



December 9, 1998

NMOCD
1000 W. Broadway
Hobbs, New Mexico 88240

Attn: Mr. Chris Williams

Subject: Application to DHC New Mexico O State NCT-1 #38, I-36-17S-34E, in the Vacuum Wolfcamp (62340) and North Vacuum Abo (61760) Pools.

Dear Mr. Williams:

Texaco Exploration and Production, Inc. respectfully requests administrative approval to downhole commingle the New Mexico O State NCT-1 #38 in the Vacuum Wolfcamp and North Vacuum Abo Pools. The North Vacuum Abo was recently completed in this well and is producing at a marginal rate. The Vacuum Wolfcamp is currently plugged back.

Enclosed is form C-107-A showing that the well meets all of the requirements set forth by Rule 303(C). All of the offset operators have been notified by certified mail. The Commissioner of Public Lands has also approved the proposed commingling.

Due to the recency of the Abo completion, a full year of production data is not available. Production curves from three active offset Abo completions are included. These wells are all producing at marginal rates ranging from 10-20 BOPD. The allocation factors were determined in the following manner:

$$\%ABO = \frac{ABO \text{ STABILIZED PRODUCTION}}{ABO + WOLFCAMP \text{ STABILIZED PRODUCTION}}$$

$$\%WOLFCAMP = 100\% - \%ABO.$$

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. David Catanach

enc

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Ave 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 AddressNew Mexico O State NCT-1 38 I-36-17S-34E Lea
Lease Well No. Unit Ltr. - Sec - Tws - Rge CountyOGRID NO. 022351 Property Code 11048 API NO. 30-025-33148 Federal _____, State X _____, (and/or) Fee _____
Spacing Unit Lease Types: (check 1 or more)

The following facts are submitted in support of downhole commingling:	Lower Zone	Intermediate Zone	Upper Zone
1. Pool Name and Pool Code	Vacuum Wolfcamp 62340		North Vacuum Abo 61760
2. Top And Bottom of Pay Section (Perforations)	9316'-10118'		9140'-9296'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Rod-pump		Rod-pump
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	(Current) a. 1000 psi	a.	a. 590 psi
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	(Original) b.	b.	b.
6. Oil Gravity (* API) or Gas BTU Content	39		39
7. Producing or Shut-In? Production Marginal? (yes or no)	Plugged back 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: 10/4/98 Rates: 17/54/53		
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Rates:		11/9/98 11/6/35
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 60.7% Gas: 90%	Oil: % Gas: %	Oil: 39.3% Gas: 10%

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 ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. 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 ☐ No
13. 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). R-4406
16. 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.
- * 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 McQuien TITLE Engineer DATE 12-8-98
TYPE OR PRINT NAME Britton McQuien TELEPHONE NO. (505) 397-0427

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 30-025-33148		² Pool Code 61760		³ Pool Name NORTH VACUUM ABO	
⁴ Property Code 011048		⁵ Property Name NEW MEXICO O STATE NCT- 1			⁶ Well No. 38
⁷ OGRID Number 022351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC.			⁹ Elevation 3987' GR

¹⁰ Surface Location

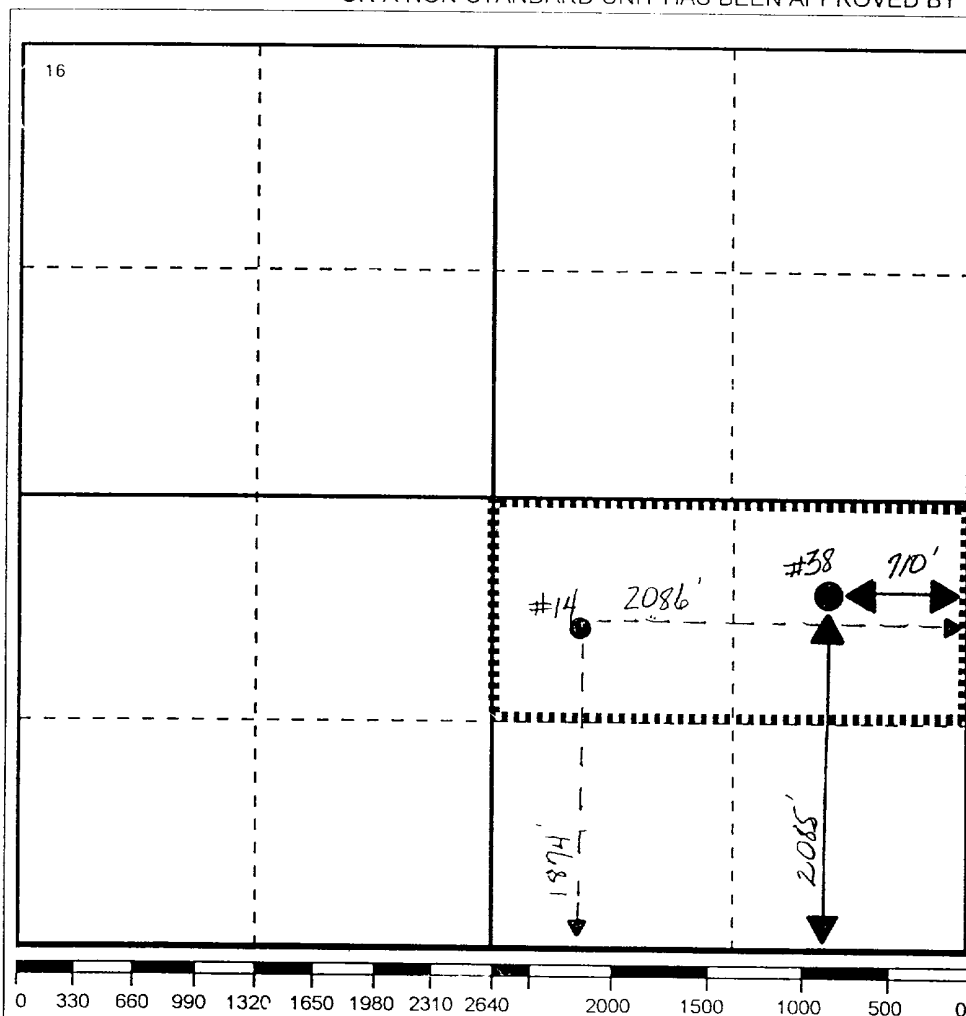
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
I	36	17-S	34-E		2085	SOUTH	710	EAST	LEA

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

¹² Dedicated Acres 80	¹³ Joint or Infill No	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



17 OPERATOR CERTIFICATION

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

Signature

Printed Name

J. Denise Leake

Position

Engineering Assistant

Date

10/20/98

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
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P.O. Box Drawer DD, Artesia, NM 88211-0719
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State of New Mexico
Energy, Minerals and Natural Resources Department

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Revised February 10, 1994
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☐ AMENDED REPORT

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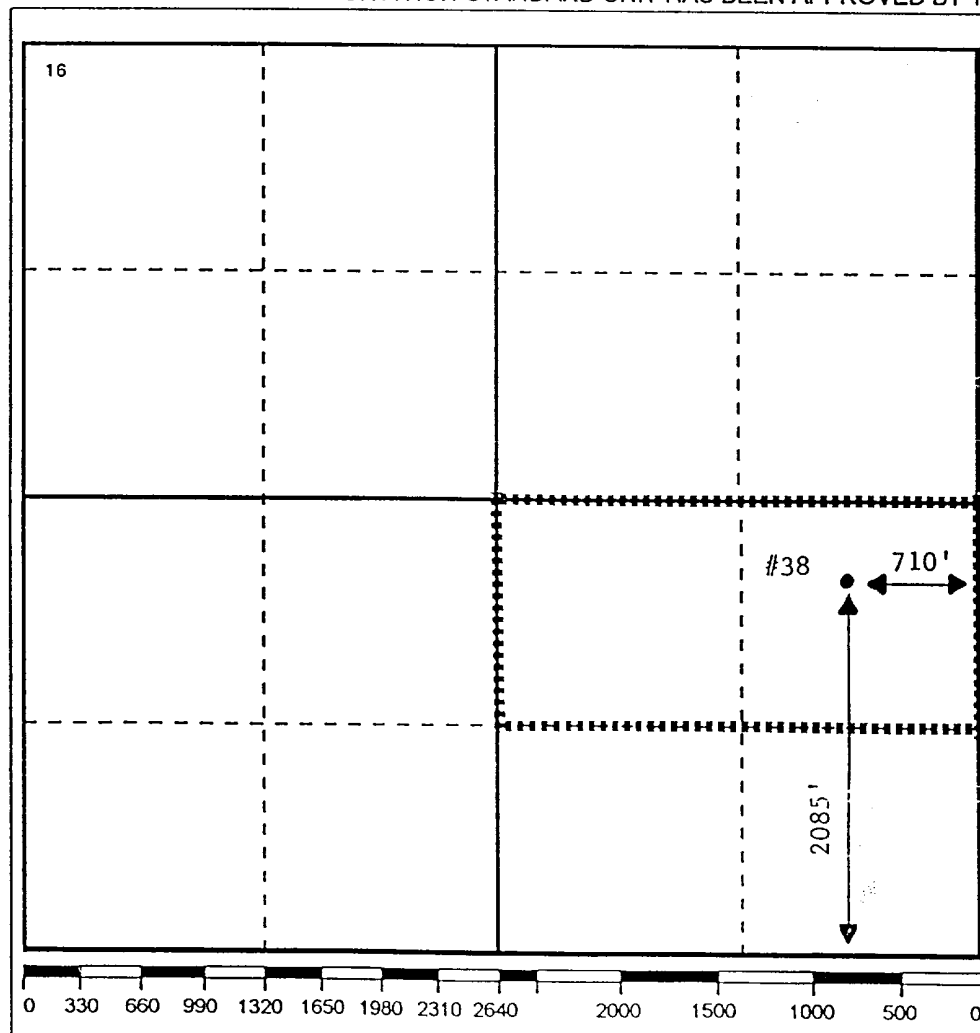
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17 OPERATOR CERTIFICATION

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

Signature

Monte C. Duncan

Printed Name

Monte C. Duncan

Position

Engr Asst

Date

9/12/97

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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
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belief.

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.