

ABOVE THIS LINE FOR DIVISION USE ONLY

25828010

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]

2841

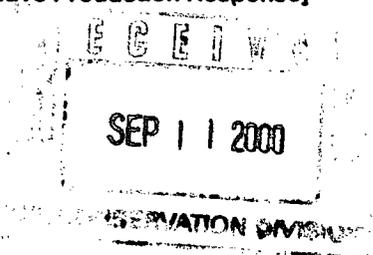
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling [] NSL [] NSP [] DD [] SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement [x] 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] [x] Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office [E] [x] For all of the above, Proof of Notification or Publication is Attached, and/or, Furnished upon request [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.

David Stewart Print or Type Name

Signature

Regulatory Analyst Title

9/7/00 Date

District I
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811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE

Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: OXY USA Inc. Address: P.O. Box 50250 Midland, TX 79710-0250

Lease: OXY Champion State Well No. 1 B 9 19S 29E County: Eddy

OGRID No. 16696 Property Code 20845 API No. 30-015-29601 Lease Type: Federal State Fee

DATA ELEMENT	<i>Und</i> UPPER ZONE	INTERMEDIATE ZONE	<i>Und</i> LOWER ZONE
Pool Name	Turkey Track Atoka		Turkey Track Morrow
Pool Code	86445		86480
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10574-10588'		11231-11356'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
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)	N/A		N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	* 55.6 1091		57.7 1087
Producing, Shut-In or New Zone	New Zone		Producing
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.)	*2/98-7/98 Average Date: Rates: .6-BOPD 350-MCFD	Date: Rates:	2/00-7/00 Average Date: Rates: .3-BOPD 133-MCFD
*Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 67 % Gas 72 %	Oil % Gas %	Oil 33 % Gas 28 %

*Based on an offset well production information

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? 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

NMOCD 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 David Stewart TITLE Regulatory Analyst DATE 9/2/00
915-685-5717

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State of New Mexico
Energy, Minerals & Natural Resources Department

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 30-015-29601		² Pool Code 86480		³ Pool Name Turkey Track Morrow	
⁴ Property Code 20845		⁵ Property Name OXY Champion State			⁶ Well Number 1
⁷ OGRID No. 16696		⁸ Operator Name OXY USA Inc.			⁹ Elevation 3391'

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
B	9	19S	29E		660	North	1650	East	Eddy

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 320	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ 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

<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>David Stewart</i></p> <p>Signature _____ David Stewart</p> <p>Printed Name _____ Regulatory Analyst</p> <p>Title _____ a/2/00</p> <p>Date _____</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>

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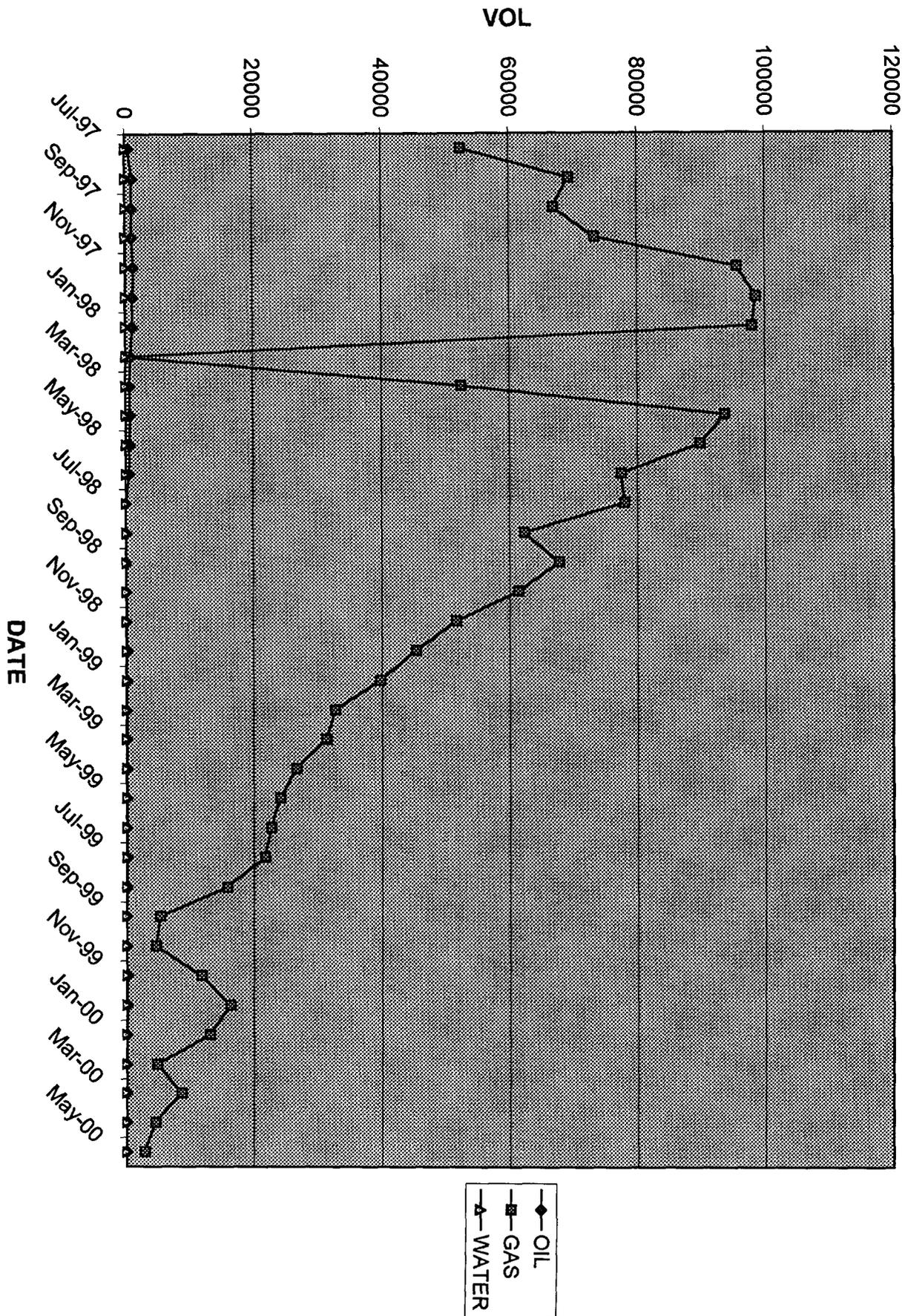
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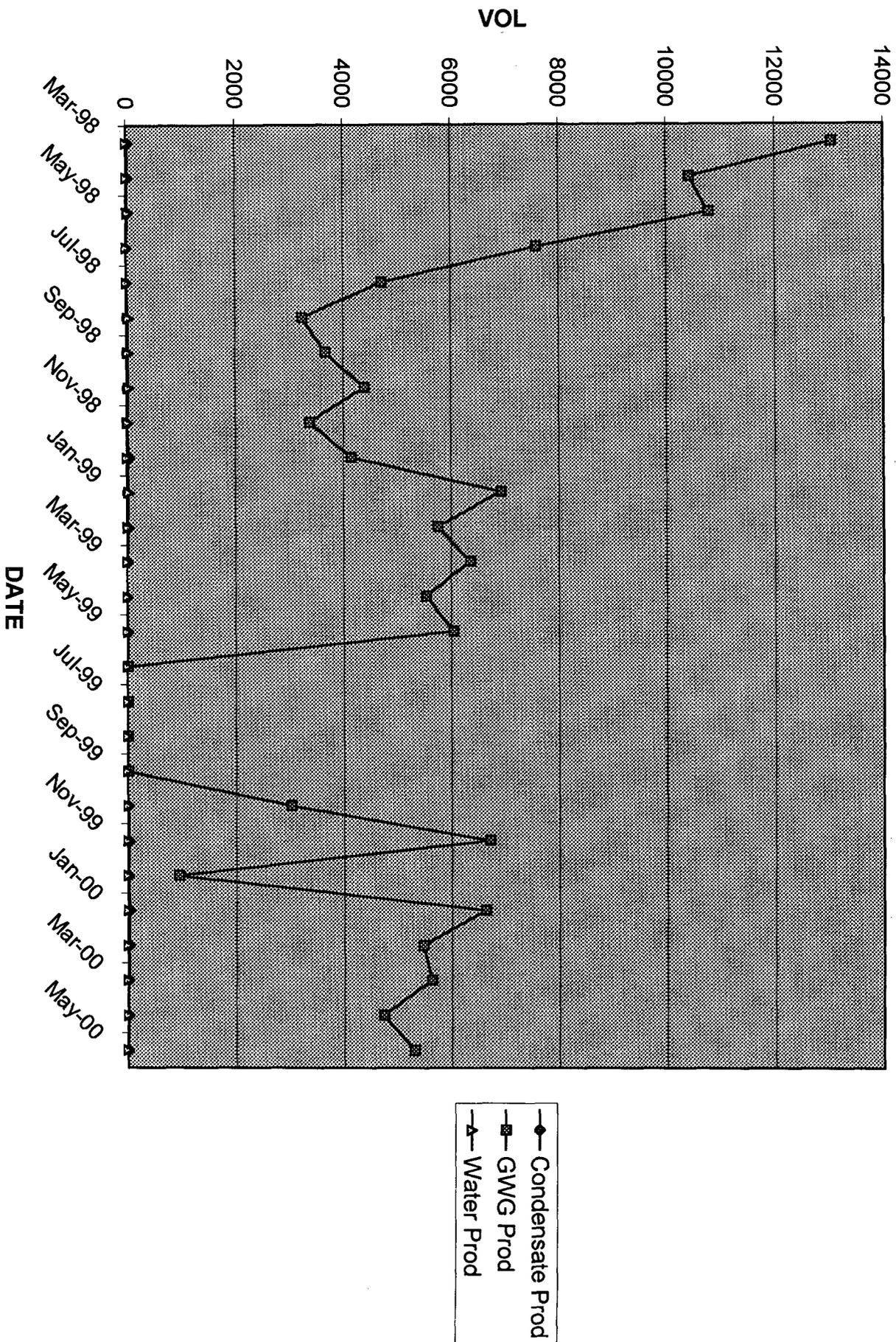
OXY Champion State #1 - Turkey Track Morrow



Attachment C-107A
 OXY USA Inc.
 OXY Champion State #1
 Turkey Track Morrow

Date	Condensate Prod	GWG Prod	Water Prod	Days Prod
Jul-00	0	1755	0	31
Jun-00	5	1737	0	30
May-00	0	2743	0	31
Apr-00	8	4473	0	30
Mar-00	32	8526	0	29
Feb-00	5	4784	0	29
Jan-00	54	12986	0	31
Dec-99	64	16193	0	31
Nov-99	46	11666	0	30
Oct-99	0	4531	0	31
Sep-99	17	5178	0	30
Aug-99	43	15711	0	31
Jul-99	111	21676	38	31
Jun-99	8	22634	60	30
May-99	89	24026	62	31
Apr-99	52	26624	60	30
Mar-99	55	31345	48	31
Feb-99	50	32620	10	28
Jan-99	82	39665	62	31
Dec-98	139	45168	40	31
Nov-98	0	51522	46	30
Oct-98	0	61322	62	31
Sep-98	0	67708	26	30
Aug-98	0	62165	40	31
Jul-98	0	77942	0	31
Jun-98	523	77396	0	27
May-98	641	89700	71	31
Apr-98	744	93603	55	30
Mar-98	676	52353	0	31
Feb-98	790	0	0	28
Jan-98	1090	97890	0	31
Dec-97	1152	98449	49	31
Nov-97	1351	95492	57	30
Oct-97	1010	73223	49	31
Sep-97	1005	66839	0	30
Aug-97	1116	69205	0	31
Jul-97	<u>627</u>	<u>52353</u>	<u>0</u>	31
TOTAL	11585	1521203	835	

OXY Sparkplug State #1 - Turkey Track Atoka



ATTACHMENT C-107A

OXY USA Inc. - OXY Sparkplug State #1 - Turkey Track Atoka

N-9-19S-29E - API NO. 3001529465

<u>Date</u>	<u>Condensate Prod</u>	<u>GWG Prod</u>	<u>Water Prod</u>	<u>Days Prod</u>
Jul-00	7	4791	0	
Jun-00	17	4630	0	
May-00	12	5298	0	31
Apr-00	10	4724	0	30
Mar-00	21	5618	0	29
Feb-00	29	5465	0	29
Jan-00	34	6618	0	31
Dec-99	11	937	0	31
Nov-99	28	6707	0	30
Oct-99	10	3005	0	31
Sep-99	0	0	0	30
Aug-99	0	0	0	31
Jul-99	0	0	0	31
Jun-99	0	0	0	30
May-99	17	6039	0	31
Apr-99	0	5528	0	30
Mar-99	5	6351	0	31
Feb-99	22	5749	16	28
Jan-99	1	6914	34	31
Dec-98	40	4143	0	31
Nov-98	0	3360	20	30
Oct-98	0	4384	31	31
Sep-98	0	3663	30	30
Aug-98	0	3235	31	31
Jul-98	0	4704	0	31
Jun-98	3	7580	3	27
May-98	26	10779	26	31
Apr-98	19	10422	10	30
Mar-98	36	13038	0	31
Feb-98	27	16787	0	28
Jan-98	<u>175</u>	<u>37258</u>	<u>8</u>	31
TOTAL	550	197727	209	

Attachment C-107A
OXY USA Inc.
OXY Champion State #1
Basis for Proposed Allocation

The Atoka zone in this well is comparable to an offset well that has produced for several years from the Atoka, the OXY USA Inc./OXY Sparkplug State #1. During the first six months the OXY Sparkplug State #1 produced from the Atoka at the following average rate:

Month/Year	Gas Volume, MCF	Liquid Volume, BBLs
2/98	16787	27
3/98	13038	36
4/98	10422	19
5/98	10779	26
6/98	7580	3
7/98	4704	0
Average Daily Rate:	350 MCFPD	1 BPD

Using these average rates as an estimate of the initial rates from the Atoka in the OXY Champion State #1 results in the following fixed allocation percentages:

	Gas, MCFPD	Liquid, BPD
Estimated Morrow production (see above):	350	.6
Feb-July 2000 Average Atoka Production	133	.3
TOTAL	483	.9

Morrow Allocation (=133/483 X 100 for gas) (=.3/.9 X 100 for liquid)	28%	33%
Atoka Allocation (=100 - Morrow allocation %)	72%	67%

Note: Since the Morrow hasn't produced much water, any water production after the zones have been commingled will be allocated 100% to the Atoka.

*After the well is completed and the production for the Morrow and Atoka is substantially different than the allocation requested, OXY will file a letter amending the fixed allocation percentages.

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State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address OXY USA Inc. P.O. Box 50250 Midland, TX 79710-0250		² OGRID Number 16696
		³ API Number 30-015-29601
³ Property Code 86445	⁵ Property Name OXY Champion State	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	9	19S	29E		660	North	1650	East	Eddy

⁸ Proposed 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

⁹ Proposed Pool 1 Undesignated Turkey Track Atoka	¹⁰ Proposed Pool 2 Turkey Track Morrow
---	--

¹¹ Work Type Code A	¹² Well Type Code G - DHC	¹³ Cable/Rotary R	¹⁴ Lease Type Code S - B - 8096	¹⁵ Ground Level Elevation 3391
¹⁶ Multiple NO - DHC	¹⁷ Proposed Depth 11500'	¹⁸ Formation Atoka (Morrow)	¹⁹ Contractor -	²⁰ Spud Date After Approval

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 7/8"	48 #	395'	745	Surface
11"	8 7/8"	24-32 #	3000'	950	Circulated
7 7/8"	4 1/2"	166 #	11484'	625	CBL-7912'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SEE OTHER SIDE

C-107A is being prepared.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>David Stewart</i>	OIL CONSERVATION DIVISION	
	Approved by:	
Printed name: David Stewart	Title:	
Title: Regulatory Analyst	Approval Date:	Expiration Date:
Date: 8/18/00	Phone: 915-685-5717	Conditions of Approval: Attached <input type="checkbox"/>

OXY CHAMPION STATE NO. 1

PERF ATOKA AND COMMINGLE

EXISTING PERFS: 11,231-11,246'; 11,344'; 11,349-11356'

PACKER AND DH ASSEMBLY:

1 jt 2.375" 4.7# N-80 8rd tbg	31.56'
2.375" N-80 tbg sub	3.90'
2.375" N-80 tbg sub	10.05'
351 jts 2.375" 4.7# N-80 8rd tbg	11032.21'
2.375" N-80 tbg sub	8.02'
2 jts 2.375" 4.7# N-80 8rd tbg	63.03'
on/off tool w/ 1.87" F profile	1.58'
Baker Lok-set pkr 2.375" x 4.5"	3.52'
1 jt 2.375" 4.7# N-80 8rd tbg	31.58'
mechanical gun release W/ 1.81" rel.	1.60'
ported debris sub	.64'
2.375" N-80 tbg sub	8.02'
drop bar firing head	4.84'
safety spacer	12.46'
3.5" TCP guns w/ bull plug	125.00'
KB Correction	18.00'
TLS 11340'.	

Set pkr @ 11168', on/off tool w/ 1.87" F profile @ 11166'

1. RU slickline and RIH to set blanking plug profile. Pressure test. Dump sand on top.
2. RU perforators and RIH w/3-3/8" casing guns loaded at 4 spf to perf Atoka @ 10,574-10,588'. Pooh.
3. PU 4-1/2" treating packer on 2-3/8" tbg. RIH to approximately 10,500'. RU BJ Services and acidize Atoka w/ 4,000 gals 15% NeFe HCL dropping ballsealers and including 1000 scf N2/bbl and 30% methanol.
4. Pooh w/ treating packer.
5. RBIH w/ 2-3/8" production string and perforated sub across Atoka. Retrieve blanking plug to commingle Morrow and Atoka producing formations.

OXY CHAMPION STATE NO. 1

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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