

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

GOVERNOR

5-3-95

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-1132
RE: Proposed: MC DHC V NSL NSP SWD WFX PMX	
Gentlemen:	
I have examined the application for the:	
Deperator FB I Lease & Well N	Davis 5-H 8-23-37 No. Unit S-T-R
and my recommendations are as follows:	
Yours very truty,	
Yerry Sexton Supervisor, District 1	

CAMPBELL, CARR & BERGE, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MICHAEL H. FELDEWERT
TANYA M. TRUJILLO
TANNIS L. FOX

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421

TELECOPIER: (505) 983-6043

April 26, 1995

HAND-DELIVERED

David R. Catanach, Hearing Examiner Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87505

Re: Application of Texaco Exploration and Production Inc. to Downhole Commingle the North Teague Tubb Associated Pool & North Teague Drinkard-Abo Pool, Lea County, New Mexico

Dear Mr. Catanach:

Pursuant to our telephone conversation this afternoon, enclosed please find Texaco Exploration and Production Inc.'s application for administrative approval for downhole commingling in Lea County, New Mexico.

I believe that everything is in order with this application and that notice has been given in accordance with the Oil Conservation Division rules.

Please contact me if you have any questions regarding this application.

Very truly yours,

Tanya M. Trujillo

TMT:mlh Enclosures

cc: $\int J.T.$ Sexton (w/enclosures)

District I Box 1980 Hobbs, NM 88240



New Mexico Oil Conservation Commission P.O. Box 2088 Santa Fe, New Mexico 87504-2088

Attention: Mr. David R. Catanach

Re: Exception to NMOCD Rule 303 (A),
Application to Downhole Commingle
North Teague Tubb Associated Pool &
North Teague Drinkard-Abo Pool
F.B. Davis Lease, Well Number 5
T-23-S, R-37-E, Section 8
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. respectfully requests administrative approval to downhole commingle the North Teague Tubb Associated Pool and the North Teague Drinkard-Abo Pool within the subject wellbore. The well is currently a flowing dueled completion in said intervals. Currently, both intervals are showing increased signs of fluid loading with very low surface flowing pressures and the production rate for each zone is on a high rate of decline. It is expected that both intervals will load up and not be capable of production without artificial lift with 90 to 120 days. Texaco owns and operates 1040 contigious acres, more or less, all offsetting the subject 40 acre tract, within the subject intervals, with exception to the south half of section 8, T-23-S R-37-E, which is leased by Amerada Hess and Arco Permian Inc. Notification of this application has been sent to the said offset leaseholders and a statement of notification has been included in this application.

The proposed downhole commingling will provide a more economical means of production. It will allow complete development of the productive capacity on the subject lease by allowing both intervals to be artificially lifted simultaneously. This will extend the productive life of both completions, thereby preventing waste. It is therefore requested by Texaco Exploration and Production Inc., to administratively downhole commingle the North Teague Tubb Associated Pool and the North Teague Drinkard-Abo Pool within the subject wellbore. Texaco requests that the approval of this application be performed by administrative approval to expedite the proposed work, or by a NMOCD sponsored hearing at the earliest possible hearing date.

The subject well meets all of requirements as set forth by Rule 303 (C). The ownership of both zones are common (including working and royalty interests). Correlative intervals to the North Teague Tubb Associated pool and the North Teague Drinkard-Abo Pool have been successfully

(Page 2) F.B. Davis Well No. 5 Application to Downhole Commingle

commingled within the area with no incompatibility of reservoir fluids. Since original completion, all produced fluids have entered a common production facility with no fluid compatibility problems.

The following information is submitted as support for this request:

- 1. Location plat (Form C-102)
- 2. Well Data Sheet
- 3. Computation of Value for commingled production
- 4. Individual Well Casing Program (Form C-103)
- 5. Statement of notification to offset operators and USGS.

It is requested that the allocation of production for each zone be deferred until each well is placed on production. At such time, it is proposed to isolate the North Teague Tubb Associated interval in the well, to determine its productive rate prior to commingling. Production will then be allocated to the North Teague Drinkard-Abo Pool by subtracting the North Teague Tubb Associated production rate from the total stabilized production rate after downhole commingling the well.

Texaco Exploration and Production, Inc. believes that the administrative approval for downhole commingling and use of artificial lift on the subject well will improve recovery efforts and prolong the productive life of both zones, therefore preventing waste. If you have any questions concerning this application, please contact Michael Alexander at (505)397-0411.

Yours very truly,

Michael Alexander Hobbs Area Engineer

MCA

attachments wellfile Chrono

cc: Jerry Sexton/NMOCD/Hobbs Shannon Shaw/BLM/Carlsbad

LOCATION PLATS (Form C-102)

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

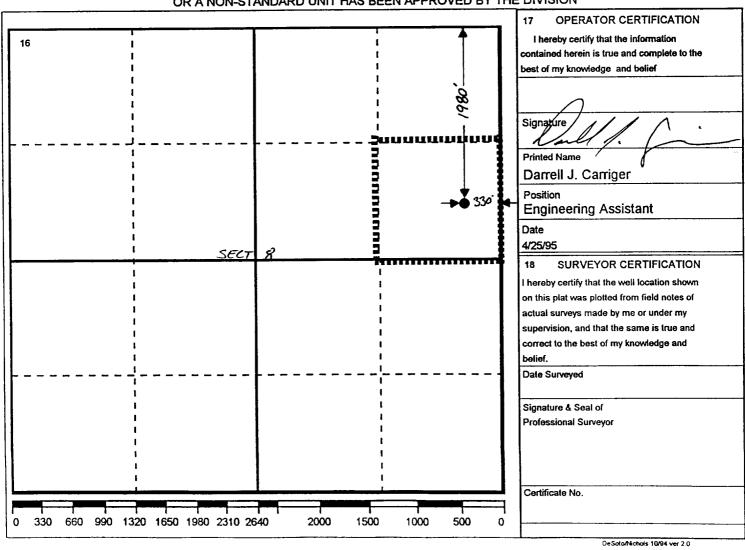
¹ API Number 30 025 32495	Pool Code 96315	³ Pool Name N. Teague Tubb Associated	•
Property Code	•	rty Name ⁶ Well No. IS, F. B. 5	
OGRID Number 022351	· ·	ator Name Selevation ON & PRODUCTION INC. GR-3319', KB-3	331'

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County	l
н	8	23-S	37-E		1980	NORTH	330	EAST	LEA	

Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
12 Dedicated	Acres	13 Joint or Infill	1	4 Consolidation	n Code	15 Ore	der No.			
40	ł	No	1							

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



DISTRICT

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 Deparation of the state of the state

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	Pool Code	³ Pool Name		
30 025 32495	96313	N. Teague Drinkard Abo		
Property Code	•	orty Name	⁶ Well No.	
13195		/IS, F. B.	5	
7 OGRID Number	- r -	rator Name	[®] Elevation	
022351		ION & PRODUCTION INC.	GR-3319', KB-3331'	

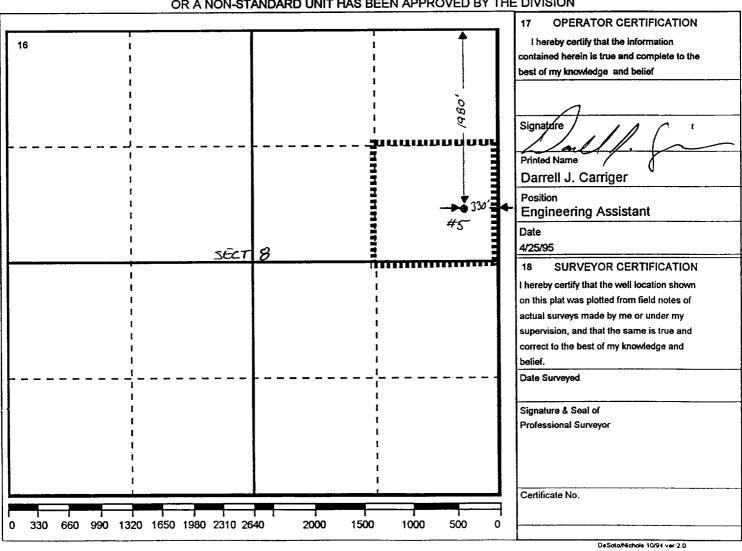
¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County
н	8	23-S	37-E		1980	NORTH	330	EAST	LEA

Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
12 Dedicated	Acres	13 Joint or Infill	14	Consolidation	n Code	15 Ore	der No.		L	L
40		No				1				

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



WELL DATA SHEET

DATA SHEET FOR DOWNHOLE COMMINGLING

Operator:

Texaco USA, Inc.

Address:

P.O. 730 , Hobbs, New Mexico 88240

Lease and Well No.: F.B. Davis

Well No. 5

Location :

Unit Letter H, 1980' FNL, 330' FEL of

Section 8, T-23-S, R-37-E

Lea County, New Mexico

WELL DATA

	Upper Pool	Lower Pool
Name of Pool	N. Teague Tubb	N. Teague Drinkard-Abo
BHFP	469 psia (Calc.from FTP)	227 psia (Calc. from FTP)
Completed Interval:	6090'-6241'(151')	6353'-7010' (657')
Current Method:	Flowing	Flowing
Current Test Date :	4/15/95	4/15/95
Oil	35 BOPD	5 BOPD
Gas	383 MCFPD	377 MCFPD
Water	20 BWPD	5 BWPD
GOR	10,940	75,400
GOR Limit	30,000	- NA -
Gas Gravity	0.699	0.699

NOTE:

Production from the proposed completion will occur by pumping the fluids utilizing a rod pumping system with the pump set below the bottom perf at approximately 7200'. The associated gas production will be vented at approximately 60 psig casing pressure (dependent on flowline 100 pressure). This will insure that no crossflow occurs between the two completions.

COMPUTED VALUE OF DHC PRODUCTION

AVERAGE ESTIMATED PRODUCTION BEFORE DHC (SINGLE TUBB WELL)

	TUBB	AVERAGE PRICE	INCOME
Oil	35 BOPD	\$15.32/BO	\$536.20
Gas	383 MCFPD	\$ 1.61/MCF	\$616.63
	TOTAL SINGLE	COMPLETION REVENUES	\$1152.83

AVERAGE ESTIMATED PRODUCTION AFTER DHC

	TUBB	DRINKARD ABO	COMMINGLED
Oil	35 BOPD	5 BOPD	40 BOPD
Gas	383 MCFPD	377 MCFPD	760 MCFPD
Water	20 BWPD	5 BWPD	5 BWPD

ESTIMATE OF VALUE OF DHC PRODUCED HYDROCARBONS

	COMMINGLED	PRODUCT PRICE	REVENUE
Oil	40 BOPD	\$15.32/BBL	\$ 612.80
Gas	760 MCFPD	\$ 1.61/MCF	\$1223.60
TOTAL	ESTIMATED DAILY	REVENUES	1836.40
NET DIFF	ERENCE FROM DOV	WINHOLE COMMINGLING =	\$ 683.57/DAY

FORMULA FOR DETERMINING ALLOCATION OF PRODUCTION

OIL

X = TUBB STABILIZED OIL PRODUCTION RATE, BOPD

T = TOTAL COMMINGLED, STABILIZED OIL PRODUCTION RATE, BOPD

DRINKARD-ABO PROD. = D = (T - X), BOPD

GAS

X = TUBB STABILIZED GAS PRODUCTION RATE, MCFPD

T = TOTAL COMMINGLED, STABILIZED GAS PRODUCTION RATE, MCFPD

DRINKARD-ABO PROD. = D = (T - X), MCFPD

CASING PROGRAMS (C-103s)

- 1. VOLUME OF CEMENT SLURRY: LEAD 609 (CU. FT.), TAIL 268 (CU. FT.).
- 2. APPROX. TEMPERATURE OF SLURRY WHEN MIXED: 50 F.
- 3. EST. FORMATION TEMPERATURE IN ZONE OF INTEREST: 90 F.
- 4. EST. CEMENT STRENGTH AT TIME OF CASING TEST: 1173 PSI.
- 5. ACTUAL TIME CEMENT IN PLACE PRIOR TO TESTING: 8 HOURS.
- 6. DRILLING 8 3/4 HOLE

71 11 11	e true and complete to the best of any knowledge and ballet. What ITTLE Drilling	g Operations of the Control of the C	75 DATE 9/8/94
TYPE OR PRINT NAME	C. P. Basham	SEP 10	Felephone No. 688-4608
(This space for State Use)		Receive	୍ର
APPROVED BY	TITLE	House Of Co.	ਹਿਤਾਂ ∄DATE
CONDITIONS OF APPROVAL, I	F ANY:	Or 62 82 17 07 51 5	DeScriptionals 12 03 use 1.0

ALTERING CASING

Submit 3 copies to Appropriate District Office /- rgy, Minerals and Natural Resources Department/ Revised 1-1-89 **OIL CONSERVATION DIVISION** DISTRICT I WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30 025 32495 DISTRICT II Santa Fe, New Mexico 87504-2088 Indicate Type of Lease FEE 🛛 P.O. Box Drawer DD, Artesia, NM 88210 STATE DISTRICT III 6. State Oil / Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELL (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) DAVIS, F. B. OIL GAS 1. Type of Well: \boxtimes WELL WELL **OTHER** 8. Well No. 2. Name of Operator 5 TEXACO EXPLORATION & PRODUCTION INC. 9. Pool Name or Wildcat 3. Address of Operator P.O. BOX 730, HOBBS, NM 88240 **TEAGUE TUBB** 4. Well Location Feet From The EAST Feet From The NORTH Line and 880 Line 660 LEA COUNTY NMPM 23-S Range __37-E Township_ Section 8 10. Elevation (Show whether DF, RKB, RT,GR, etc.) Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. SUBSEQUENT REPORT OF:

PULL OR ALTER CASING CASING TEST AND CEMENT JOB PRODUCTION CASING	TEMPORARILY ABANDON	CHANG	E PLANS	COMMENCE DRILLING OPERATION PLUG AND ABANDONMENT	ليا
DOODLICTION CACING	PULL OR ALTER CASING	Ħ		CASING TEST AND CEMENT JOB	
OTHER:				OTHER: PRODUCTION CASING	

REMEDIAL WORK

- 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
- 1. DRILLED 8-3/4" HOLE TO 7250'. T.D. 9/17/94.

NOTICE OF INTENTION TO:

 \Box

2. HALLIBURTON LOGGING SERVICE RAN DLL - MSFL - DSN TO 7250'.

PLUG AND ABANDON

- 3. RAN 165 JOINT'S OF 7", 23#, J-55 CASING SET AT 7250'.
- 4. CEMENTED 2500 SXS. 35/65 POZ CLASS H WITH 6%GEL, 5% SALT, 1/4# FLOCELE. F/B 500 SACKS CLASS H 50/50 POZ, 2% GEL, 5% SALT, AND 1/4# FLOCELE. PLUGGED DOWN @ 1:30 PM 9/19/94. CIRCULATED 425 SXS.
- ND. RELEASE RIG @ 6:00 PM 9/19/94.
- 6. PREPARE TO COMPLETE.

PERFORM REMEDIAL WORK

	7		27:37A 15 16	17 18 19 20 27 29 20 27 29 20 27 29 20 27 29 20 20 20 20 20 20 20 20 20 20 20 20 20	
I hereby certify that the interdistion of SIGNATURE	shove is truffency complete so the trust of m	knowledge and belief. TITLE Engine	eering Assistant	Ceived DATE	10/5/94
TYPE OR PRINT NAME	Darrell J. Ca	miger	128	1 Telephone I	No. 397-0426
(This space for State Use)	Original by Naci Cauta			OCT 1	2 1994
CONDITIONS OF APPROV	<u> Gecloyist</u>	TITLE		<u></u>	intel 12.02 1.0



LIST OF 40-ACRE OFFSET OPERATORS TO DAVIS NO. 5

OPERATORS OTHER THAN TEXACO E & P :

Texaco E & P holds operatorship within the following 1040 contigious acres, more or less, adjacent to and including the subject 40 acre tract:

- 160 acres in NE 1/4 of Section 8, T-23-S, R-37-E
- 80 acres in E 1/2 of NW 1/4 of Section 8 T-23-S, R-37-E
- 160 acres in SE 1/4 of Section 5, T-23-S, R-37-E
- 160 acres in NW 1/4 of Section 9, T-23-S, R-37-E
- 160 acres in SW 1/4 of Section 9, T-23-S, R-37-E
- 160 acres in NE 1/4 of Section 9, T-23-S, R-37-E
- 160 acres in S 1/2 of S 1/2 of Section 4, T-23-S, R-37-E

The 320 acres in the S 1/2 of Section 8, T-23-S, R-37-E adjacent to the subject 40 acre tract, is operated by the following two companies:

Arco Permian
P.O. Box 16101
Midland, Texas 79702

Amerada Hess 1201 Louisiana Suite 700 Houston, Texas 77002

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

TEXACO EXPLORATION AND PRODUCTION

Application for
Exception to Rule 303-A
Downhole Commingle
F.B. Davis Lease, Well Number 5
North Teague Tubb Associated Pool &
North Teague Drinkard-Abo Pool
T-23-S, R-37-E, Section 8
Lea County, New Mexico

I/We do hereby waive any objection to Texaco Exploration and Production Inc.'s request for NMOCD administrative approval to commingle the Tubb and Drinkard-Abo zones for the above captioned wells.

Signed:	 	 	
Title:	 	.	
Company:	 		
Date:	 		

Z 106 611 825 Receipt for Certified Mail No Insurance Coverage Provided Do not use for International Mail (See Reverse) St. 700 P.O., State and ZIP Code 77022 Postage \$ Certified Fee 110 Special Delivery Fee Restricted Delivery Fee 1.10 Return Receip PS Form 3800, March 1993 to Whom Return Date, \$

Z 70P P77 95P



Receipt for Certified Mail

No Insurance Coverage Provided Do not use for International Mail (See Reverse)

	Sent to Arco Permian			
	Street and No. P. D. Bot 16(1)			
	P.O., State and ZIP Code Midland Ty	79702		
	Postage	\$ 1.01		
	Certified Fee	1.10		
	Special Delivery Fee	7		
	Restricted Delivery Fee			
1993	Return Receipt Showing to Whom & Date Delivered	1.10		
ach	Return Receipt Showing Whom, Date and Address 2ddress			
ő	TOTAL OSCIONAL REPORTS	\$ 3.2/		
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PS Form 3800, March 1993	OH USES			

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Receipt for Certified Mail

No Insurance Coverage Provided Do not use for International Mail (See Reverse)

Sent to BUM			
Street and No. Pox 1778			
P.O., State and ZIP Code	05588		
Postage			
Certified Fee	\$ 1.01		
Special Delivery Fee	7.70		
Restricted Delivery Fee			
Return Receipt Showing to Whom & Date Delive each	1.10		
Return deceipt Showing to William, Date Cha Addresses Sabdress			
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Postment or Sate			
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