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RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

**FACSIMILE COVER SHEET**DATE: November 24, 1998  
TIME: 2:20 PM (Santa Fe)

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Pages: -3-

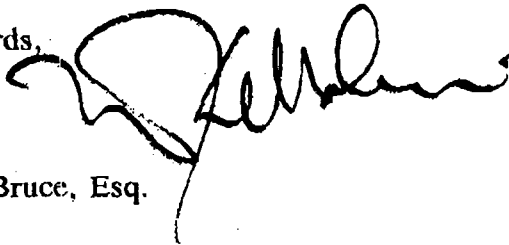
TO: Rand Carroll, Esq.  
OF: NMOCD  
FAX NO: (505) 827-8177REF: NMOCD Case 11514  
Application of Read & Stevens  
for an unorthodox infill gas well  
location in the Buffalo Valley-Penn Gas Pool  
Chaves County, New Mexico*Dorothy  
sent copy  
of this to  
Artesia, then  
Mr. Hux.*

Dear Mr. Carroll:

I have received a copy of your November 16, 1998 letter to Mr. Bruce in which you state that the Division cannot locate a copy of the Read & Stevens October 23, 1997 deliverability test. Please find enclosed a copy of the test and the November 22, 1997 transmittal letter to the NMOCD-Artesia.

I would note that in my November 2, 1998 letter to you that numbered paragraph (7) contains an error. The deliverability test actually was 1,767 MCF which yields a penalized allowable of 884 MCFPD. The balance of the information is correct.

Regards,



cfx: James Bruce, Esq.

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Form C-122-C  
Revised 4-1-91

2040 Pacheco St.  
Santa Fe, NM 87505

Type-Test <input type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Test Date 10-18-97	
Company Read & Stevens, Inc.		Connection GPM Gas Corporation	
Pool Buffalo Valley		Formation Morrow	
Completion 4-19-97		Total Depth 9050'	Plug Seal TD 8998'
Elev. Base 5 1/2"		Perforations From 8654 To 8678	Elevation 3492' GR
Casing Base 2-3/8"		Perforations From To	Form or Lease Name Harris Federal
Well No. 11		Unit N 26	Sec. Top. 159 27E
Type Well - Single - Graduated - G.G. or G.G. Multiple Single		Packer Set At 8546'	County Chaves
Reduced Thr Tbg.		Reservoir Temp. °F 157 + 8660'	Mean Annual Temp. °F 60
Base Press. - P <sub>a</sub> 13.2		State New Mexico	
L 8666	H 8666	Gas 0.634	% CO <sub>2</sub> 0.3
N <sub>2</sub> 1.20		H <sub>2</sub> S	
Prove		Meter Run	
Type		Type	
FLOW DATA			
Prove Line Size	Check Offline Size	Press. p.s.i.g.	Diff. in
Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.
Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.
Duration of Flow			
24 Hours			
Coefficient (24-Hour)	Pressure P <sub>a</sub>	Flow Temp. Factor F <sub>t</sub>	Gravity Factor F <sub>g</sub>
Super Compress. Factor F <sub>sp</sub>	Rate of Flow Q, M/d	1,448.3	
P <sub>1</sub>	Temp. R.	T <sub>1</sub>	Z
0.405	520.3	1.425	0.948
63.2	Gas Liquid Hydrocarbon Ratio Dry Gas		
4.00	A.P.I. Gravity of Liquid Hydrocarbons Dry		
641.2	Specific Gravity Separator Gas 0.634		
Specific Gravity Flowing Field XXXXX			XXXXXXXXXX
Critical Pressure 669			p.s.i.a.
Critical Temperature 366			R
P <sub>1</sub>			P <sub>2</sub>
P <sub>1</sub>	P <sub>1</sub> <sup>2</sup>	P <sub>2</sub> <sup>2</sup> - P <sub>1</sub> <sup>2</sup>	P <sub>2</sub>
271.2	73.5	371.1	137.7
P <sub>2</sub> <sup>2</sup> - P <sub>1</sub> <sup>2</sup>			P <sub>2</sub>
273.4			P <sub>2</sub>
P <sub>1</sub> <sup>2</sup> - P <sub>2</sub> <sup>2</sup>			P <sub>1</sub>
271.2			P <sub>1</sub>

$$\left[ \frac{P_c^1 - P_d^1}{P_c^2 - P_u^2} \right] = \left[ \frac{407.1}{273.4} \right] = \underline{1.4890}$$

$$L_{eq} = \frac{p_c^2 - p_d^2}{p_c^2 - p_w^2} = \underline{0.1729}$$

$$\left[ \frac{p_c^2 - p_d^2}{p_c^2 - p_w^2} \right]^n = \underline{1.220}$$

$$n_{\text{Low}} \left[ \frac{p_c^2 - p_g^2}{p_g^2 - p_w^2} \right] = 0.0865$$

$$\text{Bell's } \equiv Q \left[ \frac{p_e^2 - p_d^2}{p_e^2 - p_w^2} \right]^2$$

$$\frac{1,767}{0.5} = \text{Mile}$$

Multi Point Back Pressure Test  
[Source of n]

Others                      Tested by West-Test Inc.

UNITED BANK PLAZA  
400 N. PENN. SUITE 1000

CHARLES B. READ  
PRESIDENT

PHONE 505 622-3770  
FAX: 505 622-8643

*Read & Stevens, Inc.*  
*Oil Producers*  
*P. O. Box 1548*  
*Reservoir, New Mexico 88201*

October 23, 1997

New Mexico Oil Conservation Division  
811 South First Street  
Artesia, New Mexico 88210-2834

RE: Harris Federal #11  
Section 26 T15S-R27E  
Chaves County, New Mexico  
Semiannual Deliverability Test  
De Novo Case #11514  
Order #R10622

Ladies & Gentlemen:

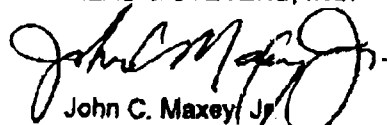
Enclosed please find Form C-122-C for the subject well. Per the subject order number, Read & Stevens, Inc. is required to conduct a deliverability test every six months into the pipeline on the subject well. The order went on to state that Read & Stevens, Inc. would be assessed a production penalty of fifty percent (50%) of the wells ability to produce into a pipeline as determined from the deliverability test. The deliverability test was performed October 18, 1997 and the Artesia OCD office was advised of the date and time of the test. Read & Stevens, Inc. was advised that if there was no OCD representative on location at test time to proceed with the test. There was no witness from the OCD.

Please note on the Form C-122-C that the twenty four (24) hour test into the pipeline was 1,448 MCF, and the calculated deliverability at pipeline pressure using the "n" from the Multipoint Back Pressure Test of April 14, 1997 was 1,767 MCFD. Taking the deliverability of 1,767 MCFD times fifty percent (50%) would yield an allowable of 884 MCFD for the subject well. Please instate an allowable of at least 880 MCFD for the subject well.

If you have any questions, please advise.

Sincerely,

READ & STEVENS, INC.

  
John C. Maxey Jr.  
Petroleum Engineer

JCM/sr/jcm/lrs/ocdha11.wpd

Enclosure  
xc: File, Partners