. DIST: HOBBS/SE
COUNTY: LEA
FLD: JUSTIS BLINEBRY
ZONE: BLINEBRY

PRODUCTION VS TIME

PROP: G L ERWIN B FEDERAL NCT 2
PROP NO: 203600 WNUM: 002
LOCATION: 24S 37E 35 J
OPER: TEXACO INCORPORATED
WLSER: 24S37E35JBL

88-08-03

08:15:29



UPPER PERF: N/A
LOWER PERF: N/A

CUM. TOTALS
THRU 11/30/87
CRUDE: 170030
GAS : 1590581
WATER: 14220

△ CRUDE (BBLs)
× GAS (MCF)
□ WATER (BBLs)

QM29ESB

NEW MEXICO REGION

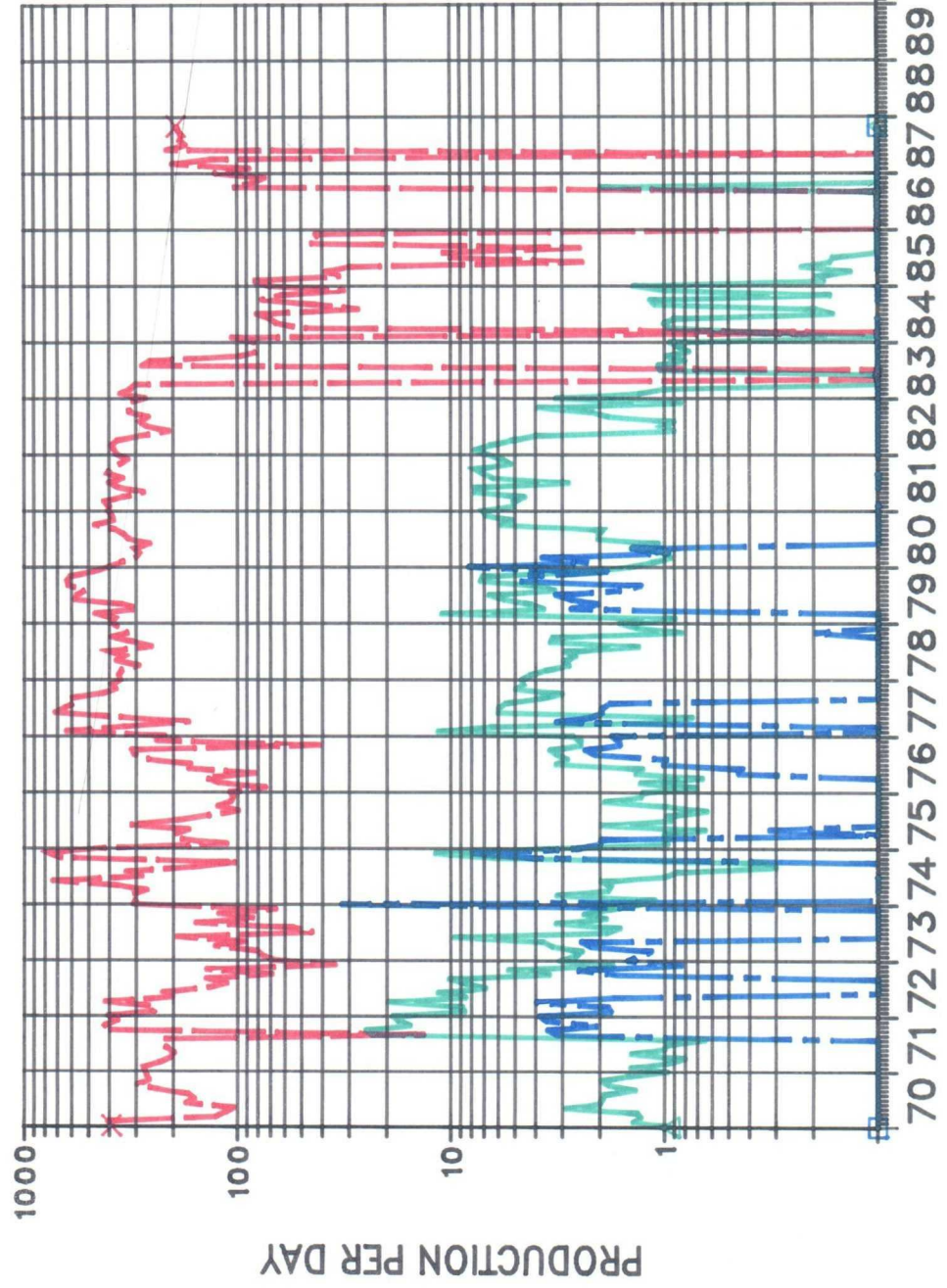
STATE: NEW MEXICO
REG. DIST: HOBBS/SE
COUNTY: LEA
FLD: JUSTIS DEVONIAN, NORTH
ZONE: DEVONIAN

PRODUCTION VS TIME

PROP: G L ERWIN B FEDERAL NCT 2
PROP NO: 203600 WNUM: 002
LOCATION: 24S 37E 35 J
OPER: TEXACO INCORPORATED
WLSER: 24S37E35JDV

88-08-03

08:15:29



UPPER PERF:N/A
LOWER PERF:N/A

CUM. TOTALS
THRU 11/30/87
CRUDE: 33314
GAS : 1816602
WATER: 4767

△ CRUDE (BBLS)
× GAS (MCF)
□ WATER (BBLS)

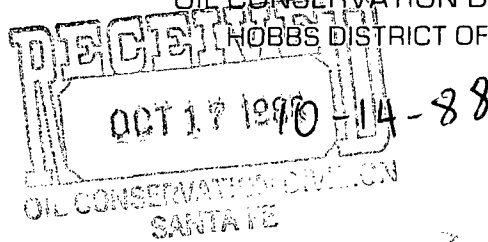
QM29ESB



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

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	<u> X </u>
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

G. L. Erwin B Fed NCT-2 #2-9 35-24-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK J.S.

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed