

31857877

DHC 12/4/00

Xeric Oil & Gas Corporation
P O Box 352
Midland, Texas 79701
(915) 683-3171 Fax: (915) 683-3152

2860

November 8, 2000

NOV 13 2000

Attention: Mark Ashley
State of New Mexico
Energy, Minerals and
Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: Downhole Commingling
Capps Federal #2
API 30-025-34289
Lea County, New Mexico

Dear Mr. Ashley:

Xeric Oil & Gas Corporation respectfully requests an exception for the above captioned well to NM Statewide Rule 303. The well is currently producing from a recompletion in the DK Abo (15200) and was previously producing from the Blinebry Oil & Gas (06660) and East Warren Tubb (87085). Xeric proposes the following production allocations for the three zones based on production rates from each zone as follows:

	<u>Gas</u>	<u>Oil</u>
Blinebry Oil & Gas	37%	14%
East Warren Tubb	10%	2%
DK Abo	53%	84%

Please find attached our Form C-107A , Application for Downhole Commingling, for the captioned well for your review and approval together with supporting documentation.

Thank you for your attention to this matter and should you have any questions or need additional information, please advise.

Sincerely yours,



Mitchell Morris
Production Analyst

Cc: OCD, Hobbs
Bureau of Land Management, Roswell, New Mexico

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

District II
811 South First Street, Artesia, NM 88210

OIL CONSERVATION DIVISION

APPLICATION TYPE

District III
1000 Rio Brazos Road, Aztec, NM 87410

2040 South Pacheco
Santa Fe, New Mexico 87505

Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District IV
2040 South Pacheco, Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

XERIC OIL & GAS CORPORATION P. O. BOX 352 Midland, TX 79702
Operator Address

Capps Federal #2 U10, Sec 13, T20S, R38E LEA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No 025482 Property Code 022251 API No. 30-025-34289 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blinebry O & G	East Warren Tubb	Dk Abo
Pool Code	06660	87085	15200
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6034' - 6202'	6644' - 6784'	7250' - 7570'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.9	40	40
Producing, Shut-In or New Zone	Shut-in	Shut-in	Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: 6 mo. avg. Rates: 360, 174G, 31W	Date: 07-10-99 Rates: 60, 50G, 3W	Date: 11-06-00 Rates: 2170, 251G, 103W
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil 14% Gas 37%	Oil 2% Gas 10%	Oil 84% Gas 53%

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 Mitchell Morris TITLE Production Analyst DATE 11-08-00

TYPE OR PRINT NAME Mitchell Morris TELEPHONE NO. (915) 683-3171

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

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34289	Pool Code 06660	Pool Name Blinebry Oil & Gas Pool
Property Code 022251	Property Name CAPPS FEDERAL	Well Number 2
OGRID No. 025482	Operator Name XERIC OIL AND GAS CORPORATION	Elevation 3563

Surface Location

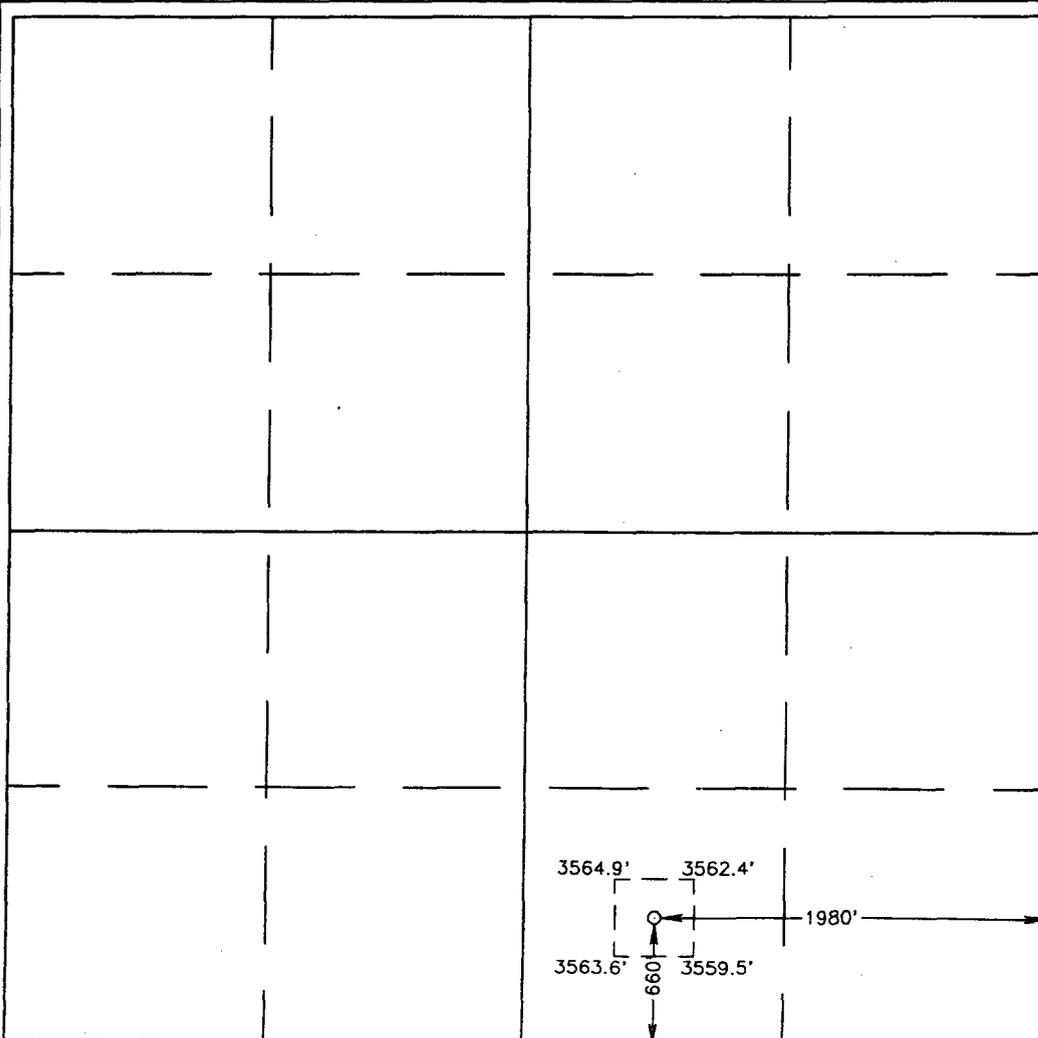
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	20 S	38 E		660	SOUTH	1980	EAST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	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



OPERATOR CERTIFICATION

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

Mitchell Morris
Signature

Mitchell Morris
Printed Name

Production Analyst
Title

11-08-00
Date

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.

OCTOBER 24, 1997
Date Surveyed

DMCC
Signature & Seal of Professional Surveyor

Ronald E. Eison 10-24-97
67-11-1728

Certificate No. JOHN W. WEST 676
RONALD E. EISON 3239
GARY EISSON 12641

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34289	Pool Code 87085	Pool Name East Warren Tubb
Property Code 022251	Property Name CAPPS FEDERAL	Well Number 2
OGRID No. 025482	Operator Name XERIC OIL AND GAS CORPORATION	Elevation 3563

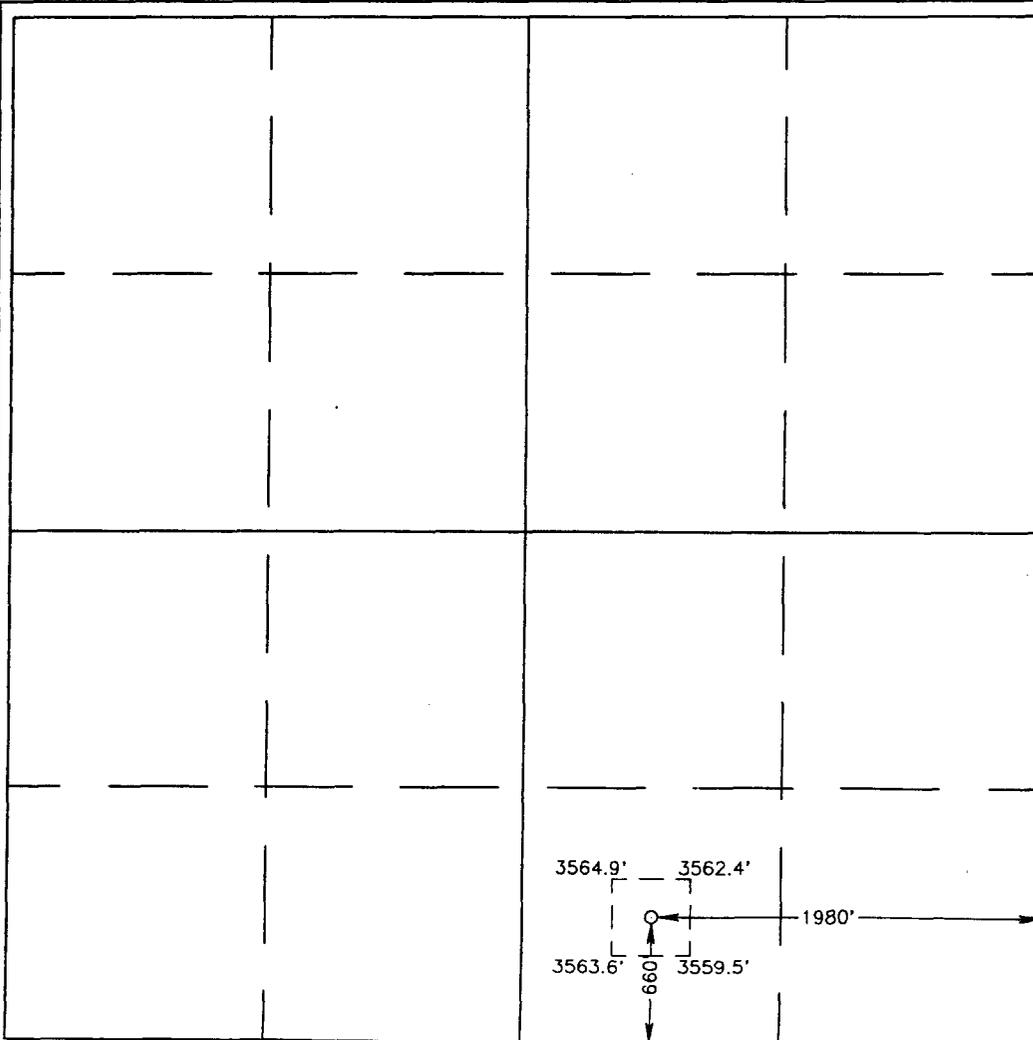
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	20 S	38 E		660	SOUTH	1980	EAST	LEA

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Mitchell Morris
Printed Name

Production Analyst
Title

11-08-00
Date

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OCTOBER 24, 1997
Date Surveyed

DMCC
Signature & Seal of Professional Surveyor

Ronald J. Eidson 10-24-97
67-11-1728

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
GARY EIDSON 12641

DISTRICT I
P.O. Box 1080, Hobbs, NM 88241-1980

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

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
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State Lease - 4 Copies
Fee Lease - 3 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34289	Pool Code 15200	Pool Name Dk Abo
Property Code 022251	Property Name CAPPS FEDERAL	Well Number 2
OGRID No. 025482	Operator Name XERIC OIL AND GAS CORPORATION	Elevation 3563

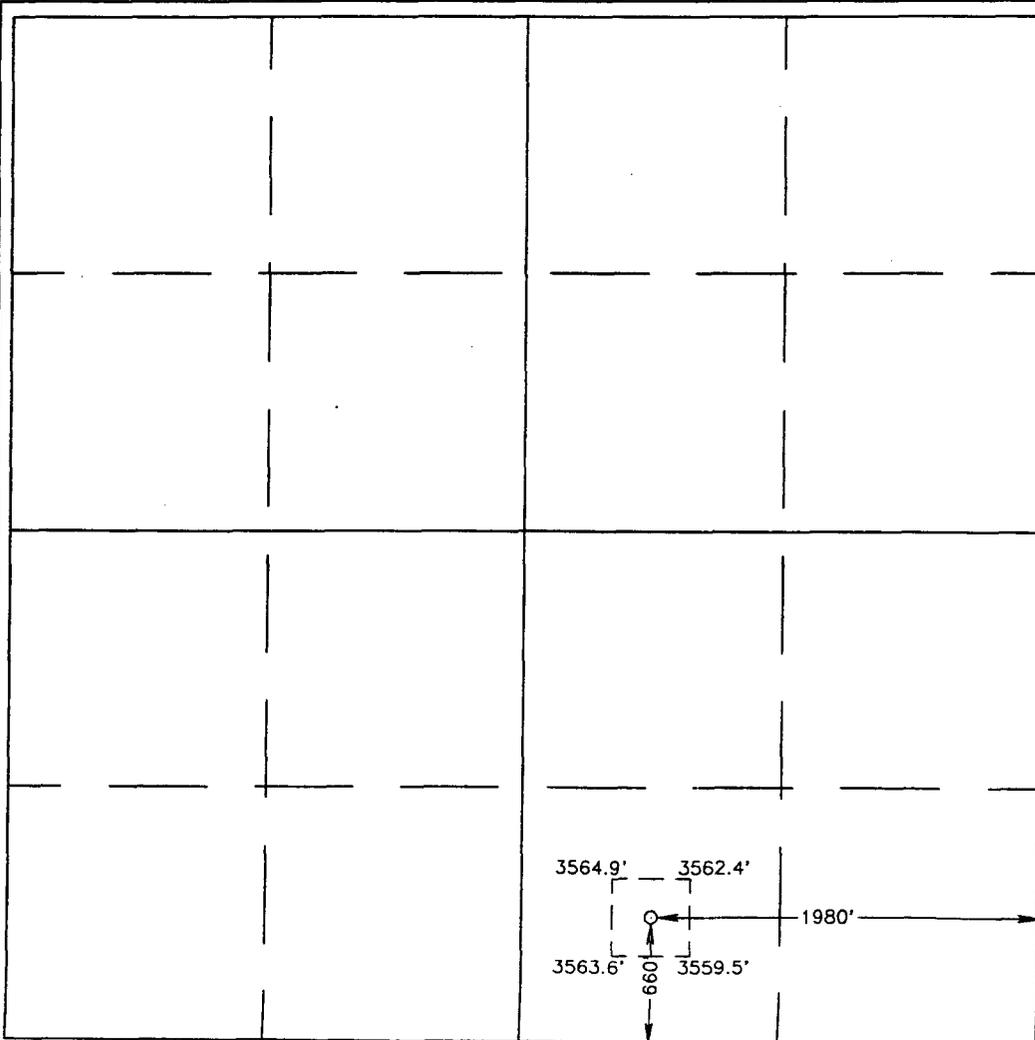
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	20 S	38 E		660	SOUTH	1980	EAST	LEA

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Mitchell Morris
Signature

Mitchell Morris
Printed Name

Production Analyst
Title

11-08-00
Date

SURVEYOR CERTIFICATION

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OCTOBER 24, 1997
Date Surveyed

DMCC

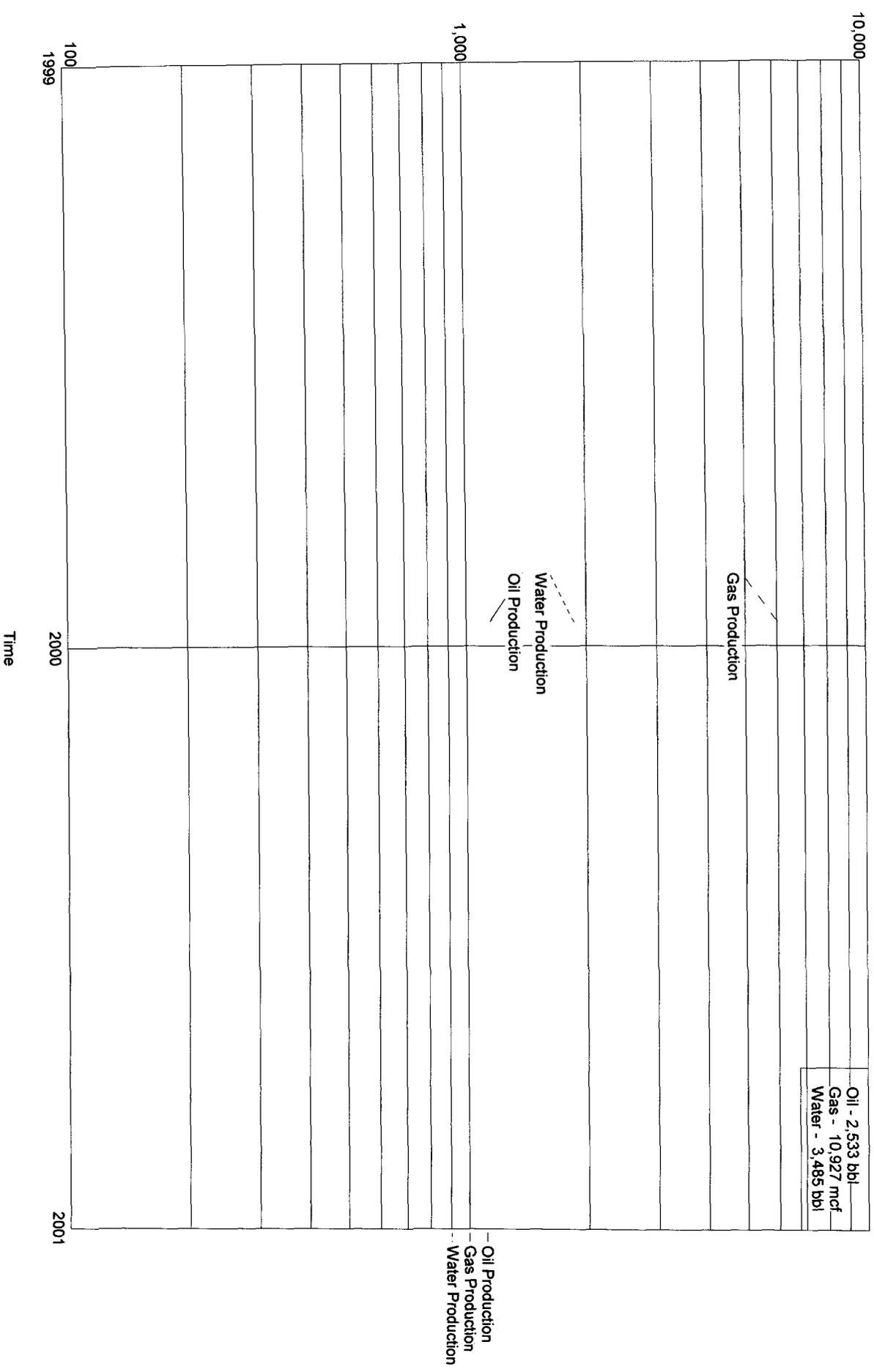
Signature & Seal of Professional Surveyor
Ronald J. Eidson 10-24-97
7-11-1725

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
GARY EIDSON 12641

Lease Name: CAPPs FEDERAL
 County, State: LEA, NM
 Operator: XERIC OIL & GAS COMPANY
 Field: BLINEBRY OIL AND GAS
 Reservoir: BLINEBRY
 Location: S20 E38 0 SW SE

CAPPs FEDERAL - BLINEBRY OIL AND GAS 30025342890000

Production Rates



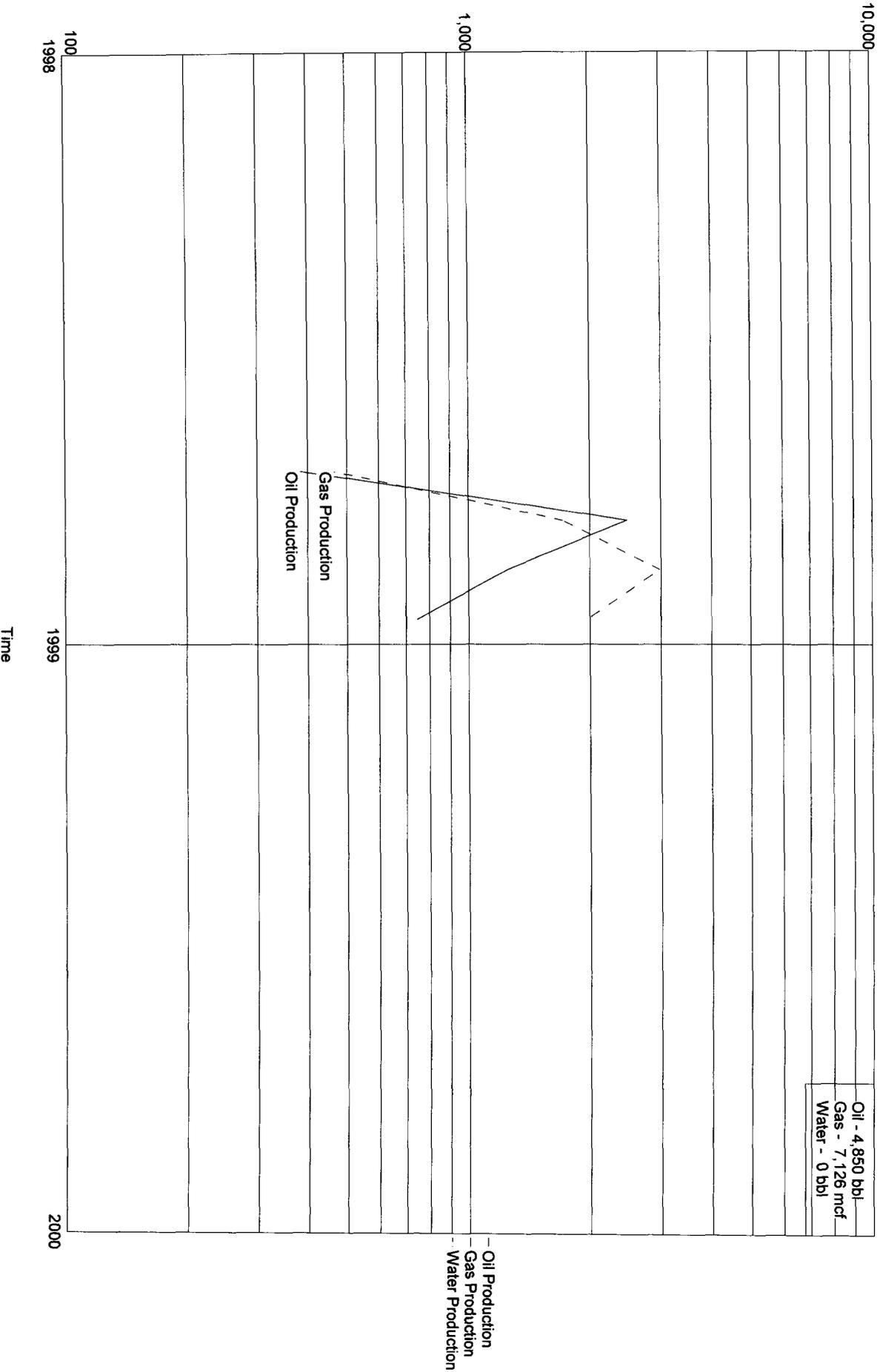
Xeric Oil & Gas Corporation
Application for Downhole Commingling
Capps Federal #2

There is no production curve for the East Warren Tubb zone as this zone was perforated on 6/26/99 and never produced.

Production Rates

Lease Name: CAPPs FEDERAL
 County, State: LEA, NM
 Operator: XERIC OIL & GAS COMPANY
 Field: D-K
 Reservoir: ABO
 Location: S20 E38 0 SW SE

CAPPs FEDERAL - D-K 30025342890000



XERIC OIL & GAS CORPORATION
 CAPPS FEDERAL #2
 ALLOCATION OF PRODUCTION

	OIL BBLs/DAY	OIL BBLs/DAY %	GAS MCF/DAY	GAS MCF/DAY %	SOURCE OF PRODUCTION INFORMATION
BLINEBRY OIL	36	14%	174	37%	6 MONTH AVERAGE FROM C-115'S
EAST WARREN TUBB	6	2%	50	10%	FROM FORM C-104
DK ABO	217	84%	251	53%	GAS-OIL RATIO TEST FROM C-116
TOTAL	259	100%	475	100%	

XERIC OIL & GAS CORPORATION
CAPPS FEDERAL #2
ALLOCATION OF PRODUCTION
BLINEBRY OIL
SOURCE OF INFORMATION: C-115

MONTH	OIL	GAS	WATER	DAYS
Sep-00	1388	5429	659	30
Aug-00	1857	5963	1040	31
Jul-00	847	4737	1306	27
Jun-00	628	4336	611	23
May-00	806	4726	958	31
Apr-00	732	4737	738	30
TOTAL	6258	29928	5312	172
6 MTH DAILY AVG	36	174	31	

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, 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 Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 1994

Instructions on back
Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Xeric Oil & Gas Corporation P.O. Box 352 Midland, Texas 79702		² OGRID Number 025482
THIS WELL HAS BEEN PLACED IN THE POOL DESIGNATED BELOW. IF YOU DO NOT COMPLY NOTIFY THIS OFFICE.		³ Reason for Filing Code RC
⁴ API Number 30 - 0 25-34289	⁵ Pool Name East Warren Tubb	⁶ Pool Code 87085
⁷ Property Code 22251	⁸ Property Name Capps Federal	⁹ Well Number 2

II. ¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South Line	Feet from the	East/West line	County
O	13	20S	38E		660	South	1980	East	Lea

¹¹ Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South Line	Feet from the	East/West line	County
O	13	20S	38E		660	South	1980	East	Lea

¹² Lse Code F	¹³ Producing Method Code P	¹⁴ Gas Connection Date 10/07/98	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
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III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
037480	EOTT Energy Operating Co. P.O. Box 1660 Midland, Texas 79702	2821966	O	B - 24 - 20S - 38E Lea Co., NM Tank Farm
024650	Dynegy Midstream Svc., LP P.O. Box 1589 Tulsa, OK 74102	2821967	G	B - 24 - 20S - 38E Lea Co., NM Tank Farm

IV. Produced Water

²³ POD 2821968	²⁴ POD ULSTR Location and Description B - 24 - 20S - 38E, Lea Co., NM - Tank Farm
------------------------------	---

V. Well Completion Data

²⁵ Spud Date 09/01/98	²⁶ Ready Date 10/07/98	²⁷ TD 7570	²⁸ PBSD 7200	²⁹ Perforations 6644'-6784'	³⁰ DHC, DC, MC
³¹ Hole Size 12 1/4	³² Casing & Tubing Size 8 5/8"	³³ Depth Set 1600	³⁴ Sacks Cement 820 sx - circ		

VI. Well Test Data

³⁵ Date New Oil 07/01/99	³⁶ Gas Delivery Date 07/01/99	³⁷ Test Date 07/10/99	³⁸ Test Length 24	³⁹ Tbg. Pressure 30	⁴⁰ Csg. Pressure 30
⁴¹ Choke Size n/a	⁴² Oil 6	⁴³ Water 3	⁴⁴ Gas 50	⁴⁵ AOF n/a	⁴⁶ Test Method Pumping

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Michael G. Mooney</i>		Approved by: ORIGINAL SIGNED BY CHRIS WILLIAMS DISTRICT I SUPERVISOR	
Printed name: Michael G. Mooney		Title:	
Title: Consulting Engineer		Approval Date:	
Date: 11/16/99	Phone: 915/683-3171	NOV 24 1999	
⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature	Printed Name	Title	Date

3/1



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

11/14/00

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:
MC
DHC X
NSL
NSP
SWD
WFX
PMX

Gentlemen:

I have examined the application for the:

Xeric Oil & Gas Corp - Capps Federal # 2-P-13-20s-38e
Operator Lease & Well No. Unit S-T-R 30-025-34289

and my recommendations are as follows:

OK

Yours very truly,

Paul Williams

Chris Williams
Supervisor, District 1