

OIL CONSERVATION DIVISION
RECEIVED

SAMEDAN OIL CORPORATION
12600 NORTHBOROUGH, SUITE 280
HOUSTON, TEXAS 77067-3299
(713) 876-6150

FEB 22 PM 8 35

February 17, 1994

Oil Conservation Division
PO Box 2088
Santa Fe, New Mexico 87504-2088

Attn: William LeMay:

RE: Down hole Commingling
Sarah B Well #3
Unit M, Sec 1, T-23-S, R-37-E
Cline - Tubb
Cline - Lower Paddock/Blinebry

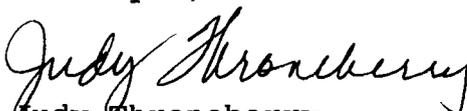
Samedan Oil Corporation requests administrative approval for the down hole commingling of the above mentioned pools.

We have enclosed the following:

- 1) Area Plat showing ownership of offsetting leases.
- 2) Plat showing acreage dedicated to the well.
- 3) Names and addresses of offsetting operators and a copy of the letter notify them and the United States Bureau of Land Management of our intention.
- 4) Division Form C-116 showing 24-hr productivity test from each zone.
- 5) Well History and Prognostication of Future Production.
- 6) Estimated BHP for each Artificially Lifted Zone.
- 7) Fluid Description of each Zone.
- 8) Values of Production.
- 9) Recommended formula for Allocation of production.

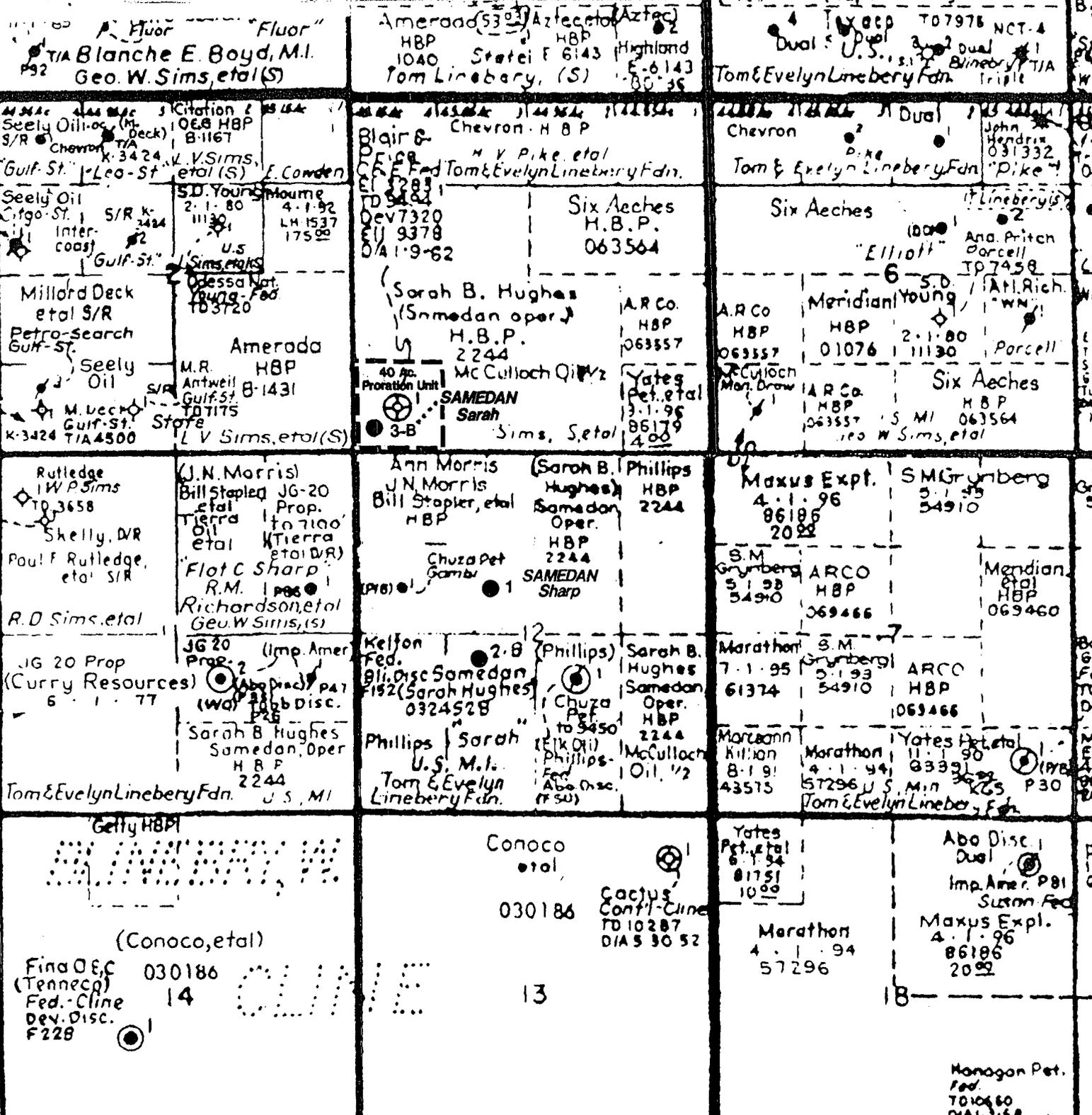
We appreciate your consideration in this matter. If you have any questions please call.

Thank you,


Judy Throneberry

attachments

xc: OCC - Hobbs District
BLM - Carlsbad, NM



U.S., A
Tom & Evelyn Line

Aztec OEG
Meridian E, Fla.
HBP
E 8108

Gulf
H.B.P.
E-1451

-24

SAMEDAN OIL CORPORATION

**SAMEDAN OIL CORPORATION
NO. 3 SARAH "B"
LEA COUNTY, NEW MEXICO**

SCALE: 1" = 2000' DATE: 1-94

Submit to Appropriate
 District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
 P.O. Box 1880, Hobbs, NM 88240

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

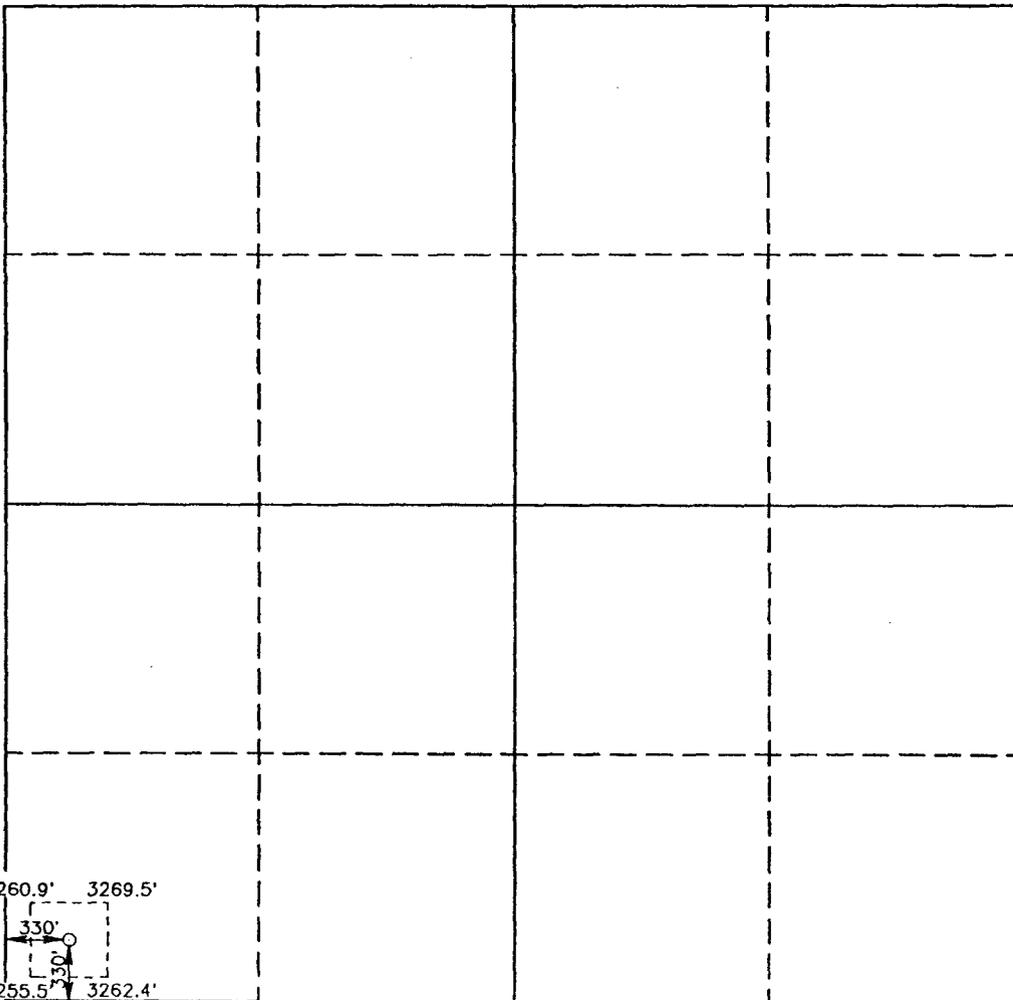
Operator SAMEDAN OIL CORPORATION		Lease SARAH B		Well No. 3
Unit Letter M	Section 1	Township 23 SOUTH	Range 37 EAST	County NMPM LEA
Actual Footage Location of Well:				
330 feet from the SOUTH line and		330 feet from the WEST line		
Ground Level Elev. 3263.8'	Producing Formation Lower Paddock/Blinebry	Pool Cline	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

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



OPERATOR CERTIFICATION

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

Signature
Judy Throneberry

Printed Name
Judy Throneberry

Position
Div Prod Clerk

Company
Samedan Oil Corporation

Date
February 17, 1994

SURVEYOR CERTIFICATION

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
JUNE 10, 1993

Signature & Seal of
 Professional Surveyor

Gary L. Jones

GARY L. JONES
 NEW MEXICO
 PROFESSIONAL SURVEYOR

Certificate No. **JOHN W. BERT, 676**
RONALD ANDERSON, 3239
GARY L. JONES, 7977

Submit to Appropriate
 District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All Distances must be from the outer boundaries of the section

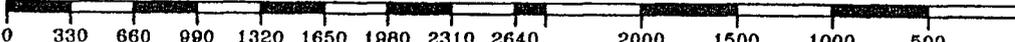
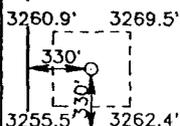
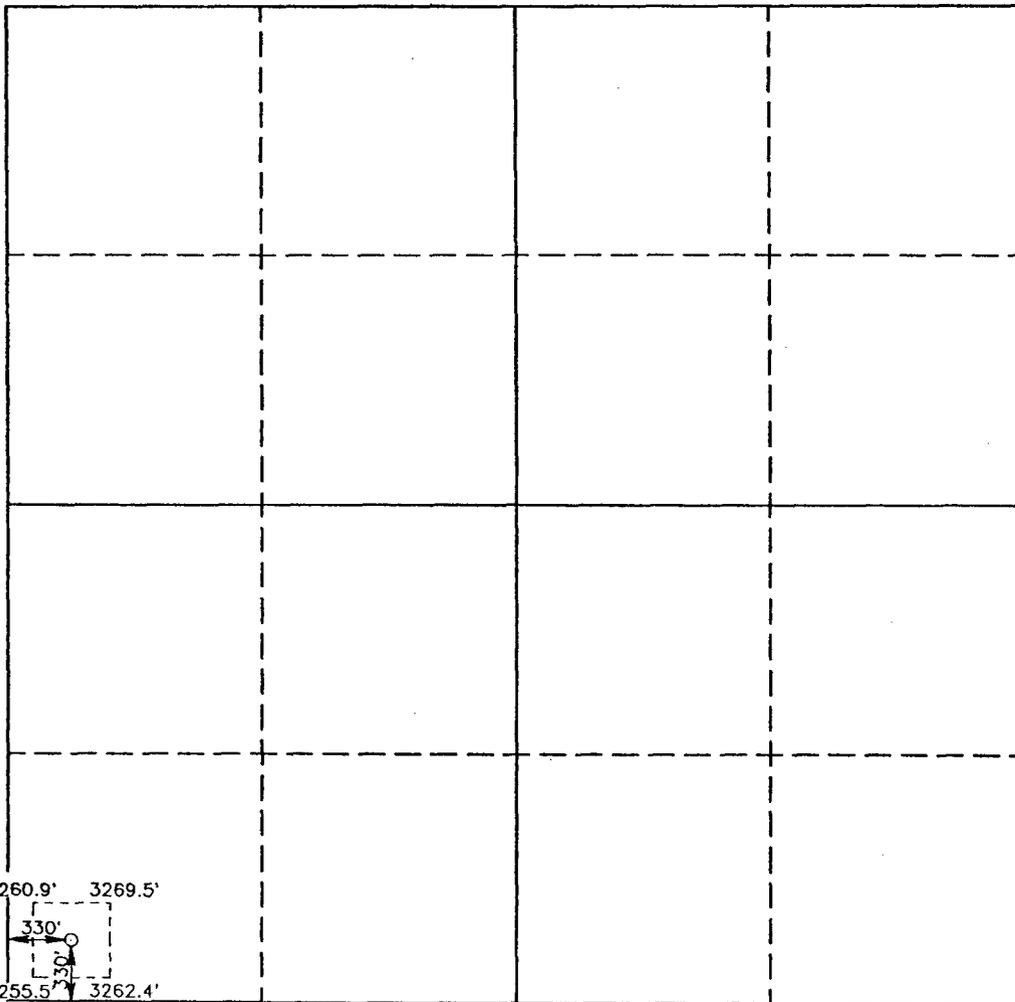
Operator SAMEDAN OIL CORPORATION			Lease SARAH B		Well No. 3
Unit Letter M	Section 1	Township 23 SOUTH	Range 37 EAST	County LEA	
Actual Footage Location of Well:					
330 feet from the SOUTH line and		330 feet from the WEST line			
Ground Level Elev. 3263.8'	Producing Formation Tubb	Pool Cline	Dedicated Acreage: 40 Acres		

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

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

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

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



OPERATOR CERTIFICATION

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

Judy Throneberry
 Signature
Judy Throneberry
 Printed Name
Div Prod Clerk
 Position
Samedan Oil Corporation
 Company
02/17/94
 Date

SURVEYOR CERTIFICATION

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
JUNE 10, 1993

Signature & Seal of Professional Surveyor

 Gary L. Jones

Certification No. JOHN M. WEST 676
 RONALD W. JOHNSON 3239
 GARY L. JONES 7979

93-11-1109

DIRECT OFFSET OPERATORS

AMERADA HESS CORPORATION
1201 Louisiana, Suite 700
Houston, Texas 77002

KELTON OPERATING COMPANY
PO Box 276
Andrews, Texas 79714

NOTIFICATION:

BUREAU OF LAND MANAGEMENT
PO Box 1778
Carlsbad, Nex Mexico 88221-1778

SAMEDAN OIL CORPORATION
12600 NORTHBOROUGH, SUITE 250
HOUSTON, TEXAS 77067-3299
(713) 876-6150

February 17, 1994

Bureau of Land Management
PO Box 1778
Carlsbad, NM 88221-1778

RE: Down Hole Commingling
Sarah B Well #3
Unit M, Sec 1, T-23S, R-37E
Lea County, NM
Cline Tubb Zone
Cline Lower Paddock/Blinebry Zone

This is to notify you of our application for administrative approval for down hole commingling of Tubb and Lower Paddock/Blinebry production in the Sarah B #3 Well. I have attached a copy of the application.

If you have any questions please contact Jim Trott at 713/876-6150.

Thank you,



Judy Throneberry
Division Production Clerk

attachments

xc: Oil Conservation Division
Santa Fe, NM

SAMEDAN OIL CORPORATION
12600 NORTHBOROUGH, SUITE 250
HOUSTON, TEXAS 77067-3299
(713) 876-6150

February 17, 1994

Amerada Hess Corporation
1201 Louisiana, Suite 700
Houston, Texas 77002

RE: Down Hole Commingling
Sarah B Well #3
Unit M, Sec. 1, T-23S, R-37E
Lea County, NM
Cline Tubb Zone
Cline Lower Paddock/Blinebry Zone

This is to notify you as an offset operator of the Sarah B Lease Well #3, that we are applying for administrative approval for down hole commingling of Tubb and Lower Paddock/Blinebry production in the Sarah B #3 Well.

If you have any questions please contact Jim Trott at 713/876-6150. If you have no objections please sign and return the enclosed letter to the New Mexico Oil Conservation Commission in the self-addressed stamped envelope as soon as possible to expedite matters. Any objections must be filed with the Commission within 20 days of the date of this letter.

Thank you for your time and consideration in this matter.


Judy Throneberry
Division Production Clerk

attachments

xc: Oil Conservation Division
Santa Fe, NM

SAMEDAN OIL CORPORATION
12600 NORTHBOROUGH, SUITE 250
HOUSTON, TEXAS 77067-3299
(713) 876-6150

February 17, 1994

KELTON OPERATING CORPORATION
Post Office Box 276
Andrews, Texas 79714

RE: Down Hole Commingling
Sarah B Well #3
Unit M, Sec. 1, T-23S, R-37E
Lea County, NM
Cline Tubb Zone
Cline Lower Paddock/Blinebry Zone

This is to notify you as an offset operator of the Sarah B Lease Well #3, that we are applying for administrative approval for down hole commingling of Tubb and Lower Paddock/Blinebry production in the Sarah B #3 Well.

If you have any questions please contact Jim Trott at 713/876-6150. If you have no objections please sign and return the enclosed letter to the New Mexico Oil Conservation Commission in the self-addressed stamped envelope as soon as possible to expedite matters. Any objections must be filed with the Commission within 20 days of the date of this letter.

Thank you for your time and consideration in this matter.



Judy Throneberry
Division Production Clerk

attachments

xc: Oil Conservation Division
Santa Fe, NM

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 Samedan Oil Corporation		Pool Cline - Lower Paddock/B1inebry		County Lea										
Address 12600 Northborough, #250, Houston, TX 77067		TYPE OF TEST - (X) <input type="checkbox"/> Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	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.
Sarah B	3	M	01	23S	37E	02/13/94	P		24	22	48.3	20	115	5750

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 Judy Brownberry
Judy Brownberry, Div Production Clerk

Printed name and title
02/17/94 (713)876-6150

Date Telephone 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 Samedan Oil Corporation		Pool Cline - Tubb		County Lea											
Address 12600 Northborough, #250, Houston, TX 77067			TYPE OF TEST - (X)	Scheduled <input type="checkbox"/>	Completion <input type="checkbox"/>	Special <input checked="" type="checkbox"/>									
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	TRG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS RATIO CU./FT./BBL.	
		U	S	T	R						WATER BBL.S.	GRAV. OIL	OIL BBL.S.		GAS M.C.F.
Sarah B	3	M	01	23S	37E	10/18/93	P			24	6	44.9	7	81	11,571

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: *Judy Throneberry*
 Judy Throneberry, Div Production Clerk

Printed name and title
 02/17/94 (713)876-6150

Date
 Telephone No.

5) Sarah B No. 3 Well History

Field: Cline Tubb and Cline Lower Paddock/Blinebry

Location: 330' FSL & 330' FWL Section 1, T-23-S, R-37-E
Lea County, New Mexico

Drilling Contractor: Hondo Drilling

8-15-93: Spud 17 1/2" hole. Drilled to 815'
8-16-93: Ran and cemented 13 3/8" H-40 casing at 902'.
Circulated cement to surface.
8-30-93: TD at 6300'. Began logging.
8-31-93: Finish logging. Ran and cemented 5 1/2" 15.5#
casing at 6300'. Cemented w/600 sacks cement. TOC
at 1200' by bond log.
9-9-93: Perf Tubb 6092-6190'.
9-10-93: Frac treat Tubb w/29,000 gals 40 Quality CO2 foam
and 77,000# 20/40 sand.
9-11-93 thru 9-14-93: Flowed well to recover load.
9-15-93 thru 9-16-93: Cleaned sand out of wellbore.
9-17-93: Ran tubing rods and pump.
9-21-93: Set pumping unit.
9-22-93: Pumped 66 bbls water.
9-23-93: Pumped 15 BO, 144 BW, 5 MCFD
9-24-93: Pumped 10 BO, 101 BW, 185 MCFD
9-25-93: Pumped 10 BO, 84 BW, 185 MCFD
9-26-93: Pumped 10 BO, 79 BW, 160 MCFD
9-27-93: Pumped 15 BO, 5 BW, 131 MCFD
9-28-93: Pumped 15 BO, 4 BW, 131 MCFD
9-29-93: Pumped 15 BO, 5 BW, 121 MCFD
9-30-93: Pumped 14 BO, 5 BW, 122 MCFD
10-01-93: Pumped 12 BO, 5 BW, 110 MCFD
10-03-93: Pumped 10 BO, 8 BW, 104 MCFD
10-04-93: Pumped 15 BO, 13 BW, 104 MCFD
10-05-93: Pumped 10 BO, 3 BW, 104 MCFD
10-06-93: Pumped 8 BO, 3 BW, 78 MCFD
10-07-93: Pumped 5 BO, 3 BW, 92 MCFD
10-08-93: Pumped 3 BO, 5 BW, 122 MCFD
10-09-93: Pumped 5 BO, 9 BW, 90 MCFD
10-12-93: Pumped 8 BO, 5 BW, 81 MCFD
10-13-93: Pumped 7 BO, 4 BW, 81 MCFD
10-15-93: Pumped 5 BO, 4 BW, 81 MCFD
10-16-93: Pumped 6 BO, 5 BW, 81 MCFD
10-17-93: Pumped 5 BO, 8 BW, 81 MCFD
10-18-93: Pumped 7 BO, 6 BW, 81 MCFD
10-29-93: Pulled tubing pump and rods.
10-30-93: Set CIBP at 6025' (above Tubb).
11-2-93: Perf Blinebry 5600-5650'. Frac Blinebry w/33,000
gals 40 Quality CO2 Foam + 83,000# 20/40 Ottawa
sand.
11-3-93 thru 11-10-93: Flow to recover load.
11-11-93: Run tubing pump and rods.
11-12-93: Pumped 22 BO, 67 BW, 227 MCFD
11-13-93: Pumped 27 BO, 92 BW, 227 MCFD
11-14-93: Pumped 25 BO, 60 BW, 227 MCFD
11-15-93: Pumped 23 BO, 45 BW, 189 MCFD
11-16-93: Pumped 23 BO, 40 BW, 189 MCFD
11-17-93: Pumped 22 BO, 40 BW, 189 MCFD
11-18-93: Pumped 21 BO, 35 BW, 189 MCFD
11-19-93: Pumped 23 BO, 30 BW, 189 MCFD
11-20-93: Pumped 23 BO, 35 BW, 189 MCFD
11-22-93: Pumped 21 BO, 33 BW, 189 MCFD
1-19-93: Pumped 20 BO, 20 BW, 219 MCFD
1-20-94: Pumped 35 BO, 20 BW, 286 MCFD

1-21-94: Pumped 36 BO, 18 BW, 245 MCFD
 1-22-94: Pumped 30 BO, 26 BW, 243 MCFD
 1-23-94: Pumped 30 BO, 38 BW, 185 MCFD
 2-07-94: Pumped 18 BO, 20 BW, 135 MCFD
 2-08-94: Pumped 20 BO, 20 BW, 137 MCFD
 2-09-94: Pumped 20 BO, 19 BW, 134 MCFD
 2-10-94: Pumped 2 BO, 18, BW, 79 MCFD
 2-11-94: Pumped 2 BO, 0 BW, 109 MCFD
 2-12-94: Pumped 2 BO, 0 BW, 119 MCFD
 2-13-94: Pumped 20 BO, 22 BW, 115 MCFD

5) Prognostication of Future Production

Production decline for both zones can be assumed to be similar. Estimated production for 1994 is submitted below based on a 10% annual decline for both zones.

