

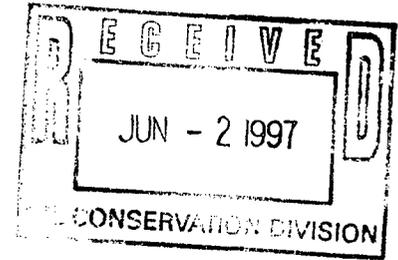


Texaco E & P

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

DHC 6/23/97

1580



May 30, 1997

GOV-STATE AND LOCAL GOVERNMENTS

Exception to NMOCD Rule 303 (A).

Application to Downhole Commingle

Teague; Tubb North (Assoc)/Teague; Drinkard-Abo, North (Assoc) Pools

G.W. Sims "B" #1

Unit Letter B, Sec. 9, 23S, 37E

Lea County, New Mexico

State of New Mexico

Energy and Minerals Department

Oil Conservation Commission

2040 South Pacheco

Santa Fe, New Mexico 87505

Attention: Mr. Ben Stone

Texaco Exploration & Production Inc., respectfully requests administrative approval to downhole commingle the TeagueTubb North (Assoc) and the Teague Drinkard Abo North (Assoc) Pool within the subject wellbore. Currently the well is a dual completion. Texaco operates 100% of the offset acreage, therefore notification of this application is complete. The royalty is common in all zones.

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). 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 allocated to the TeagueTubb North (Assoc) and the Teague Drinkard Abo North (Assoc) Pool by the Fixed Percentage Allocation Formula % for each zone based on previous production. (See form C-107A).

If you have any questions concerning this application, please contact Paula S. Ives at (505)397-0432.

Yours very truly,

A handwritten signature in cursive script that reads "Paula S. Ives". The signature is written in black ink and is positioned above the printed name.

Paula S. Ives
Engineer Assistant

Attachments

cc: Chris Williams/NMOCD/Hobbs

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

WELL FILE

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|--|--|--|--|
| ¹ API Number 30 025 32223 | | ² Pool Code 96315 | | ³ Pool Name NORTH TEAGUE - TUBB ASSOCIATED | |
| ⁴ Property Code 013194 | | ⁵ Property Name SIMS, G. W. | | | ⁶ Well No. 1 |
| ⁷ OGRID Number 022351 | | ⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC. | | | ⁹ Elevation GR-3310, KB-3324 |

¹⁰ Surface Location

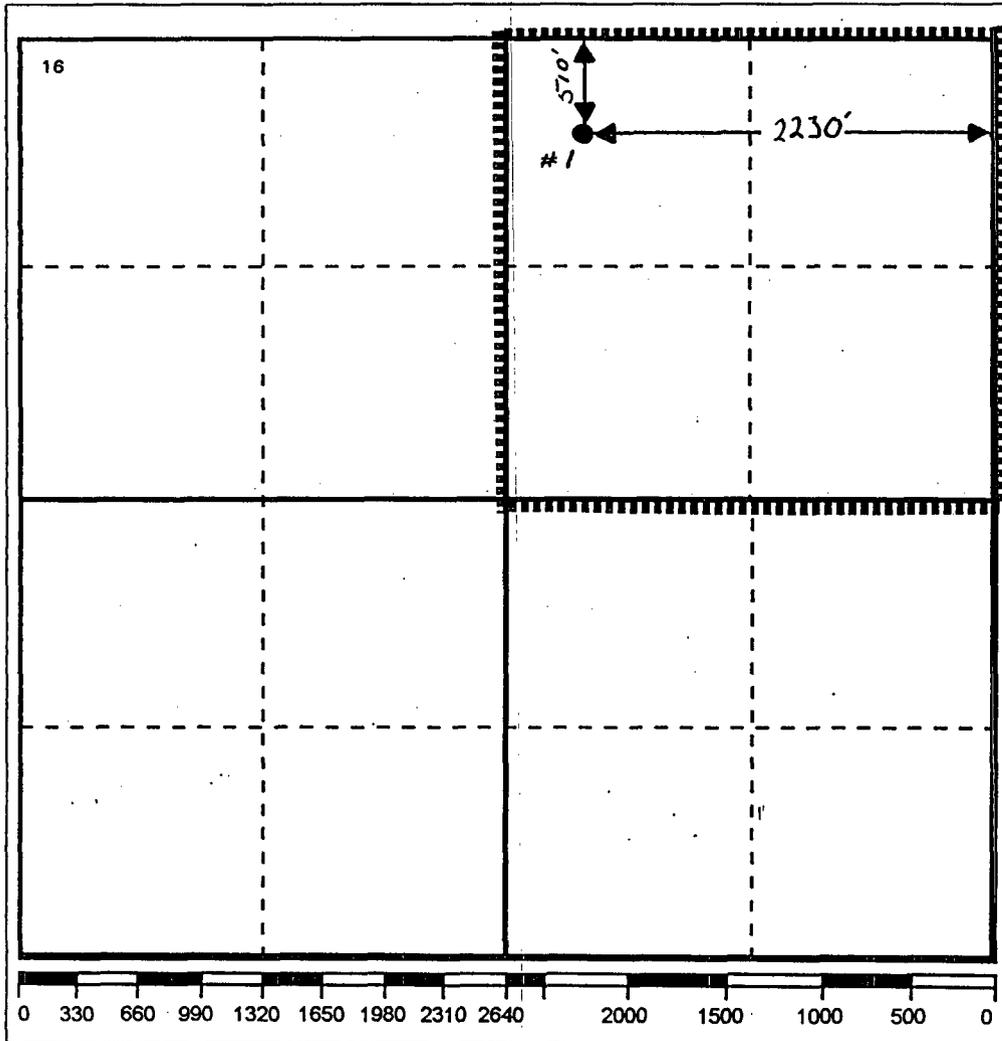
| Ul or lot no. | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 9 | 23S | 37E | | 510 | N | 2230 | E | 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 160 | ¹³ Joint or Infill No | ¹⁴ Consolidation Code | ¹⁵ 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



