### CAMPBELL, CARR & BERGE, P.A.

LAWYERS

MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE

MICHAEL H. FELDEWERT TANYA M. TRUJILLO TANNIS L. FOX

JACK M. CAMPBELL OF COUNSEL JEFFERSON PLACE

SUITE 1 - 110 NORTH GUADALUPE

POST OFFICE BOX 2208

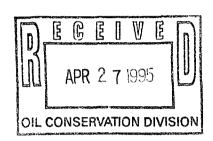
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 26, 1995

### **HAND-DELIVERED**

David R. Catanach, Hearing Examiner Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87505



Re: Application of Texaco Exploration and Production Inc. to Downhole Commingle the North Teague Tubb Associated Pool & North Teague Drinkard-Abo Pool, Lea County, New Mexico

Dear Mr. Catanach:

Pursuant to our telephone conversation this afternoon, enclosed please find Texaco Exploration and Production Inc.'s application for administrative approval for downhole commingling in Lea County, New Mexico.

I believe that everything is in order with this application and that notice has been given in accordance with the Oil Conservation Division rules.

Please contact me if you have any questions regarding this application.

Very truly yours,

Tanya M. Trujillo

TMT:mlh Enclosures

cc: J.T. Sexton (w/enclosures)

District I Box 1980

Hobbs, NM 88240



Техасо 🗄 🖟 Р

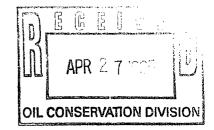
PO Box 730 Hobbs NM 88241 0730 505 393 7191

April 25, 1995

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

Attention: Mr. David R. Catanach

Re: Exception to NMOCD Rule 303 (A),
Application to Downhole Commingle
North Teague Tubb Associated Pool &
North Teague Drinkard-Abo Pool
F.B. Davis Lease, Well Number 5
T-23-S, R-37-E, Section 8
Lea County, New Mexico



### Gentlemen:

Texaco Exploration and Production Inc. respectfully requests administrative approval to downhole commingle the North Teague Tubb Associated Pool and the North Teague Drinkard-Abo Pool within the subject wellbore. The well is currently a flowing dueled completion in said intervals. Currently, both intervals are showing increased signs of fluid loading with very low surface flowing pressures and the production rate for each zone is on a high rate of decline. It is expected that both intervals will load up and not be capable of production without artificial lift with 90 to 120 days. Texaco owns and operates 1040 contigious acres, more or less, all offsetting the subject 40 acre tract, within the subject intervals, with exception to the south half of section 8, T-23-S R-37-E, which is leased by Amerada Hess and Arco Permian Inc. Notification of this application has been sent to the said offset leaseholders and a statement of notification has been included in this application.

The proposed downhole commingling will provide a more economical means of production. It will allow complete development of the productive capacity on the subject lease by allowing both intervals to be artificially lifted simultaneously. This will extend the productive life of both completions, thereby preventing waste. It is therefore requested by Texaco Exploration and Production Inc., to administratively downhole commingle the North Teague Tubb Associated Pool and the North Teague Drinkard-Abo Pool within the subject wellbore. Texaco requests that the approval of this application be performed by administrative approval to expedite the proposed work, or by a NMOCD sponsored hearing at the earliest possible hearing date.

The subject well meets all of requirements as set forth by Rule 303 (C). The ownership of both zones are common (including working and royalty interests). Correlative intervals to the North Teague Tubb Associated pool and the North Teague Drinkard-Abo Pool have been successfully

(Page 2) F.B. Davis Well No. 5 Application to Downhole Commingle

commingled within the area with no incompatibility of reservoir fluids. Since original completion, all produced fluids have entered a common production facility with no fluid compatibility problems.

The following information is submitted as support for this request:

- 1. Location plat (Form C-102)
- 2. Well Data Sheet
- 3. Computation of Value for commingled production
- 4. Individual Well Casing Program (Form C-103)
- 5. Statement of notification to offset operators and USGS.

It is requested that the allocation of production for each zone be deferred until each well is placed on production. At such time, it is proposed to isolate the North Teague Tubb Associated interval in the well, to determine its productive rate prior to commingling. Production will then be allocated to the North Teague Drinkard-Abo Pool by subtracting the North Teague Tubb Associated production rate from the total stabilized production rate after downhole commingling the well.

Texaco Exploration and Production, Inc. believes that the administrative approval for downhole commingling and use of artificial lift on the subject well will improve recovery efforts and prolong the productive life of both zones, therefore preventing waste. If you have any questions concerning this application, please contact Michael Alexander at (505)397-0411.

Yours very truly,

Michael Alexander Hobbs Area Engineer

**MCA** 

attachments wellfile Chrono

cc: Jerry Sexton/NMOCD/Hobbs Shannon Shaw/BLM/Carlsbad

## LOCATION PLATS (Form C-102)

'DISTRICT I' P.O. Box 1980, Hobbs, NM 88241-1980 DISTRICT II P.O. Box Drawer DD, Artesia, NM 88211-0719 DISTRICT IIL 1000 Rio Brazos Rd., Aztec, NM 87410

### 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

<u>DISTRICT IV</u> P.O. Box 2088,	, Santa Fe, I	NIM 87504-20		LLI	LOCATIO	ON AND	) ACRE	AGE DI	EDICATI	ON F	PLAT `	Г	AMEND	ED REPORT
<del></del> -	1 API Num 30 025 3				Pool Cod	de					<sup>3</sup> Pool Na		ristad	
4	20 025 3 Property Co				<del>503</del> 1.		5 Property DAVIS				. I Bagus I un	Masou		/eii No. 5
	GRID Num 022351	ber		Operator Name     TEXACO EXPLORATION & PRODUCTION INC.				<sup>9</sup> Elevation GR-3319', KB-3331'						
*****		· · · · · · · ·				<sup>10</sup> Surf	face Lo	cation						
UI or lot no. H	Section 8	Townsh 23-S	·   -		Lot.idn	,	rom The 980		outh Line RTH	Feet 33	From The		t/West Line EAST	County LEA
			11	Bot	ttom Hol	e Locat	ion If D	ifferent l	From Su	rface	)			
Ul or lot no.	Section	Townshi	ip Range		Lot.ldn	Feet Fi	rom The	North/S	outh Line	Feet	From The	East	t/West Line	County
12 Dedicated 40	Acres 1	13 Joint or II No		14 C	Consolidatio	n Code	15 Or	rder No.	1					
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0 330 6	660 990	1320 165	50 1980 231	10 26	340	2000	1500	1000	500	o	L			

### **DISTRICT I**

P.O. Box 1930, Hobbs, NM 88241-1980 DISTRICT IL

P.O. Box Drawer DD, Artesia, NM 88211-0719

1000 Rio Brazos Rd., Azlec, 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	Pool Code	3 Pool N	
30 025 32495	96313	N. Teague D	
4 Property Code 13195		perty Name	<sup>6</sup> Well No. 5
7 OGRID Number	•	erator Name	<sup>9</sup> Elevation
022351		TION & PRODUCTION INC.	GR-3319', KB-3331'

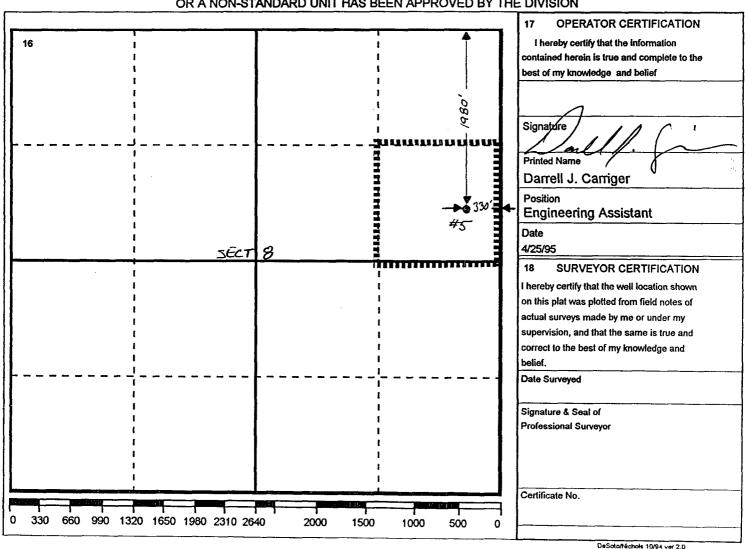
### **Surface Location**

Ul or lot no.	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County
н	8	23-S	37-E		1980	NORTH	330	EAST	LEA

### **Bottom Hole Location If Different From Surface**

UI or lot no.	Section	Township	Range	Lot.idn	Feet From	The	North/South Line	Feet From The	East/West Line	County
Dedicated 40	Acres	<sup>13</sup> Joint or Infill No	14	Consolidatio	n Code	<sup>15</sup> Ord	der No.			

### 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



WELL DATA SHEET

### DATA SHEET FOR DOWNHOLE COMMINGLING

Operator:

Texaco USA, Inc.

Address:

P.O. 730 , Hobbs, New Mexico 88240

Lease and Well No.: F.B. Davis

Well No. 5

Location :

Unit Letter H, 1980' FNL, 330' FEL of

Section 8, T-23-S, R-37-E

Lea County, New Mexico

### WELL DATA

	Upper Pool	Lower Pool
Name of Pool	N. Teague Tubb	N. Teague Drinkard-Abo
ВНГР	469 psia (Calc.from FTP)	227 psia (Calc. from FTP)
Completed Interval:	6090'-6241'(151')	6353'-7010' (657')
Current Method:	Flowing	Flowing
Current Test Date :	4/15/95	4/15/95
Oil	35 BOPD	5 BOPD
Gas	383 MCFPD	377 MCFPD
Water	20 BWPD	5 BWPD
GOR	10,940	75,400
GOR Limit	30,000	- NA - /0,000
Gas Gravity	0.699 6000 BAPTS	0.699

NOTE:

Production from the proposed completion will occur by pumping the fluids utilizing a rod pumping system with the pump set below the bottom perf at approximately 7200'. The associated gas production will be vented at approximately 60 100 psig casing pressure (dependent on flowline pressure). This will insure that no crossflow occurs between the two completions.

# COMPUTED VALUE OF DHC PRODUCTION

# AVERAGE ESTIMATED PRODUCTION BEFORE DHC (SINGLE TUBB WELL)

	TUBB	AVERAGE PRICE	INCOME
Oil	35 BOPD	\$15.32/BO	\$536.20
Gas	383 MCFPD	\$ 1.61/MCF	\$616.63
	TOTAL SINGLE	COMPLETION REVENUES	\$1152.83

### AVERAGE ESTIMATED PRODUCTION AFTER DHC

	TUBB	DRINKARD ABO	COMMINGLED
Oil	35 BOPD	5 BOPD	40 BOPD
Gas	383 MCFPD	377 MCFPD	760 MCFPD
Water	20 BWPD	5 BWPD	5 BWPD

### ESTIMATE OF VALUE OF DHC PRODUCED HYDROCARBONS

	COMMINGLED	PRODUCT PRICE	REVENUE
Oil	40 BOPD	\$15.32/BBL	\$ 612.80
Gas	760 MCFPD	\$ 1.61/MCF	\$1223.60
TOTAL E	STIMATED DAILY	REVENUES	1836.40
NET DIFFE	RENCE FROM DOW	NHOLE COMMINGLING =	\$ 683.57/DAY

### FORMULA FOR DETERMINING ALLOCATION OF PRODUCTION

### OIL

X = TUBB STABILIZED OIL PRODUCTION RATE, BOPD

T = TOTAL COMMINGLED, STABILIZED OIL PRODUCTION RATE, BOPD

DRINKARD-ABO PROD. = D = (T - X), BOPD

### GAS ·

X = TUBB STABILIZED GAS PRODUCTION RATE, MCFPD

T = TOTAL COMMINGLED, STABILIZED GAS PRODUCTION RATE, MCFPD

DRINKARD-ABO PROD. = D = (T - X), MCFPD

# CASING PROGRAMS (C-103s)

to Appropriate District Office	, -	Enzay, Minerals	and Natural Ke	esources Department	Revised 1-1-8
DISTRICT I	u—	OIL CONSE	RVATIO	ON DIVISION	WELL API NO.
P.O. Box 1980, Hobbs, N	M 88240		O. Box 208		30-025-32495
DISTRICT II P.O. Box Drawer DD, Arte	sia, NM 882	Santa Fe,	New Mexico	87504-2088	5. Indicate Type of Lease STATE FEE S
DISTRICT III					6. State Oil / Gas Lease No.
1000 Rio Brazos Rd., Azte		TICES AND REPOR	TS ON WEL	1	
(DO NOT USE THIS FO	RM FOR PRO	POSALS TO DRILL OF RVOIR. USE "APPLIC	R TO DEEPEN	OR PLUG BACK TO A	7. Lease Name or Unit Agreement Name
DIFFI		2-101) FOR SUCH PR		ELVIALI	DAVIS, F. B.
1. Type of Well: OIL WELL	GAS WELL	OTHER			
2. Name of Operator	TFXACO EXI	PLORATION & PROD	JCTION INC.		8. Well No. 5
3. Address of Operator		9, Midland Texas 7970	·		9. Pool Name or Wildcat
4. Well Location					TEAGUE TUBB
Unit Letter	_Н:	1980 Feet From	n The <u>NORT</u>	H Line and 330	Feet From The <u>EAST</u> Line
Section 8		Township 23-S	R	ange <u>37-E</u> NI	MPMLEA_COUNTY
		10. Elevation (Show	whether DF, RK	B, RT,GR, etc.) GR-3319	7, KB-3331'
11.	Check A	***		ure of Notice, Report	
NOTICE OF	-	•			UBSEQUENT REPORT OF:
PERFORM REMEDIAL WOR		PLUG AND ABANDON	П	REMEDIAL WORK	ALTERING CASING
TEMPORARILY ABANDON	`	CHANGE PLANS	ñ	COMMENCE DRILLING OP	
PULL OR ALTER CASING	H			CASING TEST AND CEME	
OTHER:				OTHER:	SPUD & SURFACE CASING
1. PETERSON RIG #2 SPI 2. RAN 27 JOINTS OF 9 5 3. DOWELL CEMENTED N PPG, 1.34 CF/S). PLUG D 4. NU BOP & TESTED TO 5. WOC TIME 8 HOURS F 1. VOLUME OF CEMEN 2. APPROX. TEMPERA 3. EST. FORMATION TI 4. EST. CEMENT STRE 5. ACTUAL TIME CEME 6. DRILLING 8 3/4 HOLE.	/8, 36#, K-55, 3 MITH 350 SAC OWN @ 11:30 1200#. TESTI ROM 11:30 PN T SLURRY: L TURE OF SLU EMPERATURE NGTH AT TIM	STC CASING SET @ *CKS CLASS C W/ 4% (*C) PM 09-05-94. CIRCUISED CASING TO 1200# M 09-05-94 TO 7:30 AM EAD 609 (CU. FT.), TARY WHEN MIXED: 5 E IN ZONE OF INTERICE OF CASING TEST:	1180'. RAN 10   GEL, 2% CACL LATED 116 SA FOR 30 MINU M 09-06-94. RE AIL 268 (CU. FT E0 F. EST: 90 F. 1173 PSI.	CENTRALIZERS. 2 (13.5 PPG, 1.74 CF/S). CKS. TES FROM 7:30 AM TO 1 QUIREMENTS OF RULE	. F/B 200 SACKS CLASS C W/ 2% CACL2 (14.8 8:00 AM 09-06-94.
I hereby certify that the information abo	ye is true and comple	te to the best of any knowledge a		4891	011127374
SIGNATURE C. Y. &	wyna.	D Pacham	ITLE DUNN	g Operations (Ngr.	DATE 9/8/94
TYPE OR PRINT NAME	C.	P. Basham		(r)	Telèphone No. 688-4608
(This space for State Use)				17	Celved &
APPROVED BY	IE ANV.	τι	rle	16 100	DATE
CONDITIONS OF APPROVAL	_, IF ANT:			OE GE AT LE	DeSota/Nichola 12-83 ver 1.0

Form C-103

and the amount of the same of	Otate of Hell Morage	Form C-103
Submit 9 copies to Appropriate argy, District Office	Minerals and Natural Resources Department	Revised 1-1-89
P.O. Box 1980, Hobbs, NM 88240	P.O. Box 2088 anta Fe, New Mexico 87504-2088	WELL API NO.  30 025 32495  5. Indicate Type of Lease  STATE FEE   6. State Oil / Gas Lease No.
		7. Lease Name or Unit Agreement Name DAVIS, F. B.
1. Type of Well: OIL GAS WELL WELL O	THER	
2. Name of Operator TEXACO EXPLORATION	N & PRODUCTION INC.	8. Well No. 5
3. Address of Operator P.O. BOX 730, HOBBS,	NM 88240	9. Pool Name or Wildcat TEAGUE TUBB
4. Well Location Unit Letter H : 666	Feet From The <u>NORTH</u> Line and <u>880</u>	) Feet From The <u>EAST</u> Line
Section 8 Township	Range 37-E NM	IPM <u>LEA</u> COUNTY
10 Flour	tion (Chave whether DE DKB DT CB etc.)	

PERFORM REMEDIAL WORK	Ш	FEOG AND ABANDON	REMEDIAL WORK	ALTERING CASING	L
TEMPORARILY ABANDON		CHANGE PLANS	COMMENCE DRILLING OPERATION	PLUG AND ABANDONMENT	
PULL OR ALTER CASING			CASING TEST AND CEMENT JOB		
OTHER:			 OTHER: PRO	DDUCTION CASING	

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

- 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
- 1. DRILLED 8-3/4" HOLE TO 7250". T.D. 9/17/94.
- 2. HALLIBURTON LOGGING SERVICE RAN DLL MSFL DSN TO 7250.
- 3. RAN 165 JOINTS OF 7", 23#, J-55 CASING SET AT 7250'.

NOTICE OF INTENTION TO:

- 4. CEMENTED 2500 SXS. 35/65 POZ CLASS H WITH 6%GEL, 5% SALT, 1/4# FLOCELE. F/B 500 SACKS CLASS H 50/50 POZ, 2% GEL, 5% SALT, AND 1/4# FLOCELE. PLUGGED DOWN @ 1:30 PM 9/19/94. CIRCULATED 425 SXS.
- 5. ND. RELEASE RIG @ 6:00 PM 9/19/94.
- 6. PREPARE TO COMPLETE.

			223121	616 17 18 19 20	ez.	
I hereby certify that the insorphation	above is truffing Complete to the trait of		6 F	leceived	24	
SIGNATURE /	M/G	TITLE Engi	neering Assistant	Texaco Hobbs Area		10/5/94
TYPE OR PRINT NAME	Darrell J. C.	arriger	Tr. Carrette	100001200	1, Telephone No.	397-0426
(This space for State Use) APPROVED BY	Orig. Signed <b>by</b> Real Mauta <b>G</b> eologiat	TITLE		1-150560	OCT 12	1994
CONDITIONS OF APPROV	/AL, IF AÑY:					

SUBSEQUENT REPORT OF:



### LIST OF 40-ACRE OFFSET OPERATORS TO DAVIS NO. 5

### OPERATORS OTHER THAN TEXACO E & P :

Texaco E & P holds operatorship within the following 1040 contigious acres, more or less, adjacent to and including the subject 40 acre tract:

- 160 acres in NE 1/4 of Section 8, T-23-S, R-37-E
- 80 acres in E 1/2 of NW 1/4 of Section 8 T-23-S, R-37-E
- 160 acres in SE 1/4 of Section 5, T-23-S, R-37-E
- 160 acres in NW 1/4 of Section 9, T-23-S, R-37-E
- 160 acres in SW 1/4 of Section 9, T-23-S, R-37-E
- 160 acres in NE 1/4 of Section 9, T-23-S, R-37-E
- 160 acres in S 1/2 of S 1/2 of Section 4, T-23-S, R-37-E

The 320 acres in the S 1/2 of Section 8, T-23-S, R-37-E adjacent to the subject 40 acre tract, is operated by the following two companies:

Arco Permian P.O. Box 16101 Midland, Texas 79702 Amerada Hess 1201 Louisiana Suite 700 Houston, Texas 77002

### Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed envelope.

Thank you for your cooperation in this matter.

### WAIVER TO OBJECTION

### TEXACO EXPLORATION AND PRODUCTION

Application for
Exception to Rule 303-A
Downhole Commingle
F.B. Davis Lease, Well Number 5
North Teague Tubb Associated Pool &
North Teague Drinkard-Abo Pool
T-23-S, R-37-E, Section 8
Lea County, New Mexico

I/We do hereby waive any objection to Texaco Exploration and Production Inc.'s request for NMOCD administrative approval to commingle the Tubb and Drinkard-Abo zones for the above captioned wells.

Signed:		
Title:	-	70.00
Company:		The state of the s
Date:		

# Receipt for Certified Mail No Insurance Coverage Provided Do not use for International Mail (See Reverse) Sent to Street and No. Street and No. P.O. State and ZIP Code Postage Postage Restricted Delivery Fee Restricted Delivery Fee Return Receipt Street And Mail (See Reverse) Return Scipt Showing Date, Juny Andressee's Sight Street Str

2 JOP PJJ 95P



# Receipt for Certified Mail

No Insurance Coverage Provided Do not use for International Mail (See Reverse)

Circum and No	Street and No. 301 16101			
P.O., State and ZIP Code  M. dawn  Ty	79702			
Postage	\$ 1.01			
Certified Fee	1.10			
Special Delivery Fee				
Restricted Delivery Fee				
Return Receipt Showing to Whom & Date Delivered	1.10			
Return Receipt Showing to Whom Date, and processes 2 dates				
TOTAL 05000	\$ 3.2/			
Return Receipt Showing to Whom & Date Delivered  Return Receipt Showing to Whom Date, and protess 2 days.  TOTAL OSSIT				

Z 106 611 824



### Receipt for Certified Mail

No Insurance Coverage Provided Do not use for International Mail (See Reverse)

	Sent to BUM		
	Street and No. Box 1778		
	P.O., State and ZIP Cpde	०८८४६	
	Postage	\$ 1.01	
	Certified Fee	\$ 1.10	
	Special Delivery Fee		
	Restricted Delivery Fee		
993	Return Receipt Showing to Whore & Date Delive ed	1.10	
5	Returna eceipt Showherto Winn, Date, Cha Addressee SABer ss		
Form 3800, March 1993	TO AL Postage & Fees	\$ 3,21	
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