

DHC

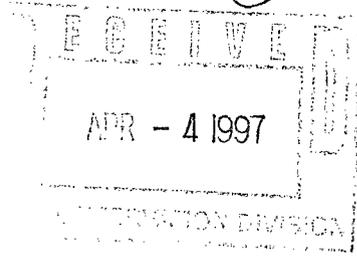
4/24/97

1481

VERBAL ON 5-6-97



THE WISER OIL COMPANY
8115 PRESTON ROAD, SUITE 400, DALLAS, TX 75225
(Phone) 214-265-0080
(Fax) 214-373-3610



March 31, 1997

Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505-6428

Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240

State Land Department
P. O. Box 1148
Santa Fe, NM 87504-1148

Re: Rinewalt B - Dual Compl.
Blinebry/Tubb zones
API # 30-025-10044
D 04 22S 37E
Lea County, NM

Attn: Downhole Commingling Department

The Wisier Oil Company as operator of the captioned well in Lea County, New Mexico, hereby requests permission to downhole commingle all production from same. We understand that commingling for these zones has been approved for other operators. Following is a list of attachments:

- C107 A
- Map of Location
- Downhole Schematic
- C102 for Blinebry & Tubb zones
- C116 for Blinebry & Tubb zones
- Production curve for Blinebry & Tubb zones

Blinebry/Tubb Downhole Commingling
Page 2

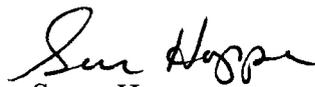
Allocation Formula
Value Formula
Notification list

The Blinebry zone is currently testing at 24 Mcfd and is uneconomic. The plunger lift on this tubing string will be used to artificially lift both zones economically. We are selling all gas production to Texaco under the same ten year contract. We are paid 90% residue, 40% liquid of weighted average resale price. BTU's should not change significantly with commingling. We do not expect any crossflow. Commercial production should not decrease. Allocation of production will be based on current well tests.

No pressures have been recorded on either the Blinebry or Tubb formation in the subject well. If allowed to commingle the two zones, a dip-in pressure bomb would be run to determine the commingled bottom-hole pressure (to aid in designing the plunger lift for both zones). As these are marginal wells, we would ask for relief from performing BHP testing before commingling the zones.

Please let us know as soon as possible if you require any additional information.

Yours very truly,


Susan Hopper

S/s

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I
P.O. Box 1880, Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Grande Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-8429

Form C-107-A
New 3-12-86

APPROVAL PROCESS:
 Administrative hearing
EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

The Wiser Oil Company 8115 Preston Rd., Ste 400, Dallas, TX 75225
Operator Address
Rinewalt B D 04 22S 37E Lea County

Case No. Well No. Uplift No. - well - long - hgt. Spacing Unit Lease Types: (check 1 or more)
OGRID NO. 139036 Property Code 16243/16234 API NO. 30-025-10044 Federal State 4 (and/or) Fee X

The following facts are submitted in support of downhole commingling:	107/4000 Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Blinebry 72480		Tubb 86440
2. Top and Bottom of Pay Section (Perforations)	5661-5903'		6060-6150'
3. Type of production (Oil or Gas)	Gas/Condensate		Gas
4. Method of Production (Flowing or Artificial Lift)	Plunger Lift		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) N/A	a.	a. N/A
	b. (Original) N/A (see attached)	b.	b. N/A (see attached)
6. Oil Gravity (°API) or Gas BTU Content	1199		1177
7. Producing or Shut-in?	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-in, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: see attached C116	Date: Rates:	Date: Rates: see attached C116
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No
11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? Yes No
13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No
15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S) _____

- (b. ATTACHMENTS:
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - * Production curve for each zone for at least one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - * Data to support allocation method or formula.
 - * Notification list of all offset operators.
 - * Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE _____ TITLE Agent DATE 4/1/97
TYPE OR PRINT NAME Susan Hopper TELEPHONE NO. (214) 360-3522

Date: 3/14/97

Operator: THE WISER OIL Co.
Well: RINEWALT "8" #1
Field: BLINEBRY / TUBB BRUNSON POOL
County, State: LEA CO NM

TWO STATES

Spud Date: 4/47
Cmpl Date: 6/47

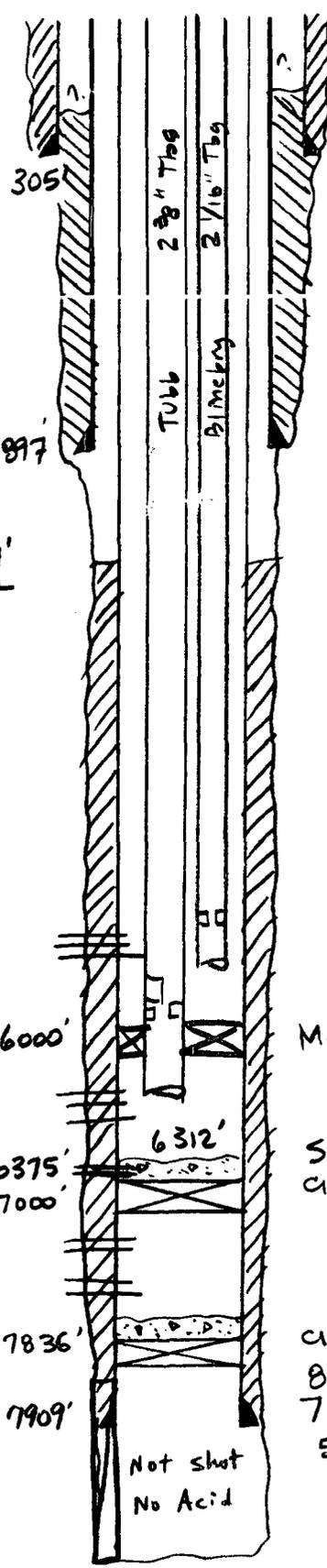
NRI: _____
WI: _____

117 IP 114/0/114

'60 IP 118/0/104

660' FNL + 990' FNL
Sec 4, T 22S, R 37E

GL: 3453'
KB: DF 3463'
Logs:
Temp Log
TOC 6450'
8/60 GRN
5/65 CAL



TOC: 4304'
CAL

Tubb 2 3/8" Tubg:
179 jts 2 3/8"
sliding sleeve
12 jts 2 3/8"
Nipple
Seal Assy
2 jts Tail @ 6060'

Blinebry 2 1/16" Tubg:
Plunger Lift.

7/65 Blinebry
5661-5903

1/72 Tubb (ispf)
6060-6150

1/60 wantz Abo
7150-7243'
39' 4 spf

1/47 Ellenburger
7730-8112'

PBTD: 7836 6312'
TD: 8114'

6/47 Ellenburger IP #146/0/114 1 3/4" choke (DST #1 7875-8114')

8/60 Set CIBP at 7836' + 10sx. Perf wantz Abo. Acid 1000g 15% + 8000g 15%.
IP # 118/0/104 1 1/4" 760psi

5/65 Set CIBP at 7000'. Saser at 6375' w/420sx. Perf Blinebry. Acid 1500sx
Frac Blinebry w/ 30,000 g oil + 30,000 # sand.

4/72 Perf Tubb Acid w/ 500 gal 15% + 3,000 g Resol Acid into Blinebry.
Frac Tubb w/ 30,000 g brine + 30,000 # sand + rock salt

2/89 Plunger Problems.

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30 025 10044		Pool Code 06660	Pool Name Blinebry Oil & Gas
Property Code 16243	Property Name Wm. M. Rinewalt		Well Number 1-B
OGRID No. 2639630 139034	Operator Name The Wiser Oil Company		Elevation 3453

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	4	22-S	37-E		660	North	990	West	Lea

¹¹ Bottom Hole Location If Different From Surface

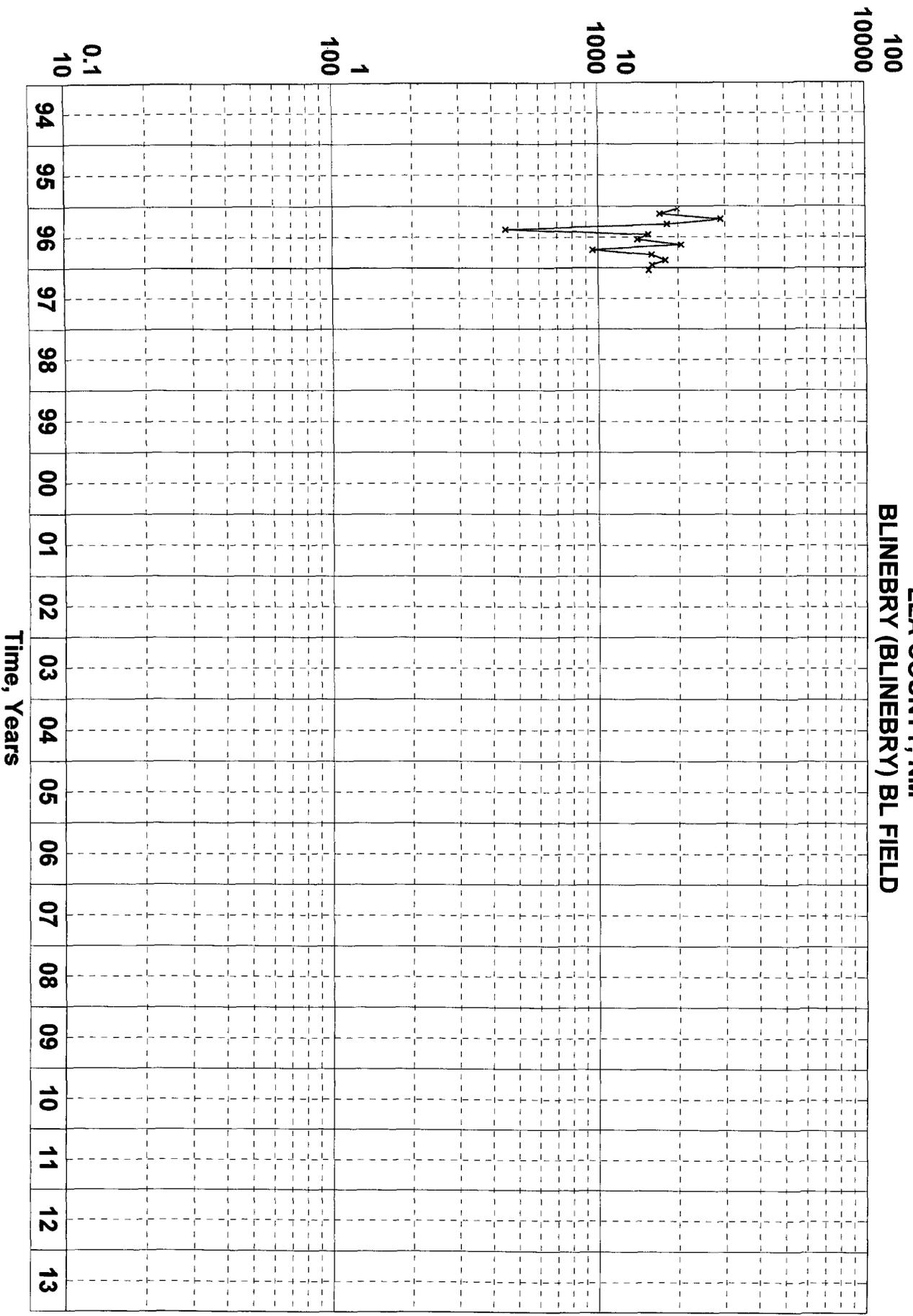
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					<p>17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Susan Hopper</i> Signature Susan Hopper Printed Name Agent Title 214/360-3522 Date</p>	
						<p>18 SURVEYOR CERTIFICATION <i>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 belief.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyer:</p>

RINEWALT 1
LEA COUNTY, NM
BLINEBRY (BLINEBRY) BL FIELD



Time, Years

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 025 10044		² Pool Code 86440		³ Pool Name Tubb Oil & Gas	
⁴ Property Code 16234		⁵ Property Name Wm. M. Rinewalt			⁶ Well Number 1
⁷ OGRID No. 2639730 139036		⁸ Operator Name The Wiser Oil Company			⁹ Elevation 3453

¹⁰ Surface Location

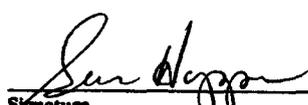
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	4	22-S	37-E		660	North	990	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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16	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>			
	 Signature Susan Hopper Printed Name Agent Title 214/360-3522 Date			
	¹⁸ SURVEYOR CERTIFICATION <i>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 belief.</i>			
Date of Survey Signature and Seal of Professional Surveyer: Certificate Number				

Submit 2 copies to Appropriate District Office
 DISTRICT I
 P. O. Box 1980, Hobbs, NM 88240
 DISTRICT II
 P. O. Box DD, Artesia, NM 88210
 DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

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

Form C-116
 Revised 1/1/89

GAS - OIL RATIO TEST

Operator The Wiser Oil Company		Pool Tubb Oil & Gas (Oil)				County Lea									
Address 8115 Preston Rd., Ste 400, Dallas, TX 75225		Type of Test - (X) <input checked="" type="checkbox"/> Lease <input type="checkbox"/> Well		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input type="checkbox"/>		GAS-OIL RATIO CU. FT/BBL					
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	TDBG PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS M.C.F.	GAS-OIL RATIO CU. FT/BBL
		U	S	T	R						WATER BBL	GRAV. OIL BBL	OIL BBL		
Rinewalt B	1	D	4	22	37	02/14/97 P	Open	315	Marg	24	0	<1	90	N/A	

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding to 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 of any well producing through casing.

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

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

Signature: *Susan Hopper*
 Susan Hopper, Production Administrator
 Printed name and title
 Date: 4/1/97
 Telephone No. 214/360-3522

100000

10000

RINWALT B 1
LEA COUNTY, NM
TUBB (TUBB) TB FIELD

100000

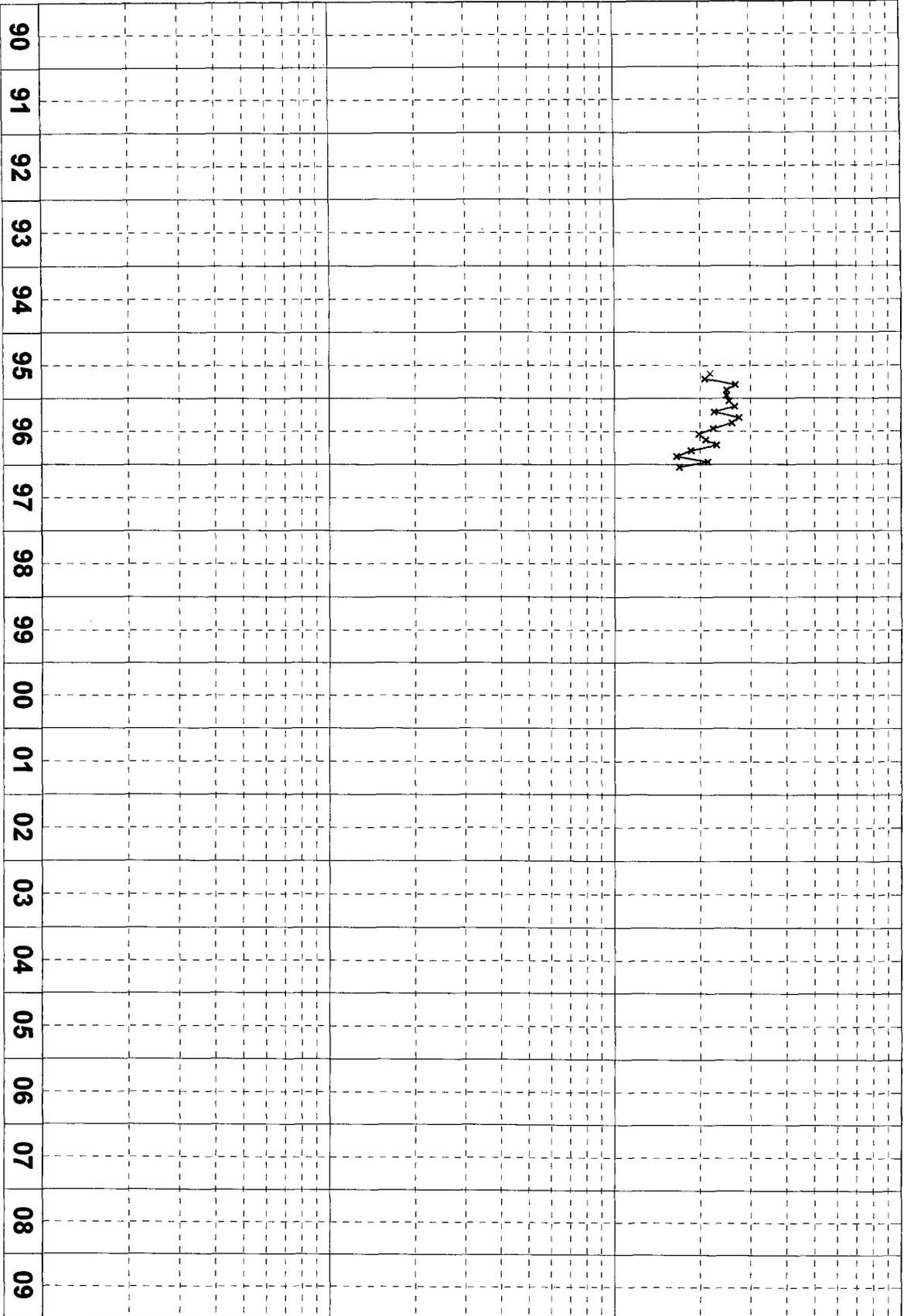
10000

10000

1000

100

10



Time, Years

**Rinewalt B
Blinebry/Tubbs
Downhole Commingling Application
Allocation Formula**

Allocation will be based on well tests. An example follows:

days on x well test = ultimate production

actual production ÷ ultimate production = allocation %

allocation % x ultimate production = allocated production

Step 1

<u>Zone</u>	<u>Days On</u>		<u>Mcf</u>		
Blinebry	30	x	24	=	720
Tubb	30	x	90	=	<u>2700</u>
					3420

Step 2

<u>Actual Prod.</u>			<u>Test</u>		<u>% Prod</u>
2900 Mcf	÷		3420	=	.8480

Step 3

	<u>% Prod</u>		<u>Test</u>		<u>Allocated</u>
Blinebry	.8480	x	720	=	611
Tubb	.8480	x	2700	=	2290

**Rinewalt B
Blinebry/Tubbs
Downhole Commingling Application
Value Formula**

Current Value (as of 2/97) is as follows:

<u>Zone</u>	<u>Mcfpd</u>		<u>NRI</u>		<u>Price</u>	<u>Value</u>
Blinebry	24	x	.898437	x	\$2.19 =	48.18
Tubb	90	x	.898437	=	\$2.19 =	<u>177.39</u>
						225.57

Proposed Value after commingling:

<u>Zone</u>	<u>Mcfpd</u>		<u>Prop. Inc</u>		<u>NRI</u>		<u>Price</u>	<u>Value</u>
Commingled	134	x	1.10	x	.898437	x	2.19 =	290.02

**NOTIFICATION LIST - OFFSET OPERATORS
RINEWALT 1
BLINEBRY OIL & GAS
TUBB OIL & GAS
LEA COUNTY, NM**

All Operators notified via Certified Mail dated 4/1/97

CHEVRON U.S.A., INC.
Claydesta Plaza
15 Smith Rd
Midland, TX 79705

Ph: 915/687-7366
Fax: 915/687-7667

CHEVRON U.S.A., INC.
Box 688
Eunice, NM 88231

Ph: 505/397-8770
Fax: 505/397-8771

COLLINS & WARE, INC.
303 W. Wall, Ste 2200
Midland, TX 79701

Ph:

ARCH PETROLEUM, INC.
Dr. 909
802 E. Texas
Eunice, NM 88231

Ph: 505/394-2246
Fax: 505/394-2454

DHC-1481



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

4/7/97

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

GOVERNOR

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

RE: Proposed:

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

Gentlemen:

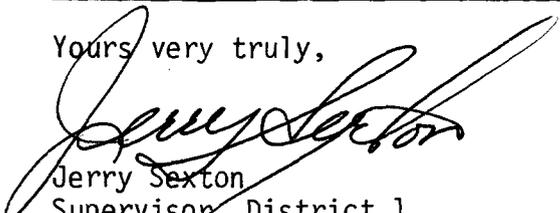
I have examined the application for the:

<u>Wiser Oil Co</u>	<u>Renewalt B</u>	<u>#</u>	<u>1-D</u>	<u>4-22s-37e</u>
Operator	Lease & Well No.	Unit	S-T-R	

and my recommendations are as follows:

Oil

Yours very truly,



Jerry Sexton
Supervisor, District 1

/ed