

DATE IN 10/27/05	SUSPENSE	ENGINEER Jones	LOGGED IN 10/27/05	TYPE DHC	APP NO. DSEM0530052601
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ABOVE THIS LINE FOR DIVISION USE ONLY

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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



OCT 27 2005

ADMINISTRATIVE APPLICATION CHECKLIST

OIL CONSERVATION DIVISION

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]

[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, ~~Leascholders 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] 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.~~

David Stewart
Print or Type Name

[Signature]
Signature

SR. Regulatory Analyst
Title

10/24/05
Date

david_stewart@oxy.com
e-mail Address

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos 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

Form C-107A
Revised June 10, 2003

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

DAC-3585

Operator OXY USA WTP Limited Partnership Address P.O. Box 50250 Midland, TX 79710
Lease State P 2 Well No. L - 32 - 22S - 38E Unit Letter-Section-Township-Range Lea
OGRID No. 192463 Property Code 27951 API No. 30-025-12180 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	South Paddock OIL	Blinebry O&G OIL	Tubb O&G OIL
Pool Code	49400	6660	60240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5481-5487'	5510-5654'	6042-6221'
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
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)	---	---	---
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing	Producing	Producing
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: 3/3/05 Rates: 61/381/88	Date: 3/3/05 Rates: 61/381/88	Date: 3/3/05 Rates: 61/381/88
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 54 % Gas 2 %	Oil 20 % Gas 7 % Gas-60 %	Oil 19 % Gas 5 % Gas-33 %

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 ☐

NMOCD Reference Case No. applicable to this well: Rule 303C(5)

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 David Stewart TITLE Sr. Regulatory Analyst DATE 10/24/05

TYPE OR PRINT NAME David Stewart TELEPHONE NO. (432) 685-5717

E-MAIL ADDRESS david.stewart@oxy.com

State P #2

**State P #2 Calculation of Allocation Factors
Paddock, Blinebry, Tubb, & Drinkard/Abo Zones**

4/05 Cumulative Production by Zone (P2000)

Offset Well	Paddock		Blinebry		Tubb		Drinkard/Abo	
	bo	mcf	bo	mcf	bo	mcf	bo	mcf
A H Blinebry Fed NCT #4	-	-	65,042	1,070,626	30,392	2,561,197	50,828	1,516,300
Amoco State S Com #3	-	-	144,261	2,828,512	17,991	3,605,315	-	-
Amoco State T #1Y	429,341	633,157	7,421	124,628	-	-	-	-
Amoco State T #2	273,007	205,104	-	-	-	-	-	-
Scarborough Estate #2	-	-	66,937	19,533,074	46,937	5,558,248	-	-
Scarborough Estate #3	-	-	29,767	828,636	3,442	78,127	16,538	700,096
State P #3	211,452	106,995	22,335	81,161	-	-	-	-
State P #4	-	-	-	-	-	-	49,359	93,314
State P Com #1	-	-	10,948	1,192,979	11,650	2,167,110	-	-
State S #1	-	-	-	-	-	-	196,434	-
Totals	913,800	945,256	346,711	25,659,616	110,412	13,969,997	313,159	2,309,710

State P #2

Commingled Paddock, Blinebry, Tubb, & Drinkard/Abo

	Paddock	Blinebry	Tubb	Drinkard/Abo	Total
Oil %:	54%	21%	7%	19%	100%
Gas %	2%	60%	33%	5%	100%

Attachment C-107-A
State P #2
Offset Operators

Chevron USA Inc. - 4323
P.O. Box 4791
Houston, TX 77210-4791

John H. Hendrix Corp. - 12024
P.O. Box 3040
Midland, TX 79702-3040

OXY USA WTP LP - 192463
P.O. Box 50250
Midland, TX 79710-0250

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State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-12180	² Pool Code 49400	³ Pool Name South Paddock
⁴ Property Code 27952	⁵ Property Name State P	⁶ Well Number 2
⁷ OGRID No. 192463	⁸ Operator Name OXY USA WTP Limited Partnership	⁹ Elevation 3345'

¹⁰ Surface Location

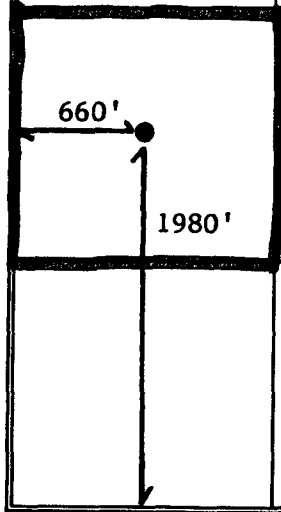

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	32	22S	38E		1980	south	660	west	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ 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

¹⁶ 				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature David Stewart Printed Name Sr. Regulatory Analyst Title and Email idz465 Date
				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 belief. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

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Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-12180	² Pool Code 6660	³ Pool Name Blueberry Oil & Gas
⁴ Property Code 27952	⁵ Property Name State P	⁶ Well Number 2
⁷ OGRID No. 192463	⁸ Operator Name OXY USA WTP Limited Partnership	⁹ Elevation 3345'

¹⁰ Surface Location

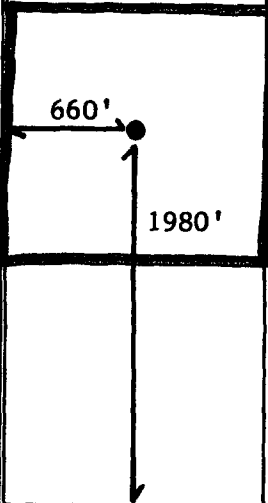
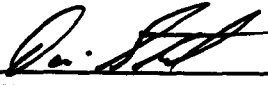
UL or lot no. L	Section 32	Township 22S	Range 38E	Lot. Idn	Feet from the 1980	North/South line south	Feet from the 660	East/West line west	County Lea
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¹¹ Bottom Hole Location If Different From Surface


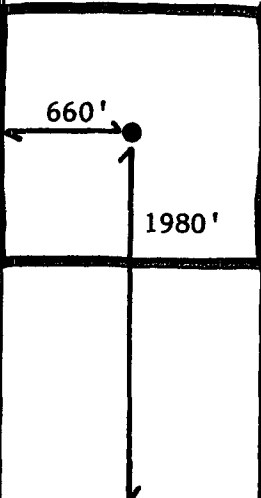
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

<div data-bbox="43 1029 303 1272"><p>16</p></div>				<div data-bbox="1034 1029 1534 1272"><p>17 OPERATOR CERTIFICATION</p><p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p></div>
				<div data-bbox="1034 1272 1534 1524"><p></p><p>Signature</p><p>David Stewart</p><p>Printed Name</p><p>Sr. Regulatory Analyst</p><p>Title and Email</p><p>10/24/05</p><p>Date</p></div>
<div data-bbox="43 1524 303 2020"><p>660'</p><p>1980'</p></div>				<div data-bbox="1034 1524 1534 2020"><p>18 SURVEYOR CERTIFICATION</p><p><i>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 belief.</i></p></div> <div data-bbox="1034 1747 1534 2020"><p>Date of Survey</p><p>Signature and Seal of Professional Surveyor:</p><p>Certificate Number</p></div>

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-12180	² Pool Code 7900	³ Pool Name South Brunson Drinkard - Abo
⁴ Property Code 27952	⁵ Property Name State P	⁶ Well Number 2
⁷ OGRID No. 192463	⁸ Operator Name OXY USA WTP Limited Partnership	⁹ Elevation 3345'

¹⁰ Surface Location


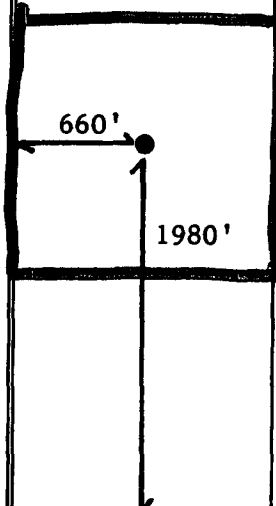
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