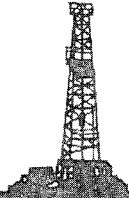


KNOX INDUSTRIES, INC.



OIL CONSERVATION DIVISION
RECEIVED

'92 OCT 28 AM 8 50

RELEASE 11-11-92

POST OFFICE BOX 3023 ● MIDLAND, TEXAS 79702

GORDON S. KNOX
PRESIDENT & CEO

TELEPHONE: (915) 682-6261
FAX: (915) 682-3102

October 13, 1992

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
P.O. Box 2088]
Santa Fe, New Mexico 87504

Re: Downhole Commingling
Federal 3C Well #2
NM 68823 - 660' FNL
1880' FWL, Sec 3, T-9-S
R-35-E
Lea County, New Mexico

Gentlemen:

Purvis Oil Corp., P.O. Box 11006, Midland, Texas, 79702 was the original operator of this well, however, Knox Industries, Inc. is the current operator.

In support of this request please find enclosed a plat of the area showing one offset producer - Petroleum Production Management, P.O. Box 956, Cross Roads, New Mexico 88114 - from the Abo Formation. Their Will #4 well NM 4039-B Abo and Vada Penn - UL"J" Sec 34, T-8-S, R-35-E, Roosevelt County, New Mexico, was granted permission for commingling the Abo Formation with the Vada Penn Formation on March 17, 1992. Also enclosed are forms 116 for the Abo and Form C-104, showing perforations and treatment of the Abo Zone in our well. The Vada Penn Zone has not been drilled into yet. A production history for the past year is included for your review.

The bottom hole pressure of both zones will be less than 100# PSI, with no possibility of flowing. Production from both zones will be achieved by down hole rod pump. The oil produced from the Abo has a gravity of 40+ and the Vada Penn is approximately 41+ which makes the fluids very compatible.

Based on Vada Penn production in the immediate area, we anticipate oil production from the zones to be 40 - 50 barrels of oil per day. This should give a combined production of 55 to 60 barrels of oil per day. Gas

Oil Conservation Division
October 13, 1992
Page -2-

production from both zones should be around 60 to 65 MCF per day.

The ownership of both zones, including working interest, royalty and overriding royalty are the same in this well.

We will notify the BLM in Roswell, New Mexico and send them a Sundry Notice after we receive approval from your office.

Your consideration and approval of this application will be appreciated. Should additional information be needed, please contact this office at the above address or call collect.

Yours very truly,

KNOX INDUSTRIES, INC.

A handwritten signature in cursive script, reading "Bruce L. Groce".

Bruce L. Groce
Production Supervisor

BLG/rm
enclosures

FEDERAL 3C #2
PRODUCTION HISTORY

SEPTEMBER 1991 - AUGUST 1992

YEAR	MONTH	OIL PRODUCED (BBLs)	GAS PRODUCED (MCF)
1991	SEPT	1022	3758
	OCT	941	3778
	NOV	912	3392
	DEC	847	3201
1992	JAN	908	3268
	FEB	757	2843
	MAR	789	3133
	APR	735	2930
	MAY	735	2899
	JUNE	393	1619
	JULY	632	883
	AUG	575	1565

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

Operator PURVIS OIL CORP		Well API No. 30-025-30978 FEDERAL 3-C #2
Address P. O. BOX 11006, MIDLAND, TEXAS 79702		
Reason(s) for Filing (Check proper box) ☐ Other (Please explain)		
New Well ☒	Change in Transporter of: Oil ☐ Dry Gas ☐ Casinghead Gas ☐ Condensate ☐	Approval to flare casinghead gas from this well must be obtained from the BUREAU OF LAND MANAGEMENT (BLM)
Recompletion ☐		
Change in Operator ☐		

If change of operator give name
and address of previous operator

THIS WELL HAS BEEN PLACED IN THE POOL

DESIGNATED BELOW. IF YOU DO NOT CONCUR

II. DESCRIPTION OF WELL AND LEASE

Lease Name FEDERAL 3-C #2	Well No. #2	Pool Name, Including Formation Milnesand Abo	Kind of Lease Fed State, Federal or Fee	Lease No. USA NM-68823
Location				
Unit Letter C : 1880' Feet From The West Line and 660' Feet From The North Line				
Section 3 Township 9 South Range 35 East , NMPM , Lea County , New Mexico County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☒ or Condensate ☐ Sun Refining and Marketing Company	Address (Give address to which approved copy of this form is to be sent) P. O. Box 2039, Tulsa, Oklahoma 74102-2039					
Name of Authorized Transporter of Casinghead Gas ☒ or Dry Gas ☐ Warren Petroleum Company (Chevron)	Address (Give address to which approved copy of this form is to be sent) P. O. Box 1150, Midland, TX 79702					
If well produces oil or liquids, give location of tanks.	Unit C	Sec. 3	Twp. 9 S	Rge. 35 E	Is gas actually connected? No	When? 10-20-90

If this production is commingling with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well ☒	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded 9-4-90	Date Compl. Ready to Prod. 10/08/90	Total Depth 9740'	P.B.T.D. 9679'					
Elevations (DF, RKB, RT, GR, etc.) 4173' GR	Name of Producing Formation Abo	Top Oil/Gas Pay 8920'	Tubing Depth 8872'					
Perforations 8920' to 8950'	Depth Casing Shoe 9740'							

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
17 1/2	13-3/8"	385	420 sx cmt circ.
11	8-5/8"	4050'	1240 sx cmt circ.
7-7/8"	5-1/2"	9740'	360 sx

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank 10/8/90	Date of Test 10/9/90	Producing Method (Flow, pump, gas lift, etc.) Flowing	
Length of Test 24 hrs	Tubing Pressure 100	Casing Pressure 0	Choke Size 28/64
Actual Prod. During Test 135	Oil - Bbls. 135	Water - Bbls. 6	Gas - MCF 138

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

OIL CONSERVATION DIVISION

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-1116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator PURVIS OIL CORP.		Pool MILNESAND ABO		County LEA										
Address P. O. BOX 11006, MIDLAND, TX 79702		TYPE OF TEST - (X)		SCHEDULED										
LEASE NAME Federal 3-C #2	WELL NO. 2	LOCATION			DATE OF TEST 11-02-90	CHOKE SIZE 26/64"	TBG. PRESS. 250	DAILY ALLOW. ABLE 230	LENGTH OF TEST HOURS 24	Completion ☒ X Special ☐				
		U	S	T						R	WATER BBLs.	PROD. DURING TEST GRAV. OIL	OIL BBLs.	GAS M.C.F.
		C	3	9S	35E					0	39.0	287	250	833/1

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 J. H. Purvis J. H. Purvis, President POCO

Printed name and title

Date 11/05/90 915-682-7346
Telephone No.


$$1'' = 2,000'$$