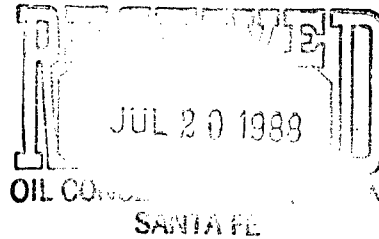


Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500



STANDARD OIL
PRODUCTION

July 6, 1988

Energy and Minerals Department
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Application for Downhole Commingling
Elliott B-12-2, Well #3
E Section ~~18~~, T-22-S, R-37-E
Lea County, New Mexico

Gentlemen:

Section 12

Sohio Petroleum Company, as operator of the Elliott Lease, respectfully requests New Mexico Oil Conservation Division (NMOCD) administrative approval to downhole commingle production from the Drinkard and Granite Wash pools in Elliott B-12-2, Well #3. Sohio also requests that we be granted permission to continue producing the well until this application has been approved.

A recent packer leakage test failed on the well, and with the low production rates, it was considered in-house to be a high risk and uneconomic venture to repair the well. Consistent with this application, and based on the large number of currently commingled Drinkard/Wantz Granite Wash wells in this immediate geographic area, Sohio also requests additional temporary approval to continue to produce the well until such time as the Oil Conservation Division makes a final ruling on this application. Copies of recent correspondence on this packer leakage test is included in Exhibit V.

The well is currently completed as a dual producer with production through 2-1/16" tubing (Drinkard @ 6254'-6834') and through a second 2-1/16" tubing string (Granite Wash @ 7123'-7260'). A production packer presently isolates the two zones with a Baker Model D packer at 7054' and a Baker Model K Dual packer at 6198'; a wellbore schematic is attached. Production from the Drinkard zone recently tested 3 BOPD, 1 BWPD and 35 MCFPD; and production from the Granite Wash recently tested 3 BOPD, 0 BWPD and 11 MCFD. Downhole commingling will prevent waste of liquid hydrocarbons and protect the correlative rights of owners in both zones, while extending the economic productive life of each zone.

Anticipated production after commingling is 279 BOPM and 1333 MCFPM. Production allocation will be based on recent production history and current test rates. Because there is no difference in ownership between the two zones, the allocation formula, once approved by working interest owners and the NMOCD will be used until one or both zones are abandoned.

The Drinkard and Wantz Granite Wash are currently commingled in many wells in the area including some operated by Sohio. Exhibits No. VI a & b describe well test on two of these wells.

<u>Lease</u>	<u>Well</u>	<u>Location</u>	<u>Pools</u>
Hinton 12	13	L-12-22S-37E	Drinkard/Wantz Granite Wash
Hinton 14	8	J-12-22S-37E	Drinkard Wantz Granite Wash

The precedence for commingling the two pools has been established and based on internal records, these wells are producing at economic rates. Also, no fluid compatability problems have been noted from the commingled wells operated by Sohio.

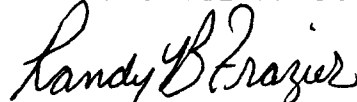
If either the Drinkard, or the Wantz Granite Wash were shut in, the Elliott B-12-2 #3 well would approach its economic limit. Once this application has been approved, Sohio intends to continue producing the well as is until the need for artificial lift is justified. At that time, the well would be evaluated and, if feasible, a workover would be performed consistent with the artificial lift design chosen to best produce the well fluids. If this application is not approved, Sohio will consider the feasibility of producing only one zone in the well if the NMOCD approves of this; or, to recompleate the well into another zone up hole (if another zone is available); or, to dispose of the lease; or, to plug and abandon the well.

Offset operators are being notified of the intent to commingle production in this well.

Please contact Gary R. B. Campbell (713) 552-8941 if further information is required.

Sincerely,

STANDARD OIL PRODUCTION COMPANY



Randy B. Frazier, Supervisor
Production Engineering West

RBF/GRBC/efh
Attachments

cc: New Mexico Oil Conservation Division
District I Office, P. O. Box 1980
Hobbs, New Mexico 88240

ATTACHMENT 1

DOWNHOLE COMMINGLING APPLICATION ELLIOTT B-12-2 #3 DRINKARD & GRANITE WASH E-12-22S-37E, LEA COUNTY, NEW MEXICO

The Drinkard and Wantz Granite Wash formations in the Elliott B-12-2 Well No. 3 satisfy the requirements necessary for downhole commingling as follows:

1. The total combined daily oil production from the oil zones before commingling does not exceed 40 BOPD. The bottom perforation in the Drinkard formation is at 6834'. Currently, the Drinkard produces approximately 2 BOPD and 35 MCFD; and the Wantz Granite Wash (bottom perf @ 7260') currently produces approximately 2 BOPD and 10 MCFD.
2. Oil zones require artificial lift, or both zones are capable of flowing. Both zones are currently flowing independently and are expected to continue to flow after commingling.
3. Neither zone produces more than 40 BWPD. Recent tests in the two pools resulted in the following (see Exhibit VII a & b):

	BOPD	BWPD	MCFPD	TEST DATA
Drinkard	3	1	35	3/24/88
Wantz Granite Wash	3	0	10	3/26/88

4. The fluids from each zone are compatible with the fluids from the other, and combining the fluids will not result in the formation of precipitates which damage either reservoir. Fluids are considered compatible on the basis of offset commingled wells operated by Sohio.
5. The total value of the crude will not be reduced by commingling. Discussed in Attachment 2, section h.
6. Ownership of the zones to be commingled is common (including working interest, royalty and overriding royalty). Ownership is common. Oil will be prorated based on cumulative production and current tests. All parties will benefit from the commingling of production through extended economic life of well production.

<u>Company</u>	<u>Drinkard</u>	<u>Pool</u>	<u>Granite Wash</u>
Sohio Petroleum Company	.66667		.66667
Donaldson Brown Trust	.33333		.33333
	<u>1.00000</u>		<u>1.00000</u>

7. The commingling will not jeopardize the efficiency of present or future secondary recovery operations in either of the zones to be commingled. No current plans for secondary recovery in the immediate area.
8. The commingling is necessary to permit a zone or zones to be produced which would not otherwise be economically producible. Both zones individually are currently just above their economic limit. Major mechanical problems, as we anticipate having by trying to pull the packers in the well, will probably cause the well to be TA'd.
9. There will be no crossflow between zones to be commingled. Once the two zones are commingled, the producing bottomhole pressure will be less than the bottom pressure of either zones alone. Because the pressures are so close (less than 3%), no crossflow is expected.
10. The bottomhole pressure of the lower pressure zone is not less than 50% of the bottomhole pressure of the higher pressure zone adjusted to a common datum. See Attachment No. 3.

ATTACHMENT 2

DOWNHOLE COMMINGLING APPLICATION
ELLIOTT B-12-2 #3 DRINKARD & GRANITE WASH
E-12-22S-37E, LEA COUNTY, NEW MEXICO

To obtain approval for downhole commingling, we have enclosed the following data pursuant to Rule 303(e)(2)(a thru j).

a. Operator, Name and Address:

SOHIO Petroleum Company
5151 San Felipe
Houston, Texas 77210

b. Lease Name: Elliott B-12-2
Well Number: 3
Well Location: 2310' FNL & 660' FWL,
Sec 12, T22S, R37E
Lea County, New Mexico
Pools to be Commingled: Drinkard 6254-6834
Granite Wash 7123-7260

c. Plat of area: See Exhibit I a & b

d. Current tests: See Exhibit II (Drinkard) & Leakage tests (Granite Wash) Packer

e. Production Decline curves: See Exhibit III (Drinkard) & Exhibit IV (Granite Wash)

f. Est. B.H. Pressures: See Attachment No. 3

<u>Pool</u>	<u>Surface Pressure</u> <u>psig</u>	<u>Depth</u> <u>(mid-perf)</u>	<u>Gradient</u> <u>gas</u>	<u>Est BH Pressure</u> <u>(psig)</u>
Drinkard	560	6544	.065	570
Granite Wash	580	7191	.065	585

g. Fluid Characteristics

Offset wells operated by Sohio with commingled production from the Drinkard and Wantz Granite Wash have not shown any fluid compatability problems.

Attachment 2 continued

h. Computation of fluid values: (Based on March 1988 Actual Production)

Pool	Oil API	Production BOPM	MC FM	Fluid \$/BO	Price \$/MCF	VALUE (GROSS) \$/MO
Drinkard	39	70	1031	14.50	1.07	2118.17
Granite Wash	40	70	302	14.50	1.07	1338.14
				Total		3456.31
Combined	30.4	140		14.50	1.07	3456.31

Other considerations for value:

i. Allocation of production shall be based on historical production, including a value for cumulative production, as well as current daily average production.

	Cumulative Production			Current Production			Proration			
	MB	Oil	%	MM	Gas	%	Oil	%	Gas	%
Drinkard	29.2		44	886		81	3	60	69	.59
Granite Wash	36.5		56	211		19	2	40	48	.41
Weight Factor*			10%						90%	

* Weight factor is arbitrary, based on anticipated ultimate recovery, along with a determination on each well's producing capability, net porosity and net feet of pay.

j. Statement of Notification of Offset Operators:

See Attachment No. 4.

ATTACHMENT 3

DOWNHOLE COMMINGLING APPLICATION
ELLIOTT B-12-2 #3 DRINKARD & GRANITE WASH
E-12-22S-37E, LEA COUNTY, NEW MEXICO

Calculations of Static Bottom Pressure
At Common Datum

Common Datum: Granite Wash - mid perf of 7191'.

Granite Wash: From surface pressure & (PR) @ 7191' = 580 psi +
(7191 x .065) = 1047 psi

Drinkard: From surface pressure survey (PR) @ 6544' = 560
psi + (6544' x .065) = 985 psi

HPG (from 6544' to 7191') = .065 psi/ft (assumed from producing
characteristics of well)

(PR) = Drinkard reservoir pressure @ common datum of 7191'
 $560 + (7191' \times .065) = 1027$

$[(PR)Drinkard / (PR)Granite Wash] \times 100 = 1027 / 1047 \times 100 = 98.1\%$

Conclusion: The bottom hole pressures based on surface pressure and
a common gas gradient are within 3% at a common datum.

ATTACHMENT 4

OFFSET OPERATORS NOTIFICATION
DOWNHOLE COMMINGLING APPLICATION
ELLIOTT B-12-2 #3 DRINKARD & GRANITE WASH
E-12-22S-37E, LEA COUNTY, NEW MEXICO

Offset Operators:

Arco Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702

Chevron U.S.A., Inc.
P. O. Box 1660
Midland, Texas 79702

Exxon Company, U.S.A.
P. O. Box 1600
Midland, Texas 79702

John H. Hendrix Corp.
525 Midland Tower
Midland, Texas 79701


Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Mobil Producing Texas & New Mexico, Inc.
Nine Greenway Plaza, Suite 2700
Houston, Texas 77046

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

Grace Petroleum corp.
10700 N. Freeway
Houston, Texas 77037

Standard Oil Production Company hereby certifies that it has notified the above operators of our intention to commingle the Drinkard and Wantz Granite Wash in the Elliott B-12-2 #3 by certified mail.


R. B. Frazier _____ date _____

July 5, 1988

[Offset Operators]

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

If you have no objections to the proposed commingling, please sign below and forward the original to the NMOCD in Santa Fe, send one copy to the NMOCD office in Hobbs, return one copy to this office and retain one copy for your records. Stamped, addressed envelopes have been provided for your convenience.

Sincerely,

STANDARD OIL PRODUCTION COMPANY

Randy B Frazier
Randy B. Frazier, Supervisor
Production Engineering West

Approval

Company: _____

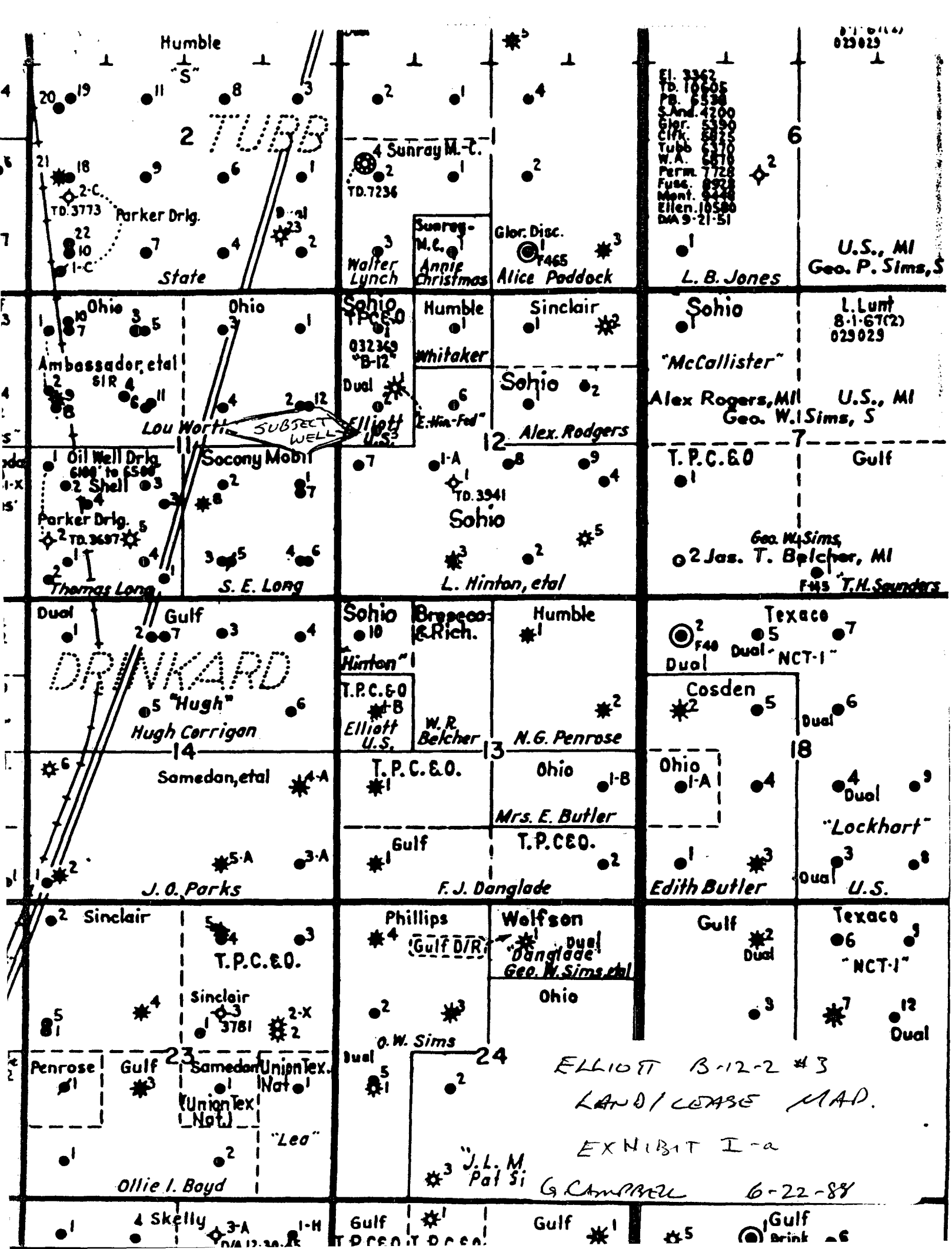
By: _____

Title: _____

Date: _____

RBF:GRBC/efh

Enclosures



023029

El. 3362
Td. 10605
P.B. 5338
S. And. 4200
Glor. 5390
C.R. 5825
Tubb 6310
W.A. 6810
Perm. 7728
Fuss. 8928
Mont. 9448
Ellen. 10580
D.A. 9-21-51

U.S., MI
Geo. P. Sims, S

L. B. Jones

L. Lunt
8-1-67(2)
023029

Sohio
"McCallister"
Alex Rogers, MI
Geo. W. Sims, S
U.S., MI

T.P.C. & O

Gulf

Geo. W. Sims
2 Jas. T. Belcher, MI
F.H.S. T.H. Saunders

Texaco
Dual
Dual "NCT-1"

Cosden

Ohio
Dual
"Lockhart"
U.S.

Gulf
Dual
Texaco
"NCT-1"

ELLIOTT B-12-2 #3
LAND/LEASE MAP.
EXHIBIT I-a
G. Campbell
6-22-88

J.L.M. Pat Si

Ollie I. Boyd

4 Skelly

Gulf

Gulf

Gulf
Brink

2 TUBB

Sunray

Sunray

Humble

A. Paddock

L.B. Jones

State

Ohio

W. Lynch

A. Christmas

Sinclair

Schlo. 6667-5 Brown Tr. 31667

Alex. Rodgers, et al
T.P.C. & O.

Lou Wortham

SUBSET
WELL

Alex. Rodgers

J.T. Belcher,

Gulf

S.E. Long

J.R. Hinton, et al

Humble

ELLIOTT B-12-2 #3

WORKING INTEREST
OWNER MAP.

G. CAMPBELL 6-28-88

EXHIBIT I - b

"Hugh"
H. Corrigan

Samedan, et al

T.P.C. & O.

N.G. Penrose

Ohio

Mrs. E. Butler

T.P.C. & O.

Gulf

5-A

3-A

1-B

2

S.U.

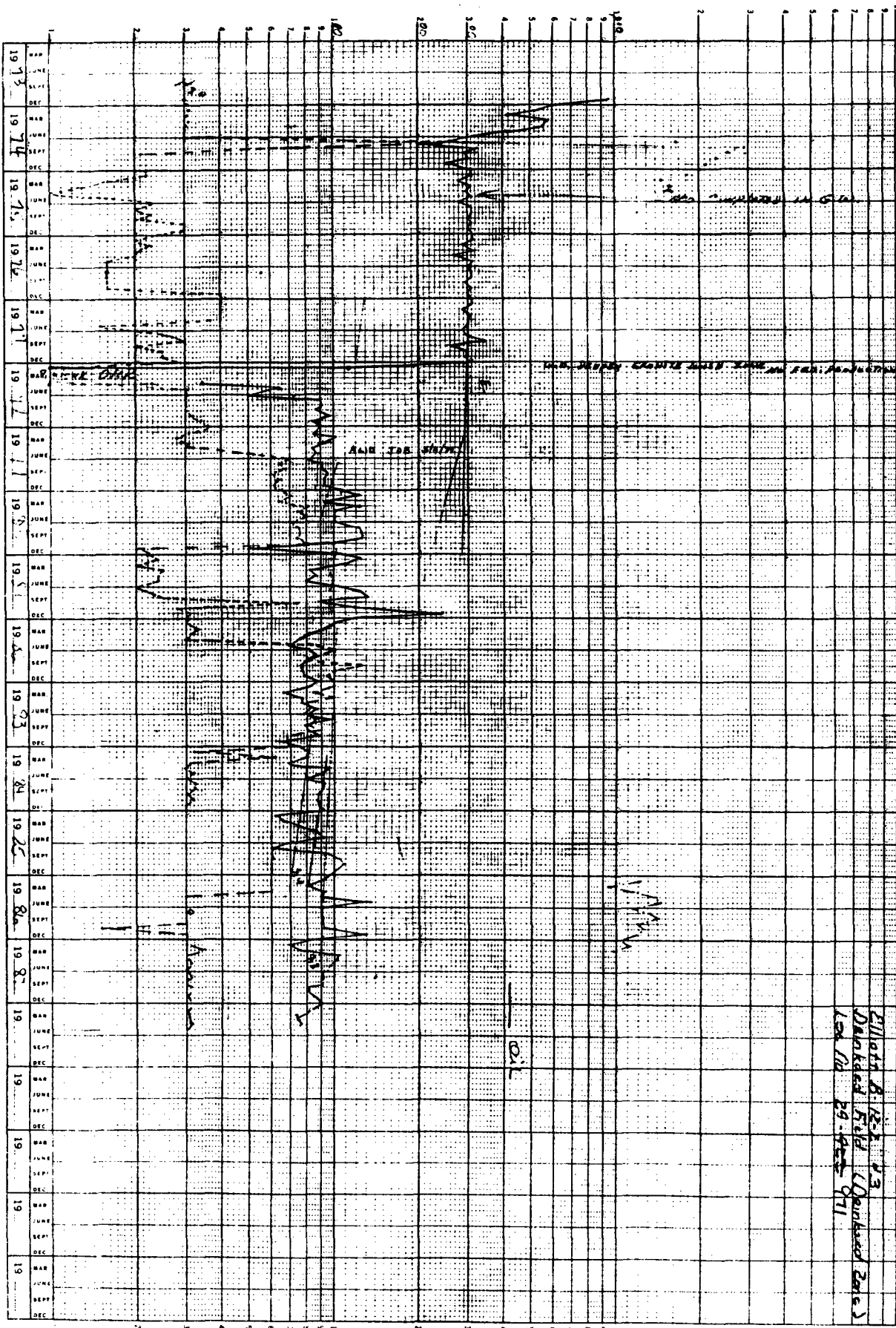
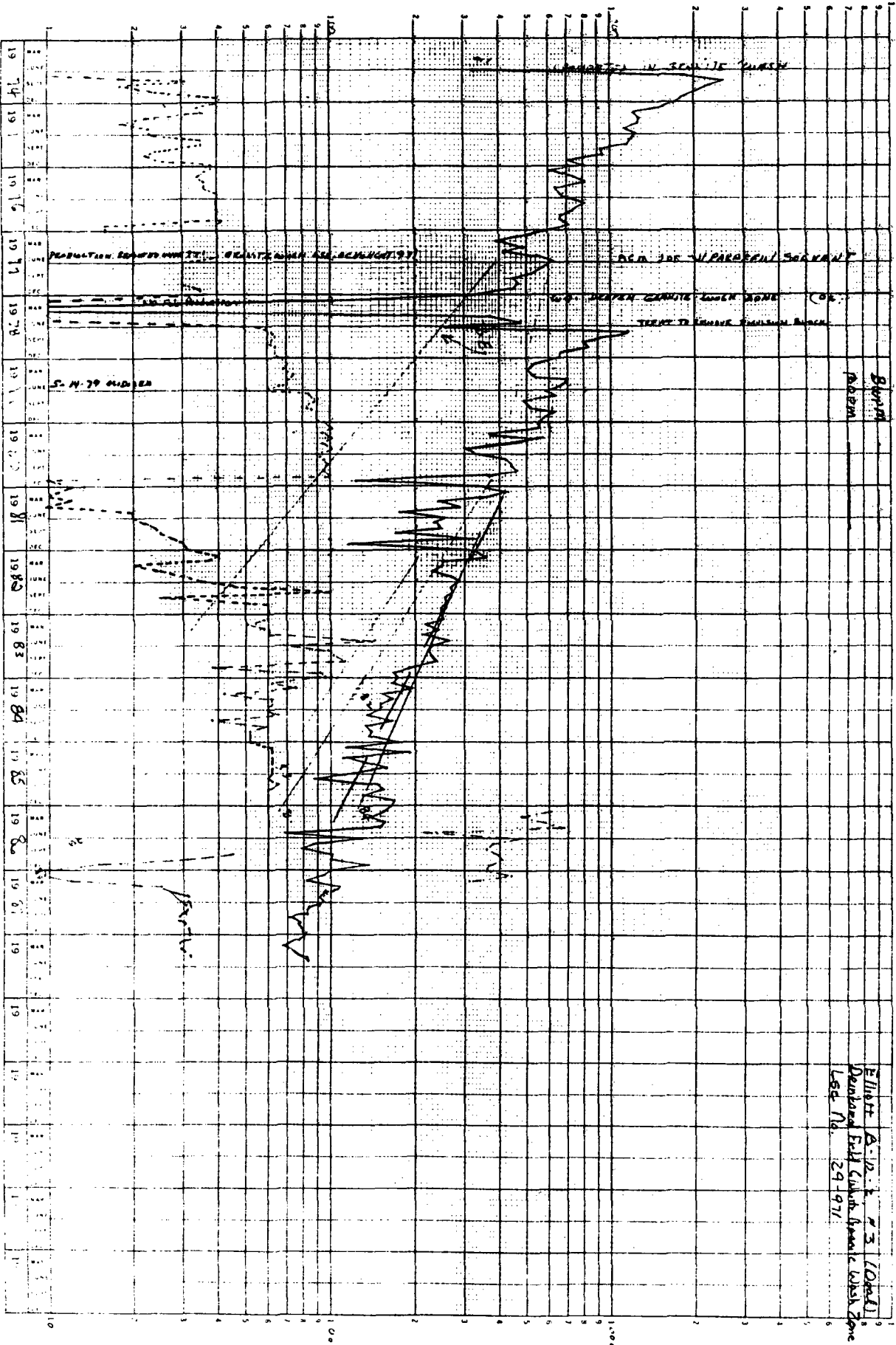


EXHIBIT III

ELK107T B-12-2 #3
 DRINKARD

Elk107 B-12-2 #3
 Drilled Field (Dunked Zone)
 Log No. 29-422 871



EXH. B. 7 IV

ELLIOTT B-12-2 #3

GRANITE WASH.

Elliott B-12-2 #3 (Ore)
 Denbigh Field Granite Wash Zone
 Log No. 29971

Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500

May 4, 1988

**STANDARD OIL
PRODUCTION**

State of New Mexico
Department of Energy
Oil Conservation Commission
Attention: Ms. Evelyn Downs
1000 West Broadway
P. O. Box 1980
Hobbs, New Mexico 88240

RE: PACKER LEAKAGE TEST, ELLIOTT B-12-2 #3
E-12-T22S-R37E LEA COUNTY, NEW MEXICO

Dear Ms. Downs:

This memo documents and follows upon our verbal request for a 90 day extension to the Southeast New Mexico Packer Leakage test for well Elliott B-12-2 #3.

Attached is a copy of the test information performed by Jarrel Wireline which indicates a leak between the Granite Wash and the Drinkard zones requiring some remedial work before we could pass the test successfully.

Attached for your information is the following: 1) Wellbore schedmatic; 2) Jarrel pressure charts indicating leakage.

A workover AFE is being prepared and will be sent to partners for approval in early May, 1988. We expect to be able to move on the well during June, but request 90 days to help ensure partner approvals and sufficient time to complete the field work.

Thank you for your assistance.

Sincerely,


STANDARD OIL PRODUCTION COMPANY


J. D. Starbrough

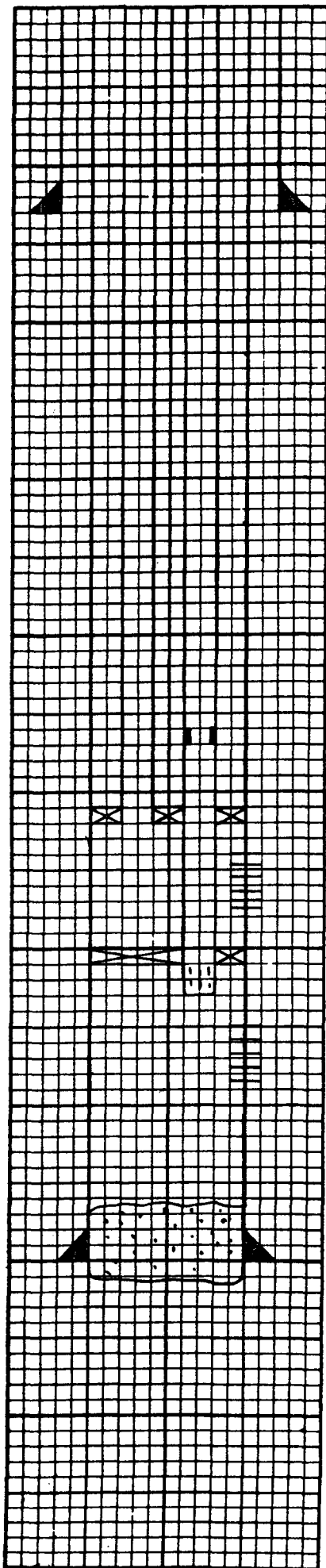
West Area Production Superintendent

JDS:GRBC/efh
0121A.14

Attachments

cc:  R. B. Frazier
G. R. B. Campbell
D. P. McCelvey

Standard Oil Production Company is a
unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.



STANDARD OIL PRODUCTION COMPANY

Lease: Elliott B-12-2 Lease No.: 29-92
Well No.: 3 (Dual)
Location: 2310' FNL & 660' FWL, Sec 12, T22S, R3
Field: Drinkard
County: Lea
State: New Mexico

API No.: RRC No.:
WI NRI RRC Dist.:

Spud'd: 08-25-73 TD'd: 09-18-73 Comp: 09-21-73

Elevation: KB 3354' GL 3343'

TD: 7658' PBD: 7304'

Surface Equipment:

Casing Data

Hole	Csg	Gr.	Wt	Depth	#Sx	TOC
11	8 5/8		23#	1282	430	Surf
7 7/8	5 1/2	J55	15.5 & 17#	7343'	675	3319'

Tubing Data

Size	Gr.	Wt.	Depth	#Jts	Comments
2 1/6"	J55	3.25	7061'	216	*
2 1/16"	J55	3.25	6192'	191	**

Downhole Equipment (pkrs, tbgs, anchors, CIBP's, etc)

Type	Size	Depth	Comments
Long String	2 1/16"	5990'	ID= 1.53"
SN			
Baker K Pkr	5 1/2"	6189'	ID= 1.53"
Baker D Pkr	5 1/2"	7054'	
Perf Sub	2 1/16"	7061'	

Perforations

6254-6834'
7123-7260'

Formation

Drinkard
Granite Wash

Stimulation (Data)

Comments: *Btm 32 jts are int. plastic coated
**Btm 94 jts are int. plastic coated
Csg Repair 11-12-81

Prepared By: L. W. Sutton Date 2-12-86

This form is not to be used for reporting packer leakage tests in Northwest New Mexico

