



Southland Royalty Company

July 12, 1978

252

DHC -

Due - 8/7/78

JUL 17 1978

Mr. Joe D. Ramey
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

RE: Southland Royalty Company
State No. 7
Unit C, Sec. 2, T-21-S,
R-37-E
Lea County, New Mexico
Blinebry & Drinkard Fields

Dear Sir:

Your administrative approval is requested for an exception to Rule 303-C to downhole commingle marginal production in the above referenced well from the Blinebry and Drinkard zones.

There is no evidence of fluid incompatibility and we do not expect any waste or reservoir damage due to downhole commingling in the well bore. Ownership in the two pools is common, and correlative rights will not be violated. The total value of the crude will not be reduced by commingling. Neither the Blinebry or Drinkard zones will flow and downhole commingling will allow the recovery of additional hydrocarbons from this well by pumping of both zones together. Should secondary recovery operations become practical in the future, the two zones could be separated at that time without damaging either reservoir.

The subject well was completed in the Blinebry zone in May 1954. In May 1973 original Blinebry perforations were squeezed off and additional Blinebry was perforated. In December 1974, the Blinebry was squeezed off, well drilled deeper to TD of 6996' and liner set to 6945. The Drinkard only was produced from December 1974, until February 1978, at which time production had declined to 10.5 BOPD and 142 MCF/D, 11 BWPD. The well was being pumped in the Drinkard.

In February 1978, a bridge plug was set at 5970' sealing off the Drinkard and well recompleted to Blinebry to initially pump 14 BOPD, 90 MCF/D & 3 BWPD. The well continues to be completed in

the Blinebry and test on June 15, 1978, pumped 12 BOPD, 186 MCFPD & 13 BWPD.

Upon recompletion of subject well, Southland Royalty will consult with the Supervisor of the Hobbs District Office of the Energy and Minerals Department to determine an allocation formula for the production from each zone.

Attached is complete history of production and other pertinent data regarding this application as required by Rule 303 (C)(2). All offset operators have been sent copies of this application.

Yours very truly,

SOUTHLAND ROYALTY COMPANY



C. Harvey Carr
District Engineer

bg

Attached

cc: Energy and Minerals Dept.
P.O. Box 1980
Hobbs, NM 88240

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

Gulf Oil Exploration and Production Company
P.O. Box 670
Hobbs, NM 88240

Shell Oil Company
P.O. Box 1509
Midland, TX 79701

Max prod 40 BOPD

Southland Royalty Company
State No. 7
C-2-21S-37E
Lea Co., NM
Well History

13 3/8" set @ 210'
8 5/8" set @ 3022'
5 1/2" set @ 6060'
3 1/2" liner 5708-6954'
Total Depth 6996'

Well originally
drilled by Aztec
Oil & Gas Company
May 1954.

BLINEBRY

Completed 6-23-54 perf 5822-5888', 5910-5962',
A/6000 gal IPF 158 BOPD (Terry Blinebry Field)

5-22-73 Squeeze off perf 5822-5888 & 5910-5962' w/200 sx.
Perf Blinebry 5790-5800. Frac w/40,000 gal brine,
60,000# sand.

12-74 Squeeze off perf 5790-5800 w/125 sx. Drill out
press to 3000 PSI for 30", held OK. Blinebry
squeezed off.

DRINKARD

12-74 Drill to TD 6996'. Ran 3 1/2" liner 5708-6945',
cmt w/100 sx. Perf 6538-6866'. A/6000 gal, F/
40,000 gal brine wtr, 55,000# sand, IPP 35 BOPD.

2-7-78 Set CIBP @ 5970' to plug off Drinkard to temp-
orary abandon.

BLINEBRY

2-8-78 Perf Blinebry 5750-60', 5772-82', 5790-5800',
5822-38', 5844-68, 5896-5904', 5912-28, 5934-46',
A/4000 gal, IPP 14 BOPD. These are presently
exposed perforations.

DATA SHEET FOR WELLBORE COMMINGLING

Operator: Southland Royalty Company (well originally drilled by Aztec Oil & Gas Company)
Address: 1100 Wall Towers West, Midland, TX 79701

Lease and Well No.: State No. 7

Location: 921' FNL & 1650' FWL (Unit C) Sec. 2, T-21-S, R-37-E, Lea Co., NM

WELL DATA

	<u>Upper Pool</u>	<u>Middle Pool</u>	<u>Lower Pool</u>
Name of Pool	<u>Blinebry</u>		<u>Drinkard</u>
Producing Method	<u>Pumping</u>		<u>Pumping</u>
BHP	<u>200 (Estimate)</u>		<u>200 (Estimate)</u>
Type Crude	<u>Sweet</u>		<u>Sweet</u>
Gravity	<u>37.4</u>		<u>38.0</u>
GOR Limit			
Completion Interval	<u>overall perf 5750-5946'</u>		<u>overall perf 6538-6866'</u>
Current Test Date	<u>6-15-78</u>		<u>1-20-78</u>
Oil	<u>12</u>		<u>10.5</u>
Water	<u>13</u>		<u>11</u>
GOR	<u>15,500</u>		<u>13,517</u>
Selling Price of Crude - \$/BBL.	<u>14.79</u>		<u>14.81</u>
Daily Income - \$/Day	<u>177.48</u>		<u>155.50</u>

Daily Income \$/Day both zones = \$332.98

COMMINGLED DATA:

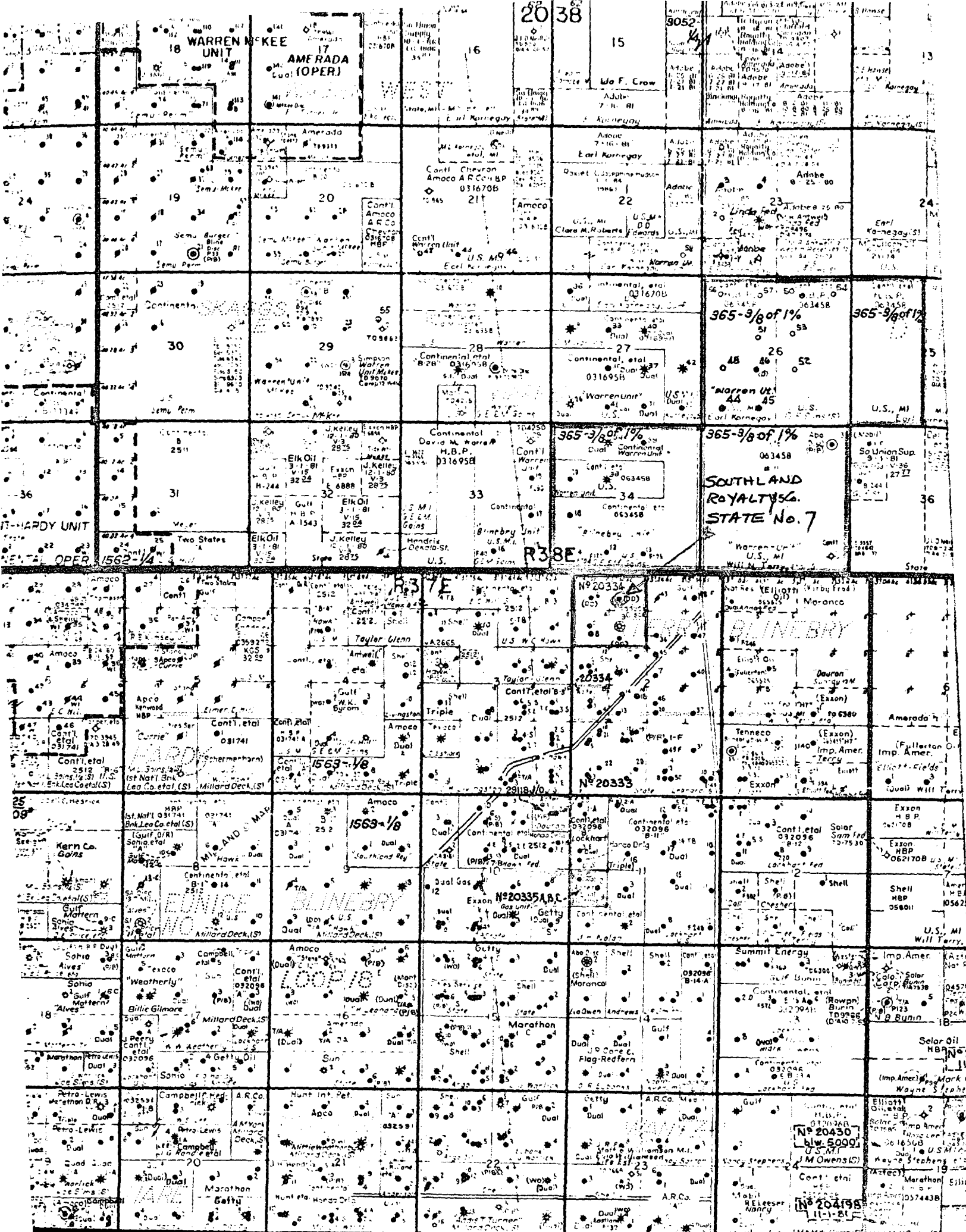
Gravity of Commingled Crude 37.7

Selling Price of Commingled Crude - \$/BBL. 14.79

Daily Income - \$/Day 332.77

Approximate

Net (Gain) (Loss) from Wellbore Commingling - \$/Day None
based on current producing rates.



**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**

C-116
Revised 1-1-65

Operator Southland Royalty Company		Pool Blinebry & Drinkard		County Lea												
Address 1100 Wall Towers West, Midland, TX 79701		Type of Test - (X) ☒ TEST - (X)		Scheduled ☐												
Completion ☐		Special ☒														
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/BSL	
		U	S	T	R						WATER BSL.	GRAV. OIL BSL.	OIL BSL.	GAS M.C.F.		
State	7	C	2	21S	37E											
	Test of Blinebry Zone					6-15-78	F	Open	50	14	24	13	87.4	12	186	15,500
Test of Drinkard zone prior initiation of plug back.					1-20-78	F	Open	50	15	24	11	88.0	10.5	142	13,517	

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. Harvey
District Engineer
(Title)

NO. RECEIVED	
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U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL GAS
OPERATOR	
PRODUCTION OFFICE	

NEW MEXICO OIL CONSERVATION COM. ON
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
Supersedes Old C-104 and C-110
Effective 1-1-65

Operator Southland Royalty Company	
Address 1100 Wall Towers West, Midland, TX 79701	
Reason(s) for filing (Check proper box)	Other (Please explain)
New Well ☐	Change in Transporter of:
Recompletion ☒	Oil ☐ Dry Gas ☐
Change in Ownership ☐	Casinghead Gas ☐ Condensate ☐
Plug back from Drinkard.	

If change of ownership give name
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name State	Well No. 7	Pool Name, Including Formation Blinebry	Kind of Lease State, Federal or Fee	State	Lease No. B-11613
Location					
Unit Letter C	921	Feet From The north	Line and 1650	Feet From The west	
Line of Section 2	Township 21-S	Range 37-E	NMFM, Lea	County	

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☒ or Condensate ☐	Address (Give address to which approved copy of this form is to be sent)					
Texas-New Mexico Pipeline Co.	P.O. Box 1510, Midland, TX 79701					
Name of Authorized Transporter of Casinghead Gas ☒ or Dry Gas ☐	Address (Give address to which approved copy of this form is to be sent)					
Getty Oil Co.	P.O. Box 1231, Midland, TX 79701					
If well produces oil or liquids, give location of tanks.	Unit F	Sec. 2	Twp. 21-S	Pge. 37-E	Is gas actually connected? yes	When 10-9-56

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well ☒	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res't.	Diff. Res't.
	X					X		X
Date Spudded 11-25-74	Date Compl. Ready to Prod. 2-14-78 (plug back)	Total Depth 6996	P.B.T.D. 5970					
Elevations (DF, R&B, RT, GR, etc.) 3520 KB	Name of Producing Formation Blinebry	Top Oil/Gas Pay 5750	Tubing Depth 5738					
Perforations 5750-60, 5772-82, 5790-5800, 5822-38, 5844-68, 5896-5904	Depth Casing Shoe 6975							
TUBING, CASING, AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT					
17 1/2 "	13 3/8"	210	245 sx - circ.					
11"	8 5/8"	3022	1950 sx - circ.					
7 7/8"	5 1/2"	6060	200 sx					
4 3/4"	3 1/2"	5708-6945 (liner)	100 sx					

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks 2-14-78	Date of Test 5-14-78	Producing Method (Flow, pump, gas lift, etc.) Pumping	
Length of Test 24	Tubing Pressure 50	Casing Pressure 50	Choke Size 3/4
Actual Prod. During Test 17	Oil-Bbls. 14	Water-Bbls. 3	Gas-MCF 90

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

C. Hamway Can
District Engineer
5-19-78

OIL CONSERVATION COMMISSION
MAY 22 1978
APPROVED
BY
TITLE
This form is to be filed in compliance with RULE 1104.
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for allowable on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.
Separate Form C-104 must be filed for each pool in multiple completed wells.

NO. OF COPIES RECEIVED		
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FILE		
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LAND OFFICE		
TRANSPORTER	OIL	
	GAS	
OPERATOR		
PRODUCTION OFFICE		

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
Supersedes Old C-104 and C-110
Effective 1-1-65

Operator	
Address	
P.O. Box 337, Hobbs, New Mexico 88240	
Reason(s) for filing (Check proper box)	Other (Please explain)
New Well ☐	Change in Transporter of:
Recompletion ☐	Oil ☐ Dry Gas ☐
Change in Ownership ☐	Casinghead Gas ☐ Condensate ☐
Reason	

If change of ownership give name
and address of previous owner

I. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease	Lease No.
State	7	Undesignated	State, Federal or Fee	
Location				
Unit Letter	921	Feet From The	North	Line and
1650	Feet From The	at		
Line of Section	2	Township	21	Range
37	NMPM,	100	County	

II. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☐ or Condensate ☐	Address (Give address to which approved copy of this form is to be sent)					
Texas-New Mexico Pipeline						
Name of Authorized Transporter of Casinghead Gas ☐ or Dry Gas ☐	Address (Give address to which approved copy of this form is to be sent)					
Shelly						
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When
	F	2	21	37	Yes	10-1-56

If this production is commingled with that from any other lease or pool, give commingling order number: PO 403

III. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.					
11-25-74	12-16-74	6533'						
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth					
3520 KB	Drinkard	6533	6020'					
Perforations			Depth Casing Shoe					
6533-6366' (Overall)			6075'					

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
5 7/8"	3 1/2" N.P.M.	5703-6075'	100 Sacks

IV. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
1-10-75	1-12-75	Pumping	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
24 Hrs.	40	40	3/4
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF
36	35	1	84

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pitot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

V. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Original signed by
LESTER L. DUKE

District Superintendent

December 23, 1974

(Date)

OIL CONSERVATION COMMISSION

APPROVED _____, 19 _____

BY _____

TITLE _____

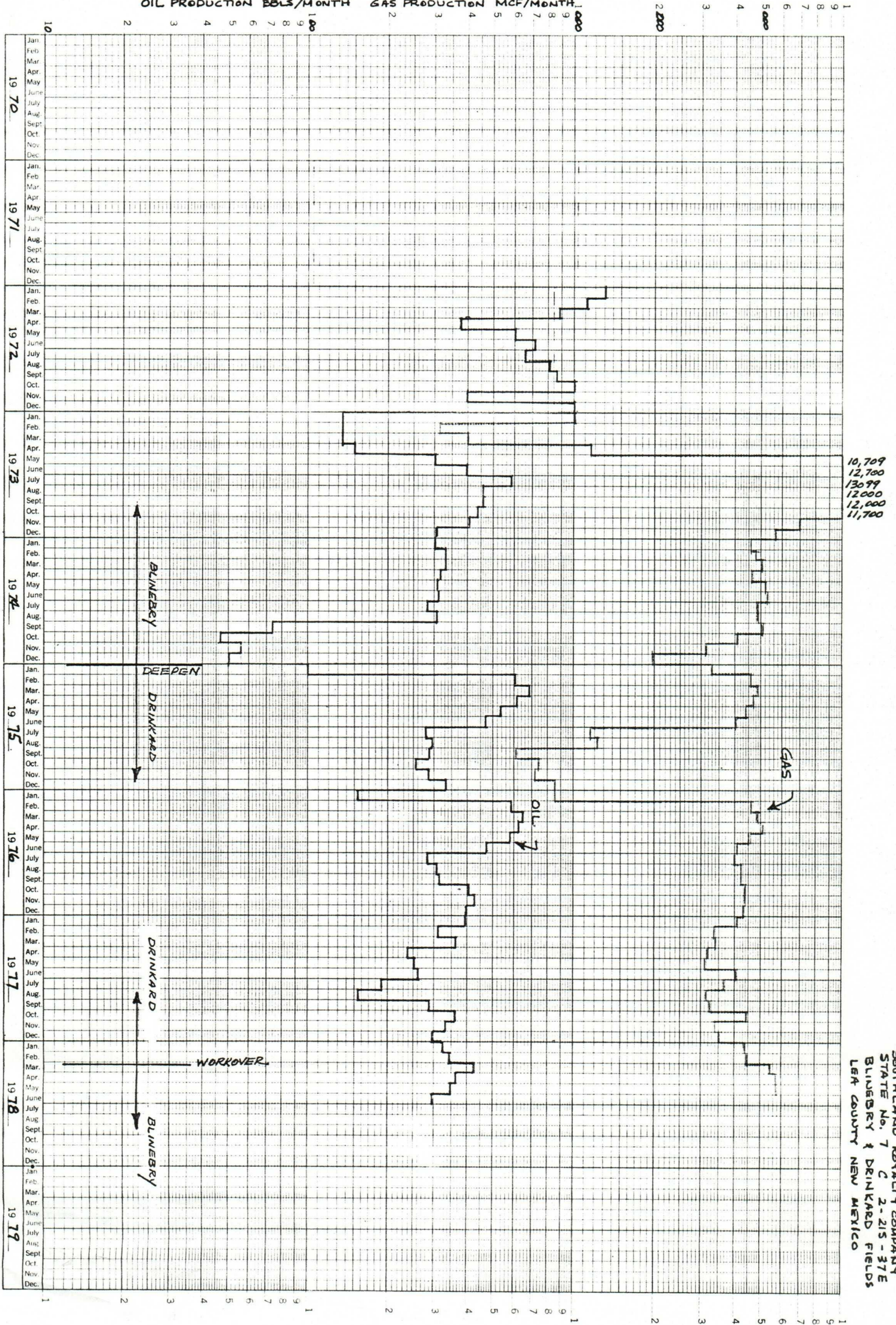
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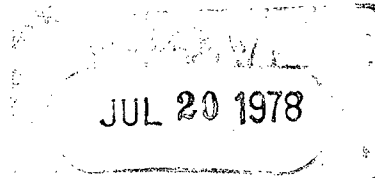


OIL CONSERVATION COMMISSION
HOBBS DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE July 17, 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 #7-C 2-21-37
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

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

Yours very truly,

A handwritten signature in cursive script, appearing to read "Jerry L. ...". The signature is written in dark ink and is positioned below the "Yours very truly," text.