

ENSERCH
EXPLORATION INC

OIL CONSERVATION DIVISION
RECEIVED

JUL 27 1995 6 52

ClayDesta Center
6 Desta Drive, Suite 5250
Midland, Texas 79705-5510
Phone: 915-682-9756
Fax #: 915-687-4109

Brian Sherran
District Production Manager
West Texas/Rocky Mountain District
Production & Engineering Division

Mark Burkett
District Petroleum Engineer

Sammy Reed
Production Superintendent

July 24, 1995

Mr. David Catanach
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

11363

RE: Request to Amend Order
DHC-755: Lambirth No. 3
South Peterson Field
Lea County, NM

Roosevelt

Mr. Catanach:

It is requested that Division Order DHC-755 which permitted downhole commingling of Pennsylvanian and Fusselman be amended to allow combined water production of 300 BWPD. On July 10, 1995 Enserch Exploration received a notice regarding over-production of water as per Division Order DHC-755 obtained in February 1990 which restricted combined water production to 100 BWPD. As of June 28, 1995 the well has been shut-in with parted rods pending consideration of this request and was last producing at a rate of 19 BOPD and 164 BWPD.

A dynamometer and fluid level measured in May 1995, prior to the well parting, indicated that the well is producing at or near a pumped off condition as the fluid level was at approximately 7392' (459' above SN). Furthermore the EDI pump off controller on the well shows that the well is pumping off after running approximately 18 hours each day.

Based on the attached production plot it can be seen that the well is capable of producing in excess of 200 BWPD and should therefore be allowed continue to produce at its optimum thereby preventing cross-flow. No reservoir damage or waste will result by current production methods, however, if this request for amendment is declined then

Mr. David Catanach
Request for Amendment
Page #2

Enserch will be forced to cut run times by as much as 50%. Cutting the run time of the well will force Enserch to view this well as a 9.5 BOPD well rather than a 19 BOPD for economic purposes when maintenance and replacements are required and will cause an earlier abandonment and thus cause waste.

In the absence of objection it is requested that this case be taken under advisement and be handled administratively. If you need additional information please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael L. Lyon". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael L. Lyon
Petroleum Engineer I

Mll

Attachments

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



JUL 10 1995
Midland Production
New Mexico
DRUG FREE
It's a State of Mind!

July 6, 1995

Ensearch Exploration, Inc.
6 Desta Drive, Suite 5250
Midland, Texas 79705-5510

Attention: Mr. S. D. Reed

Re: Lambirth Well No. 3
Unit G, Section 31, T-5S, R-33E,
Lea County, New Mexico

Rossvault
Dear Mr. Reed:

I have received notice from our Hobbs OCD office that the Lambirth Well No. 3 is producing water in excess of what is allowed under Division Order No. DHC-755. This order authorized the downhole commingling of Pennsylvanian and Fusselman production subject to certain conditions, one of which was that water production was not to exceed 100 barrels per day. If the subject well is producing in excess of this amount, Division Order No. DHC-755 needs to be amended at an Examiner Hearing in Santa Fe.

Please advise me at your earliest convenience as to the status of current production from the subject well in order that we may discuss options to obtain approval for such production.

Sincerely,

David Catanach
David Catanach
Engineer

xc: OCD-Hobbs-Nelda Morgan
File-DHC-755

VILLAGRA BUILDING - 405 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

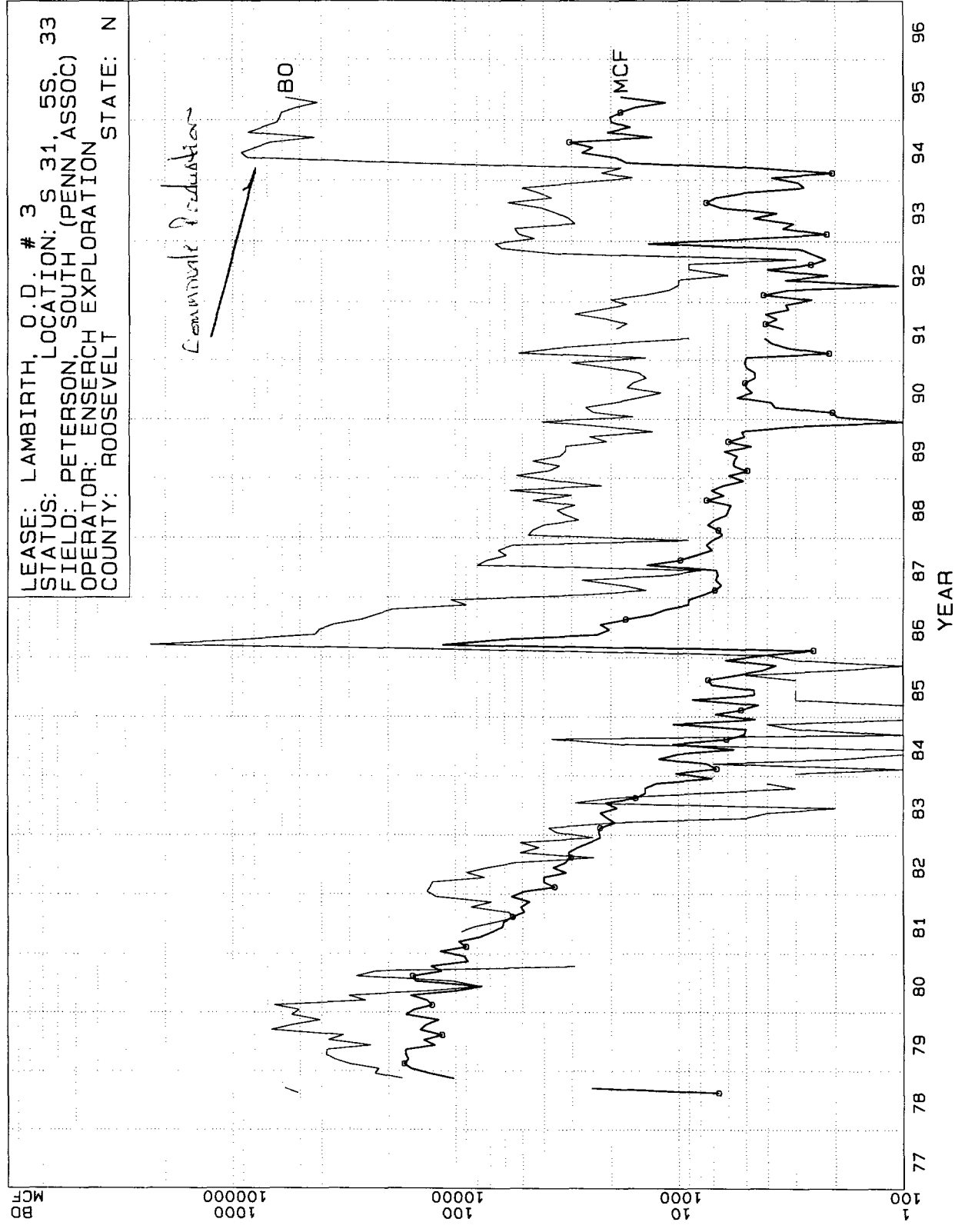
Administrative Services
827-5925

Energy Conservation & Management
827-5900

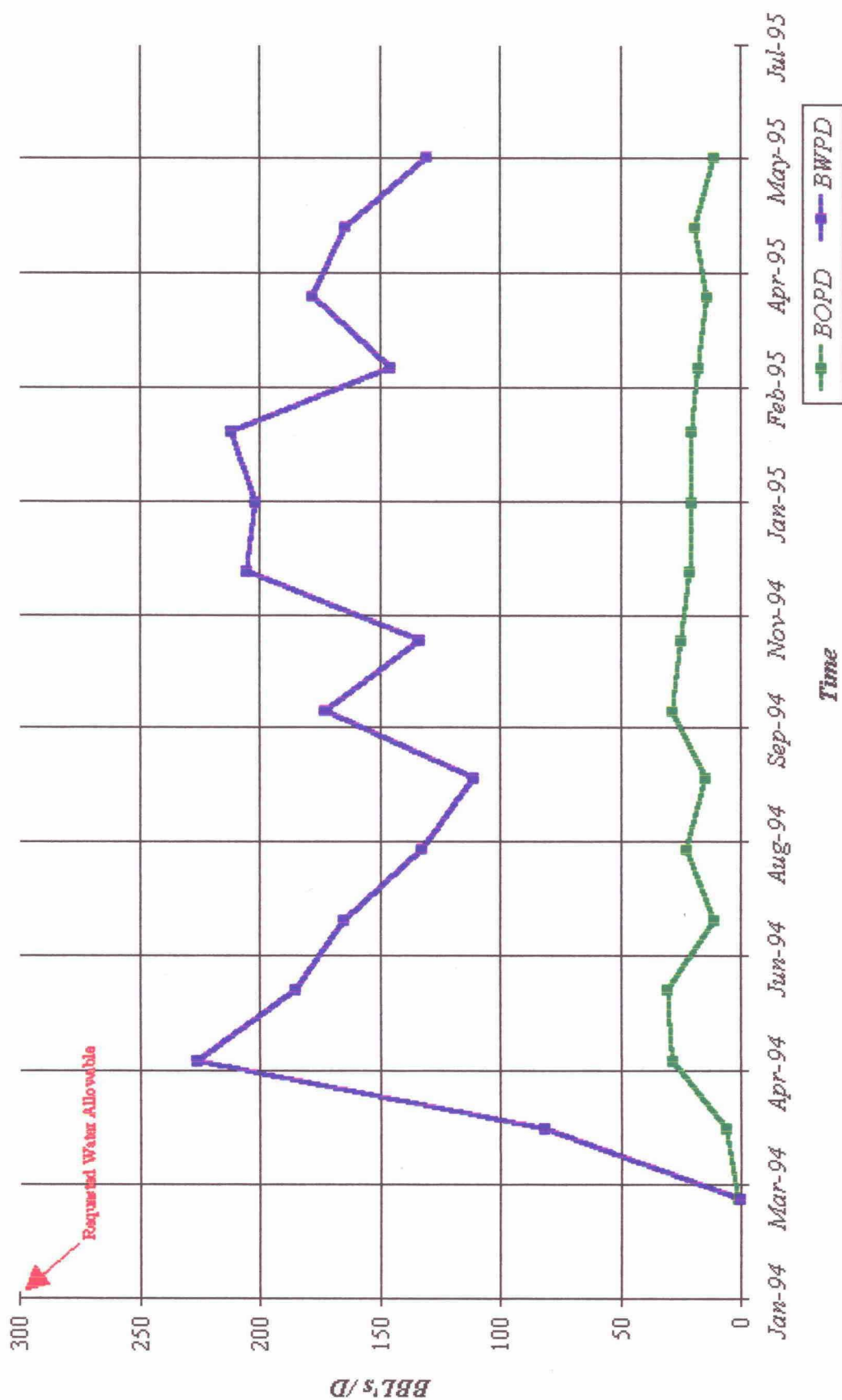
Mining and Minerals
827-5970

Oil Conservation

LEASE: LAMBIRTH, O.D. # 3
STATUS: LOCATION: S 31, 5S, 33
FIELD: PETERSON, SOUTH (PENN ASSOC)
OPERATOR: ENSERCH EXPLORATION
COUNTY: ROOSEVELT STATE: N



ENSERCH EXPLORATION, INC.
LAMBIRTH NO. 3: Average Daily Production



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER DHC-755

EP Operating Company
Clay Desta National Bank Bldg.
Suite 5250
6 Desta Drive
Midland, TX 79705

Attention: William Dane Hendley

Lambirth No. 3
Unit G, Section 31, Township 5 South, Range 33 East, NMPM,
Roosevelt County, New Mexico.
South Peterson Penn and South Peterson Fusselman Pools

Dear Mr. Hendley:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the top unit allowable for the South Peterson Fusselman Pool.

In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

Approval not acted upon until 3/94 by Enserch.

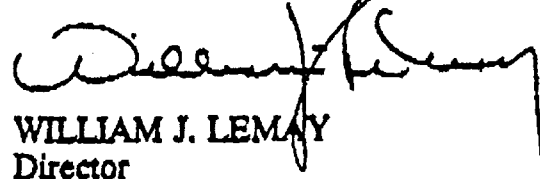
DIVISION ORDER DHC-755

Administrative Order WHC-755
EP Operating Company
February 14, 1990
Page 2

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 14th day of February, 1990.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

SEAL

**ENSERCH
EXPLORATION** INC

ClayDesta National Bank Bldg.
Suite 5250
6 Desta Drive
Midland, Texas 79705
915-682-9756

January 9, 1990

Leonard Kersh
District Production Manager
Dane Hendley
District Petroleum Engineer
George Faigle
District Development Geologist
Sammy Reed
Production Superintendent
West Texas/Rocky Mountain District
Production Division

New Mexico Department of
Energy & Minerals
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

Re: Application for Downhole
Commingling
Enserch Exploration, Inc.
Lambirth No. 3
South Peterson Penn Field
South Peterson Fusselman Field
Roosevelt County, New Mexico

Gentlemen:

Enserch Exploration, Inc., managing general partner of EP Operating Co. requests authority for downhole commingling of production from the Peterson, South (Penn) Field and the Peterson, South (Fusselman) Field in the above referenced well located in Roosevelt County, New Mexico.

In accordance with Rule 303-A of the Oil Conservation Division Rules and Regulations, information necessary upon application of a permit for downhole commingling of two oil zones is hereby submitted.

Sincerely,


Wm. Dane Hendley

TRR:

Attachments

cc: New Mexico Department of
Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

bcc: Mr. B. K. Irani
Mr. Leonard Kersh✓

Managing General Partner of EP Operating Company, a limited partnership
APPLICATION FOR EXCEPTION TO RULE 303A

- a. Operator: EP Operating Company
ClayDesta National Bank Bldg.
Suite 5250
6 Desta Drive
Midland, Texas 79705
- b. Lease Name: Lambirth
Well Number: 3
Well Location: Unit Letter - G
Section 31, T-5-S, R-33-E
1980' FEL, 1980' FNL
Roosevelt County, New Mexico
- Pools to be Commingled: South Peterson Penn Field
South Peterson Fusselman Field

- c. Plat Attached as Exhibit No. 1.
- d. Form C-116 is attached for the South Peterson Penn Field Pool as Exhibit No. 2.

Prior to abandonment, the South Peterson Fusselman Field Pool completion was producing 19 STB of oil and 82 MCF of gas per day.

- e. A production decline curve including both zones is attached as Exhibit No. 3.

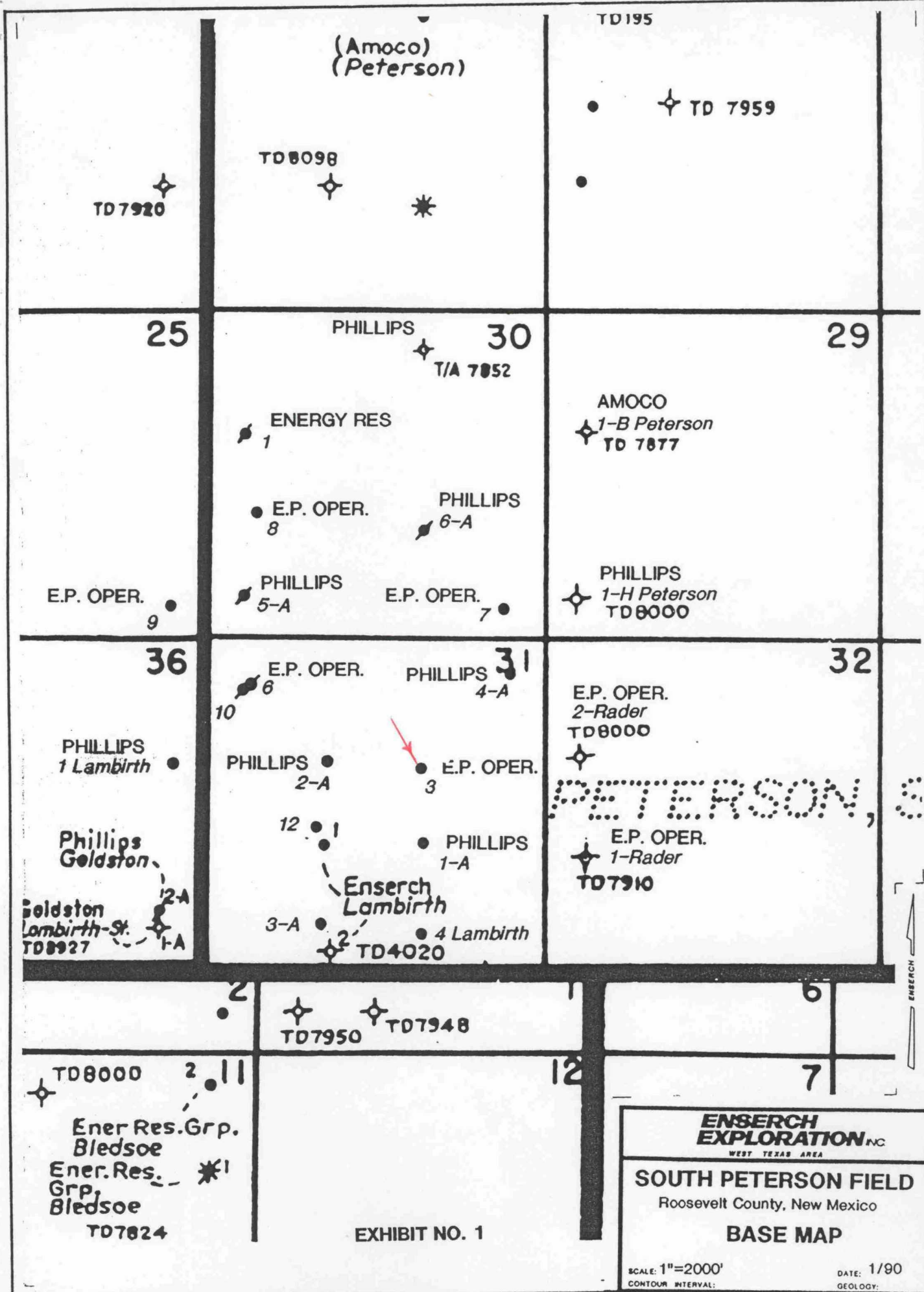
The Lambirth No. 3 was spudded on June 5, 1978, and was drilled to a total depth of 8030 feet. The well was perforated in the lower Fusselman from 7940 feet to 7944 feet. After acidizing, the interval tested wet and was squeezed. Next, the upper Fusselman was perforated from 7840 feet to 7849 feet and acidized. The well was completed as an oil well on July 26, 1978, from the Fusselman Formation. It was placed on pump and potentialed 25 BO, 12 BW and 64 MCFG on July 31, 1978. The well produced for two months for a total of 1,096 BO and 2,107 MCFG. Subsequently, a rework began on October 12, 1978, which plugged the well back at 7800 feet with a cast iron bridge plug and 10 feet of cement was placed on top. The lower Penn zone was perforated from 7702 feet to 7715 feet and treated with 2500 gallons of acid. The well was potentialed on August 20, 1979, for 643 MCFG, 11 BO and a trace of water on a 9/64" choke with 875 psi tubing pressure. The well produced 9,535 BO and 509,911 MCFG before being recompleted in 1986. The current completion in the Penn Formation was performed on February 28, 1986. A retrievable bridge plug was set at 7685 feet to isolate the previous completed interval. The formation was perforated from 7653 feet to 7660 feet and acidized. The well potentialed 606 MCFG, 135 BO and 0 BW on March 5, 1986. In June of 1986, the retrievable bridge plug set between the two intervals was removed. Since June, 1986, the well has accounted for a cumulative production of 6,473 BO and 51,730

MCFG as of July, 1989, from these two zones representing a total accumulation of 16,008 BO and 561,641 MCFG since August, 1979. The well is currently producing 1 BOPD, 18 MCFGPD and 0 BWPD.

- f. Both zones require artificial lift. No recent bottom hole pressure surveys have been performed. However, in June of 1986, the pressure of the South Peterson Penn Pool is estimated to have been 4,050 psi calculated from a 14 hour shut in tubing pressure. The reservoir pressure of the South Peterson Fusselman Pool was 3,600 psi as of July of 1978, estimated from a shut in tubing pressure.
- g. South Peterson Penn Pool - 49.5 API
South Peterson Fusselman Pool - 50.4 API
- h. Estimated production from the Penn zone: 1 BOPD
Estimated production from the Fusselman zone: 19 BOPD
Sum of Individual Streams: 20 BOPD

According to Order No. R-6882 dated February 1, 1982, commingled production from zones with the lowermost pool existing between 7000 feet and 7999 feet may not exceed 50 BOPD.

- i. The Lambirth No. 3 is currently producing at 1 BOPD, 0 BWPD, and 18 MCFGPD from the Penn Formation. Any production over the current production will be allocated to the production from the Fusselman Formation.
- j. The offset operator has been notified and the waiver letter is attached as Exhibit No. 4. The offset mineral owners were also notified. Of the three offset mineral owners, two returned signed waiver letters which have also been included in the attached exhibit.



* EP Operating is now Enserch Exploration

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

EXHIBIT NO. 2

Operator EP Operating Company		Pool Peterson Penn, South		County Roosevelt											
Address 6 Desta Drive, Suite 5250, Midland, TX 79705-5510		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL		
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.	GAS M.C.F.
Lambirth	3	G	31	5S	33E	8/19/89	F 16/64	50	2	24	0	49.5	1	19	19000/1
Lambirth	4	O	31	5S	33E	8/29/89	P --	19	6	24	12	49.5	6	153	25500/1
Lambirth	7	P	30	5S	33E	8/27/89	P --	28	3	24	0	49.5	2	16	8000/1
Lambirth	8	L	30	5S	33E	8/29/89	P --	22	1	24	4	49.0	1	16	16000/1
Lambirth	12	K	31	5S	33E	Well shut-in.									

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 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 0.60.

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 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.

S. D. Reed

(Signature) S. D. Reed

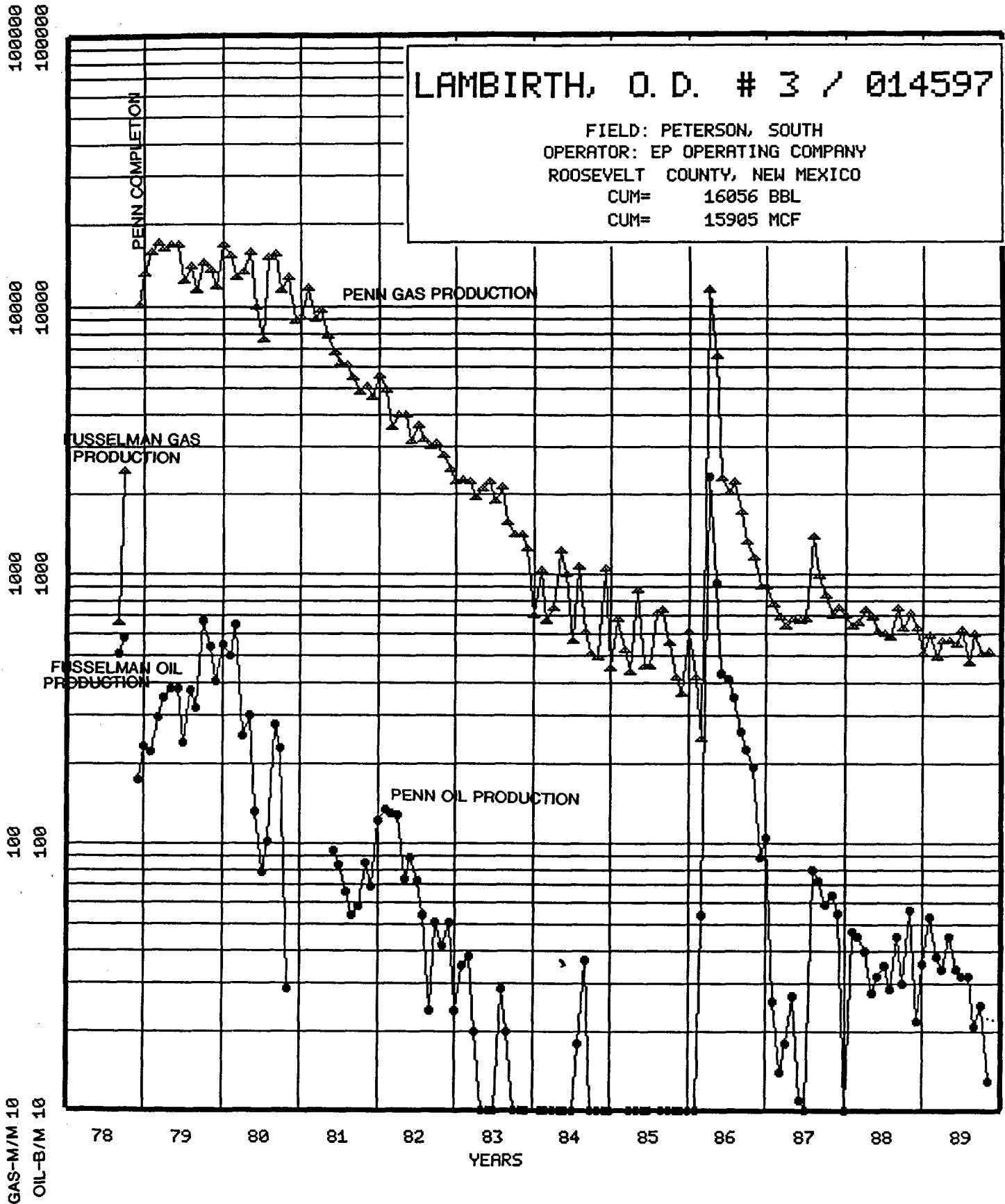
Production Superintendent

(Title)
September 5 1989

EXHIBIT NO. 3

LAMBIRTH, O. D. # 3 / 014597

FIELD: PETERSON, SOUTH
 OPERATOR: EP OPERATING COMPANY
 ROOSEVELT COUNTY, NEW MEXICO
 CUM= 16056 BBL
 CUM= 15905 MCF



ENSERCH
EXPLORATION INC

ClayDesta National Bank Bldg.
Suite 5250
6 Desta Drive
Midland, Texas 79705
915-682-9756

OCT 30 1989

P.B.H. Regulatory Section

Leonard Kersh
District Production Manager
Dane Hendley
District Petroleum Engineer
George Faigle
District Development Geologist
Sammy Reed
Production Superintendent
West Texas/Rocky Mountain District
Production Division

October 27, 1989

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

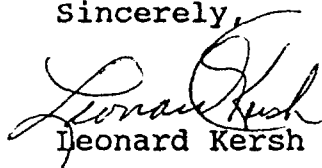
Re: Exception to New Mexico Rule
303-A (Downhole Commingling)
EP Operating Company
Lambirth No. 3
Peterson, South Field
Roosevelt County, New Mexico

Gentlemen:

EP Operating Company proposes to commingle downhole within the wellbore of the Lambirth No. 3 Well production from the South Peterson (Pennsylvanian) Field and the South Peterson (Fusselman) Field. If, as an offset operator, you have no objection to the granting of this exception provided for under the provisions of New Mexico Rule 303-C and hereby waive objection and notice of hearing on this application, please execute two (2) copies of this waiver and return them to the above address.

Please advise if there are questions or additional information is required for this purpose.

Sincerely,


Leonard Kersh

TRR:
Attachment

Name: David A. Brown

Title: Director, Reservoir Engineering

Date: November 7, 1989

**ENSERCH
EXPLORATION^{INC}**

ClayDesta National Bank Bldg.
Suite 5250
6 Desta Drive
Midland, Texas 79705
915-682-9756

Leonard Kersh
District Production Manager
Dane Hendley
District Petroleum Engineer
George Faigle
District Development Geologist
Sammy Reed
Production Superintendent
West Texas/Rocky Mountain District
Production Division

October 27, 1989

Gladys Rader
c/o Charter Bank
P. O. Box 361
Lebanon, Missouri 65536

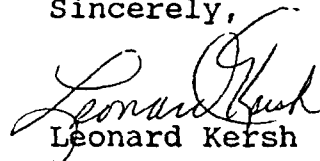
Re: Exception to New Mexico Rule
303-A (Downhole Commingling)
EP Operating Company
Lambirth No. 3
Peterson, South Field
Roosevelt County, New Mexico

Gentlemen:

EP Operating Company proposes to commingle downhole within the wellbore of the Lambirth No. 3 Well production from the South Peterson (Pennsylvanian) Field and the South Peterson (Fusselman) Field. If, as a mineral owner, you have no objection to the granting of this exception provided for under the provisions of New Mexico Rule 303-C and hereby waive objection and notice of hearing on this application, please execute two (2) copies of this waiver and return them to the above address.

Please advise if there are questions or additional information is required for this purpose.

Sincerely,


Leonard Kersh

TRR:
Attachment

Name: Gladys Rader

Title: _____

Date: _____

**ENSERCH
EXPLORATION** INC

ClayDesta National Bank Bldg.
Suite 5250
6 Desta Drive
Midland, Texas 79705
915-682-9756

Leonard Kersh
District Production Manager
Dane Hendley
District Petroleum Engineer
George Faigle
District Development Geologist
Sammy Reed
Production Superintendent
West Texas/Rocky Mountain District
Production Division

October 27, 1989

Sue Richards
4405 Odessa Avenue
Ft. Worth, Texas 76137

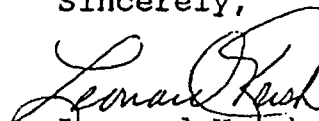
Re: Exception to New Mexico Rule
303-A (Downhole Commingling
EP Operating Company
Lambirth No. 3
Peterson, South Field
Roosevelt County, New Mexico

Dear Mrs. Richards:

EP Operating Company proposes to commingle downhole within the wellbore of the Lambirth No. 3 Well production from the South Peterson (Pennsylvanian) Field and the South Peterson (Fusselman) Field. If, as a mineral owner, you have no objection to the granting of this exception provided for under the provisions of New Mexico Rule 303-C and hereby waive objection and notice of hearing on this application, please execute two (2) copies of this waiver and return them to the above address.

Please advise if there are questions or additional information is required for this purpose.

Sincerely,


Leonard Kersh

TRR:
Attachment

Name: Sue E. Richards

Title: Mineral Owner

Date: 11/6/89