



June 11, 1992

OIL CONSERVATION DIVISION
RECEIVED

Amoco Production Company 48

501 WestLake Park Boulevard
Post Office Box 3092
Houston, Texas 77253

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

File: KWB-WF

Gentlemen:

Application to Downhole Commingle
State "CK" Well No. 1
Paddock and Drinkard Pools
Lea County, New Mexico

Approval is hereby requested to downhole commingle the State "CK" Well No.1 in accordance with NMOCD Rule 303-C.

This well is located 330' FSL x 2209' FWL, Section 19, T-21-S, R-37-E, Lea County, New Mexico and is dually completed in the Paddock and Drinkard Pools. It was originally completed as a dual well in January, 1962. Approval to dual complete this well was granted January 19, 1962, by Order No. MC-1147. Commingling of these two zones will enhance the economic operation of this well.

In support of our request, please see the attachments. If additional information is required, please contact Howard Black at (713) 584-7213.

Yours very truly,

A handwritten signature in cursive that reads "K. W. Brand" with a small "HB" written below it.

K.W. Brand
Administrative Services Manager

Attachments
HIB/bmm

cc: State of New Mexico
Energy and Mineral Department
Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88240

Terry Caldwell - 18.194
B.W. Abbott - Hobbs OC

OFFSET OPERATORS LIST FOR STATE CK LEASE

**Graham Royalty, Ltd.
12707 N. Freeway, Suite 200
Houston, Texas 77060**

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

**Texaco USA
P.O. Box 3109
Midland, Texas 79702**

**C.G. Campbell, GTA
P.O. Box 401
Midland, Texas 79701**

Application to Downhole Commingle State CK #1:Paddock/Drinkard

1. The latest productivity tests are as follows:

	<u>BOPD</u>	<u>BWPD</u>	<u>MCFD</u>	<u>PERFORATIONS</u>
Paddock	18	5	58	5153'-5166'
Drinkard*	7	2	70	6631'-6654', 6661'-6667'

*Latest productivity test on the Drinkard. Currently tubing plugged with paraffin.

- Neither zone produces more water than the combined oil limit as determined by Rule 303, Paragraph C.
- The produced fluids should be compatible and commingling these fluids should not result in precipitates which might damage the reservoir. Both zones will produce sour oil and gas. Both streams are currently surface commingled and have not caused problems in the battery.
- The value of the commingled stream will not be diminished from the value of separate stream sales.

Individual Streams

Paddock	18 BOPD x \$15.59 = \$280.62
Drinkard	7 BOPD x \$ 15.59 = <u>\$109.13</u>
	\$389.75

When commingled, sales will be the same as the individual streams. Price will remain the same.

5. Expected daily production from the commingled zones are as follows:

	<u>Paddock</u>	<u>Drinkard</u>	<u>Commingled</u>
BOPD	18	7	25
BWPD	5	2	7
MCFD	58	70	128

6. Estimated bottomhole pressures:

Paddock

Middle perf: 5160'

$$\text{BHP} = (5160') (.07 \text{ psi/ft}) + (270) = 631 \text{ psi}$$

Drinkard(flowing)

Middle perf: 6649'

$$\text{BHP} = (6649')(.07) + (100) = 565 \text{ psi}$$

7. Recommended oil and gas allotments are based on reserves as follows:

Paddock

Initial rate: 18 BOPD

End rate: 2 BOPD

Decline: 15 %

$$\text{Reserves: } \frac{(365)(18-2)}{.15} = 38,933 \text{ BO}$$

Drinkard

Initial rate: 7 BOPD

End rate: 2 BOPD

Decline: 20 %

$$\text{Reserves: } \frac{(365)(7-2)}{.20} = 9125 \text{ BO}$$

$$\text{Paddock Allocation: } \frac{\text{Paddock Reserves}(38933)}{\text{Total Reserves}(48058)} = 81\%$$

$$\text{Drinkard Allocation: } \frac{\text{Drinkard Reserves}(6125)}{\text{Total Reserves}(48058)} = 19\%$$

8. Both zones to be commingled have common ownership.
9. All offset operators have been notified by certified mail. Copy of receipts attached.

