

CONTINENTAL OIL COMPANY

Hobbs, New Mexico 88240 March 30, 1971

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New Mexico Oil Conservation Commission (3) P. O. Box 2088 Santa Fe, New Mexico 87501

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

Gentlemen:

Subject: Application for Downhole Commingling - Hawk B-1 Well No. 9 M-9-21S-37E

Continental OII Company, P. O. Box 460, Hobbs, New Mexico, as operator of the Hawk B-1 Lease, respectfully requests administrative approval under the provisions of Order No. R-3845 to commingle in the well bore production from the Drinkard and Blinebry Pools in its Hawk B-1 Well No. 9 located in Unit M of Section 9, T21S, R37E, Lea County, New Mexico. This dual completion was authorized by Administrative Order No. MC-1679. The attached plat shows the Hawk B-1 Lease outlined in red and the No. 9 well by the red circle.

Test data for the Hawk B-1 Well No. 9 for the past three months has not been reliable due to packer leakage which has resulted in communication between the two zones. On January 27, 1971, the Blinebry tested (flowing) O BOPD, O BWPD and 246 MCFPD of gas, with the Drinkard shut-in. On February 12, 1971, the Drinkard flowed 11 BOPD, 1 BWPD and 213 MCFPD of gas, with the Blinebry shut-in. With both zones open, neither side will produce at a stabilized rate. No C-116 is attached for the well, due to the unreliable test data.

On March 17, 1971, the bottom hole pressure in the Blinebry zone was measured in the State 10 Well No. 1 located approximately 6700 feet northeast from the Hawk B-1 Well No. 9. The Blinebry pressure was measured to be 665 psi after shut-in for 24 hours. The Drinkard pressure, taken in the State 10 Well No. 3, located 6700 feet northeast, was measured to be 523 psi after being shut-in for 24 hours. It was not considered feasible to obtain pressure surveys in the Hawk B-1 Well No. 9, due to the communication between the zones. The commingled production from the Hawk B-1 Well No. 9 will be produced by pumping.

Attached hereto is a production decline curve for each zone. Anticipated production from the well is 12 BOPD by pumping. New Mexico Oil Conservation Commission Page 2 March 30, 1971

The fluid from these two pools has been commingled at the tank battery for a number of years and there has been no indication of incompatibility. Both crudes are typical Permian high gravity crude. Since the crudes have been commingled at the tank battery before sale to the pipe line, there should be no difference between the valve of the commingled stream at the surface and that commingled within the well bore.

The Hawk B-1 is a Federal Lease and a copy of the application is being furnished the USGS and to all offset operators. Your further handling and approval of this application will be sincerely appreciated.

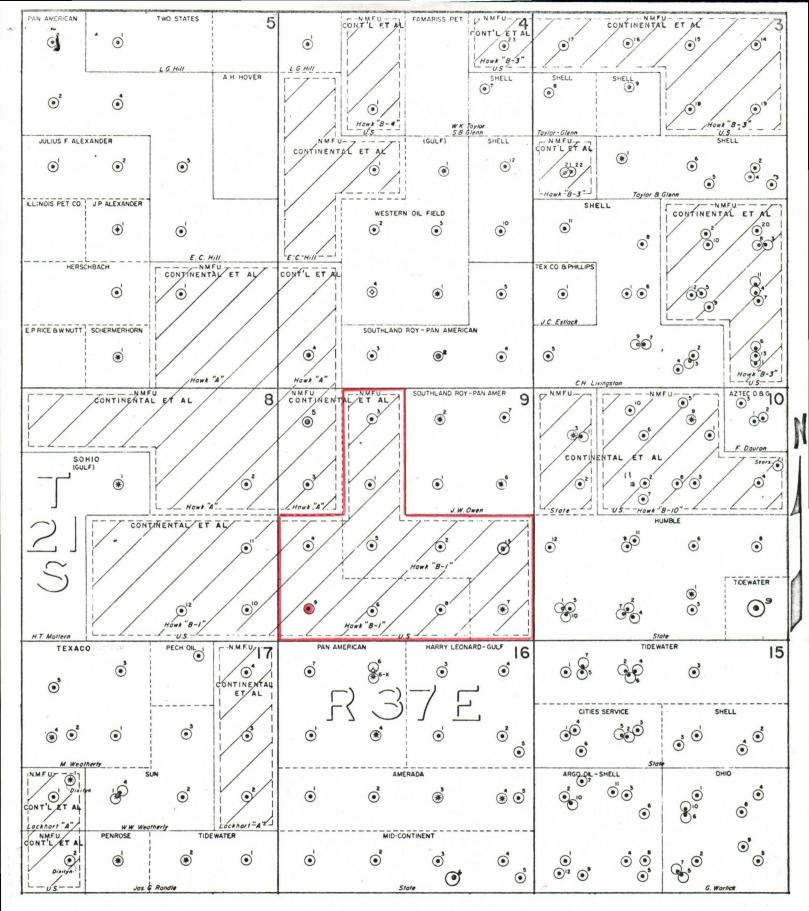
Yours very truly,

С. Jamieson G.

Assistant Division Manager

GCJ-RW

CC: NMOCC-Hobbs USGS-Hobbs (2) Aztec Oil and Gas Company Humble Oil and Refining Company Shell Oil Company RLA, JJB, JWK

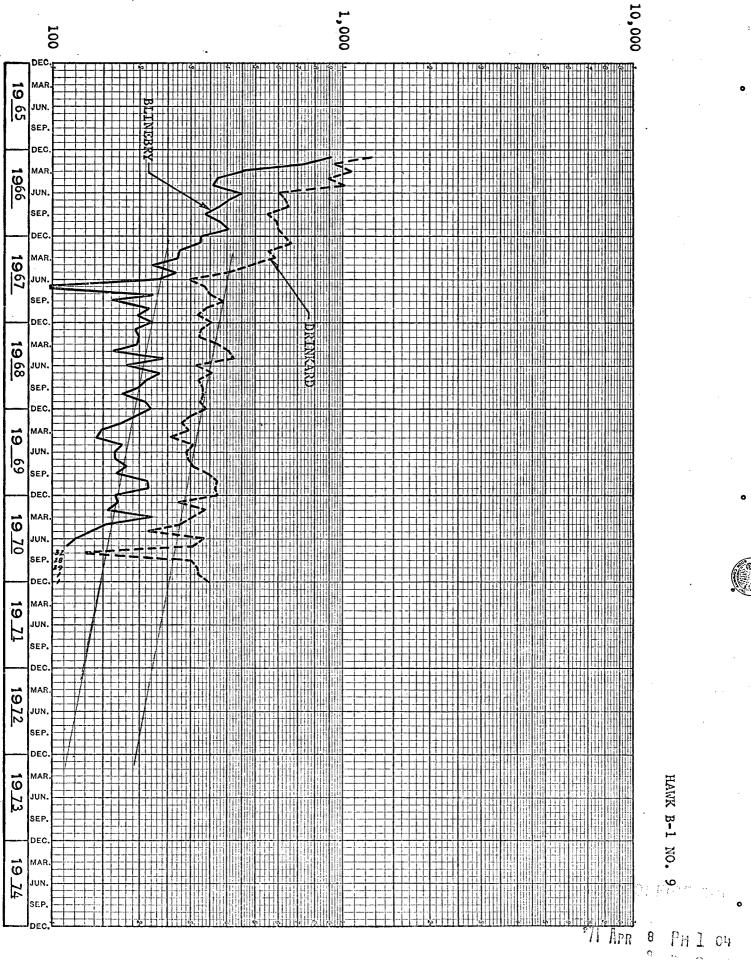


CONTINENTAL OIL COMPANY PRODUCTION DEPARTMENT HOBBS DISTRICT

HAWK B-1 LEASE

LEA COUNTY, NEW MEXICO

1" = 20001



INTED IN U.S.A.

CHUSETTS,