1994 ESTIMATED PRODUCTION

MONTH	TUBB			PADDOCK/BLINEBRY		
	BO	BW	MCFD	BO	BW	MCFD
JAN	217	186	2511	620	682	3565
FEB	215	184	2490	615	676	3535
MAR	213	183	2469	610	670	3505
APR	212	181	2449	605	665	3476
MAY	210	180	2428	600	659	3448
JUN	208	178	2408	595	654	3419
JUL	206	177	2388	590	648	3390
AUG	205	175	2368	585	643	3362
SEP	203	174	2348	580	637	3334
OCT	201	173	2329	575	633	3306
NOV	200	171	2309	570	627	3279
DEC	198	170	2290	565	622	3251

ESTIMATED COMBINED PRODUCTION

MONTH	BO	BW	MCFD
JAN	837	868	6076
FEB	830	860	6025
MAR	823	853	5974
APR	817	846	5925
MAY	810	839	5876
JUN	803	832	5827
JUL	796	825	5778
AUG	790	818	5730
SEP	783	811	5682
OCT	776	806	5636
NOV	770	798	5588
DEC	763	792	5541

6) Estimated BHP for Each Artificially Lifted Zone

The well bore will produce from the Tubb and Lower Paddock/Blinebry zones. Both producing zones will be artificially lifted. Measured BHP data for this well is not available. However, based on production rates and the fact that both zones require artificial lift, it is estimated that each zone will be relatively close to the same BHP. Cross flow will not occur due to the fact that production will be artificially lifted and no differential pressure will exist.

7) Fluid Description of Each Zone

Tubb Zone: Crude Oil, 44.9 API @ 60°F
Produced Water: SG = 1.055 @ 80°F, TDS - 10106 PPM
Total Hardness: 19810 PPM

Lower Paddock/Blinebry Zone: Crude Oil, 48.3 API @ 60°F
Produced Water: SG = 1.102 @ 60°F, TDS = 122744 PPM
Total Hardness = 24545 PPM

Permission to surface commingle production from the Cline Tubb and Cline Lower Paddock/Blinebry zones was previously approved by the NMOCD for the Samedan operated Sarah "B" No. 1 & 2 under order PC-847. No adverse affects have occurred due to surface commingling. It is anticipated that fluid characteristics will not significantly change at BHP or temperatures and no adverse conditions would be created by down hole commingling.

8) For Values of Production

1) Samedan owns and operates 100% of the Sarah B lease.

2) Tubb Zone: Daily Production = 7 bbls oil
Gravity @ 60 = 44.9 Sulfur = .378
Value = \$13.00 per bbl for sweet crude

Lower Paddock/Blinebry Zone:

Daily production = 20 bbls oil
Gravity @ 60 = 48.3 Sulfur = .395
Value = \$12.49 per bbl for sweet crude

Commingled Oil: Expected gravity = 47.4 sweet crude
Expected value = \$12.63 per bbl

3) The actual commercial value of the commingled production will be equal to the sum of the values of the production from each common source of supply.

9) Formula for Allocation of Production

Production was allocated based on the most recent gas-oil ratio test (Form C-116 attached) and it is felt this will continue to be representative.

	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Lower Paddock/Blinebry	74%	59%	79%
Tubb	26%	41%	21%

OIL CONSERVATION DIVISION
RECEIVED
94 MAR 14 AM 8 39

February 17, 1994

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. Bill LeMay

RE: Down Hole Commingling

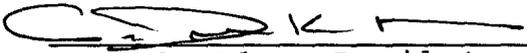
This is to advise that we have been notified of Samedan Oil Corporation's application to down hole commingle the following described well in accordance with Commission regulations:

Unit M, Sec. 1, T-23S, R-37E
Lea County, New Mexico
Sarah B Well #3
Cline - Tubb
Cline - Lower Paddock/Blinebry

We, as an off-set operator, have no objection to the proposed down hole commingling of the Tubb and Lower Paddock/Blinebry.

Very truly yours,

KELTON OPERATING CORPORATION

BY: 
Name: C. Dale Kelton, President

DATE: March 9, 1994

Dale Kelton



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

OIL CONSERVATION DIVISION
94 FEB 25 AM 8 39

2-23-94

BRUCE KING
GOVERNOR

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:

<u>Samedan Oil Corp</u>	<u>Sarah B</u>	<u># 3-m</u>	<u>1-23-37</u>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed