

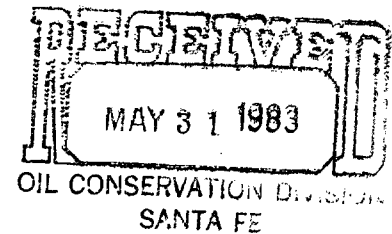
W. A. MONCRIEF, JR.

OIL PRODUCER

400 METRO BUILDING
MIDLAND, TEXAS 79701
May 26, 1983

TELEPHONE 682-1762

Mr. Joe Ramey
P.O. Box 2088
Santa Fe, New Mexico 87501



Re: W.A. Moncrief, Jr.
#1 Yates State
Unit G, section 30, T16S, R37E
Lea County, New Mexico

Dear Mr. Ramey:

By submitting the following data; we are asking for an exception to Rule 303-A and asking for permission to commingle downhole the oil production from the Paddock and upper Penn zones in the above-referenced well which is a new well.

ZONE	PERFS	PRODUCTION	DATE OF TEST	GRV.	BWPD	BHP
Paddock	6273-6284 6348-6364	3 BOPD	4-26-83	32°	0	1208#
Upper Penn	10,628-10,639 10,778-10,788	8.4 BOPD 8.6 BOPD	3-15-83 5-20-83	44° 44°	0 0	2,000# est. 2,000# est.

The gravity of the commingled crude is 40.5° at 68°.

Both zones must be pumped to produce and neither zone produces a significant amount of water or gas.

The fluids from each zone are compatible with the fluids from the other zone and combining the fluids on production tests has not resulted in any precipitates or emulsions which might damage either reservoir.

The total value of the crude from the two zones will be essentially the same whether produced singly or combined. The Paddock production is so small that it cannot be justified economically unless it is commingled with another zone.

Ownership of the two zones is common as to working interest, royalty and over riding royalty.

Commingling will not jeopardize the efficiency of present or future secondary recovery operations in either of the zones to be commingled. Should secondary recovery be contemplated from either zone; the other zone would be shut off.

Attached in duplicate are items (a) through (i) as required by Rule 303-C-2 on page E-3 of State of New Mexico Oil Conservation Commission Rules and Regulations. Forms C-116, C-104 and C-105 have been filed with the District Office in Hobbs.

If you need additional information, call me at 915/682-5101 or 682-1762.

xc: H.E. Yates, Yates Petroleum
Getty Oil, Southern Petroleum (wiset oil)
Tenneco, Monsanto
Skelton Oil Ray Graham

Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

DATA FOR DOWN HOLE COMMINGLING REQUEST

303-C-2

- (a.) W.A. Moncrief, Jr., 400 Metro Bldg., Midland, Texas 79701
- (b.) Yates State #1 Unit G, 1980' FNL & 1980' FEL section 30, T16S, R37E
Lea County, New Mexico
- (c.) S.E. LOVINGTON PADDOCK
UNDESIGNATED UPPER PENN
Commission Order Number applied for.
- (d.) FORM C-116 (copy attached)

(e.) COMPLETION HISTORY (new well)

UPPER PENN:

Perf 10,778-10,788 (20 holes). A/10,000 gallons 15% NEA w/ball sealers. Max TP 6700#, min TP 3600# and average TP 4600# at 4.36 BPM. Swabbed back load. P 8.6 BOPD 5-20-83.

Perf 10,628-10,639 (22 holes). A/10,000 gal 15% NEA + 5,000 gal CO₂. Max TP 8,000#, min TP 1600# & average TP 6000# @ 2.6 BPM. P 8.4 BOPD on single zone test 3-14-83.

PADDOCK:

Perf 6273-75, 6280-84, 6348-50 and 6360-6364 (16 holes). A/2,000 gal 15% NEA w/ball sealers. Max TP 7,000#, min TP 4200# and average TP 5,000# at 5 BPM. Swabbed back load and some new oil. Fraced w/20,000 gallons Mini Max III-30 (2% KCL based) + 26,000# 20-40 sand in 2 stages w/ball sealers. Max TP 7400#, min TP 3200#. Average TP 4300# at 11.8 BPM. ISIP 3000#, 15" SIP 2400# and 16" SITP 500#. Made two swab runs and put on pump. Production stabilized at 3 BOPD from single zone. Last pump gauge from Paddock was 4-26-83.

(f.) The Paddock zone recorded a 150" FSIP of 1208# and rising on DST #1 6270-6391'.

The Upper Penn recorded a 300" FSIP on DST #3 10,600-10,681'. This zone is believed to have been over pressured initially since the perfs 10,628-10,639' rapidly declined to 8.4 BOPD on pump after treatment w/10,000 gallons 15% NEA. The present BHP is estimated to be no greater than 2000#.

The Upper Penn zone 10,778-10,788 was not drill stem tested individually; but the zone appears to be rather shaley on the open hole log and produces only 8.6 BOPD. It is estimated that the present BHP is no more than 2,000# for this zone.

(g.) Paddock crude is 32° at 76° and Upper Penn crude is 44° at 78°. The Permian Corporation has agreed to purchase the commingled crude which was determined to be 40.5° at 68° on 5-23-83.

(h.) The total value of the crude from the two zones will actually be increased if commingled rather than produced singly. The ownership is common as to working interest, royalty and overriding royalty for both zones.

Paddock: 3 BOPD of 32° crude X \$27.84/bbl = \$83.52 gross value per day
U. Penn: 17 BOPD of 44° crude X \$30.00/bbl = \$510.00 gross value per day
Total value if produced singly \$593.52 " " " "

The combined value of the two zones if commingled would be 20 BOPD of 40.5° crude X \$30.00/bbl = \$600.00 gross value per day.

Page 2

(i.) All offset operators have been notified in writing of the proposed commingling.

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

xc: Harvey E. Yates
Yates Petroleum
Getty Oil
Southern Petroleum (Wiser Oil)
Tenneco
Monsanto
Skelton Oil
Ray Graham

[illegible]

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P.O. BOX 2018
SANTA FE, NEW MEXICO 87501

Form C-116
Revised 10-1-78

GAS-OIL RATIO TESTS

Operator W.A. Moncrief, Jr. Pool Upper Penn Undesignated County Lea

Address 400 Metro Bldg., Midland, Texas 79701

TYPE OF TEST - (X)

Scheduled ☐

Completion ☒

Special ☐

LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BAU
		U	S	T	R					WATER BBL'S.	GRAV. OIL BBL'S.	GAS M.C.F.	
Yates State	1	G	30	16S	37E	5-20-83	P		24	0	440	17	33
													1941

The Upper Penn and Paddock are commingled in this well.
The two zones tested 20 BOPD and the gravity of the commingled crude tested 40.50 at 68°.

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

During gas-well 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 Division.

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.

Well official and one copy of this report to the district office of the New Mexico Oil Conservation Division 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.

Henry E. Johnston
(Signature)
Exploration Manager
(Title)

5-26-83

(Date)

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P.O. BOX 2018
SANTA FE, NEW MEXICO 87501

Form C-116
Revised 10-1-78

GAS-OIL RATIO TESTS

Operator

W.A. Moncrief, Jr.

Pool

Lovington Paddock

County

Lea

Metro Bldg., Midland, Texas 79701

TYPE OF TEST - (X)

Scheduled ☐

Completion ☒

Special ☐

LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL
		U	S	T	A					WATER BBL'S.	GRAV. OIL BBL'S.	GAS M.C.F.	
Yates State	1	G	30	16S	37E	5-20-83	P		24	0	32°	3	TSTM
The Paddock and Upper Penn oil are commingled in this well. The two zones tested 20 BOPD and the gravity of the commingled crude tested 40.50 @ 68°.													

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 allowable when authorized by the Division.

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.

Well original and one copy of this report to the district office of the New Mexico Oil Conservation Division 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.

Reynolds E. Thurman
(Signature)

Exploration Manager

(Title)

5-26-83

(Date)

W. A. MONCRIEF, JR.

OIL PRODUCER

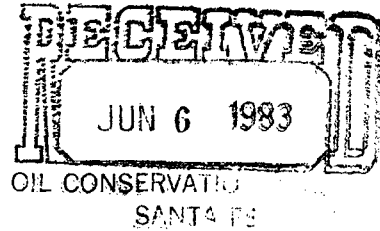
400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

May 26, 1983

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88201

Attention: A.J. Dean



Re: Request to Commingle
W.A. Moncrief, Jr.
#1 Yates State
Unit G, section 30, T16S, R37E
Lea County, New Mexico

Gentlemen:

W.A. Moncrief, Jr. has requested permission from the Oil Conservation Division of the Energy and Minerals Department to commingle oil production from the Paddock and Upper Penn zones in the above-referenced well which offsets acreage which you have under lease and which is colored orange on the attached plat.

Attached is a copy of the request for permission to commingle which is being forwarded to the Oil Conservation Division in Santa Fe.

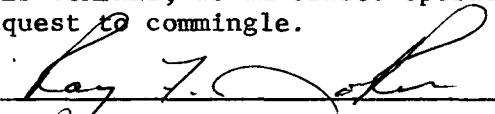
If you have no objection to this request to commingle, would you please sign the waiver below and forward it to Mr. Joe Ramey with the Oil Conservation Division in the envelope attached.

Very truly yours,


Dewey E. Thornton
Exploration Manager

HARVEY E. YATES COMPANY, as an offset operator, has no objection to the above-referenced request to commingle.

BY:


Reservoir Engineer

DATE:

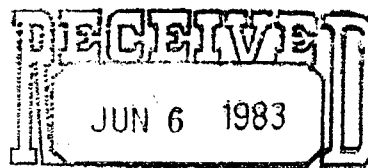
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W. A. MONCRIEF, JR.

OIL PRODUCER

400 METRO BUILDING
MIDLAND, TEXAS 79701

May 26, 1983



TELEPHONE 682-1762

OIL CONSERVATION DIVISION
SANTA FE

Getty Oil Company
P.O. Box 1231
Midland, Texas 79702

Attention: Mr. H.F. Lear

Re: Request to Commingle
W.A. Moncrief, Jr.
#1 Yates State
Unit G, section 30, T16S, R37E
Lea County, New Mexico

Gentlemen:

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Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

GETTY OIL COMPANY, as an offset operator, has no objection to the above-referenced request to commingle.

BY:

Joe Ramey

DATE:

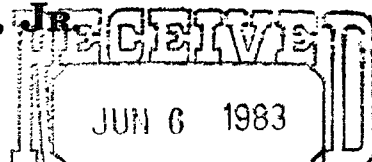
6/2/83

OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

May 26, 1983



TELEPHONE 682-1762

OIL CONSERVATION DIVISION
SANTA FE

Skelton Oil Company
P.O. Box 840
Hobbs, New Mexico 88240

Re: Request to Commingle
W.A. Moncrief, Jr.
#1 Yates State
Unit G, section 30, T16S, R37E
Lea County, New Mexico

Gentlemen:

W.A. Moncrief, Jr. has requested permission from the Oil Conservation Division of the Energy and Minerals Department to commingle oil production from the Paddock and Upper Penn zones in the above-referenced well which offsets acreage which you have under lease and which is colored orange on the attached plat.

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Very truly yours,

Dewey E. Thornton
Exploration Manager

SKELTON OIL COMPANY, as an offset operator, has no objection to the above-referenced request to commingle.

BY:

DATE:

6-1-83

OIL PRODUCER

W. A. MONCRIEF, JR.

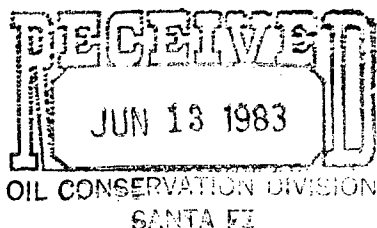
400 METRO BUILDING
MIDLAND, TEXAS 79701

May 26, 1983

WISER OIL COMPANY
P.O. Box 192
Sistersville, West Virginia 26175

WISER
Received

JUN - 6 '83



W.F. Office

Re: Request to Commingle
W.A. Moncrief, Jr.
#1 Yates State
Unit G, section 30, T16S, R37E
Lea County, New Mexico

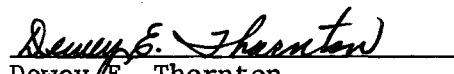
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Very truly yours,


Dewey E. Thornton
Exploration Manager

WISER OIL COMPANY, as an offset operator, has no objection to the above-referenced request to commingle.

BY:  DATE: 6-10-83

W. A. MONCRIEF, JR.

OIL PRODUCER

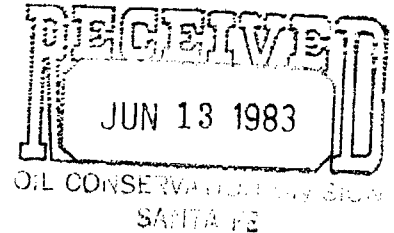
400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

May 26, 1983

Monsanto Company
One Midland National Center
Suite 1300
Midland, Texas 79701

Attention: Mr. J.D. Cobb



Re: Request to Commingle
W.A. Moncrief, Jr.
#1 Yates State
Unit G, section 30, T16S, R37E
Lea County, New Mexico

Gentlemen:

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Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

MONSANTO COMPANY, as an offset operator, has no objection to the above-referenced request to commingle.

BY:

[Signature]

DATE:

6/7/83

W. A. MONCRIEF, JR.

OIL PRODUCER

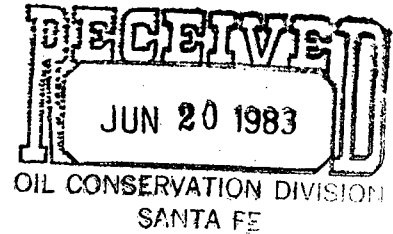
400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

May 26, 1983

Tenneco Oil Company
6800 Park Ten Boulevard
Suite 200 North
San Antonio, Texas 79212

Attention: M.M. Hinze



Re: Request to Commingle
W.A. Moncrief, Jr.
#1 Yates State
Unit G, section 30, T16S, R37E
Lea County, New Mexico

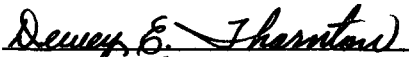
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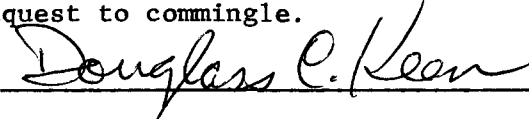
If you have no objection to this request to commingle, would you please sign the waiver below and forward it to Mr. Joe Ramey with the Oil Conservation Division in the envelope attached.

Very truly yours,


Dewey E. Thornton
Exploration Manager

TENNECO OIL COMPANY, as an offset operator, has no objection to the above-referenced request to commingle.

BY:



DATE:

