

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
☐ NSL ☐ NSP ☐ 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 - Certification**

I hereby certify that I, or personnel under my supervision, have reviewed the 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 understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Denise Leake Denise Leake Regulatory Specialist 5-17-02
Print or Type Name Signature Title Date
Leake.D@chevronTexaco.com
e-mail Address

May 15, 2002

New Mexico Oil Conservation Division
Attention: Mr. David Catanach
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: **New Mexico "EA" State No. 1**
410'FNL & 610' FEL, Unit Letter A
Section 24, T18S, R37E
Lea County, New Mexico
API No. 30-025-34788

Texaco Exploration and Production Inc. respectfully requests approval of the the attached "Application for Downhole Commingling" to commingle the Drinkard, Abo, and Tubb formations in the subject well. The Drinkard and Abo commingling has been approved by order number **DHC-2963**, on October 15, 2001. Texaco would like to add the Tubb formation to that commingling. At this time, there are open perfs in the Tubb formation. Attempt to run a production log was unsuccessful. Therefore, we would like to ask that allocation of production from the well be based on the following:

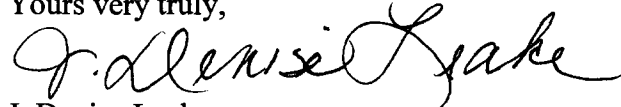
| | | |
|----------------------|------------------|------------------|
| Drinkard Pool | Oil - 29% | Gas - 94% |
| Abo Pool | Oil - 70% | Gas - 5% |
| Tubb Pool | Oil - 1% | Gas - 1% |

The production from the three zones will be of similar character so that commingling will not reduce the value of the total production. Ownership in all three formations to be commingled is identical.

Attached is the original application sent in on 9-24-01, the approval of such application, and plats for the Drinkard, Abo, and Tubb formations.

Questions may be directed to Kent Coggan at (915) 687-7143, Tim Denny at (915) 687-7343, or Denise Leake at (915) 687-7375.

Yours very truly,



J. Denise Leake
Regulatory Specialist

Attachments



Texaco Exploration and Production Inc.
Permian Business Unit

500 North Loraine
Midland TX 79701

P O Box 3109
Midland TX 79702

September 24, 2001

New Mexico Oil Conservation Division
Attention: Mr. David Catanach
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: New Mexico "EA" State No. 1
410' FNL & 610' FEL, UL 'A'
Section 24, T18S, R37E
Lea County, New Mexico**

Texaco Exploration and Production Inc. respectfully requests approval of the attached "Application for Downhole Commingling" to commingle the Drinkard and the Abo formations in the subject well. Each of these is a Wildcat zone, so no pool names are specified, but the Drinkard and the Abo formations are commonly commingled in Southeast New Mexico. We anticipate the oil production from the two zones will be of similar character (API Gravity, etc) so that commingling will not reduce the value of the total production. Ownership in both formations to be commingled is identical.

As noted in the attachment to the Application, this downhole commingling approval is being requested in advance of the recompletion work in the well, which involves a sidetrack and then an openhole completion. Mr. Darrell Carriger of our office has discussed with Mr. Catanach the particular well represented herein, as this is an unusual situation.

If there are questions concerning this matter, please contact Mr. Darrell Carriger at (915) 688-2952 or Mr. Charles Wolle at (915) 688-2930. Thank you for your attention to this matter.

Yours very truly,

Charles R. Wolle
Project Engineer

Attachments

CC: Commissioner of Public Lands
New Mexico State Land Office
Oil, Gas, and Minerals Division
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

District I
1423 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1500 Rio Grande Road, Artesia, NM 87410
District IV
1220 S. N. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
____ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ____ No

APPLICATION FOR DOWNHOLE COMMINGLING

Texaco Exploration & Production Inc., P.O. Box 3109, Midland, TX 79702

Operator Address
NM "EA" State I A 24 18S 37E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. _____ Property Code _____ API No. 3002534788 Lease Type: ____ Federal ☒ State ____ Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|--|--------------------|---------------------|
| Pool Name | Wildcat(Drinkard) | WILDCAT (Gubb) | Wildcat (Abo) |
| Pool Code | | | |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 6700'-7075' O.H. | 6524' O.H. | 7075'-7500' O.H. |
| Method of Production (Flowing or Artificial Lift) | Art. Lift | | Art. Lift |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | | | |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | 38 °(Est) | | 41°-43° (Est) |
| Producing, Shut-In or New Zone | New | New | New |
| 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: 2/19/00 Rates: 4 BO 7BW 356 MCF | Date: Rates: | Date: Rates: |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil Gas 29 % 94 % | Oil Gas 1 % 1 % | Oil Gas 70 % 5 % |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?
Yes ☒ No ____
Yes ____ No ____

Are all produced fluids from all commingled zones compatible with each other?
Yes ☒ No ____
Yes ____ No ☒

Will commingling decrease the value of production?
Yes ____ No ____

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?
Yes ☒ No ____

NMOC Reference Case No. applicable to this well: _____

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 list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE Charles R. Woll TITLE Project Engineer DATE 9/24/2001
TYPE OR PRINT NAME Charles R. Woll TELEPHONE NO. (915) 688-2930

1625 N. French Dr., Hobbs, NM 88240

District II

811 S. 1st Street, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

Energy, Minerals & Natural Resources

Revised March 17, 1

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

Submit to Appropriate District Of
State Lease - 4 Co.
Fee Lease - 3 Co.

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|---|---|
| ¹ API Number 025-34788 | ² Pool Code | ³ Pool Name <i>Wildcat Drinkard</i> |
| ⁴ Property Code <i>25125</i> | ⁵ Property Name NEW MEXICO 'EA' STATE | |
| ⁷ OGRID No. 022351 | ⁸ Operator Name Texaco Exploration & Production | ⁶ Well Number <i>1H</i> ⁹ Elevation |

¹⁰ Surface Location

| U/L or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South line | Feet from the | East/West line | Cont. |
|----------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|-------|
| A | 24 | 18-S | 37-E | | 410' | NORTH | 610' | East | Lea |

¹¹ Bottom Hole Location If Different From Surface

| U/L or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South line | Feet from the | East/West line | Cont. |
|----------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|-------|
| A | 24 | 18-S | 37-E | | <i>980'</i> | NORTH | <i>333'</i> | EAST | LEA |

| | | | |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 40 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | | |
|---------------|----------------------------|--|---|
| ¹⁶ | <i>Recenter/Horizontal</i> | | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true, complete to the best of my knowledge and belief. |
| | | | Signature <i>A. Phil Ryan</i> A. PHIL RYAN Printed Name COMMISSION COORDINATOR Title 7/25/01 Date |
| | | | 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 Surveyer: Certificate Number |

District II

811 S. 1st Street, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505Submit to Appropriate District Of
State Lease - 4 Co
Fee Lease - 3 Co☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|---|---|
| ¹ API Number 025-34788 | ² Pool Code | ³ Pool Name <i>Wildcat Also</i> |
| ⁴ Property Code <i>25125</i> | ⁵ Property Name NEW MEXICO 'EA' STATE | |
| ⁷ OGRID No. 022351 | ⁸ Operator Name Texaco Exploration & Production | |
| | | ⁶ Well Number <i>1H</i> |
| | | 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 | Cou |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|-----|
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| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South line | Feet from the | East/West line | Cou |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|-----|
| A | 24 | 18-S | 37-E | | <i>986'</i> | NORTH | <i>333'</i> | EAST | LEA |

| | | | |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
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NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | | | |
|----|--|--|--|---|
| 16 | | | | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. |
| | | | | |
| | | | | 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 Surveyer: |
| | | | | Certificate Number |

Recenter/Horizontal

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1st Street, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised March 17, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | | | |
|--------------------------------------|--|---|--|---|--|--------------------------------|--|
| ¹ API Number 025-34788 | | ² Pool Code | | ³ Pool Name Wildcat Sub G | | | |
| ⁴ Property Code 25125 | | ⁵ Property Name NEW MEXICO 'EA' STATE | | | | ⁶ Well Number 1H | |
| ⁷ OGRID No. 022351 | | ⁸ Operator Name Texaco Exploration & Production | | | | ⁹ Elevation | |

¹⁰ Surface Location

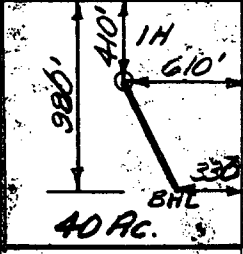
| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| A | 24 | 18-S | 37-E | | 410' | NORTH | 610' | East | 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 |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| A | 24 | 18-S | 37-E | | 980' | NORTH | 330' | EAST | LEA |

| | | | |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 40 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
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| | | 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. |
| | | |
| | | Certificate Number |