

July 30, 1999

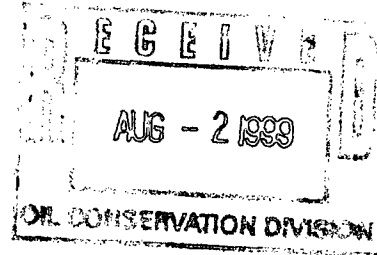


**Chevron**

**Chevron U.S.A. Production Company**  
P.O. Box 1150  
Midland, TX 79702

**Request for Exception to Rule 303-A  
Downhole Commingling  
Blinebry Gas Pool and  
Wantz-Abo Pool  
Mark No. 11  
430' FNL & 960' FEL, Unit Letter A,  
Section 3, T-22-S, R-37-E  
Lea County, New Mexico**

2439



State of New Mexico  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attention: Ms. Lori Wrotenbery – Director

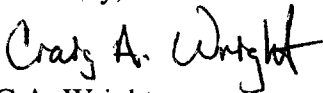
Dear Ms. Wrotenbery:

Chevron U.S.A. Inc. respectfully requests administrative approval for an exception to Rule 303-A to permit downhole commingling of the Blinebry and Wantz-Abo zones in the Mark Well No.11.

Currently the Mark #11 is producing from the Blinebry. The Wantz-Abo zone is shut-in and is isolated with a PKR (Fish). The proposed downhole commingling will allow continued production of the Blinebry and Wantz-Abo zones to a lower economic limit, thus increasing ultimate recovery.

Enclosed is the pertinent data supporting this application as outlined in Rule 303-A. A copy of this administrative application is being provided to our offset operators via Certified Mail. If you have any questions, or if you require further information, please contact Craig Wright at (915) 687-7284.

Sincerely,



C.A. Wright  
Petroleum Engineer  
West Basin Asset Team

Attachments

cc: NMOCD – Hobbs, NM  
R. Papasan  
C.A. Wright  
Central Files – Lease and Well Files

# **REQUEST FOR EXCEPTION TO RULE 303-A**

**Mark #11**

**Blinebry & Wantz-Abo Fields**

## **A: Operator**

Chevron USA Prod. Co.  
P.O. Box 1150  
Midland, TX 79702

## **B: Lease Name and Well Number**

Mark #11  
Unit Letter A, 430' FNL & 960' FEL  
Section 3, T-22-S, R-37-E  
Lea County, New Mexico  
Blinebry and Wantz-Abo Pools

## **C: Plats and Offset Operators**

Attached

## **D: C-116's**

1. Current Gas-Oil Ratio Test for Blinebry zone. (Attached).
2. Wantz-Abo was isolated with a PKR (Fish) in April, '99; consequently, there is not a current C-116 for the Wantz-Abo zone. Prior to being shut-in, the Wantz-Abo was producing at an average rate of 9 bopd 60 mcfd 15 bwpd.  
(See Attached Production Plot).

## **E: Production Decline Curves**

Attached

## **F: Estimated Bottomhole Pressure**

	Current	Original
Blinebry Oil & Gas	250 psi	1710 psi (Yr. 1958)
Wantz-Abo	230 psi	2719 psi (Yr. 1981)

## **G: Production Characteristics**

Chevron currently surface commingles Blinebry & Wantz-Abo production at the Mark lease without compatibility problems. Downhole commingling these same produced fluids will not cause formation damage.

## **H: Value**

Chevron receives the same price for product from these zones and value will not be adversely affected.

## **I: Production Allocation**

<u>Pool</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>	<u>Estimated Method</u>
Blinebry Oil & Gas	1	85	1	Allocated production
Wantz-Abo	<u>9</u>	<u>60</u>	<u>15</u>	Allocated production
Total	10	145	16	

Blinebry rates are averages from the last two months (Apr-May, '99) of allocated production.

Wantz-Abo rates are averages from the last three months (Jan-Mar, '99) of allocated production prior to the zone being isolated with a PKR (Fish).

<u>Allocated Percentages</u>	<u>Oil %</u>	<u>Gas %</u>	<u>Water %</u>
Blinebry Oil & Gas	10	59	6
Wantz-Abo	<u>90</u>	<u>41</u>	<u>94</u>
Total	100	100	100

## **J: Ownership**

Ownership of all zones is common and correlative rights will not be compromised.

## **K: Offset Operator Notification**

All offset operators have been notified by copy of this letter via certified mail.

**Mark #11**  
**Production Data**

**Blinebry Oil & Gas – Allocated Production**

<u>Date</u>	<u>CDOIL</u>	<u>CDGAS</u>	<u>CDWAT</u>
Apr 99	1	69	1
May 99	0	101	0

**Wantz/Abo – Allocated Production**

<u>Date</u>	<u>CDOIL</u>	<u>CDGAS</u>	<u>CDWAT</u>
Jan 99	12	59	15
Feb 99	7	53	15
Mar 99	7	69	15

[illegible]

District I  
PO Box 1988, Hobbs, NM 88241-1988  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1008 Rio Grande Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & 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

API Number 30-025-26051		Pool Code 06660	Pool Name BLINEBRY OIL & GAS
Property Code 2678	Property Name MARK		Well Number #11
OGRID No. 4323	Operator Name CHEVRON USA		Elevation

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	3	22S	37E		430	NORTH	960	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 District 80	13 Acres	14 Joint or fail	15 Consolidation Code	16 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

16			430' #11	960'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: Craig A. Wright Printed Name: Craig A. Wright Title: Pet. Engr. Date: 07-12-99
			#17		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 belief.  Date of Survey Signature and Seal of Professional Surveyor:
Note: Blinebry Gas Pool production from Mark Wells Nos. 7 & 11 is simultaneously dedicated to said 80 acres. (Reinstatement of Division Administrative Order NSP-1716-A (SD)(L))					Certificate Number

District I  
PO Box 1988, Hobbs, NM 88241-1988  
District II  
PO Drawer 610, Artesia, NM 88211-0719  
District III  
1008 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
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Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-26051</b>	Pool Code <b>62700</b>	Pool Name <b>WANTZ - ABO</b>
Property Code <b>2678</b>	Property Name <b>MARK</b>	Well Number <b>#11</b>
OGRID No. <b>4323</b>	Operator Name <b>CHEVRON USA INC</b>	Elevation

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>3</b>	<b>22S</b>	<b>37E</b>		<b>430</b>	<b>NORTH</b>	<b>960</b>	<b>EAST</b>	<b>LEA</b>

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 District <b>40</b>	13 Acres	14 Joins or Infill	15 Commencement Code	16 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

10		17 OPERATOR CERTIFICATION
		<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><b>Craig A. Wright</b> Signature <b>Craig A. Wright</b> Printed Name <b>Pet. Engr.</b> Title <b>07-12-99</b> Date</p>
		18 SURVEYOR CERTIFICATION
		<p>I hereby certify that the well location shown on this plat was planned 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 belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>

**Offset Operators:**

Exxon Corp.  
P.O. Box 2189  
Houston, TX 77252-2189

J.H. Hendrix Corp.  
P.O. Box 3040  
Midland, TX 79702-3040

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

Oxy USA Incorporated  
P.O. Box 50250  
Midland, TX 79710



SUBMIT 2 COPIES TO  
APPROPRIATE DISTRICT OFFICE

DISTRICT I -  
P.O. BOX 1980, HOBBS, NM 88240

DISTRICT II -  
P.O. DRAWER DD, ARTESIA, NM 88210

DISTRICT III -  
2000 RIO BRAZOS RD., AZTEC, NM 87410

OPERATOR: CHEVRON U.S.A. INC.  
ADDRESS: P.O. BOX 1949 EUNICE, NEW MEXICO 88231

OIL CONSERVATION DIVISION  
P.O. BOX 2088  
SANTA FE, NEW MEXICO 87504-2088

GAS-OIL RATIO TEST

COUNTY: LEA  
POOL: **blinebry** TYPE(X) **SCHEDUI** **special**

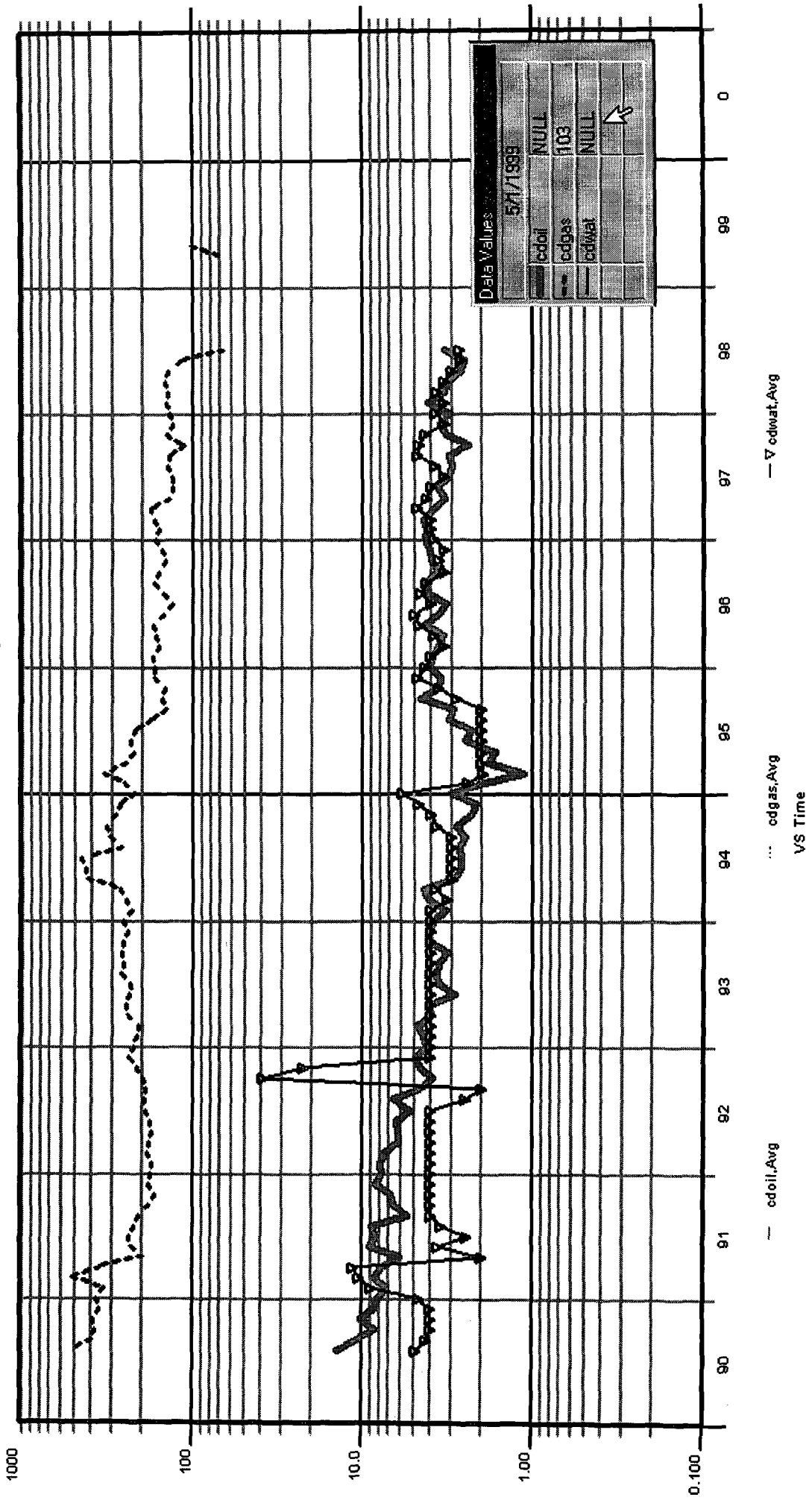
LEASE NAME	WELL NO	U	S	T	R	DATE OF TEST	CHOKE SIZE	TBG PRESS.	LENGTH OF TEST HOURS	WATER BBLs	GRAV OIL	OIL BBLs	GAS MCF	GAS-OIL RATIO CU.FT/BBL	CHVRN USE ONLY
mark	11	a	3	22	37	07/27/99	f 2w0	75	24	0	0.0	0	75.0	#VALUE!	
									24						
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INSTRUCTIONS:  
DURING GAS-OIL RATIO TEST, EACH WELL SHALL BE PRODUCED AT A RATE NOT EXCEEDING THE TOP UNIT ALLOWABLE FOR THE POOL IN WHICH THE WELL IS LOCATED BY MORE THAN 25 PERCENT. OPERATOR IS ENCOURAGED TO TAKE ADVANTAGE OF THIS 25 PERCENT TOLERANCE IN ORDER THAT THE WELL CAN BE ASSIGNED INCREASED ALLOWABLES WHEN AUTHORIZED BY THE DIVISION.  
GAS VOLUMES MUST BE REPORTED IN MCF AT 15.025 PSIA AND A TEMPERATURE OF 60 DEGREES F. SPECIFIC GRAVITY BASE WILL BE 0.60.  
REPORT CASING PRESSURE IN LIEU OF TUBING PRESSURE FOR ANY WELL PRODUCING THROUGH CASING.  
(SEE RULE 301, RULE 1116, AND APPROPRIATE POOL RULES.)

I HEREBY CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

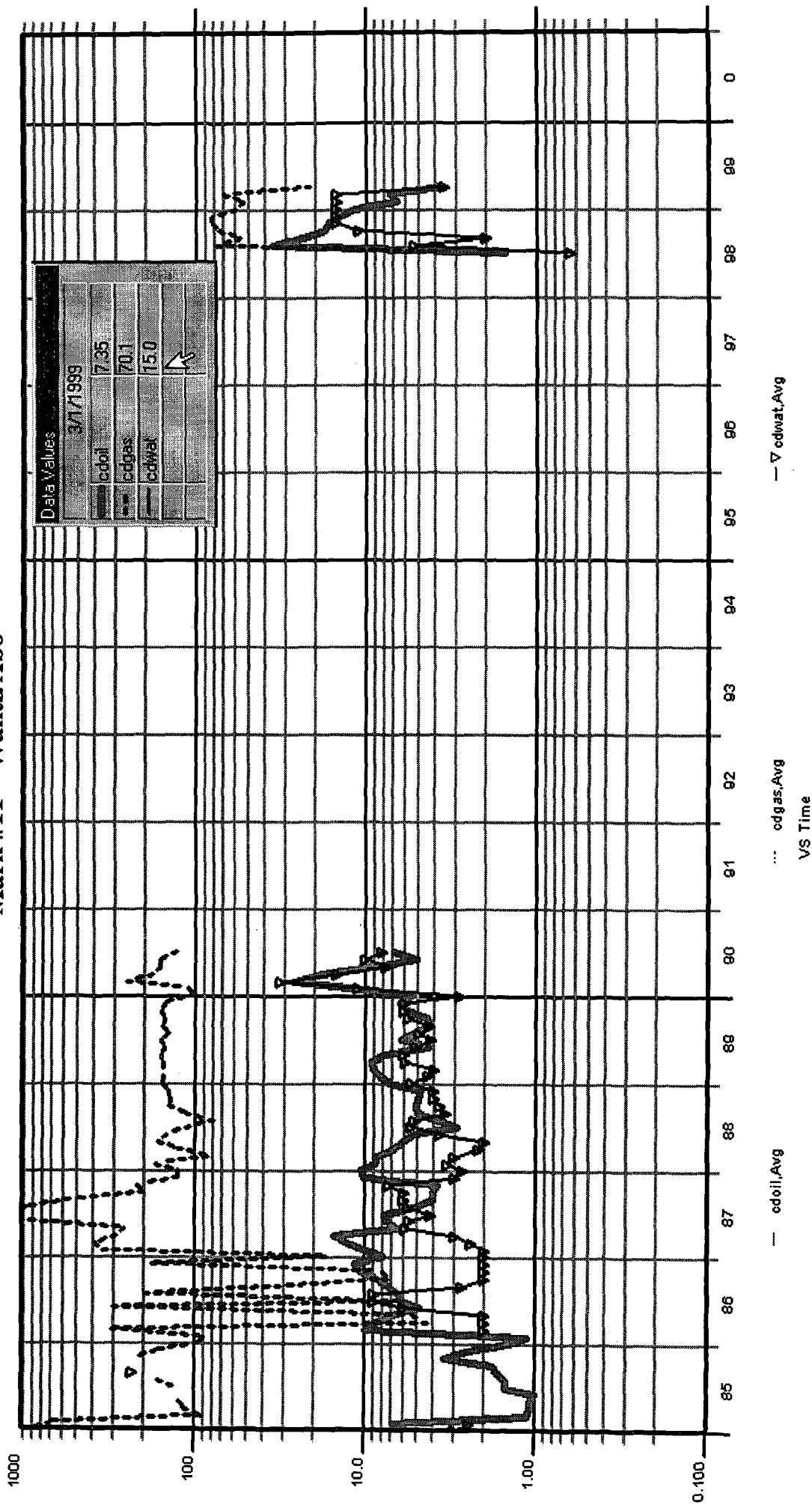
**D.R. Jennings**  
SIGNATURE  
FELIX TRIVINO  
PRINTED NAME AND TITLE  
JUNE 2, 1999  
DATE

PRODUCTION SPECIALIST  
505-394-1  
TELEPHONE NUMBER

[illegible]

## Mark #11 – Wantz/Abo

Name: MARK1100 ID: EQ3250:0:01 Type: PR Format: prod



DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980  
DISTRICT II  
811 South First St., Artesia, NM 88210-2835  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410-1693

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

CHEVRON U.S.A. PRODUCTION INC P. O. BOX 1150, MIDLAND, TX 79702  
Operator Address  
MARK 11 A 3 22S 37E LEA  
Lease Well No. Unit Ltr. - Sec - Twp - Rge County  
OGRID NO. 4323 Property Code 2678 API NO. 30-025-26051 Spacing Unit Lease Types: (check 1 or more)  
Federal \_\_\_ State \_\_\_ (and/or) Fee X

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	BLINEBRY 06660		WANTZ-ABO 62700
2. Top and Bottom of Pay Section (Perforations)	5343'-5494'		6630'-7223'
3. Type of production (Oil or Gas)	GAS		OIL
4. Method of Production (Flowing or Artificial Lift)	FLOW		PLUNGER
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 250 PSI	a.	a. 230 PSI
	b. (Original) 1710 PSI (YR 1958)	b.	b. 2719 PSI ( YR 1981)
6. Oil Gravity (°API) or Gas BTU Content	1250		34 @ 60°F
7. Producing or Shut-In?	PRODUCING		SHUT-IN (BELOW PKR)
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)	YES		YES
	Date: Rates:	Date: Rates:	Date: 02-24-99 Rates: 7/54/15
	Date: 07/27/99 Rates: 0/75/0	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 10 % Gas: 59 %	Oil: % Gas: %	Oil: 90 % Gas: 41 %

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? X Yes \_\_\_ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? X Yes \_\_\_ No  
Have all offset operators been given written notice of the proposed downhole commingling? X Yes \_\_\_ No
11. Will cross-flow occur? \_\_\_ Yes X 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 each other? X Yes \_\_\_ No
13. Will the value of production be decreased by commingling? \_\_\_ Yes X No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands 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(D) Exceptions: ORDER NO(S). \_\_\_\_\_

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.
- Data to support allocation method or formula.
- Notification of all offset operators.
- Notification 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 above is true and complete to the best of my knowledge and belief.

SIGNATURE Craig A. Wright TITLE PETROLEUM ENGR. DATE 07/30/99

TYPE OR PRINT NAME CRAIG A. WRIGHT TELEPHONE NO. ( 915 ) 687-7284