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*NOT LICENSED IN NEW MEXICO

November 24, 1992

VIA HAND DELIVERY

Florene Davidson
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Dear Florene:

Enclosed are an original and two copies of an Application filed on behalf of Exxon Corporation. Please set this matter for the December 17, 1992 hearing. Exxon proposes the following be used as an advertisement for the case:

Application of Exxon Corporation for downhole commingling, an exception to Order No. R-8170, as amended, and a non-standard spacing and proration unit or in the alternative an unorthodox gas well location, Lea County, New Mexico. Applicant in the above-styled cause, seeks approval to downhole commingle the Blinbry and Paddock formations in its J.L. Greenwood No. 9 Well located 1,980 feet from the South line and 2,080 feet from the East line of Section 9, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Applicant further seeks an exception to Order No. R-8170, as amended, to allow said well to produce with an unrestricted allowable. Also, Applicant seeks approval of a non-standard spacing and proration unit for said well comprising the E $\frac{1}{2}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 9, or in the alternative a standard spacing

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OIL CONSERVATION DIVISION

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Florene Davidson
November 24, 1992
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and proration unit consisting of the SE $\frac{1}{4}$ of
said Section 9 with an unorthodox gas well
location.

Please call me if you have any questions.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



James Bruce

JB:frs
Enclosures

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF EXXON CORPORATION
FOR DOWNHOLE COMMINGLING, AN
EXCEPTION TO ORDER NO. R-8170,
AS AMENDED, TO PERMIT AN UNRESTRICTED
ALLOWABLE FOR A PRORATED GAS WELL,
AND A NON-STANDARD SPACING AND PRO-
RATION UNIT OR IN THE ALTERNATIVE AN UN-
ORTHODOX GAS WELL LOCATION, LEA
COUNTY, NEW MEXICO.

No. 106639

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APPLICATION OIL CONSERVATION DIVISION

Exxon Corporation, for its application, states:

1. Exxon is the operator of the J.L. Greenwood No. 9 Well, located 1,980 feet from the South line and 2,080 feet from the East line of Section 9, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico, which was originally completed in the Paddock zone.

2. In September 1992, Exxon commenced a workover of the subject well with the intention of performing a three zone downhole commingle of the Tubb, Blinebry and Paddock zones, with perforations at the following intervals:

- (a) Tubb at 5,909-6,130 feet subsurface;
- (b) Blinebry at 5,423-5,813 subsurface; and
- (c) Paddock at 5,042-5,156 feet subsurface.

3. Exxon completed the Tubb workover, set a bridge plug, moved uphole to the Blinebry, and perforated and acidized the Blinebry. During acidizing, Exxon determined that there was communication behind pipe with the Paddock. At that point, Exxon fracture stimulated the Blinebry and Paddock zones simultaneously,

because it wasn't feasible to fracture stimulate either zone separately.

4. Due to the foregoing communication, Exxon requests permission to downhole commingle the Blinebry and Paddock zones.

5. The subject well is within the prorated Blinebry Oil and Gas Pool. In order to produce the well most effectively and without waste, Exxon requests an exception to Order No. R-8170, as amended, to permit an unrestricted allowable for production from the Blinebry/Paddock to prevent crossflow between the Blinebry and Paddock zones.

6. Upon information and belief, the Blinebry/Paddock is producing as a gas well. Exxon requests either:

(a) A non-standards spacing and proration unit comprised of the $E\frac{1}{2}SW\frac{1}{4}$ and $W\frac{1}{2}SE\frac{1}{4}$ of Section 9; or

(b) That the $SE\frac{1}{4}$ of Section 9 be dedicated to the well, with approval of an unorthodox gas well location.

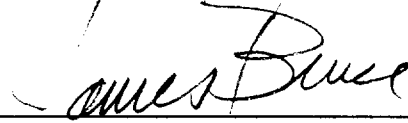
7. Exxon requests the Division to establish a proper allocation of production between the Blinebry and Paddock zones.

8. Exxon requests that this case be set for the December 17, 1992 Examiner hearing.

WHEREFORE, Exxon Corporation prays the Division grant the relief requested above.

Dated: November 24, 1992.

HINKLE, COX, EATON, COFFIELD
& HENSLEY



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Post Office Box 2068
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Attorneys for Exxon Corporation