

OIL CONSERVATION DIVISION  
RECEIVED

'91 MAR 29 AM 8 46

**BETTIS, BOYLE & STOVALL**  
P. O. BOX 1240  
GRAHAM, TEXAS 76046  
(817)-549-0780 OR FAX (817)-549-7405

March 25, 1991

State of New Mexico  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504

Re: Downhole Commingling  
Application  
Exxon Federal "8" No. 1

Dear Mr. Catanach:

At your request I have reviewed the Division Rule #303 and have included the enclosed additional information. Not all of the information requested in Part 2 of Rule 303 is available because we do not have individual tests on the Morrow zone. To gather the actual bottom hole pressure would require isolating both zones to individually test.

At this time the two zones combined are producing approximately 2700 mcf/month. At this rate and at a 50% rate of decline the remaining reserves are small and do not warrant the expense of isolating and testing these zones separately. It is our opinion that neither zone alone could be economically produced and that to deny commingling would be wasteful as these reserves would not be recovered.

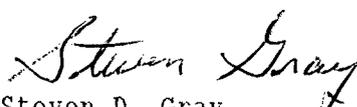
Both zones produce dry, pipeline quality gas with only traces of water and condensate. These fluids are compatible and should present no operational problems.

Based on current tests we now recommend allocating 55% of production to the Morrow and 45% of production to the Atoka.

Please be advised that we have sent letters to all offset operators regarding this proposed commingling of production. If you need further information please advise.

Yours truly,

BETTIS, BOYLE & STOVALL

  
Steven D. Gray  
Petroleum Engineer

STG:vu

Exxon Federal "8" No. 1  
Rustler Bluff Field  
Eddy County, NM

Morrow - Bottom Hole Pressure Unknown  
Atoka - Bottom Hole Pressure Est. - 1600 PSIG

Recommended Formula For Allocating Production

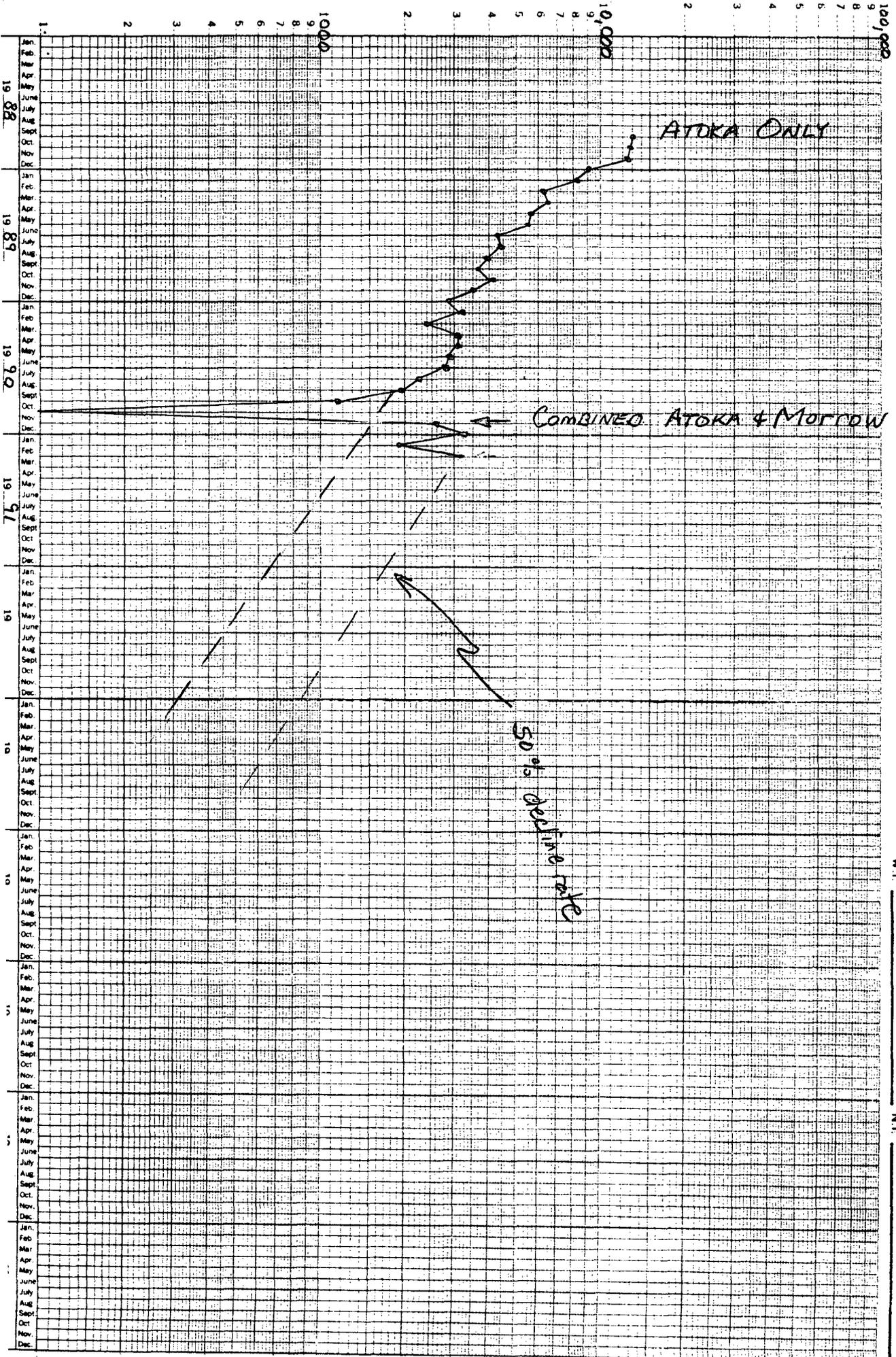
Atoka production prior to adding Morrow perfs.  
From decline curve was 1500 mcf/month 12/90  
Production after workover - 3300 mcf/month 12/90

