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(-)	[A]	U Working, Royalty					· · • • • • • • • • • • • • • • • • • •
	[B]	🗹 Offset Operators, I	easeholders	or Surface	e Owner		
	[C] Application is One Which Requires Published Legal Notice						
	[D]	[D] Division and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office					
	[E]	General of the above	e, Proof of N	lotification	n or Publicat	ion is Attacl	ned, and/or,
	[F]	U Waivers are Attach	ned				
[3]	INFORMAT	TION / DATA SUBMIT	<b>FTED IS CO</b>	OMPLET	E - Stateme	nt of Unders	standing

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

<u>rec Maes</u> Print or Type Name

a Maes

Engineer Assistant

4-8-97



Техасо Е & Р

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

April 8, 1997

NMOCD 2040 South Pacheco Santa Fe, New Mexico 87505

Attn: Mr. Ben Stone

# Subject: Application to DHC V. M. Henderson #16, E-30-21S-37E, in the Drinkard (19190) and Blinebry Oil and Gas (6660) Pools.

Dear Mr. Stone:

Texaco Exploration and Production, Inc. respectfully requests administrative approval to downhole commingle the V. M. Henderson #16 in the Drinkard and Blinebry Oil & Gas Pool. Notification of this application has been sent to offset operators and a statement of notification has been included in this package.

This well is a new drill and there are no production curves available. Currently, the Drinkard is being plugged back and the well is being completed in the Blinebry Oil and Gas. The current rate on the Drinkard is 8 bopd, 30 bwpd, and 22 mcfpd. The expected rate for the Blinebry Oil and Gas, based on offset performance is estimated to be 18 bopd and 350 mcfpd. The cast iron bridge plug will be drilled out above the Drinkard, and the two zones will be simultaneously rod pumped. This will provide the most economical means to produce both zones.

This well will meet all of the requirements set forth by Rule 303(C). The allocation factor will be determined after we get a stabilized rate from the Blinebry Oil and Gas Pool, also at which time we will establish the bottom hole pressure. If the well satisfies the requirements, we will request allocation of the Blinebry Oil and Gas and the Drinkard Pool after the completion is done. The allocation factor will be determined in the following manner:

#### % DRINKARD PRODUCTION = <u>DRINKARD STABILIZED PRODUCTION</u> DRINKARD + BLINEBRY STABILIZED PRODUCTION

% BLINEBRY OIL & GAS PRODUCTION = 100% - % DRINKARD PRODUCTION.

If you have any questions concerning this application, please contact Greg Maes at (505) 397-0431.

Sincerely,

Greg Maes Engineer Assistant Texaco Exploration and Production, Inc.

cc: Mr. J. T. Sexton

Offset Operators and all Lessees of Record V. M. Henderson Well No. 16 SW/4 NW/4 of Section 30, T-21-S, R-37-E Blinebry-Drinkard Formations Lea County, New Mexico March 27, 1997

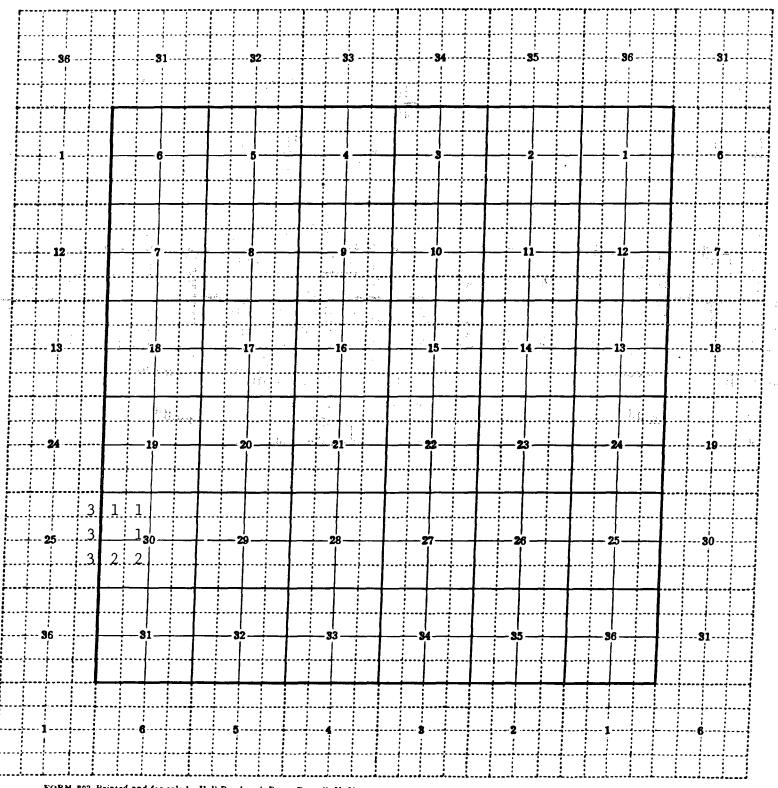
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Offset Operators and all Lessees of Record V. M. Henderson Well No. 16 SW/4 NW/4 of Section 30, T-21-S, R-37-E Blinebry-Drinkard Formations Lea County, New Mexico March 27, 1997



FORM 202 Printed and for sale by Hall-Poorbaugh Press, Roswell, N. M.

Offset Operators and all Lessees of Record V. M. Henderson Well No. 16 SW/4 NW/4 of Section 30, T-21-S, R-37-E Blinebry-Drinkard Formations Lea County, New Mexico March 27, 1997

> rilder :

Number 1

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

Number 2

Arch Petroleum Inc. 777 Taylor St., Suite 11A Fort Worth, Texas 76102-4919

Number 3

Chevron USA Inc. P. O. Box 1150 Midland, Texas 79702 and the state of the state

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SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we card to you. Attach this form to the front of the mailpiece, or on the back if space permit. Write ' <i>Return Receipt Requested</i> ' on the mailpiece below the article The Return Receipt will show to whom the article was delivered and delivered.	e does not e number.	I also wish to receive the following services (for an extra fee): 1.	
3 Article Addressed to: Arch Petroleum Inc. 777 Taylor St., Suite 11A Fort Worth, Texas 76102-4919	4a. Article Number         Z       004       855       443         4b. Service Type         Registered       Image: Certified         Express Mail       Insured         Return Receipt for Merchandise       COD         7. Date of Delivery		
<ul> <li>5. Received By: (Print Name)</li> <li>6. Signature: (Addressee or Agent)</li> <li>X</li> </ul>	8. Addresse and fee is	e's Address (Only if requested paid)	
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PS Form 3811, December 1994

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20001 DISTRICT 1 P. O. Box 1980, Hobbs, NM 88240 Form C-102 State of New Mexico Revised February 10, 1994 Energy, Minerals and Natural Resources Department DISTRICT II Instructions on back P. O. Drower DD, Artesia, NM 88210 OIL CONSERVATION DIVISION Submit to Appropriate District Office DISTRICT III 1000 Rio Brozos Rd., Aztec, NM 87410 PO Box 2088 Santa Fe, NM 87504-2088 State Lease-4 copies DISTRICT IV P. O. Box 2088, Sonte Fe, NM 87504-2088 Fee Lease-3 copies AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT 1 API Number <sup>3</sup> Pool Name <sup>2</sup>Pool Code DRINKHRD , PADDOCK Blinebry Oil & Gas Property Code Property Name Well Number 10963 V. M. Henderson 16 <sup>8</sup>Operator Name Flevation 22351 TEXACO EXPLORATION & PRODUCTION, INC. 3499' Surface Location UL or lot no. Section Township Range Lot Idn Feet from th Feet from the East/West line County 37-E Ε 30 21–S 1650' North 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 <sup>7</sup>County Dedicated Acres 13 Joint or Infill <sup>1</sup>Consolidation Code 15Order No. 36.97 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. 'OPERATOR CERTIFICATION Т I benefy centify that the inform

12 🕳	• 11	1		contained herein is true and conplete to the best of my knowledge and belief.
<sup>10</sup> <b>0 0</b> 14 05 95	<b>3</b> 4 ● 6	• 5	• 2	Signature C. Wade Howend
36.95 Acres		<u> </u>		Printed Name C. Wade Howard Position
660' by N <b>Q</b> 13	e 7	•	15     - <b>@</b> -3	Engineer's Assistant <sup>Company</sup> Texaco Expl. & Prod. Inc.
T			<b>+</b> 1	January 14, 1997
36.97 Acres		30		<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by ne or under ny supervision, and that the same is true and correct to the best of ny knowledge and belief.
36.99 Acres		 		Date Surveyed January 10, 1997 Signature & Seal of Professional Surveyor
				John
37.01 Acres	1	ф	<b></b>	7254 John S. Piper
330 660 990 13	320 1650 1980 2310	2840 2000 1	500 1000 500	0 Sheet

 $\bigcirc$  = Staked Location • = Producing Well = Injection Well  $\diamond$  = Water Supply Well • = Plugged & Abandon Well  $\bigcirc$  = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C.  $\bigcirc$  = Found /4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION State Plane Coordinates Easting 888363.62 Northing 530228.93 Latitude 32°27'09.052" Longitude 103°12'28.259" Zone North American Datum Combined Grid Factor Coordinate File 1983 0.9998457 East Monumt83 Drawing File Field Book VMHEN\_16 Lea County FB 16, Pg. 20

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

DISTRICT I

DISTRICT.III

Operator

P.D. Box 1980. ----DISTRICT II 811 South First'St., Artesia, NM 88210

1000 Rig Brazos Rd. Aztec. NM 87410

Texaco Exploration & Producing Inc.

# State of New Mexico Energy, Minerals and Natural-Resources Department **OIL CONSERVATION DIVISION** 2040 S. Pacheco Santa Fa, New Mexico 87505-6429

Form C-107-A New 3-12-96 APPROVAL PROCESS Administrative \_\_\_\_Hearing **EXISTING WELLBORE** 

### APPLIC

	YESNO		
	205 East Bender	Hobbs, New Mexico 88240	
	Address		
16	F-30-218-37F	Las	

V. M. Henderson	16	E-30-21S-37E	Lea
Lease	Well No.	Unit Ltr Sec - Tws - Rge	County
		Spacing	g Unit Lease Types: (check 1 or more)

OGRID NO. 022351 Property Code 10963 API NO. 30-025-33782 Federal , State X , (and/or) Fee

The following facts are submitted in	Lower	Intermediate	Upper
support of downhole commingling:	Zone	Zone	Zone
1. Pool Name and	Drinkard		Blinebry Oil and Gas
Pool Code	19190		6660
2. Top And Bottom of	6644 - 6700		5487 - 5604
Pay Section (Perforations)			
3. Type of production	oíl		oil
(Oil or Gas)			
4. Method of Production	artificial lift		artificial lift
(Flowing or Artificial Lift)	(Current)		
	' '		
5. Bottomhole Pressure	a.2203 psi @ 6644'	а.	a.
Oil Zones - Artificial Lift: Estimated Current			
LSundled Ourion	(Original)	· · · · · · · · · · · · · · · · · · ·	
Gas & Oil - Flowing:	b.	b.	ь.
Measured Current	D.	В.	<i>D</i> .
All Gas Zones:			
Estimated Or Measured			
Original			
6. Oil Gravity (* API) or	38.2		39.7
Gas BTU Content			
7. Producing or Shut-In?	shut-in		To be completed
Production Marginal? (yes or no)	yes		
* If Shut-In, give date and oil/gas/	Date: 4/2/97		
water rates of last production	Rates: 8/22/30		
Note: For new zones with no production			
history, applicant shall be required to attach			
production estimates and supporting data			
* If Producing, give date and oil/gas/			date: 4/8/97
water rates of recent test			completion in process
(within 60 days)			
8. Fixed Percentage Allocation	Oil: Gas:	Oil: Gas:	Oil: Gas:
Formula -% for each zone	% %	% %	% %

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? <u>X</u>Yes \_\_\_ No If not, have all working, overriding, and royalty interests been notified by certified mail? \_Yes \_\_ No X Yes No Have all offset operators been given written notice of the proposed downhole commingling?

11. Will cross-flow occur? \_\_\_\_Yes X No If yes, are fluids compatible, will the Formations not be damaged, will any crossflowed 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 Х No

13. Will the value of production be decreased by commingling? (If Yes, attach explanation) Yes X No

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	ed in writing of this application.	<u>_X</u> 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.

SIGNATURE DATE 4/8/97						
SIGNATURE	ua/Vaes	TITLE	Engineer Assistant	DATE 4/8/97		
TYPE OR PRINT NAME	Greg Maes	· · · · · · · · · · · · · · · · · · ·	TELEP	HONE NO. ( 505 ) 397-0431		

DHC-1560



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

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• POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

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GOVERNOR

OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

RE: Proposed: MC\_\_\_\_\_\_ DHC\_\_\_\_\_ NSL\_\_\_\_\_ NSP\_\_\_\_\_ SWD\_\_\_\_\_ WFX

Gentlemen:

PMX

I have examined the application for the:

30-215-37e Laco nP Operator Lease nit

and my recommendations are as follows:

Yours hery truly, ry Sexton

Jerry Sexton Supervisor, District 1

/ed