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300 YATES PETROLEUM BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88211-0239

RECEIVED  
'90 OCT 2 AM 8 59  
TELEPHONE  
(505) 746-3508  
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(505) 746-6316

September 27, 1990

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of Hondo Drilling Company fo  
Commingling of Production from Cisco and  
Strawn Formations, Eddy County, New Mexico

Dear Mr. LeMay:

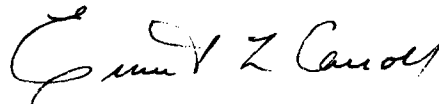
Enclosed for filing, please find three copies of Application of Hondo Drilling Company for Commingling of Production from Cisco and Strawn Formations. Also included in triplicate are the Affidavit of N. Raymond Lamb and attachments, waivers from the offset operators, Anadarko Petroleum, Sun Operating Limited Partnership and Southland Royalty Company, and a plat setting out the well and adjacent wells.

We have also been provided with approval by the United States Department of the Interior, Bureau of Land Management, as evidenced by Richard L. Manus' letter of September 25, 1990, copies of which are attached hereto.

I would therefore request that this application be approved administratively. Please advise me if there is anything further required to achieve this. Thank you for your consideration.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth  
Enclosures

cc: Hondo Drilling Company  
T. J. Sivley

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
HONDO DRILLING COMPANY FOR COMMINGLING : CASE NO. \_\_\_\_\_  
OF PRODUCTION FROM CISCO AND STRAWN :  
FORMATIONS, EDDY COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

APPLICATION

COMES NOW HONDO DRILLING COMPANY, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

1. Applicant proposes to commingle production from its Alscott Federal #1 in unit G of Section 31, Township 18 South, Range 29 East of the Turkey Tract Pool, N.M.P.M., Eddy County, New Mexico producing from the Cisco and Strawn formations.

2. That applicant has completed said well in the Cisco formation at a depth of 9518 feet to 48 feet and proposes to commingle said formation with the Strawn formation at a depth of 10170 to 10180 feet and 10222 to 10232 feet. Applicant further proposes that all of the gas production and 75% of condensate production be credited to the Strawn horizon, and that 25% of condensate production be credited to the Cisco formation in the Turkey Tract pool.

3. All offset operators and the BLM have been notified by certified mail, and have approved such action, as evidenced by the waivers filed herewith.

4. The plat of the area and ownership is attached hereto as Exhibit "A".

5. The Affidavit of Raymond Lamb is attached hereto as Exhibit "B", which sets forth the information required by Rule 303 (C) (2) of the Oil Conservation Division.

6. That the downhole commingling of said well is feasible in accordance with good conservation practices and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays that:

A. This application be administratively approved as provided in Rule 303(C) (3) of the Oil Conservation Division.

B. And for such other relief as may be just in the premises.

HONDO DRILLING COMPANY

By:   
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239

Attorneys for Applicant

**OFFSET OPERATORS AND THEIR LOCATIONS**

**Township 18 South, Range 29 East, N.M.P.M.**

Section 25:	SE/4	Anadarko
Section 29:	SW/4 SW/4	Hondo Drilling Co.
Section 30:	S/2	Hondo Drilling Co.
Section 31:	S/2	Hondo Drilling Co.
Section 32:	W/4	Southland Royalty
Section 36:	SE/4	Sun Operating Ltd.
	E/2 NE/4	Anadarko



1045. 414082 314075 214072  
Amoco 1-EC (Amoco)  
1.8 Mil. Strata Prod.  
L-1022



**AFFIDAVIT OF N. RAYMOND LAMB**

STATE OF NEW MEXICO )  
                              : ss.  
COUNTY OF EDDY )

N. RAYMOND LAMB, being first duly sworn, upon his oath, states:

I am a Certified Petroleum Geologist and a Registered Professional Engineer, and I have testified previously as an expert witness before the Oil Conservation Commission.

Hondo Drilling Company is preparing an application for comingling of production from Cisco and Strawn formations in their Alscott Federal #1 in unit G of Section 31, Township 18 South, Range 29 East of the Turkey Tract Pool.

The well was drilled and completed in Morrow gas sand, June 30, 1976. The zone was abandoned in August, 1977. Accumulated production was 419,929 mcf gas and 24000 bbls of condensate.

In September, 1977, the well was perforated 9518 - 48' in the Cisco formation porous zone for 3100 mcf gas and 30 bbls condensate. The original shut in tubing pressure was reported at 2200 psig. In January, 1990, the Cisco was abandoned as uneconomical after producing 99197 mcf of gas and 4087 bbls oil.

For some unknown reason, the interval from 9518 - 22 was perforated. This interval is identified as Basal Canyon dense shale, and has not contributed any production to the accumulated production of oil and gas assigned to Cisco production in the Alscott Federal #1.

On February 12, 1990, the Strawn formation was perforated 10170 to 10180 and 10222 to 10232 and completed. Completion data reported 1805 mcf gas 17.3 bbls of condensate per day with a shut-in tubing pressure of 2900 psig.

The tabulated production below is against El Paso line pressure 425 psi ave.

	1990 <u>Condensate bbls</u>	<u>Gas mcf</u>
Feb.	275	4317
Mar.	355	7179
Apr.	253	5706
May	196	5245

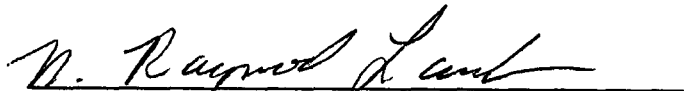
EXHIBIT "B"

The Strawn zone has been on production less than 4 months, with a decline rate of 18% per month. The daily production is expected to level off at 5.5 bbls condensate and 150 mcf gas per day against 425# gas line pressure. During this period of 4 months, it was noted by Hondo Drilling Co. personnel that some condensate was showing at the braden head between tubing and casing, which could be attributed to the Cisco formation.

The decline in production from the Strawn formation indicates marginal production above the economical limit of operation.

With the gas production in the Strawn, it is proposed to combine the Cisco condensate production with the Strawn production (condensate and gas) for a production volume above the economic limit. This comingling will extend the production life of the operation, and will recover condensate and gas that would not otherwise be recovered. Based on the original shut-in tubing pressure of the completion in the zones, and the fact that the production will be at maximum rate, there will be no migration of gas or condensate from one zone to the other zone.

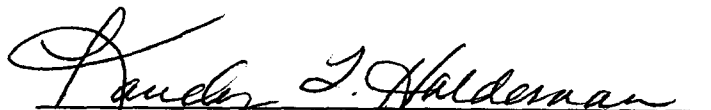
Hondo Drilling Company further proposes that all of the gas production and 75% of condensate production be credited to the Strawn horizon, and that 25% of condensate production be credited to the Cisco formation in the Turkey Track pool. The formula is based on present and anticipated production. In the event future production data indicate the need for a change in the formula, Hondo Drilling Company will submit a formal request to the New Mexico Oil Conservation Commission.

  
N. Raymond Lamb

SUBSCRIBED AND SWORN TO before me this July 17, 1990,  
by RAYMOND N. LAMB.

My commission expires:

11-17-93

  
Notary Public

PO Box 1980, Hobbs, NM 88240  
District II  
PO Drawer DD, Artesia, NM 88210  
District III  
1060 Rio Brazos Rd., Aztec, NM 87410

OPERATORS MONTHLY REPORT

HINDO DRILLING COMPANY P. O. DRAWER 2516 MIDLAND, TEXAS 79702-2516 FOR MONTH OF May 1990 PAGE 2 OF 2 PAGES

POOL NAME LEASE NAME WELL NO -UNIT-SEC-TWP-RNG	M S T A	INJECTION VOLUME	PRESS.	PRODUCTION			DISPOSITION OF GAS			DISPOSITION OF OIL			
				BRLS OIL PRODUCED	BRLS WATER PRODUCED	GAS PRODUCED (MCF)	DAYS PROD	SOLD	TRANS- FOR- TER	OTHER	C D E	ON HAND BEG.	BRLS TO TRANS- PORTER

TURKEY TRACK MORROW

Union "TY" State Com. - K-4093				121	6	21069	31	20449	EPG	620	U	168	170	PER			117
01 N 17 19S 29E	F																

TURKEY TRACK CISCO-CANYON, NORTH

Alscott Federal - NH-0924				0	0	0	0	0				74	0	NRC			74
01 G 31 18S 29E	S																

TURKEY TRACK MORROW, NORTH

Alscott Federal - NH-0924				59	21	13174	31	12560	EPG	614	U	217	0	NRC			276
02 0 30 18S 29E	F																

Wright Federal Com. - NH-0925

01 N 29 18S 29E	F			37	3	10112	31	9458	EPG	654	U	199	0	NRC			236
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Wright Federal Com. - NH-0925

02 G 29 18S 29E	F			45	0	1973	31	1973	EPG			205	0	NRC			250
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Tripp Jennings Com. - NH-030752

01 N 28 18S 29E	F			5	3	5708	31	5522	EPG	186	U	92	0	NRC			97
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TURKEY TRACK STRAWN, NORTH

Alscott Federal Com. - NH-0924				196		5245	31	5245	EPG			157	169	NRC			184
01 G 31 18S 29E	F																

DISTRIBUTION

STATUS CODE	"OTHER" GAS DISPOSITION CODE	"OTHER" OIL DISPOSITION CODE
Original OCD Santa Fe	X...Used of Lease ) Detail on	C...Circulating Oil
One Copy OCD Dist Office	D...Used for Drilling) Form G-111	L...Lost
In which lease is located	G...Gas Lift	S...Sedimentation (BSM)
One Copy to Transporter (s)	G...Shut in	E...Explanation attached
Date Due	I...Sleep Abandoned	I...Theft
	I...Injection	
	D...Discontinued	

To be postmarked by 24th day of next succeeding month.

