

# Imperial-American Management Company

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OFFICE 280

March 10, 1971

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

Attention: Mr. A. L. Porter, Jr.

Re: Request for Exception to Rule 303-A  
Down-Hole Commingling - per Rule 303-C  
Federal GPS Lease, Well No. 1  
Blinebry and Wantz Abo Pools  
Lea County, New Mexico

DHC-78

Recd Apr 12

Gentlemen:

Imperial-American Management Company respectfully requests administrative approval under the provisions of Order No. R-3845 to commingle, in the well bore, oil production from the Blinebry Pool and the Wantz Abo Pool which are dually completed in our Federal GPS No. 1 well located in Unit 0, Section 6, T-22-S, R-38-E, Lea County, New Mexico. This dual completion was permitted by Administrative Order No. MC-1867, dated June 24, 1969.

We believe that this well qualifies for administrative approval of down-hole commingling under the Provisions of Rule 303-C. Both zones are classified as oil zones. The deepest perforation in the lower zone is at 7297', in this well. We attach Form C-116 which indicates that the production rates for both oil and water fall within the limits specified by Rule 303-C. We also attach copies of our production decline curve for each zone. Both zones are presently being artificially lifted by rod pumps; therefore, a rod pump will be utilized after commingling.

We have had water samples collected from each zone and have had these samples checked for compatability by Baroid. Copies of their reports are attached. The reports indicate there will not be an instability problem caused by mixing these waters.

New Mexico Oil Conservation Commission  
Attention: Mr. H. L. Porter, Jr.  
Re: Request for Exception to Rule 303-A  
Federal GPS Lease, Well No. 1  
Blinebry and Wantz Abo Pools  
Lea County, New Mexico

Page 2

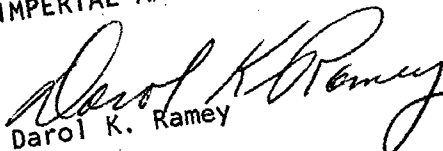
We also attach a data sheet on which we have indicated our estimates of the current bottom hole pressures of these zones and a calculation showing that the commingled production will not have less value than the individual streams sold separately.

Ownership of the production from both zones to be commingled is common as to royalty, overriding royalty, and working interests.

This lease is on federal property. A copy of this application is being submitted to Geological Survey at Hobbs, New Mexico, and to each offset operator shown on the attached list.

Very truly yours,

IMPERIAL-AMERICAN MANAGEMENT COMPANY

  
Darol K. Ramey

DKR:lb  
Attachments

507 Midland Pavings Building - Midland, Texas 79701 - 945-684-8244  
Cable Address - IMPAM

LIST OF OFFSET OPERATORS

Imperial-American Management Company  
Federal GPS Lease  
Lea County, New Mexico

Penrose Production Company  
P. O. Box 988  
Eunice, New Mexico 88231



*507 Midland Savings Building - Midland, Texas 79701 - 945-684-8241*

*Cable Address - IMPAM*

## DATA SHEET

Request for Down-Hole Commingling  
Imperial-American Management Company  
Federal GPS Well No. 1

### I. Estimated Bottom Hole Pressure

#### A. Blinebry Pool Completion

Unable to obtain a satisfactory sonic fluid level.  
Zone pumps off, permitting only 25% pump efficiency.  
Estimated Operating BHP - 200 psi  
Estimated Static BHP - 600 psi

#### B. Wantz Abo Pool Completion

Lower zone, cannot obtain sonic fluid level.  
Pressure low enough to limit pump efficiency to 50%.  
Estimated Operating BHP - 300 psi  
Estimated Static BHP - 800 psi

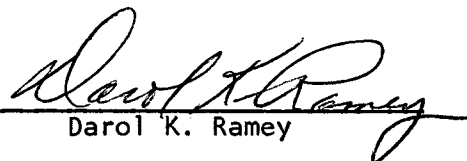
### II. Value of Commingled Production

Oil from both the Blinebry and Wantz Abo is being sold to The Permian Corporation by truck. The price is based on Atlantic Richfield's posting for West Texas-New Mexico intermediate grade crude, with a top price of \$3.56/bbl. for 40 deg. API and a 2¢/degree price differential for each degree below 40 deg. API.

The Blinebry zone oil normally was 37.5 deg. API with a price of \$3.50/bbl. The Wantz Abo oil normally runs 49.5 deg. API with a price of \$3.54/bbl. At the current rates of production, the gravity of the mixture should be at least 39 deg. API and receive a price of \$3.54/bbl.

Blinebry - Avg. price \$3.50/bbl. X 2 BOPD =	\$ 7.00/day
Wantz Abo - Avg. price \$3.54/bbl. X 12 BOPD =	42.48/day
	<u>\$49.48/day</u>
Mixture - Avg. price \$3.54/bbl. X 14 BOPD =	\$49.56/day

No loss in value of product should result from commingling these zones in the well bore.

  
Darol K. Ramey

NEW MEXICO OIL CONSERVATION COMMISSION  
GAS - OIL RATIO TESTS

C-116  
Revised 1-1-65

Operator <b>Imperial-American Management Co.</b>		Pool <b>*See Below</b>		County <b>Lea</b>												
Address <b>507 Midland Savings Bldg., Midland, Texas 79701</b>		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL.		
		U	S	T							R	WATER BBLs.	GRAV. OIL		OIL BBLs.	GAS M.C.F.
<b>* BLINEBRY POOL</b>																
Federal GPS	1	0	6	22	38	2-25-71	P	Open	25	0	24	20	37.5	2	3.35	1675
<b>* WANTZ ABO POOL</b>																
Federal GPS	1	0	6	22	38	2-27-71	P	Open	25	16	24	32	39.5	12	4.8	400
<b>*SPECIAL TEST - REQUEST FOR DOWN-HOLE COMMINGLING</b>																

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the 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 Commission.

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 for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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

Division Manager

March 9, 1971

(Date)

**COPY**

**BAROID DIVISION**  
**NATIONAL LEAD COMPANY**  
P. O. BOX 311  
MIDLAND, TEXAS 79701

**March 11, 1971**

**Mr. Darrol K. Ramey**  
**Imperial American Management**  
**507 Midland Savings Building**  
**Midland, Texas 79701**

**Dear Sir:**

**A compatibility analysis of your McAlister No. 1 and Federal GPS No. 1 produced waters reveals that comingling can be accomplished without compatibility problems.**

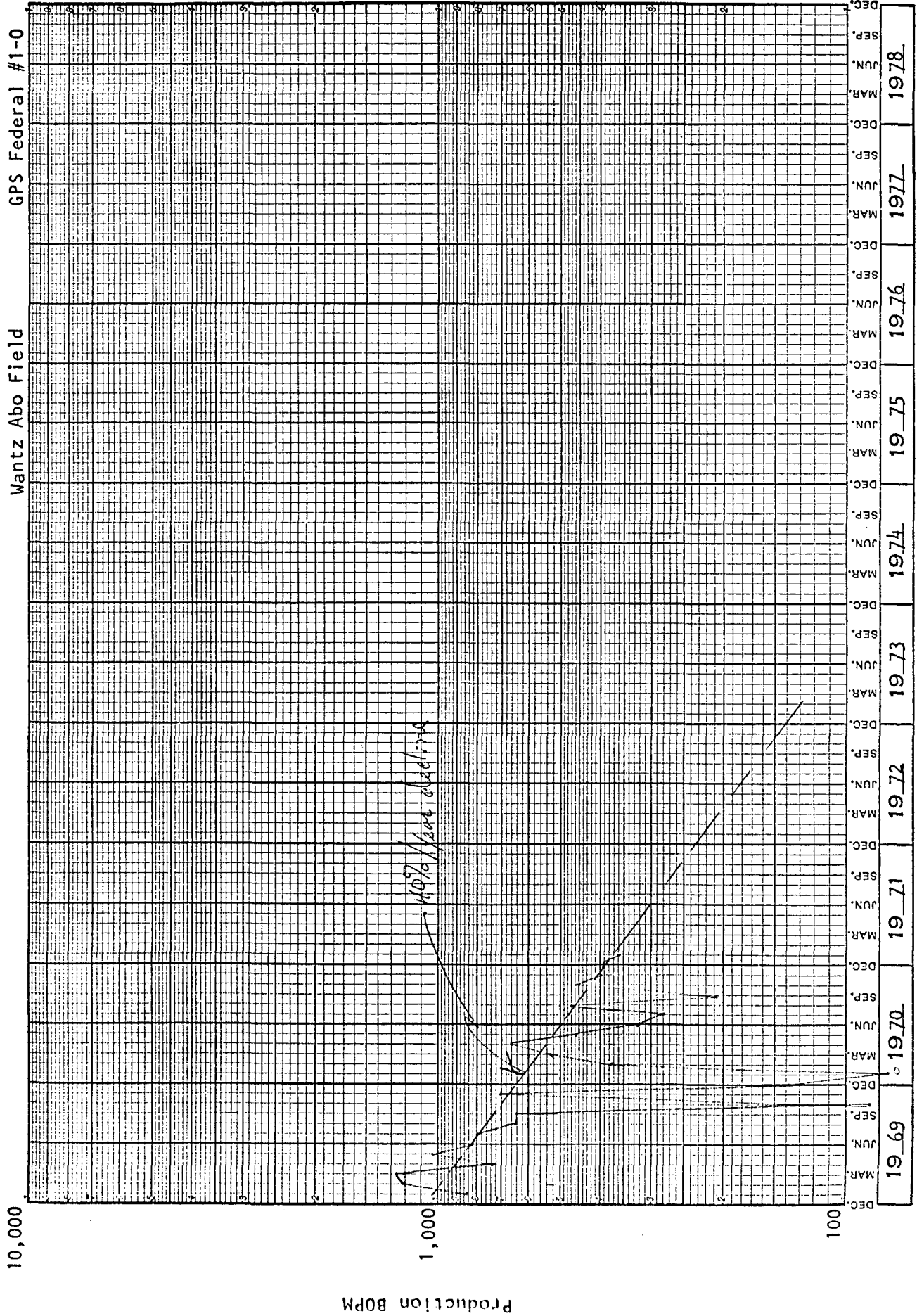
**Please do not hesitate to call if we may be of any further service.**

**Yours very truly,**

**Guy W. Hogue**  
**Supervisor**  
**BAROID TREATING CHEMICALS**  
**West Texas Area**

**GWH/ed**  
**Enc.**







Federal GPS #1

Blinebry Field

1000

Oil Production - BOPM

