



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

9/29/99

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

DHC-2484

RE: Proposed:

MC
DHC X
NSL
NSP
SWD
WFX
PMX

Gentlemen:

I have examined the application for the:

Chevron USA Inc Hugh # 8-E-14-225-37e
Operator Lease & Well No. Unit S-T-R
API# 30-025-21625

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed

September 21, 1999



**Request for Exception to Rule 303-A
Downhole Commingling
Blinebry & Drinkard
Hugh No. 8
2030' FNL & 560' FWL, Unit Letter E,
Section 14, T-22-S, R-37-E
Lea County, New Mexico**

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Ms. Lori Wrotenbery – Director

Dear Ms. Wrotenbery:

Chevron U.S.A. Inc. respectfully requests administrative approval for an exception to Rule 303-A to permit downhole commingling of the Blinebry & Drinkard zones in the Hugh Well No. 8.

Currently the Hugh #8 is producing from the Blinebry. The Drinkard zone is shut-in and is isolated with a CIBP. The proposed downhole commingling will allow continued production of the Blinebry & Drinkard zones to a lower economic limit, thus increasing ultimate recovery.

Enclosed is the pertinent data supporting this application as outlined in Rule 303-A. If you have any questions, or if you require further information, please contact Craig Wright at (915) 687-7284.

Sincerely,

A handwritten signature in black ink that reads "Craig A. Wright". The signature is written in a cursive, flowing style.

C.A. Wright
Petroleum Engineer
West Basin Asset Team

Attachments

cc: NMOCD – Hobbs, NM
R. Papasan
C.A. Wright
Central Files – Lease and Well Files

REQUEST FOR EXCEPTION TO RULE 303-A

Hugh #8

Blinebry & Drinkard Fields

A: Operator

Chevron USA Prod. Co.
P.O. Box 1150
Midland, TX 79702

B: Lease Name and Well Number

Hugh #8
Unit Letter E, 2030' FNL & 560' FWL
Section 14, T-22-S, R-37-E
Lea County, New Mexico
Blinebry and Drinkard Pools

C: Plats

Attached

D: C-116's

1. Current Gas-Oil Ratio Test for Blinebry zone. (Attached).
2. Drinkard was capped with a CIBP in December, '97; consequently, there is not a current C-116 for the Drinkard zone. Prior to being shut-in, the Drinkard was producing at an average rate of 0 bopd 93 mcfpd 1 bwpd. (See Attached Production Plot).

E: Production Decline Curves

Attached

F: Estimated Bottomhole Pressure

	Current	Original
Blinebry Oil & Gas	270 psi	1710 psi (Yr. 1958)
Drinkard	250 psi	2800 psi

G: Production Characteristics

Chevron currently surface commingles Blinebry & Drinkard production at the Hugh lease without compatibility problems. Downhole commingling these same produced fluids will not cause formation damage.

H: Value

Chevron receives the same price for product from these zones and value will not be adversely affected.

I: Production Allocation

<u>Pool</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>	<u>Estimated Method</u>
Blinebry Oil & Gas	0	153	1	Allocated production
Drinkard	<u>0</u>	<u>93</u>	<u>1</u>	Allocated production
Total	0	246	2	

Blinebry rates are averages from the last three months (May-Jul, '99) of allocated production.

Drinkard rates are averages from the last three months (Sep-Nov, '97) of allocated production prior to the zone being capped with a CIBP.

<u>Allocated Percentages</u>	<u>Oil %</u>	<u>Gas %</u>	<u>Water %</u>
Blinebry Oil & Gas	50	62	50
Drinkard	<u>50</u>	<u>38</u>	<u>50</u>
Total	100	100	100

J: Ownership

Ownership of all zones is common and correlative rights will not be compromised.

K: Offset Operator Notification

As of July 31, 1999 it is not necessary to notify offset operators of DHC's handled by the administrative application process.

Hugh #8
Production Data

Blinebry – Allocated Production

<u>Date</u>	<u>CDOIL</u>	<u>CDGAS</u>	<u>CDWAT</u>
May 99	0	163	1
Jun 99	0	156	1
Jul 99	0	140	1

Drinkard – Allocated Production

<u>Date</u>	<u>CDOIL</u>	<u>CDGAS</u>	<u>CDWAT</u>
Sep 97	0	97	1
Oct 97	0	90	1
Nov 97	0	92	1

District I
PO Box 1908, Hobbs, NM 88241-1908
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 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

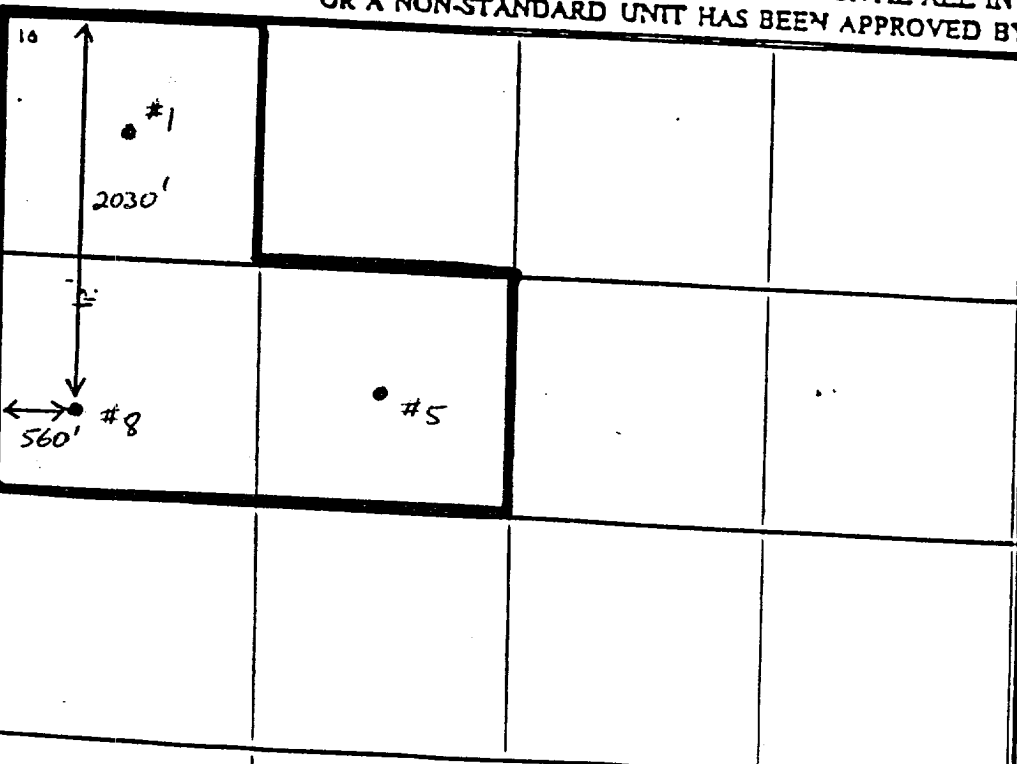
APL Number 30-025-21625		Pool Code 72480	Pool Name BLINEBRY OIL & GAS (PRO GAS)
Property Code 2641	Property Name HUGH		Well Number 8
OGRID No. 4323	Operator Name CHEVRON USA INC.		Elevation

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
E	14	22S	37E		2030	NORTH	560	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 Distance 1 Acre 120	13 Joint or 1/4th	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.

Craig A. Wright

Craig A. Wright

PE

09-15-99

18 SURVEYOR CERTIFICATION

I hereby certify that the well locations shown on this plat were 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.

Date of Survey

Signature and Seal of Professional Surveyor

Note: Blinebry Gas Pool production from Hugh Wells Nos. 1, 5 & 8 is simultaneously dedicated to said 120 acres.
(Administrative Order SD-98-1)

CERTIFICATE NUMBER

District I
PO Box 1908, Hobbs, NM 88241-1908
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1008 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

