

DHC 11/10/98



THE WISER OIL COMPANY

P.O. BOX 2568 • HOBBS, NM 88241
(Phone) 505-392-9797
(FAX) 505-392-8971

2124

RECEIVED

October 8, 1998

OCT 21 1998

Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505-6428

Oil Conservation Division
PO Box 1980
Hobbs, NM 88240

Attn: David Catanach

Re: Downes D #2
Blinebry/Tubb zones
API # 30-025-06955
L 32 21S 37E
Lea County, NM

Attn: Downhole Commingling Department

The Wiser Oil Company as operator of the captioned well in Lea County, New Mexico, hereby requests permission to downhole commingle all production from same. We understand that commingling for these zones has been approved for other operators. Following is a list of attachments:

C107 A
Map of Location
Downhole Schematic
C102 for Blinebry & Tubb zones
C116 for Blinebry & Tubb zones
Production curve for Blinebry & Tubb zones
Allocation Formula
Value Formula
Notification list

Allocation Formula
Value Formula
Notification list

In order to adequately produce this well to its full potential we need to downhole commingle the blineby and tubb zones. We are selling all gas production to Texaco. BTU's should not change significantly with commingling. We do not expect any crossflow. Commerical production should not decrease. Allocation of production will be based on current well tests.

No pressures have been recorded on either the Blinebry or Tubb formation in the subject well. Currently the Tubb zone is isolated with a bridge plug. If allowed to commingle the two zones, a bottomhole pressure will be ascertained. Since the Tubb zone is currently isolated with a bridge plug we ask for relief from performing BHP testing until after commingling the zones.

Please let us know as soon as possible if you require any additional information.

Yours truly,


G. M. Jones

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I

P.O. Box 1880, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Grande Rd., Artesia, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-86

APPROVAL PROCESS

Administrative ☐ Hearing ☐

EXISTING WELLBORE

YES ☐ NO ☐

APPLICATION FOR DOWNHOLE COMMINGLING

The Wiser Oil Company PO Box 2568 Hobbs, NM 88240

Operator

Downes D

2

Address

L 32 215 37E

Lea

County

Lease

Well No.

Oil Loc. - Sec. - Twp. - R.

OGRID NO. 022922

Property Code 11835

API NO. 30-025-06955

Spacing Unit Lease Types: (check 1 or more)
Federal ☐ State ☐ (and/or) Fee ☒

The following facts are submitted in support of downhole commingling:

	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Blinebry		Tubb
2. Top and Bottom of Pay Section (Perforations)	5564'-5805'		6171'-6264'
3. Type of production (Oil or Gas)	Oil Well		Oil
4. Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
5. Bottomhole Pressure	a. (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	N/A		N/A
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	N/A		N/A
6. Oil Gravity (°API) or Gas BTU Content	37.4		36.5
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	No		No
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: See attached	Date: Rates:	Date: Rates: See attached
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☐ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S) _____

16. ATTACHMENTS:

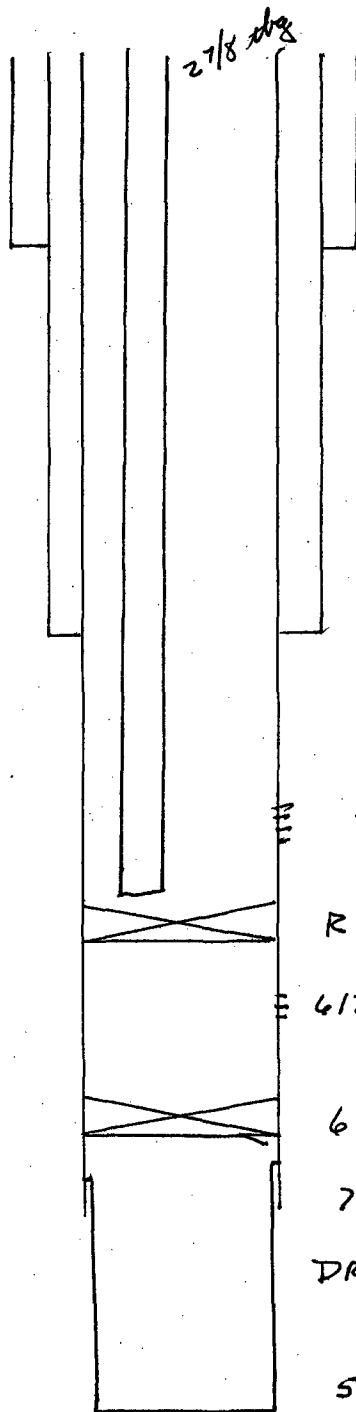
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE G.M. Jones TITLE Supt. DATE October 1, 1998NAME OR PRINT NAME G.M. Jones TELEPHONE NO. (505) 392-9797

[illegible]

Downes D #2



13 3/8" 68# set @ 319' w/ 300 sf
Cmt

60-7/8" / 150 3/4" Rod string.

9 5/8" 36# set @ 2848 w/ 1400 sf
Cmt

5564' - 5805' Blinebry

RBP 5875'

4171 - 4264 Tubb

6340' CIBP

7" 23# set @ 6497'

DRINKARD Perfs 6540' - 6678'

5 1/2" 15.5 set from 6440' - 6680'
liner

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-06955		Pool Code 6660	Pool Name Blinebry Oil & Gas	
Property Code 11835	Property Name Downes D			Well Number 2
OGRID No. 022922	Operator Name The Wiser Oil Company			Elevation 3458

10 Surface Location

UL or lot no. L	Section 32	Township 21S	Range 37E	Lot Idn	Feet from the 1980	North/South line S	Feet from the 810	East/West line W	County Lea
--------------------	---------------	-----------------	--------------	---------	-----------------------	-----------------------	----------------------	---------------------	---------------

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------------	--------------------	-----------------------	--------------

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Matt Eagleston</i></p> <p>Signature Matt Eagleston</p> <p>Printed Name Project Manager</p> <p>Title 6/17/98</p> <p>Date</p>	
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>	

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-06955		Pool Code 60240	Pool Name Tubb Oil & Gas
Property Code 11835	Property Name Downes D		Well Number 2
OGRID No. 022922	Operator Name The Wiser Oil Company		Elevation 3458

¹⁰ Surface Location

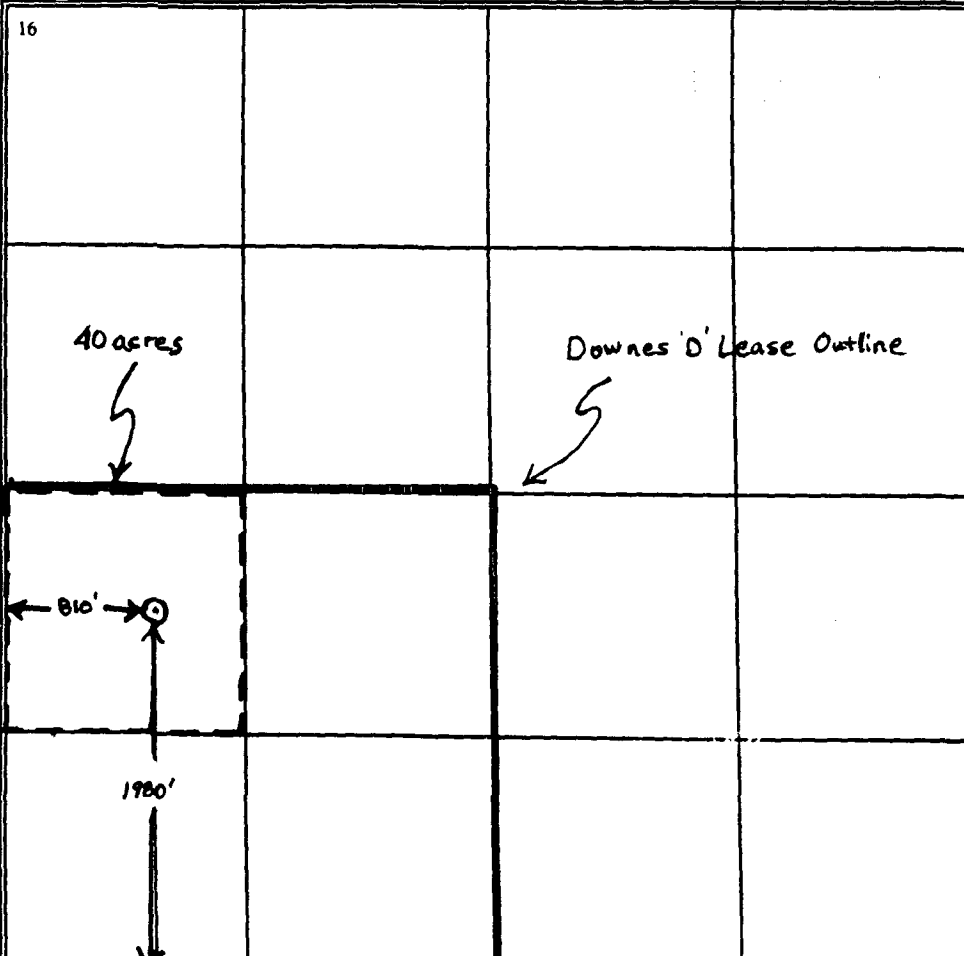
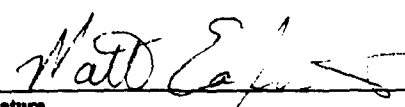
UL or lot no. L	Section 32	Township 21S	Range 37E	Lot Idn	Feet from the 1980	North/South line S	Feet from the 810	East/West line W	County Lea
--------------------	---------------	-----------------	--------------	---------	-----------------------	-----------------------	----------------------	---------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Matt Eagleston Printed Name Project Manager Title 6/17/98 Date
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

GAS - OIL RATIO TEST

Operator		The Wiser Oil Company				Pool		Blinberry		County		Lea				
Address		PO Box 2566 Hobbs, NM 88240				TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <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 BBL.	GRAV. OIL BBL.	GAS M.C.F.		
Dornes D	2	L	32	21	37	7-24-98	P				24	42	37.4	39	285	3166

Instructions:

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 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.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature Mary Jo Turner
Printed name and title Mary Jo Turner Completions Dept.
October 1, 1998 (505) 392-9797
Date Telephone No.

Submit 2 copies to Appropriate District Office.

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

2040 Pacheco St.
Santa Fe, NM 87505

OIL CONSERVATION DIVISION

GAS - OIL RATIO TEST

Operator The Wisser Oil Company		Pool Tub		County Lea												
Address PO Box 2566 Hobbs, NM 88240		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Completion <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.
Dowries D	2	L	32	21	37	7-24-93	P				24	23	36.5	32	92	2875

Instructions:

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 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.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

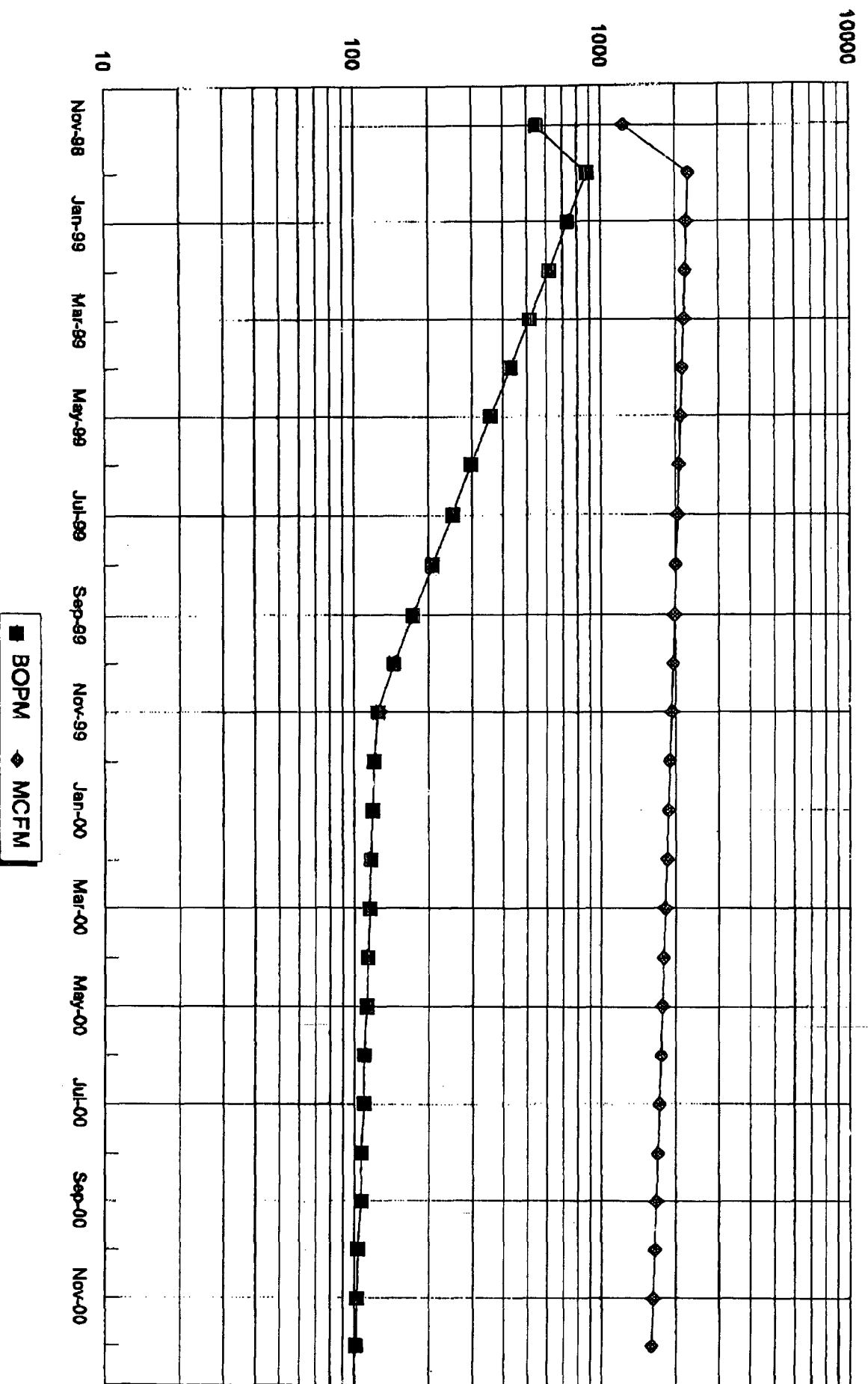
Signature Mary Jo Turner

Printed name and title Mary Jo Turner Completions Dept.

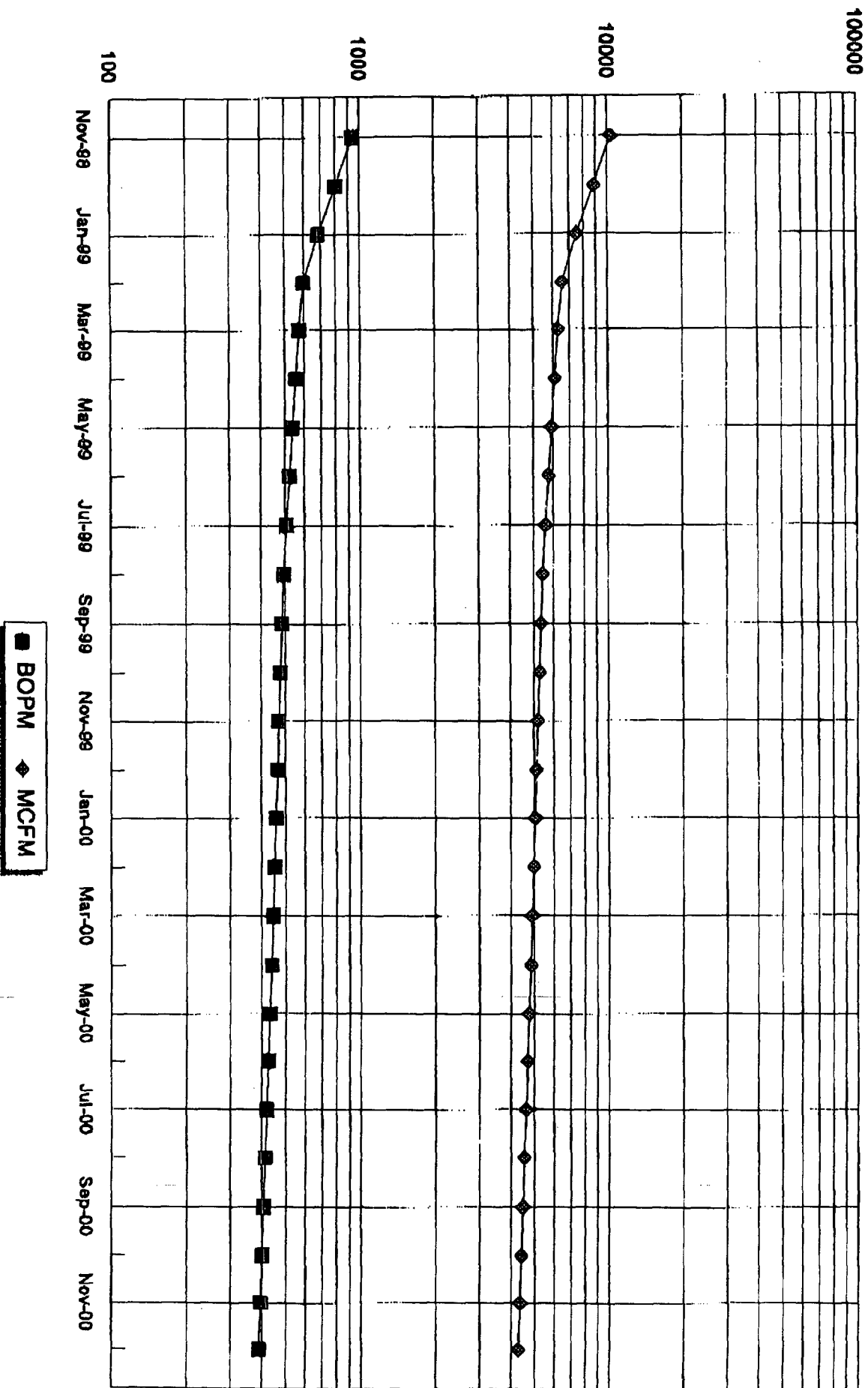
Date October 1, 1993 (505) 392-9797

Telephone No. _____

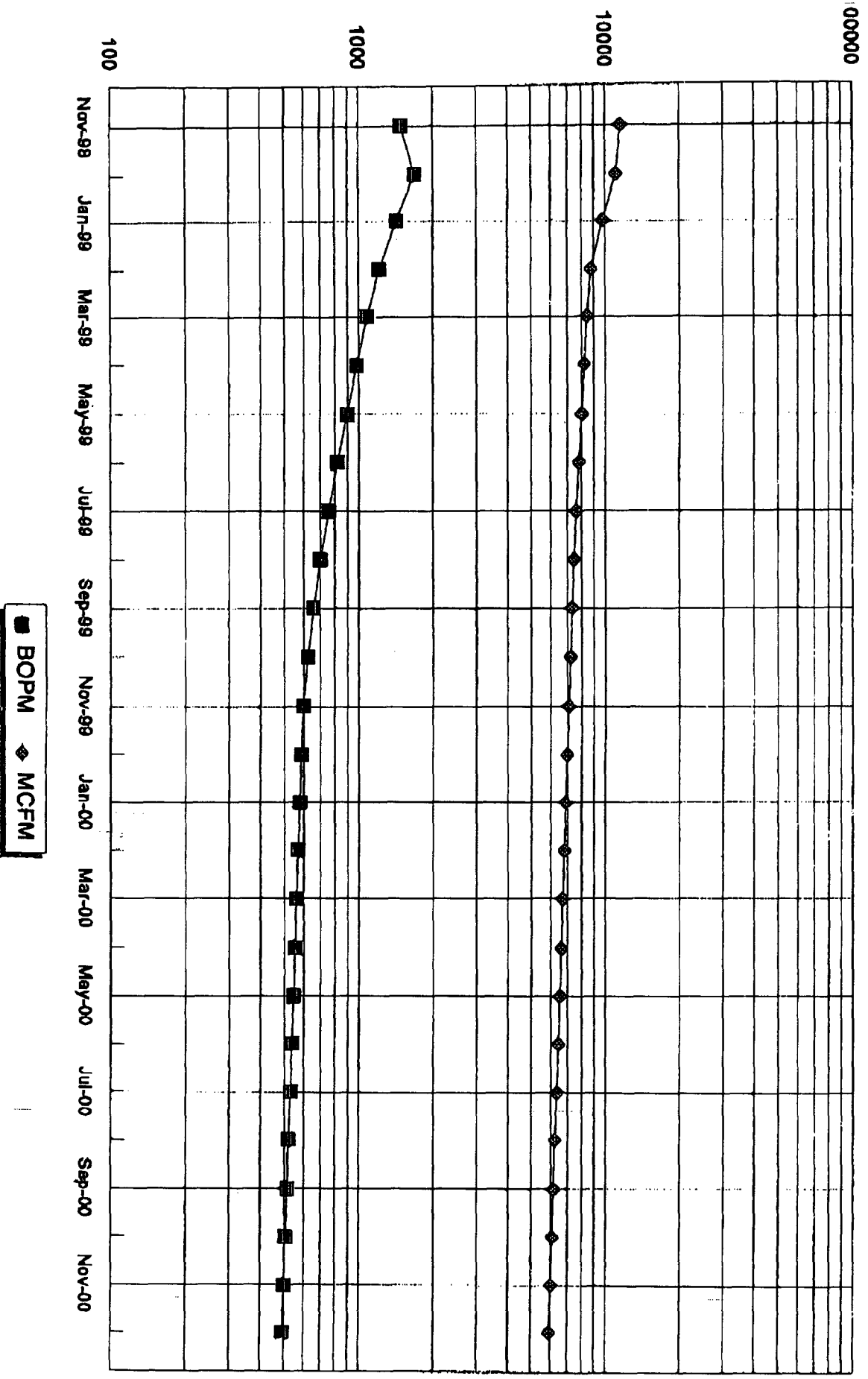
Downes 'D' #2 Tubb



Downes 'D' #2 Blinebry



Downes 'D' #2 Combined



**The Wiser Oil Company
Downes 'D' #2
Lea County, New Mexico**

Date	Blinebry		Tubb		Combined	
	Oil (bopm)	Gas (mcfm)	Oil (bopm)	Gas (mcfm)	Oil (bopm)	Gas (mcfm)
Nov-98	942	10,357	547	1,237	1,489	11,594
Dec-98	804	8,842	884	2,265	1,688	11,107
Jan-99	686	7,550	737	2,233	1,423	9,783
Feb-99	596	6,562	616	2,201	1,212	8,763
Mar-99	572	6,282	513	2,168	1,085	8,450
Apr-99	554	6,099	429	2,138	983	8,237
May-99	538	5,919	358	2,107	896	8,026
Jun-99	523	5,747	298	2,076	821	7,823
Jul-99	507	5,578	250	2,047	757	7,625
Aug-99	493	5,426	208	2,017	701	7,443
Sep-99	485	5,340	173	1,987	658	7,327
Oct-99	479	5,262	145	1,960	624	7,222
Nov-99	471	5,187	124	1,931	595	7,118
Dec-99	465	5,112	120	1,903	585	7,015
Jan-00	458	5,038	118	1,875	576	6,913
Feb-00	451	4,966	116	1,849	567	6,815
Mar-00	445	4,894	115	1,822	560	6,716
Apr-00	439	4,823	113	1,795	552	6,618
May-00	432	4,754	112	1,770	544	6,524
Jun-00	426	4,685	109	1,744	535	6,429
Jul-00	420	4,617	109	1,719	529	6,336
Aug-00	413	4,551	106	1,694	519	6,245
Sep-00	408	4,485	106	1,670	514	6,155
Oct-00	402	4,421	103	1,646	505	6,067
Nov-00	396	4,357	102	1,622	498	5,979
Dec-00	390	4,294	101	1,598	491	5,892

Note

Tubb formation projected to begin producing in mid-November

Downes D #2

Blinebry/Tubb

Downhole Commingling Application

Allocation Formula

Allocation will be based on well tests. An example follows:

- Days on x well test ultimate production
- Allocation % x ultimate production = allocated production

Gas allocation

Step 1

Zone	Days on	Mcf
Blinebry	30x 285 =	8550
Tubb	30x 92 =	<u>2760</u>
		11310

Step 2

	Test	% of total =	Allocated
Blinebry	8550/mo -	11310	= 75%
Tubb	2760/mo -	11310	= 25%

Oil allocation

Step 3

Zone	Days on	Bo/mo
Blinebry	30x39 =	1170
Tubb	30x32 =	<u>960</u>
	total	2130

Step 4

	Test	%of total =	Allocated
Blinebry	1170 -	2130	= 55%
Tubb	960 -	2130	= 45%

Downes D #2

Blinebry/Tubb

Downhole Commingling Application

Value Formula

Gas

Current Value (10/1/98) is as follows:

Zone	Mcfpd		NRI		Price		Value
Blinebry	285	x	.875	x	1.91	=	476.31
Tubb	92	x	.875	x	1.91	=	<u>153.75</u>
							630.06

Proposed Value after commingling:

Zone	Mcfpd		Prop. Inc		NRI		Price		Value
Commingled	390 x	1.03		x	.875	x	1.91	=	671.34

Oil

Zone	Bopd		NRI		Price		Value
Blinebry	39	x	.875	x	13.00	=	443.62
Tubb	32	x	.875	x	13.00	=	<u>364.00</u>
							807.62

Proposed Value after commingling

Zone	Bopd		Prop. Inc.		NRI		Price		Value
Commingle	75	x	1.06	x	.875	x	13.00	=	904.31

Total Value: 1575.65\$ After commingling.

**DOWNES D #2
OFFSET OPERATORS**

CHEVRON

P.O. Box 1949
Hobbs, NM 88231

COLLINS & WARE

508 West Wall, Ste 1200
Midland, Tx 79701

JOHN HENDRIX

110 N. Marienfeld, Ste 400
Midland, Tx 79702

LANEXCO, INC

310 West Wall, Ste 910
Midland, Tx 79702

POGO PRODUCING COMPANY

P.O. Box 10340
Midland, Tx 79702-7340

YARBOROUGH OIL COMPANY

P.O. Box 192
Eunice, NM 88231