



Texaco E & P

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

DHC 9/16/97

August 22, 1997

AUG 27 1997

NMOCD
2040 South Pacheco
Santa Fe, New Mexico 87505

1679

Attn: Mr. Ben Stone

Subject: Application to DHC DD 25 Federal #3, A-25-19S-24E, in the Daggard Draw Upper Penn North (15472) and Canyon Wolfcamp North (96478) Pools.

Dear Mr. Stone:

Texaco Exploration and Production, Inc. respectfully requests administrative approval to downhole commingle the DD 25 Federal #3 in the Daggard Draw Upper Penn North and Canyon Wolfcamp North Pools. Notification of this application has been sent to offset operators and a statement of notification has been included in this package.

The cast iron bridge plug will be drilled out above the Upper Penn North, and the two zones will be simultaneously rod pumped. This should provide the most economical means of producing this well.

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

$$\% \text{ Upper Penn North} = \frac{\text{UPPER PENN NORTH STABILIZED PRODUCTION}}{\text{UPPER PENN NORTH} + \text{CANYON WOLFCAMP NORTH STABILIZED PRODUCTION}}$$

$$\% \text{ CANYON WOLFCAMP NORTH} = 100\% - \% \text{ UPPER PENN NORTH.}$$

If you have any questions concerning this application, please contact Greg Maes at (505) 397-0431, or Jason Wacker at (505) 397-0484.

Sincerely,

Greg Maes
Engineer Assistant
Texaco Exploration and Production, Inc.

cc: Mr. Chris Williams - NMOCD - Hobbs
Mr. Armando Lopez - BLM, Roswell

enc

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 87505-8429Form 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 88240Lease DD 25 Federal Well No. 3 Unit Ltr. - Sec - Tws - Rge A-25-19S-24E County Eddy

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 022351 Property Code 010924 API NO. 30-015-26935 Federal ☒ State ☐ (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	Daggard Draw Upper Penn North 15472		Canyon Wolfcamp North 96478
2. Top And Bottom of Pay Section (Perforations)	7668' - 7870'		6108' - 6570'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	a. 276	a.	a. 264
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b.	b.	b.
6. Oil Gravity (* API) or Gas BTU Content	44.7		44.7
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: 2/96 Rates: 10/144/58		
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Rates:		5/14/97 4/15/90
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 71 % Gas: 90 %	Oil: % Gas: %	Oil: 29 % Gas: 10 %

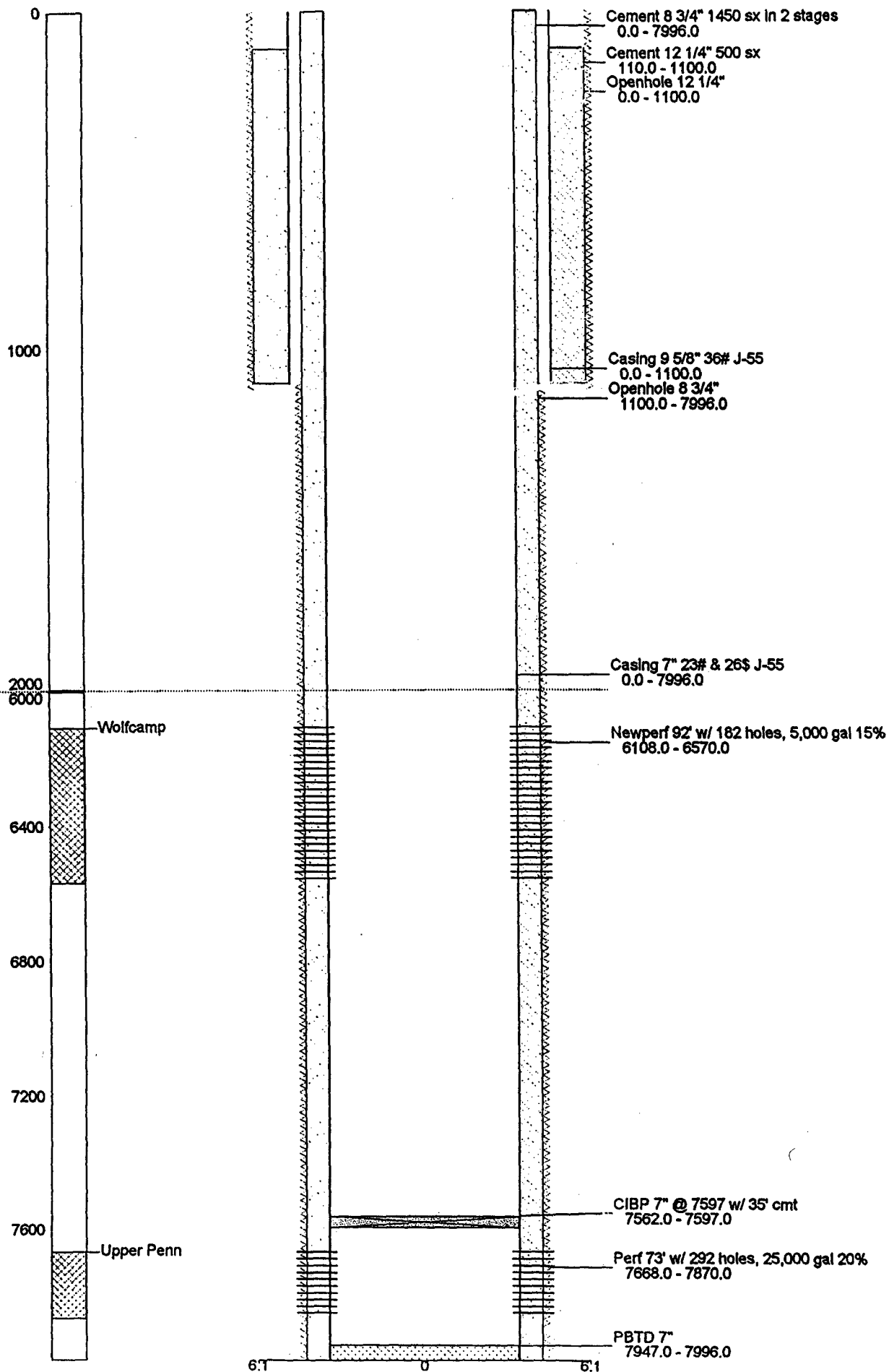
9. If allocation Formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical 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 Jason Wacker / [Signature] TITLE Engineer DATE 7-29-97TYPE OR PRINT NAME Jason Wacker TELEPHONE NO. (505) 397-0484

Name: DD25 3 ID: 30015269350000 Type: WOLF Date: 19970727
KB: 3598.0 TD: 7996.0 PBTD: 7947.0 Comp Date: 0



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FOR INFORMATION ONLY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

5. Lease Designation and Serial No.

NM-58024

6. If Indian, Alottee or Tribe Name

7. If Unit or CA. Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well: ☒ OIL WELL ☐ GAS WELL ☐ OTHER

2. Name of Operator
TEXACO EXPLORATION & PRODUCTION INC.

3. Address and Telephone No. 205 E. Bender, HOBBS, NM 88240 397-0431

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter A : 130 Feet From The NORTH Line and 660 Feet From The
EAST Line Section 25 Township 19S Range 24E

8. Well Name and Number
DD 25 FEDERAL

3

9. API Well No.
30-015-26935

10. Field and Pool, Exploratory Area
CANYON WOLFCAMP NORTH

11. County or Parish, State
EDDY, NEW MEXICO

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Attering Casing
	<input checked="" type="checkbox"/> OTHER: DHC with Upper Penn North
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

- TOH with pump, rods, and tubing. Inspect pump for scale.
- TIH with 6-5/8" bit & eight 3-1/2" drill collars on 2-7/8" workstring to 7562' and drill out CIBP @ 7597'.
- Clean out well to PBTD @ 7947'.
- Spot 1500 gals 15% HCl over Upper Penn perf's. Flush tubing w/ water.
- TOH w/ bit.
- Return well to production.

14. I hereby certify that the foregoing is true and correct

SIGNATURE V. Greg Maes TITLE Engineering Assistant DATE 8/23/97

TYPE OR PRINT NAME V. Greg Maes

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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 30-015-26935		² Pool Code 96478		³ Pool Name WILDCAT CANYON WOLFCAMP NORTH	
⁴ Property Code 10924		⁵ Property Name DD 25 FEDERAL			⁶ Well No. 3
⁷ OGRID Number 022351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC.			⁹ Elevation

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
A	25	19S	24E		130	NORTH	660	EAST	EDDY

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

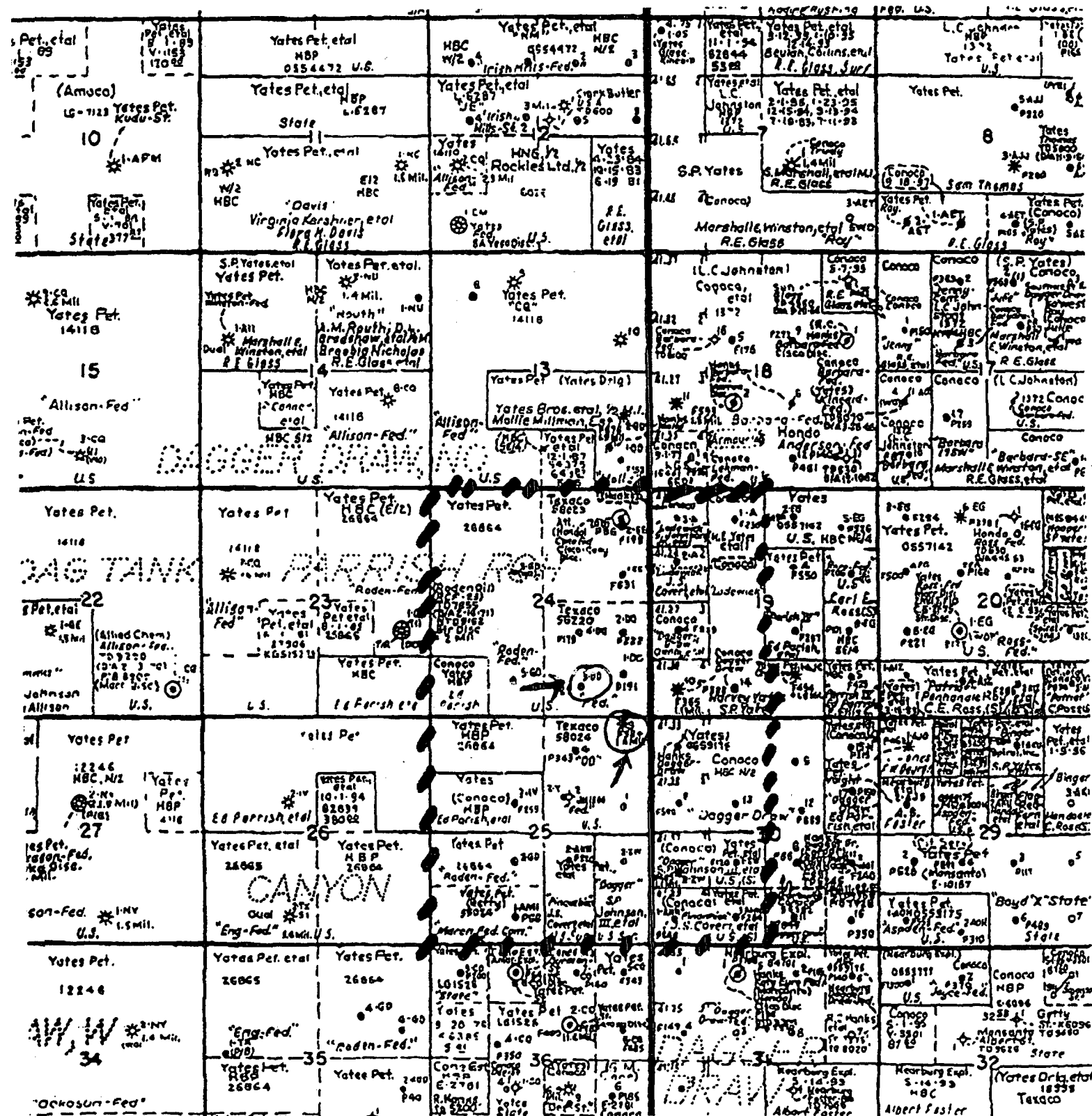
¹² Dedicated Acres 40	¹³ Joint or Infill No	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

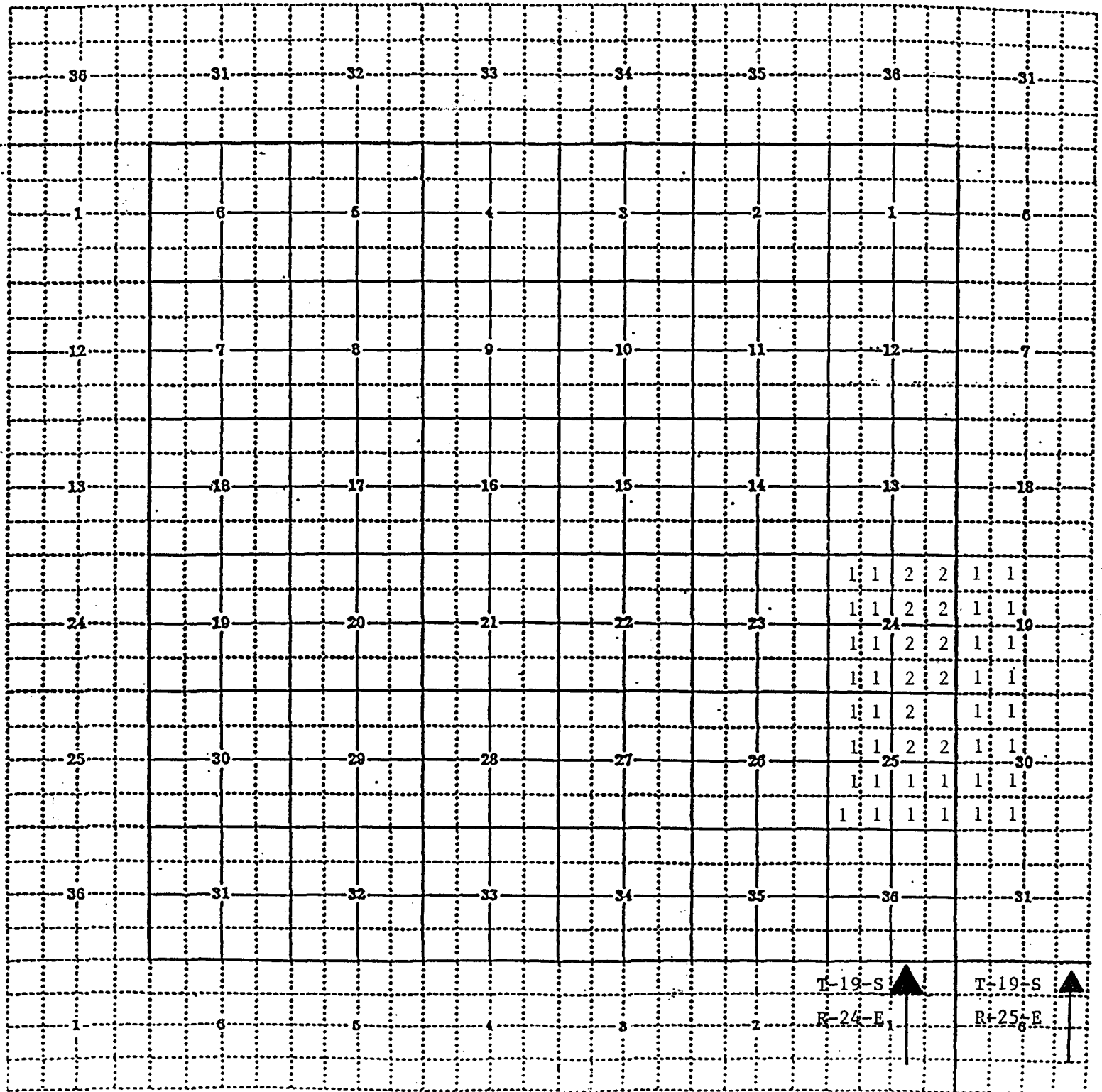
<div><p>16</p></div>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature </p> <p>Printed Name Monte C. Duncan</p> <p>Position Engr Asst</p> <p>Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date Surveyed</p>
	<p>Signature & Seal of Professional Surveyor</p>
	<p>Certificate No.</p>

Daggard Draw Upper Penn North & Canyon Wolfcamp North Formations

August 6, 1997



Offset Operators and all Lessees of Record
Dagger Draw "25" Federal #3 Well
NE/4 NE/4 of Section 25, T-19-S, R-24-E
Daggard Draw Upper Penn North & Canyon Wolfcamp North Formations
Eddy County, New Mexico
August 6, 1997



Offset Operators and all Lessees of Record
Dagger Draw "25 " Federal #3 Well
NE/4 NE/4 of Section 25, T-19-S, R-24-E
Daggard Draw Upper Penn North & Canyon Wolfcamp North Formations
Eddy County, New Mexico
August 6, 1997

Number 1

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Myco Industries, Inc.
105 South 4th St.
Artesia, New Mexico 88210

Number 2

Texaco Exploration and Production Inc.
P.O. Box 2100
Denver, Colorado 80201

CERTIFIED

P 622 712 554

MAIL

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:

Yates Drilling Company
105 South 4th St.
Artesia, New Mexico 88210

4a. Article Number

P 622 712 554

4b. Service Type

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

7. Date of Delivery

5. Received By: (Print Name)

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

6. Signature: (Addressee or Agent)

X

PS Form 3871, December 1994

102595-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

CERTIFIED

P 622 712 553

MAIL

Is your **RETURN ADDRESS** completed on the reverse side?

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3. Article Addressed to:

Yates Petroleum
105 South 4th St.
Artesia, New Mexico 88210

4a. Article Number

P 622 712 553

4b. Service Type

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

7. Date of Delivery

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

- I also wish to receive the following services (for an extra fee):
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2. ☐ Restricted Delivery
Consult postmaster for fee.

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P 622 712 556

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 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Myco Industries, Inc.
105 South 4th St.
Artesia, New Mexico 88210

4a. Article Number

P 622 712 556

4b. Service Type

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

7. Date of Delivery

5. Received By: (Print Name)

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

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

CERTIFIED

P 622 712 555

MAIL

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105 South 4th St.
Artesia, New Mexico 88210

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P 622 712 555

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☐ Express Mail

☐ Return Receipt for Merchandise

☐ COD

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☒ Certified

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PS Form 3811, December 1994

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