



Texaco E & P

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

DHC

~~12/24/98~~  
1/4/98  
2150

December 10, 1998

NMOCD  
2040 South Pacheco  
Santa Fe, New Mexico 87505

DEC 14 1998

Attn: Mr. David Catanach

**Subject: Application to DHC New Mexico Q State #12, O-25-17S-34E, in the Vacuum Wolfcamp (62340) and Vacuum Upper Penn (62320) Pools.**

Dear Mr. Catanach:

Texaco Exploration and Production, Inc. respectfully requests administrative approval to downhole commingle the New Mexico Q State #12 in the Vacuum Wolfcamp and Vacuum Upper Penn Pools. This well is currently producing 89 BOPD and 136 MCFPD from the Penn. Texaco is seeking your approval to commingle before the Wolfcamp is completed so that the down time from the Penn will be minimized.

The Wolfcamp is expected to produce approximately 100 BOPD which is well below its allowable of 355 BOPD. This production estimate is based on the performance of Texaco's most recent Wolfcamp completion, the New Mexico O State NCT-1 #39, located ½ mile south of the NM Q State #12. A production curve from the New Mexico O State NCT-1 #39 is included in this package.

This well complies with all of the requirements for down-hole commingling as set forth by Rule 303(C). All offset operators have been notified by certified mail and the Commissioner of Public Lands has approved the proposed procedure. After the Wolfcamp is completed, it will be tested for a sufficient time to determine a stabilized production rate. The allocation to each pool will then be determined in the following manner:

$$\% \text{WOLFCAMP} = \frac{\text{WOLFCAMP STABILIZED PRODUCTION}}{\text{WOLFCAMP} + \text{PENN STABILIZED PRODUCTION}}$$

$$\% \text{PENN} = 100\% - \% \text{WOLFCAMP}$$

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

Sincerely,

*Britton M. McQuien*

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

cc: Mr. Chris Williams

enc

R-2697 U.P.

R-2422 W.C.

## 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 Address

New Mexico Q State NCT-I 12 O-25-17S-34E Lea  
Lease Well No. Unit Ltr. - Sec - Tws - Rge County

Spacing Unit Lease Types: (check 1 or more)  
OGRID NO. 022351 Property Code 11050 API NO. 30-025-33850 Federal \_\_\_\_\_, State X, (and/or) Fee \_\_\_\_\_

The following facts are submitted in support of downhole commingling:	Lower Zone	Upper Zone	Intermediate Zone	Upper Zone
1. Pool Name and Pool Code	Vacuum Penn 62320			Vacuum Wolfcamp 62340
2. Top And Bottom of Pay Section (Perforations)	10020'-10202'			9310'-9927'
3. Type of production (Oil or Gas)	Oil			Oil
4. Method of Production (Flowing or Artificial Lift)	Rod-pump			Rod-pump
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	(Current) a. 1275 psi		a.	a. 1200 psi
Gas & Oil - Flowing: Measured Current	(Original) b.		b.	b.
All Gas Zones: Estimated Or Measured Original				
6. Oil Gravity (* API) or Gas BTU Content	39			39
7. Producing or Shut-In? Production Marginal? (yes or no)	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: Rates:			
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: 10/19/98 Rates: 88/136/0			
8. Fixed Percentage Allocation Formula -% for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

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). R-4401
16. 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.
- \* 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 McQuien TITLE Engineer DATE 12-9-98TYPE OR PRINT NAME Britton McQuien TELEPHONE NO. ( 505 ) 397-0427



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5795

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

**State of New Mexico  
Commissioner of Public Lands**

**Ray Powell, M.S., D.V.M.**  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

**PUBLIC AFFAIRS**  
(505)-827-5765

**ADMINISTRATIVE MGMT.**  
(505)-827-5700

**LEGAL**  
(505)-827-5715

**PLANNING**  
(505)-827-5752

December 1, 1998

Texaco Exploration & Production Inc.  
205 East Bender  
Hobbs, New Mexico 88240

Atten: Mr. Britton McQuien

Re: Application for Downhole Commingling  
New Mexico Q State NCT-1 Well No. 12  
Unit Letter O, Section 25-17S-34E  
Vacuum Penn and Vacuum Wolfcamp Pools  
Lea County, New Mexico

Dear Mr. McQuien:

Your application to downhole commingle the Vacuum Penn and Vacuum Wolfcamp production from within the wellbore of the above-captioned well was received on November 25, 1998.

Since it appears that all the New Mexico Oil Conservation Division rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 dollar filing fee has been received.

Also, please submit a copy of the Oil Conservation Division's order approving this application.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

**RAY POWELL, M.S., D.V.M.**  
**COMMISSIONER OF PUBLIC LANDS**

BY: 

**JAMI BAILEY, Director**  
Oil/Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm

Enclosure

xc: Reader File    OCD--Attention: David Catanach, Ben Stone

*"WE WORK FOR EDUCATION"*

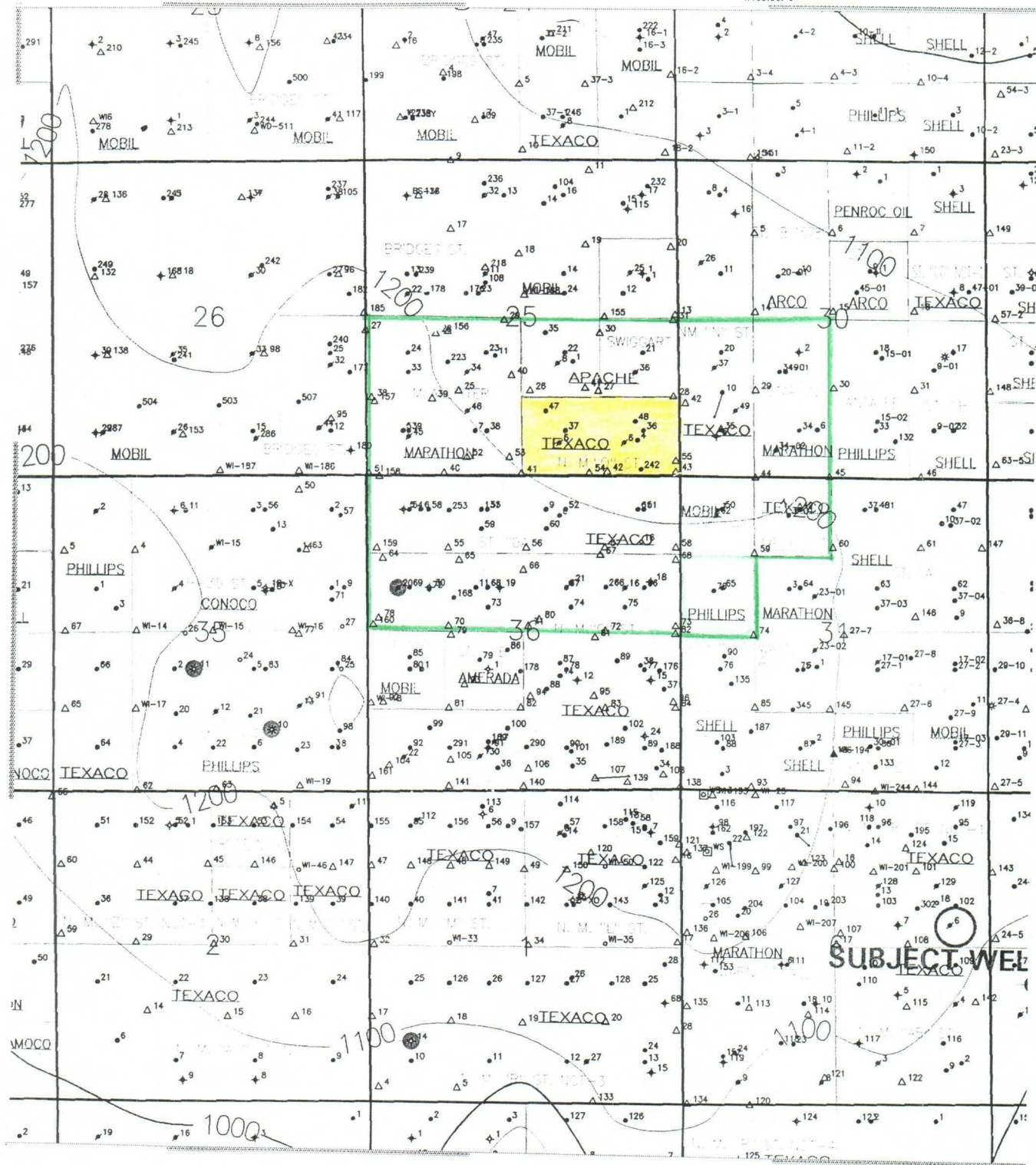
### **Offset Operator List**

Mobil Exploration and Production U.S.

