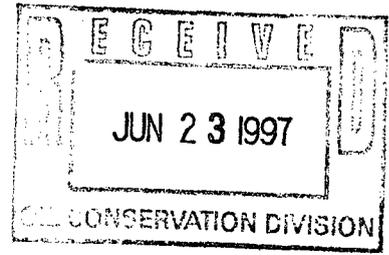


DHC 7/14/97

1669

EXXON COMPANY, U.S.A.
POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

30 025-25456



MIDLAND PRODUCTION ORGANIZATION
OPERATIONS INTEGRITY

June 20, 1997

Downhole Commingling
New Mexico S State No. 36
Unit Letter B
Section 2, T22S, R37E
Lea County, New Mexico

Mr. William J. LeMay
Director
Oil Conservation Division
2040 Pacheco
Santa Fe, New Mexico 87505

Dear Mr. LeMay:

Exxon Corporation requests administrative approval for Downhole Commingling (Rule 303C) for the New Mexico S State No. 36. The information required is attached.

If you have any questions, please call me at (915) 688-6782.

Sincerely,

Alex M. Correa

AMC:mym
Attachment
6/nmsst36.doc



EXXON COMPANY, U.S.A.
POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

MIDLAND PRODUCTION ORGANIZATION
OPERATIONS INTEGRITY

June 17, 1997

Downhole Commingling
New Mexico S State No. 36
Section 22, T22S, R37E
Lea County, New Mexico

Offset Operators

Gentlemen:

Exxon Corporation is requesting administrative approval for Downhole Commingling in the New Mexico S State No. 36. Attached is a copy of the information that will be filed with the New Mexico Oil Conservation Division.

If you have any objection to this request, it must be filed, in writing with the New Mexico Oil Conservation Division in Santa Fe, within twenty days from the date this notice was mailed. If you have any questions, please call me at (915) 688-6782.

Sincerely,



Alex M. Correa

AMC:mym
Attachment
6/nms36.doc



OFFSET OPERATORS

**EXXON CORP.
New Mexico S State No. 36
SECTION 2, T22S, R37E
LEA COUNTY**

Marathon Oil Co.
P.O. Box 552
Midland, Texas 79702
Attention: Land Department

Oxy USA, Inc.
P.O. Box 50250
Midland, Texas 79705
Attention: Land Department

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
811 South First St., Artesia, NM 88210-2835

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Exxon Address: _____
 Lease: New Mexico "S" State Well No. #36 Unit Ltr. - Sec. - Twp. - Rge. B-2-22S-37E County Lea
 Spacing Unit Lease Types: (check 1 or more)
 OGRID NO. _____ Property Code _____ API NO. _____ Federal State (and/or) Fee _____

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blinebry		Abo
2. Top and Bottom of Pay Section (Perforations)	5700' - 5850'		6543' - 7121'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 500 psia	a.	a. 575 psia
	b. (Original) 2450 psia	b.	b. 3000 psia
6. Oil Gravity (°API) or Gas BTU Content	40° API		41° API
7. Producing or Shut-In?	New Zone		Producing
Production Marginal? (yes or no)	No		No
* 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: Not Applicable	Date: Rates:	Date: Rates: Not Applicable
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: New Zone Rates: (Not Applicable)	Date: Rates:	Date: 9/70/3 Rates: (BOPD/KCFPD/BWPD)
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 74 % Gas: 82 %	Oil: % Gas: %	Oil: 26 % Gas: 18 %

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(D) Exceptions: ORDER NO(S). _____

16. 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 Matthew Perkins TITLE Project Engineer DATE 2/18/97

TYPE OR PRINT NAME Matthew Perkins TELEPHONE NO. (915) 688-6773

Is your RETURN ADDRESS completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: MARATHON OIL CO. P.O. BOX 552 MIDLAND, TEXAS 79702 LAND DEPARTMENT	4a. Article Number Z 740 404 537	7. Date of Delivery JUN 18 1997 Permits
5. Received By: (Print Name)	4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature: (Addressee or Agent) X <i>SMC Williams</i>	8. Addressee's Address (Only if requested and fee is paid) JUN 18 1997	
PS Form 3811, December 1994		Domestic Return Receipt

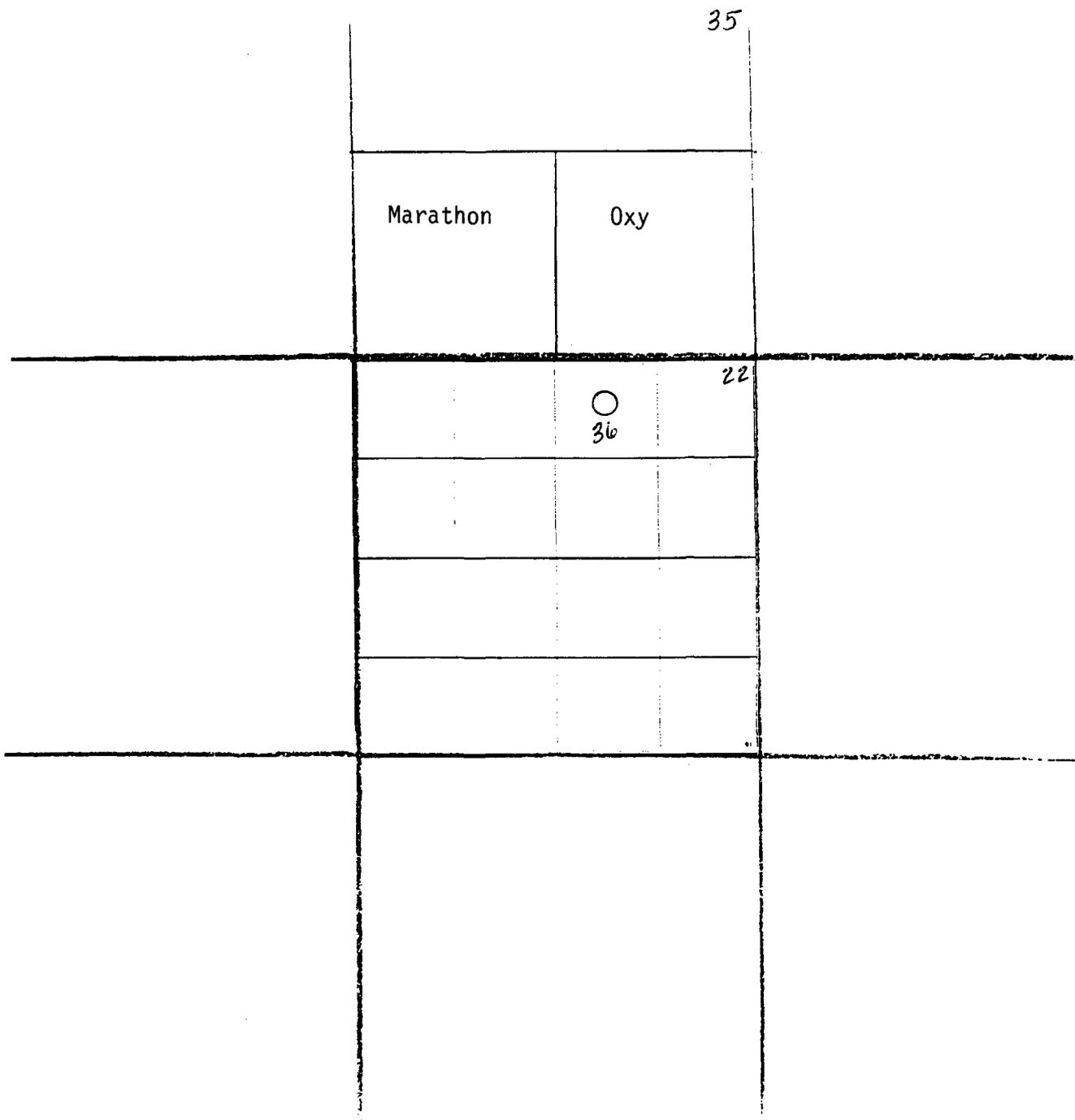
Thank you for using Return Receipt Service.

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3. Article Addressed to: OXY USA, INC. P.O. BOX 50250 MIDLAND, TEXAS 79705 LAND DEPARTMENT	4a. Article Number Z 740 404 536	7. Date of Delivery JUN 19 1997 Permits
5. Received By: (Print Name)	4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature: (Addressee or Agent) X <i>Woolley</i>	8. Addressee's Address (Only if requested and fee is paid)	
PS Form 3811, December 1994		Domestic Return Receipt

Thank you for using Return Receipt Service.

EXXON CORP.
New Mexico S State Lease
Well No. 36
Section 22, T22S, R37E
Lea County, N.M.

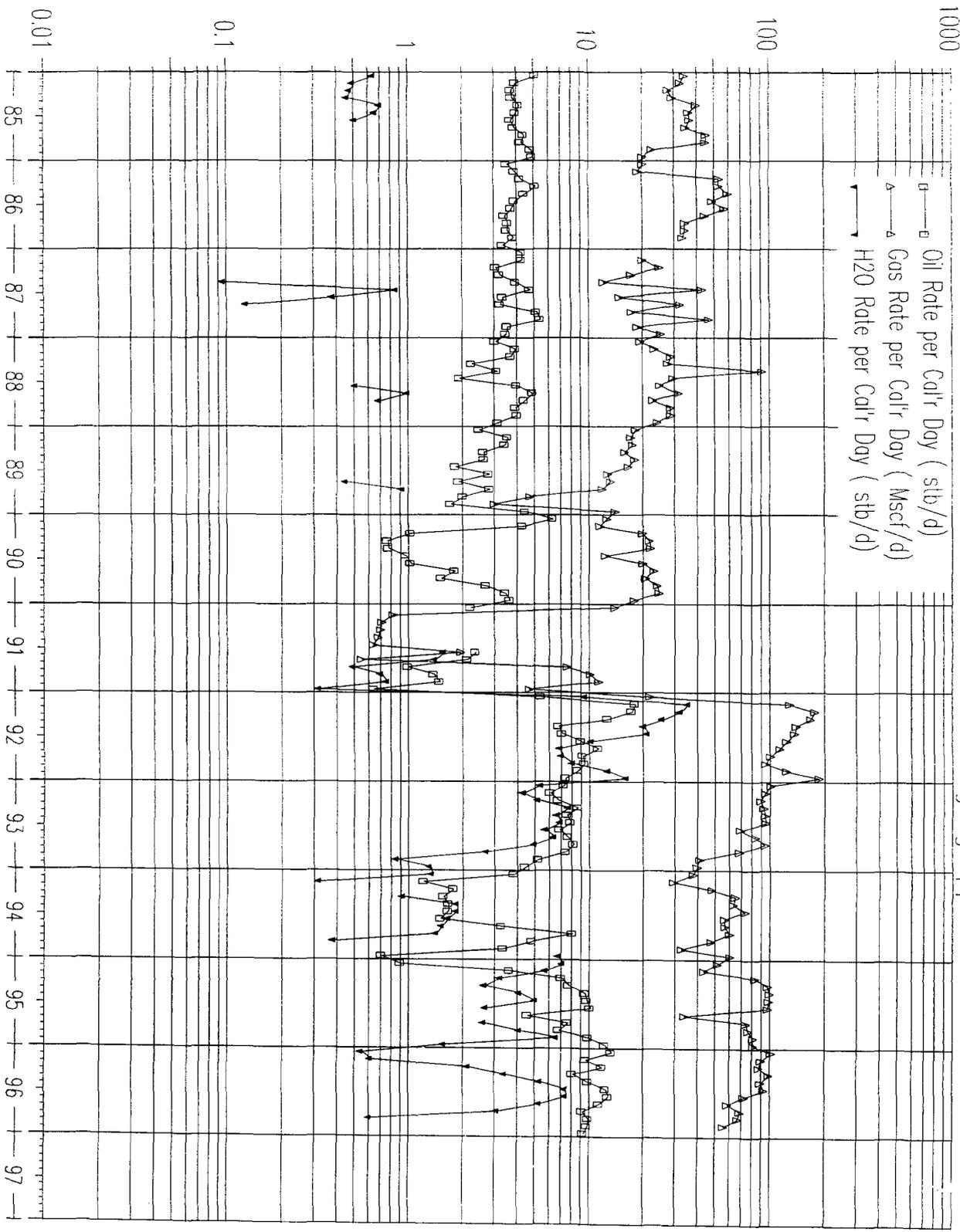


Test Averages

Blinebry - Abo						
Downhole Commingling Estimates						
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
	<i>Abo Oil</i>	<i>Abo Gas</i>	<i>Abo Water</i>	<i>Blinebry Oil</i>	<i>Blinebry Gas</i>	<i>Blinebry Water</i>
2/1/97	9	90000	3	40	428000	0.4
2/1/98	8.37	83700	2.79	30	428000	0.3
2/1/99	7.7841	77841	2.5947	22.5	428000	0.225
2/1/00	7.239213	72392.13	2.413071	16.875	337500	0.16875
2/1/01	6.732468	67324.681	2.24415603	12.65625	253125	0.1265625
2/1/02	6.261195	62611.953	2.087065108	9.4921875	189843.75	0.094921875
2/1/03	5.822912	58229.117	1.94097055	7.11914063	142382.8125	0.071191406
2/1/04	5.415308	54153.078	1.805102612	5.33935547	106787.1094	0.053393555
2/1/05	5.036236	50362.363	1.678745429	4.0045166	80090.33203	0.040045166
2/1/06	4.6837	46836.997	1.561233249	3.00338745	60067.74902	0.030033875
2/1/07	4.355841	43558.408	1.451946922	2.25254059	45050.81177	0.022525406
2/1/08	4.050932	40509.319	1.350310637	1.68940544	33788.10883	0.016894054
2/1/09	3.767367	37673.667	1.255788892	1.26705408	25341.08162	0.012670541
2/1/10	3.503651	35036.51	1.16788367	0.95029056	19005.81121	0.009502906
2/1/11	3.258395	32583.954	1.086131813	0.71271792	14254.35841	0.007127179
2/1/12	3.030308	30303.078	1.010102586	0.53453844	10690.76881	0.005345384
2/1/13	2.818186	28181.862	0.939395405	0.40090383	8018.076606	0.004009038
2/1/14	2.620913	26209.132	0.873637727	0.30067787	6013.557455	0.003006779
2/1/15	2.437449	24374.493	0.812483086	0.2255084	4510.168091	0.002255084
2/1/16	2.266828	22668.278	0.75560927	0.1691313	3382.626068	0.001691313
2/1/17	2.10815	21081.499	0.702716621	0.12684848	2536.969551	0.001268485
2/1/18	1.960579	19605.794	0.653526458	0.09513636	1902.727163	0.000951364

New Mexico "S" State # 36
Abo Oil Well

Production Plot for Downhole Commingling Application



Submit to Appropriate District Office
 State Lease -- 6 copies
 Fee Lease -- 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C 101
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

API NO. (assigned by OCD on New Wells) 3002525456
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-934

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/>		7. Lease Name or Unit Agreement Name NEW MEXICO S STATE
1b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		
2. Name of Operator EXXON CORPORATION		8. Well No. 36
3. Address of Operator ATTN: REGULATORY AFFAIRS ML#14 P. O. BOX 1600 MIDLAND, TX 79702		9. Pool name or Wildcat BLINEBRY OIL & GAS (OIL)
4. Well Location Unit Letter B : 330 Feet From The NORTH Line and 1810 Feet From The EAST Line Section 2 Township 22S Range 37E NMPM LEA County		

10. Proposed Depth 7600		11. Formation BLINEBRY	12. Rotary or C.T. ROTARY
13. Elevations (Show whether DF, RT, GR, etc.) 3369 GR	14. Kind & Status Plug. Bond BLANKET	15. Drilling Contractor UNKNOWN	16. Approx. Date Work will start ASAP

17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
13 3/4	10 3/4	36-40	1176	700	SURF
8 3/4	7	26, 20, 23	7595	2040	SURF

- WELL IS CURRENTLY COMP. AS WANTZ ABO
- SET RBP @ 5900'
 - PERF. BLINEBRY APPROX. 5680'-5840'
 - SET PKR. @ 5400'
 - AC. APPROX. 3500 GAL. 15% HCL
 - FRAC. APPROX. 113,400 LBS. 20/40 SD. + 32300 GAL.
 - TEST BLINEBRY
 - DOWNHOLE COMMINGLE BLINEBRY & WANTZ ABO

COPY IN APPLICATION TO DOWNHOLE COMMINGLE & PLATS ARE ATTACHED.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE *Alex M. Correa* TITLE Sr. Regulatory Specialist DATE 06/17/97
 TYPE OR PRINT NAME **Alex M. Correa** (915) 688-6782 TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brasos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Number 3602525466	2	Pool Code 06660	3	Pool Name Blinebry Oil & Gas (Oil)
4	Property Code 004198	5	Property Name New Mexico "S" State	6	Well Number 36
7	OGRID No. 007673	8	Operator Name Exxon Corporation	9	Elevation

¹⁰Surface Location

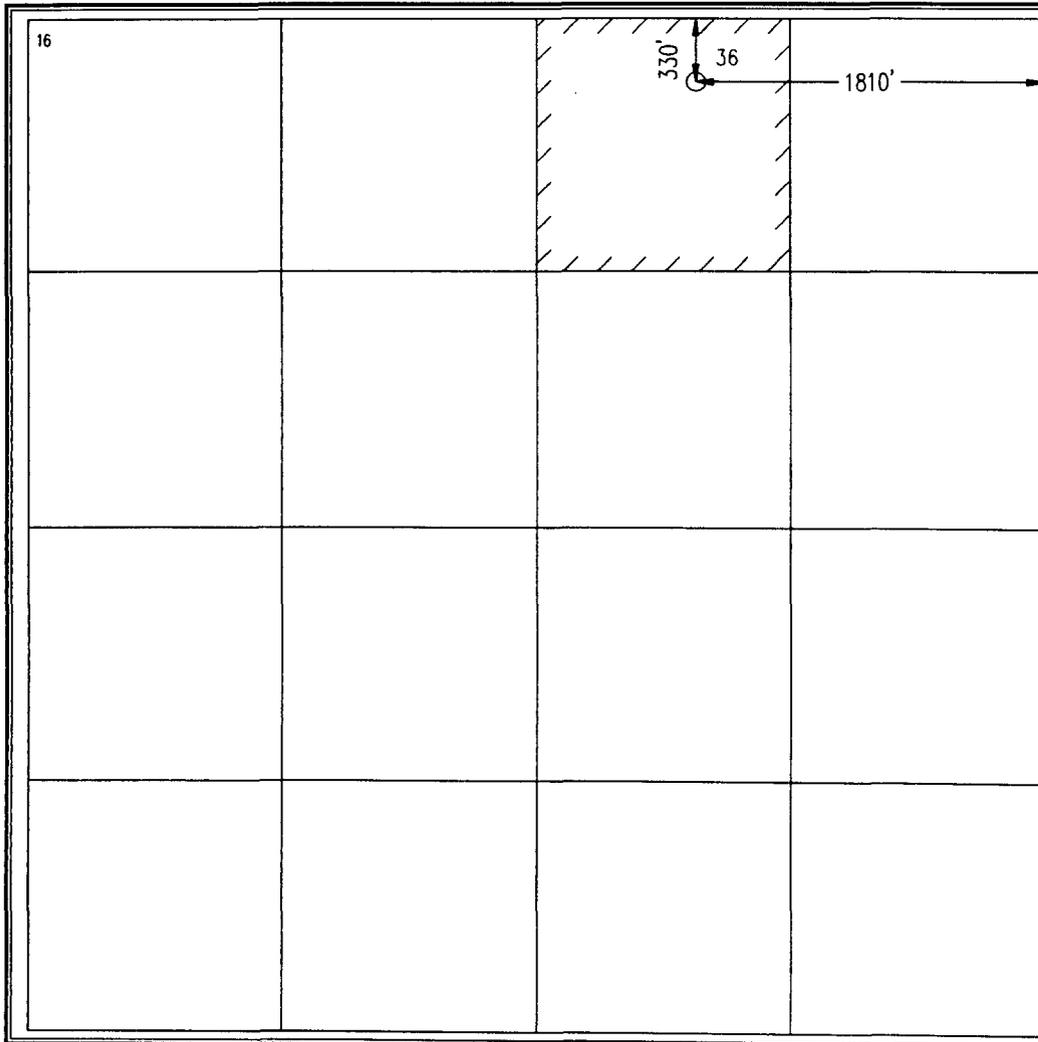
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	2	22 S	37 E		330'	North	1810'	East	Lea

¹¹Bottom 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 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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



¹⁷ OPERATOR CERTIFICATION

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

C.H. Harper
Signature

C. H. Harper
Printed Name

Permits Supervisor
Title

6-17-97
Date

¹⁸ 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 belief.

Date of Survey

Signature and Seal of Professional Surveyor.

Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
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District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

District III
1000 Rio Brasas Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Number 3603 2525466	2	Pool Code 62700	3	Pool Name Wantz; Abo
4	Property Code 004198	5	Property Name New Mexico "S" State	6	Well Number 36
7	OGRID No. 007673	8	Operator Name Exxon Corporation	9	Elevation

¹⁰Surface Location

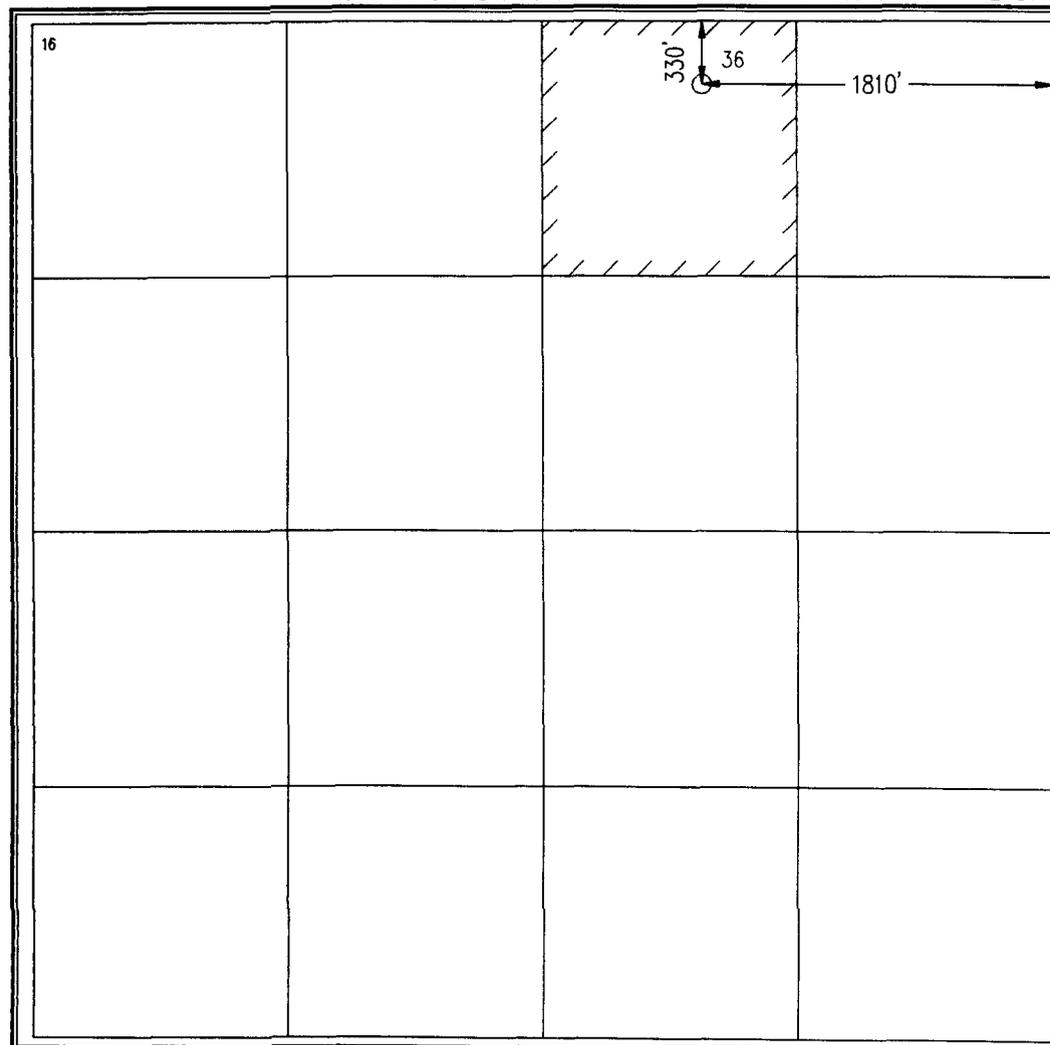
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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C. H. Harper
Signature
C. H. Harper
Printed Name
Permits Supervisor
Title
6-19-97
Date

¹⁸ SURVEYOR CERTIFICATION

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Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number