Signature Margaret Langacker Date 06/29/90



# PACKER INSTALLATION PLAN

PREPARED FOR <i>Nathan Outlaw</i>						COMPANY <i>Hondo Drilling Comp.</i>		DATE <i>1-31-90</i>	
LEASE <i>Riscott Federal</i>		WELL No. <i>1</i>	FIELD	CO./PARISH <i>Eddy</i>		STATE <i>N.M.</i>		<input type="checkbox"/> NEW COMPLETION <input checked="" type="checkbox"/> WORKOVER	
INSTALLATION	ITEM	LENGTH	FROM	TO	DESCRIPTION			OD	ID
		<i>13'</i>	<i>0</i>	<i>13</i>	<i>K8 Correction</i>				
	<i>10081.99</i>	<i>13</i>	<i>10074.99</i>	<i>334 Jt's 2 3/8 N-80 16g 4.7"</i>					
			<i>9518</i>	<i>9548</i>	<i>Perforations "CISCO"</i>				
			<i>9556</i>	<i>9560</i>	<i>Perforations CISCO</i>				
			<i>9571</i>	<i>9578</i>	<i>Perforations CISCO</i>				
			<i>9590</i>	<i>9593</i>	<i>Perforations CISCO</i>				
	<i>4.10</i>		<i>10094.99</i>	<i>10099.09</i>	<i>4' N-80 X 2 3/8 Sub Jt.</i>				
	<i>1.95</i>		<i>10099.09</i>	<i>10101.04</i>	<i>Guiberson XLG w/p 1.375" Profile</i>				
	<i>6.68</i>		<i>10101.04</i>	<i>10107.72</i>	<i>Guiberson Uni G Pkr</i>				
			<i>w/c 10098.</i>		<i>5 1/2 x 17-20 X 2 3/4"</i>				
			<i>10170</i>	<i>10180</i>	<i>Perforations "Strawn"</i>				
			<i>10222</i>	<i>10232</i>	<i>Perforations Strawn</i>				
					<i>5 1/2 x 17-20 C59.</i>				
			<i>10750</i>	<i>10790</i>	<i>40' Cement cap</i>				
				<i>10790</i>	<i>CIBP</i>				
				<i>11238</i>	<i>Driller depth</i>				
GENERAL REMARKS <i>Note w/c Depth Bottom Pkr 10098</i>					PACKER TYPE top		RETRIEVING METHOD include shear release or collet snap value		
COMP. FLUID TYPE AND WEIGHT		ESTIMATED BHT.		ESTIMATED BHP		middle			
MAX. ANGLE AND KICKOFF DEPTH (ft)			SAND CONTROL		lower				
DATE <i>1-31-90</i>		OPERATOR'S NAME <i>Andy Jackson</i>		AREA <i>Artesia, N.M.</i>		DELIVERY TICKET NO.			

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
HONDO DRILLING COMPANY FOR DOWNHOLE  
COMMINGLING, EDDY COUNTY, NEW MEXICO

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:  
:  
:  
:

CASE NO. \_\_\_\_\_

WAIVER

As an offset operator, ANADARKO PETROLEUM CORPORATION has no objections to Hondo Drilling Company's proposed downhole commingling in its Alscott Federal No. 1 Well at a location 1650' from the north line and 1980' from the east line of Section 31, Township 18 South, Range 29 East, Eddy County, New Mexico.

By: \_\_\_\_\_

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

*B. W. Huff*

*Division Production Engineer*

*8-2-90*

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
HONDO DRILLING COMPANY FOR DOWNHOLE  
COMMINGLING, EDDY COUNTY, NEW MEXICO

---

CASE NO. \_\_\_\_\_

WAIVER

As an offset operator, SUN OPERATING LIMITED PARTNERSHIP has no objections to Hondo Drilling Company's proposed downhole commingling in its Alscott Federal No. 1 Well at a location 1650' from the north line and 1980' from the east line of Section 31, Township 18 South, Range 29 East, Eddy County, New Mexico.

By: \_\_\_\_\_

Geologic Supervisor

Title

8-13-90

Date

IN THE MATTER OF THE APPLICATION OF :  
HONDO DRILLING COMPANY FOR DOWNHOLE : CASE NO. \_\_\_\_\_  
COMMINGLING, EDDY COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

By: Robert L. Bradshaw  
SR. STAFF ENV. / REG. SPECIALIST  
 Title  
8/22/90  
 Date