



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

February 15, 1995

Administrative Application for
Reclassification from Oil to Gas Well,
Non-Standard Gas Proration Unit,
and Non-Standard Gas Well Location
Blinebry Oil and Gas Pool
Drinkard NCT-B No. 7
2120' FSL and 1980' FWL, Unit K,
Section 30, T22S, R38E
Lea County, New Mexico

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. Michael E. Stogner - Chief Hearing Officer/Engineer

Dear Mr. Stogner:

In response to your letter dated February 8, 1995 (copy attached), I am providing the additional information you requested concerning the Drinkard (NCT-B) Well No. 7. This well continues to be downhole commingled under Division Administrative Order DHC-684, dated January 6, 1988.

Yes, the well is still completed in and producing from the Tubb as a gas well.

The NMOCD Form C-116, dated September 8, 1994, that was provided was for the Blinebry production calculated from the commingled production stream, based on the approved allocation formula.


February 15, 1995

Chevron does not want to attempt individual isolation tests on the Blinebry and Tubb zones at this time, as we are concerned that the killing of the zones for the tests would result in loss of production from the well. From the attached production plots, the total gas production has remained fairly constant, but the liquid production has declined. This decline in the oil production has lead to the increase in the GOR.

Based upon the consistency of the gas production and the overall decrease in the combined oil production, we recommend the allocation formula as approved in Order DHC-684 be maintained for the Drinkard (NCT-B) Well No. 7.

I apologize for the exclusion of these facts from the original application and for any inconvenience it has caused. If you have any questions, or require further information, please contact Lloyd Trautman at (915) 687-7152.

Sincerely,

A handwritten signature in cursive script, reading "Lloyd V. Trautman".

L. V. Trautman
Sr. Petroleum Engineer
New Mexico Area

LVT/

Attachments

cc: NMOCD - Hobbs, New Mexico
C.O. Blake/ A.L. Alexander
J.K. Ripley
Central Files - Lease and Well Files



OIL CONSERVATION DIVISION



February 8, 1995

Chevron U.S.A. Production Company
Attention: Lloyd V. Trautman
P. O. Box 1150
Midland, Texas 79702

RE: *Administrative Application for a Non-Standard 40-acre Gas Spacing and Proration Unit Comprising the NE/4 SW/4 (Unit K) of Section 30, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico. Drinkard (NCT-B) Well No. 7 (API No. 30-025-28590)*

Dear Mr. Trautman:

In reviewing the subject application dated October 25, 1994, a few discrepancies were noted that need further explanation. Our records indicate the Drinkard (NCT-B) Well No. 7 to be downhole commingled in the Tubb and Blinebry Oil and Gas Pools under the authority of Division Administrative Order DHC-684, dated January 6, 1988. Further, as I understand, the Tubb completion is a "gas well" while the Blinebry interval was considered to be "oil".

The subject application does not reference this downhole commingling, is this well still completed in and producing from the gas producing Tubb interval?

The NMOCD Form C-116, dated September 8, 1994, provided with the application, is for the Blinebry interval, does this test show the results on the commingled Blinebry/Tubb production stream or were both zones isolated and tested separately?

If the Blinebry zone is indeed reclassified would it not be appropriate at this time to revisit the production allocation formula set forth in said Order DHC-684 so that it can be changed to more accurately reflect the actual production from both gas producing zones.

Please call me in Santa Fe at (505) 827-8185 should you require any additional information from me or have any questions. Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

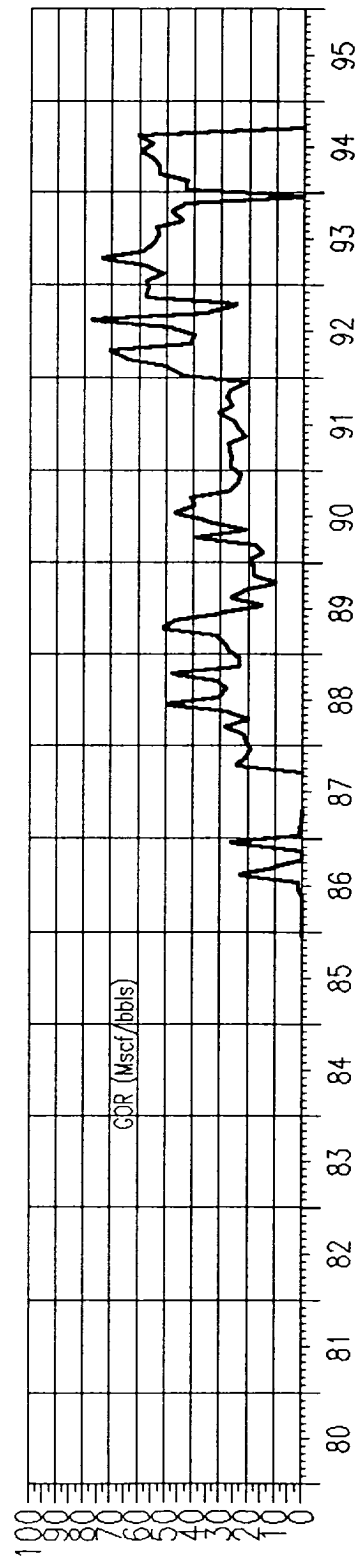
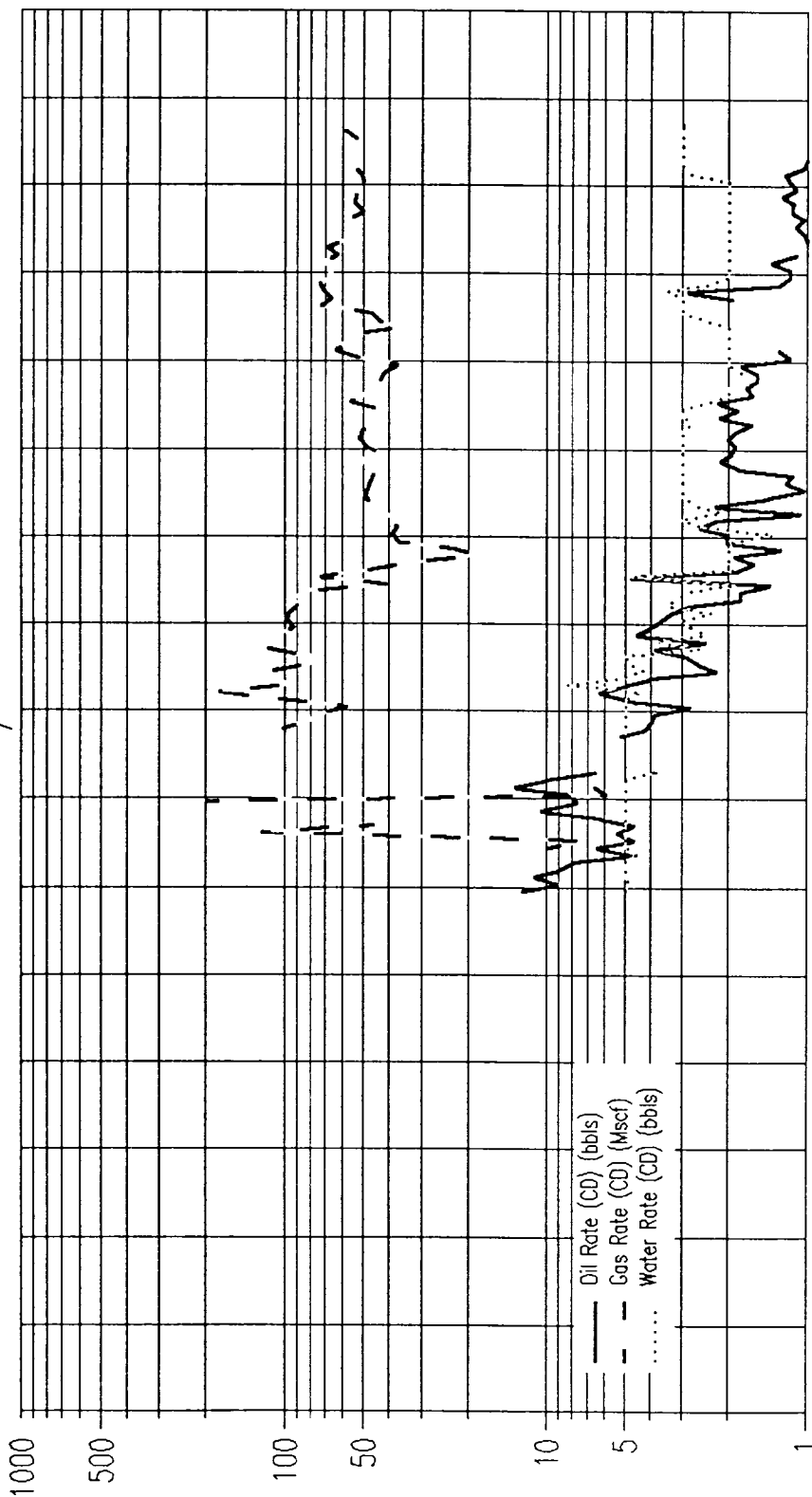
cc: OCD - Hobbs
William J. LeMay, Director - OCD, Santa Fe
A. L. Alexander - Chevron Eunice Field Office, Eunice

VILLAGRA BUILDING - 408 Gallisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7111

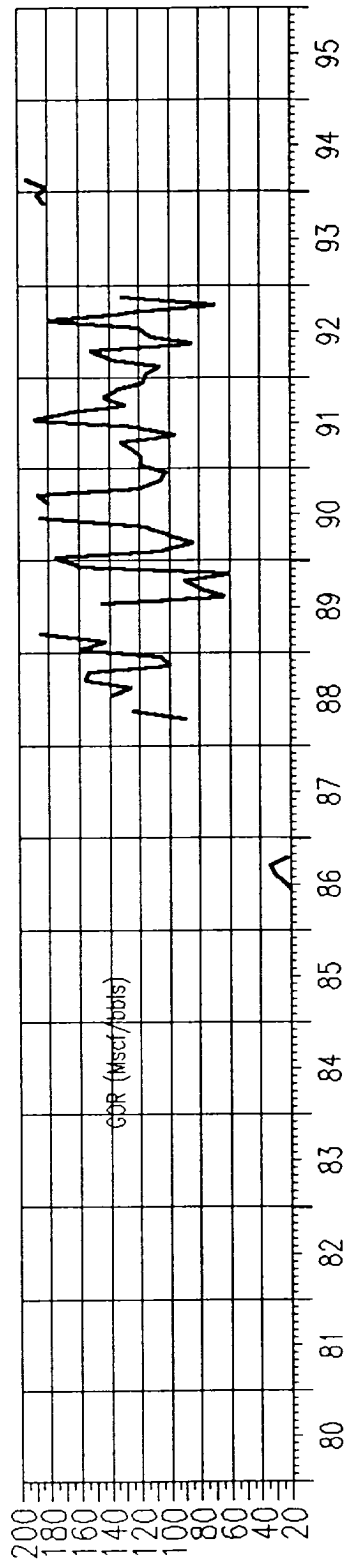
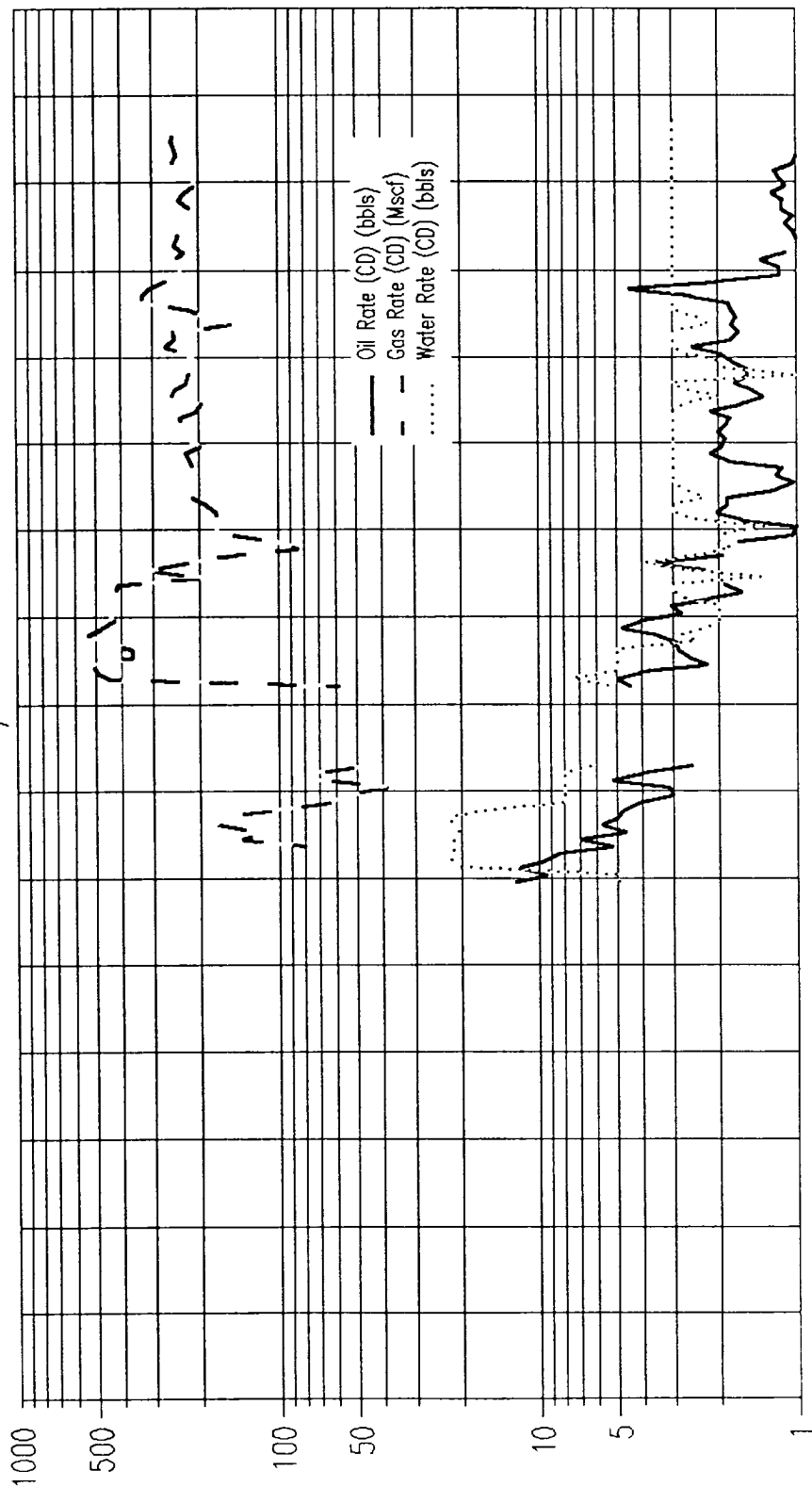
FIELD : BLINEBRY OIL & GAS
LEASE : DRINKARD /NCT-B/

7



FIELD : TUBB OIL AND GAS
 LEASE : DRINKARD /NCT-B/

7





STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

JAN 8 '88

GARREY CARRUTHERS
GOVERNOR

January 6, 1988

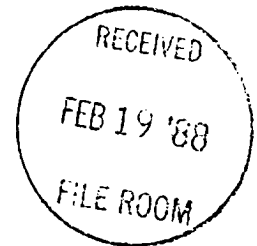
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Administrative Order No. DHC-684

Chevron USA, Inc.
P.O. Box 670
Hobbs, NM 88240

Attention: R. C. Anderson

Re: Drinkard (NCT-B) Well No. 7
Unit K, Section 30, Township 22 South,
Range 38 East, NMPM, Lea County, New Mexico
Blinebry and Tubb Oil and Gas Pools



Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle the production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

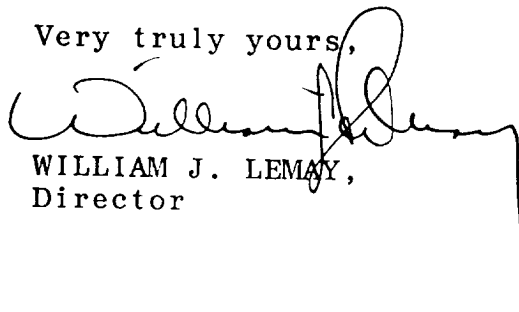
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the top unit allowable for the Tubb Oil and Gas Pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blinebry Pool: Oil 50%, Gas 18%
Tubb Pool: Oil 50%, Gas 82%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'William J. Lemay', with a long vertical line extending downwards from the end of the signature.

WILLIAM J. LEMAY,
Director

WJL/DRC/ag

cc: Gas Co. of N.M.
OCD District Office - Hobbs