



Southland Royalty Company

March 9, 1984

Mr. Joe D. Ramey
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Downhole Commingling
SRC - Childers #2
Fruitland/Pictured Cliffs
SW/4, Section 1, T31N, R11W
San Juan County, New Mexico

RECEIVED
MAR 14 1984
OIL CON. DIV.
DIST. 3

Dear Mr. Ramey:

Southland Royalty Company requests permission to downhole commingle production from the Fruitland and Pictured Cliffs formations in this dual well. The Fruitland formation cannot continuously produce enough gas to lift the oil it produces. With the additional gas from the Pictured Cliffs formation, we feel that the Fruitland oil will be produced with fewer problems.

The gas produced from each zone is similar, and the Fruitland oil produced has no adverse effect on the Pictured Cliffs formation. Bottom hole pressures are similar for the two formations and there will be no crossflow between the zones, therefore no production will be lost.

Production allocation between the two zones was determined from the decline curves and cumulative production from each zone. Proposed allocation is as follows:

Oil Production:	100% Fruitland
Gas Production:	63% Pictured Cliffs 47% Fruitland

Royalty ownership in both zones of the well are identical. The well is currently unproductive and no current 24 hour productivity test can be supplied, therefore, we have included the latest deliverability test reports. In addition, copies of gas analysis from each zone, decline curves, production plats, and miscellaneous data are included with this package for your information.

Mr. Joe D. Ramey
Page Two
March 9, 1984

A copy of this application has also been sent to the Bureau of Land Management and all offset operators.

Sincerely,

SOUTHLAND ROYALTY COMPANY



Doug R. Harris
Petroleum Engineer

DRH/eg

Attachments

XC: BLM-Farmington
EPNG-Farmington
Mesa Petroleum-Amarillo, TX
C&E Operators, Inc.-Dallas, TX

RECEIVED
MAR 14 1984
OIL CON. DIV.
DIST. 3

MISCELLANEOUS DATA

Fruitland Bottom Hole Pressure	=	642 psi
Pictured Cliffs Bottom Hole Pressure	=	598 psi
Fruitland Oil Gravity	=	43 deg.

BTU/CF at 14.73/60 F/Dry (Fruitland)	1139.4
--------------------------------------	--------

BTU/CF at 14.73/60 F/Dry (Pictured Cliffs)	1114.6
--	--------

RECEIVED
MAR 14 1984
OIL CON. DIV.,
DIST. 3