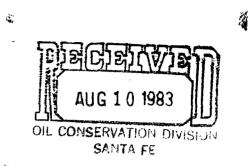


Post Office Box 68 Hobbs, New Mexico 88240



S. J. Okerson District Superintendent

August 5, 1983

File: SJO-1429-WF

Re: Application to Downhole Commingle State E Tract 27 Well No. 1 Blinebry and Drinkard Oil and Gas Pools Lea County, New Mexico

State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Approval is hereby requested to downhole commingle the State E Tract 27 Well No. 1 in accordance with NMOCD Rule 303-C.

The well is located 430' FSL x 1980' FWL, Section 18, T-21-S, R-37-E, Lea County, New Mexico. Originally, the well was drilled to the Drinkard formation. Initial completion attempts included perforating and acidizing. The Drinkard was pump tested for seven (7) days and pumped at a rate of 26 BOPD, 1 BWPD, 130 MCFD. On August 31, 1979, the Drinkard was temporarily abandoned to test the more competitive Blinebry formation. The well was completed in the Blinebry and is currently shut-in due to downhole mechanical problems.

Two immediate offset wells to the State E Tract 27 No. 1 have received approval to downhole commingle the Blinebry and Drinkard zones. The wells are as follows:

Petro-Lewis - Operator 1. L.G.Warlick No.2

- Unit B, Sec. 19, T-21-S, R-37-E Administrative Order No. R-6463
- 2. L. G. Warlick No. 3 Unit P, Sec. 18, T-21-S, R-37-E Administrative Order No. R-6210

August 5, 1983 File: SJO-1429-WF Page 2

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In support of our request, we submit the following facts:

1. The latest productivity tests are as follows:

	Date	BOPD	BWPD	MCFD	Perforations
*Blinebry	6-16-83	8	.5	28	5744'-5942'
**Drinkard	8-18-79	26	1	130	6682'-6738'

* Blinebry is currently shut-in due to downhole mechanical problems. See Attached, latest C-116

**Pump tested for 7 days and temporarily abandoned for the Blinebry completion.

- 2. Neither zone produces more water than the combined oil limit as determined by Rule 303-C.
- 3. The produced fluids should be compatible and commingling these fluids should not result in precipitates which might damage the reservoirs.
- 4. Downhole commingling of the Blinebry and Drinkard will not jeopardize the efficiency of future secondary recovery operations in either zone.
- 5. No depreciation of value will occur from downhole commingling. API Gravities for the two zones are as follows:

Blinebry: 38.2 API Gravity Drinkard: 38.4 API Gravity

6. Expected daily production from the commingled zones are as follows:

	Blinebry	Drinkard	Commingled
BOPD	8	26	34
BWPD	.5	1	1.5
MCFD	28	130	158

- 7. As stated earlier, neither zone is capable of producing at the current time. We are unable to determine the bottom hole pressure of these zones for the subject well. Due to the fact that the immediate offset wells have met the bottomhole pressure requirements for downhole commingling, Amoco believes the bottom hole pressure on our State E Tract 27 No. 1 are comparative and should also meet the requirments.
- 8. Both zones to be commingled have common ownership.

August	5,1983
File:	SJO-1429-WF
Page 3	

B D

9. Recommended oil and gas allotments are as follows: (Based on the averaging of offset allocations)

	<u>0i1</u>	<u>Gas</u>		
linebry	39%	69%		
rinkard	61%	31%		

The above allocation formula was based on the average of the allocations for the two previously mentioned offset wells. Normally we would prefer to use some measure of the well's productivity to determine the allocation (i.e. latest well tests, reserves, etc.); however, the State "B" Tr 27 No. 1 did not produce from the Drinkard long enough in order to establish a stabilized producing trend. We do not feel it is warranted to obtain a stabilized production trend from the subject zone because it is not practical in this instance. There are two ways to obtain the separate zone test. The first is to squeeze the current Blinebry perforations and produce only the Drinkard, then later open up the Blinebry zone. Because of the high costs and risk associated with this operation, we do not feel there are sufficient reserves in the Drinkard to do this work at this time. We would probably leave the Drinkard abandoned. Secondly, we could pump the Drinkard under a packer; however, the rates would not be representative of the well's producing capabilities under downhole commingling conditions. Therefore, we recommend using the above allocations.

- 10. All offset operators have been notified by registered mail. (Copy of receipts attached.)
- Attached are: Ownership plat showing the well and all offsets, Production decline curve for the Blinebry zone, Production graph for the 7 days the Drinkard was pump tested, and a list of offset operators and their addresses.

If additional information is required, contact Charles Herring at 393-1781.

Yours very truly,

S. J OKeninger

Attachments

cc: State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 1980 Hobbs, NM 88240

bcc: Mr. R. E. Ogden	Mr. Jim Allen - Proration Dept.
Bldg. ACT	Bldg. ACL
RM 21.150	RM 4.548
Houston, TX	Houston, TX

•

ADDRESSEE LIST

OFFSET OPERATORS

Gulf Oil Exploration and Production Company P. O. Box 670 Hobbs, NM 88240

Sohio Petroleum Company P. O. Box 3000 Midland, TX 79702

Marathon Oil Company P. O. Box 2409 Hobbs, NM 88240

.

Petro-Lewis Corporation 1111 West Loop 289 Lubbock, TX 79416

Tenneco Oil Exploration and Production Company Southwestern Division 7990 I.H. 10 West San Antonio, TX 78230 Attention: Special Projects/Joint Interest Group

Sun Exploration and Production Company P. O. Box 1861 Midland, TX 79702

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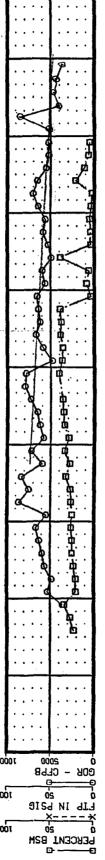
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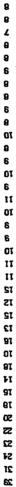


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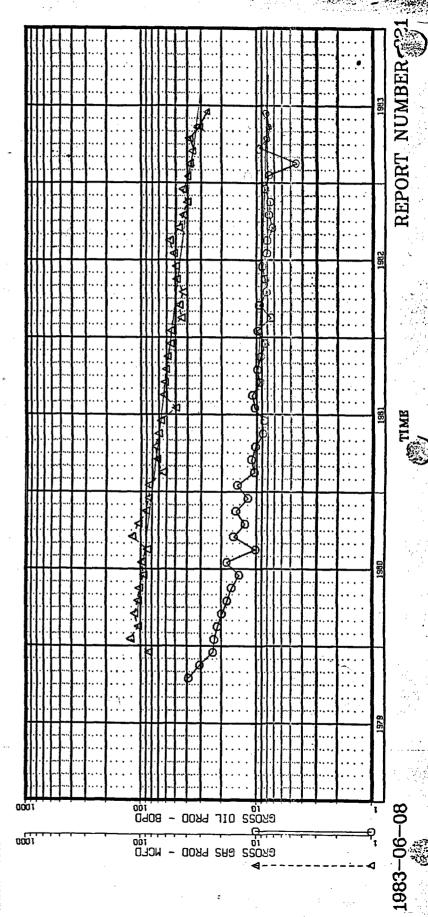
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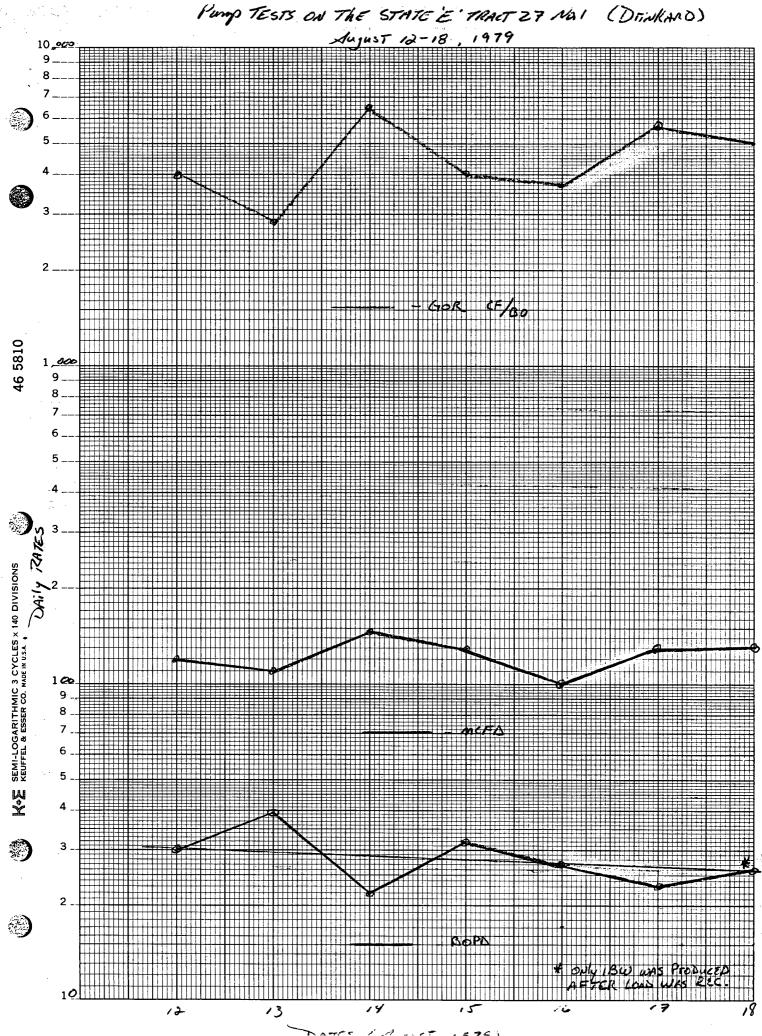






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State E Tract 27 #1 Well History

Cement Record:

06/05/79: Set 9 5/8"-32.3#, H-40 ST&C casing at 1225' in a 12½" hole. Cmt'd w/300 sx Class C w/3% sodium silicate and 6# salt/sk. Tail-in 150 sx Class C w/2% KC1. Circ. 35 sx.

07/01/79: Set 7"-23# & 26#, K-55 ST&C casing at 6900' in an 8 3/4" hole. Cmt'd w/1175 sx Class C Incor w/3% sodium silicate, 6# salt, and ½" cellophane/sk. Followed w/350 sx Class C, Incor with 9.5# salt/sk. Cmt did not circ. Top of cmt approximately 1340' (per temp survey).

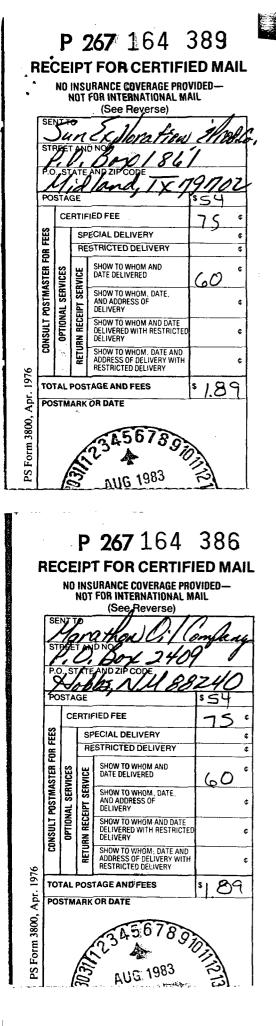
> TD - 6900' PBD - 6855'

Initial Completion:

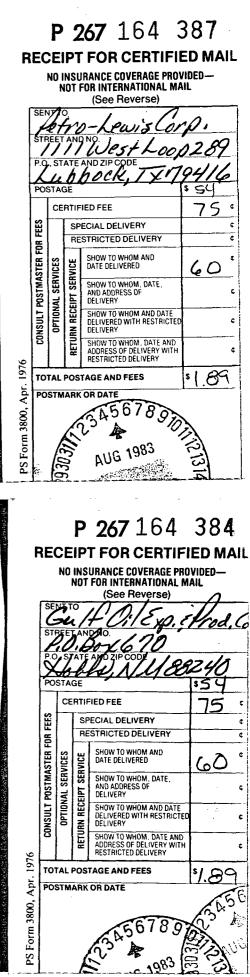
08/18/79: Perforate 6772'-76', 6800'-09'. 6842'-52' w/2 JSPF. Spot acid. Acidize w/2400 gals 15% NE acid. Retainer set at 6760'. Squeezed perfs 6772'-6852' w/200 sx Class H w/2% HCl and 5% CFR-2. Followed by 100 sx Class H. Reversed 20 bbl cmt to pit. Perforate Drinkard 6682'-86', 6700'-06', 6712'-16', 6725'-28', 6734'-38' w/2 JSPF. Spot acid across perfs 6682'-6738'. Acidize perfs w/2500 gals 15% NE acid. Ran pump and 3/4 rods. Initial potential = Hrs 24, 26 BOPD, 1 BWPD, 130 MCFD. Well completed in Drinkard.

09/28/79:

Pull rods and pump. Retr. BP set at 6016' & topped w/10' sd. Perforate 5774'-78', 5800'-03', 5848'-51', 5938'-42' w/2 JSPF. Spot acid across perfs. Acidize w/3400 gals 15% NE acid. Frac in 3 stgs w/33,000 gal gelled brine, 33000# 20/40 sd, 1000 gal 15% NE acid & 2200# rock salt as blocking agent. Temp survey indicated perfs 5775'-78', 5800'-03', 5848'-51' treated. 5938'-5942' not treated. Ran pump and rods. Initial potential= Hrs 24, 65 BOPD, 12 BWPD, 254 MCFD. Well recompleted to Blinebry.









Post Office Box 68 Hobbs, New Mexico 88240

S. J. Okerson District Superintendent

August 4, 1983

File: SJO-1468-WF

Re: Downhole Commingling of the State E Tract 27 Well No. 1 Blinebry and Drinkard Oil and Gas Pools 430' FSL x 1980' FWL Section 18, T-21-S, R-37-E Lea County, New Mexico



Petro-Lewis Corporation 1111 West Loop 289 Lubbock, TX 79416

Gentlemen:

Amoco Production Company, as operator of the State E Tract 27 Well No. 1, hereby notifies you that we have applied to the NMOCD for Administrative Approval to downhole commingle the subject well. Commingling will enhance the economic operation of the well.

If you have no objections to the commingling, sign below and forward one copy to the NMOCD in Sante Fe, one copy to the NMOCD in Hobbs, one copy to this office, and retain one copy for your records. Addressed, stamped envelopes have been provided for your convenience.

Yours very truly,

S. J. O Kercon yet

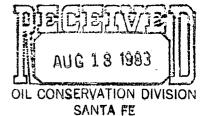
APPROVAL Company: Bv: Date:



Post Office Box 68 Hobbs, New Mexico 88240

S. J. Okerson District Superintendent

August 4, 1983



- File: SJO-1468-WF
- Re: Downhole Commingling of the State E Tract 27 Well No. 1 Blinebry and Drinkard Oil and Gas Pools 430' FSL x 1980' FWL Section 18, T-21-S, R-37-E Lea County, New Mexico

Sohio Petroleum Company P. O. Box 3000 Midland, TX 79702

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Yours very truly,

J. J. O Kerron yet

APPROVAL. Company: By: Date:



Post Office Box 68 Hobbs, New Mexico 88240



S. J. Okerson District Superintendent

August 4, 1983

File: SJO-1468-WF

Re: Downhole Commingling of the State E Tract 27 Well No. 1 Blinebry and Drinkard Oil and Gas Pools 430' FSL x 1980' FWL Section 18, T-21-S, R-37-E Lea County, New Mexico

Tenneco Oil Exploration and Production Company Southwestern Division 7990 I. H. 10 West San Antonio, TX 78230 Attention: Special Projects/Joint Interest Group

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Yours very truly,

S. J. O Kerom Het

APPROVAL TENNECO OIL COMPANY Company: By: 8-23-83 Date:



Post Office Box 68 Hobbs, New Mexico 88240

OIL CONS ION DIVISION SANTA FF

S. J. Okerson District Superintendent

August 4, 1983

File: SJO-1468-WF

Re: Downhole Commingling of the State E Tract 27 Well No. 1 Blinebry and Drinkard Oil and Gas Pools 430' FSL x 1980' FWL Section 18, T-21-S, R-37-E Lea County, New Mexico

Gulf Oil Exploration and Production Company P. O. Box 670 Hobbs, NM 88240

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Yours very truly,

S. J. O Kerson yet

APPROVAL

Company: Gulf Oil Corporation

R. Frank - Chief Proration Engineer Date: August 30, 1983



Amoco Production Company (USA) Post Office Box 68

OIL CONSERVATION DIVISION

SANTA FE

Hobbs, New Mexico 88240

S. J. Okerson **District Superintendent**

August 4, 1983

File: SJO-1468-WF

Downhole Commingling of the Re: State E Tract 27 Well No. 1 Blinebry and Drinkard Oil and Gas Pools 430' FSL x 1980' FWL Section 18, T-21-S, R-37-E Lea County, New Mexico

Sun Exploration and Production Company P. 0. Box 1861 Midland, TX 79702

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Yours very truly,

S. J. O Kerson yet

APPROVAL EXPLORATION & PRODUCTION CO. Company: SUN Bv: Date:

OIL CONSIDERATION DIPPERS MARKET 1

ALL CONSERVATION DIVISION P. U. 80% 2088 SANGA FE, NEW DEXICO SHOT

Gen Aleren;

. I have examined the application for the:

Amoco Production Co. State E Tr. 27 No. 1-M 18-21-37

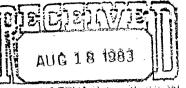
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had by recommenders are as tollows.

0.K.---J.S.

MY LODERS

j-aq.



OIL CONSERVATION DIVISION SANTA FE

> GATE August 10, 1983

RF:	Proposed	MC
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Additional imformation received on September 9,1983 concerning offset pressures via telephone flast prossures soon to be comperable Oto one another, and are relatively close enough to justify acceptance