

Standard Oil
Production Company
Midland District
10 DeSoto Dr. Suite 600 West
Midland, Texas 79705
915 686-9200

October 30, 1987

STANDARD OIL
PRODUCTION

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Exception to Rule 303-A; Lease No. 71-061446
Penrose Well No. 2 - 2086' FNL & 766' FWL
Penrose Well No. 3 - 1874' FNL & 766' FWL
Penrose Well No. 4 - 2310' FNL & 330' FWL
Section 9, T22S, R37E, NMPM
Lea County, New Mexico

Gentlemen:

Sohio Petroleum Company, as operator of the Penrose Lease, respectfully requests an exception to Rule 303-A to permit the commingling into a common facility the commonly owned production from the Paddock, Brunson Fusselman, and Drinkard Pools using the periodic well test method for production allocation.

Attached is a schematic diagram for each of the Penrose Wells (Nos. 2, 3 and 4), a schematic diagram of the proposed lease tank battery, a plat showing all wells on the subject lease with the pool from which each well is producing and a table presenting average daily production data for these marginal wells. The United States Geological Survey is being advised of our request to commingle by copy of this letter.

The Penrose No. 2 was drilled and completed in March 1946 in the Paddock pool to a TD of 5245'. This well produces from perforations at 5158-68'.

The Penrose No. 3 was drilled and completed in January 1947 as a Brunson Ellenburger open hole completion (8089'-8120'). This well was TA'd in March 1964. The Penrose No. 3 was recompleted in April 1980 as a Brunson Fusselman producer; perforations are at 7230-60'.

The Penrose No. 4 was drilled and completed in June 1953 as a Drinkard open hole completion from 6465' to 6510'.

Permission was granted on September 2, 1980 to surface commingle production from the Paddock and Brunson Fusselman pools by Division order PC-588 which allows allocation by periodic well tests. The gravity of the commingled Paddock and Fusselman oil is 33.7° API which has a value of \$18.06 per barrel. The gravity of the Drinkard oil is 36° API with a value of \$18.10 per barrel. The actual commercial value of the commingled production will be the same as the segregated production.

If you have any questions, please contact L.W. Sutton, Jr. at (915) 688-9200.

Sincerely,

SOHIO PETROLEUM COMPANY



D.P. McCelvey
District Production Engineer

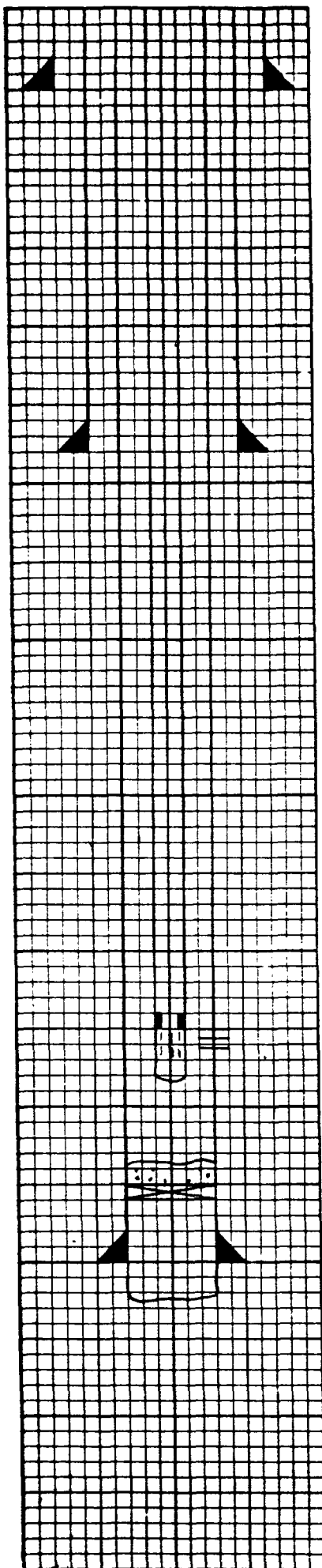
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Attachments

cc: New Mexico Oil Conservation Division
District Office
Hobbs, New Mexico

USGS
Hobbs, New Mexico

L.W. Sutton, Jr.



Lease: Penrose Lease No.:29-150
Well No.: 2
Location: 2086'FNL & 766'FWL, Sec 9, T22S, R37E
Field: Paddock
County: Lea
State: New Mexico

API No.: 30-025-10146 RRC No.:
WI 66.6667 NRI 58.33333 RRC Dist.: NM
Spud'd: 01-19-46 TD'd: 03-10-46 Comp: 03-10-46
Elevation: KB 3424' GL
TD: 5245' PBTD: 5180' (3/46)

Surface Equipment:

Casing Data

Hole	Csg	Gr.	Wt	Depth	#Sx	TOC
	13 3/8		48	153'	150	Surf.
	9 5/8		36	2790'	1400	
	7	J55	23	5207'	400	

Tubing Data

Size	Gr.	Wt.	Depth	#Jts	Comments
2 3/8	J55	4.7	5125'	171	Not Anchored

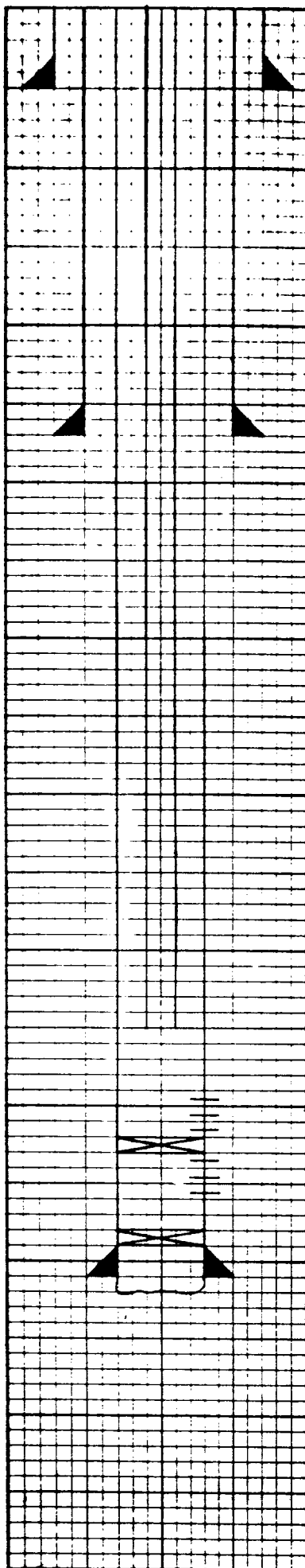
Downhole Equipment (pkrs,tbg anchors,CIBP's,etc)

Type	Size	Depth	Comments
SN	2 3/8	5125'	
Perf Sub	2 3/8	5126'	
MA	2 3/8	5129'	31.4'
Retainer Plug		5195'	cmt to 5180'

<u>Perforations</u>	<u>Formation</u>	<u>Stimulation(Date)</u>
5158-5168' (40 holes)	Paddock	3-46

5207-5245 (OH) Paddock Iso. Plug

Comments: 5-5-46 A/500 gal 20% LT
6-20-48 A/2000 gal 15%
3-8-50 A/2000 gal 20% & 2000 gal 15% RLT
8-24-67 A/4000 gal 15% DS30
10-27-86 a/750 gal 15% NEFE-HC1
Prepared By: L. W. Sutton Date 2-11-87
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Lease: Penrose Lease No.: 29-320
Well No.: 3
Location: 1874'FNL & 766'FWL, Sec 9, T22S, R37E
Field: Brunson Fusselman
County: Lea
State: New Mexico

API No.: 30-025-10147 RRC No.:
WI 66.6667 NRI 58.33333 RRC Dist.: NM

Spud'd: 11-02-46 TD'd: 01-17-47 Comp:
Elevation: KB 3430' GL 3419'
TD: 8120' PBD: 7302' (3-24-80)
Surface Equipment: Lufkin C-160"D"-54-17

Casing Data

Hole	Csg	Gr.	Wt	Depth	#Sx	TOC
	13 3/8			153'	165	Surf
	9 5/8			2785'	1400	Surf
	7		23	8089'	800	

Tubing Data

Size	Gr.	Wt.	Depth	#Jts	Comments
2 7/8	J55	6.5	7150'	232	

Downhole Equipment (pkrs,tbg anchors,CIBP's,etc)

Type	Size	Depth	Comments
SN	2 7/8	7197'	
Perf Sub	2 7/8	7198'	
TA	2 7/8	7201'	
MA(31')	2 7/8	7203'	
CIBP		7322'	
CIBP		8075'	

Perforations	Formation	Stimulation(Date
7230-60'(1spf)	Fusselman	F/30000 galKCl-42000# 20/40 sd 3/86
7330-40'	Test	Iso w/CIBP 3/80
7378-7382'	Test	3/80
OH	Ellenberger	3/64

Comments: Fusselman IP-12BOPD

Prepared By: L. W. Sutton Date 2-10-87

Lease: Penrose Lease No.: 29-0902
Well No.: 4
Location: 2310' FNL & 330' FWL, Sec 9, T22S, R37E, L E
Field: Drinkard
County: Lea
State: New Mexico

API No.: 30-025-10148 RRC No.:
WI 66.6667 NRI 58.33333 RRC Dist.:
Spud'd: 05-21-53 TD'd: 06-16-53 Comp: 06-24-53

Elevation: KB GL 3411'
DF 3425'
TD: 6510' PBTD:

Surface Equipment: Plunger Lift

Casing Data

Hole	Csg	Gr.	Wt	Depth	#Sx	TOC
	10 3/4		32.75	165'	180	
	7 5/8		26.4	2780'	800	
	5 1/2		15.5	6465'	300	

Tubing Data

Size	Gr.	Wt.	Depth	#Jts	Comments
2 3/8	J55	4.7	6438'	212	

Downhole Equipment (pkrs, tbgs, anchors, CIBP's, etc)

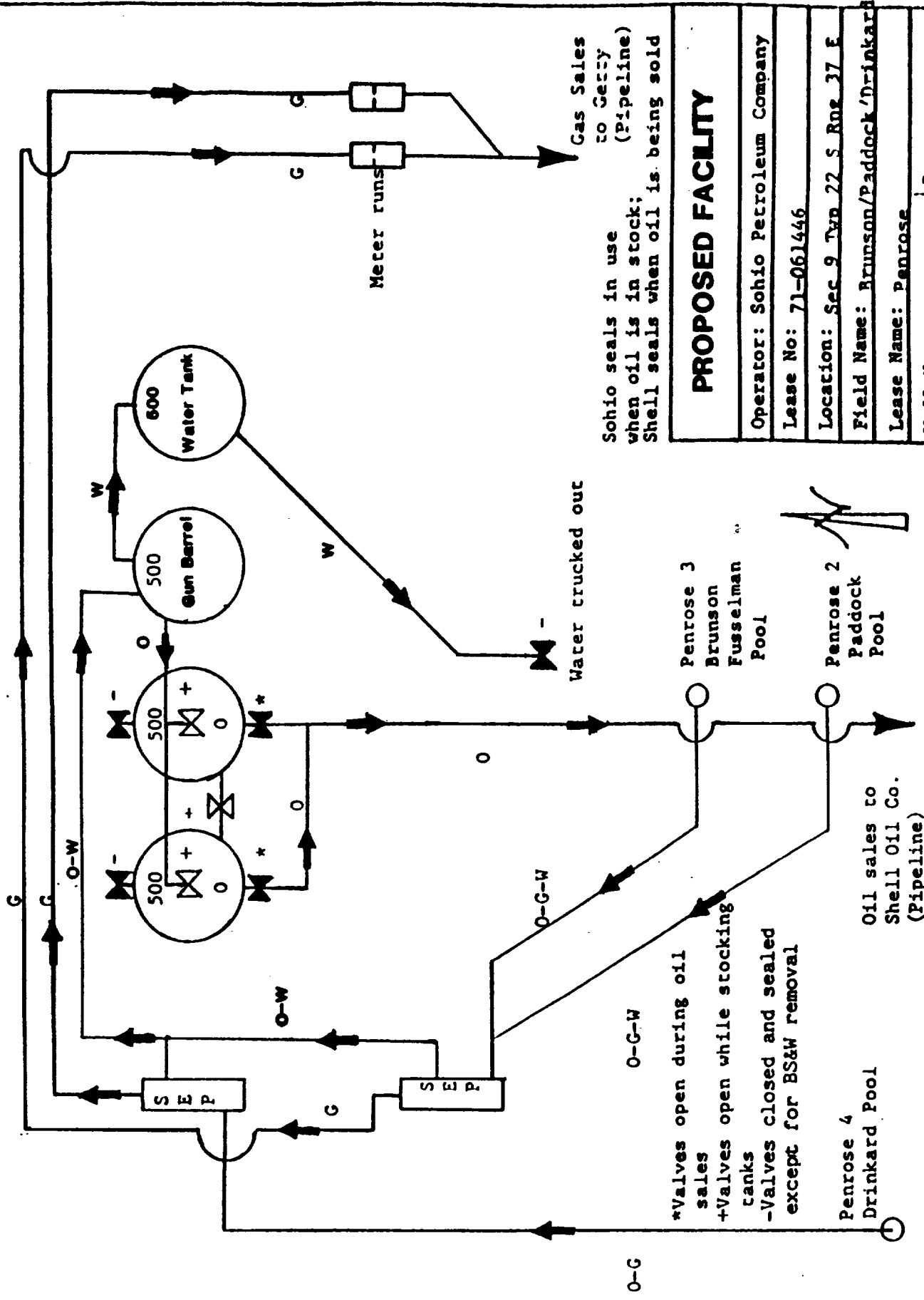
Type	Size	Depth	Comments
Bumper Spring			
SN	2 3/8	6438'	1.25
Perf Sub	2 3/8	6439'	3.1
MA	2 3/8	6442'	30.2

Perforations	Formation	Stimulation (Date)
6465-6510' (OH) 4 3/4"	Drinkard	

Stimulations: 6/53 A/3000 gal 15% RLT
5/82 A/2000 gal 15% SOS (85% HCl & 15% Xylene),
2 drums of Gyptrol 8

Comments: IPF 86 BOPD on 16/64" Choke.
GOC 6464' MD

Prepared By: L. W. Sutton Date 7-8-87



Sohio seals in use when oil is in stock; Shell seals when oil is being sold

PROPOSED FACILITY

Operator: Sohio Petroleum Company
Lease No: 71-061446
Location: Sec 9 Twp 22 S Rng 37 E
Field Name: Brunson/Paddock/Drinkard
Lease Name: Penrose
Well No: 2.3 & 4 Date: 10/30/87

Table 1
Penrose Lease
Average Oil Production

	<u>August '87 (BOPD)</u>	<u>September '87 (BOPD)</u>
Well No. 2	1.3	2.6
Well No. 3	0.8	3.3
Well No. 4	5.3	6.0