Apache Corporation

Marathon Oil Company

Phillips Petroleum Company



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:**

Apache Corporation  
2000 Post Oak Blvd., Ste. 100  
Houston, TX 77056

**4a. Article Number**

P442 355 548

**4b. Service Type**

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

**7. Date of Delivery**

11-16-95

**5. Received By: (Print Name)**

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

**6. Signature: (Addressee or Agent)**

X James Beinfeld

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.
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- 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:**

Marathon Oil Company  
P.O. Box 552  
Midland, TX 79702

**4a. Article Number**

P622 712 559

**4b. Service Type**

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

**7. Date of Delivery**

NOV 16 1994

**5. Received By: (Print Name)**

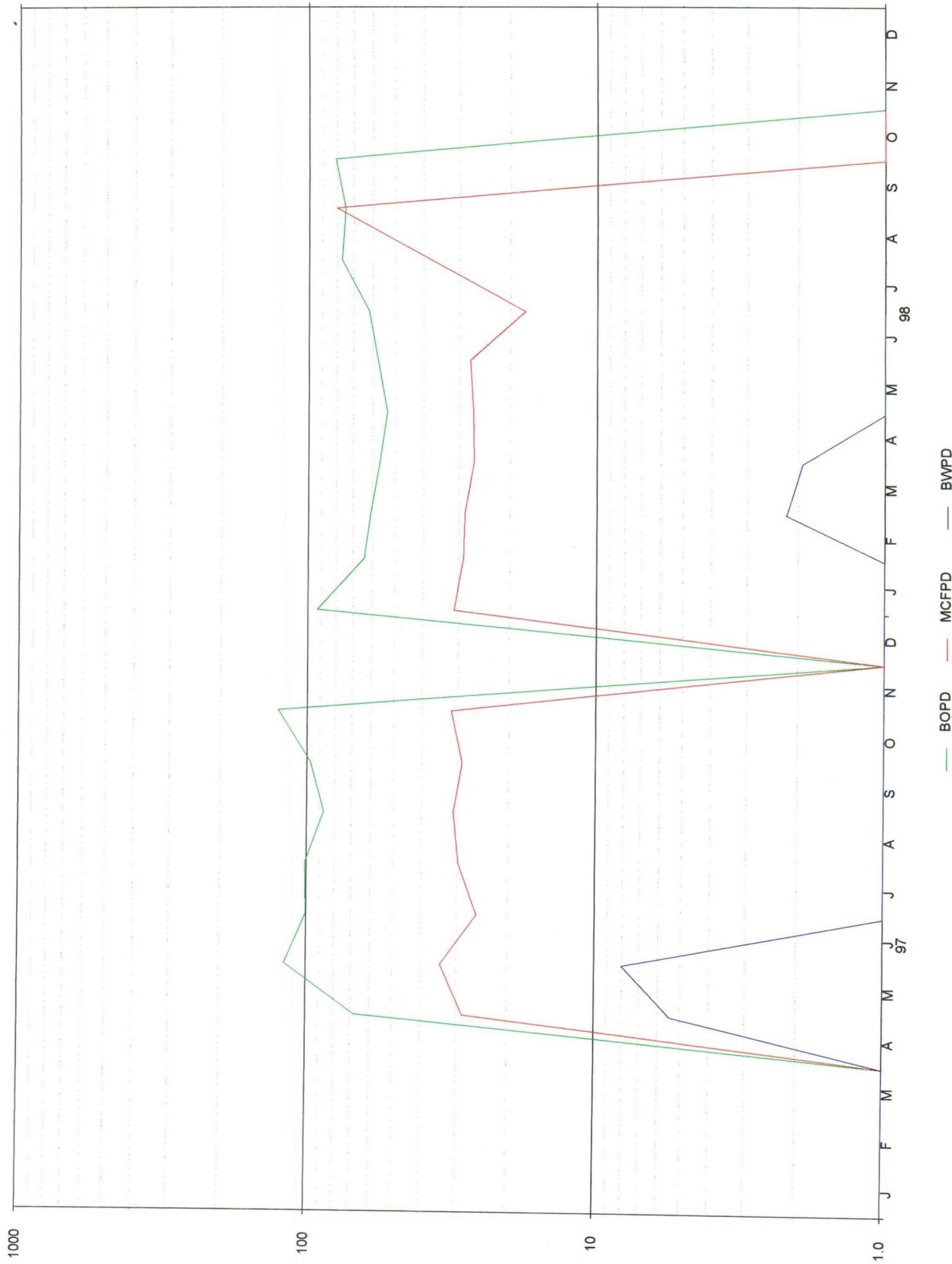
**6. Signature: (Addressee or Agent)**

X

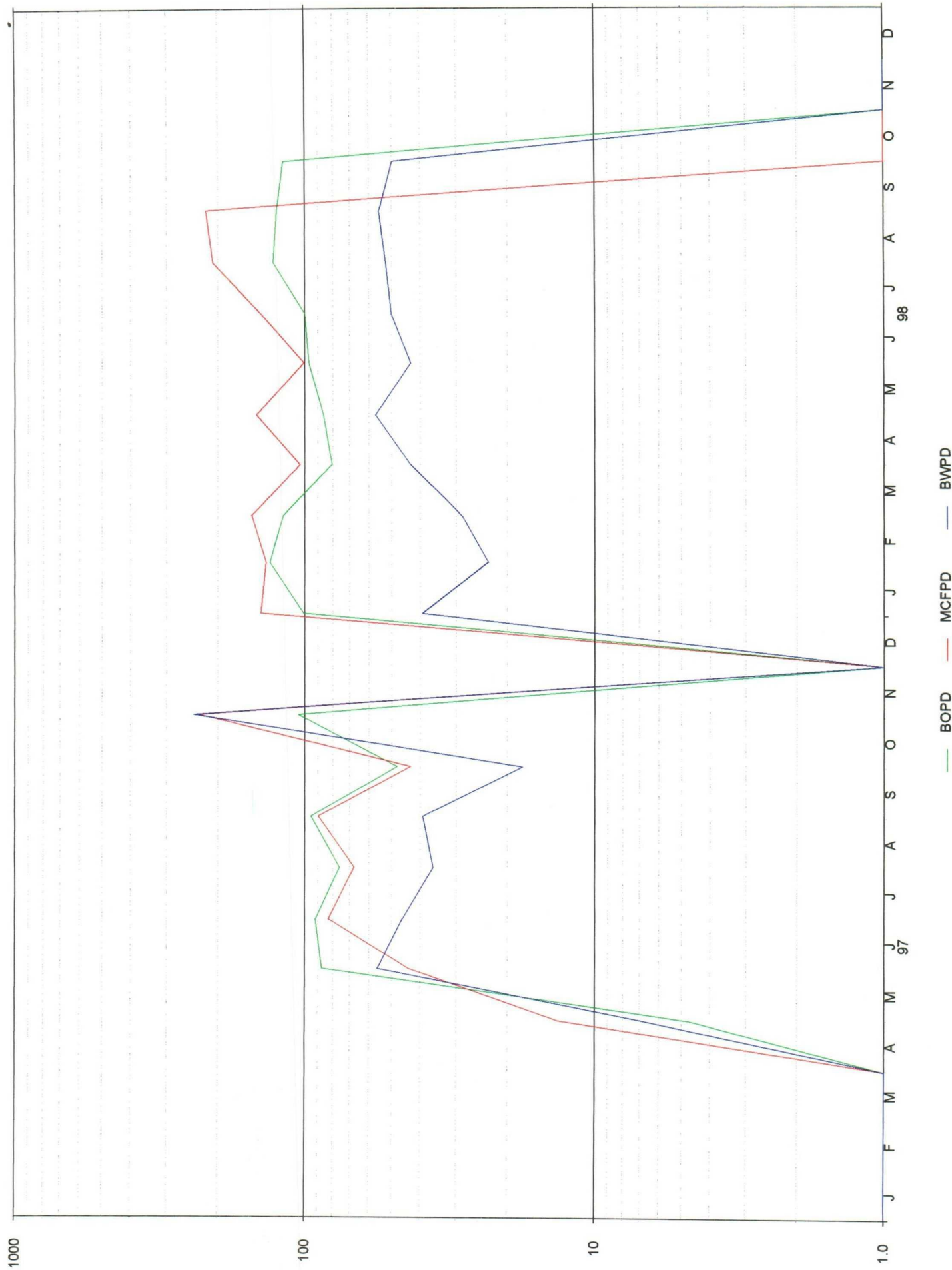
Spencer Williams

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

Thank you for using Return Receipt Service.







