



MIDLAND PRODUCTION DISTRICT

SUN PRODUCTION COMPANY 901 W. WALL, POST OFFICE BOX 1861, MIDLAND, TEXAS 79702 (915) 682-8271

August 21, 1978

Due 9/13/78

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

AUG 24 1978

Attn: Mr. Carl Ulvog
Director/Geology/Inspection

Santa Fe

RE: Sun Oil Company
State Land "15" Lease Well #1
Unit M, Sec. 16, T-21-W, R-37-E NMPM
Lea County, New Mexico
Blinbry Oil & Gas & Drinkard Pools

Dear Sir:

As you will recall, we made application for "Administrative Approval" for down-hole commingle of the subject well based on prior hearing and approval of a like situation on our Well #15-2, same lease, same zones, in a letter dated July 21, 1978. However, this application was found lacking in information necessary for your approval and your subsequent phone call informing us of information needed for approval was much appreciated. In line with the above, we shall attempt with this letter to supply your office with that information.

It is our belief that the subject well qualifies under the provisions of Rule 303-C as follows:

1. Both zones to be commingled in the wellbore are both oil zones.
2. The total daily production from both zones will not exceed 40 BoPD nor 80 BHPD. Maximum amount of gas which may be produced daily shall be determined by multiplying 6000 by top unit allowable for Drinkard pool.
3. Both zones will be artificially lifted (Rod Pump).
4. Fluids from both zones are compatible and no formation damage should occur.
5. Salable value of combined crude will not be changed.
6. Royalty and working interest ownership is the same in each of the zones to be commingled.

MC-1280

Boiler 11 6630

Sent copy of 303-C w/ note "not enough data"

-2-

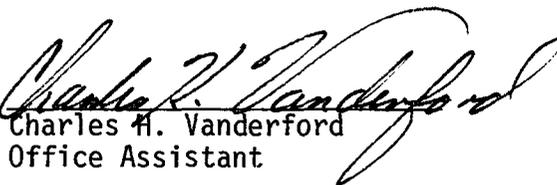
7. Downhole commingling of the two subject zones will not have any detrimental effect on future secondary recovery.
8. We expect assignment of allowable allocation based on production performance to be as follows: Upper Pool 27%
Lower Pool 73%

Enclosed is a list of the Offset Operators involved who are being sent copies of this application in the event they should have any questions or objections. If there are any questions concerning this matter, contact this office at 915-685-0300.

Very truly yours,

Sun Production Company

By


Charles H. Vanderford
Office Assistant

CHV:jo

OFFSET OPERATORS

Continental Oil Co.
P. O. Box 460
Hobbs, New Mexico 88240

Shell Oil Co.
P. O. Box 1950
Hobbs, New Mexico 88240

Atlantic Richfield Co.
P. O. Box 1710
Hobbs, New Mexico 88240

ATTN: Mr. G. V. Ricks

Amerada Hess Corp.
P. O. Drawer D
Monument, New Mexico 88265

Getty Oil Co.
P. O. Box 1231
Midland, Texas 79702

ATTN: Larry Hall

Hunt Energy Co.
406 N. Big Spring
Midland, Texas 79702

OIL CONSERVATION COMMISSION
Hobbs DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE July 25, 1978

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

Gentlemen:

I have examined the application dated _____
for the Sun Oil Company State Land 15 #1-M 16-21-37
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

O.K.---J.S.

Yours very truly,

Jerry Sutton
mc

JUL 27 1978
OIL CONSERVATION COMMISSION
HOBBS DISTRICT