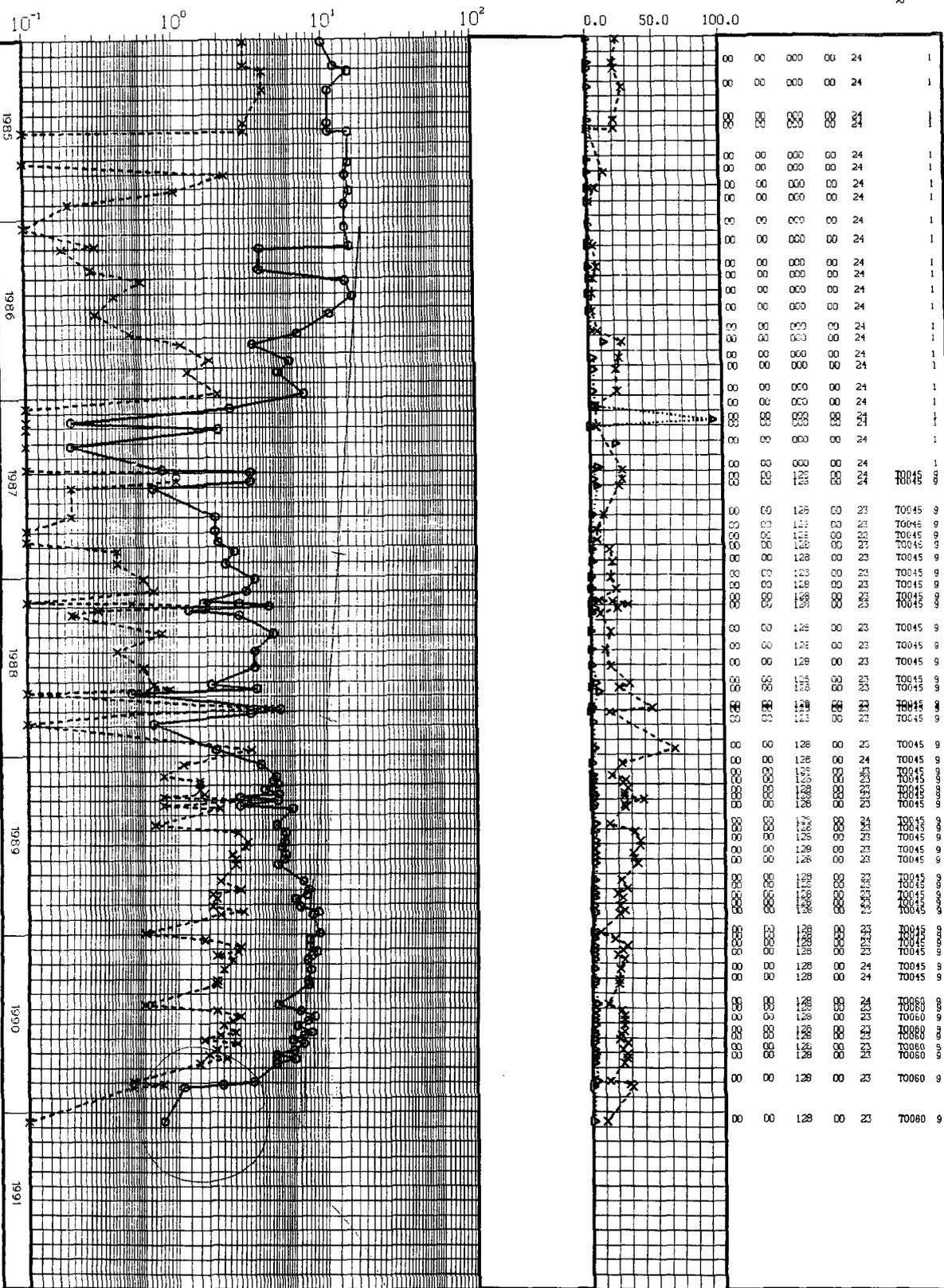
WELL TEST OIL WELL PLOT 06-03-91

STATUS CONDITION
 FTP (T) OR
 PMP, CSG, PRES (P) OR
 IFCP (C)
 PROD. HOURS
 PER DAY
 SPM
 TBG, CH. OR
 STROKE LEN.
 DIA.
 PUMP 16THS
 VOL. EFF.

24 HR TEST RATES

OIL, BBL.S./DAY
 WATER, BBL.S./DAY

WATERCUT



REGION - J
 DISTRICT - 63
 OPERATOR - AMOCO PRODUCTION COMPANY
 MAIL TO LOC. NO. - 463

SW T X SE NW BU
 HOBSBS OC
 COMPLETION ZONE NAME - DRINKARD
 STATE - REG. FIELD/POOL - 30 3406
 FLAG/CL/VJ - 390994 STATE /CH/
 NAME - J WYSE
 MAIL CODE/ROOM - 181EW

FLAG(WELL)-HOR - 925043-01 - OIL WELL
 COMPLETION DATE - 01-00-62
 LEASE WELL NO. - 001N19
 JOB REQUEST - 001-01

STATE /CK
 WELL NO. 001N19

20970

paraffin

INPUT PSIG (I)
 CYCLE TIME
 GL CHOKE 64THS
 INPUT GFR (MCF/BBL.)
 0.0 2.5 5
 GOR, SCF/BBL. 4



Amoco Production Company
Diagrammatic Sketch

Elevations

KB: 3,516.4'

DF: 3,515'

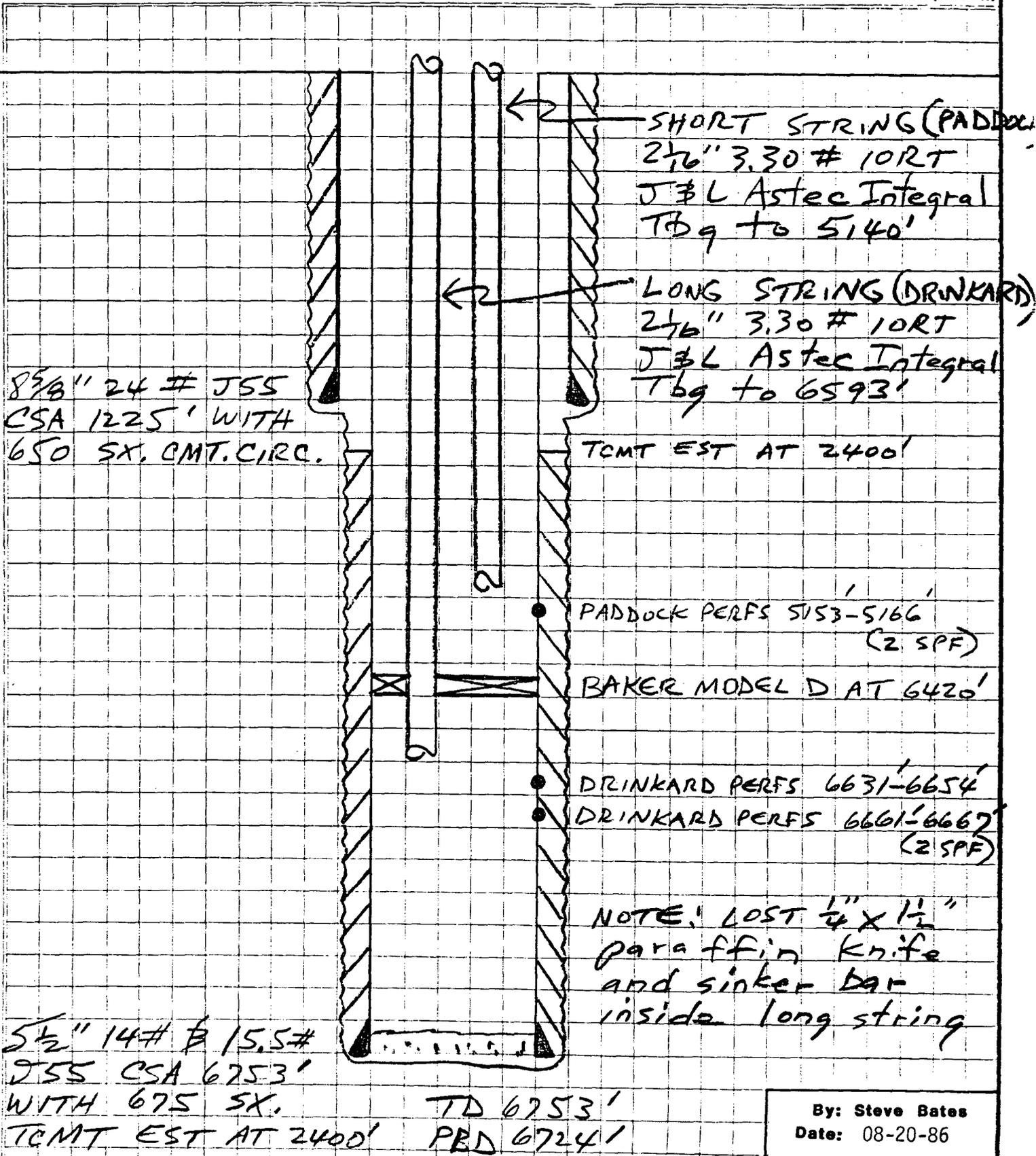
GL: 3,506'

Date: 01-12-62

(of first completion)

Well: State "CK" No. 1

Location: 330' FSL x 2209' FWL (N-19-21-37), Lea County, NM



By: Steve Bates
Date: 08-20-86

NUMBER OF COPIES RECEIVED	
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NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT
 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

FORM C-128
 Revised 5/1/57

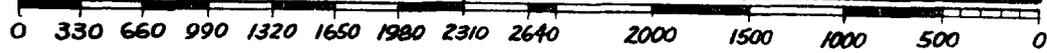
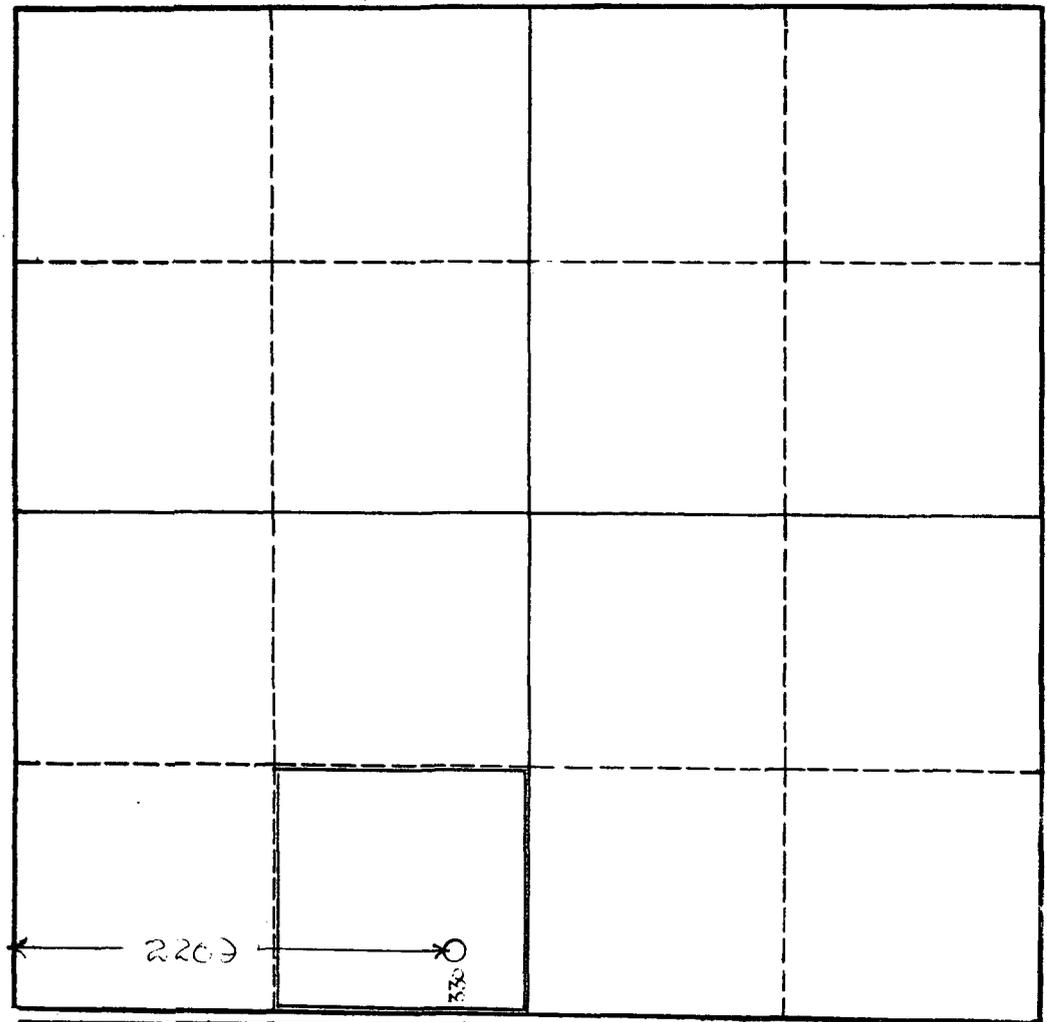
SECTION A

Operator Fan American Petroleum Corporation		Lease State "OK"		Well No. 1
Unit Letter H	Section 19	Township 21-S	Range 37-E	County Los
Actual Footage Location of Well: 330 feet from the South line and 2209 feet from the West line				
Ground Level Elev. 3516 EDD	Producing Formation Paddock	Pool Undesignated	Dedicated Acreage: 40 Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO ____ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ____ NO ____ . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

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

Name	Original Signed by: V. E. STALEY
Position	Area Superintendent
Company	Fan American Pet. Corp.
Date	January 23, 1962

I hereby certify that the well location shown on the plat in SECTION B 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.	

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

Form C-116
 Revised 1/1/89

GAS - OIL RATIO TEST

Operator		Pool		County										
Amoco Production Company		Drinkard		Lea										
Address				TYPE OF TEST - (X)		Scheduled		Completion		Special				
P. O. Box 3092, Houston, TX 77253				<input checked="" type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST		GAS - OIL RATIO CU FT/BBL.	
		U	S	T	R						WATER BBL.S.	OIL BBL.S.		
State CK	1	N	19	21	37	3/28/92	P	0 1/1	Gas	24	4	33.2	13	392
	2	K	19	21	37	4/2/92	P	40	Gas	24	39	22.6	25	1,106
								60	43			15.6	14	1,556
State E Tract 27	1	N	18	21	37	2/23/92	P	0 1/1	Gas	24	3	11	56	5,091
								69			2	4.3	39	9,070

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 MCP 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 A. Colvin
 Printed name and title Asst. Admin. Analyst

Date 5/6/92
713/596-7686
 Telephone No.



STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBBS DISTRICT OFFICE

OIL CONSERVATION DIVISION RECEIVED
 '92 JUN 26 AM 9 58

BRUCE KING
 GOVERNOR

June 23, 1992

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88241-1980
 (505) 393-6161

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

RE: Proposed:

- MC _____
- DHC _____ X
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Amoco Production Co.	State CK #1	N	19-21-37
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Supervisor, District 1

/ed