| |
|---|
| ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief |
| Signature <i>Darrell J. Carriger</i> |
| Printed Name Darrell J. Carriger |
| Position Engineering Assistant |
| Date 11/15/94 |
| 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 knowledge and belief. |
| Date Surveyed |
| Signature & Seal of Professional Surveyor |
| Certificate No. |

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

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL FILE AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|---|
| ¹ API Number 30 025 32223 | ² Pool Code 96313 | ³ Pool Name NORTH TEAGUE DRINKARD ABO |
| ⁴ Property Code 013194 | ⁵ Property Name SIMS, G. W. | |
| ⁷ OGRID Number 022351 | ⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC. | ⁶ Well No. 1 |
| | | ⁹ Elevation GR-3310, KB-3324 |

¹⁰ Surface Location

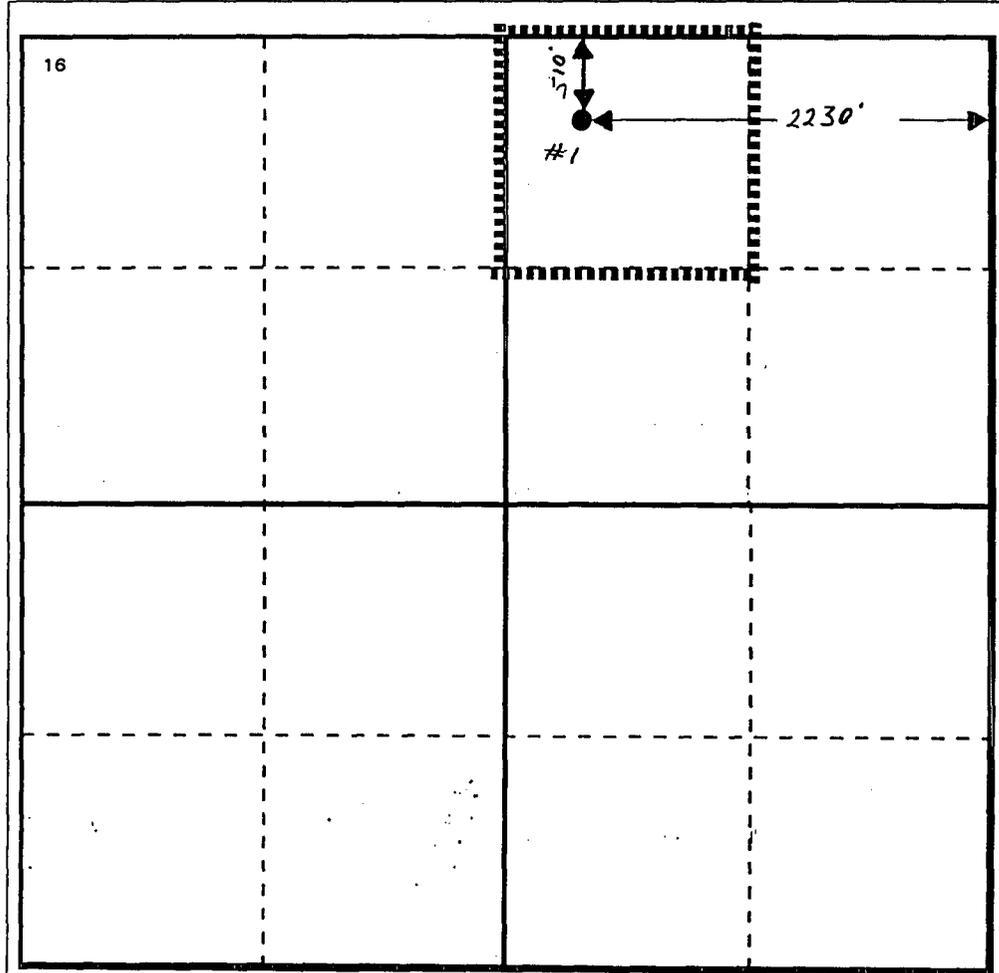
| UI or lot no. | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 9 | 23S | 37E | | 510 | N | 2230 | E | Lea |

¹¹ Bottom Hole Location If Different From Surface

| UI 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 No | ¹⁴ Consolidation Code | ¹⁵ 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



¹⁷ OPERATOR CERTIFICATION

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

Signature *Darrell J. Carriger*
Printed Name
Darrell J. Carriger

Position
Engineering Assistant

Date
11/15/94

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 knowledge and belief.

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
611 South First St., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

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

APPROVAL PROCESS:
 Administrative Hearing

EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Texaco Exploration & Producing Inc. Address 205 East Bender Hobbs, New Mexico 88240

Lease Sims G. W. Well No. 1 Unit Ltr. - Sec - Tws - Rge B 9, 23S, 37E, County Lea

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 022345 Property Code 013194 API NO. 30-025-32223 Federal State (and/or) Fee X

| The following facts are submitted in support of downhole commingling: | Lower Zone | Intermediate Zone | Upper Zone |
|---|--------------------------------------|-------------------|--|
| 1. Pool Name and Pool Code | Teague; Tubb, North (Assoc) 96315 | | Teague; Drinkard Abo, North (Assoc) 96313 |
| 2. Top And Bottom of Pay Section (Perforations) | 6098'-6244' | | 6424'-6995' |
| 3. Type of production (Oil or Gas) | Gas | | Oil |
| 4. Method of Production (Flowing or Artificial Lift) | Flowing | | Flowing |
| 5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original | (Current) a.560 | a. | a.615 |
| | (Original) b. | b. | b. |
| 6. Oil Gravity (* API) or Gas BTU Content | 41 | | 41.5 |
| 7. Producing or Shut-In? Production Marginal? (yes or no) * 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 production estimates and supporting data * If Producing, give date and oil/gas/water rates of recent test (within 60 days) | Producing Yes | | Producing Yes |
| | Date: Rates: | | Date: 3-97 Rates: 12/250/7 |
| 8. Fixed Percentage Allocation Formula -% for each zone | Oil: 52 % Gas: 45 % | Oil: % Gas: % | Oil: 48 % Gas: 55 % |

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? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No
11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the Formations not be damaged, will any cross-flowed 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 No
13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)
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 in writing of this application. 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.

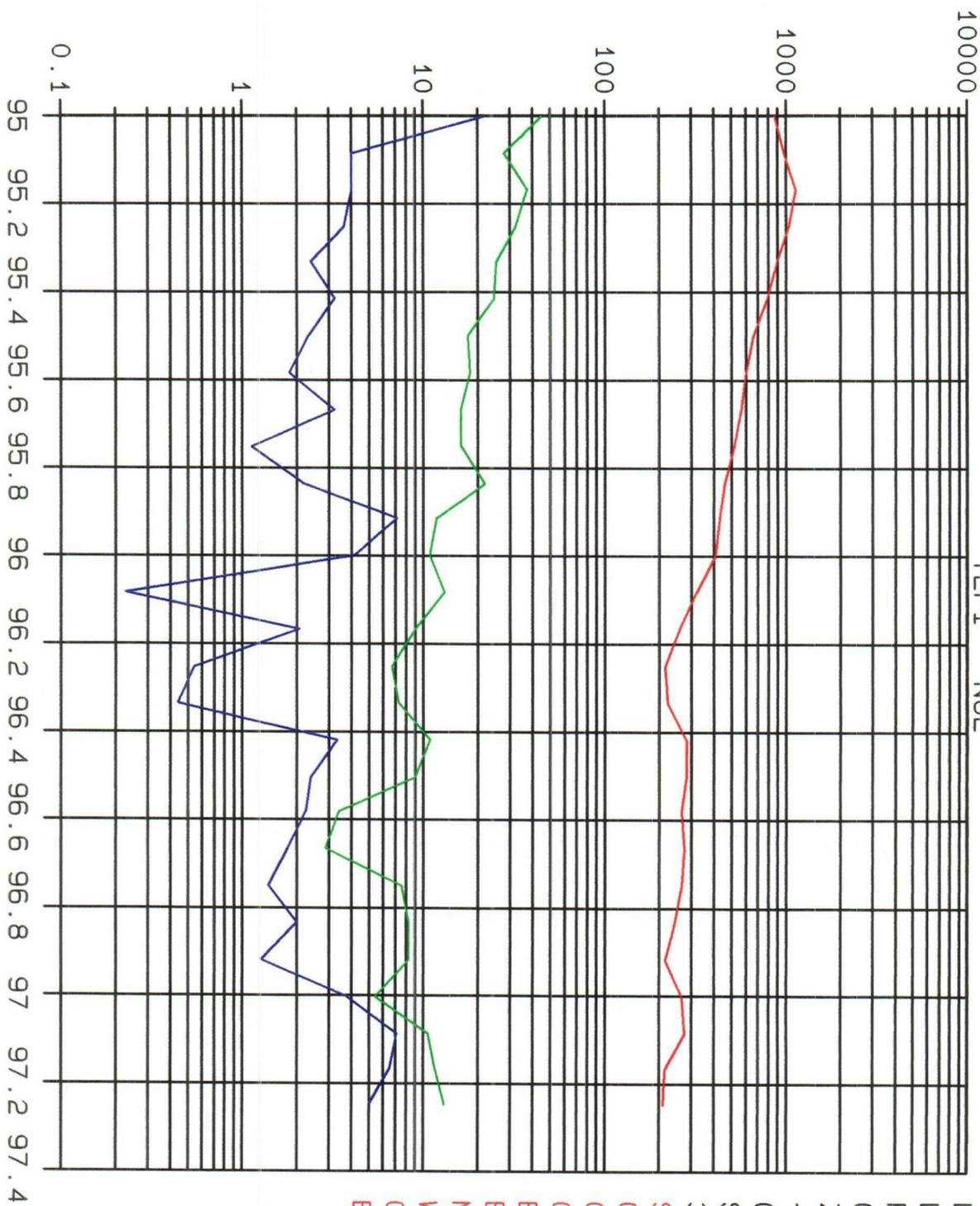
I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Paula S. Ives TITLE Engineer DATE 05-30-97

TYPE OR PRINT NAME Paula S. Ives TELEPHONE NO. (505) 397-0432

SIMS, G. W. 1 TEAGUE TUBB, NORTH (ASSOC.)

TEPI NUL

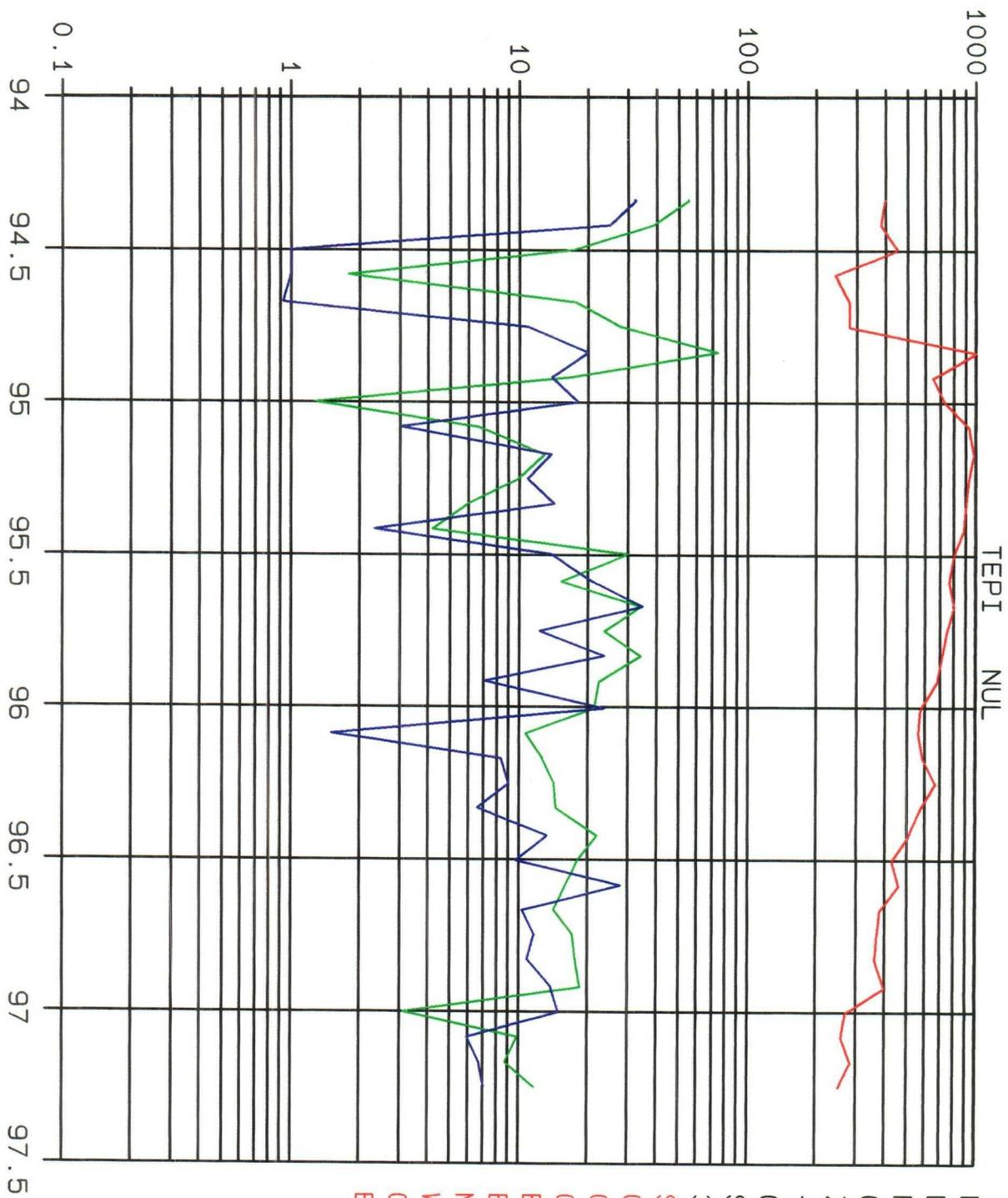


BOPD BWPD MCFPD

YEARS

LEASE DATA
 LSE 013194
 FLD 96315
 OPER TEPI
 ZONE NUL
 --
 COUNTY 025
 STATE 30
 30025322230002
 STATUS 3-97
 CO 13 MBO
 CG 400 MMCF
 CW 3 MBW
 BOPD 13
 BWPD 5
 MCFPD 208
 WELLS 1
 CI 0 MBWT
 BWIPD 0

SIMS, G. W. 1 TEAGUE DRINKARD-ABO, NORTH (ASSOC.)



YEARS

LEASE DATA
 LSE 013194
 FLD 96313
 OPER TEPI
 ZONE NUL

COUNTY 025
 STATE 30
 30025322230001
 STATUS 3-97
 CO 21 MBO
 CG 623 MMCF
 CW 14 MBW
 BOPD 12
 BWPD 7
 MCFPD 250
 WELLS 1
 CI 0 MBWI
 BWIPD 0