SOUTHEAST NEW MEXICO PACKER LEAKAGE TEST

Operator Standard Oil Production Company			Lease Elliott B-12-2			Well No. 3	
Location of Well	Unit E	Sec 12	Twp 22s	Rge 37e	County Lea		
Name of Reservoir or Pool			Type of Prod (Oil or Gas)	Method of Prod Flow, Art. Lift	Prod. Medium (Tbg. or Csg.)	Choke Size	
Upper Compl	Drinkard		Oil	Flow	Tbg.	8/64"	
Lower Compl	Granit Wash		Oil	Flow	Tbg.	4/64"	

FLOW TEST NO. 1

Both zones shut-in at (hour, date): 8:00 AM (4/11/88)

Well opened at (hour, date): 8:00 AM (4/12/88)

	Upper Completion	Lower Completion
Indicate by (X) the zone producing.....	X	
Pressure at beginning of test.....	560	200
Stabilized? (Yes or No).....	Yes	No
Maximum pressure during test.....	560	480
Minimum pressure during test.....	60	200
Pressure at conclusion of test.....	60	480
Pressure change during test (Maximum minus Minimum).....	500	280
Was pressure change an increase or a decrease?.....	Decrease	Increase
Well closed at (hour, date): 8:00 AM (4/13/88)	Total Time On Production 24.0 hours	
Oil Production During Test: 3.0 bbls; Grav. 39	Gas Production During Test: 69.0 MCF; GOR 23000	

Remarks

FLOW TEST NO. 2

Well opened at (hour, date): 8:00 AM (4/14/88)

	Upper Completion	Lower Completion
Indicate by (X) the zone producing.....		X
Pressure at beginning of test.....	560	580
Stabilized? (Yes or No).....	Yes	Yes
Maximum pressure during test.....	560	580
Minimum pressure during test.....	460	60
Pressure at conclusion of test.....	480	190
Pressure change during test (Maximum minus Minimum).....	100	520
Was pressure change an increase or a decrease?.....	Decrease	Decrease
Well closed at (hour, date): 8:00 AM (4/15/88)	Total time on Production 24.0 hours	
Oil Production During Test: 2.0 bbls; Grav. 40	Gas Production During Test: 48.0 MCF; GOR 24000	

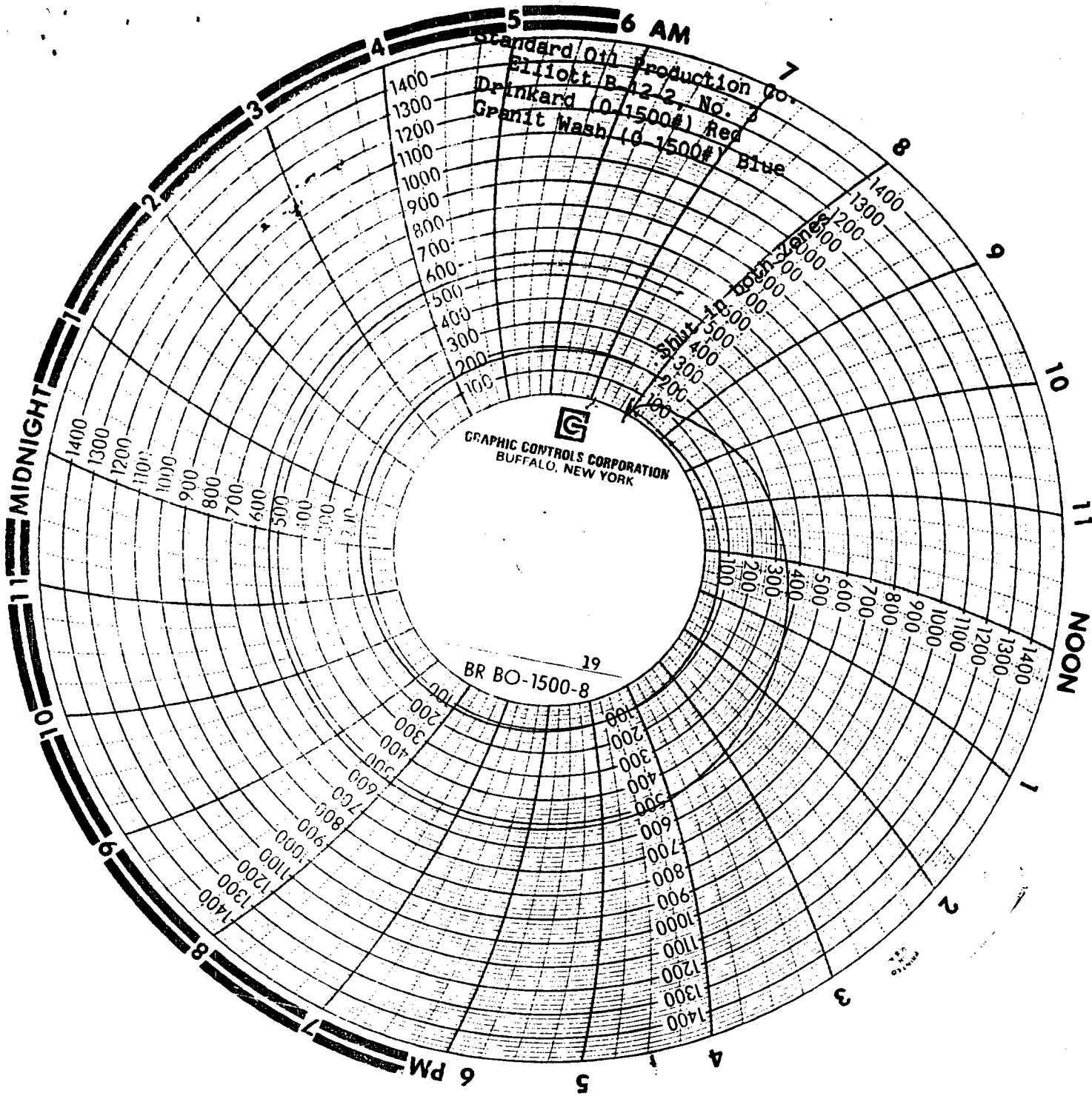
REMARKS:

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

Approved: _____ 19 _____
Oil Conservation Division

Operator _____ Standard Oil Production Company
By _____ Jarrel Services, Inc.
Title _____ Agent

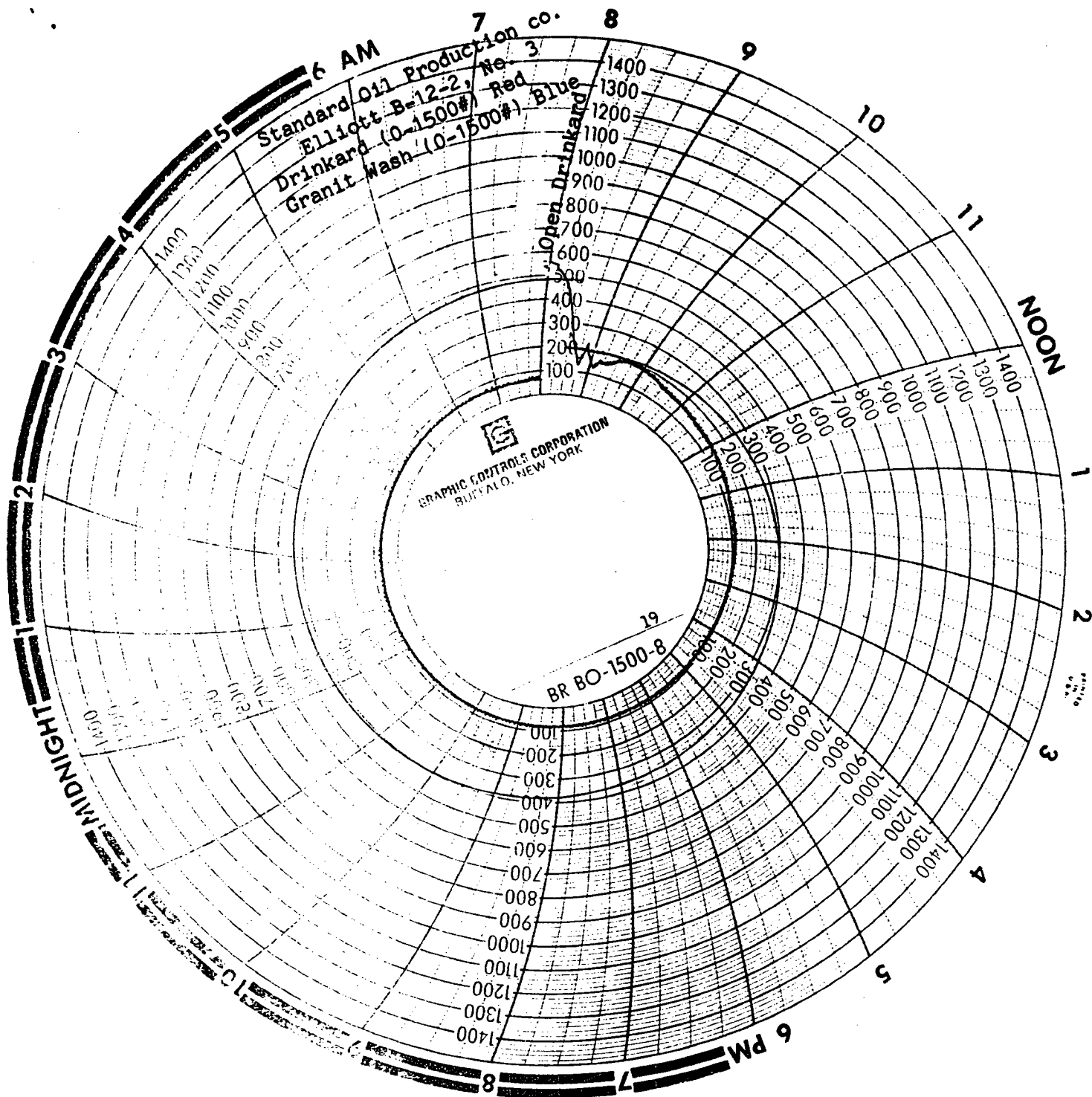
April 25, 1988

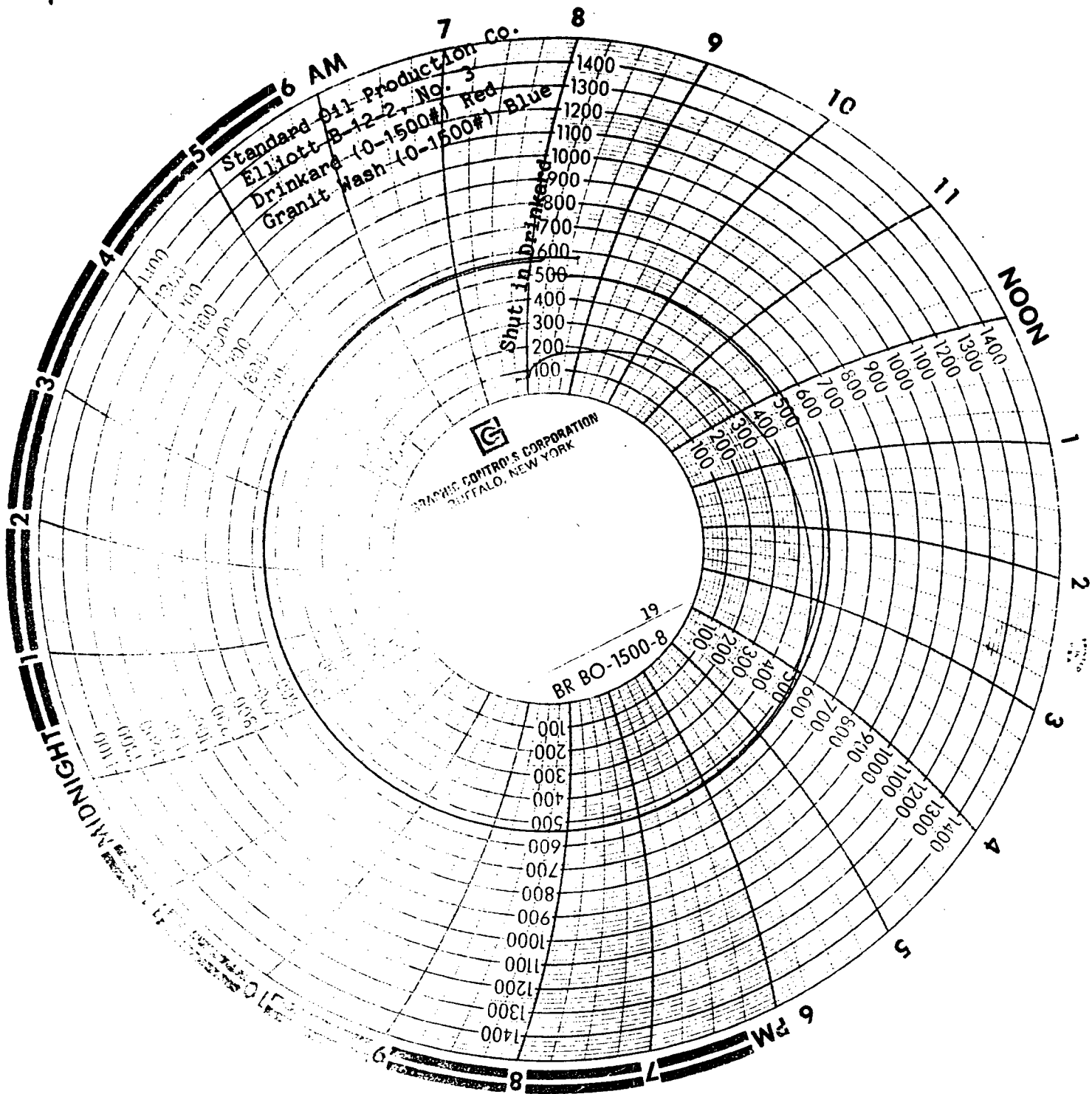


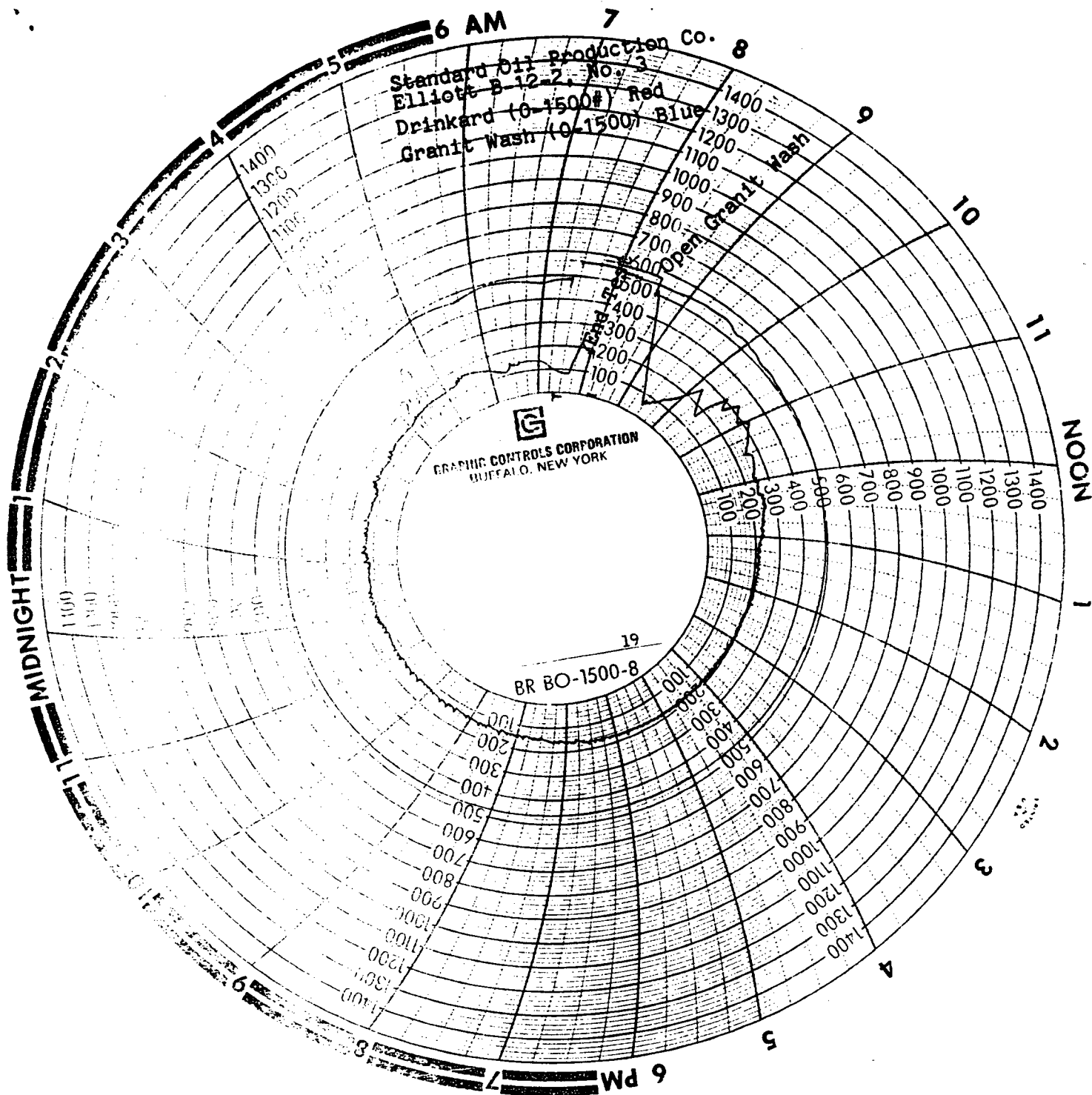
Standard Oil Production Co.
Elliott B. 12/2 No. 2
Drinkard (0.1500#) Red
Granit Wash (0.1500#) Blue

BR BO-1500-8

PRINTED
U.S.A.







Idea

From

CAS
RA
CU.F.

6429

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 331 and appropriate pool rules.

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

West Area Production Sup't.

Operator

Pool

County

Standard Oil Production Company

Drinkard/Wantz Granite Wash

Lea

Lea

P. O. Box 4587, Houston, Texas 77210

TYPE OF TEST - (X)

Scheduled ☐Completion ☐Spont ☒

LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	Number of test runs	PROD. DURING TEST				GAS M.C.F.
		U	S	T	R						WATER BBL.	GRAV. OIL BBL.	GAS M.C.F.	C.U.F.	
Hinton 14	8	J	12	22s	37e	3/24/88	P			24	3	39.8	13	45	346.
278 - Drinkard - 738 - Wantz Granite Wash - 1008	4 9 13														

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 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 allowable 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 0.68.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Well original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 331 and appropriate pool rules.

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

[Signature]
(Signature)
West Area Production Sup't.

4/7/88

(Tide)

LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	TYPE OF TEST - (X)	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	Test of new	PROD. DURING TEST			GAS - M.C.F.	GAS - M.C.F.
		U	S	T							WATER BLS.	GRAV. OIL BLS.	OIL BLS.		
Elliott B-12-2	3	E	12	22s	37e	F	32/64	110		24	1	38.7	3	38	1266
Hinton	11	F	12	22s	37e	F	38/64	68		24	0	36.8	1	62	6200
Hinton	12	K	12	22s	37e	P	--	--		24	3	36.8	8	94	1175
Penrose	4	E	9	22s	37e	F	24/64	120		24	0	38.4	6	160	2666
Rogers	2	H	12	22s	37e	F	28/64	38		24	58	34.8	3	75	2500
Walden A	3	F	15	22s	37e	P	--	--		24	4	34.8	8	58	725
Walden A	5	E	15	22s	37e	P	--	--		24	3	34.8	4	124	3100

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 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 allowable 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 331 and appropriate pool rules.

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

Jack D. ...
 (Signature)
 West Area Production Sup't.
 4/7/88
 (Date)

GAS-OIL RATIO TESTS

EXHIBIT VII b

Revised 1-78

Operator

Standard Oil Production Company

Well

Waltz Granite Wash

County

Lea

P. O. Box 4587, Houston, Texas 77210

TYPE OF TEST - (X)

Scheduled ☒

Completion ☐

Spent ☐

LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	TBO. PRESS.	DAILY ALLOW. ABLE	Ratio of test runs	PROD. DURING TEST				GAS. RA CU.F.
		U	S	T	R						WATER SGLS.	GRAV. OIL	OIL SGLS.	GAS M.C.F.	
Elliott B-12-2	3	E	12	22S	37e	3/26/88	42/64	48		24	0	39.8	3	11	3667

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 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 allowable when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 14.733 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.

Well original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 331 and appropriate pool rules.

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

David J. [Signature]
(Signature)
West Area Production Sup't.

4/7/RR

(Title)

CERTIFIED MAIL, RETURN RECEIPT

Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500



July 5, 1988

Grace Petroleum corp.
10700 N. Freeway
Houston, Texas 77037

RECEIVED

JUL 19 1988

HOUSTON
DISTRICT

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

If you have no objections to the proposed commingling, please sign below and forward the original to the NMOCD in Santa Fe, send one copy to the NMOCD office in Hobbs, return one copy to this office and retain one copy for your records. Stamped, addressed envelopes have been provided for your convenience.

Sincerely,

STANDARD OIL PRODUCTION COMPANY

A handwritten signature in cursive script that reads "Randy B. Frazier".

Randy B. Frazier, Supervisor
Production Engineering West

Approval

Company: Grace Petroleum

By: Dan Scott

Title: Dist Reservoir Engineer

Date: 7/22/88

RBF:GRBC/efh

Enclosures

A unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.

CERTIFIED MAIL, RETURN RECEIPT

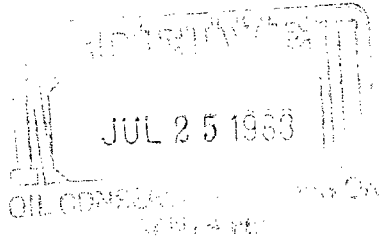
Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500

JOHN H. HENDRIX CORPORATION

JUL 20 1988

RECEIVED

July 5, 1988



STANDARD OIL
PRODUCTION

John H. Hendrix Corp.
525 Midland Tower
Midland, Texas 79701

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

Gentlemen:

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Sincerely,

STANDARD OIL PRODUCTION COMPANY

Randy B Frazier

Randy B. Frazier, Supervisor
Production Engineering West

Approval

Company: John H. Hendrix Corp

By: Randy H. Wantz

Title: V. Pres.

Date: 7/20/88

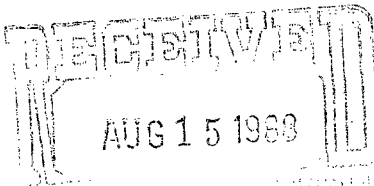
RBF:GRBC/efh

Enclosures

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founded in Cleveland, Ohio, in 1870.

CERTIFIED MAIL, RETURN RECEIPT

Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500



July 5, 1988

STANDARD OIL
PRODUCTION

Arco Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
→ Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

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Sincerely,

STANDARD OIL PRODUCTION COMPANY

Randy B. Frazier

Randy B. Frazier, Supervisor
Production Engineering West

Approval **ARCO Oil and Gas Company**
Company: **Division of Atlantic Richfield Co.**

By: *[Signature]*
Title: Joint Interest Coordinator
Date: 8/10/88

RECEIVED
JUL 20 1988

JOINT INTEREST
OPERATIONS

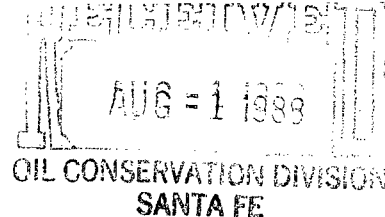
RBF:GRBC/efh

A unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.

Enclosures

CERTIFIED MAIL, RETURN RECEIPT

Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500



July 5, 1988

**STANDARD OIL
PRODUCTION**

Mobil Producing Texas & New Mexico, Inc.
Nine Greenway Plaza, Suite 2700
Houston, Texas 77046

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

RECEIVED	
MEPUS-MIDLAND	
JOINT INTEREST	
JUL 25 '88	
CSS	
RED	
APR	
SH	
CR	
LWB	
PS	
PLP	
YCS	

Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

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Sincerely,

STANDARD OIL PRODUCTION COMPANY

Randy B. Frazier

Randy B. Frazier, Supervisor
Production Engineering West

Approval

Company:

By: *ME Summary*

Title: Environmental & Regulatory Manager

Date: 7/28/88

Mobil Exploration & Producing U.S. Inc.
as Agent for
RBF:GRBC/efh Mobil Producing Texas & New Mexico Inc.

Enclosures

A unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.

RECEIVED

JUL 26 1988

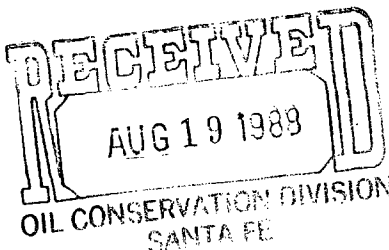
ENV. & REG.

CERTIFIED MAIL, RETURN RECEIPT

Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500

OCD
Santa Fe, NM

July 5, 1988



STANDARD OIL
PRODUCTION

Chevron U.S.A., Inc.
P. O. Box 1660
Midland, Texas 79702

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

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Sincerely,

STANDARD OIL PRODUCTION COMPANY

A handwritten signature in cursive script that reads "Randy B. Frazier".

Randy B. Frazier, Supervisor
Production Engineering West

Approval

Company: Chevron U.S.A. Inc.

By: Alan W. Bohling

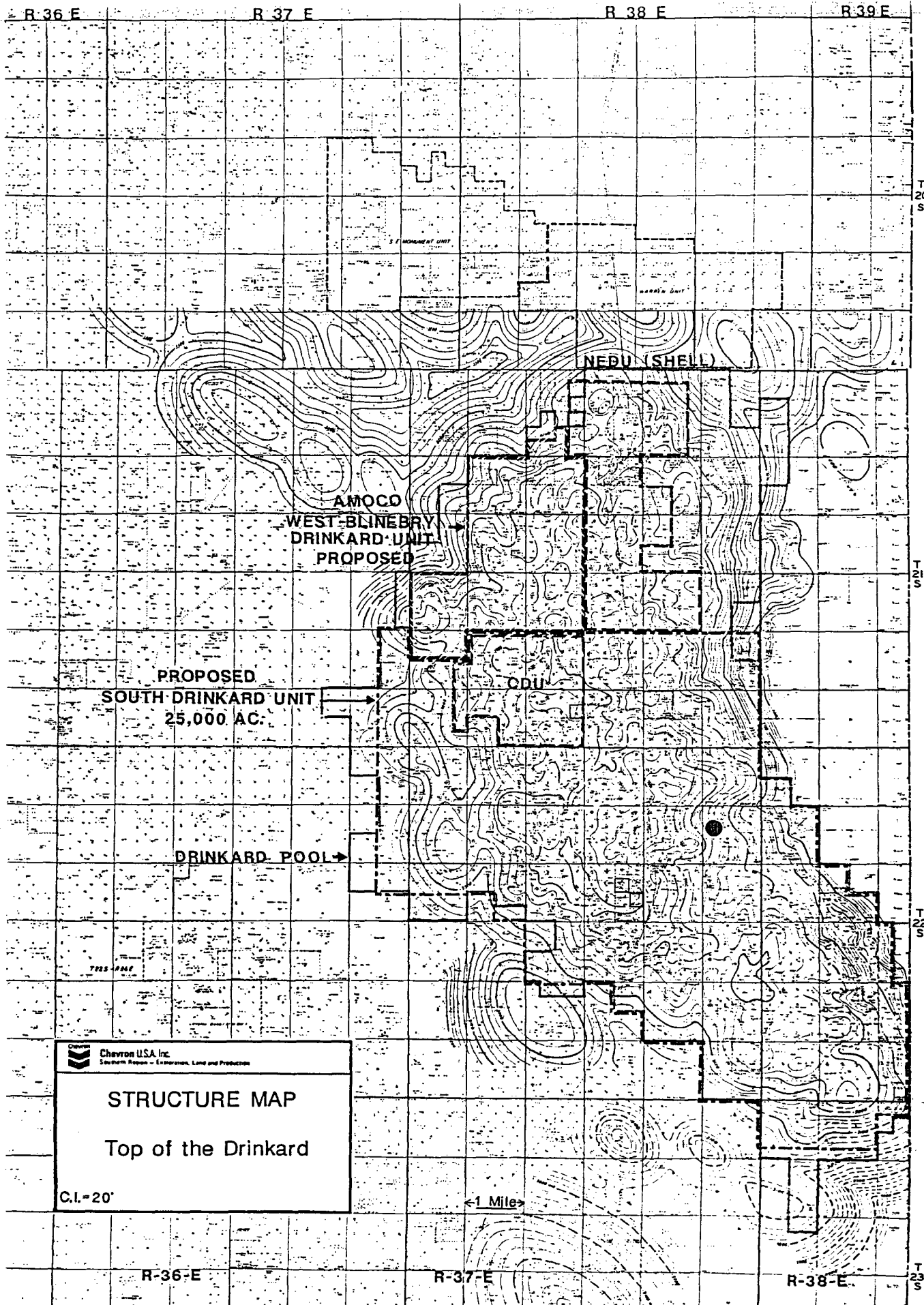
Title: Division Production Engineer

Date: August 15, 1988

RBF:GRBC/efh

Enclosures

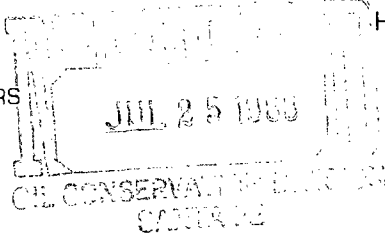
A unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.





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

GARREY CARRUTHERS
GOVERNOR



7-21-88

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 ☒ _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Sokis Pet. Co. Elliott B-12-2 #3-E 12-22-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK J S

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed