



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

1/7/99

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

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:

Texaco E&P Inc New Mexico State #12-D-25-17-34
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Recommend approval.

Yours very truly,

Chris Williams
Chris Williams
Supervisor, District 1

/ed



Texaco

December 10, 1998

NMOCD
1000 W. Broadway
Hobbs, New Mexico 88240

Attn: Mr. Chris Williams

Subject: Application to DHC New Mexico Q State #12, O-25-17S-34E, in the Vacuum Wolfcamp (62340) and Vacuum Upper Penn (62320) Pools.

Dear Mr. Williams:

Texaco Exploration and Production, Inc. respectfully requests administrative approval to downhole commingle the New Mexico Q State #12 in the Vacuum Wolfcamp and Vacuum Upper Penn Pools. This well is currently producing 89 BOPD and 136 MCFPD from the Penn. Texaco is seeking your approval to commingle before the Wolfcamp is completed so that the down time from the Penn will be minimized.

The Wolfcamp is expected to produce approximately 100 BOPD which is well below its allowable of 355 BOPD. This production estimate is based on the performance of Texaco's most recent Wolfcamp completion, the New Mexico O State NCT-1 #39, located ½ mile south of the NM Q State #12. A production curve from the New Mexico O State NCT-1 #39 is included in this package.

This well complies with all of the requirements for down-hole commingling as set forth by Rule 303(C). All offset operators have been notified by certified mail and the Commissioner of Public Lands has approved the proposed procedure. After the Wolfcamp is completed, it will be tested for a sufficient time to determine a stabilized production rate. The allocation to each pool will then be determined in the following manner:

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

$$\% \text{PENN} = 100\% - \% \text{WOLFCAMP}$$

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 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 87505-6429

Form 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 Address
New Mexico Q State NCT-1 12 O-25-17S-34E Lea
Lease Well No. Unit Ltr. - Sec - Tws - Rge County
Spacing Unit Lease Types: (check 1 or more)
OGRID NO. 022351 Property Code 11050 API NO. 30-025-33850 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	Vacuum Penn 62320		Vacuum Wolfcamp 62340
2. Top And Bottom of Pay Section (Perforations)	10020'-10202'		9310'-9927'
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. 1275 psi	a.	a. 1200 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)	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: Rates:		
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date:10/19/98 Rates:88/136/0		
8. Fixed Percentage Allocation Formula -% for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

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? X 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? X Yes ___ No
11. Will cross-flow occur? ___ Yes X 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? X Yes ___ No
13. Will the value of production be decreased by commingling? ___ Yes X 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. X Yes ___ No
15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S). R-4401
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 12-9-98
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 30-025-33850	² Pool Code 62340	³ Pool Name VACUUM WOLFCAMP
⁴ Property Code 11050	⁵ Property Name NEW MEXICO Q STATE	⁶ Well No. 12
⁷ OGRID Number 022351	⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC.	⁹ Elevation 3998' GR

¹⁰ Surface Location

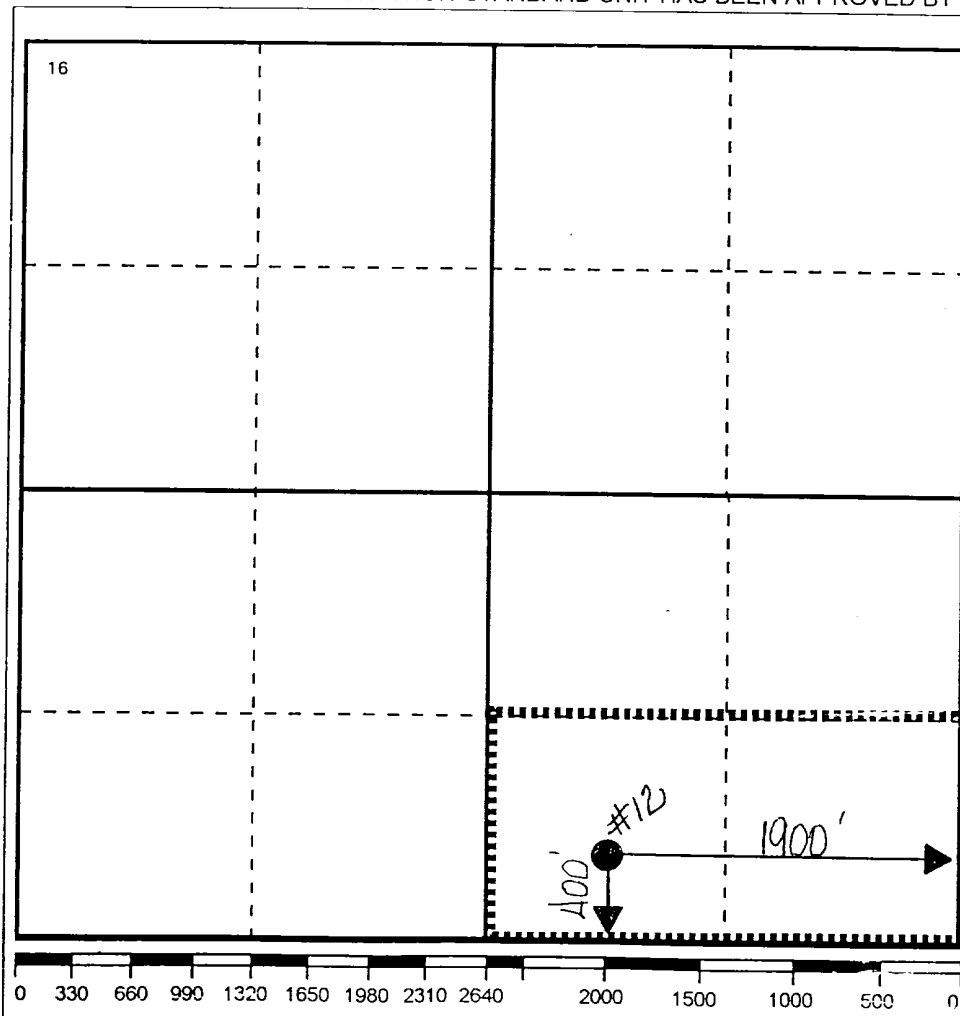
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
O	25	17-S	34-E		400	SOUTH	1900	EAST	LEA

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

J. Denise Leake

Printed Name

J. Denise Leake

Position

Engineering Assistant

Date

12/10/98

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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Energy, Minerals and Natural Resources Department

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Revised February 10, 1994

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code 11050		⁵ Property Name NEW MEXICO Q STATE			⁶ Well No. 12
⁷ OGRID Number 022351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC.			⁹ Elevation 3998' GR

¹⁰ Surface Location

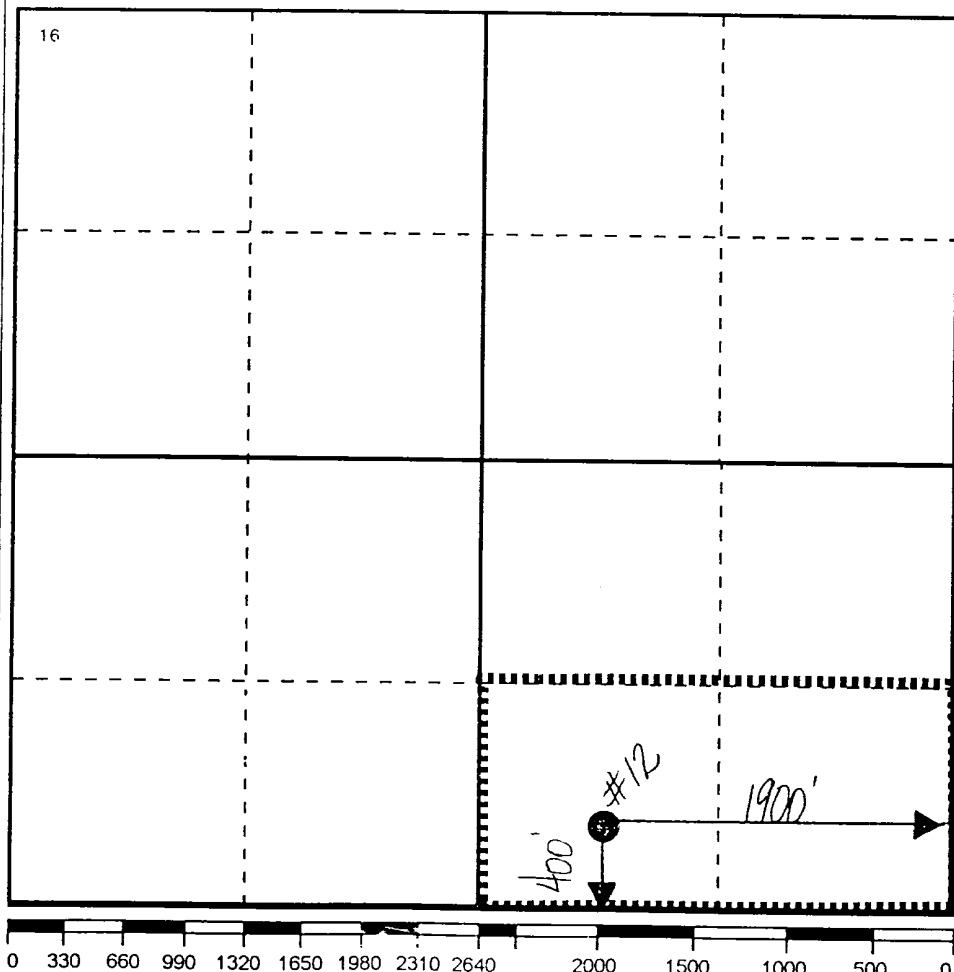
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J. Denise Leake

Printed Name

J. Denise Leake

Position

Engineering Assistant

Date

12/10/98

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Professional Surveyor

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