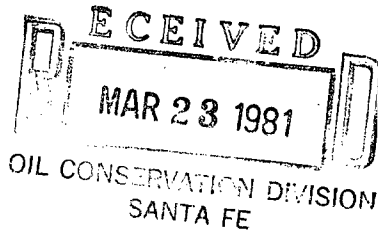


Post
Petroleum
Company, Inc.



March 11, 1981

State of New Mexico
Oil and Gas Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240

Re: Request for Exception to
Statewide Rule 303-A
Llano 31 Federal #1
Lea County, New Mexico

Dear Sirs:

Post Petroleum Company, Inc. respectfully requests an Exception to Statewide Rule 303-A to commingle down-hole the oil production on the Post-Llano 31 Federal #1 located in Section 31-20S-39E, Lea County, New Mexico.

Enclosed please find documents submitted for approval of this down-hole commingling application.

If further information is needed, please advise.

Sincerely,


Betty Hollrah
Production Clerk

Enclosure

cc: United States Department of the Interior
Geological Survey
P. O. Box 1157
Hobbs, New Mexico 88240

SUITE 1000
COLCORD BUILDING
15 NORTH ROBINSON
OKLAHOMA CITY,
OKLAHOMA 73102
405/272-0681

Attachment #1
Application to Commingle
Exception to Rule 303-A

PROGNOSTICATION OF FUTURE PRODUCTION

EFFECTIVE JANUARY 1, 1981

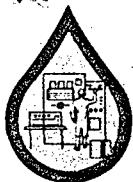
POST PETROLEUM COMPANY, INC.
15 North Robinson, Suite 1000
Oklahoma City, Oklahoma

LLANO 31 FEDERAL #1
Section 31-20S-39E
Lea County, New Mexico

East Terry
BLINEBRY

D-K ABO

14.59BBLS	-Initial Rate of Production- (Oil Production Per Day)	8.00BBLS
30%/Year	-Annual Rate of Decline-	30%/Year
	-Production Forecast-	
	YEAR	
5325	-1-	2920
3727	-2-	2044
2606	-3-	1431
1821	-4-	1000
1274	-5-	697
891	-6-	485
621	-7-	339
16,265BBLS	-Total Ultimate Recovery-	8,916BBLS



WOLF PETRO LAB, INC.

DIAL 915/366-9701
DIAL 915/366-7171

2411 WEST 42ND STREET

P. O. BOX 643
ODESSA, TEXAS

79760

HYDROCARBON ANALYSIS

LABORATORY REPORT

Attachment #2
Application to Commingle
Exception to Rule 303-A

Post
Charge **Petroleum**
Test No. **WPL-80-1064**
Date of Run **10-24-80**
Date Received **10-23-80**

A Sample of **Crude Oil from Llano 31-Federal Well No. 1 (Abc formation)**
Secured from **Lea County New Mexico**
At _____
Purpose _____ Date **10-23-80** Secured by _____ Time **6 p.m.**
Sampling Conditions _____

DISTILLATION

I B P	112	°F
5%	167	°F
10%	230	°F
20%	286	°F
30%	360	°F
40%	450	°F
50%	515	°F
60%	607	°F
70%	656	°F
75%	684	°F
80%	697	°F
85%	720	°F
90%	731	°F
95%	738	°F
End Point	742	°F
% Res Residue	3.25	
% Recovery	96.75	
Color		

YIELD

Gasoline 300°F	22.25	%
Gasoline 350°F	6.00	%
Gasoline 400°F	6.25	%
Total Gasoline	34.50	%
Kerosene 525°F	15.50	%
Diesel Fuel 650°F	20.00	%

ASTM OR SPECIAL TESTING

Ash Content	
Acid or Base Numbers	
B. S. & W. (Centrifuge)	
Carbon Residue	
Carbon Residue on 10% Residue	
Cloud and Pour Point to	°F
Doctor Test	
Flash Point (open or closed)	
Fire Point	
Gravity, A. P. I. Hydrometer	37.00 @ 60°F.
Hydrogen Sulfide (Crude Oil)	
Salt Content (Crude Oil)	
Sulfur (lamp method)	.60759 % By Weight
Vapor Pressure (Reid)	
Vapor Pressure (N.G.A.A.)	
Vapor Pressure (Lean Oil)	
Viscosity (Saybolt) 100°F	
Viscosity (Saybolt) 210°F	
Viscosity (Index No.)	

Run by: **J. Wolf** Checked by: **J. Wolf** Approved: _____

Additional Data and Remarks

1 - Mr. David Moore
Brockman and Associates
1007 Gihls Tower, West
Midland, Texas 79701

COPIES

5 - Post Petroleum
Suite 730
Western United Life Building
Midland, Texas 79701
1 - File

A Report of the fluid characteristics of Blaine formation is forthcoming.

March 11, 1981

APPLICATION TO COMMINGLE

(Exception to Rule 303-A)

OPERATOR: Post Petroleum Company, Inc. LEASE: LLANO 31 FEDERAL #1
WELL
ADDRESS: 15 North Robinson, Suite 1000 LOCATION: Unit F: 1980' FNL; 1980' FWL
Oklahoma City, Oklahoma 73102 Section 31-20S-39E
FEDERAL LEASE NO.: NM-17252 COUNTY/STATE: LEA COUNTY, NEW MEXICO

The following facts are submitted in this application to commingle:

	UPPER ZONE	LOWER ZONE
a) Name of Reservoir	<i>East Terry</i> BLINEBRY	D-K ABO
b) Perforation record	6055-6061'; 6067-6073'; 6077-6087'; 6101-6117'. (Perfed w/LHPF-Total of 38 holes)	7450-7462'; 7468-7476'; 7482-7490'; 7498-7510'; (Perfed w/2HPF-Total 80holes 7310', 7318', 7324', 7339', 7346', 7352', 7362', 7369', 7377', 7389', 7392', 7402', 7407'. (Perfed w/LHPF-Total 13 holes)
c) Description of Acid and Fracture Treatments	Acidized w/3000gals 15% HCl w/30ball sealers from 6055-6087'. Fraced w/42,000gals Terra Frac w/ 20/40sand & 20 ball sealers from 6055- 6087'.	Acidized w/2000gals 20%HCl & Acid- Fraced w/8000gals 20% HCl w/120 ball sealers from 7450-7510'. Acidized with 2000gals 20% HCl w/25 ball sealers and Fraced with 300 bbls Terra Frac w/ 20/40 sand and 10/20 sand from 7310-7407'.
d) Latest Test Data by Zone	2-17-81: Pumping on 1" choke. Total 40.44BF (10.44BO & 30BSW) <u>Gas TSTM. 24hr test.</u> <i>15 Tm</i>	11-29-80: Total 24BF (8BO & 16BSW) <u>Gas-TSTM. 24hr test.</u> <i>15 Tm</i>
e) Bottom-Hole Pressure	2450psi ✓	2600psi ✓

Reason for Commingling:

Commingling of these two zones is required due to mechanical restrictions which will not allow us to conventionally dual both zones. Both zones are required to be pumped. ✓

List of offset operators and others who have been notified of this application:

United States Department of the Interior ✓
Geological Survey
P.O. Box 1157
Hobbs, New Mexico 88240

Other attachments made a part of this application:

1. Prognostication of future production from each zone.
2. Description of the fluid characteristics of each zone.
3. Computation that the value of the commingled production will not be less than the sum of the values of the individual streams.

March 11, 1981

Attachment #3-A
Application to Commingle
Exception to Rule 303-A

Computation that the value of the commingled production will not be less than the sum of the values of the individual streams.

In order to effectively deplete the reserves in both the Blinebry and D-K Abo formations, these two zones will require conventional beam-type pumping equipment. If these two zones are commingled at once, they can both be depleted under current pumping conditions without increasing operating expenses. However, if the Blinebry interval is produced separately to depletion (approximately 7 years), and then the well reworked to produce the D-K Abo to depletion, an additional 7 years of operating expenses will be incurred, which will make the discounted value of the commingled production greater than the sum of the discounted values of the individual streams. (See attached computations.)

Attachment #3-B
Application to Commingle
Exception to Rule 303-A

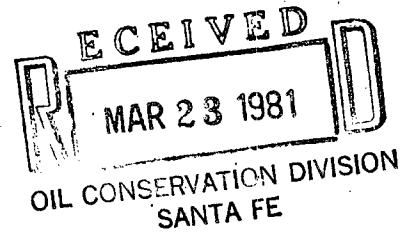
COMMINGLED PRODUCTION

Year	Production (BBLs)	Oil Price (\$/BBL)	Oil Value (\$)	Oper.Exp. (\$)	Net Value (\$)	Discounted Net Value (\$)
1	8,245	34.69	286,019	9,600	276,419	251,290
2	5,771	37.71	217,624	10,560	207,064	171,128
3	4,037	42.37	171,047	11,616	159,431	119,783
4	2,821	47.35	133,574	12,778	120,796	82,505
5	1,971	52.82	104,108	14,055	90,053	55,916
6	1,376	58.63	80,674	15,461	65,213	36,811
7	960	65.16	62,553	17,007	45,546	23,373
Total	25,181					740,806

SEPARATE PRODUCTION

1	5,325	34.69	184,724	9,600	175,124	159,203
2	3,727	37.71	140,545	10,560	129,985	107,426
3	2,606	42.37	110,416	11,616	98,800	74,229
4	1,821	47.35	86,224	12,778	73,446	50,164
5	1,274	52.82	67,292	14,055	53,237	33,057
6	891	58.63	52,239	15,461	36,778	22,836
7	621	65.16	40,464	17,007	23,451	12,037
8*	2,920	72.35	211,262	18,708	192,554	89,828
9	2,044	80.36	164,255	20,578	143,677	60,934
10	1,431	89.28	127,759	22,636	105,123	40,530
11	1,000	99.16	99,160	24,900	74,260	26,027
12	697	109.93	76,621	27,390	49,231	15,684
13	485	121.64	58,995	30,129	28,866	8,361
14	339	134.37	45,551	33,142	12,409	3,268
Total	25,181					703,584

OIL CONSERVATION DIVISION
DISTRICT I



OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

DATE March 17, 1981

RE: Proposed MC _____
Proposed DHC X _____
Proposed NSL _____
Proposed NSP _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application for the:

Post Petroleum Co., Inc. Llano 31 Federal No. 1-F 31-20-39
Operator Lease and Well No. Unit, S - T - R

and my recommendations are as follows:

O.K.-----J.S.

East Jerry Blumel *JHG*
OK Also

Yours very truly,

[Signature]
/mc