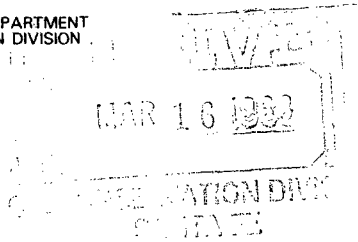


EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION



March 9, 1988

Downhole Commingling Request
N. G. Penrose No. 4
Unit A, Sec. 13, T-~~27~~-S, R-37-E
Lea County, New Mexico

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: David R. Catanach

22S
Blaine 5506 5566
Drinkard - 6256-6953
Granite Wash 7032-7437

Exxon Corporation respectfully requests administrative approval to downhole commingle the Blinebry, Drinkard, and Wantz Granite Wash pools in the N. G. Penrose No. 4. This well is currently completed in the Wantz Granite Wash pool.

Additional data relative to this commingling is listed below:

1. A lease plat is attached showing the location of this well.
2. The latest C-116 is included providing a test for the Granite Wash zone. This well is currently dead (ceased to flow). Just prior to dying, the well was flowing 14 BOPD, 85 MCFPD and 0 BWPD.
3. The Blinebry is not currently completed in this well. Expected production is 12 BOPD and 111 MCFPD.
4. The Drinkard is not currently completed in this well. Expected production is 12 BOPD and 40 MCFPD.
5. A decline curve for the Wantz Granite Wash zone is attached.
6. Estimated shut-in bottomhole pressures are 1002 psia for the Blinebry (estimated from static fluid level in the N. G. Penrose No. 2) and 1416 psia for the Drinkard (estimated from static fluid level in the N. G. Penrose #3). The bottomhole pressure measured in the Wantz Granite Wash in the N. G. Penrose #4 is 881 psia. When adjusted to a common average datum of 2767 feet subsea, the Blinebry pressure is 1261 psia, the Drinkard pressure is 1243 psia, and the Wantz Granite Wash pressure is 426 psia.

7. The well is currently dead and requires artificial lift. A pumping unit will be installed on the well and the pump set deep enough to pump off the Wantz Granite Wash zone (the deepest zone).
8. Working interest and royalty ownership in all formations is the same.
9. The quality of the crude is virtually identical and downhole commingling will not reduce the commercial value. The value of the crude is as follows:

<u>Zone</u>	<u>Oil Gravity</u>	<u>Quality</u>	<u>01/28/88 Posted Price \$ bbl</u>
Blinebry	41.0	Sweet	16.50
Drinkard	40.8	Sweet	16.50
Wantz Granite Wash	39.8	Sweet	16.50

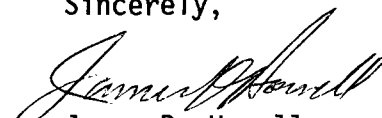
All of the crude and condensate currently produced from the Blinebry, Tubb, Drinkard and Wantz Granite Wash pools on this lease is already being surface commingled into one common stock tank, and sold as a mixture.

10. The following allocation percentages are suggested based upon the ratio of expected production from each zone:

	<u>Oil</u>	<u>Expected Prod. BOPD</u>	<u>Gas</u>	<u>Expected Prod. MCFPD</u>
Blinebry Oil & Gas	31%	12	48%	111
Drinkard	31%	12	15%	36
Wantz Granite Wash	38%	14	37%	85

11. By copy of this letter, we are notifying the offset operators of this proposed commingling. If these operators have no objections we ask that they execute the attached waiver and return one copy to the NMOCD and another to me at the letterhead address.

Sincerely,


James D. Howell

JDH:def

Enclosure

xc: Offset Operators (Certified Mail)
NMOCD District I, Hobbs, New Mexico

OFFSET OPERATORS TO
EXXON'S N. G. PENROSE LEASE

Mabee Petroleum Corp.
400 W. Illinois, Ste. 1500
Midland, Texas 79701

Zachary Oil Operating Co.
1212 Commerce Bldg.
Fort Worth, Texas 76102

Marathon Oil Company
Box 522
125 W. Missouri St.
Midland, Texas 79702

Fina Oil & Chemical Company
6 Desta Drive
Midland, Texas 79705

Texaco Producing, Inc.
Box 3109
500 N. Lorraine
Midland, Texas 79701

Sun Exploration & Production Co.
Box 1861
Midland, Texas 79702

Sohio Petroleum Company
10 Desta Drive, Ste. 600 West
Midland, Texas 79705

J. H. Hendrix Corp.
223 W. Wall
525 Midland Tower Bldg.
Midland, Texas 79701

Downhole Commingling Request
N. G. Penrose No.4
Unit G, Sec. 13, T-27-S, R-37-E
Lea County, New Mexico

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the Exxon application to downhole commingling the Blinbry, Drinkard and Wantz Granite Wash Pools in the captioned wellbore.

Approved by: _____

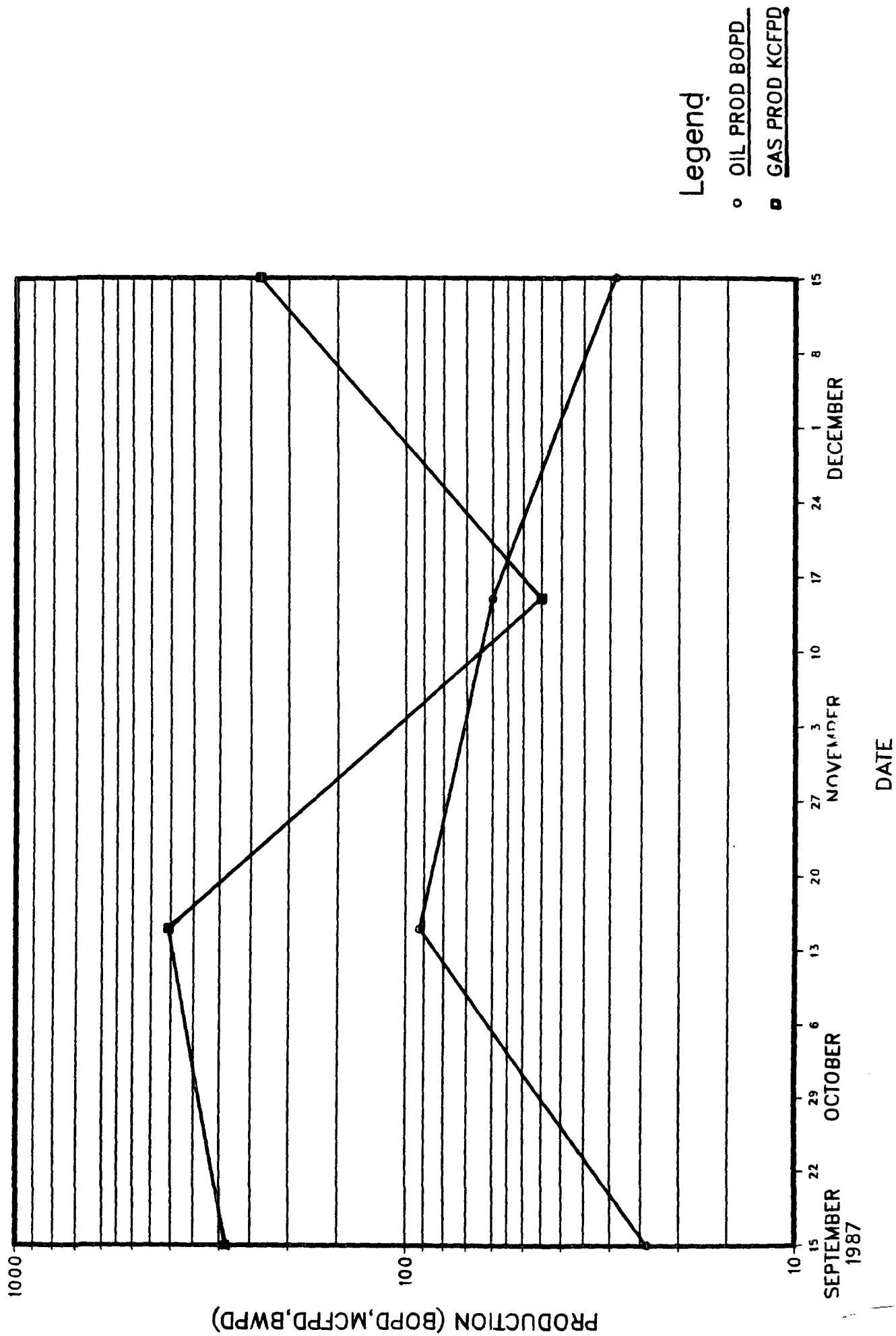
Representing: _____

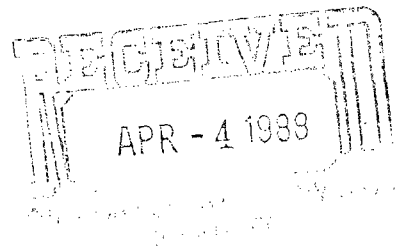
Date: _____

[illegible]

We'll original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 301 and appropriate pool rules.

N G PENROSE #4 PRODUCTION





Downhole Commingling Request
N. G. Penrose No. 4
Unit G, Sec. 13, T-27-S, R-37-E
Lea County, New Mexico

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the Exxon application to downhole commingling the Blinbry, Drinkard and Wantz Granite Wash Pools in the captioned wellbore.

Approved by: *Jack J. Carlisle*
Representing: STANDARD OIL PRODUCTION
Date: 3-28-88

*A.K.A.
Johns Pet. Co.*

RECEIVED
APR - 4 1988

Downhole Commingling Request
N. G. Penrose No. 4 ²²
Unit G, Sec. 13, T-~~27~~-S, R-37-E
Lea County, New Mexico

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the Exxon application to downhole commingling the Blinbry, Drinkard and Wantz Granite Wash Pools in the captioned wellbore.

Approved by: _____

Representing: ZACHARY OIL OPERATING COMPANY

Date: MARCH 30, 1988

Downhole Commingling Request
N. G. Penrose No. 4 ²²
Unit G, Sec. 13, T-~~27~~S, R-37-E
Lea County, New Mexico

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the Exxon application to downhole commingling the Blinbry, Drinkard and Wantz Granite Wash Pools in the captioned wellbore.

Approved by: Ronald E. Smalley
Representing: Fina Oil and Chemical Company
Date: 3/29/88



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

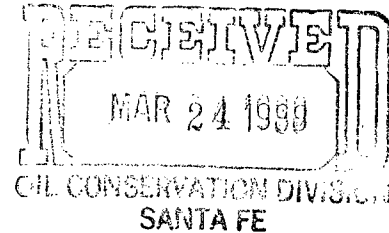
3-27-88

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	<u>X</u> _____
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____



Gentlemen:

I have examined the application for the:

<u>Exxon Corp.</u>	<u>N. G. Penrose</u>	<u>#4-A</u>	<u>13-22-37</u>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK JS

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed