

LAW OFFICES

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DEAN B. CROSS

300 YATES PETROLEUM BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88211-0239

RECEIVED  
'90 OCT 2 AM 8 59  
TELEPHONE  
(505) 746-3508  
TELECOPY  
(505) 746-6316

September 27, 1990

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of Hondo Drilling Company fo  
Commingling of Production from Cisco and  
Strawn Formations, Eddy County, New Mexico

Dear Mr. LeMay:

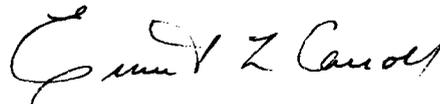
Enclosed for filing, please find three copies of Application of Hondo Drilling Company for Commingling of Production from Cisco and Strawn Formations. Also included in triplicate are the Affidavit of N. Raymond Lamb and attachments, waivers from the offset operators, Anadarko Petroleum, Sun Operating Limited Partnership and Southland Royalty Company, and a plat setting out the well and adjacent wells.

We have also been provided with approval by the United States Department of the Interior, Bureau of Land Management, as evidenced by Richard L. Manus' letter of September 25, 1990, copies of which are attached hereto.

I would therefore request that this application be approved administratively. Please advise me if there is anything further required to achieve this. Thank you for your consideration.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth  
Enclosures

cc: Hondo Drilling Company  
T. J. Sivley

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
HONDO DRILLING COMPANY FOR COMMINGLING : CASE NO. \_\_\_\_\_  
OF PRODUCTION FROM CISCO AND STRAWN :  
FORMATIONS, EDDY COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

APPLICATION

COMES NOW HONDO DRILLING COMPANY, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

1. Applicant proposes to commingle production from its Alscott Federal #1 in unit G of Section 31, Township 18 South, Range 29 East of the Turkey Tract Pool, N.M.P.M., Eddy County, New Mexico producing from the Cisco and Strawn formations.

2. That applicant has completed said well in the Cisco formation at a depth of 9518 feet to 48 feet and proposes to commingle said formation with the Strawn formation at a depth of 10170 to 10180 feet and 10222 to 10232 feet. Applicant further proposes that all of the gas production and 75% of condensate production be credited to the Strawn horizon, and that 25% of condensate production be credited to the Cisco formation in the Turkey Tract pool.

3. All offset operators and the BLM have been notified by certified mail, and have approved such action, as evidenced by the waivers filed herewith.

4. The plat of the area and ownership is attached hereto as Exhibit "A".

5. The Affidavit of Raymond Lamb is attached hereto as Exhibit "B", which sets forth the information required by Rule 303 (C) (2) of the Oil Conservation Division.

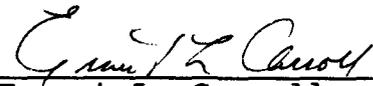
6. That the downhole commingling of said well is feasible in accordance with good conservation practices and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays that:

A. This application be administratively approved as provided in Rule 303(C)(3) of the Oil Conservation Division.

B. And for such other relief as may be just in the premises.

HONDO DRILLING COMPANY

By:   
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239

Attorneys for Applicant

OFFSET OPERATORS AND THEIR LOCATIONS

Township 18 South, Range 29 East, N.M.P.M.

Section 25:	SE/4	Anadarko
Section 29:	SW/4 SW/4	Hondo Drilling Co.
Section 30:	S/2	Hondo Drilling Co.
Section 31:	S/2	Hondo Drilling Co.
Section 32:	W/4	Southland Royalty
Section 36:	SE/4	Sun Operating Ltd.
	E/2 NE/4	Anadarko

TURKEY TRACK AREA  
 EDDY COUNTY, NEW MEXICO  
 HONDO DRILLING ALSCOTT  
 FEDERAL NO. 1, Jr.  
 ADJACENT DEEP WELLS

1/8-St. | W 5018 |  
 Andarko | Tex. 102726 |  
 Pacific | HBP |  
 Andarko | 661219 | Turkey-St.  
 1-87 | State |  
 64214 |  
 68750 |

Andarko |  
 Sun | 12-1-87 | L-3853  
 42917 |  
 InterNorth |  
 al St. 6-2216 |  
 36 |  
 Redfern Dev |  
 Marathon-St. E/2 HBC |  
 TO11390 |  
 P186488 |  
 Andarko |  
 Sun-Tex |  
 106701 | J.H. Trigg  
 1-87 |  
 2428 |  
 2888 |  
 21-55 State |  
 TO3003 |  
 DAS-4-61 |

30- |  
 Woolley |  
 BRISCOE |  
 DWA11-149 |  
 Hondo Drig. |  
 Alscott-Fed |  
 Yates |  
 Trigg- |  
 SIVLEY |  
 TO 2935 |  
 Burgess |  
 McGray |  
 U.S. Fed |  
 Frostman |  
 Swiley Fed |

Abco Pet |  
 12-1-83 |  
 19606 |  
 Hondo |  
 Alscott |  
 (Morr) |  
 Disc. |  
 22.6 Mil |  
 3.1 Mil |  
 Trigg & Sivilley |  
 HBP |  
 56426 |  
 (Trigg & Sivilley) |  
 56426 |  
 (Sivley-Alscott) |  
 TO 2280 |  
 (DA 10-26-60) |  
 NT 02873 P4 |  
 Perm. Disc. |  
 56426 |  
 32 00 |  
 532.543 |  
 (27.4 Mil.) |  
 Hondo Drig. |  
 Alscott-Fed. |  
 P96 (Str Disc. F17) |

40.96 |  
 Lynx |  
 Pet |  
 6-1-92 |  
 V-689 |  
 H.E. Yates |  
 1 Nix F |  
 5 |  
 H.E. Yates |  
 SST |  
 (1-ER) TO 2875 |

T.J. Sivilley, Trigg & Sivilley  
 12-1-83  
 19606  
 7.2 Mil  
 Kincaid  
 + Fill  
 Watson

Forister (J.H. Trigg)  
 (Aztec) L-6518  
 SNOW OEG  
 Alscott  
 WC Disc  
 4  
 Duoj  
 P41 So. Roy.  
 Palmillo St  
 SNOW OEG  
 Alscott  
 PIZ  
 "SET ST"  
 53.57  
 34.00  
 "Aztec-St" State

10 45  
 Amoco  
 1-EC (AMOCO)  
 1.8 Mil. Strata Prod.  
 L-1022

Yates Drig.  
 B-4918  
 Turkey-St  
 K-4795  
 Yates Drig.  
 0925  
 "Fed"

Mobil HBP  
 124159  
 Yates Pet  
 02056

214072  
 214075  
 214072



The Strawn zone has been on production less than 4 months, with a decline rate of 18% per month. The daily production is expected to level off at 5.5 bbls condensate and 150 mcf gas per day against 425# gas line pressure. During this period of 4 months, it was noted by Hondo Drilling Co. personnel that some condensate was showing at the braden head between tubing and casing, which could be attributed to the Cisco formation.

The decline in production from the Strawn formation indicates marginal production above the economical limit of operation.

With the gas production in the Strawn, it is proposed to combine the Cisco condensate production with the Strawn production (condensate and gas) for a production volume above the economic limit. This comingling will extend the production life of the operation, and will recover condensate and gas that would not otherwise be recovered. Based on the original shut-in tubing pressure of the completion in the zones, and the fact that the production will be at maximum rate, there will be no migration of gas or condensate from one zone to the other zone.

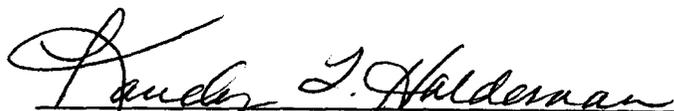
Hondo Drilling Company further proposes that all of the gas production and 75% of condensate production be credited to the Strawn horizon, and that 25% of condensate production be credited to the Cisco formation in the Turkey Track pool. The formula is based on present and anticipated production. In the event future production data indicate the need for a change in the formula, Hondo Drilling Company will submit a formal request to the New Mexico Oil Conservation Commission.

  
N. Raymond Lamb

SUBSCRIBED AND SWORN TO before me this July 17, 1990,  
by RAYMOND N. LAMB.

My commission expires:

11-17-93

  
Notary Public

PO Box 1980, Hobbs, NM 88240  
 District II  
 PO Drawer DD, Artesia, NM 88210  
 District III  
 1060 Rio Brazos Rd., Aztec, NM 87410

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

FORM C-115

HONDO DRILLING COMPANY P. O. DRAWER 2516 MIDLAND, TEXAS 79702-2516 FOR MONTH OF May 1990 PAGE 2 OF 2 PAGES

POOL NAME LEASE NAME WELL NO -UNIT-SEC-TWP-RNG	M S T A	INJECTION PRESS.	PRODUCTION			GAS PRODUCED (MCF)	DAYS PROD	SOLD	DISPOSITION OF GAS			DISPOSITION OF OIL		
			BRLS OIL PRODUCED	BRLS WATER PRODUCED					TRANS- FOR- TER	OTHER	E	D	ON HAND BEG.	BRLS TO TRANS- PORTER

Union "TY" State Com. - K-4093	01	N		121	6	21069	31	20449	EP6	620	U	169	170	PER			119
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TURKEY TRACK MORROW																	
Alscott Federal - NH-0924	01	G		0		0	0	0				74	0	NRC			74

TURKEY TRACK MORROW																	
Alscott Federal - NH-0924	02	0		59	21	13174	31	12560	EP6	614	U	217	0	NRC			216

Wright Federal Com. - NH-0925	01	N		37	3	10112	31	9458	EP6	654	U	199	0	NRC			236
Wright Federal Com. - NH-0925	02	G		45	0	1973	31	1973	EP6			205	0	NRC			250

Triag Jennings Com. - NH-030752	01	N		5	3	5708	31	5522	EP6	186	U	92	0	NRC			97
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TURKEY TRACK STRAIN, NORTH																	
Alscott Federal Com. - NH-0924	01	G		196		5245	31	5245	EP6			157	169	NRC			184

DISTRIBUTION STATUS CODE "OTHER" GAS DISPOSITION CODE "OTHER" OIL DISPOSITION CODE

Original OCD Santa Fe  
 One Copy OCD Dist Office  
 In which lease is located  
 One Copy to Transporter (s)  
 Date Due

To be postmarked by 24th day of next succeeding month.

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

Margaret Langacker  
 Typed Name  
 Corp. Secretary  
 Position  
 (915) 482-9401  
 Phone Number

Margaret Langacker  
 Signature  
 06/29/90  
 Date

# PACKER INSTALLATION PLAN

PREPARED FOR <i>Nathan Outlaw</i>		COMPANY <i>Hondo Drilling Comp.</i>			DATE <i>1-31-90</i>	
LEASE <i>Alscott Federal</i>	WELL No. <i>1</i>	FIELD	CO./PARISH <i>Eddy</i>	STATE <i>N.M.</i>	<input type="checkbox"/> NEW COMPLETION <input checked="" type="checkbox"/> WORKOVER	

INSTALLATION	ITEM	LENGTH	FROM	TO	DESCRIPTION	OD	ID
←		13'	0	13	KB Correction		
←		10081.99	13	10094.99	334 Jts 2 3/8 N-80 Tbg 4.7"		
←			9518	9548	Perforations "CISCO"		
←			9556	9560	Perforations CISCO		
←			9571	9578	Perforations CISCO		
←			9590	9593	Perforations CISCO		
←		4.10	10094.99	10099.09	4' N-80 x 2 3/8 sub Jt.		
←		1.95	10099.09	10101.04	Huiberson X 1/2 w/ 1.375" Profile		
←		6.68	10101.04	10107.72 w/ 10098.	Huiberson Uni & Pkr 5 1/2 x 17-20 x 2 3/4"		
←			10170	10180	Perforations "Strawn"		
←			10222	10232	Perforations Strawn		
←					5 1/2 x 17-20" C59.		
←			10750	10790	40' Cement cap		
←				10790	CIBP		
				11238	Driller depth		

GENERAL REMARKS <i>Note w/2 Depth Bottom Pkr 10098</i>			PACKER TYPE top	RETRIEVING METHOD Include shear release or collet snap value
COMP. FLUID TYPE AND WEIGHT	ESTIMATED BHT.	ESTIMATED BHP	middle	
MAX. ANGLE AND KICKOFF DEPTH (II)	SAND CONTROL		lower	
DATE <i>1-31-90</i>	OPERATOR'S NAME <i>Andy Jackson</i>	AREA <i>Artesia, N.M.</i>	DELIVERY TICKET No.	

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
HONDO DRILLING COMPANY FOR DOWNHOLE  
COMMINGLING, EDDY COUNTY, NEW MEXICO

---

:  
:  
:  
:

CASE NO. \_\_\_\_\_

WAIVER

As an offset operator, ANADARKO PETROLEUM CORPORATION has no objections to Hondo Drilling Company's proposed downhole commingling in its Alscott Federal No. 1 Well at a location 1650' from the north line and 1980' from the east line of Section 31, Township 18 South, Range 29 East, Eddy County, New Mexico.

By: Bill Huff

Title

Division Production Engineer

Date

8-2-90

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
HONDO DRILLING COMPANY FOR DOWNHOLE : CASE NO. \_\_\_\_\_  
COMMINGLING, EDDY COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

WAIVER

As an offset operator, SUN OPERATING LIMITED PARTNER-  
SHIP has no objections to Hondo Drilling Company's proposed  
downhole commingling in its Alscott Federal No. 1 Well at a  
location 1650' from the north line and 1980' from the east line  
of Section 31, Township 18 South, Range 29 East, Eddy County, New  
Mexico.

By: J. E. Washell

Geologic Supervisor  
Title \_\_\_\_\_

8-13-90  
Date \_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
HONDO DRILLING COMPANY FOR DOWNHOLE : CASE NO. \_\_\_\_\_  
COMMINGLING, EDDY COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

WAIVER

As an offset operator, SOUTHLAND ROYALTY COMPANY has no objections to Hondo Drilling Company's proposed downhole commingling in its Alscott Federal No. 1 Well at a location 1650' from the north line and 1980' from the east line of Section 31, Township 18 South, Range 29 East, Eddy County, New Mexico.

By: Robert L. Bradshaw

SR. STAFF ENV./REG. SPECIALIST  
Title

8/22/90  
Date