

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [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 - Directional Drilling

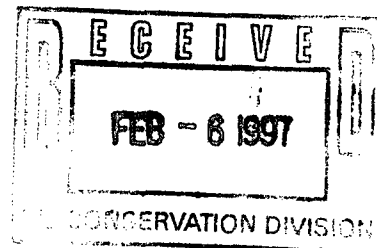
☐ NSL ☐ NSP ☐ DD ☐ SD

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 - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all 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 further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Britton McQuinn

Print or Type Name

Britton McQuinn

Signature

Engineer

Title

1/29/97

Date



Texaco E & P

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

February 3, 1997

NMOCD
2040 South Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. William J. LeMay

Subject: Application to DHC C. H. Weir "A" #7, L-12-20S-37E, in the Weir Blinebry, East (63800) and Skaggs Drinkard (57000) Pools.

Dear Mr. LeMay:

Texaco Exploration and Production, Inc. respectfully requests administrative approval to downhole commingle the C. H. Weir "A" #7 in the Weir Blinebry, East and Skaggs Drinkard Pools. Notification of this application has been sent to the offset operators and a statement of notification has been included in this package. Currently, the Blinebry is flowing through tubing, and the Drinkard is plugged back.

This well has shown a rapid decline from the Blinebry and it has become apparent that some method of artificial lift is required to unload the well. Down-hole commingling and conversion to rod-pumping will provide the most economical means of producing both zones.

This well meets all of the requirements set forth by Rule 303(C). Due to the recency of the Blinebry completion, a full year of production data is not available. The allocation factors were calculated in the following manner:

$$\% \text{ DRINKARD} = \frac{\text{DRINKARD STABILIZED PRODUCTION}}{\text{DRINKARD} + \text{BLINEBRY STABILIZED PRODUCTION}}$$

$$\% \text{ BLINEBRY} = 100\% - \% \text{ DRINKARD.}$$

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

Sincerely

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

cc: Mr. J. T. Sexton

enc

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 AddressC. H. Weir "A" 7 L-12-20S-37E Lea
Lease Well No. Unit Ltr. - Sec - Tws - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 022351 Property Code 011130 API NO. 30-025-06073 Federal , State X , (and/or) Fee

| The following facts are submitted in support of downhole commingling: | Lower Zone | Intermediate Zone | Upper Zone |
|---|-------------------------------|-------------------|------------------------------|
| 1. Pool Name and Pool Code | Skaggs Drinkard 57000 | | Weir Blinebry, East 63800 |
| 2. Top And Bottom of Pay Section (Perforations) | 6589-6890 | | 5772-5896 |
| 3. Type of production (Oil or Gas) | oil | | gas |
| 4. Method of Production (Flowing or Artificial Lift) | pumping | | flowing |
| 5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current | (Current) a.659 psi | a. | a.696 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 | 33 | | 1154 BTU/CF |
| 7. Producing or Shut-In? Production Marginal? (yes or no) | shut-in yes | | producing yes |
| * If Shut-In, give date and oil/gas/ water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data | Date:8/19/96 Rates:3/250/0 | | |
| * If Producing, give date and oil/gas/ water rates of recent test (within 60 days) | Date: Rates: | | 1/2/97 0/560/30 |
| 8. Fixed Percentage Allocation Formula -% for each zone | Oil: 100% Gas: 31% | Oil: % Gas: % | Oil: 0% Gas: 69% |

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 ☐ NoIf not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ NoHave all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No11. 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 ☐ No13. 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). _____

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage deication.
- * Production curve for each zone for at lease one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data or documents required to support commingling.

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

SIGNATURE Britton M. McQuien TITLE Engineer DATE 1-28-97TYPE OR PRINT NAME Britton M. McQuien TELEPHONE NO. (505) 397-0427

January 23, 1997

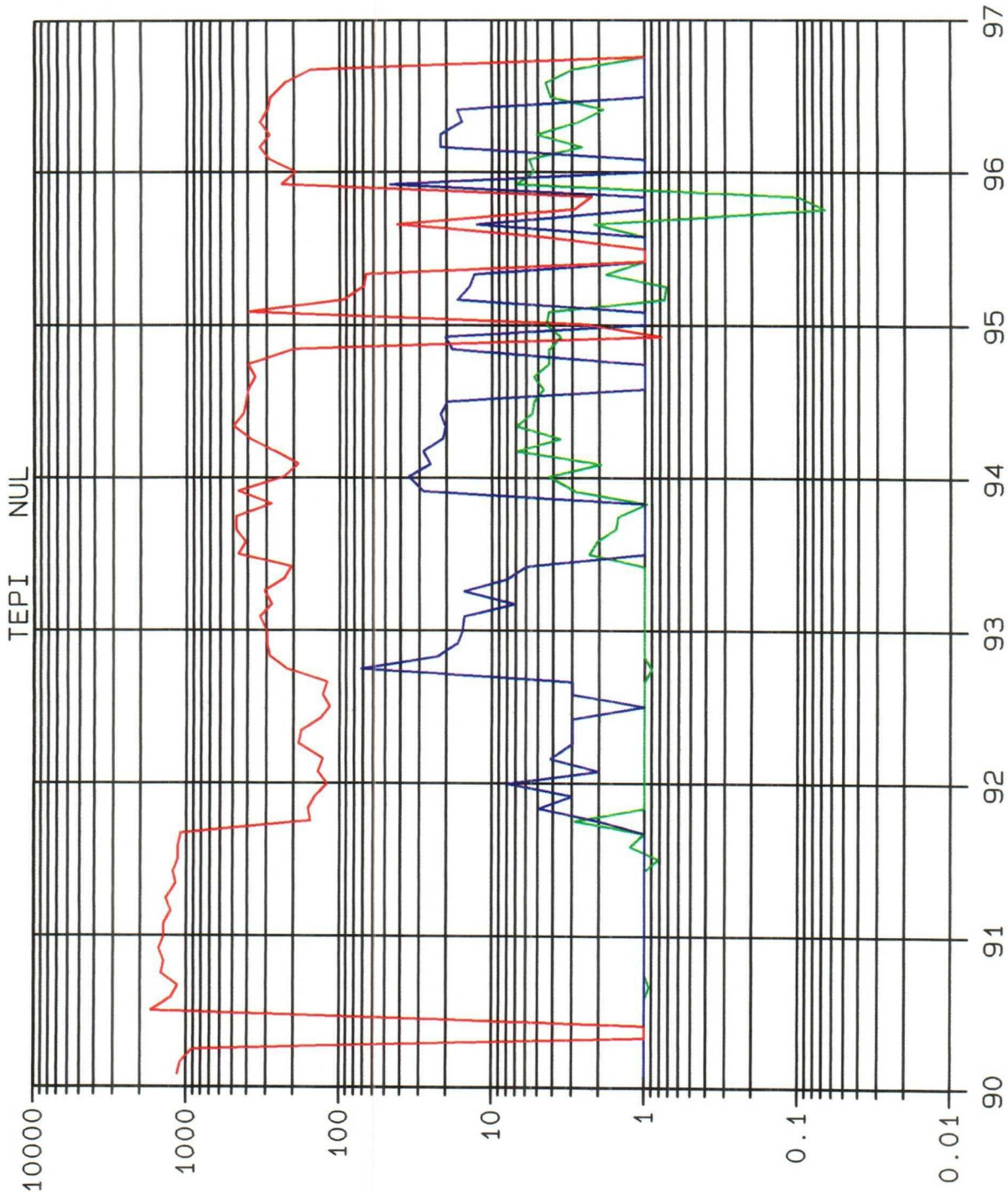
Offset Operators and all Lessees of Record
C. H. Weir "A" No. 7 Well
NW/4 SW/4 of Section 12, T-20-S, R-37-E
Weir East Blinebry/Skaggs Drinkard Formations
Lea County, New Mexico
January 23, 1997

Offset Operators and all Lessees of Record
C. H. Weir "A" No. 7 Well
NW/4 SW/4 of Section 12, T-20-S, R-37-E
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Lea County, New Mexico
January 23, 1997

Number 1

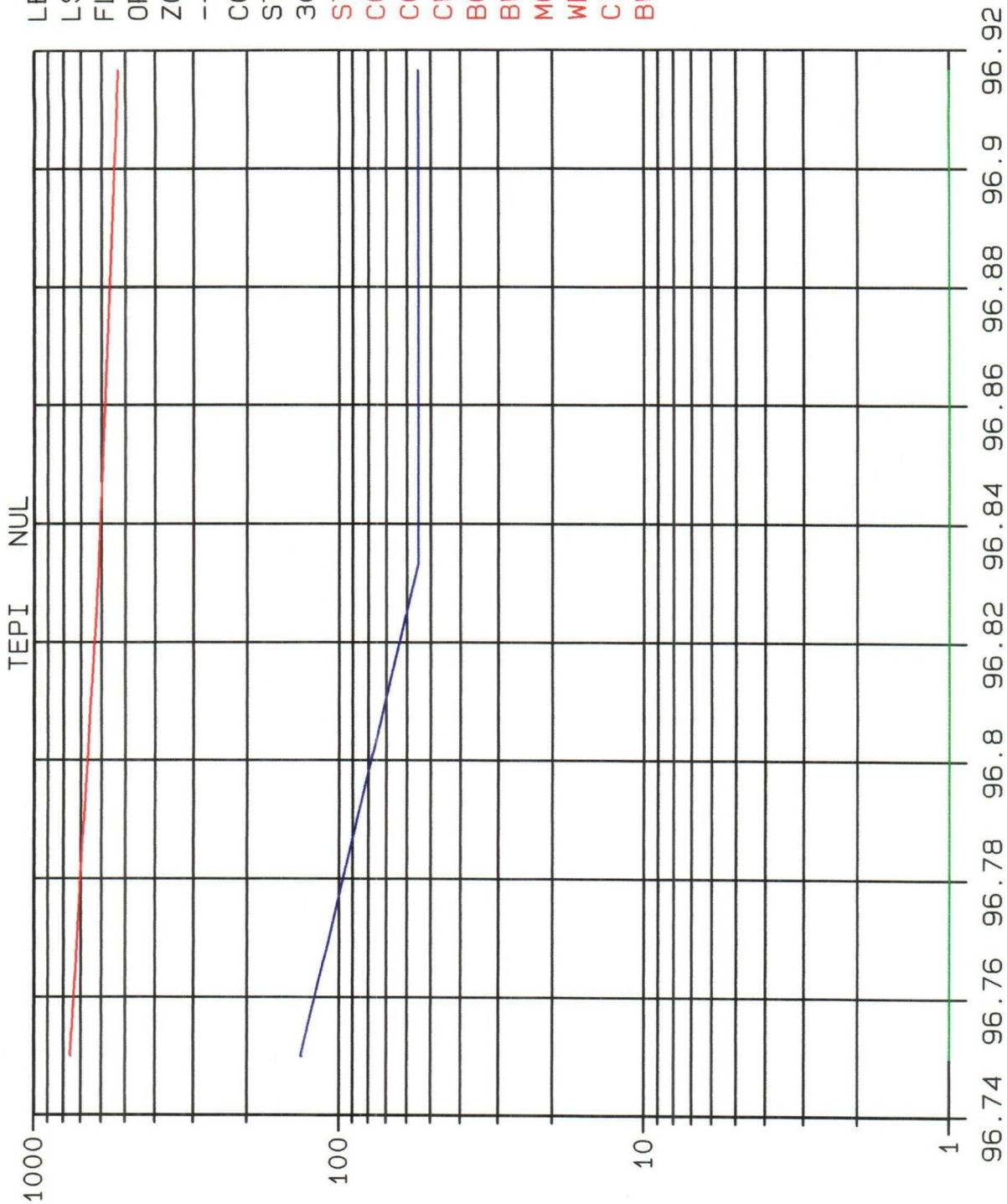
Texaco Exploration and Production Inc.
P. O. Box 3109
Midland, Texas 79702

WEIR, C. H. -A- 7 SKAGGS DRINKARD



LEASE DATA
 LSE 011130
 FLD 57000
 OPER TEPI
 ZONE NUL
 --
 COUNTY 025
 STATE 30
 30025060730001
 STATUS 9-96
 CO 4 MBO
 CG 1111 MMCF
 CW 19 MBW
 BOPD 0
 BWP 0
 MCFPD 0
 WELLS 1
 CI 0 MBWI
 BWIPD 0

WEIR, C. H. -A- 7 WEIR BLINEBRY, EAST



YEARS

LEASE DATA
 LSE 011130
 FLD 63800
 OPER TEPI
 ZONE NUL
 --
 COUNTY 025
 STATE 30
 30025060730002
 STATUS 11-96
 CO 0 MBO
 CG 58 MMCF
 CW 7 MBW
 BOPD 0
 BWPD 55
 MCFPD 531
 WELLS 1
 CI 0 MBWI
 BWIPD 0

BOPD BWPD MCFPD

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|--|
| ¹ API Number 30 025 06073 | ² Pool Code 63800 | ³ Pool Name WEIR BLINEBRY EAST |
| ⁴ Property Code 11130 | ⁵ Property Name WEIR, C. H. -A- | ⁶ Well No. 7 |
| ⁷ OGRID Number 022351 | ⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC. | ⁹ Elevation 3578' DF |

¹⁰ Surface Location

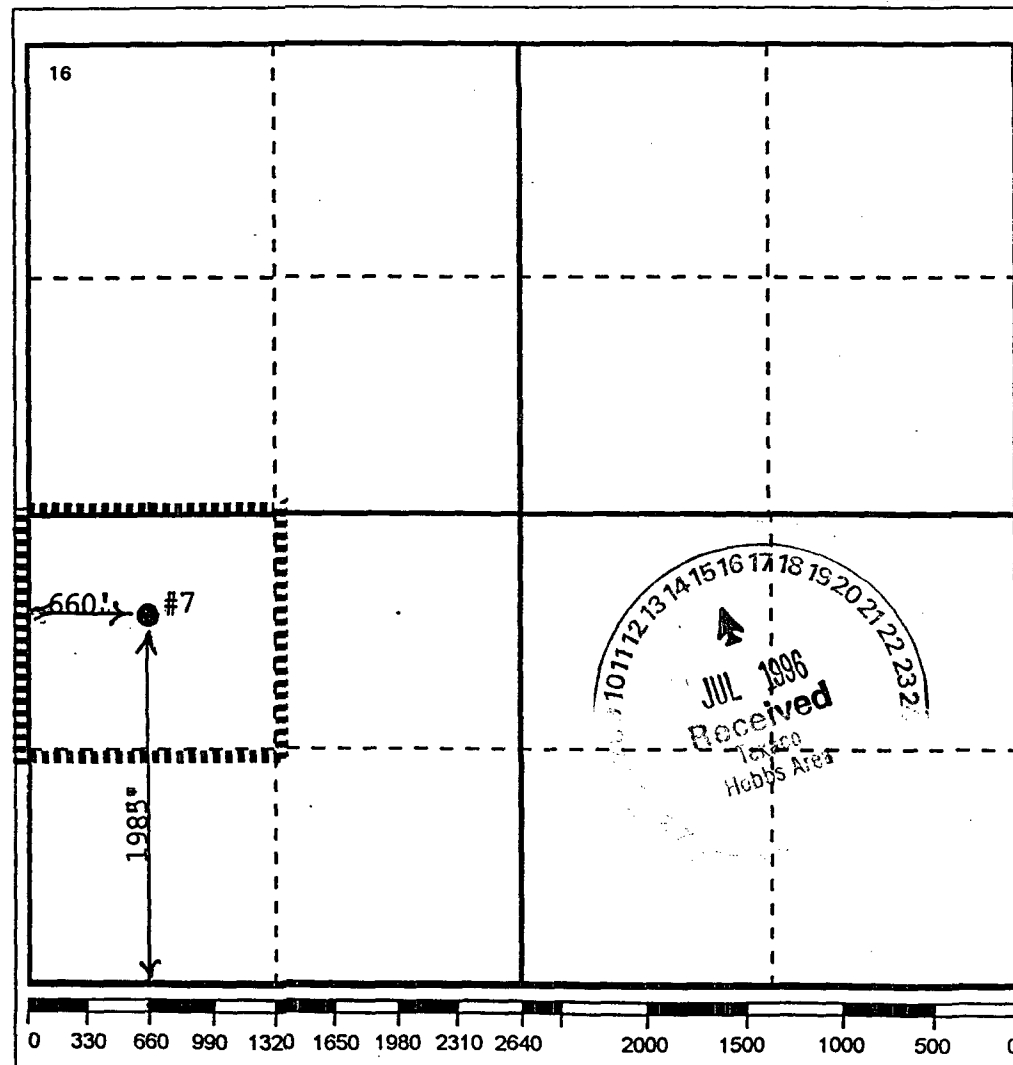
| Ul or lot no. | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 12 | 20S | 37E | | 1985 | SOUTH | 660 | WEST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

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



17 OPERATOR CERTIFICATION

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

Signature

Paul R. Wilcox

Printed Name

Paul R. Wilcox

Position

Field Technician

Date

7/11/96

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 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

Form C-102

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

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☐ AMENDED REPORT

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|--|--|------------------------------------|------------------------------------|
| ¹ API Number 30 025 06073 | | ² Pool Code 19190 | | ³ Pool Name Drinkard | |
| ⁴ Property Code 11130 | | ⁵ Property Name WEIR, C. H. -A- | | | ⁶ Well No. 7 |
| ⁷ OGRID Number 022351 | | ⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC. | | | ⁹ Elevation 3578' DF |

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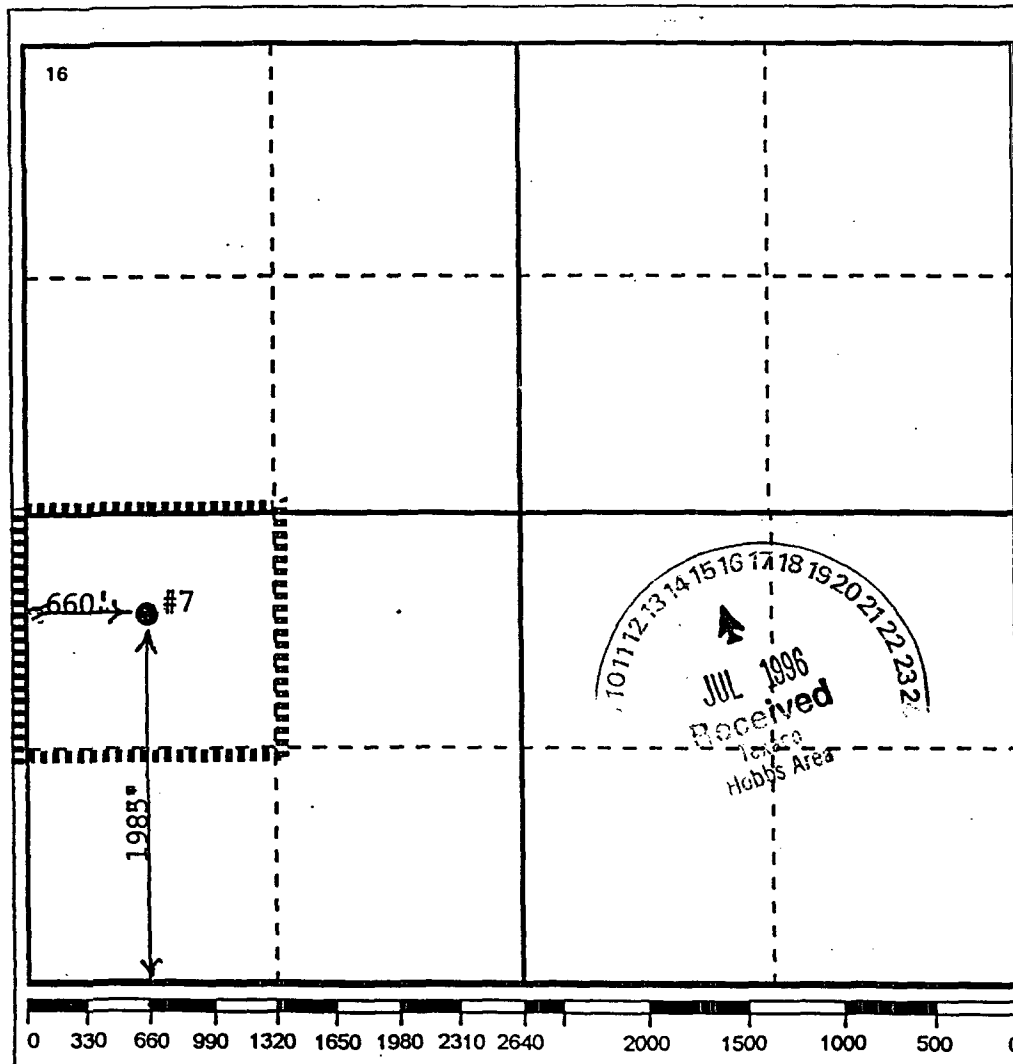
| Ul or lot no. | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
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| | | | | | | | | | |

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Paul R. Wilcox

Printed Name

Paul R. Wilcox

Position

Field Technician

Date

7/11/96

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