

O. DOYLE BUTLER

Consulting Petroleum Engineer

1000 V&J TOWER

MIDLAND, TEXAS 79701

BLACKROCK OIL COMPANY

Property Management

AREA CODE 915

PHONE 683-5691

IN OFFICE 1000
JUN 1 1970

June 1, 1970

49
HC -
Due June 25

Mr. A. L. Porter
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Administrative Approval of
Order No. R-3845 for Down-
Hole Commingling

Dear Sir:

It is respectfully requested, as outlined in Paragraph C, sub-paragraph 2 of Order No. R-3845, that administrative approval be granted for down-hole commingling. The following information is submitted:

- (A) The Fundamental Oil Corporation, 1000 V & J Tower, Midland, Texas. 79701.
- (B) Gulf-Leonard Lease, Well No. 1, Unit H, 2310' FNL and 330' FEL, Sec. 24, T-21-S, R-36-E, Lea County.
- (C) Blinebry and Drinkard pools.
- (D) No individual tests were taken on this well as it is a recent completion in the marginal edge of the above noted fields and the combined production from both zones, after recovering initial load oil, is only seven barrels oil per day.
- (E) Detailed completion reports have been filed with the district office and a final C-105 has been submitted.
- (F) Estimated bottom-hole pressure is 2594#. This is taken from a drill stem test which tested the interval from 5194' to 5229'.
- (G) As best that can be found from offset operators, the gravities of the proposed fluid are: Drinkard, 38.0° API and Blinebry, 36.8° API and are compatible as these zones are being down-hole commingled in the adjacent area.

6733'

June 1, 1970

- (H) Since gravities of both zones are practically identical, no change in value of individual streams as compared to commingled streams is believed to occur.
- (I) Copies of this request and Form C-105 is being mailed this date to all offset operators.

Should any further information be required, please advise.

Yours very truly,

BLACKROCK OIL COMPANY


O. Doyle Butler

ODB:ph

Enclosures

cc: NMOCC - Hobbs w/ cc. of Form C-104

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MIDLAND, TEXAS 79701

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June 15, 1970

D. S. Nutter:
Could you use
this for part of
the DHC application?
JAR

Mr. Joe D. Ramey
Supervisor, District 1
New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs New Mexico 88240

Dear Sir:

In reference to the attached letter, I did not put previous swab tests in our application for downhole commingling; however, on February 10, 1970 we swabbed the Drinkard formation at the rate of 10 BO/day. Later, when the equipment was moved up, the Blinebery was swabbed on February 20 at the rate of 20 BO/day. Actual current production is about 8 1/2 BO/day. Would it be possible to take the aforementioned figures for allocated production? If this is not agreeable, then I assume we must formally swab test each zone individually.

Note that this well is only making 8 1/2 BO/day; any additional cost we have is probably money we will never recover; therefore, it would be appreciated if you could approve the split of production based on the aforementioned swab tests.

Should any further information be required, please advise.

Yours very truly,

O. Doyle Butler
O. Doyle Butler

MAIN OFFICE 000

ODB:kf

'70 JUN 22 AM 9 14

Attachment

cc: John Stein
John Yuronka



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 1980 - HOBBS

88240

June 11, 1970

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX ARMIGO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

The Fundamental Oil Corp.
1000 V & J Tower
Midland, Texas

Attention: Mr. O. D. Butler

Gentlemen:

We are in receipt of Form C-104 for your Gulf Leonard Well No. 1 located in Unit H of Section 24, T-21-S, R-36-E. On this form you stipulate that the well has been completed in the Drinkard and Blinebry Pools, and from all indications the production from these two pools is being commingled in the well bore.

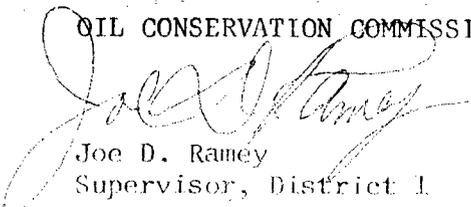
As you know, this is a violation of the Commission's Rules and Regulations, and it will be necessary that you re-enter the well immediately and segregate the zones in the well bore.

If you are interested in downhole commingling, it will be necessary that you first establish a production rate for both zones so that future production from the well can be allocated on the basis of these tests.

Failure to comply with this directive will result in the Commission taking further punitive action.

Yours very truly,

OIL CONSERVATION COMMISSION


Joe D. Ramey
Supervisor, District I

JDR/mc