

7/31/97	8/20/97	DC	KW	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [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 - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ 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

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders 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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

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.

Britten McQueen  
Print or Type Name

Britten McQueen  
Signature

Engineer  
Title

7/28/97



Texaco E & P

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

RECEIVED  
JUL 31 1997

July 28, 1997

NMOCD  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Attn: Mr. Ben Stone

**Subject: Application to DHC S. J. Sarkeys #7, D-26-21-37, in the Wantz Abo (62700)  
and Drinkard (19190) Pools.**

Dear Mr. Sexton:

Texaco Exploration and Production, Inc. respectfully requests administrative approval to down-hole commingle the S. J. Sarkeys #7 in the Wantz Abo and Drinkard Pools. Notification of this application has been sent to offset operators and a statement of notification has been included in this package.

This well was recently drilled and completed in the Wantz Abo pool. The Abo was then plugged back so that the Drinkard could be completed. Upon receiving your approval, the plug will be drilled out, and the commingled zones will be produced by rod-pump. Down-hole commingling has proven to be an effective way to produce the Abo and Drinkard on this lease as demonstrated by the S. J. Sarkeys #6. This well has been commingled in these zones and has shown no loss in production or compatibility problems.

A full year of production data is not available for the either zone due to the recency of the completions. The allocation factors were determined by recent tests from both zones.

This well will meet all of the requirements set forth by Rule 303(C). The allocation factor will be determined in the following manner:

$$\% \text{ DRINKARD} = \frac{\text{STABILIZED DRINKARD PRODUCTION}}{\text{ABO} + \text{DRINKARD STABILIZED PRODUCTION}}$$

$$\% \text{ ABO} = 100\% - \% \text{ DRINKARD PRODUCTION}$$

If you have any questions concerning this application, please contact Britton M. McQuien at (505) 397-0427.

Sincerely,

Britton M. McQuien  
Production Engineer  
Texaco Exploration and Production, Inc.

cc: Mr. Chris Williams

enc

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

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

## DISTRICT II

811 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 87505-6429Form C-107-A  
New 3-12-96

APPROVAL PROCESS:

☐ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Texaco Exploration & Producing Inc. 205 East Bender Hobbs, New Mexico 88240  
Operator AddressS. J. Sarkeys 7 D-26-21S-37E Lea  
Lease Well No. Unit Ltr. - Sec - Tws - Rge County

OGRID NO. 022351 Property Code 011076 API NO. 30-025-33851 Federal State X (and/or) Fee

The following facts are submitted in support of downhole commingling:	Lower Zone	Intermediate Zone	Upper Zone
1. Pool Name and Pool Code	Wantz Abo 62700		Drinkard 19190
2. Top And Bottom of Pay Section (Perforations)	7126'-7269'		6485'-6576'
3. Type of production (Oil or Gas)	oil		oil
4. Method of Production (Flowing or Artificial Lift)	pumping		pumping
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	(Current) a. 950 psi	a.	a. 760 psi
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	(Original) b.	b.	b.
6. Oil Gravity (* API) or Gas BTU Content	38		39
7. Producing or Shut-In? Production Marginal? (yes or no)	shut-in yes		Producing 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 production estimates and supporting data	Date: 6/7/97 Rates: 29/90/18		
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Rates:		7/17/97 30/91/18
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 49% Gas: 50%	Oil: % Gas: %	Oil: 51% Gas: 50%

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. NMOC 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 Britton M. McQuien TITLE Engineer DATE 7-28-97TYPE OR PRINT NAME Britton M. McQuien TELEPHONE NO. ( 505 ) 397-0427

# SARKEYS, S. J. 7 WANTZ ABO

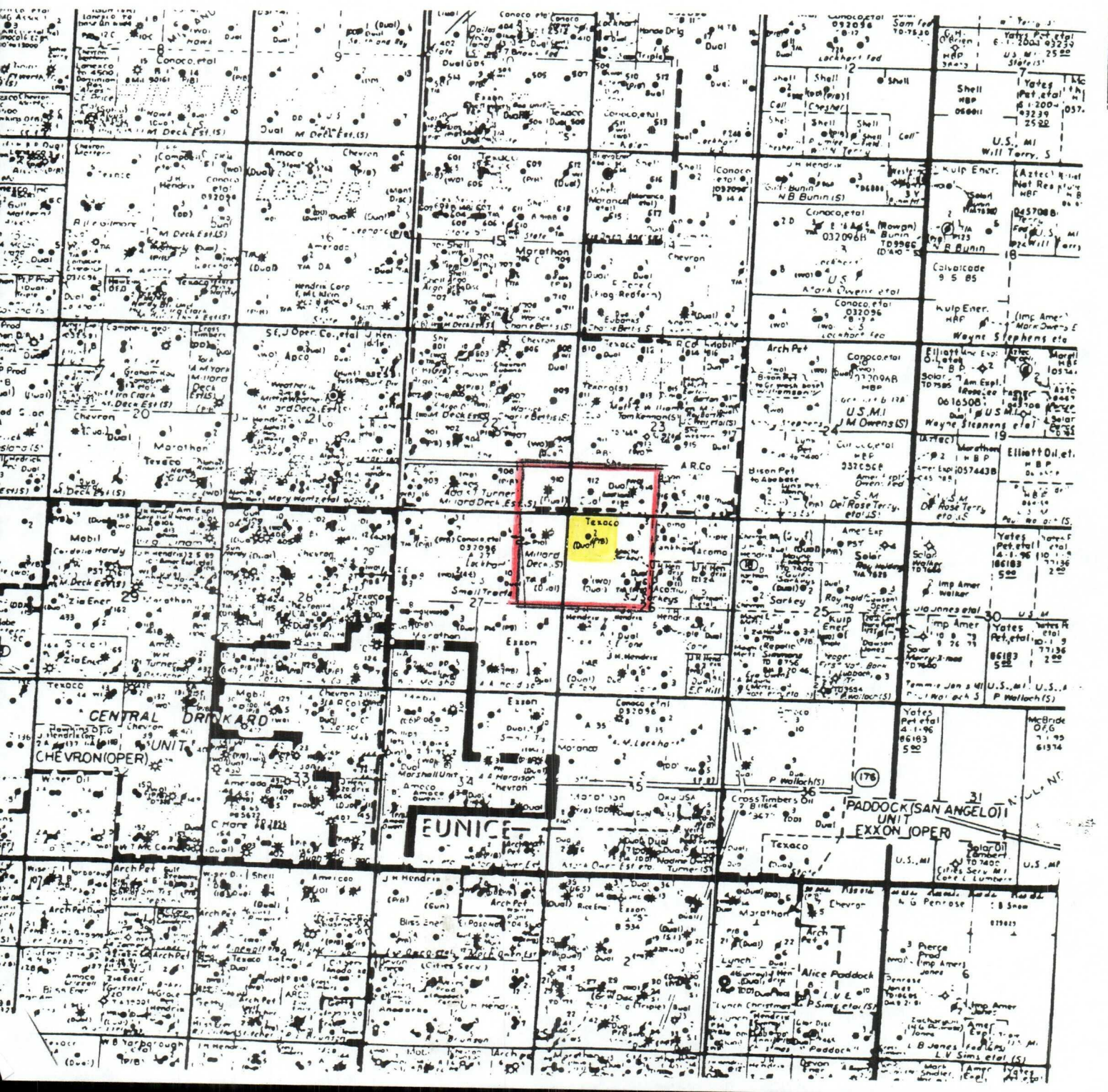


YEARS

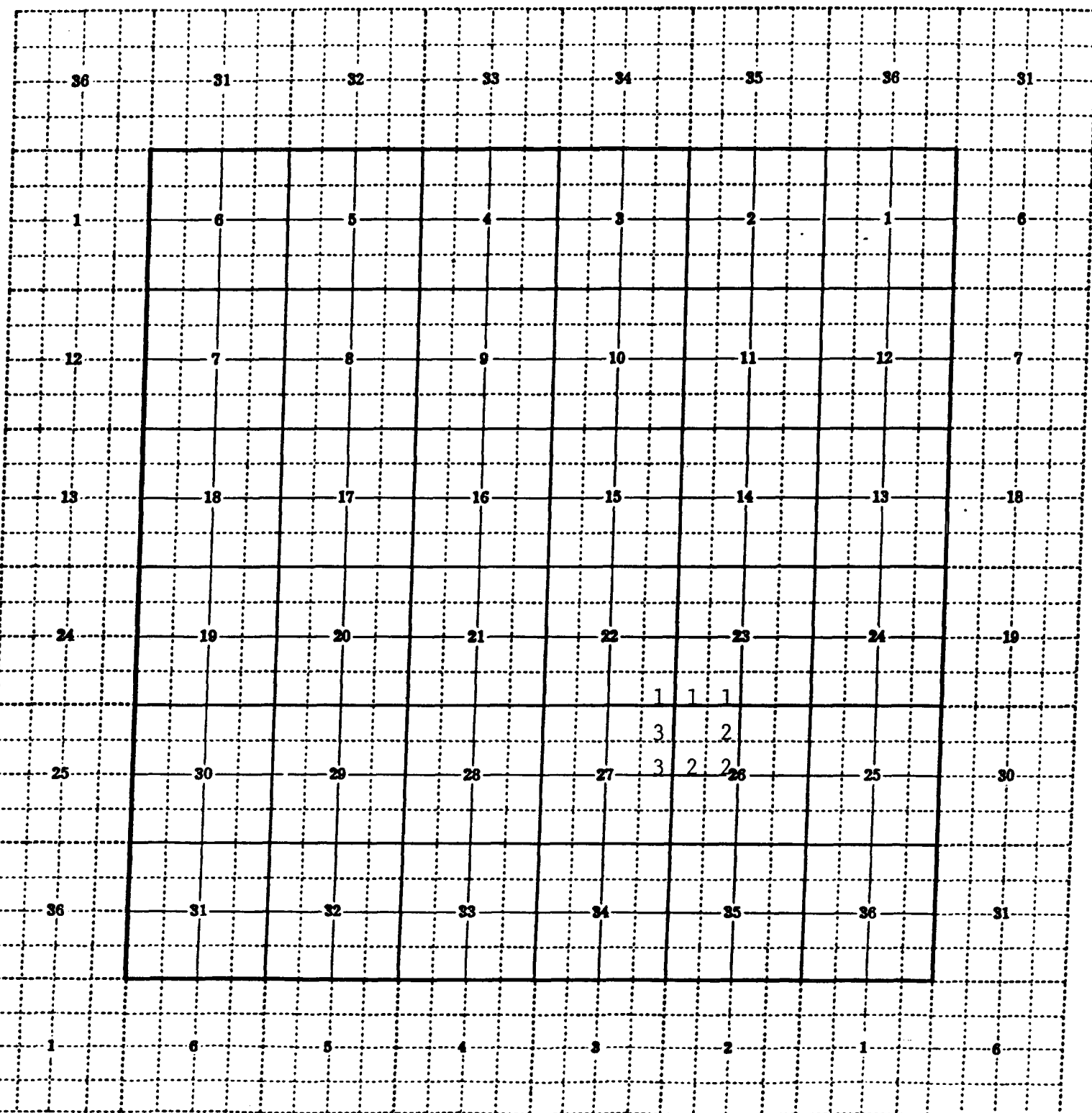
LEASE DATA  
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 FLD 62700  
 OPER TEPI  
 ZONE NUL  
 --  
 COUNTY 025  
 STATE 30  
 30025338510001  
 STATUS 6-97  
 CO 2 MBO  
 CG 4 MCMF  
 CW 2 MBW  
 BOPD 23  
 BWPD 14  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0



July 3, 1997



Offset Operators and all Lessees of Record  
 S. J. Sarkeys Well No. 7  
 NW/4 NW/4 of Section 26, T-21-S, R-37-E  
 Abo and Drinkard Formations  
 Lea County, New Mexico  
 July 3, 1997





Offset Operators and all Lessees of Record  
S. J. Sarkeys Well No. 7  
NW/4 NW/4 of Section 26, T-21-S, R-37-E  
Abo and Drinkard Formations  
Lea County, New Mexico  
July 3, 1997

**Number 1**

---

Altura Energy Ltd.  
P. O. Box 4294  
Houston, Texas 77210

**Number 2**

---

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

**Number 3**

---

Apache Corporation  
2000 Post Oak Blvd., Suite 100  
Houston, Texas 77056-4400

Conoco Inc.  
10 Desta Dr., Suite 100W  
Midland, Texas 79705

Chevron USA, Inc.  
P. O. Box 1150  
Midland, Texas 79702

Atlantic Richfield Company  
P. O. Box 1610  
Midland, Texas 79702

**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 can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

Altura Energy Ltd.  
P. O. Box 4294  
Houston, Texas 77210

**4a. Article Number**

P 442 355 619

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

JUL 18 1997

**5. Received By: (Print Name)****6. Signature: (Addressee or Agent)**

*[Signature]*

**8. Addressee's Address (Only if requested and fee is paid)**

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

Atlantic Richfield Company  
P.O. Box 1610  
Midland, Texas 79702

**4a. Article Number**

P 442 355 621

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

JUL 16 1997

**5. Received By: (Print Name)****6. Signature: (Addressee or Agent)**

*[Signature]*

**8. Addressee's Address (Only if requested and fee is paid)**

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

Chevron USA, Inc.  
P. O. Box 1150  
Midland, Texas 79702

**4a. Article Number**

P 442 355 620

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

JUL 16 1997

**5. Received By: (Print Name)****6. Signature: (Addressee or Agent)**

*[Signature]*

**8. Addressee's Address (Only if requested and fee is paid)**

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.



Is your RETURN ADDRESS completed on the reverse side?

**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 can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Conoco Inc.  
10 Desta Dr., Suite 100W  
Midland, Texas 79705

4a. Article Number

P 442 355 618

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

7-16

5. Received By: (Print Name)

Antonio Gonzalez

6. Signature: (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Apache Corporation  
2000 Post Oak Blvd., Suite 100  
Houston, Texas 77056-4400

4a. Article Number

P 442 355 617

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

7-17-97

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X Jerry Rodriguez

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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

DISTRICT II  
P. O. Drawer DD, Artesia, NM 88210

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

PO Box 2088  
Santa Fe, NM 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

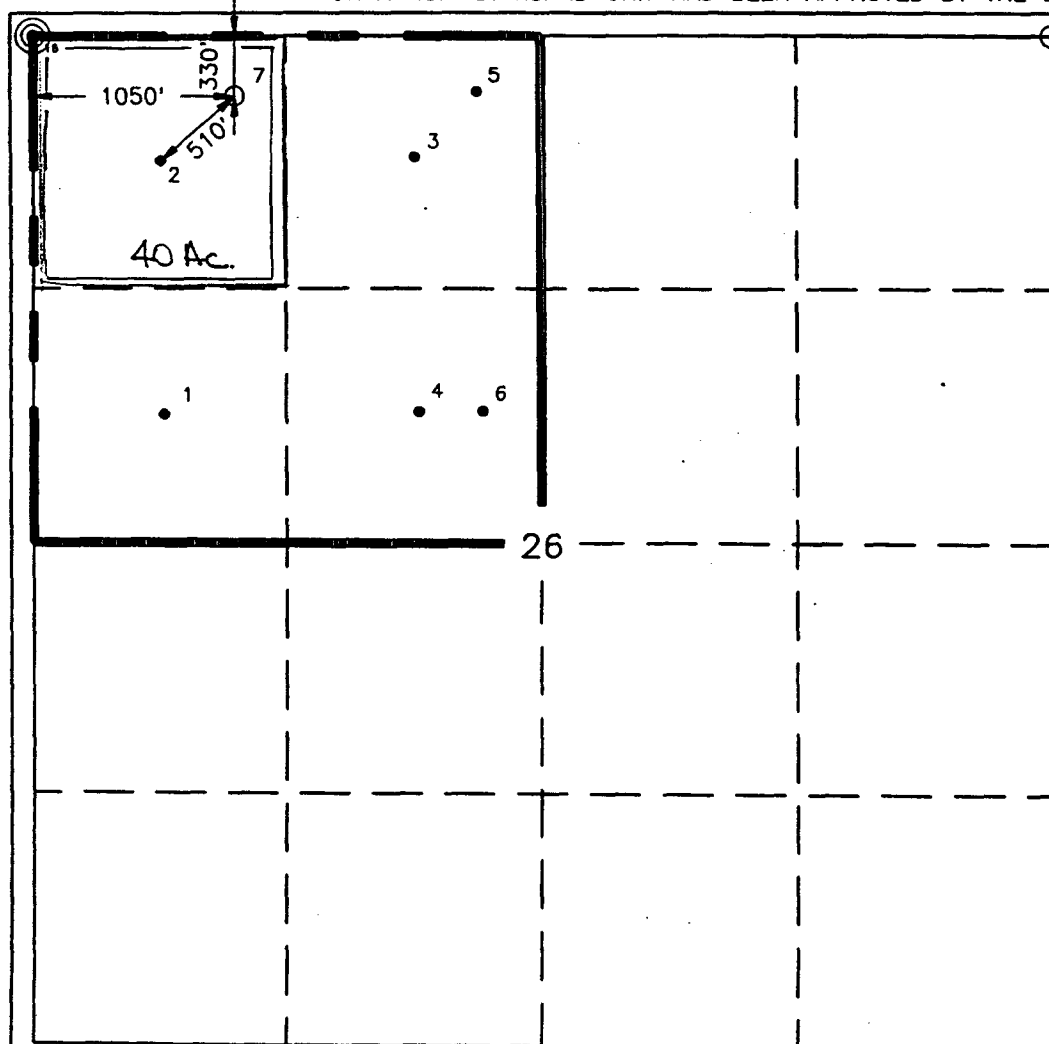
<sup>1</sup> API Number 3D-025-33851		<sup>2</sup> Pool Code 6270DD/1919D		<sup>3</sup> Pool Name Wantz Abo; Drinkard	
<sup>4</sup> Property Code 11076		<sup>5</sup> Property Name S. J. Sarkeys			<sup>6</sup> Well Number 7
<sup>7</sup> GRID No. 22351		<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			<sup>9</sup> Elevation 3393'

<sup>10</sup> Surface Location									
UL or lot no. D	Section 26	Township 21-S	Range 37-E	Lot Idn	Feet from the 330'	North/South line North	Feet from the 1050'	East/West line West	<sup>7</sup> County Lea

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>16</sup> OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature <i>C. Wade Howard</i>	
Printed Name C. Wade Howard	
Position Engineer's Assistant	
Company Texaco Expl. & Prod. Inc.	
Date February 19, 1997	
<sup>17</sup> 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 February 8, 1997	
Signature & Seal of Professional Surveyor <i>John S. Piper</i>	
Certificate No. 7254 John S. Piper	
Sheet	