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STATE LAND OFFICE
SANTA FE, N.M.



Southland Royalty Company

February 21, 1978

DHO - 237
Due 3/17/78

New Mexico Oil Conservation Commission
~~Box 1148~~ Box 2088
Santa Fe, NM 87501

Gentlemen:

Southland Royalty Company requests that Administrative approval be granted to downhole commingle the Tubb and Blinebry zones in the State BD-36 #1, located in Unit Letter J of Section 36, T-22-S, R-37-E of Lea County, New Mexico. Attached are additional exhibits in support of this application.

The Blinebry zone in this well was produced until December of 1976 when it was shut-in as uneconomical to produce. In November of 1977 the Tubb interval was perforated from 6099-6394' and tested for 6 BOPD, 30 BWPD, GOR 5000/1. Since its completion, downhole mechanical problems have caused considerable difficulty in producing the Tubb.

Both zones are classified as oil zones and they will require artificial lift. Ownership of the two zones is common and the commingling will not jeopardize the efficiency of future secondary recovery operations in either zone. By downhole commingling both zones, the economic life of this well will be extended and the difficulty in producing the Tubb will be eliminated. Anticipated recovery from the Tubb is 12,000 barrels of oil with an additional 2,000 barrels of oil to be recovered from the Blinebry. Anticipated allowable for this downhole commingle will be 14 BOPD.

By a copy of this letter, we are notifying offset operators of our intent to downhole commingle these two zones.

Very truly yours,

SOUTHLAND ROYALTY COMPANY

C. Harvey Carr

C. Harvey Carr
District Engineer

jh
Enclosures

cc: NMOCC - Hobbs, N.M.

1100 WALL TOWERS WEST (915) 682-8641 MIDLAND, TEXAS 79701

STATE BD-36 #1

Offset Operators

Amerada Hess Corporation
P.O. Box 2040
Tulsa, OK 74102

Continental Oil Company
P.O. Box 460
Hobbs, NM 88240

Gulf Energy and Minerals Company - U.S.
P.O. Drawer 1150
Midland, TX 79702

Moranco
Box 1860
Hobbs, NM 88240

Phillips Petroleum Company
Phillips Building
Odessa, TX 79761

Tubb Gas Pool (for oil) GOR 2000cf

<i>Bl - 280</i>	<i>25%</i>	<i>9.8 mcf</i>	<i>25%</i>
<i>Tubb - 680</i>	<i>75%</i>	<i>30 mcf</i>	<i>75%</i>
<i>8</i>		<i>39.8</i>	

*Bottom of 6394'
may allow 40 BOPD*

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NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Southland Royalty Company		Pool Blinebry-Tubb		County Lea												
Address 1100 Wall Towers West, Midland, TX 79701				TYPE OF TEST - (X) <input type="checkbox"/> Scheduled <input checked="" type="checkbox"/> Special												
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	TYPE 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 BALS.	GRAV. OIL	OIL BBL.S.	GAS M.C.F.	
State BD-36	1	J	36	22	37						24	30	37.5	6	30	5000
Tubb											24	2	37	2	9.8	4866
Blinebry																

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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.
Well 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.

C. Henry
(Signature)
February 21, 1978
(Time)

DATA SHEET FOR WELLBORE COMMINGLING

Operator: Southland Royalty Company
Address: 1100 Wall Towers West, Midland, TX 79701
Lease and Well No.: State BD-36 #1
Location: 1980' FSL & 1980' FEL, Sec. 36, T-22-S, R-37-E,
Lea County, New Mexico.

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WELL DATA

	<u>Upper Pool</u>	<u>Middle Pool</u>	<u>Lower Pool</u>
Name of Pool	Blinebry	Tubb	
Producing Method	Pump	Pump	
SHP	100	100	
Type Crude	Stripper	Stripper	
Gravity	37.5	37	
GOR Limit			
Completion Interval	5641-5743'	6103-6390'	
Current Test Date	10-20-76	2-9-78	
Oil	2	6	
Water	2	30	
GOR	4866	5000	
Selling Price of Crude - \$/BBL.	14.79	14.79	
Daily Income - \$/Day	29.58	88.74	

COMMINGLED DATA:

Gravity of Commingled Crude 37.2
Selling Price of Commingled Crude - \$/BBL. 14.79
Daily Income - \$/Day 118.32
Net (Gain) (Loss) from Wellbore Commingling - \$/Day 0
based on current producing rates.



DIRECTOR
JOE D. RAMEY

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

March 17, 1978

Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701

Attention: C. Harvey Carr

Re: Administrative Order No. DHC-237
State BD Well No. 1, located in
Unit J, Section 36, Township 22 South,
Range 37 East, NMPM, Lea County,
New Mexico

Blinebry Oil & Gas and Tubb Gas Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Commission Rules and Regulations for the subject well to permit the commingling of 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.

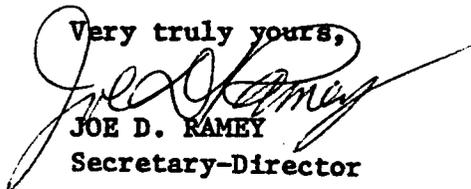
In accordance with the provisions of Rule 303-C, total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by top unit allowable for the Tubb Gas Pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Upper Pool:	Oil 25%	Gas 25%
Lower Pool:	Oil 75%	Gas 75%

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

Very truly yours,


JOE D. RAMEY
Secretary-Director

JDR/CU/jr

OIL CONSERVATION COMMISSION
HOBBS DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

MAR 16 1978
OIL CONSERVATION COMMISSION
Santa Fe

DATE March 14, 1978

RE: Proposed MC _____
Proposed DHC X _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated _____
for the Southland Royalty Co. State BD-36 #1-J 36-22-37
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

O.K.----J.S.

Yours very truly,