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**

<sup>1</sup> API Number 30-025-33850	<sup>2</sup> Pool Code 62340	<sup>3</sup> Pool Name VACUUM WOLFCAMP
<sup>4</sup> Property Code 11050	<sup>5</sup> Property Name NEW MEXICO Q STATE	<sup>6</sup> Well No. 12
<sup>7</sup> OGRID Number 022351	<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION INC.	<sup>9</sup> Elevation 3998' GR

<sup>10</sup> Surface Location

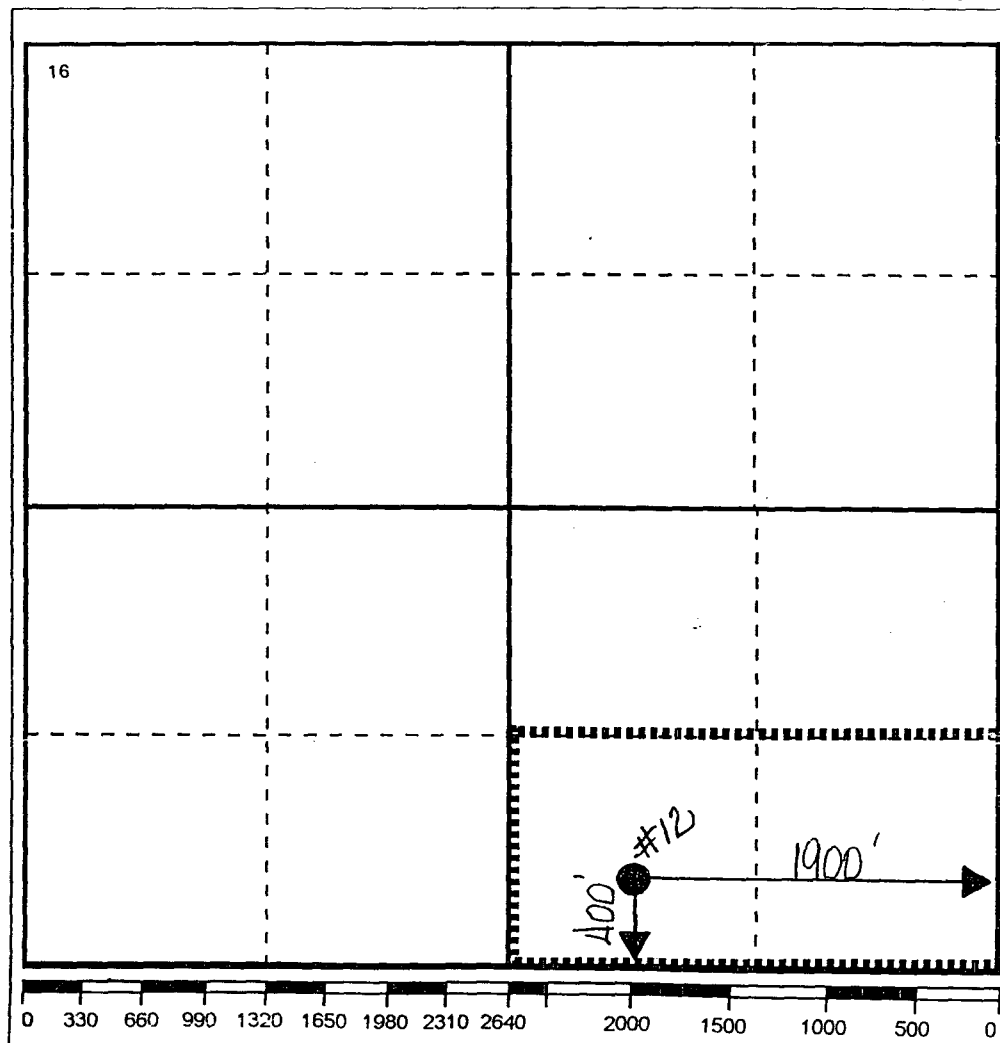
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
O	25	17-S	34-E		400	SOUTH	1900	EAST	LEA

<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	County

<sup>12</sup> Dedicated Acres 80	<sup>13</sup> Joint or Infill No	<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



<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature <i>J. Denise Leake</i> Printed Name J. Denise Leake Position Engineering Assistant Date 12/10/98
<b>18 SURVEYOR CERTIFICATION</b> 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

**OIL CONSERVATION DIVISION**

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

Form C-102  
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Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-33850	<sup>2</sup> Pool Code 62320	<sup>3</sup> Pool Name VACUUM UPPER PENN
<sup>4</sup> Property Code 11050	<sup>5</sup> Property Name NEW MEXICO Q STATE	<sup>6</sup> Well No. 12
<sup>7</sup> OGRID Number 022351	<sup>8</sup> Operator Name TEXACO EXPLORATION & PRODUCTION INC.	<sup>9</sup> Elevation 3998' GR

<sup>10</sup> Surface Location

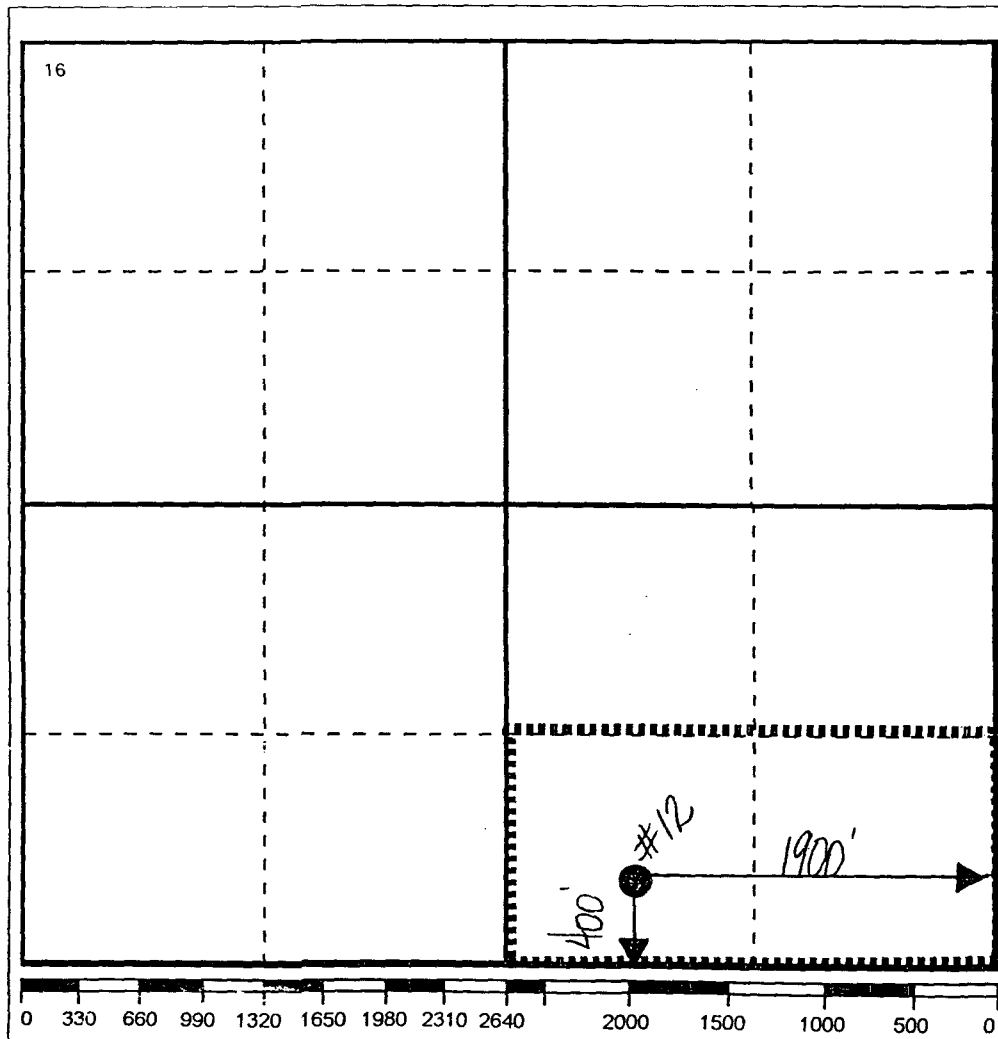
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
O	25	17-S	34-E		400	SOUTH	1900	EAST	LEA

<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	County
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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

Signature

*J. Denise Leake*

Printed Name

J. Denise Leake

Position

Engineering Assistant

Date

12/10/98

**18 SURVEYOR CERTIFICATION**

I hereby certify that the well location shown  
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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.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 3016  
Order No. R-2697

APPLICATION OF TEXACO INC.  
FOR SPECIAL POOL RULES, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 29, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of May, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texaco Inc., seeks the promulgation of special pool rules for the Vacuum-Upper Pennsylvanian Pool in Lea County, New Mexico, establishing 80-acre spacing therein.

(3) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the Vacuum-Upper Pennsylvanian Pool.

(4) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(5) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(6) That this case should be reopened at an examiner hearing in May, 1965, at which time the operators in the subject pool should be prepared to appear and show cause why the Vacuum-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

That temporary Special Rules and Regulations for the Vacuum-Upper Pennsylvanian Pool are hereby promulgated as follows, effective June 1, 1964.

SPECIAL RULES AND REGULATIONS  
FOR THE  
VACUUM-UPPER PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Vacuum-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile of the Vacuum-Upper Pennsylvanian Pool, and not nearer to or within the limits of another designated Upper Pennsylvanian pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Vacuum-Upper Pennsylvanian Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
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THE PURPOSE OF CONSIDERING:

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(3) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the Vacuum-Upper Pennsylvanian Pool.

-2-

CASE No. 3016

Order No. R-2697

(4) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(5) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(6) That this case should be reopened at an examiner hearing in May, 1965, at which time the operators in the subject pool should be prepared to appear and show cause why the Vacuum-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

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FOR THE  
VACUUM-UPPER PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Vacuum-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile of the Vacuum-Upper Pennsylvanian Pool, and not nearer to or within the limits of another designated Upper Pennsylvanian pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Vacuum-Upper Pennsylvanian Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and

hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the Vacuum-Upper Pennsylvanian Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Vacuum-Upper Pennsylvanian Pool shall be assigned an 80-acre proportional factor of 5.67 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Vacuum-Upper Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Upper Pennsylvanian formation within the Vacuum-Upper Pennsylvanian



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CASE No. 3016

Order No. R-2697

Pool or within one mile of the Vacuum-Upper Pennsylvanian Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before June 15, 1964.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling to or completed in the Vacuum-Upper Pennsylvanian Pool shall file a new Form C-128 with the Commission on or before June 15, 1964.

(3) That this case shall be reopened at an examiner hearing in May, 1965, at which time the operators in the subject pool may appear and show cause why the Vacuum-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 2740  
Order No. R-2422  
NOMENCLATURE

APPLICATION OF SOCONY MOBIL OIL  
COMPANY, INC., TO CREATE A NEW  
POOL FOR WOLFCAMP PRODUCTION AND  
FOR SPECIAL POOL RULES, LEA  
COUNTY, NEW MEXICO.

*See also R-2422A*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Socony Mobil Oil Company, Inc., seeks the creation of a new pool for Wolfcamp production and the promulgation of temporary special rules and regulations governing said pool, including a provision for 80-acre spacing units.

(3) That a new oil pool for Wolfcamp production should be created and designated the Vacuum-Wolfcamp Oil Pool. This pool was discovered by the Socony Mobil State Bridges Well No. 95, located in Unit P of Section 26, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. The top of the perforations in the Wolfcamp formation is at 9518 feet.

(4) That temporary special rules and regulations establishing 80-acre spacing should be promulgated for the subject pool in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the

operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the temporary special rules and regulations should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the Vacuum-Wolfcamp Oil Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated the Vacuum-Wolfcamp Oil Pool, consisting of the following-described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
Section 26: SE/4

(2) That special rules and regulations for the Vacuum-Wolfcamp Oil Pool are hereby promulgated as follows, effective March 1, 1963.

SPECIAL RULES AND REGULATIONS  
FOR THE  
VACUUM-WOLFCAMP OIL POOL

RULE 1. Each well completed or recompleted in the Vacuum-Wolfcamp Oil Pool or in the Wolfcamp formation within one mile of the Vacuum-Wolfcamp Oil Pool, and not nearer to or within the limits of another designated Wolfcamp pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Vacuum-Wolfcamp Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the Vacuum-Wolfcamp Oil Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Vacuum-Wolfcamp Oil Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Vacuum-Wolfcamp Oil Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Wolfcamp formation within the Vacuum-Wolfcamp Oil Pool or within one mile of the Vacuum-Wolfcamp Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Hobbs District Office in writing of the name and location of the well on or before March 1, 1963.

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CASE No. 2740  
Order No. R-2422

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the Vacuum-Wolfcamp Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Vacuum-Wolfcamp Oil Pool should not be developed on 40-acre proration units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L  
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esr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 2740  
Order No. R-2422-A

APPLICATION OF SOCONY MOBIL OIL  
COMPANY, INC., TO CREATE A NEW  
POOL FOR WOLFCAMP PRODUCTION AND  
FOR SPECIAL POOL RULES, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 19, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of March, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-2422 dated February 13, 1963, temporary Special Rules and Regulations were promulgated for the Vacuum-Wolfcamp Oil Pool.

(3) That pursuant to the provisions of Order No. R-2422, this case was reopened to allow the operators in the subject pool to appear and show cause why the Vacuum-Wolfcamp Oil Pool should not be developed on 40-acre proration units.

(4) That the evidence establishes that one well in the Vacuum-Wolfcamp Oil Pool can efficiently and economically drain and develop 80 acres.

(5) That to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of

too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-2422 should be continued in full force and effect until further order of the Commission.

(6) That the Special Rules and Regulations promulgated by Order No. R-2422 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Vacuum-Wolfcamp Oil Pool promulgated by Order No. R-2422 are hereby continued in full force and effect until further order of the Commission.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

S E A L

A. L. PORTER, Jr., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 4811  
Order No. R-4401

APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR A NON-STANDARD PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 13, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of September, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Atlantic Richfield Company, was authorized, by Order No. R-3929, a non-standard proration unit in the Blinebry Gas Pool comprising the N/2 S/2 of Section 36, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, dedicated simultaneously to its State 367 Wells No. 2 and 3, located in Units L and K, respectively, of said Section 36.
- (3) That said Well No. 2 has been reclassified as an oil well in the Blinebry Pool.
- (4) That the applicant seeks approval of a 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the NE/4 SW/4 and N/2 SE/4 to be dedicated to its State 367 Well No. 3 located in Unit K of said Section 36.
- (5) That the non-standard gas proration unit requested by the applicant may reasonably be presumed to be productive of gas from the Blinebry Gas Pool and can be efficiently and economically drained and developed by the aforesaid well.



(6) That approval of the 120-acre non-standard gas proration unit as requested by the applicant will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blinebry Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(7) That Order No. R-3929 should be placed in abeyance.

IT IS THEREFORE ORDERED:

(1) That, effective as of September 1, 1972, a 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the N/2 SE/4 and the NE/4 SW/4 of Section 36, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Atlantic Richfield Company State 367 Well No. 3, located in Unit K of said Section 36.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 120-acres.

(3) That the status of said non-standard unit shall be the status, as of September 1, 1972, of the 160-acre unit previously authorized by Order No. R-3929.

(4) That Order No. R-3929, is hereby placed in abeyance.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

S E A L

A. L. PORTER, Jr., Member & Secretary

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4313  
Order No. R-3929

APPLICATION OF ATLANTIC RICHFIELD COMPANY  
FOR A NON-STANDARD GAS PRORATION UNIT, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 25, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 2nd day of March, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Atlantic Richfield Company, is the owner and operator of the State 367 Wells Nos. 2 and 3, located in Unit L and K, respectively, of Section 36, Township 21 South, Range 37 East, NMPM, Blinbry Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks approval of a 160-acre non-standard gas proration unit in the Blinbry Gas Pool comprising the N/2 S/2 of said Section 36 to be simultaneously dedicated to its aforesaid State 367 Wells Nos. 2 and 3.

(4) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the aforesaid wells in any proportion.

CASE No. 4313  
Order No. R-3929

(5) That the NE/4 SW/4 and NW/4 SE/4 of said Section 36 is presently dedicated to Well No. 3 in the Blinebry Gas Pool.

(6) That the NW/4 SW/4 of said Section 36 is presently dedicated to Well No. 2 in the Blinebry Gas Pool.

(7) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid State 367 Wells Nos. 2 and 3.

(8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blinebry Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(9) That Order (1) of Order No. R-711 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective March 1, 1970, a 160-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the N/2 S/2 of Section 36, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Atlantic Richfield Company State 367 Wells Nos. 2 and 3, located in Units L and K, respectively, of said Section 36.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 160 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That the status of said unit shall be the combined status, as of March 1, 1970, of the units presently dedicated to said Wells Nos. 2 and 3.

(4) That Order No. (1) of Commission Order No. R-711, which approved a non-standard Blinebry gas proration unit comprising a portion of the subject lands, is hereby superseded.

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CASE No. 4313

Order No. R-3929

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

DHC 2150



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

1/7/99

GOVERNOR

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

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

RE: Proposed:

MC	_____
DHC	_____ X _____
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Texaco E&P Inc New Mexico State #12-O-25-17-34  
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Recommend approval.

Yours very truly,

*Chris Williams*

Chris Williams  
Supervisor, District 1

/ed