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NEW MEXICO OIL CONSERVATION COMMISSION

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SANTA FE, NEW MEXICO

Application of The British-American Oil Producing Company for dual completion of the North Wilson Deep Unit No. 1 well located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  Section 31, Township 20 South, Range 36 East, Lea County, New Mexico and to commingle the production of oil from the Upper Bone Springs Pool and the Lower Bone Springs Pool within the North Wilson Deep Unit Area, Lea County, New Mexico

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Comes The British-American Oil Producing Company acting by and through the undersigned attorneys, and hereby makes application for the dual completion of the North Wilson Deep Unit No. 1 well located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  Section 31, Township 20 South, Range 36 East, Lea County, New Mexico, so as to produce oil from both the Upper Bone Springs Pool and the Lower Bone Springs Pool through parallel strings of tubing and also to commingle the production from the Upper Bone Springs Pool and the Lower Bone Springs Pool at the surface within the North Wilson Deep Unit Area and in support thereof respectfully shows:

1. That applicant, as Unit Operator for the North Wilson Deep Unit Area, has caused the initial test well to be drilled pursuant to the terms of the Unit located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  Section 31, Township 20 South, Range 36 East, and to be completed as a well capable of producing oil in paying quantities from both the Upper Bone Springs Pool and the Lower Bone Springs Pool, said dual completion having been accomplished by two parallel strings of 2 3/8" O.D. tubing and by the setting of packers so as to segregate the production from the two separate pools so that the production from each pool can be separately produced and measured. That there is attached hereto the Commission form of application for dual completion setting forth all of the material facts and

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*[Handwritten signature]*

the manner and method used in completing said well, as required by V of Rule 112-A of the rules of the Commission.

2. That there is attached hereto as Exhibit "A" a plat showing the boundaries of the North Wilson Deep Unit Area and the location of the North Wilson Deep Unit No. 1 well and also the proposed limits of the Upper and Lower Bone Springs Pools as sought to be designated by a separate application filed with the Commission. There is also attached hereto and made a part hereof and for purposes of identification marked Exhibit "B", a schematic diagram of the proposed surface installation for the commingling of the production of oil from the Upper Bone Springs and the Lower Bone Springs Pools.

The gravity of the oil being produced from the Upper Bone Springs and the Lower Bone Springs Pools, respectively, and the anticipated monthly oil production therefrom, the values thereof, as well as the expected gravity of the commingled production are as follows:

	<u>Upper Bone Springs</u>	<u>Lower Bone Springs</u>
API Gravity	26	33
Anticipated Monthly Oil Production, Barrels	2600	1000
Weighted Average Gravity, Degrees API	28	

That the present crude price after trucking costs is \$2.58 per barrel for the Upper Bone Springs oil and \$2.72 for the Lower Bone Springs oil. It therefore appears that \$2.62 per barrel will be received for the commingled production, which is the average should the oil be sold separately from the respective pools. On account of this situation applicant does not believe that the income from oil sales would be altered by commingling.

A request is being made to the Commissioner of Public Lands for approval of the commingling of production, as outlined above, and will be furnished to the Commission to be filed with this application.

Dated this 2nd day of July, 1964.

Respectfully submitted,

THE BRITISH-AMERICAN OIL PRODUCING  
COMPANY

By

  
Attorney

HINKLE, BONDURANT & CHRISTY  
Attorneys for The British-  
American Oil Producing  
Company