

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

June 4, 1984

Mr. Joe D. Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

"Hand Delivered"

Re: Administrative application for
Downhole Commingling
J. R. Cone #2 Eubanks Well
Unit L, Sec. 14, T21S, R37E
Lea County, New Mexico

RECEIVED

JUN - 5 1984

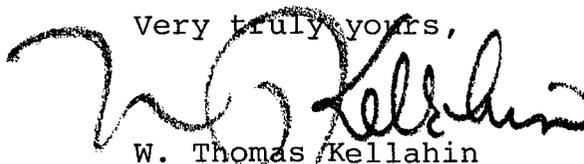
Dear Mr. Ramey:

OIL CONSERVATION DIVISION

On behalf of J. R. Cone, please find enclosed for administrative approval an original plus one copy of an application pursuant to Rule 303 for addition of the Drinkard formation as a downhole commingled formation to the previously approved DHC of the Blinbry and Tubb formations in the subject well.

Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: John C. Byers
Byers Engineering Company
P. O. Box 6308
Lubbock, Texas 79413

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

Oil Conservation Division
Energy & Minerals Department
State of New Mexico
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Re: J. R. Cone #2 Eubanks Well
Unit L, Sec. 14, T21S, R37E
Lea County, New Mexico
Application to Downhole
Commingle Production

Gentlemen:

Through this letter J. R. Cone respectfully request approval by the Oil Conservation Division for an exception to Rule 303A to permit additional downhole commingling of production from the Drinkard formation with that previously approved for the referenced well by Order Number R5481 covering the Blinebry and Tubb sections in the same well.

The J. R. Cone #2 Eubanks, as referenced above, produced Drinkard oil from May of 1949 through March of 1964, with a cumulative production of 125,655 barrels of oil. At the end of it's producing life, the Drinkard was producing an average three barrels oil per day with a gas/oil ratio of 7,600 to 1. On March 13, 1964, the Drinkard formation was isolated from the borehole with a cement capped retainer, and opened to production from the Blinebry zone and the Tubb zone through parallel tubing string dual completion. The well was produced as a dual Blinebry-Tubb well through parallel strings until June 28, 1977, at which time the Commission issued its order R5481 authorizing downhole commingling of production in this well from the Tubb and Blinebry formations.

Tests from the commingled Blinebry and Tubb formations in the referenced well, as exhibited through Form C-116 attached hereto, found the well currently producing by flowing three barrels of oil and 40.4 Mcf gas. During a twenty-four hour period on April 19, 1984, no water production was detected during this test.

Production from the combined Blinebry and Tubb zones

have declined drastically over the past eighteen months, and now require artificial life in order to maintain adequate levels of production. Production history curves representing gas and oil produced from the respective zones, now commingled in this well, are attached hereto.

Clean out and restimulation operations conducted within this lease in the J. R. Cone Eubanks #1 and Eubanks #3 in the Drinkard formation have indicated that production levels from the Drinkard can be elevated to respective levels for a reasonable period of time through this process.

Attached hereto is diagrammatic sketch of the current conditions within the borehole of the Cone #2 Eubanks.

With the approval of the Conservation Commission it is proposed, as further set out in Form C-101, that the Baker Model D retainer at 6,420' in this well be cleaned out, and the Drinkard formation exposed through perforations in the interval 6,535' to 6,545', along with the open hole section from 6,567' to 6,622' be cleaned out and restimulated with acid and paraffin solvent. After clean out, it is proposed that a packer be run in the hole to isolate the Blinebry and Tubb section from the Drinkard, allowing the Drinkard to be produced separately and tested. At such time that pressure and production levels from the reopened Drinkard section decline to a level that is compatible with the Blinebry and Tubb. Authority to remove the packer and downhole commingle production from Blinebry, Tubb and Drinkard is hereby requested.

Bottom hole pressure bombs have not been run in this well to evaluate pressures in the Blinebry and Tubb. However, shut in pressures indicates twenty-four hour shut in pressure from these zones to be approximately 409 psig. The last shut in pressure taken in the Drinkard formation, prior to its abandonment in 1964, indicated a similar level of bottom hole pressure. It is, therefore, anticipated that if the Drinkard is placed on production within a short period of time, it will be found that pressures from that horizon will be fully compatible with those of the Tubb and Blinebry.

The fluid characteristics from the Blinebry, Tubb and Drinkard are similar, and found to be fully compatible, such that no diminuation in quality or value of the fluids should be anticipated through the commingling of fluids from

these three horizons.

In order to maintain satisfactory rates of production, artificial lift will be required for all three zones. A rod pump system is anticipated for installation as soon as the three zones are commingled. Thus enabling the well to maintain satisfactory rates of production and adequately lower borehole pressures to prevent migration as between the respective zones.

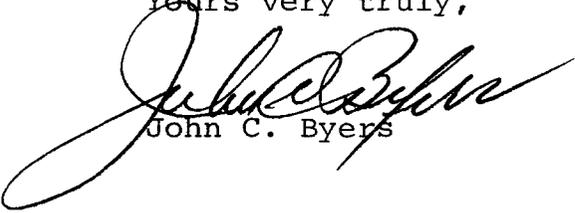
It is anticipated that under the system of production for which approval is requested, hereby, total daily rates should be increased to some ten barrels oil at an average gas/oil ratio of some 20,000 to 1. Thus providing for economic rates of production that will sustain the life of this well over an extended period of time.

Ownership in all three horizons anticipated to be commingled under this request is common.

There is no secondary recovery operation anticipated for this area at this time. And in the event such operation is considered in the the future commingline of the three horizons will not jeopardize the effectiveness of such secondary recovery program.

J. R. Cone respectfully request the Commission give due consideration of this application for downhole commingling of three horizons. In the event that administrative approval can be considered, we will appreciate that consideration. In the further event that hearing is required, we will appreciate the Commission so setting that hearing at its convenience.

Yours very truly,



John C. Byers

JCB:bp

Encls.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

C. J. ...
...
CASE NO. 5966
Order No. R-5481

APPLICATION OF J. R. CONE FOR
DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 22, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of June, 1977, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, J. R. Cone, is the owner and operator of the Eubanks Well No. 2, located in Unit L of Section 14, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle Blinebry and Tubb production within the wellbore of the above-described well.
- (4) That from the Blinebry zone, the subject well is capable of low rates of production only.
- (5) That from the Tubb zone, the subject well is capable of low rates of production only.
- (6) That Commission Administrative Order No. MC-1449, which previously authorized the dual completion of said well, should be superseded.
- (7) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(8) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(9) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, 71 percent and 58 percent of the commingled oil and gas production, respectively, should be allocated to the Blinebry zone, and the remainder to the Tubb zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, J. R. Cone, is hereby authorized to commingle Blinebry and Tubb production within the wellbore of the Eubanks Well No. 2 located in Unit L of Section 14, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That 71 percent and 58 percent of the commingled oil and gas production, respectively, shall be allocated to the Blinebry zone and the remainder shall be allocated to the Tubb zone.

(3) That the operator of the subject well shall immediately notify the Commission's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That Commission Administrative Order No. MC-1449 is hereby superseded.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

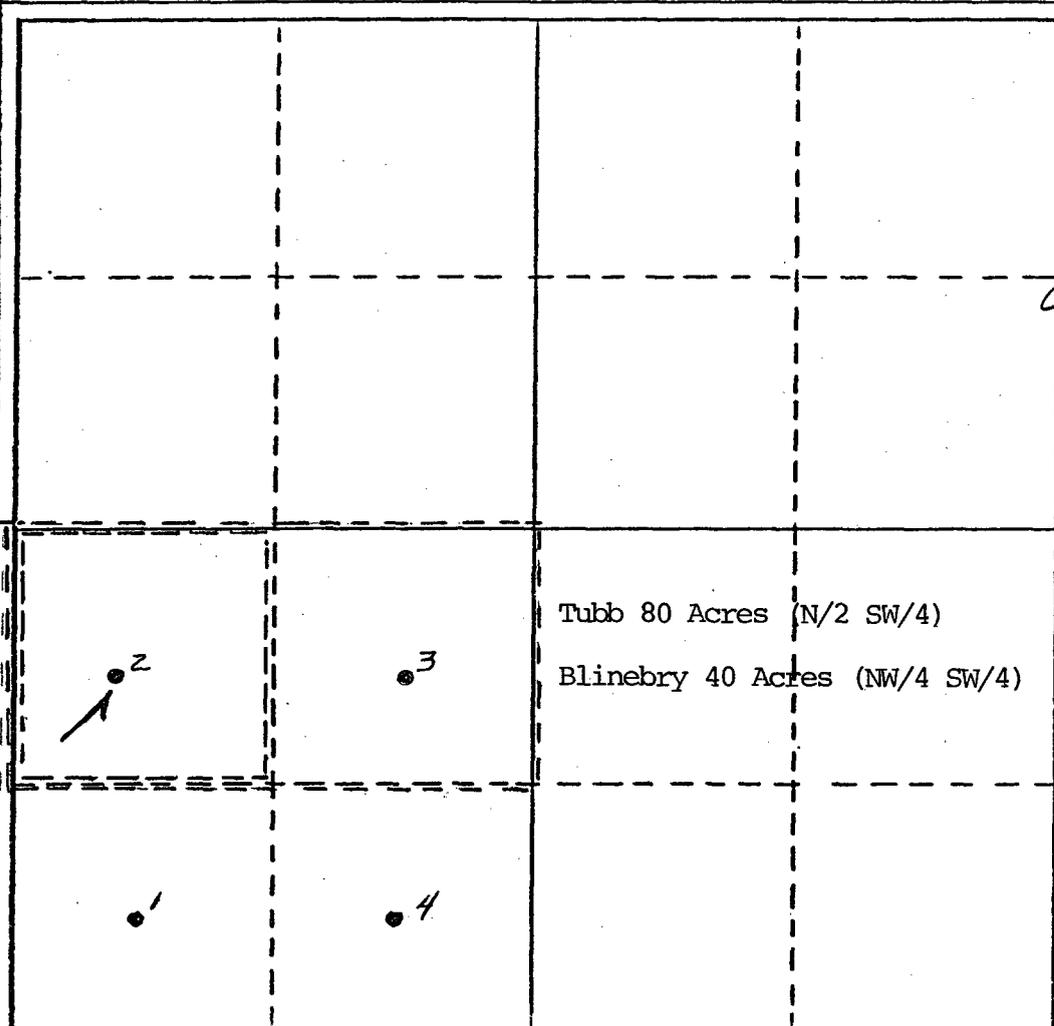
Operator J. R. Cone			Lease Eubanks			Well No. 2		
Unit Letter L	Section 14	Township 21S	Range 37E	County Lea				
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the West line of Section								
Ground Level Elev. 3412	Producing Formation Blinebry & Tubb			Pool Blinebry & Tubb			Dedicated Acreage: 40 & 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

John C. Byers
Name John C. Byers
Engineer

Position
Byers Engineering Company

Company
May 11, 1984

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

NO. OF COPIES RECEIVED		
DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
No

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name No
2. Name of Operator J. R. Cone	8. Farm or Lease Name Eubanks
3. Address of Operator P.O. Box 10217, Lubbock, Texas 79408	9. Well No. 2
4. Location of Well UNIT LETTER <u>L</u> <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM THE <u>West</u> LINE, SECTION <u>14</u> TOWNSHIP <u>21S</u> RANGE <u>37E</u> NMPM.	10. Field and Pool, or Wildcat Blinebry & Tubb
15. Elevation (Show whether DF, RT, GR, etc.) 3422' DF	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER <u>Test added formation</u> <input type="checkbox"/>	OTHER <input type="checkbox"/>
PLUS AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUS AND ABANDONMENT <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

This well produced from Drinkard Pool through Drinkard perms. 6535-6545 and open hole 6547'-6622' from 5/49 to 3/64. End prod. 3 barrels oil per day, GOR 7600/1. Currently producing from Blinebry and Tubb (commingled downhole by Order No. R-5481. Propose to kill Blinebry and Tubb with foam, remove Baker Model D retainer over Drinkard at 6420'. Run Baker production packer on 2 3/8" tubing to seat at 6400'+. Stimulate Drinkard with 500 gallons acid and peraffin solvent. Test Drinkard to stabilized rates compatible in pressure with Blinebry and Tubb. Remove production packer to commingle Blinebry, Tubb and Drinkard. Run 2 3/8" tubing to 6530', put on production with rod pump to produce Blinebry, Tubb and Drinkard.

8. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED J. R. Cone TITLE Engineer DATE 5/11/84

APPROVED BY _____ TITLE _____ DATE _____

GAS-OIL RATIO TESTS

Operator **J. R. Cone** Pool **Blinbery Oil-Gas and Tubb Oil-Gas** County **Lea**

Address **P.O. Box 10217, Lubbock, Texas 79408** Type of Test TEST - (X) Scheduled Special

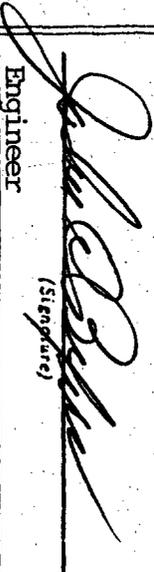
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	T.B.G. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL.
		U	S	T	R						WATER BBL'S.	GRAV. OIL BBL'S.	OIL BBL'S.	
Eubanks	2	L	14	21	37	4/19/84	F 2"	100	24	0	39	3	40.4	13.467
Downhole commingling permit No. R-5481														
Allocations per R-5481														
						Blinbery		71% Oil and 58% Gas		0		2	23.4	11.700
						Tubb		29% Oil and 42% Gas		0		1	17.0	19.000

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 Division.

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.

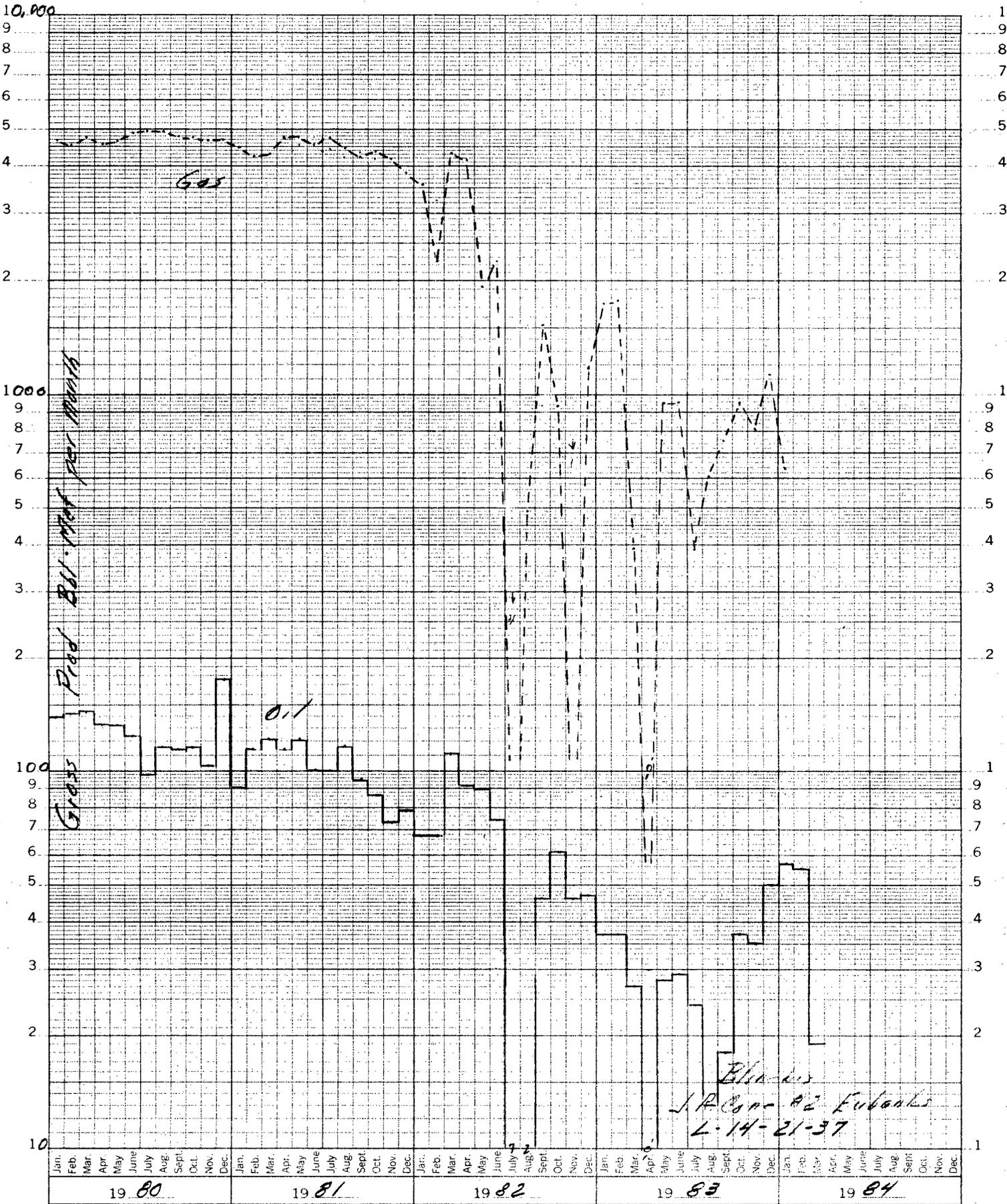
Report casing pressure in lieu of tubing pressure for any well producing through casing.
Well original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 303 and appropriate pool rules.

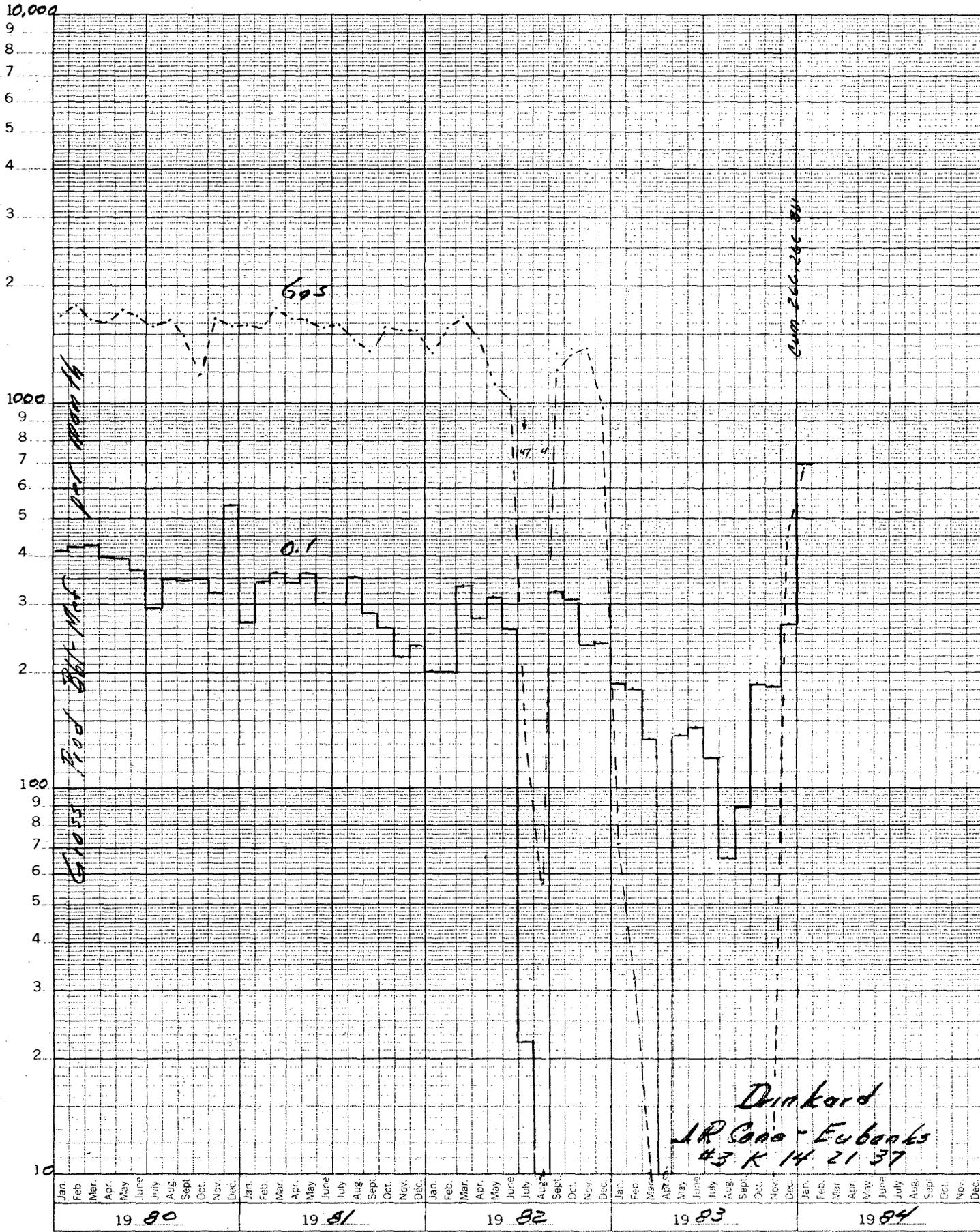
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

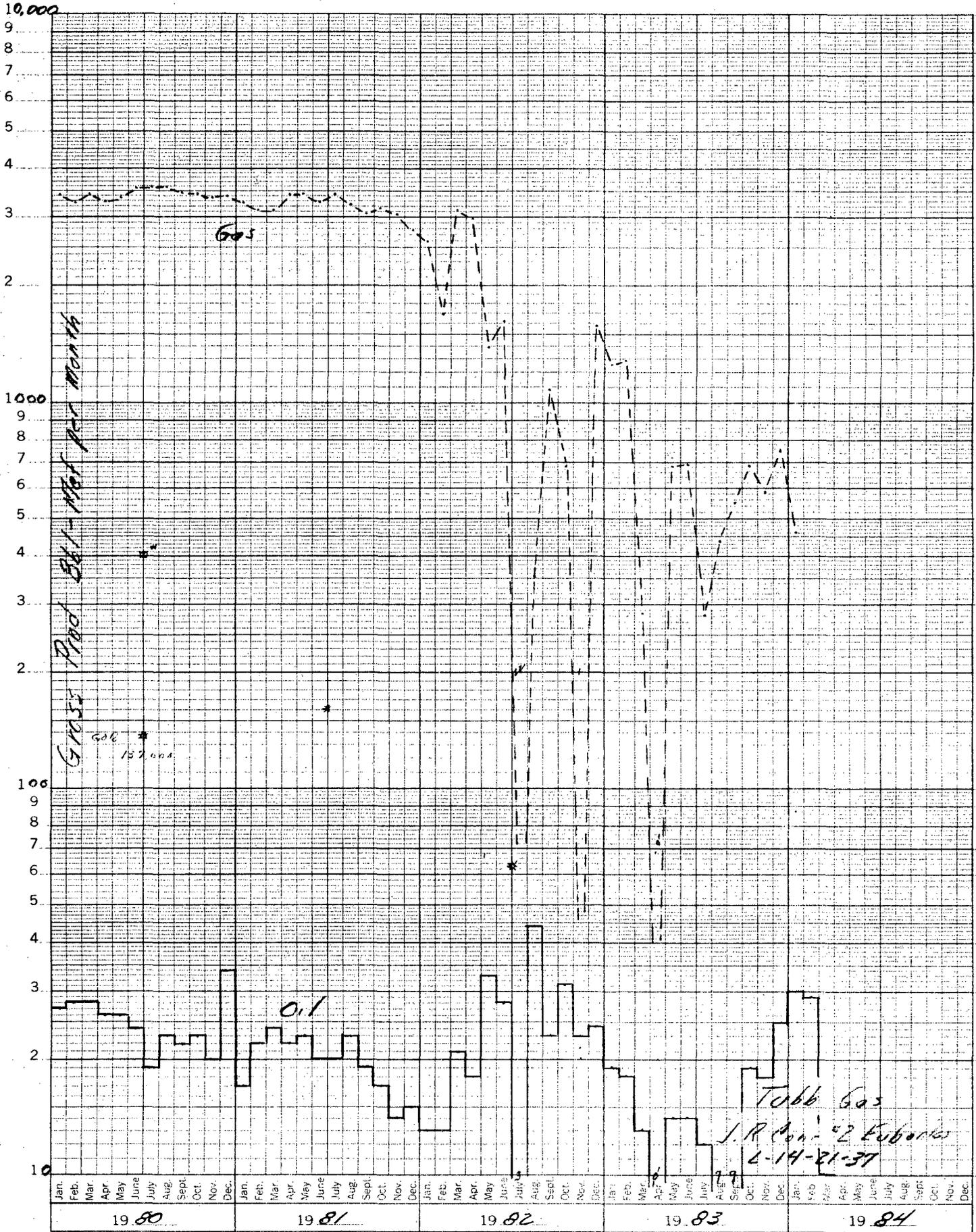

Engineer
(Signature)

May 11, 1984

(Title)







Gross Prod BBL - Mo. per MONTH

Gas

Oil

Tubb Gas
I.R. Don. '82 Eubank
2-14-81-37

J. R. CONE
Eubanks No 2
Unit L Sec 14 T21SR37E

Elevation 3422' DF
13 3/8" Csng @ 242' with 200 sax circulated
8 5/8" Csng @ 2791' with 1200 sax



Blinebry Oil/Gas Perfs 5672'-5984'

2 3/8" tubing @ 5984'

Tubb Oil/Gas Perfs 6055'-6230'

Baker Mod D retainer @ 6420' cap with 2 sax
cement

Drinkard Oil/Gas Perfs 6535'-6545'

5 1/2" csng @ 6567' with 500 sax, Top of
cement 3550'

Drinkard Oil/Gas open hole 6567'-6622'
17 4 3/4" hole

TD 6622'

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

May 30, 1984



Marathon Oil Company
P.O. Box 2409
Hobbs, New Mexico 88240

Attention: Production Supervisor

Re: J. R. Cone #2 Eubanks Well
Unit L, Section 14, T21S R37E
Lea County, New Mexico
Application to Downhole
Commingle Production

Gentlemen:

As operator of the referenced well J. R. Cone has filed application with the Oil Conservation Division, Energy and Minerals Department, State of New Mexico for additional downhole commingling of production from the Drinkard formation, along with that previously approved for Blinebry and Tubb within the borehole of the referenced well. A copy of this application is attached hereto for your convenience.

The J. R. Cone #2 Eubanks produced Drinkard oil from May of 1949 through March of 1964, at which time it was re-completed as a dual producer from the Drinkard and Tubb formations. Approval to downhole commingling production from the Blinebry and Tubb was approved by the Oil Conservation Division through it's order R5481, dated June 28, 1977. The well is now producing by flowing at marginal economic rates from these formations.

The plan for which this application is made provides for isolation and testing of the Drinkard formation, and subsequent to test commingling production from the Blinebry, Tubb and Drinkard within the borehole and produce all three formation by pumping.

In the event that you find no objection to this application, it will be sincerely appreciated if you will so indicate in the space provided below, and forward one copy each of this waiver to the Oil Conservation Commission, State of New Mexico, and to J. R. Cone in Lubbock, through the self addressed envelopes provided herewith.

Marathan Oil Company
Page Two

Your consideration and attention to this request is
sincerely appreciated.

Yours very truly,


John C. Byers

JCB:bp

Encls.

Marathon Oil Co.
Company Name

J. Howell - District Engineer
Approved By:

6/11/84
Date

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

May 30, 1984



Bravo Energy, Inc.
P.O. Box 758
Hobbs, New Mexico 88240

Re: J. R. Cone #2 Eubanks Well
Unit L, Section 14, T21S R37E
Lea County, New Mexico
Application to Downhole
Commingle Production

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Bravo Energy, Inc.
Page Two

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sincerely appreciated.

Yours very truly,


John C. Byers

JCB:bp

Encls.

Bravo Energy Inc
Company Name

Kel McJohn
Approved By:

6-1-84
Date

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

Shell Oil Corporation
Woodcreek #4434
P.O. Box 991
Houston, Texas 77001

Attention: Production Administration

Re: J. R. Cone #2 Eubanks Well
Unit L, Section 14 T21S R37E
Lea County, New Mexico
Application to Downhole
Commingle Production

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Shell Oil Corporation
Page Two

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Yours very truly,



John C. Byers

JCB:bp

Encls.

Company Name

Approved By:

Date

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

Gulf Oil Corporation
P.O. Box 1150
Midland, Texas 79702

Attention: Production Manager

Re: J. R. Cone #2 Eubanks Well
Unit L, Section 14, T21S R37E
Lea County, New Mexico
Application to Downhole
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John C. Byers

JCB:bp

Encls.

Company Name

Approved By:

Date

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

Getty Oil Company
Two Midland National Bank Center
Midland, Texas 79701

Re: J. R. Cone #2 Eubanks Well
Unit L, Section 14, T21S R37E
Lea County, New Mexico
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In the event that you find no objection to this application, it will be sincerely appreciated if you will so indicate in the space provided below, and forward one copy each of this waiver to the Oil Conservation Commission, State of New Mexico, and to J. R. Cone in Lubbock, through the self addressed envelopes provided herewith.

Getty Oil Company
Page Two

Your consideration and attention to this request is
sincerely appreciated.

Yours very truly,


John C. Byers

JCB:bp

Encls.

Company Name

Approved By:

Date

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

Marathon Oil Company
P.O. Box 2409
Hobbs, New Mexico 88240

Attention: Production Supervisor

Re: J. R. Cone #2 Eubanks Well
Unit L, Section 14, T21S R37E
Lea County, New Mexico
Application to Downhole
Commingle Production

Gentlemen:

As operator of the referenced well J. R. Cone has filed application with the Oil Conservation Division, Energy and Minerals Department, State of New Mexico for additional downhole commingling of production from the Drinkard formation, along with that previously approved for Blinebry and Tubb within the borehole of the referenced well. A copy of this application is attached hereto for your convenience.

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BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

ARCO
P.O. Box 1610
Midland, Texas 79702

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Lea County, New Mexico
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ARCO
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Yours very truly,


John C. Byers

JCB:bp

Encls.

Company Name

Approved By:

Date

OFFSET OPERATORS

EUBANKS #2 WELL

Bravo Energy, Inc.
P.O. Box 758
Hobbs, New Mexico 88240

Shell Oil Corporation
Attn: Production Administration
Woodcreek #4434
P.O. Box 991
Houston, Texas 77001

Gulf Oil Corporation
Attn: Production Manager
P.O. Box 1150
Midland, Texas 79702

Getty Oil Company
Two Midland National Bank Center
Midland, Texas 79701

Marathon Oil Company
Attn: Production Supervisor
P.O. Box 2409
Hobbs, New Mexico 88240

ARCO
Attn: Production Supervisor
P.O. Box 1610
Midland, Texas 79702