

Texaco E & P

205 E. Bender Blvd. Hobbs NM 88240 505 393 7191 July 10, 1996

New Mexico Oil Conservation Commission 2040 South Pacheco Santa Fe, New Mexico 87505 Attention: Mr. David R. Catanach

Re: Exception to NMOCD Rule 303 (A).

Application to Downhole Commingle
Wantz Abo/Drinkard Pool
Baker "B" #17
Unit Letter N, Sec. 10, 22S, 37E
Lea County, New Mexico

DEGETVE TO

Mr. Catanach,

Texaco Exploration & Production Inc., respectfully requests administrative approval to downhole commingle the Wantz Abo/Drinkard Pool within the subject wellbore. Currently the Wantz Abo is plugback, and we are producing out of the Drinkard Pool. Notification of this application has been sent to the said offset operators and a statement of notification has been included in this application.

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 well meets all of requirements as set forth by Rule 303 (C). The well was completed 1-20-96, so a full year of production data is not available. 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 deferred until a stabilized production rate is establish. Production will then be allocated to the Wantz Abo Pool by subtracting the Drinkard stabilized production rate from the total stabilized production rate after downhole commingling the well. If you have any questions concerning this application, please contact Kirk W. Spilman at (505)397-0425.

Yours very truly

Kirk W. Spilman Eunice Area Engineer

attachments

cc: Jerry Sexton/NMOCD/Hobbs

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

DISTRICT I

DISTRICT III

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II 811 South First St., Artesis, NM 88210

1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural-Resources Department

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

OIL CONSERVATION DIVISION

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

APPROVAL	PROCESS
37	

XAdministrative Hearing

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE _X YES __ NO

TEXACO EXPORATION &	PRODUCTION 205	E. BENDER HOBBS, NM 8	8240
BAKER 'B'	17 N-1	0-22S-37E	LEA County
OGRID NO. <u>022351</u> Property Cod	e 010886 API NO. 30	-025-33117 Federal	, State, (and/or) Fee
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
Pool Name and Pool Code	DRINKARD 19190 14	2/652	WANTZ ABO 62700
Top and Bottom of Pay Section (Perforations)	6468–6509		6641-7048
Type of production (Oil or Gas)	OIL		OIL
Method of Production (Flowing or Artificial Lift)	ARTIFICIAL		ARTIFICIAL
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 24 hr SI 700 psi b. (Original)	b.	a. 24 hr SI 651 psi b.
6. Oil Gravity (*API) or Gas BTU Content	39.5		39.5
7. Producing or Shut-In?	PRODUCING		SHUT-IN
Production Marginal? (yes or no)	YES		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	Date: Rates:	Date: Rates:	Date: 2/19/96 Rates: 16/9/174
If Producing, give date andoil/gas/ water rates of recent test (within 60 days)	Date: 7/8/96 Rates: 11/6/250	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone	Oil: Gas: %	Oit: Gas: %	Oil: Gas: %
 Are all working, overriding, an If not, have all working, over Have all offset operators been Will cross-flow occur? flowed production be recover Are all produced fluids from a 3. Will the value of production be united States Bureau of Land United States Bureau of Land 5. NMOCD Reference Cases for ATTACHMENTS: 	oporting data and/or explaining and royalty interests identical in riding, and royalty interests be given written notice of the proves. X No If yes, are fluids ed, and will the allocation formall commingled zones compatible decreased by commingling? tized with, state or federal land Management has been notifically as to be commingled showing to be commingled showing.	g method and providing rate providing rate providing and commingled zones? Lean notified by certified mail? Deposed downhole commingling? Compatible, will the formations nulla be reliable. Yes Yes Yes Yes Yes No (If Yed) ds, either the Commissioner of ead in writing of this application ORDER NO(S).	X YesNoNoNoNo
* For zones with no * Data to support all * Notification list of * Notification list of	production history, estimated ocation method or formula. all offset operators. working, overriding, and royal ements, data, or documents r	rear. (If not available, attach e production rates and supporting ty interests for uncommon interequired to support commingling to the best of my knowledge	g data. Frest cases. g.
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YPE OR PRINT NAME KIRK W			

ATTACHMENTS

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	Pool Code	³ Pool Na	
30-025-33117	62700	WANTZ	
4 Property Code	•	erty Name	⁶ Well No.
10886		KER 'B'	17
⁷ OGRID Number		rator Name	⁹ Elevation
022351		ION & PRODUCTION INC.	3409' GR

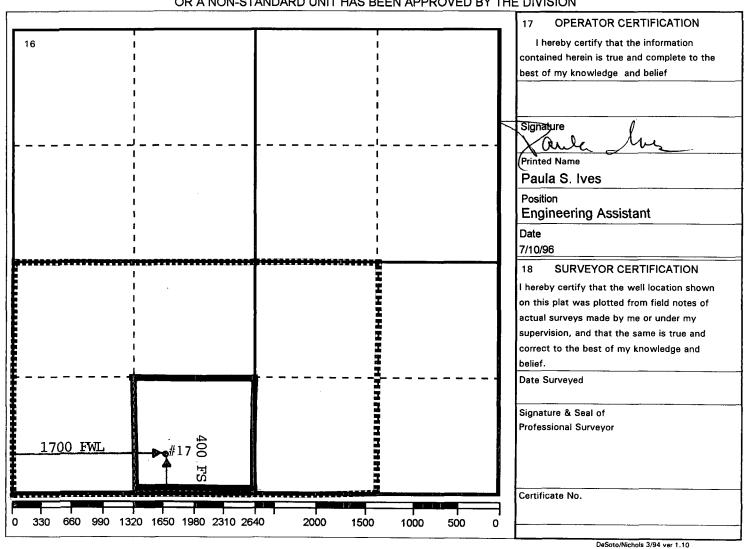
¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County
ΙN	10	22-S	37-E		400	SOUTH	1700	WEST	LEA

Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
Dedicated	Acres	Joint or Infill	1	4 Consolidation	n Code	¹⁵ Ord	ler 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



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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33117	Pool Code 19190	³ Pool Na DRINKA	
4 Property Code 10886	⁵ Propi BA	⁶ Well No. 17	
⁷ OGRID Number 022351		ator Name ON & PRODUCTION INC.	⁹ Elevation 3409' GR

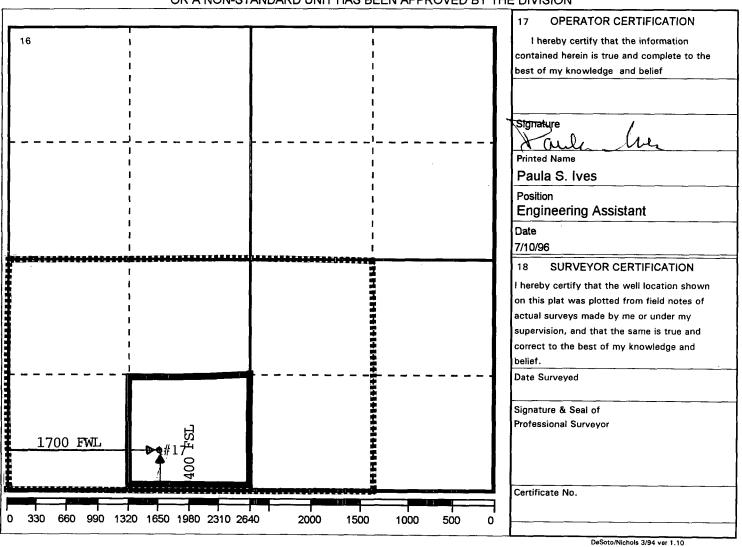
10 Surface Location

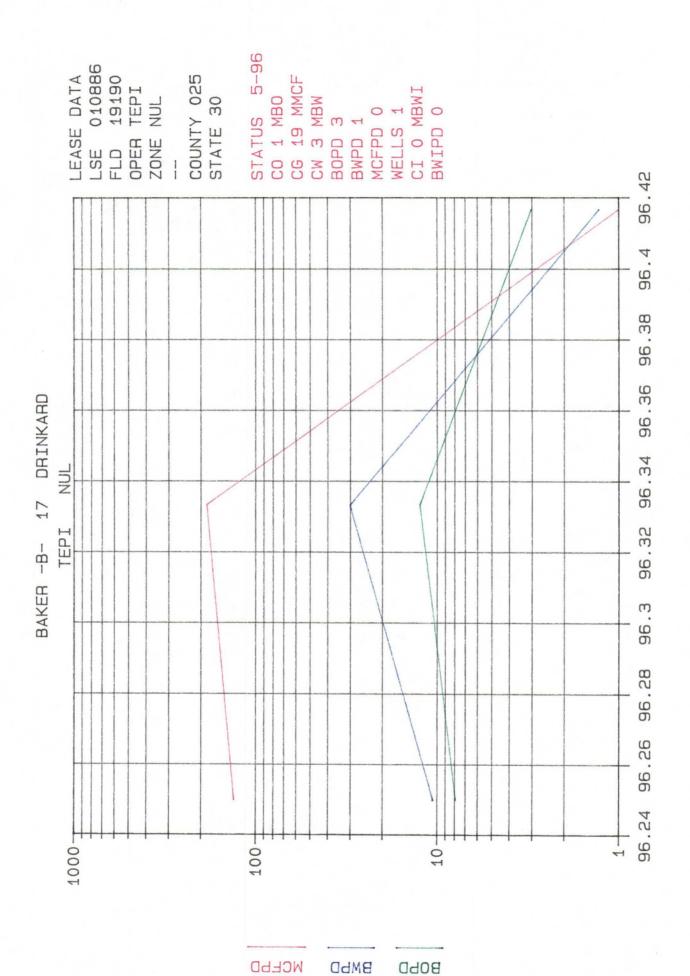
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N	10	22-S	37-E		400	SOUTH	1700	WEST	LEA

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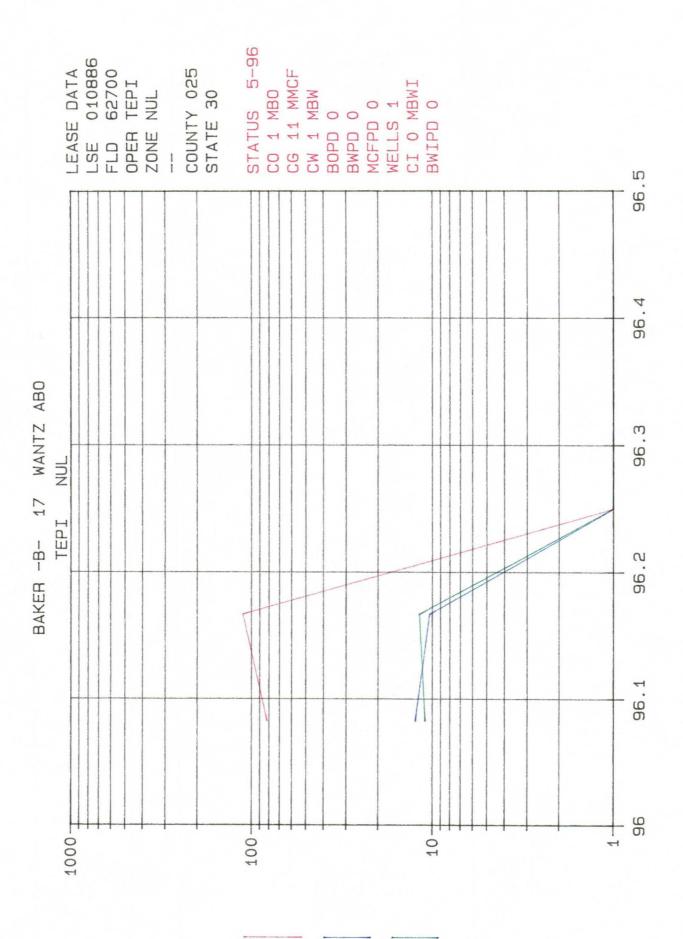
UI or lot no.	Section	Township	Range	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
Dedicated 40	Acres	Joint or Infill	1	Consolidation	n Code	¹⁵ Ord	der No.			

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YEARS



MCFPD

ВМРО

ВОРО

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Offset Operators and all Lessees of Record Baker "B" #17 Well SE/4 SW/4 of Section 10, T-22-S, R-37-E Drinkard and Wantz Abo Formations Lea County, New Mexico April 12, 1996

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Offset Operators and all Lessees of Record
Baker "B" #17 Well
SE/4 SW/4 of Section 10, T-22-S, R-37-E
Drinkard and Wantz Abo Formations
Lea County, New Mexico
April 12, 1996

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Baker "B" #17 Well
SE/4 SW/4 of Section 10, T-22-S, R-37-E
Drinkard and Wantz Abo Formations
Lea County, New Mexico
April 12, 1996

Number 1

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

Number 2

The following well is operated by:

John H. Hendrix Corporation 110 Marienfeld St. Midland, Texas 79701

A) Elliott B-15 Well No. 1 Unit Letter B, Section 15, (22-37) Drinkard Formation

All remaining rights are owned by the following Lessee's of record:

John H. Hendrix Corporation 110 Marienfeld St. Midland, Texas 79701

Michael L. Klein and wife, Jeanne L. Klein 500 W. Texas Ave., Suite 1230 Midland, Texas 79701

Ronnie H. Westbrook 2809 Haynes Midland, Texas 79705

Daniel L. Veirs 110 Marienfeld St. Midland, Texas 79701 The following well is operated by:

John H. Hendrix Corporation 110 Marienfeld St. Midland, Texas 79701

A) E. W. Walden Well No. 7 Unit Letter D, Section 15, (22-37) Drinkard Formation

All remaining rights are owned by the following Lessee's of record:

John H. Hendrix Corporation 110 Marienfeld St. Midland, Texas 79701

Michael L. Klein and wife, Jeanne L. Klein 500 W. Texas Ave., Suite 1230 Midland, Texas 79701

Ronnie H. Westbrook 2809 Haynes Midland, Texas 79705

Daniel L. Veirs 110 Marienfeld St. Midland, Texas 79701

Trusts U/D Donaldson Brown % Mercantile Safe Deposit & Trust Company, Trustee 16 West Madison Street Baltimore, Maryland 21201 Texaco E & !

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

CERTIFIED MAIL

April 15, 1995

To:

John H. Hendrix Corporation

110 Marienfeld St. Midland, TX 79701

Subject:

Exception to NMOCD Rule 303 (A).

Application to Downhole Commingle

Wantz Abo/Drinkard Pool

Baker "B" #17

Unit Letter N, Sec. 10, 22S, 37E

Lea County, New Mexico

Dear Gentlemen:

Enclosed is a copy of Texaco's application for N.M. O.C.D. administrative approval to downhole commingle the above mentioned pools.

The N.M. O.C.D. regulations require that offset operators be notified before such action can be approved. Questions concerning this matter should be directed to myself at (505) 397-0425.

Sincerely,

Kirk W. Spilman
Pertoleum Engineer
Hobbs Operating Unit

Enclosure

FORMULA FOR DETERMINING ALLOCATION OF PRODUCTION

OIL

X =DRINKARD STABILIZED OIL PRODUCTION RATE, BOPD T = TOTAL COMMINGLED, STABILIZED OIL PRODUCTION RATE, BOPD

WANTZ ABO PROD. = D = (T - X), BOPD

GAS

X = DRINKARD STABILIZED GAS PRODUCTION RATE, MCFPD

T = TOTAL COMMINGLED, STABILIZED GAS PRODUCTION RATE, MCFPD

WANTZ ABO PROD. = D = (T - X), MCFPD

**ALLOCATION OF PRODUCTION WILL THEN BE BASED ON PERCENTAGE OF TOTAL PRODUCTION



GOVERNOR

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

7/15/96

Carr 300 - 0425

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 NSL NSP SWD WFX **PMX** Gentlemen: I have examined the application for the: Operator and my recommendations are as follows: Yours/very truly,

/ed

Jerry Sexton

Supervisor, District 1