



L. P. Thompson
Division Manager
Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
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Hobbs, New Mexico 88240
(505) 393-4141

April 8, 1974

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

Attention Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Amendment of Administrative Order PC-250.

Your letter dated March 26, 1974 amending administrative Order No. PC 250 requested that we advise if Skaggs-Grayburg production is being commingled with other production at this time. Upon research we find that, due to a case of misfiling, our application dated February 28, 1974 referred to the wrong order. PC-250 authorized commingling of Skaggs-Grayburg and undesignated Tubb production from well No. 83. This production is still being commingled as authorized by that order.

The order which should have been amended and referred to in my letter dated February 28th is order PC-249 which authorized commingling of Drinkard, Tubb and Blinbry production in the Southeast Monument Unit. We regret the confusion and inconvenience that this error has caused you and respectfully request that the letter dated March 26, 1974 be amended or cancelled and amendment be made of order No. PC-249.

We appreciate your helping us in clarifying the situation on these commingled installations. If further information is needed, please let us know.

Yours very truly,

VTL:sw



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

January 24, 1974

Continental Oil Company
Attention: Mr. L. P. Thompson
P.O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

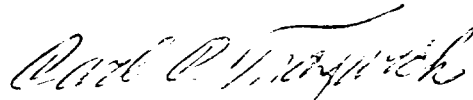
Your letter of December 17, 1973, requests approval for downhole commingling of production from the Tubb and Blinebry zones in the Southeast Monument unit well No. 84. Such well is located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 22, T. 20 S., R. 37 E., N.M.P.M., on Federal lease New Mexico 0557686. The Tubb zone in unit well No. 84 is in the Tubb participating area embracing portions of Federal leases Las Cruces 031621(b) and New Mexico 0557686. The Blinebry zone was determined as non-commercial and is credited to Federal lease New Mexico 0557686.

Information indicates the two zones are in communication in the well bore due to packer failure and dual operation contributes to increased paraffin problems which has reduced operation efficiency. Repair of the packer and the cost of separate operation is economically unattractive based on the remaining reserves of the Blinebry. However, downhole commingling will facilitate increased efficiency of production from both zones while also allowing recovery of the remaining Blinebry reserves. March 1973 production tests indicated 11 BOPD for each zone; however, six year production decline data indicates the Tubb zone to have approximately 75 percent of the remaining reserves of both zones.

Inasmuch as the two leases involved with the requested commingling are both Federal with identical royalty rates and as stated there are no overriding royalty owners involved in either zone, reservoir pressures of both zones are approximately identical, there is no evidence of production incompatibility between the two zones and the proposed allocation of commingled production appears to provide reasonable protection of correlative rights, your request to downhole commingle the Tubb and Blinebry in the Southeast Monument unit well No. 84 is

hereby approved in the interest of conservation. Allocation of the combined commingled well production will be 75 percent to the Tubb participating area and 25 percent to the Blinbry credited to lease New Mexico 0557686.

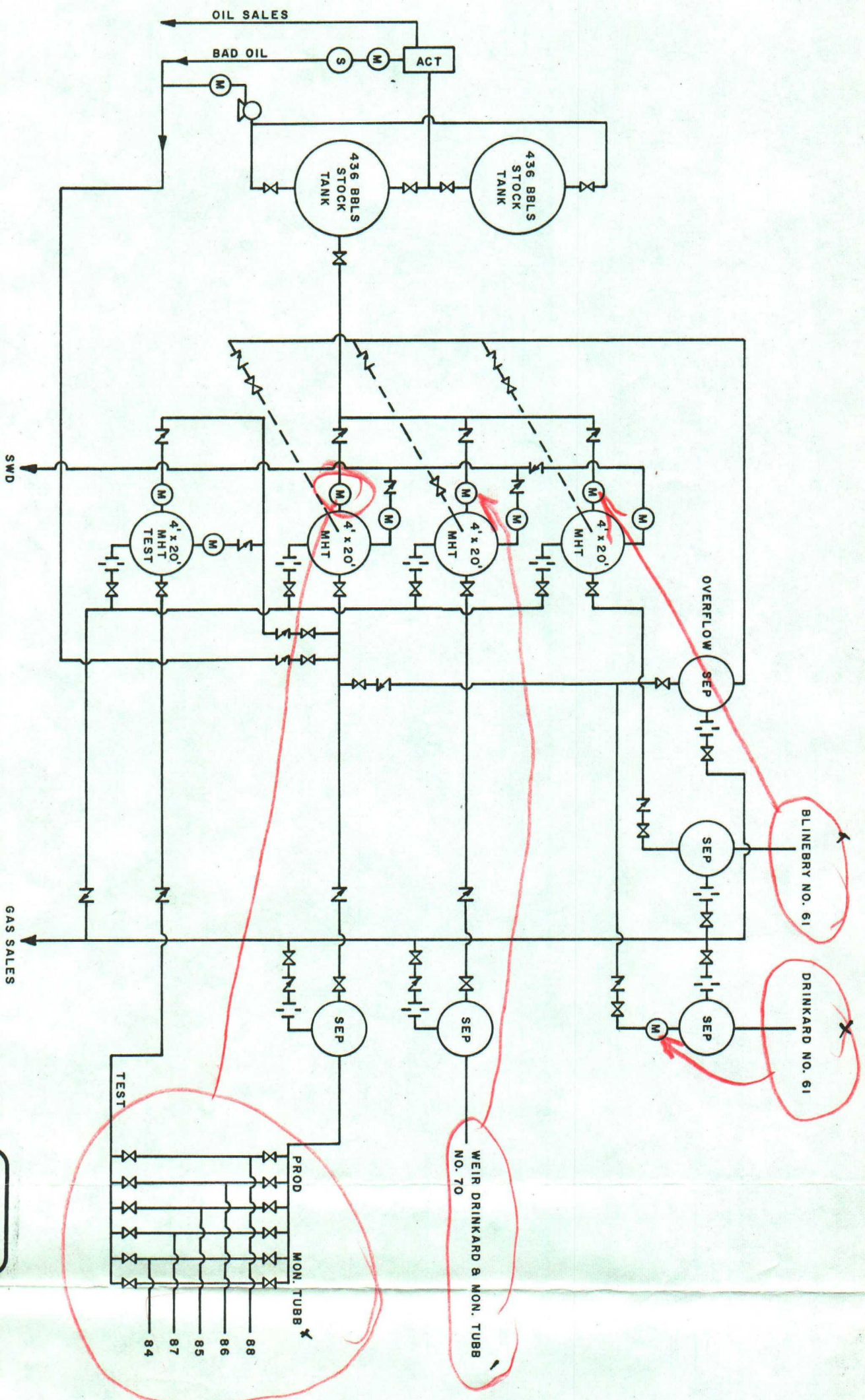
Sincerely yours,

A handwritten signature in cursive script, reading "Carl C. Traywick".

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

WELL TESTS

	<u>Date</u>	<u>Oil</u>	<u>Water</u>	<u>Gas (MCF)</u>
SEM U No. 61 - Monument Blinebry	1-31-74	8	0	191
Weir Drinkard		0	0	90
SEM U No. 70 - Monument Tubb	2-24-74	2	4	0
(Allocated) Weir Drinkard	2-24-74	19	39	370
SEM U No. 84 - Monument Tubb	2-21-74	24	0	312
Weir Blinebry	2-24-74	14	0	TSTM
SEM U No. 85 - Monument Tubb	2-24-74	0	0	321
SEM U No. 86 - Monument Tubb		SHUT-IN		
SEM U No. 88 - Monument Tubb	2-21-74	28	0	569
SEM U No. 87 - Monument Tubb	2-20-74	2	0	163



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SEMURDTB BATTERY PROPOSAL

NSM 10-73

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