

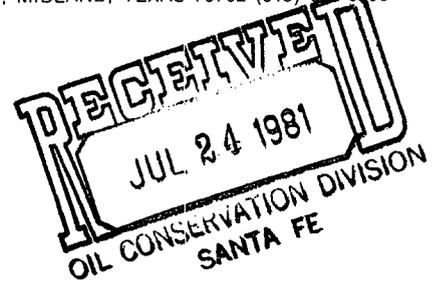


SOUTHWESTERN DISTRICT

SUN PRODUCTION COMPANY

901 W. WALL, POST OFFICE BOX 1861, MIDLAND, TEXAS 79702 (915) 685-0000

July 17, 1981



Mr. Joe D. Ramsey  
Energy and Minerals Dept.  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, N.M. 87501

RE: Application of Sun Production Company for approval of downhole commingling of production in the Walter Lynch Well No. 1 (Unit K, Sec 1, T-22-S, R-37-E), Drinkard and Wantz Granite Wash Pools.

Dear Mr. Ramsey:

Sun Production requests your administrative approval for an exception to Rule 303-A to permit down hole commingling of production in the subject well from the Drinkard and Wantz Granite Wash Pools.

Currently this is a dual completed well flowing from both the Drinkard and Wantz Granite Wash formations. Both zones are classified as oil zones. Ownership of the two zones is common. The total daily oil production from both zones before commingling does not exceed 50 barrels per day, and neither zone produces more water than the combined oil limit. Please note that our Walter Lynch No. 2L (Unit L, Sec 1, T-22-S, R-37-E) is already commingled in the Drinkard and Wantz Granite Wash as per Administrative Order DHC-272.

The additional information concerning this application as outlined in Rule 303-C is attached for your consideration.

Yours truly,

David G. Mendoza

DGM/nc  
cc: F. Brandes  
J. McLean  
D. A. Kemp  
A. Omar  
Well File

7/22/81

RULE 303-C-2 Information

- A. OPERATOR:  
Sun Production Company  
P. O. Box 1861  
Midland, Texas 79702
- B. LEASE:  
Walter Lynch Well No. 1  
Unit K, Sec 1, T-22-S, R-37-E  
Lea County, New Mexico
- C. Well is completed in the Drinkard and Wantz Granite Wash as a dual completion as per Order No. R-4993.
- D. The C-116 for both zones is attached.
- E. Production decline curves for both the Drinkard and Wantz Granite Wash Zones are attached.
- F. BOTTOM HOLE PRESSURE DATA:\*  
No recent BHP's are available  
Drinkard, SIP 650  
Wantz Granite Wash, SIP 500
- G. FLUID CHARACTERISTICS:  
There is no evidence of incompatibility in fluids. Sun's Walter Lynch #1L is already commingled in the Drinkard and Wantz Granite Wash Pools.
- H. VALUE OF COMMINGLED FLUIDS:  
Because Drinkard and Granite Wash production is already surface commingled as per Administrative Order PC-481, the value of both crudes will not be affected by downhole commingling in Well #1.
- I. ALL OFFSET OPERATORS HAVE BEEN NOTIFIED BY A COPY OF THIS APPLICATION:

Marathon Oil Co.	P. O. Box 2409	Midland, TX	79702
Exxon Corp.	P. O. Box 1600	Midland, TX	79702
Gulf Oil Co.	P. O. Box 670	Hobbs, NM	88240
Arco Oil and Gas Co.	P. O. Box 1710	Hobbs, NM	88240
Getty Oil Co.	P. O. Box 730	Hobbs, NM	88240
Sohio Oil Co.	P. O. Box 3000	Midland, TX	79702

NEW MEXICO OIL CONSERVATION COMMISSION  
GAS-OIL RATIO TESTS

C-116  
Revised 1-1-65

Operator		Pool				County		Completion		Special					
Sun Oil Company		Wantz Granite Wash Pool				Lea		<input type="checkbox"/>		<input checked="" type="checkbox"/>					
Address		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>							
P.O. Box 1861, Midland, TX 79702															
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST		GAS RATIO CU.FT./BBL.			
		U	S	T						R	WATER BBL.S.		GRAV. OIL BBL.S.	GAS M.C.F.	
Walter Lynch	1	K	1	22	37	6-12-81	24	25	39	24	0	37.7	20	98	4900

**RECEIVED**  
JUL 24 1981  
OIL CONSERVATION DIVISION  
SANTA FE

No well will be assigned an allowable greater than the amount of oil produced on the official test.  
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.  
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.  
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

*Don Ann Kemp*  
(Signature)  
Accounting Assistant I  
(Title)  
July 15, 1981  
(Date)

NEW MEXICO OIL CONSERVATION COMMISSION  
GAS - OIL RATIO TESTS

C-116  
Revised 1-1-65

Operator <b>Sun Oil Company</b>		Pool <b>Drinkard</b>		County <b>Lea</b>									
Address <b>P.O. Box 1861, Midland, TX 79702</b>		TYPE OF TEST - (X) <input checked="" type="checkbox"/> Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>		Completion <input type="checkbox"/>									
LEASE NAME <b>Walter</b>	WELL NO. <b>1</b>	LOCATION U S T R <b>K 1 22 37</b>	DATE OF TEST <b>6-12-81</b>	STATE <b>F</b>	CHOKE SIZE <b>32</b>	TBKG. PRESS. <b>30</b>	DAILY ALLOW-ABLE <b>7</b>	LENGTH OF TEST HOURS <b>24</b>	WATER BBL.S.	PROD. DURING TEST GRAV. OIL	OIL BBL.S.	GAS M.C.F.	GAS - OIL RATIO CU.FT./BBL.
									<b>0</b>	<b>37.7</b>	<b>9</b>	<b>101</b>	<b>11222</b>

**RECEIVED**  
JUL 24 1981  
OIL CONSERVATION DIVISION  
SANTA FE

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

*DeAnn Kemp*  
(Signature)  
Accounting Assistant I

July 15, 1981  
(Date)

# W. LYNCH #1 GRANITE WASH. PRODUCTION

BPD

10

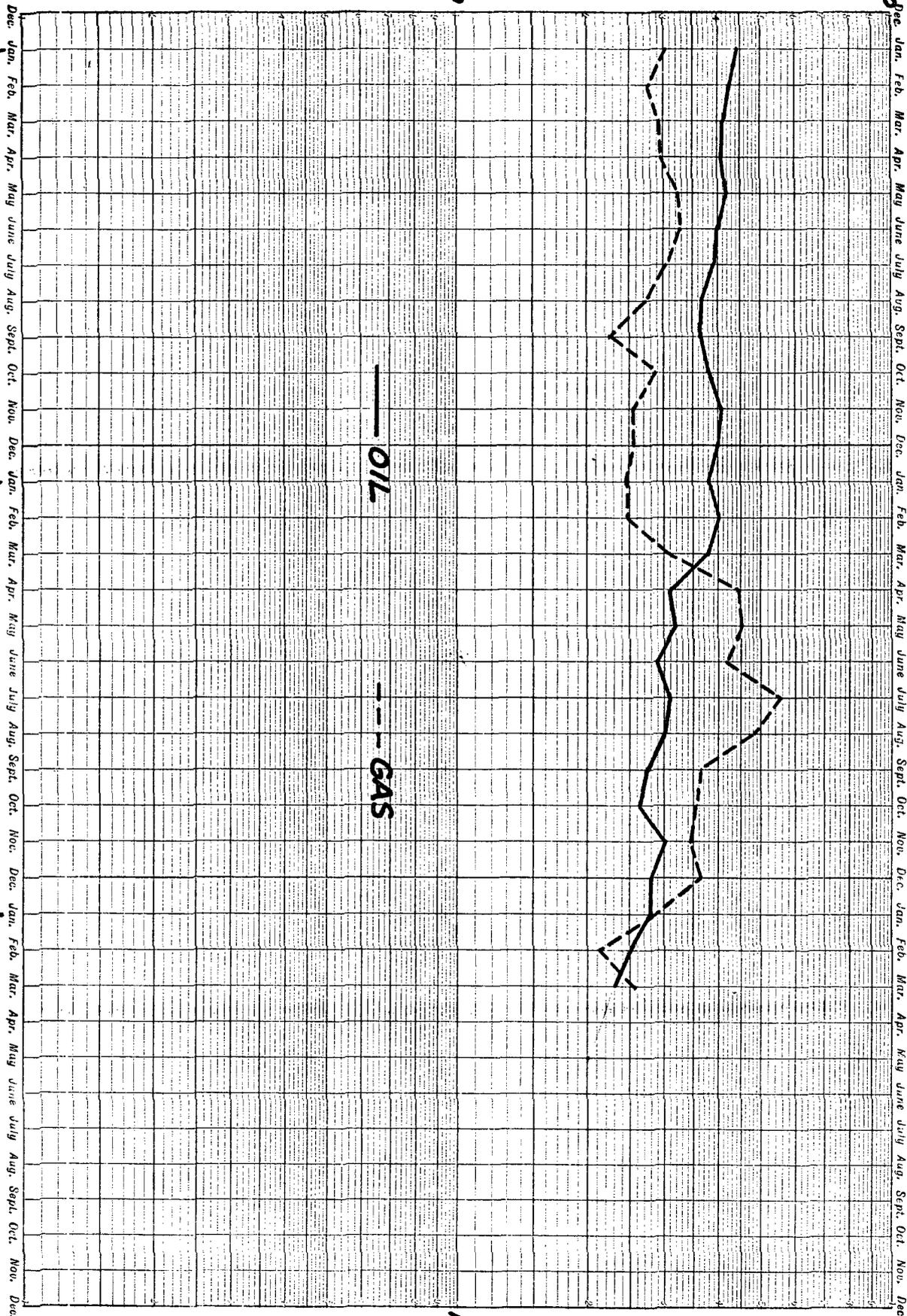
100

1000

— OIL

- - - GAS

MCFPD

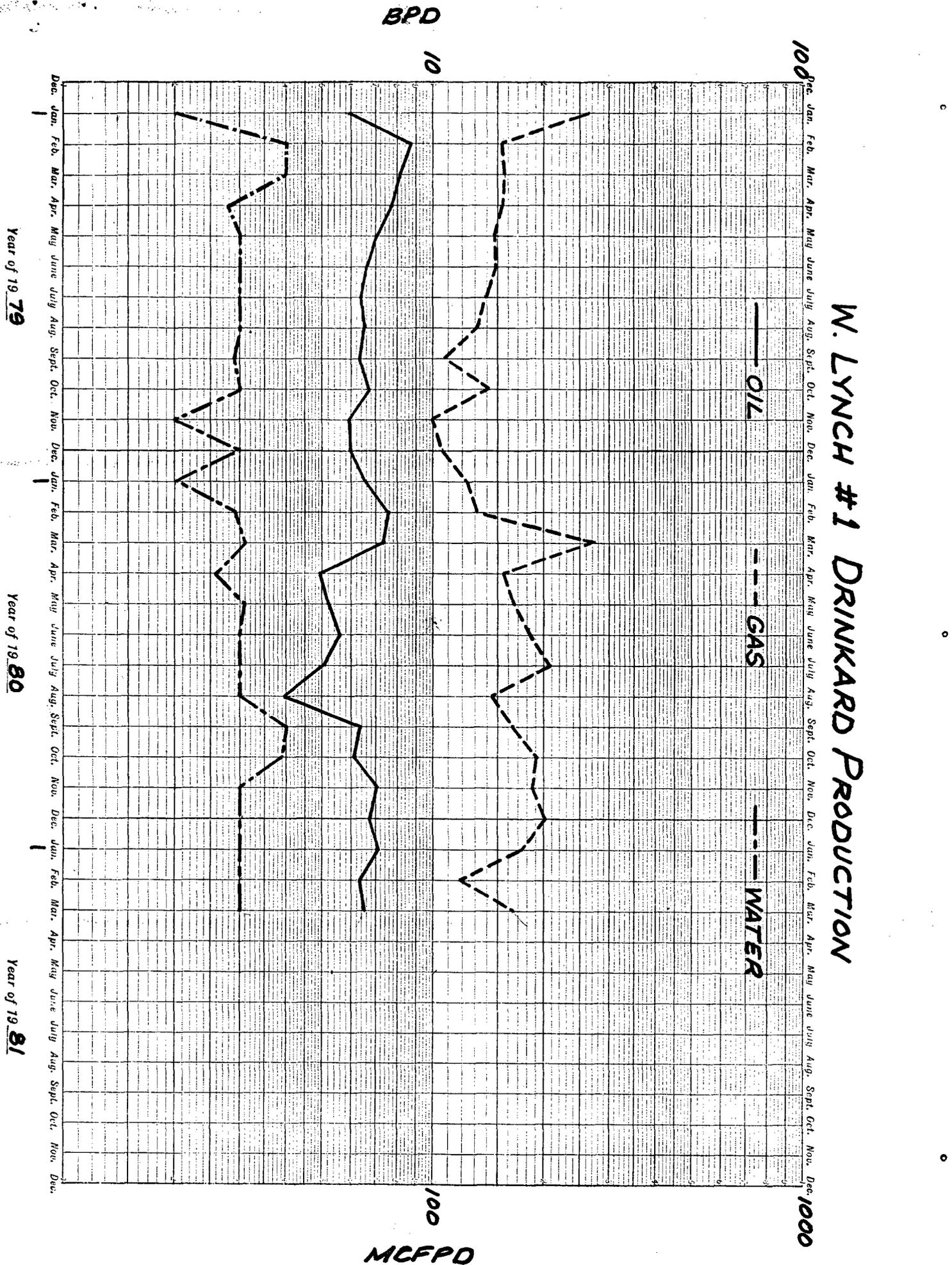


Year of 19 79

Year of 19 80

Year of 19 81

# W. LYNCH #1 DRINKARD PRODUCTION







SUN PRODUCTION COMPANY

901 W. WALL, POST OFFICE BOX 1861, MIDLAND, TEXAS 79702 (915) 685-0300

July 17, 1981

Mr. Sexton  
Energy and Minerals Dept.  
Oil Conservation Division  
P. O. Box 1980  
Hobbs, N.M. 88240

Dear Mr. Sexton:

Reference is made to your letter dated June 29, 1981 concerning the packer leakage test performed on our dual completed well, the Walter Lynch #1 (Unit K, Sec. 1, T-22-S, R-37-E).

We apologize for the delayed response to this problem. As you may know Sun is presently in the process of merging the producing properties of recently acquired Sun Texas Oil Company into Sun's operating system. Extensive realignment of districts, personnel and equipment has taken place. As a result this matter of a packer leak in our Walter Lynch #1 was not brought to the attention of the appropriate department on a more timely basis.

Nevertheless, after reviewing the situation, it has been determined that it is no longer feasible to produce the two formations (Drinkard/Wantz Granite Wash) separately from the subject well. Attached for your reference is Sun's application for commingling approval for the Walter Lynch #1.

Yours truly,

*David G. Mendoza*  
David G. Mendoza

DGM/nc

CC: Mr. Joe D. Ramsey  
Energy and Minerals Dept.  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, N.M. 87501

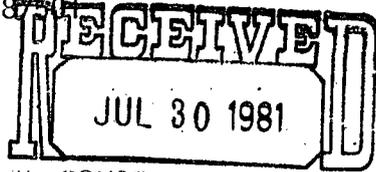
RECEIVED  
JUL 24 1981  
OIL CONSERVATION DIVISION  
SANTA FE

	Oil	Gas
DK	31	51%
G.W.	69	49%

OIL CONSERVATION DIVISION  
DISTRICT I

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

DATE July 28, 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:

Sun Oil Company    Walter Lynch    No. 1-K    1-22-37

Operator \_\_\_\_\_ Lease and Well No. \_\_\_\_\_ Unit, S - T - R \_\_\_\_\_

and my recommendations are as follows:

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours very truly,

A handwritten signature in cursive script, appearing to read "Jerry Lopez", written over a horizontal line.

/mc