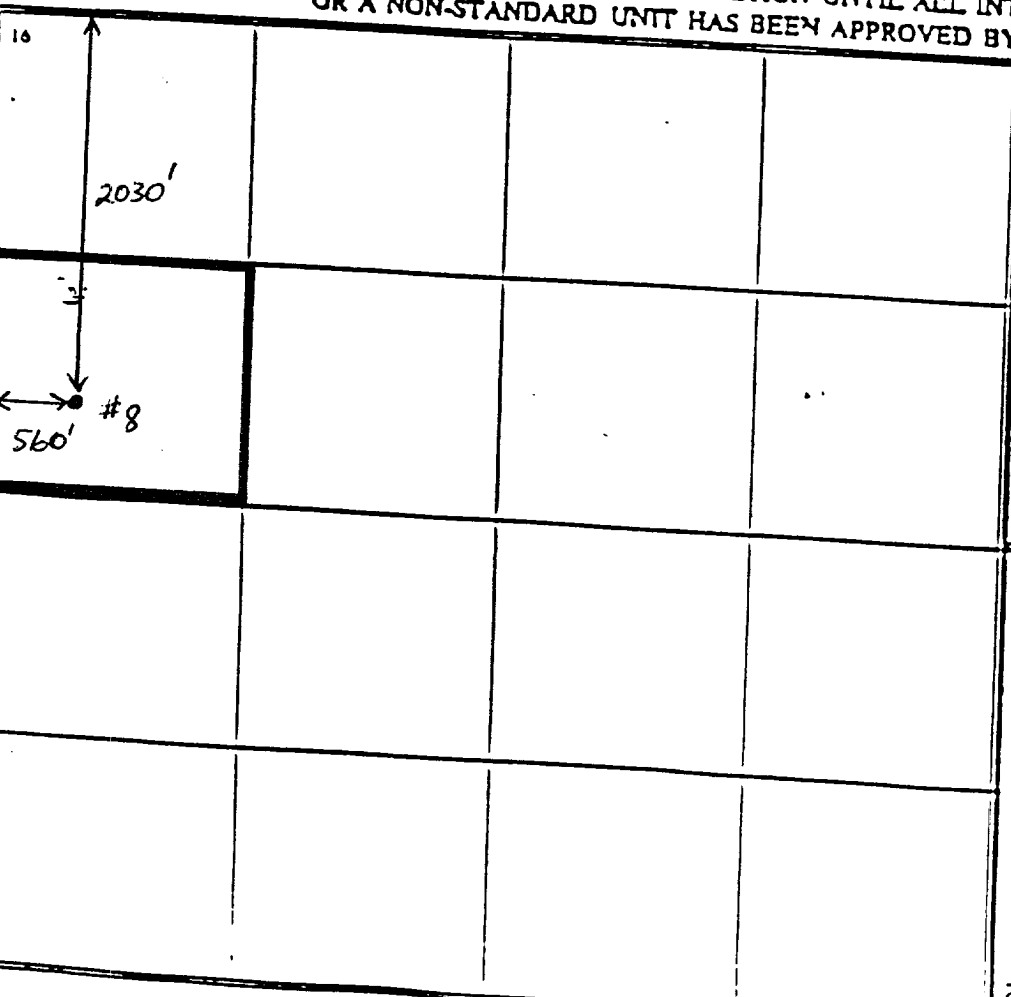
API Number 30-025-21625		Pool Code 19190		Pool Name DRINKARD	
Property Code 2641		Property Name HUGH			
OGRID No. 4323		Operator Name CHEVRON USA INC.			
					Well Number 8
					Elevation

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
E	14	22S	37E		2030	NORTH	560	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 Distance 40	13 Acres	14 Joint or Infill	15 Consolidation Code	16 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	Craig A. Wright
Printed Name	Craig A. Wright
Title	PE
Date	09-15-99

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 belief.	
Date of Survey	
Signature and Seal of Professional Surveyor	
Certificate Number	

SUBMIT 2 COPIES TO
APPROPRIATE DISTRICT OFFICE
DISTRICT I -
P.O. BOX 1980, HOBBS, NM 88240
DISTRICT II -
P.O. DRAWER DD, ARTESIA, NM 88210
DISTRICT III -
2000 RIO BRAZOS RD., AZTEC, NM 87410

OPERATOR: CHEVRON U.S.A. INC.
ADDRESS: P.O. BOX 1949 EUNICE, NEW MEXICO 88231

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO 87504-2088

GAS-OIL RATIO TEST

POOL: Blinebry
TYPE(X) SCHEDULE

X

S
T
A
T

LENGTH
OF
TEST
HOURS

LEASE NAME
WELL NO
#8
Hugh

DATE OF TEST
08/27/99

CHOKESIZE
26/64

WATER BBL/S
1

GRAV OIL BBL/S
34.2

GAS MCF
138.0

GAS-OIL RATIO
138.000

CHVRN USE ONLY

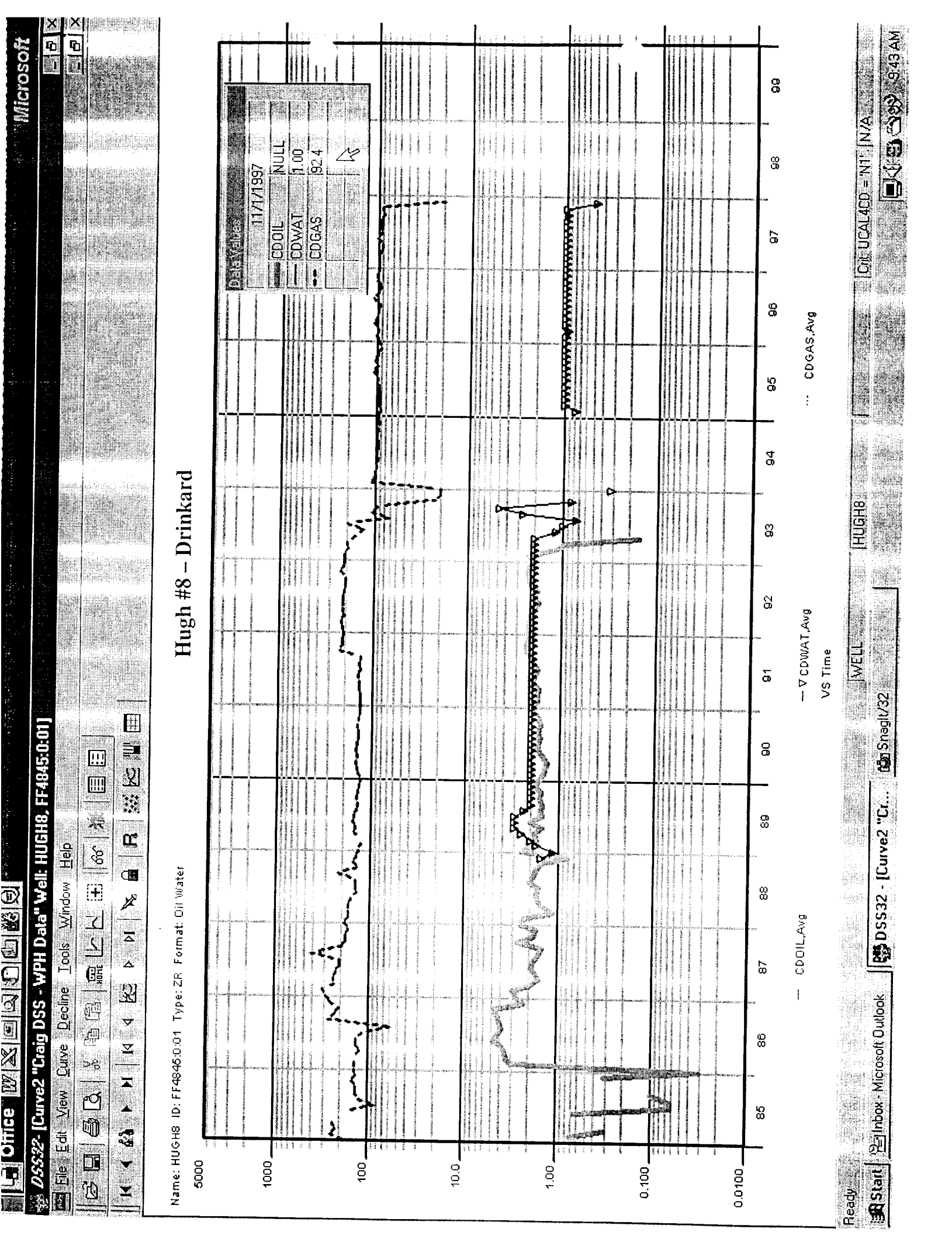
INSTRUCTIONS:

DURING GAS-OIL RATIO TEST, EACH WELL SHALL BE PRODUCED AT A RATE NOT EXCEEDING THE TOP UNIT ALLOWABLE FOR THE POOL IN WHICH THE WELL IS LOCATED BY MORE THAN 25 PERCENT. OPERATOR IS ENCOURAGED TO TAKE ADVANTAGE OF THIS 25 PERCENT TOLERANCE IN ORDER THAT THE WELL CAN BE ASSIGNED INCREASED ALLOWABLES WHEN AUTHORIZED BY THE DIVISION. GAS VOLUMES MUST BE REPORTED IN MCF AT 15.025 PSIA AND A TEMPERATURE OF 60 DEGREES F. SPECIFIC GRAVITY BASE WILL BE 0.60. REPORT CASING PRESSURE IN LIEU OF TUBING PRESSURE FOR ANY WELL PRODUCING THROUGH CASING. (SEE RULE 301, RULE 1116, AND APPROPRIATE POOL RULES.)

I HEREBY CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Craig A. Wright
SIGNATURE
DATE
Petroleum Engineer
Sep 15, 1999
DATE

915-687-7284
TELEPHONE NUMBER



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

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
Revised August 1999

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

___ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

CHEVRON U.S.A. PRODUCTION INC. P. O. BOX 1150, MIDLAND, TX 79702
Operator Address
HUGH 8 E 14 22S 37E LEA
Lease Well No. Unit Ltr. - Sec - Twp - Rge County
OGRID NO. 4323 Property Code 2641 API NO. 30-025-21625 Federal _____, State _____, (and/or) Fee ☒ X
Spacing Unit Lease Types: (check 1 or more)

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	BLINEBRY (PRO GAS) 72480		DRINKARD 19190
2. Top and Bottom of Pay Section (Perforations)	5386' - 5814'		6289' - 6496'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		ROD PUMP
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 270 psi b. (Original) 1710 psi (Yr. 1958)	a. b.	a. 250 psi b. 2800 psi
6. Oil Gravity (EAPI) or Gas BTU Content	1250		1250
7. Producing or Shut-In?	PRODUCING		SI (CIBP)
Production Marginal? (yes or no)	YES		YES
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: 11-06-97 Rates: 0/92/1
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 08-27-99 Rates: 0/138/1	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test		Date: Rates:	Date: Rates: