

CHARLES B. READ
PRESIDENT

NORMAN L. STEVENS, JR.
VICE-PRESIDENT

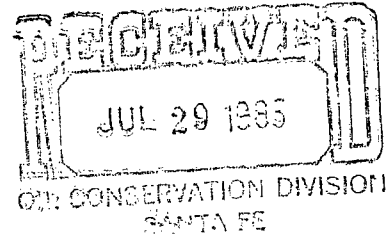
Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88201

July 25, 1985



Mr. Joe D. Ramey
Division Director
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, NM

RE: Request for Exception to Rule
303-A, to Permit the
Commingling, in the Wellbore,
of Production from Two Pools

Dear Mr. Ramey:

We respectfully request authority to commingle, in the wellbore, production from the North Square Lake Grayburg San Andres pool and the Bunkerhill Penrose pool. The following information is submitted for your consideration in this matter.

- 1) Operator- Read & Stevens, Inc.
P.O. Box 1518
Roswell, NM 88201
ATTN: Bruce Stubbs
Drilling & Production Manager
- 2) Lease- Getty Mesa #2
Unit J, 1980 FSL and 1980 FEL
Section 14-T16S-R31E
Eddy County, New Mexico
State Oil and Gas Lease #E-5668

The pools to be commingled are the Bunkerhill Penrose Pool and the North Square Lake Grayburg-San Andres Pool.

- 3) The enclosed plat (Exhibit "A") shows the offset operators to the Getty Mesa #2. Read & Stevens, Inc. operates all of the acreage surrounding the Getty Mesa #2, except the SE/NW of Section 14-T16S-R31E, which is operated by Texaco (Getty).
- 4) Enclosed is a C-116 (Exhibit "B") Gas-Oil Ratio test for the Premier zone in the Getty Mesa #2. The Penrose is expected to stabilize at 15 BOPD, 0 BWPD and a gas-oil ratio of 600 cubic feet per barrel.

Read & Stevens, Inc.

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- 5) Enclosed is a decline curve for the Premier zone in the Getty Mesa #2 (Exhibit "C"). The Premier zone is on an approximate 15% decline. To prorate the production, the Premier zone will be projected along its present decline curve to estimate the monthly production. The difference after subtracting the Premier production from the total production will be prorated to the Penrose zone.
- 6) The bottom-hole pressure of the Premier zone is 1110psi (Exhibit "D"). The estimated bottom-hole pressure of the Penrose zone is 800psi. Both zones will be rod pumped so there should be no possibility of a cross flow between zones.
- 7) Fluid characteristics- Premier Oil Gravity: 31.7° API @ 60°F, gas 810 BTU; Penrose Oil Gravity: 33.0° API @ 60°F, gas 919 BTU. Neither zone produces over one barrel of water per day. All fluids are similar and compatible and should not create production problems not normally found in this area.
- 8) Value of products- Because the oil gravities are almost the same there will be no reduction in the average price paid for the oil. The gas from the Penrose is a slightly higher BTU than the Premier gas. Therefore, the value of the Premier gas will be increased slightly and the value of the Penrose gas will be reduced slightly, resulting in an average price equal to the sum of the prices which would be received from the separate streams. Commingling these two pools will not result in reduced prices for the products.
- 9) Allocation of production- The Premier zone is on an approximate 15% decline. To prorate the production, the Premier zone will be projected along its present decline to estimate the monthly production. The difference after subtracting the Premier production from the total production will be prorated to the Penrose zone.
- 10) A certified return receipt letter has been sent to Texaco to notify them of our intention to commingle the Penrose and North Square Lake Grayburg San Andres zones

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in this well. Enclosed is a copy of the letter mailed to Texaco labeled Exhibit "E".

I thank you for your assistance in this matter. If I can answer any questions concerning this project, please call.

Sincerely,



Bruce Stubbs
Drilling & Production Manager

BS:dlb
Enclosures

xc: NMOCD- Artesia
Attn: Les Clements

Bunker Hill Penrose

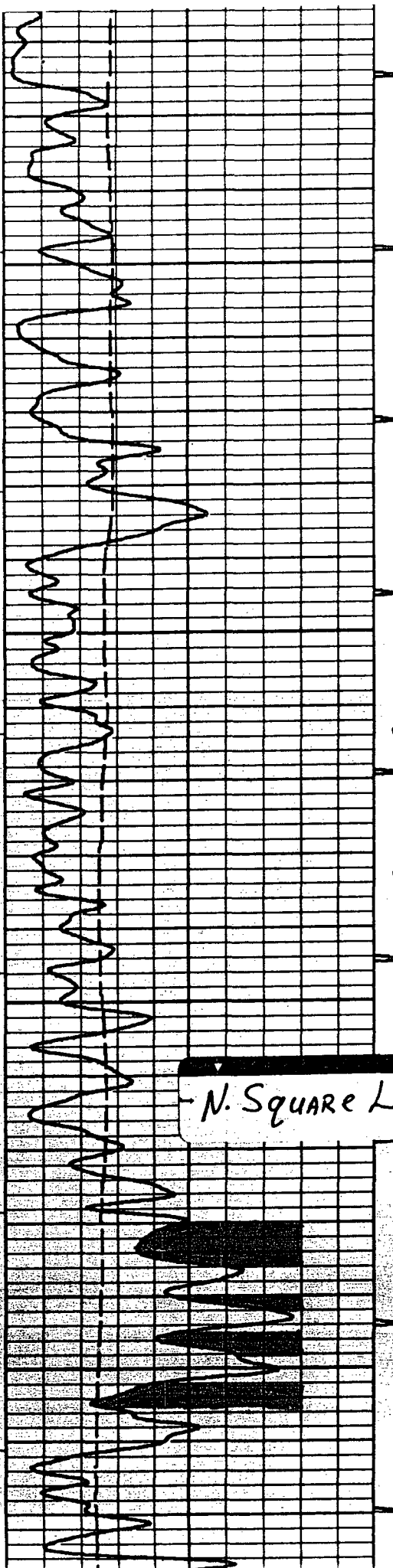
35.77
4405
+826

03600

3586

3604

03700



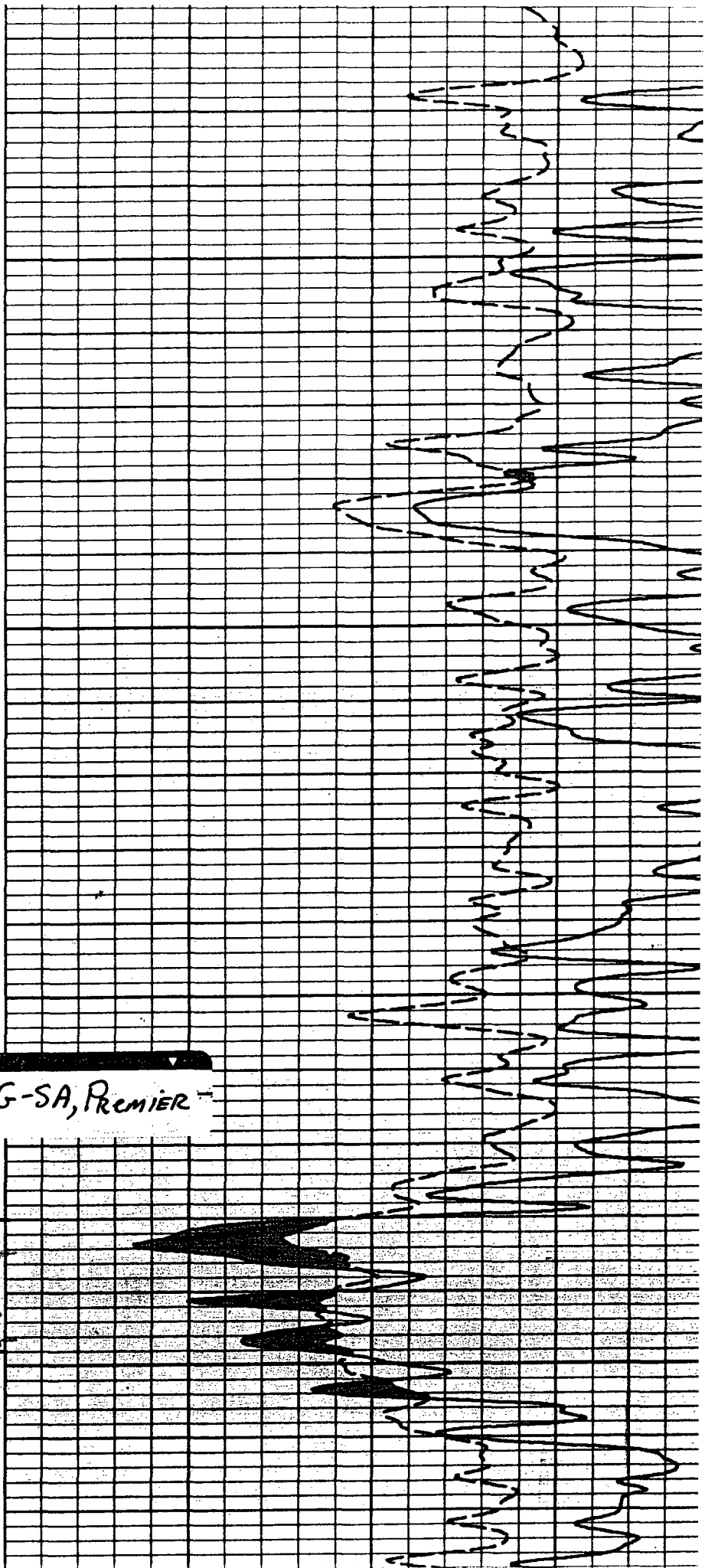
03900

Premier
4030-4048

04000

N. Square Lake G-SA, PREMIER

00000000



GAS - OIL RATIO TESTS

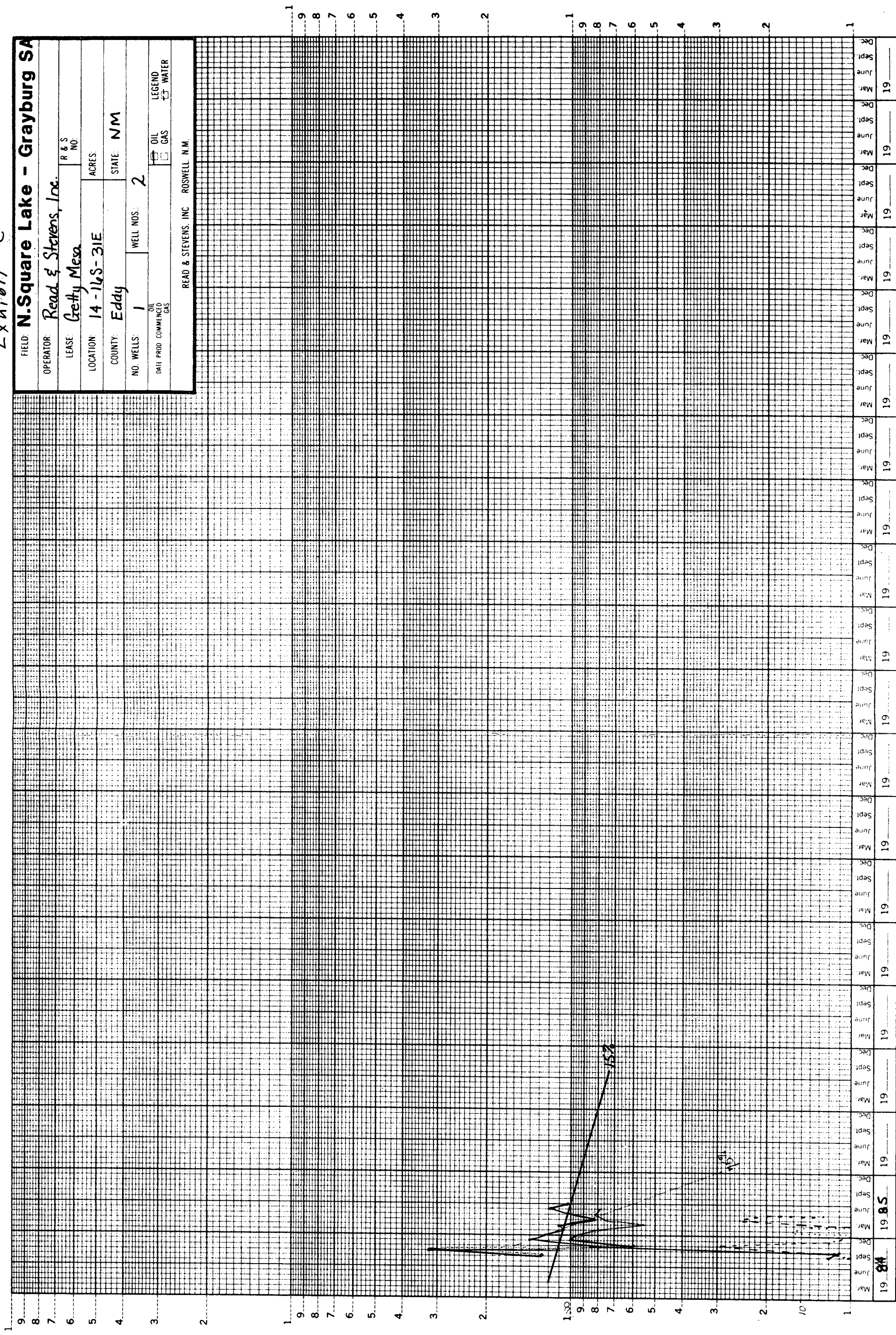
Operator		Pool		County		Completion		Special							
Read & Stevens, Inc.		Square Lake Grayburg - San Andres		Eddy											
Address		P.O. Box 1518, Roswell, NM 88201		TYPE OF TEST - (X)		SCHEDULED									
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ASLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL		
		U	S	T						R	WATER BBLs.	GRAV. OIL		OIL BBLs.	GAS M.C.F.
Getty Mesa	2	J	14	16S	31E	7-11-85	P	-	N/A	24	0	31.7	3.5	26	7,429/BBL

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

No well will be assigned an allowable greater than the amount of oil produced on the official test.
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 35; and appropriate pool rules.

Mica Boardman
(Signature)
Production Clerk
(Title)

FIELD: N. Square Lake - Grayburg SA			
OPERATOR: <i>Read & Stevens, Inc.</i>		R & S NO:	
LEASE: <i>Gethly Mesa</i>		ACRES:	
LOCATION: <i>14 - 14S - 31E</i>		STATE: <i>NM</i>	
COUNTY: <i>Eddy</i>		WELL NOS.: <i>2</i>	
NO. WELLS: <i>1</i>		OIL DATE PROD COMMENCED GAS	
		☐ OIL ☒ GAS	
		LEGEND ☒ WATER	
READ & STEVENS, INC. ROSWELL, N.M.			



19_	Prod.	Allowable	Production	Sales	Pumped	Purchaser	Storage	Production
J								
F								
M								
A								
M								
J								
J								
A	18		4166	1293			4166	
S	16		2133	3184			6499	3
O	14		8367	524			9066	29
N	20		13960	998	193.00	193.15	37.26	4
D	20		125121	963			16253	
Annual			355.53	1031				36
Cumulative To 1-1-			355.53	1031				36

19_

J	30		107168	304	182.72	179.22	82.07	12
F	27		111135	554			193.86	
M	31		82125	714	154.32	154.13	122.20	25
A	29		102124	920	180.00	176.16	44.24	5
M	24		120170	790			164.94	
J	30		104.40					
J								
A								
S								
O								
N								
D								
Annual								
Cumulative To 1-1-								

19_

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Annual								
Cumulative To 1-1-								

Oil & Water - Bbls. Gas - MCF

FIELD: **N-Square Lake - Grayburg SA**

OPERATOR: **Read & Stevens, Inc.**

LEASE: **Getty Mesa**

PRODUCTION UNIT NO: **E-5668**

COUNTY: **Eddy**

NO. WELLS: **1**

DT 1ST PROD. OIL: **2**

WELL	UNIT LTR	SEC	TWP.	RGE
2	J	14	16S	31E

PUMP: _____ PUMPER: _____

PURCHASER: GAS: _____ OIL: _____

REMARKS:

CURVES	RATE/TIME	PZ/CUM	RATE/CUM (M.P.)	CUM./CUM. (E.O.M.)	OTHER

SOURCE	P.I.	DWIGHT'S	R & S	OCC	OTHER

COMPANY READ & STEVENS
LEASE GETTY MESA.
FIELD NA
DEPTH 4338 FEET
TUBING PRESSURE 971 PSIG
BOMB NUMBER 792

DATE 1/14-17/84
WELL NUMBER #2
FORMATION NA
CASING PRESSURE 0 PSIG
OPERATOR CHUCK

TIME	HOURS	PRESSURE	PSIA
0.00		380.20	
.25		942.20	
.50		1005.20	
.75		1010.20	
1.00		1021.20	
1.25		1026.20	
1.50		1026.20	
1.75		1031.20	
2.00		1037.20	
2.25		1037.20	
2.50		1042.20	
2.75		1047.20	
3.00		1047.20	
3.25		1047.20	
3.50		1047.20	
3.75		1047.20	
4.00		1052.20	
4.25		1052.20	
4.50		1052.20	
4.75		1052.20	
5.00		1052.20	
6.00		1058.20	
7.00		1058.20	
8.00		1058.20	
9.00		1063.20	
10.00		1063.20	
20.00		1079.20	
30.00		1079.20	
40.00		1089.20	
50.00		1100.20	
60.00		1105.20	
70.00		1110.20	
72.00		1110.20	

THANK YOU

Exhibit "E"

UNITED BANK PLAZA
400 N. PENN. SUITE 1000

PHONE 505 622-3770

CHARLES B. READ
PRESIDENT

NORMAN L. STEVENS, JR.
VICE-PRESIDENT

Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88201

July 25, 1985

Mr. E.H. Watkins
Texaco, Inc.
P.O. Box 3109
Midland, TX 79701

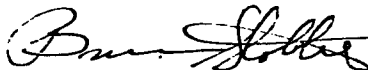
RE: SW/NW Section 14-16S-31E
Eddy County, New Mexico
State Lease #E-5668

Dear Mr. Watkins:

Read & Stevens, Inc. proposes to commingle production, in the wellbore, from the Bunkerhill Penrose and North Square Lake Grayburg San Andres pools in our Getty Mesa #2, which is located in the NW/SE Section 14-16S-31E, Eddy County, New Mexico. Before our application can be approved by the New Mexico Oil Conservation Commission, all offset operators must be notified of our intent to commingle these pools.

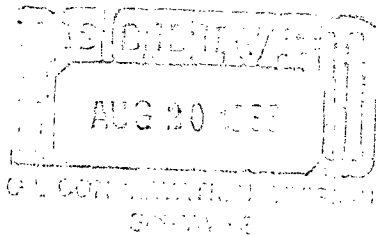
If no objections are submitted to the Oil Conservation Commission within twenty (20) days, they may give authority for downhole commingling. If I can answer any questions concerning this project, please call.

Sincerely,



Bruce Stubbs
Drilling & Production Manager

BS:dlb



OIL CONSERVATION DIVISION
DISTRICT II
ARTESIA ,NM. 88210

OIL CONSERVATION DIVISION
P.O.BOX 2088
SANTA FE, NEW MEXICO

DATE 8/19/85

RE: Proposed NSL, NSP _____
Proposed DD _____
Proposed MC _____
Proposed BGW, HGW _____
Proposed SC DHC _____
Proposed CTB, LC, OLS _____
Proposed ODA _____
Proposed SWD, PMX, WFX _____

Gentlemen:

I have examined the application dated 8/25/85
for the READ & STEVENS GETTY MESA #2 J-14-16-31
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

APPROVE IF MINERAL INTERESTS ARE COMMON

Sincerely yours

Randy Brooks