Production after workover	3300 mcf/mo
Production from Atoka prior to workover	-1500 mcf/mo
Production estimated from Morrow	<u>1800</u> mcf/mo

Morrow  $1800/3300 = 55\%$   
Atoka  $1500/3300 = 45\%$

Texas Oil & Gas Corp.

GAS, MCF/MONTH



LEASE WELL EXXON FED 8 # 1

OPERATOR BETTS, BOYLE, & STOVALL

ZONE ATOKA & MORROW

FIELD RUSTLER BLUEF

COUNTY \_\_\_\_\_ STATE \_\_\_\_\_

W. I. \_\_\_\_\_ N. I. \_\_\_\_\_



BETTIS, BOYLE & STOVALL  
P. O. BOX 1240  
GRAHAM, TEXAS 76046  
817-549-0780

March 25, 1991

Oil Conservation Division  
324 West Main  
Petroleum Building  
P.O. Drawer DD  
Artesia, NM 88210

RE: BETTIS, BOYLE & STOVALL  
Exxon "8" Federal Well No. 1  
Sec. 8, T-25-S, R-29-E  
Eddy County, New Mexico

Gentlemen:

I, Kim Ligon, hereby certify that on March 25, 1991, written notification was given of our application to downhole commingle, exception to Rule 303-A, to each of the attached offset operators.

Sincerely,

BETTIS, BOYLE & STOVALL



Kim Ligon  
Production Analyst

kl  
Encl.

BETTIS, BOYLE & STOVALL  
P. O. BOX 1240  
GRAHAM, TEXAS 76046  
817-549-0780

OFFSET OPERATORS  
TO  
BETTIS, BOYLE & STOVALL'S  
EXXON "8" FEDERAL WELL NO. 1  
SEC. 8, T-25-S, R-29-E  
EDDY COUNTY, NEW MEXICO

APPLICATION TO DOWNHOLE COMMINGLE  
EXCEPTION TO RULE 303-A

Section 6 - Enron Oil & Gas Company  
#1 Rustler Bluff Well  
State of New Mexico Lease No. L-6293

Section 5 - Bettis Borthers Inc.  
#1 Gulf Federal "5" Well  
Federal Lease No. NM-15302

Section 4 - CNG Producing Company  
#1 Bar "4" Federal Well  
Federal Lease No. NM-15302

Section 9 - Bettis, Boyle & Stovall  
#1 Pickett Draw Federal Well  
Federal Lease No. NM-15303

Section 7 - Exxon Corporation  
Federal Lease No. NM-55929

Section 18 - P. A. Yates  
Federal Lease No. NM-62199

Section 17 - P. A. Yates  
Federal Lease No. NM-62199

Exxon Corporation  
Federal Lease No. NM-55929

Section 16 - Santa Fe Energy Operating Partnership, LP  
State of New Mexico Lease No. VB-381

BETTIS, BOYLE & STOVALL  
P. O. BOX 1240  
GRAHAM, TEXAS 76046  
817-549-0780

March 25, 1991

Enron Oil & Gas Company  
P.O. Box 2267  
Midland, TX 79702

Attn: Mr. Bill Lewis

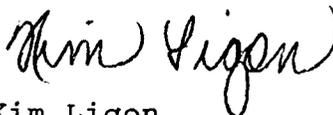
RE: Bettis, Boyle & Stovall  
Exxon Fed. 8 Well No. 1  
660' FNL & 860' FEL of  
Sec. 8, T-25S, R-29-E  
Eddy County, New Mexico

Dear Gentlemen:

Please be advised that Bettis, Boyle & Stovall has applied to the Director of the Division to grant an exception to Rule 303-A to permit the commingling in the well bore of the above referenced well of which your company is an offset operator.

Sincerely,

BETTIS, BOYLE & STOVALL



Kim Ligon  
Production Analyst

KL

BETTIS, BOYLE & STOVALL  
P. O. BOX 1240  
GRAHAM, TEXAS 76046  
817-549-0780

March 25, 1991

Exxon Company, U. S. A.  
P.O. Box 1600  
Midland, TX 79702-1600

Attn: Mr. James Howell

RE: Bettis, Boyle & Stovall  
Exxon Fed. 8 Well No. 1  
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Sec. 8, T-25S, R-29-E  
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Kim Ligon  
Production Analyst

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BETTIS, BOYLE & STOVALL  
P. O. BOX 1240  
GRAHAM, TEXAS 76046  
817-549-0780

March 25, 1991

Bettis Brothers, Inc.  
One First City Center  
500 West Texas, Suite 830  
Midland, TX 79701

Attn: Harry M. Bettis, Jr.

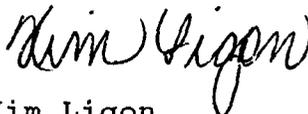
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P. O. BOX 1240  
GRAHAM, TEXAS 76046  
817-549-0780

March 25, 1991

Chevron U. S. A., Inc.  
P.O. Box 1150  
Midland, TX 79702

Attn: Mr. D.H. Messer

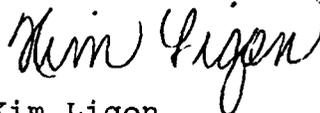
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Production Analyst

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P. O. BOX 1240  
GRAHAM, TEXAS 76046  
817-549-0780

March 25, 1991

P. A. Yates  
105 South 4th  
Artesia, NM 88210

RE: Bettis, Boyle & Stovall  
Exxon Fed. 8 Well No. 1  
660' FNL & 860' FEL of  
Sec. 8, T-25S, R-29-E  
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Production Analyst

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P. O. BOX 1240  
GRAHAM, TEXAS 76046  
817-549-0780

March 25, 1991

Santa Fe Energy Operating Partnership, LP  
1616 S. Voss Rd., Suite 1000  
Houston, TX 77057

RE: Bettis, Boyle & Stovall  
Exxon Fed. 8 Well No. 1  
660' FNL & 860' FEL of  
Sec. 8, T-25S, R-29-E  
Eddy County, New Mexico

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Production Analyst

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P. O. BOX 1240  
GRAHAM, TEXAS 76046  
817-549-0780

March 25, 1991

CNG Producing Company  
CNG Tower, 1450 Poydras Street  
New Orleans, LA 70112-6000

Attn: Mr. Logan Magruder

RE: Bettis, Boyle & Stovall  
Exxon Fed. 8 Well No. 1  
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Sec. 8, T-25S, R-29-E  
Eddy County, New Mexico

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Sincerely,

BETTIS, BOYLE & STOVALL



Kim Ligon  
Production Analyst

KL

Submit 2 copies to Appropriate District Office.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-116  
Revised 1/1/89

**OIL CONSERVATION DIVISION**

**GAS - OIL RATIO TEST**

Operator Bettis, Boyle & Stovall		Pool Rustler Bluff Morrow (Gas)		County Eddy											
Address P. O. Box 1240, Graham, TX 76046		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	SUSP.	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 BBL.S.	GRAV. OIL	OIL BBL.S.	
Exxon "8" Federal	01	A	08	25S	29E	3/23/91	F	16/64	640		24	0	0	0	36

**Instructions:**

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.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature *Kim Ligon*

Kim Ligon, Production Analyst

Printed name and title

Date 3/25/91 Telephone No. 817/549-0780

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 DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240  
 DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210  
 DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
 Energy, Minerals and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

Form C-116  
 Revised 1/1/89

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Operator: Bettis, Boyle & Stovall  
 County: Eddy  
 Pool: Rustler Bluff Atoka (Gas)

Address: P.O. Box 1240, Graham, TX 76046  
 Type of Test: (X) Scheduled  Completion  Special

LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	TYPE OF TEST - (X)	SCHEDULED	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 BBL.S.	GRAY. OIL	OIL BBL.S.		GAS M.C.F.
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Signature: *Kim Ligon*

Printed name and title: Kim Ligon, Production Analyst

Date: 3/25/91

Telephone No.: 817-549-0780