

April 14, 1986

Mr. David Catanach  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

RE: Request for Administrative approval to commingle the Atoka and Wolfcamp zones in the well bore in our Landlady No. 1 located in Unit letter J, Section 8, T12S, R32E, Lea Co., New Mexico

Dear Sir:

I have recently received your request for additional data and the guidelines for such an application. I will respond to each item in the guideline as follows:

- a) ok
- b) ok
- c) attached plat showing acreage assigned to the Wolfcamp zone outlined in green. The Atoka would probably be classified as gas well and would have assigned acreage shown in yellow. If it is an oil well, the acreage would be the same as the Wolfcamp zone.
- d) copy of the latest C-116 from the Wolfcamp zone. On test the Atoka zone produced 400 MCF gas, 48 bbls condensate and 100 bbls water in 24 hours. This test was taken when the was completed in November, 1981. There has been no production from the Atoka zone since that test.
- e) attached decline curve on the Wolfcamp zone. No production history on the Atoka.
- f) ok
- g) ok

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- h) The Wolfcamp zone currently makes 18 bbls oil and no sellable gas.

$$18 \text{ bbls/day} \times \$10.00/\text{bbl.} = \$180 \text{ per day}$$

Commingled, production is expected to be:  
Atoka - 400 MCF gas and 48 bbls oil per day then,

18 bbls/day X \$10.00/bbl.	= \$180 per day
48 bbls/day X \$10.00/bbl.	= \$480 per day
400 MCF/day X \$1.30/MCF	= \$520 per day
Total revenue commingled	= \$1180 per day

- i) all gas would be allocated to the Atoka zone. Oil would be allocated as follows:

	bbls	%
Wolfcamp	18	27
Atoka	48	73
Total	66	100

- j) attached is a list of offset leaseholders. The only other operator in the area is Allen Antwell who I understand is going out of business. In all probability, we will take over the operation of his leases. All people on the attached list will receive a letter advising them of our intent to commingle in the well bore.

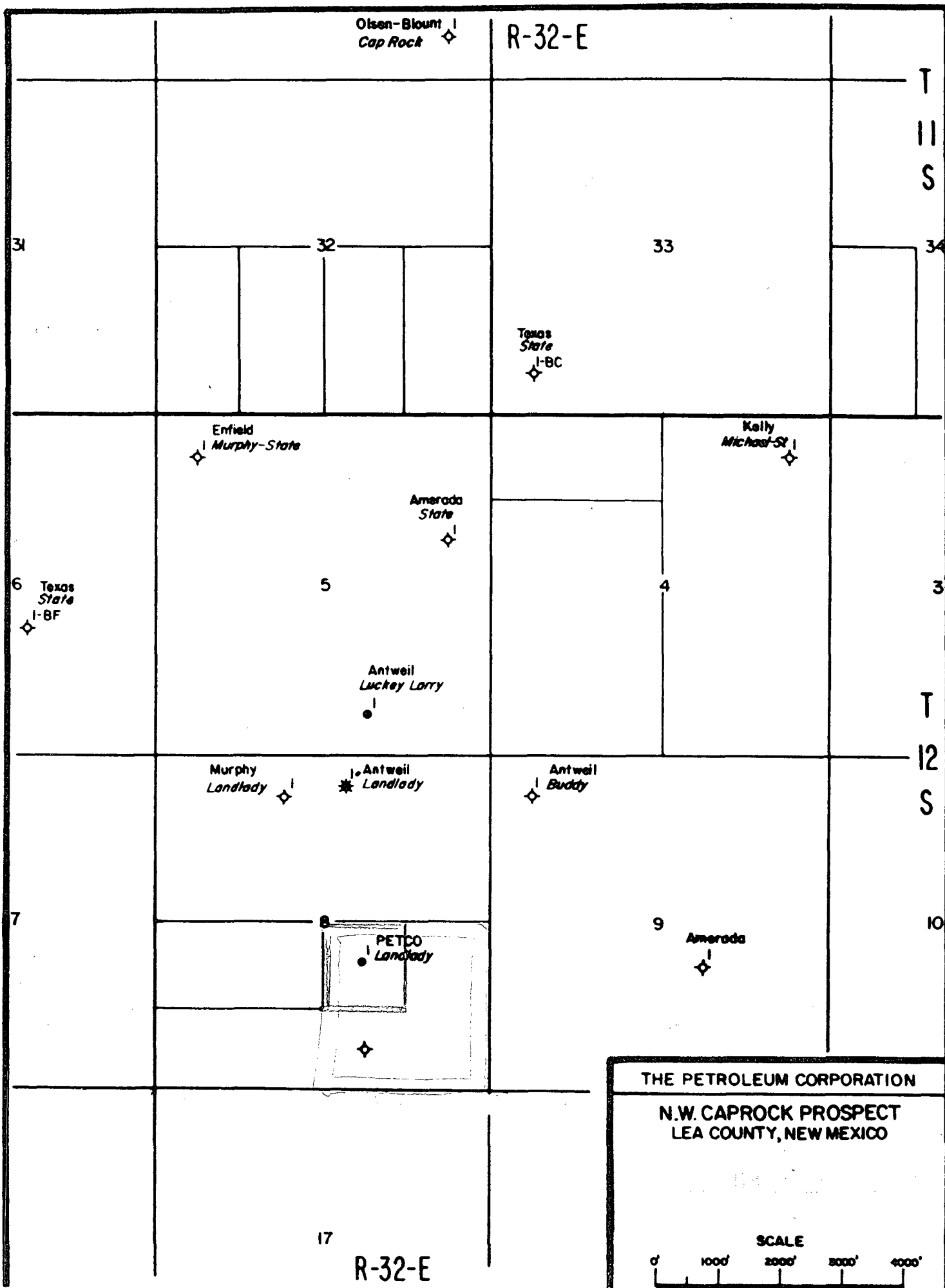
If you need further information, please give me a call.

Very truly yours,



L. E. Thomas

LET/db



# NEW MEXICO OIL CONSERVATION COMMISSION

## GAS-OIL RATIO TESTS

C-116  
 Revised 1-1-83  
*These*  
*Quick*  
*W.F. Ray*

Owner: The Petroleum Corporation of Delaware  
 Pool: Caprock-Wolfcamp, North  
 County: Lea

3811 Turtle Creek Blvd., Suite 350, Dallas, Texas 75219-4419

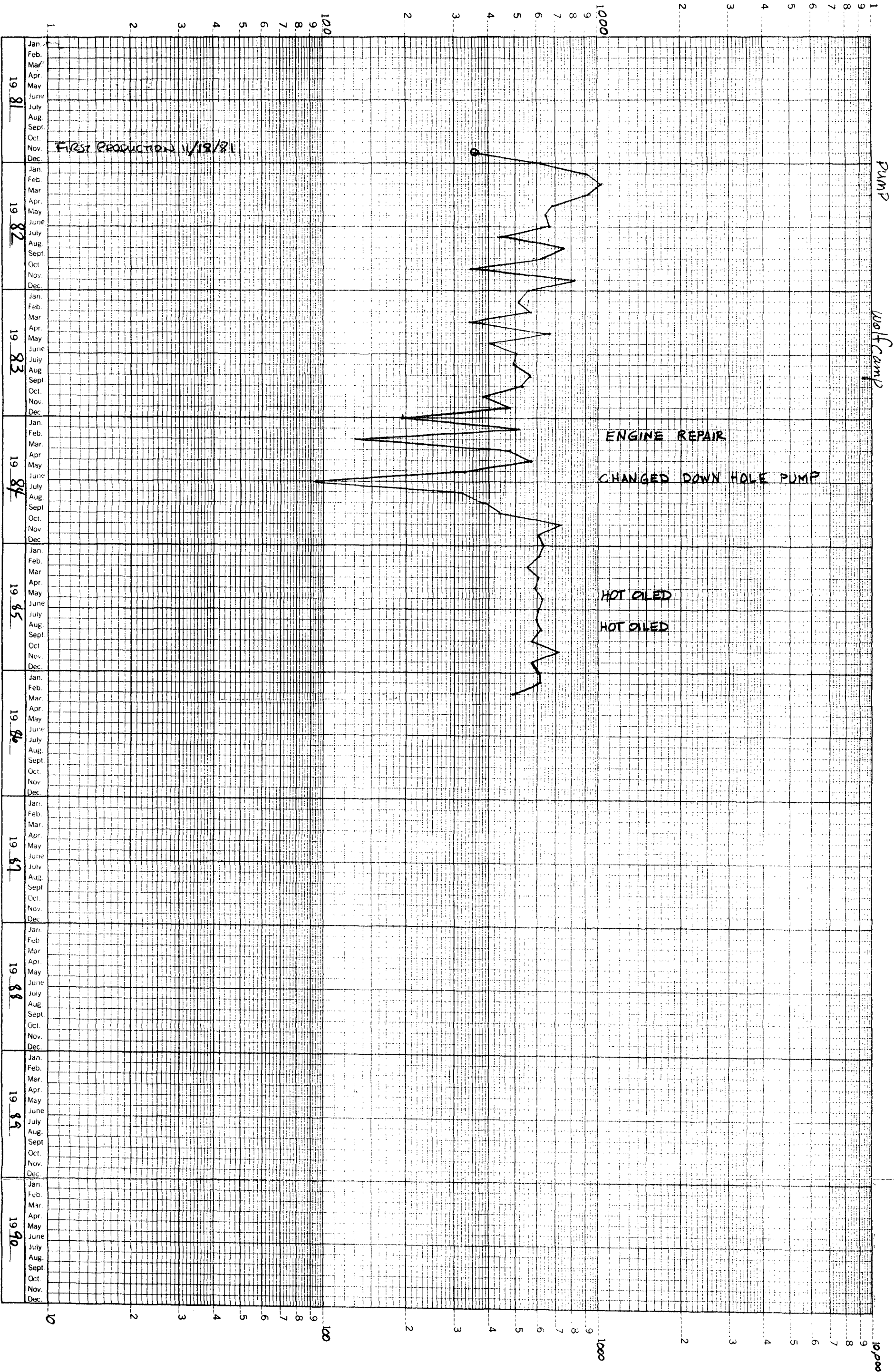
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	TYPE OF TEST - (X)	CHOKE SIZE	TBQ. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST hours	PROD. DURING TEST				GAS - OIL RATIO CU.FT/BB
		U	S	T	R							WATER SOL.	GRAV. OIL	OIL SOL.	GAS M.C.F.	
Landlady	1	J	8	12S	32E	1/2/86	P	-	-	23	24	3	45	23	5	217

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 well allowable for the pool in which well is tested by more than 35 percent. Operator is encouraged to take advantage of this 35 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.  
 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 0.66.

Report testing 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 Commission in accordance with Rule 301 and appropriate pool rules.

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

*James P. Patton*  
 (Signature)  
 Petroleum Engineer  
 (Title)  
 February 6, 1986



THE PETROLEUM CORPORATION  
OF DELAWARE  
Turtle Creek Centre  
3811 Turtle Creek Boulevard  
DALLAS, TEXAS 75219-4419

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Tenneco Oil Company  
7990 IH 10 West  
San Antonio, Texas 78230

Texaco, U.S.A.  
P.O. Box 3109  
Midland, Texas 79702

Sabine Corporation  
P.O. Box 3083  
Midland, Texas 79702

Union Texas Petroleum  
4000 N. Big Spring  
Midland, Texas 79705

Alan J. Antweil  
P.O. Box 2010  
Hobbs, New Mexico 88241

Sun Exploration & Prod. Company  
P.O. Box 1861  
Midland, Texas 79702

RE: Proposed downhole commingling of the Atoka and Wolfcamp zones in our Landlady No. 1 located in Unit letter J Section 8, T12S, R32E, Lea Co., New Mexico

Gentlemen:

We have recently filed for administrative approval to commingle in the well bore the above referenced zones. This is an effort to to perform the necessary work and handle the large volumes of water while both zones produce enough hydrocarbons to keep the operation economical.

We do not feel there will be cross flow, nor is there any evidence of non compatibility of fluids.

If you need further information, please contact me.

Yours very truly,

  
L. E. Thomas

LET/db