

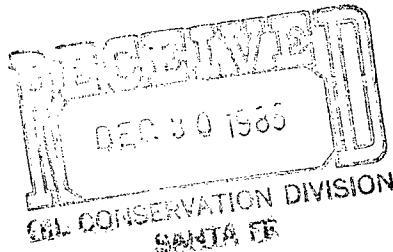
EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWEST/ROCKY MOUNTAIN DIVISION

J.K. LYTHE
SENIOR TECHNICAL ADVISOR
REGULATORY AFFAIRS

December 27, 1985



*Downhole Commingling Request
N.M. "V" State #11
Lea County, New Mexico*

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

ATTENTION: Mr. David Catanach

Gentlemen:

Exxon respectfully requests NMOCD approval to downhole commingle the Blinebry, Drinkard, and Tubb formations in the N.M. "V" State #11. Permission to dually complete this well was authorized by administrative order DC-771. If permission to downhole commingle is received, this well will be placed on sucker rod pump to effectively lift formation fluids from the wellbore resulting in increased flow rates, and increase ultimate recovery from these three zones.

The Blinebry is currently flowing 68 kCF/Day and the Tubb is currently flowing 4 BOPD and 32 kCF/Day. the Drinkard quit flowing in 1980 in the N.M. "V" State Nos. 3 and 6, direct offsets, and quit flowing in 1975 in the N>M. "V" State #1, a direct offset. The Tubb has 1700' of fluid on the formation face in this wellbore. The Blinebry and Drinkard zones have 2000-3000' of fluid on the formation face in each of the direct offsets. Downhole commingling will enable Exxon to place the well on sucker rod pump to remove the formation fluids at an economical rate.

The Drinkard zone is currently behind pipe in the N.M. "V" State #11. Exxon feels like there are producible oil and gas reserves in the Drinkard formation, but cannot economically justify doing the workover due to the extend of depletion of the reservoir. Based on the offset information, it would not be economical to produce the Drinkard by itself. The Drinkard zone is included in the downhole commingling request to present this waste.

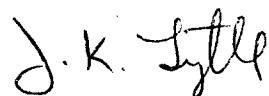
The Blinebry and Tubb formations are rapidly reaching the point where artificial lift is necessary to produce these zones at an economical rate. If downhole commingling is not approved, one of the zones will be squeezed and the other will be placed on sucker rod pump. It is doubtful that it will be

economical to re-enter the squeezed zone in the future due to the low potential. Downhole commingling is being requested to present this waste.

The Blinebry, Drinkard, and Tubb zones currently satisfy the requirements necessary to apply for downhole commingling (see Attachment 1). The items Exxon must submit to the Commission to obtain approval are listed on Attachment 2, and subsequent attachments contain the data noted in Attachments 1 and 2.

Please contact J. W. Jordan (915) 523-3650 if any further information is required.

Yours truly,



J. K. Lytle

JKL:djc
Attachments

c: Offset Operators (Certified Mail)
District I - NMOCD, Hobbs, NM

ATTACHMENT 1

N. M. "V" State #11 - Downhole Commingling - Requirements

The Blinebry and Drinkard formations in the above well satisfy the requirements necessary for downhole commingling as follows:

1. The total combined daily oil production from the oil zones before commingling does not exceed 40 BOPD. Currently neither zone is able to flow. 6290' is the depth of the bottom perforation in the Tubb formation. The Drinkard has not yet been perforated.
2. Oil zones require artificial lift, or, both zones are capable of flowing. Both zones now require artificial lift, which will be installed when the two zones are commingled.
3. Neither zone produces more than 40 BWPD. Neither zone is now able to flow.
4. The fluids from each zone are compatible with the fluids from the other, and combining the fluids will not result in the formation of precipitates which damage either reservoir. See attached data.
5. The total value of the crude will not be reduced by commingling. See attached data.
6. Ownership of the zones to be commingled is common (including working interest, royalty, and overriding royalty).
7. The commingling will not jeopardize the efficiency of present or future secondary recovery operations in either of the zones to be commingled. Current plans are to commingle these zones for waterflood in the proposed Blinebry-Drinkard Waterflood Unit.
8. The commingling is necessary to permit a zone or zones to be produced which would not otherwise be economically producible.
9. There will be no crossflow between zones to be commingled.
10. The bottomhole pressure of the lower pressure zone is not less than 50 percent of the bottomhole pressure of the higher pressure zone adjusted to a common datum. See attached data.

ATTACHMENT 2

N. M. "V" State #11 - Downhole Commingling - Data Required

To obtain approval for downhole commingling, we have enclosed the following data pursuant to Rule 303(C)(2)(a through j):

1. Exxon's name and address:

Exxon Corporation
1700 West Broadway
Andrews, TX 79714

2. Lease name, well number, well location, and name of pools to be commingled:

New Mexico "V" State No. 11, 2080' FSL, 2080' FWL, Section 10, T-21-S, R-37-E, Lea County, New Mexico. Pools to be commingled: Blinebry, Drinkard, and Tubb. Authorization to dually complete-Order No. DC-771.

3. A plat of the area showing the acreage dedicated to the well and the ownership of all offsetting leases: Attached.
4. A 24-hour productivity test on Division Form C-116 showing the amount of oil, gas, and water produced from each zone: Attached.
5. A production decline curve for both zones showing that for a period of at least one year, a steady rate of decline has been established for each zone which will permit a reasonable allocation of the commingled production to each zone for statistical purposes: Attached.
6. A current bottomhole pressure for each zone capable of flowing:

Estimated BHP - Blinebry 830#, based on measured BHP in the N.M. "V" State #7, a direct offset. Measured BHP - Tubb 660#. Estimated BHP - Drinkard 720#, based on measured BHP in the N.M. "V" State Nos. 3 and 6, direct offsets. Common datum - mid perfs of Blinebry (5674').

BHP Bomb data are attached.

7. A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the wellbore:

See attached hydrocarbon analysis. The Blinebry hydrocarbon analysis is from the N.M. "V" State #7, a direct offset, and the Drinkard hydrocarbon analysis is from the N.M. "V" State #6, a direct offset. Exxon has commingled these fluids at the surface and has encountered no incompatibility problems.

8. A computation showing that the value of the commingled production will not be less than the sum of the values of the individual streams: Attached.

9. A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such a formula:

$$\text{Blinebry Pool: Oil Allocation} = \left[\frac{12e^{-(0.3662)t} + 8e^{-(0.2310)t}}{14e^{-(0.5135)t}} \right]^{-1} = 0.0435$$

$$\text{Gas Allocation} = \left[\frac{83e^{-(0.1495)t} + 300e^{-(0.3662)t}}{300e^{-(0.1436)t}} \right]^{-1} = 0.7536$$

$$\text{Tubb Pool: Oil Allocation} = \left[\frac{14e^{-(0.5135)t} + 12e^{-(0.3662)t}}{8e^{-(0.2310)t}} \right]^{-1} = 0.7379$$

$$\text{Gas Allocation} = \left[\frac{300e^{-(0.1436)t} + 83e^{-(0.1495)t}}{300e^{-(0.3662)t}} \right]^{-1} = 0.0521$$

Where t = time between January 1, 1974 and January 1, 1986 = 12 years

Drinkard Pool: Oil Allocation = 1 - Blinebry Oil Allocation - Tubb Oil Allocation = 0.2186

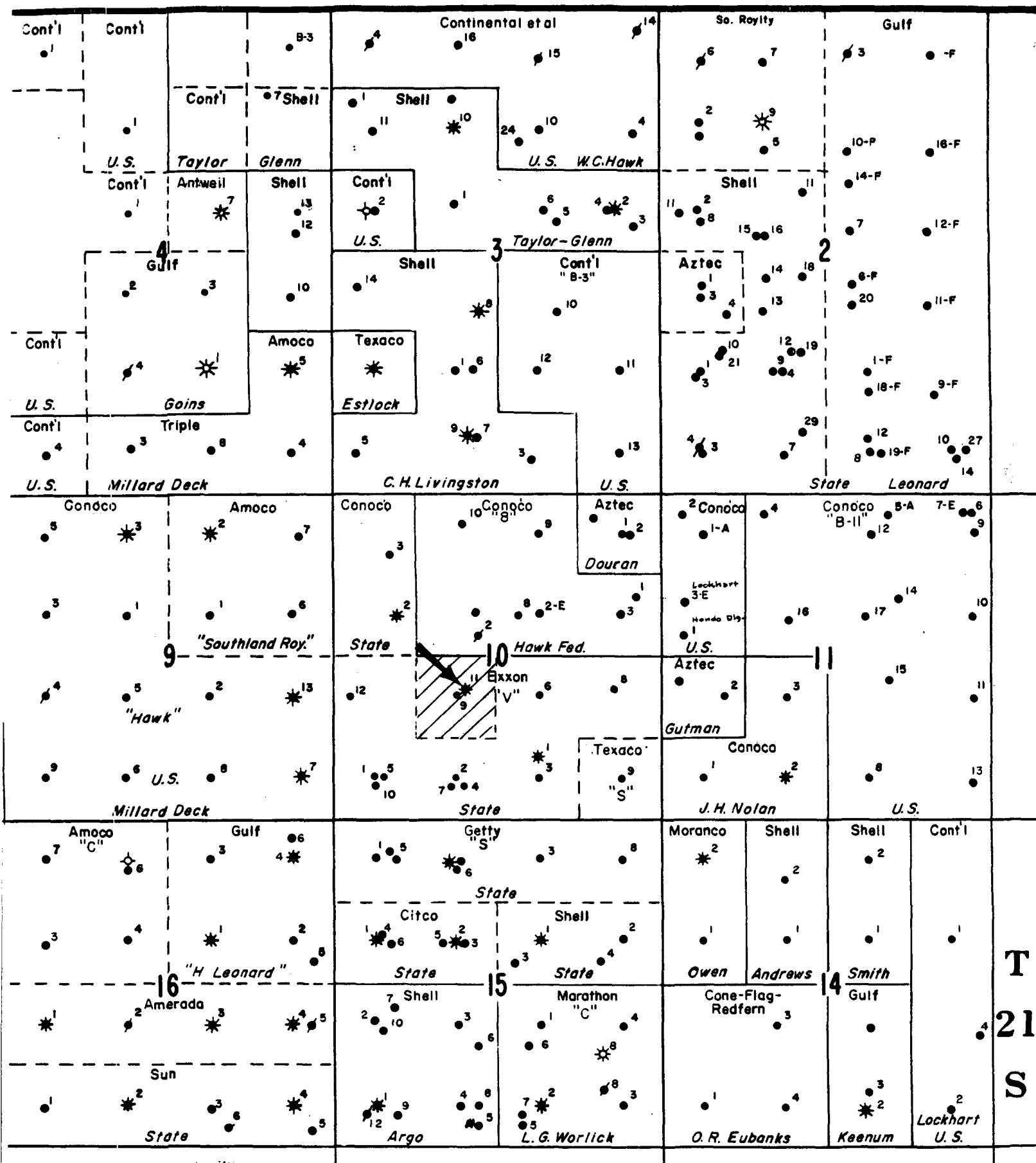
Gas Allocation = 1 - Blinebry Gas Allocation - Tubb Gas Allocation = 0.1943

Computations of the production allocations to each zone are attached.

10. A statement that all offset operators and, in case of a well on Federal land, the United States Geological Survey, has been notified in writing of the proposed commingling:

All offset operators (list attached) have been notified by copy of this application.

R 37 E



ACREAGE DEDICATED TO THE N.M. "V" STATE #11

T
21
S

INDIVIDUAL WELL TEST REPORT

DO NOT WRITE IN SHADED AREAS –
DIVISION OFFICE USE ONLY

DATE

8-31-85

N.M. "V" STATE
Drinker

LEASE

TYPE TEST

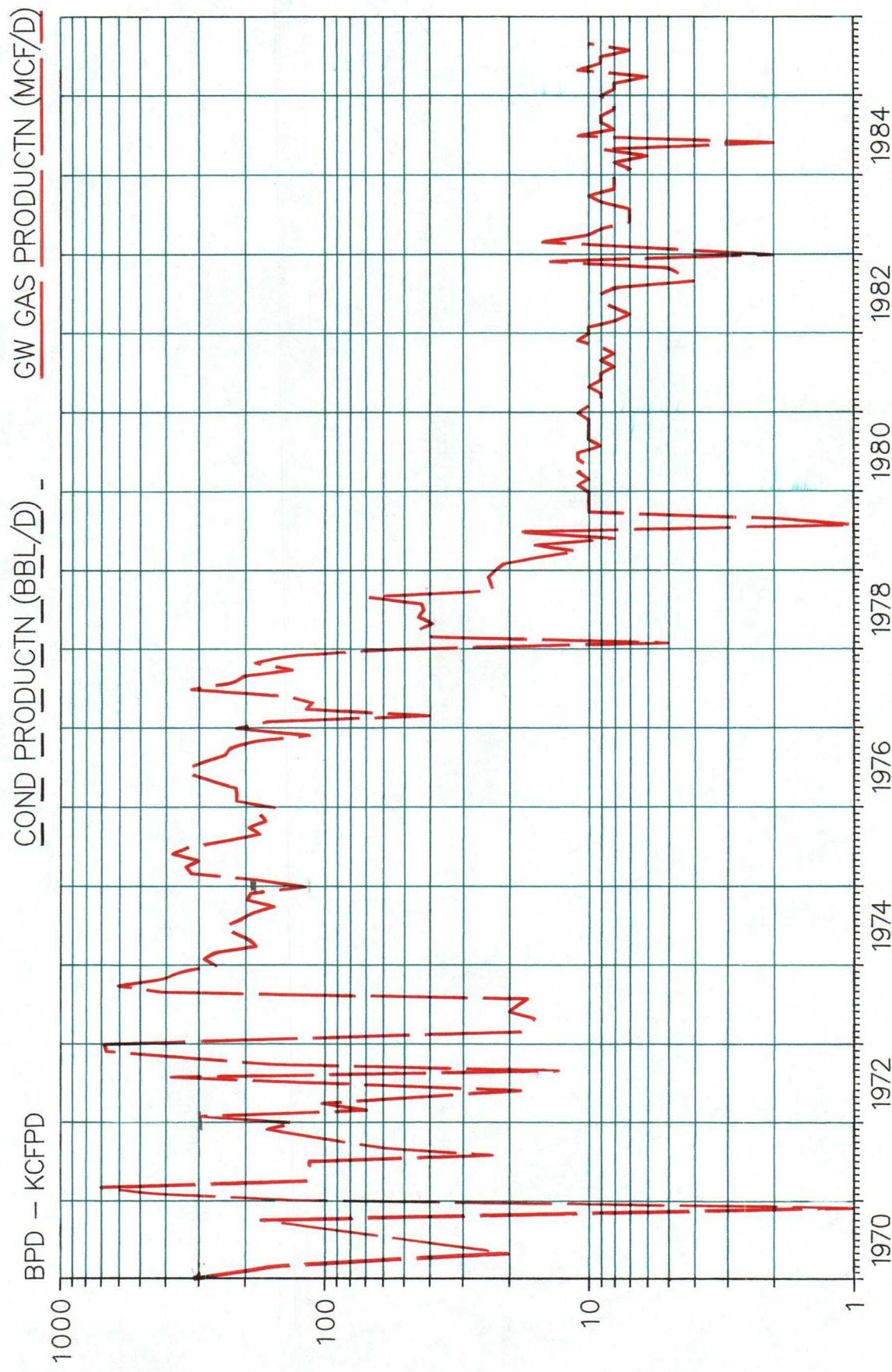
FIELD	METHOD OF PRODUCTION (CHECK ONE)	WELL NO.	G-O.R.
	<input type="checkbox"/> PUMP	6	CAL DAY ALLOW.
	<input checked="" type="checkbox"/> FLOW		SCHED. DAY ALLOW.
ARTIFICIAL LIFT (CHECK ONE)			
<input type="checkbox"/> CENT.	<input type="checkbox"/> ROD	<input type="checkbox"/> HYD.	<input type="checkbox"/> PLUNGER
<input type="checkbox"/> GAS ENG.	<input type="checkbox"/> OTHER	<input type="checkbox"/> ELEC.	<input type="checkbox"/> OTHER
PRIME MOVER (CHECK ONE)			
<input type="checkbox"/> GAS LIFT			

FOR TAG INFORMATION									
KP ONLY	RCD TYPE	BATT.	SUB. BATT.	ZONE	COMPLETION NUMBER	TEST DATE	ELAPSED TEST TIME	TEST TIME	PUMPING WELLS ONLY
1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
A	O	1	1	6					
8 31 85 01									
OIL OR GAS WELL PRODUCTION									
KP ONLY	TOTAL FLUID (BBLS)	TEST WATER (BBLS)	OIL OR COND. GRAV.	FLUID CHOKE SIZE	TUBING PRESSURE	LENGTH OF STROKE	STROKES PER MINUTE	PUMP SIZE	TIME PUMPED DURING TEST
1	2	3	4	5	6	7	8	9	10
26	27	28	29	30	31	32	33	34	35
38	39	40	41	42	43	44	45	46	47
A	O	2							
OUTPUT GAS OR GAS WELL DATA									
ENTER EITHER ITEM 30 THRU ITEM 35 OR ITEM 36 & 37									
LINE SIZE	PLATE SIZE	SPRING SIZE	DIFF. RANGE	Avg. RED (DIFF)	AVG. BLUE (STAT)	OUTPUT GAS VOLUME (MCF)	GAS GRAV.	ITEM	SHUT-IN WELLHEAD PRESSURE
1	2	3	4	5	6	7	8	9	10
30	31	32	33	34	35	36	37	38	39
A	O	3							
INPUT GAS LIFT DATA									
KP ONLY	INTER. MITTER TIME	INTER. MITTER TIME	INPUT LINE PRESSURE	CHOKE SIZE	PLATE SIZE	SPRING SIZE	DIFF. RANGE	Avg. RED (DIFF)	Avg. BLUE (STAT)
1	2	3	4	5	6	7	8	9	10
26	27	28	29	30	31	32	33	34	35
A	O	4							
THIS COMMENTS									

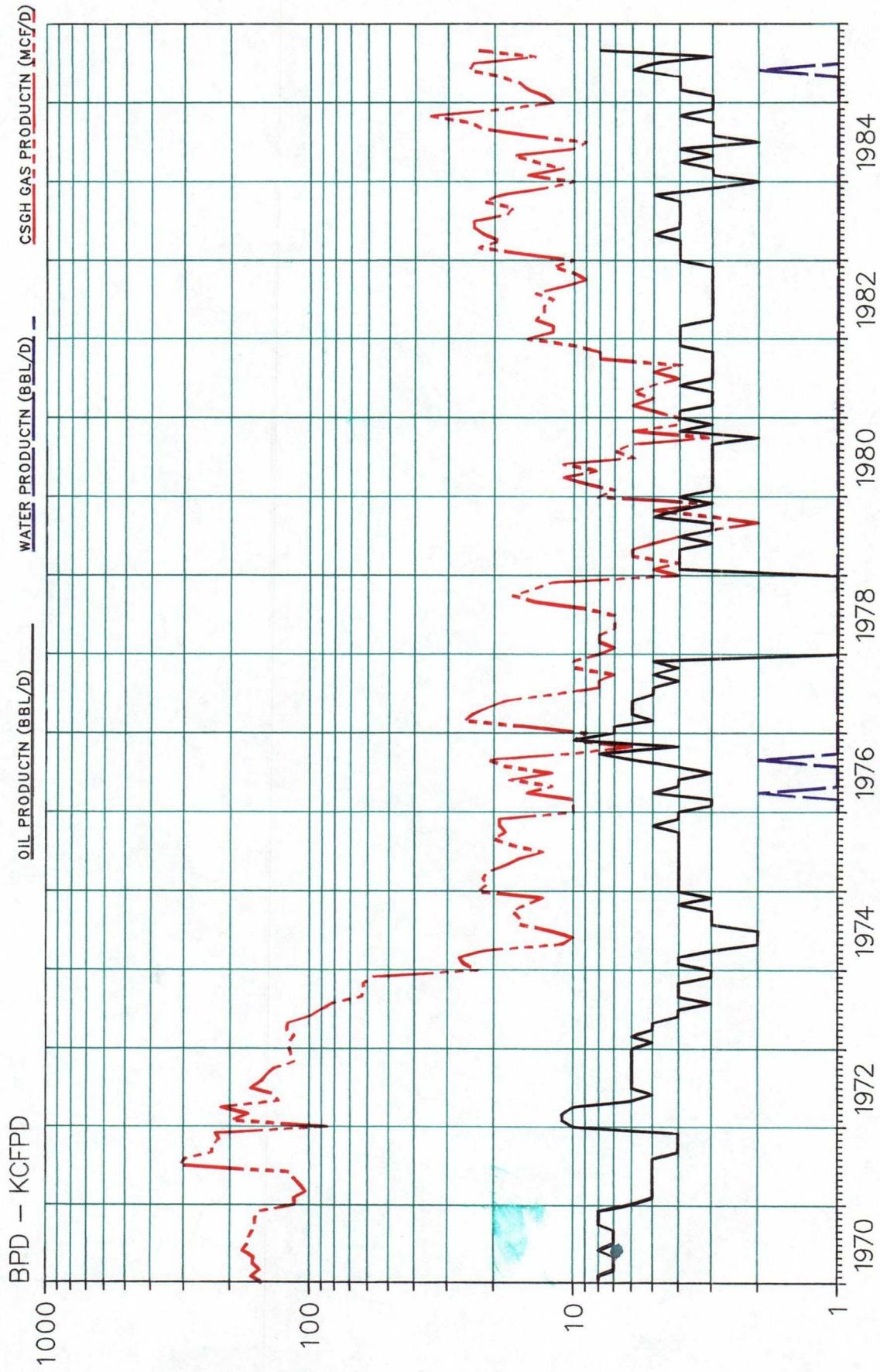
TEST OIL OR CONDENSATE (BBLS)	TOTAL FLUID (BBLS)	TEST WATER (BBLS)	OIL OR COND. GRAV.	FLUID CHOKE SIZE	TUBING PRESSURE	BEGINNING CASING PRESSURE	ENDING CASING PRESSURE	TRAP PRESSURE	SHUT-IN WELLHEAD PRESSURE
1	2	3	4	5	6	7	8	9	10
26	27	28	29	30	31	32	33	34	35
A	O	2							
GAS LIFT CHOKE DATA									
LINE SIZE	PLATE SIZE	SPRING SIZE	DIFF. RANGE	Avg. RED (DIFF)	AVG. BLUE (STAT)	GAS LIFT VOLUME (MCF)	ITEM	CONTROL TOTAL	ARTIFICIAL LIFT CODES
1	2	3	4	5	6	7	8	9	10
30	31	32	33	34	35	36	37	38	39
A	O	3							

FOR DISTRICT USE ONLY									
CODES – 1-20 (LOOK AT FOR IMMEDIATE ACTION)									
1	2	3	4	5	6	7	8	9	10
Well going to water	Suspected tubing or casing leak	Oil	Gas	Initial	1 - Scheduled	Oil	Gas	Initial	G-2
Well flows and dies	Production in production	GO-2	GO-2	Routine	2 - Special	GO-2	GO-2	Routine	G-2
Rapid decrease in production	8 - Pump not operating properly	GO-2	GO-2	Routine	3 - Routine	GO-2	GO-2	Routine	G-2
Need to raise allowable restriction by surface facilities.	9 - Production restricted	GO-2	GO-2	Routine	4 - Potential or Repotential	GO-2	GO-2	Routine	G-2
METHOD OF PROD.									
CODES – 1-20 INFORMATION									
1	2	3	4	5	6	7	8	9	10
Well shut in; tested for information	Flows by heads	Information	Information	Information	Allocation	Information	Information	Information	Information
Wall pumps down	Flowing on intermitter	Information	Information	Information	Information	Information	Information	Information	Information
High fluid level	FW after well work	Information	Information	Information	Information	Information	Information	Information	Information
Test after well work	Test after oil treatment	Information	Information	Information	Information	Information	Information	Information	Information
Suspected non-representative test		Information	Information	Information	Information	Information	Information	Information	Information
PRIME MOVER									
CODES									
1	2	3	4	5	6	7	8	9	10
Gas Engine	Electric Motor	Gas Well Dryer	Gas Well	Gas Lift	Flow	Pump	Information	Information	Information
Other	Other	Other	Other	Other	Information	Information	Information	Information	Information
SIGNATURE									

DISTRICT - 30 ANDREWS
FIELD - 3306 PADDOCK
RESERVOIR - 405 BLINNEBRY GAS
WELL - 0011 LSE-61992 NEW MEXICO V STATE



DISTRICT - 30 ANDREWS
FIELD - 3306 PADDOCK
RESERVOIR - 451 TUBB OIL
WELL - 0011 LSE-61992 NEW MEXICO V STATE



JARREL SERVICES, INC.

POST OFFICE BOX 1654

PHONES 505 393-5396 — 393-8274

HOBBS, NEW MEXICO 88240

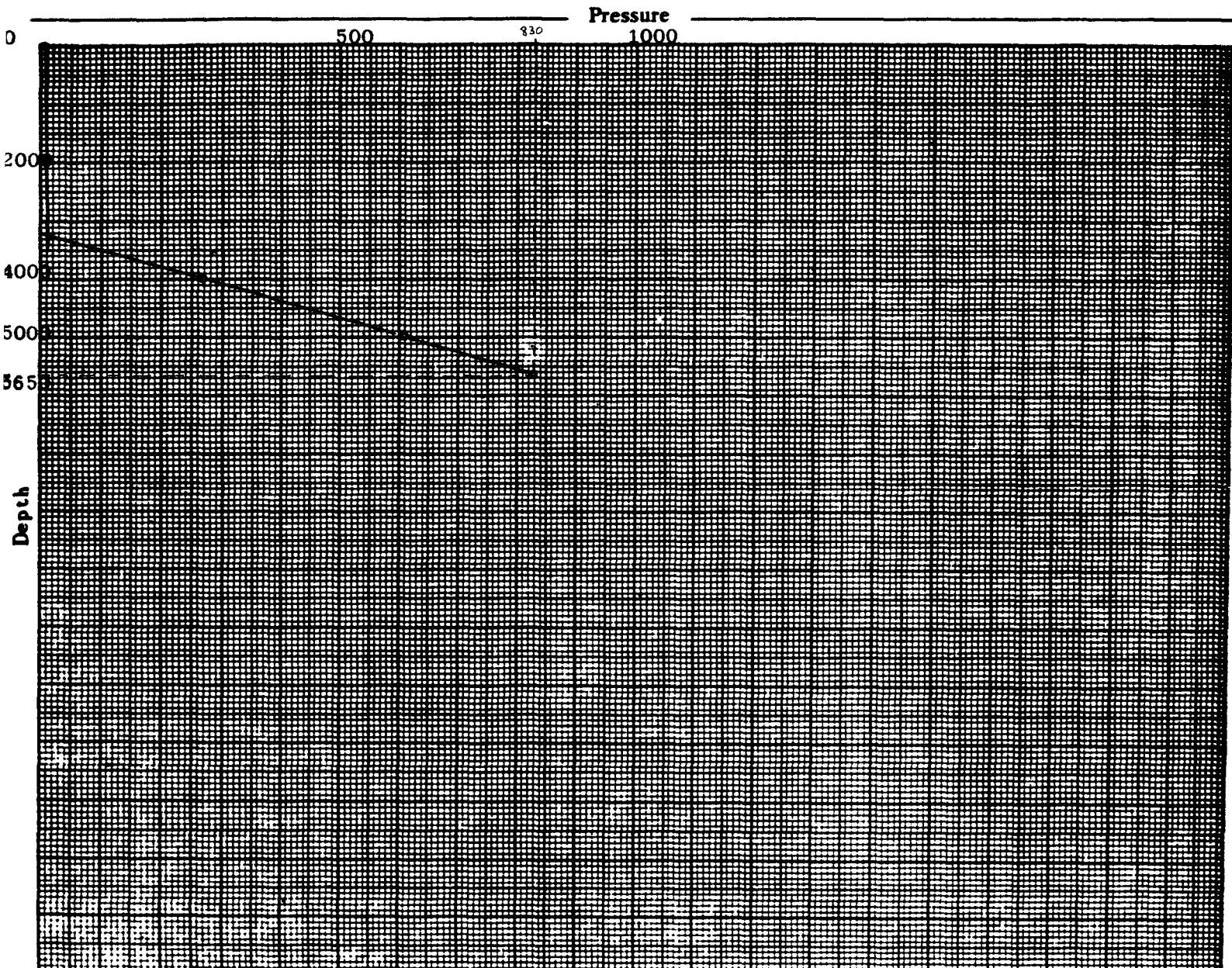
OPERATOR Exxon Company USA
FIELD B-D-T
FORMATION Blanebry
LEASE New Mexico V State WELL No. 7
COUNTY Lea STATE New Mexico
DATE 8/13/85 TIME 4:00 PM
Status Shut in
Test Depth 5650'
Time S. I. 7 days Last test date -
Tub Pres. 7 BHP last test -
Cas. Pres. PKR BHP change -
Elev. 3469 'RDB Fluid top 3245'
Datum (-2334) ** Water top None
Temp. @ - Run by JSI #13
Cal. No. 42254 Chart No. 4

BOTTOM HOLE PRESSURE RECORD

Depth	Pressure	Gradient
0	7	-
2000	9	.001
4000	267	.129
5000	607	.340
5650	824	.334
5803 (-2334)	875 * **	(.334)

* EXTRAPOLATED PRESSURE

** MIDPOINT OF CASING PERFORATIONS



JARREL SERVICES, INC.

POST OFFICE BOX 1854

PHONES 505 393-5396 — 393-8274

HOBBS, NEW MEXICO 88240

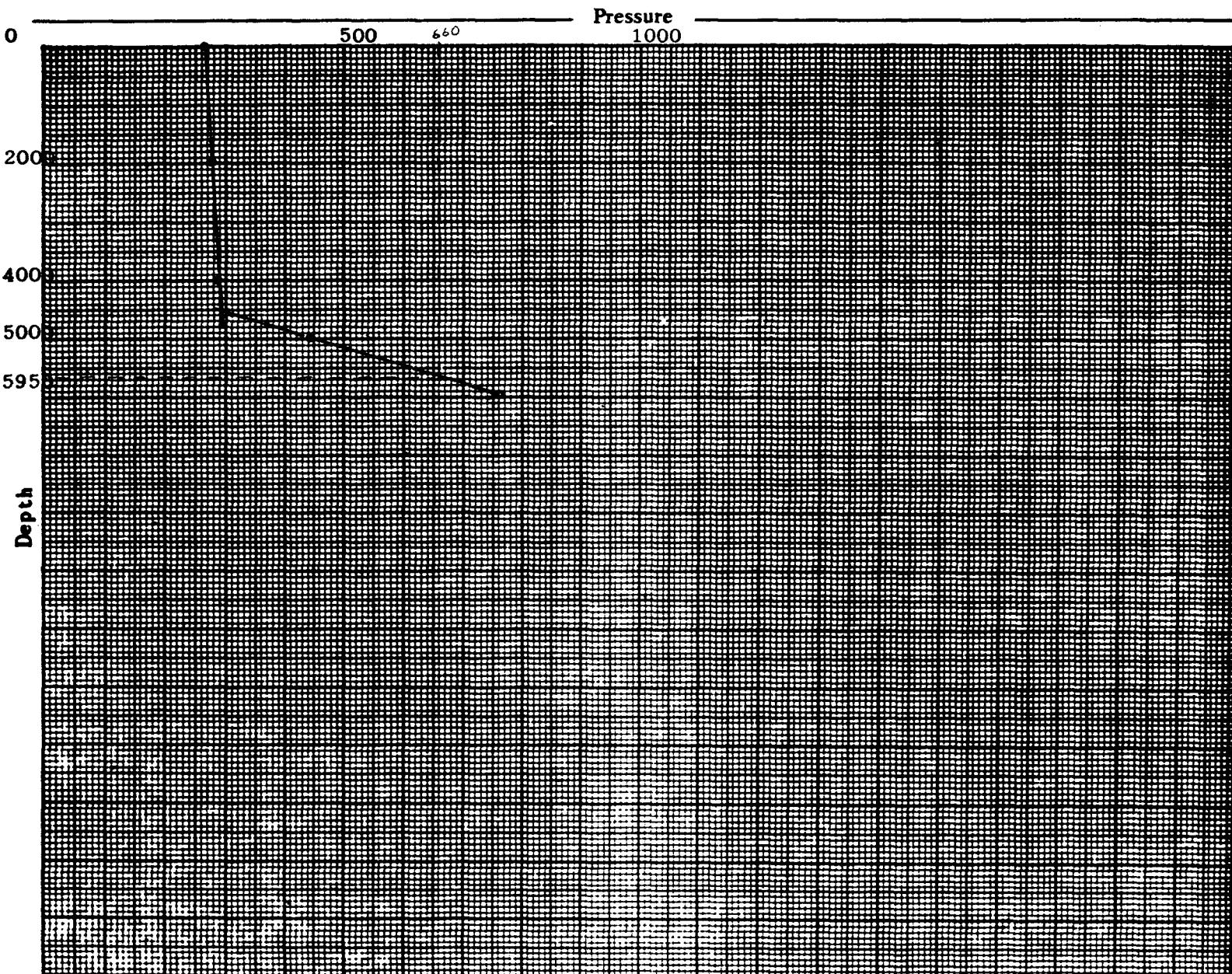
OPERATOR Exxon Company USA
FIELD B-D-T
FORMATION Tubb
LEASE New Mexico V State WELL No. 11
COUNTY Lea STATE New Mexico
DATE 8/12/85 TIME 2:00 PM
Status Shut in
Test Depth 5950'
Time S. I. 7 days Last test date -
Tub Pres. 266 BHP last test -
Cas. Pres. Dual BHP change -
Elev. 3452'GL Fluid top 4545'
Datum (-2747)**Water top None
Temp. @ - Run by JSI #13
Cal. No. 20275 Chart No. 2

BOTTOM HOLE PRESSURE RECORD

Depth	Pressure	Gradient
0	266	-
2000	277	.006
4000	288	.006
5000	443	.155
5950	760	.334
6199 (-2747)	843 * **	(.334)

* EXTRAPOLATED PRESSURE

** MIDPOINT OF CASING PERFORATIONS



JARREL SERVICES, INC.

POST OFFICE BOX 1854

PHONES 505 393-5398 — 393-8274

HOBBS, NEW MEXICO 88240

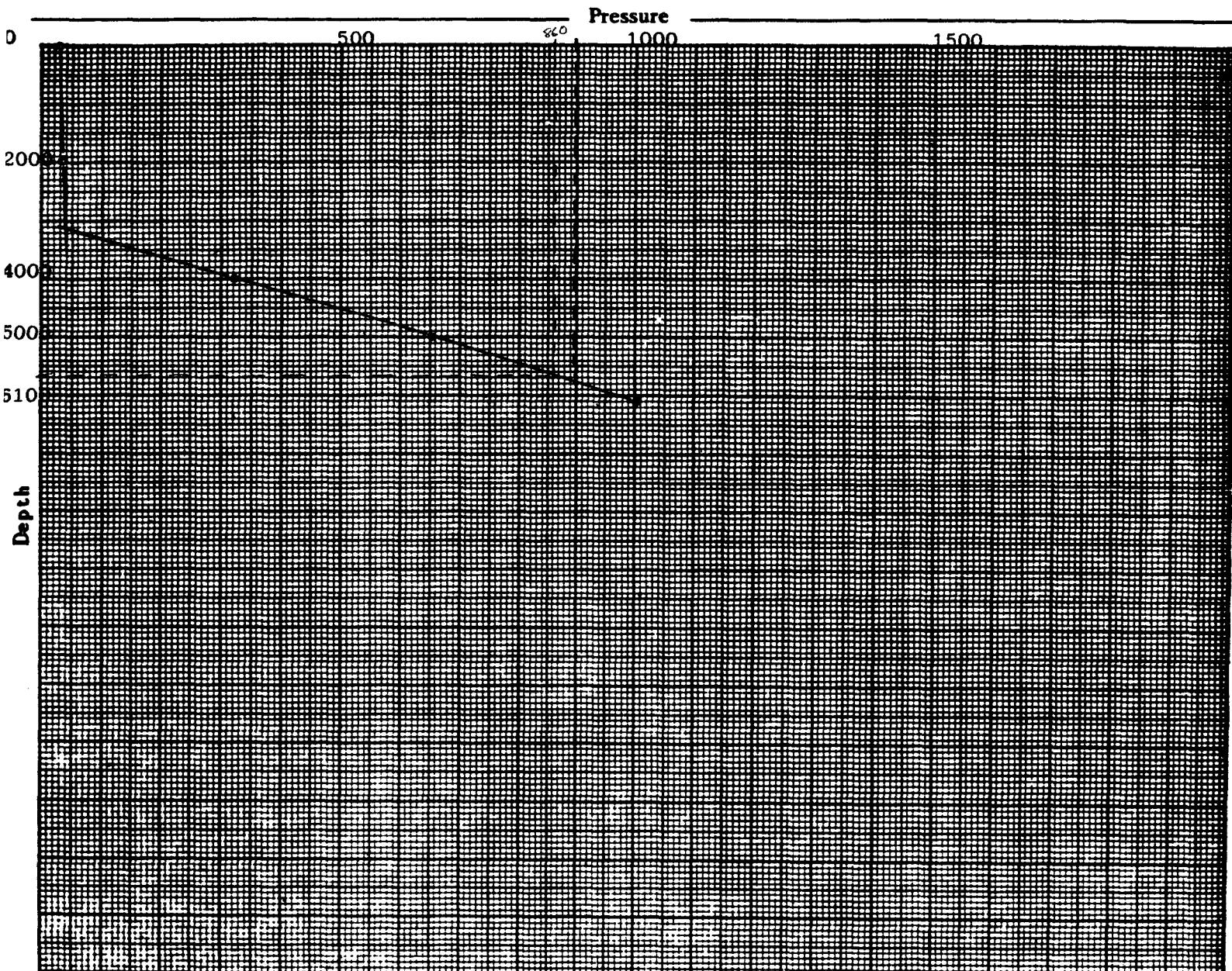
OPERATOR Exxon Company USA
FIELD B-D-T
FORMATION Drinkard
LEASE New Mexico V State WELL No. 3
COUNTY Lea STATE New Mexico
DATE 8/14/85 TIME 11:00 AM
Status Shut in
Test Depth 6100'
Time S. I. 7 days Last test date -
Tub Pres. 29 BHP last test -
Cas. Pres. Dual BHP change -
Elev. 3463 'DF Fluid top 3136 '
Datum (-3026) * Water top None
Temp. @ - Run by JSI #13
Cal. No. 42254 Chart No. 6

BOTTOM HOLE PRESSURE RECORD

Depth	Pressure	Gradient
0	29	-
2000	33	.002
4000	322	.145
5000	654	.332
6100	1002	.316
6489 (-3026)	1125 * **	(.316)

* EXTRAPOLATED PRESSURE

** MIDPOINT OF CASING PERFORATIONS



JARREL SERVICES, INC.

POST OFFICE BOX 1854

PHONES 505 393-5396 - 393-8274

HOBBS, NEW MEXICO 88240

OPERATOR Exxon Company USA
FIELD B-D-T
FORMATION Drinkard
LEASE New Mexico V State WELL No. 6
COUNTY Lea STATE New Mexico
DATE 8/13/85 TIME 12:00 N
Status Shut in
Test Depth 5809' +
Time S. I. 7 days Last test date -
Tub Pres. 13 BHP last test -
Cas. Pres. Dual BHP change -
Elev. 3465' RDB Fluid top 3868'
Datum (-3133)** Water top None
Temp. @ - Run by JSI #13
Cal. No. 42254 Chart No. 3

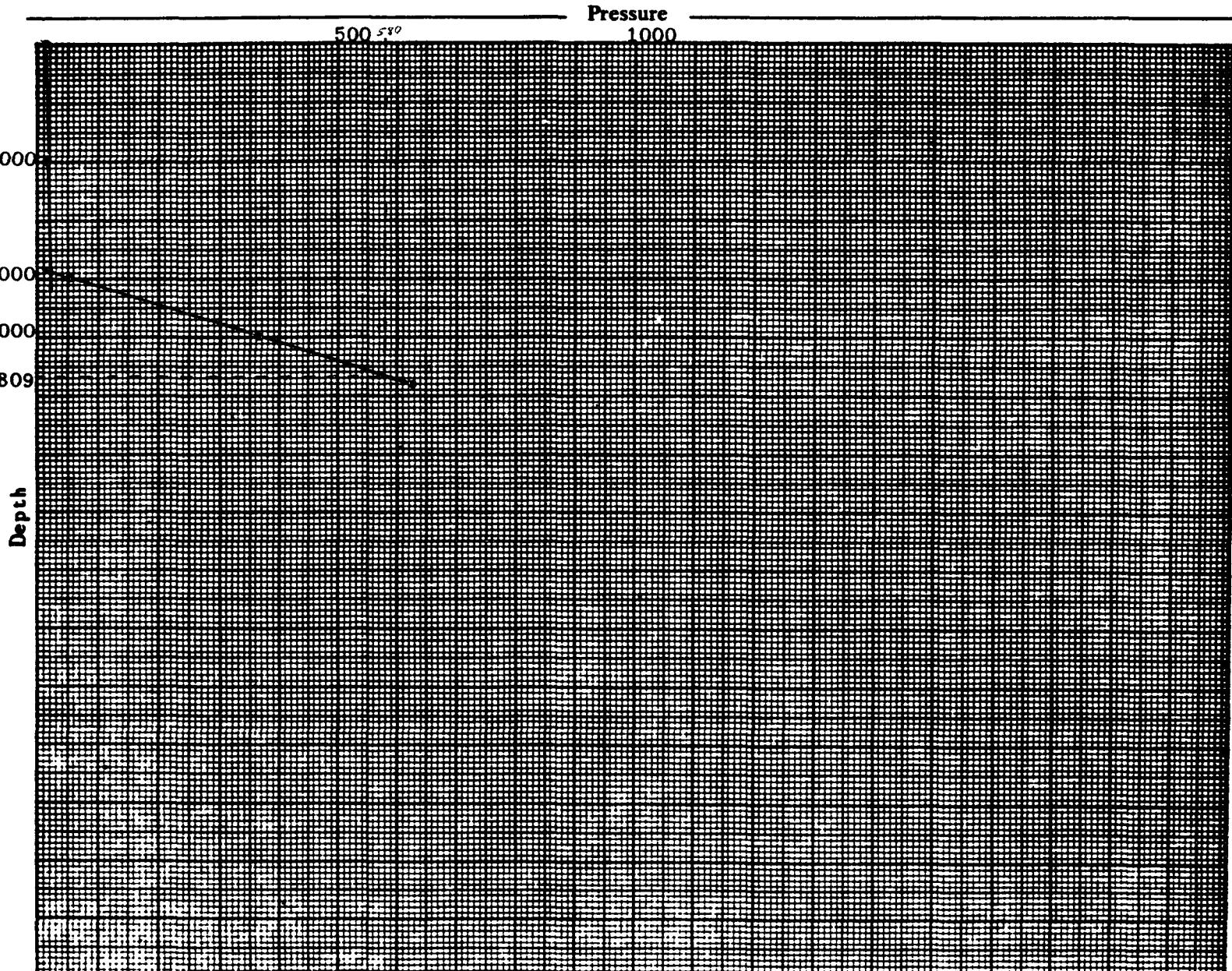
BOTTOM HOLE PRESSURE RECORD

Depth	Pressure	Gradient
0	13	-
2000	16	.002
4000	51	.018
5000	364	.313
5809 +	627	.325
6598 (-3133)	883 * **	(.325)

+ HIT OBSTRUCTION

* EXTRAPOLATED PRESSURE

** MIDPOINT OF CASING PERFORATIONS



**NEW-TEX
LAB**

PHONE 505/393-3561

• P. O. BOX 1161 •

611 W. SNYDER

• HOBBS, NEW MEXICO 88240

ANALYSIS CERTIFICATE

CLIENT: EXXON COMPANY USA
ADDRESS: 1700 W BROADWAY
CITY, STATE: ANDREWS, TX 79714

ANALYSIS NUMBER: 7810
DATE OF RUN: 8 12 85
DATE SECURED: 8 12 85

SAMPLE IDENT: "V" STATE #7 - BLINBRY ZONE
SAMPLING PRESS: 20 PSIG SAMPLING TEMP: 93 DEG F

REMARKS: WELL SHUT IN INDEFINITE TIME;

REMARKS: H₂S - NONE DETECTED

***** GAS ANALYSIS *****

	MOLE PERCENT	GAL/ MCF
NITROGEN	0.979	
CARBON DIOXIDE	0.000	
METHANE	84.547	
ETHANE	8.174	2.180
PROPANE	3.417	0.938
ISO-BUTANE	0.381	0.124
NORMAL BUTANE	0.972	0.306
ISO-PENTANE	0.286	0.105
NORMAL PENTANE	0.329	0.119
HEXANES	0.915	0.375
TOTAL	100.000	4.147

PROPANE GPM: 0.94 BUTANES GPM: 0.43
ETHANE GPM: 2.18 PENTANES PLUS GPM: 0.60

SPECIFIC GRAV (CALC): 0.6853
MOLE WEIGHT: 19.85

HHV-BTU/CU FT	PRESSURE (PSIA)	WET	DRY
	14.696	1177	1198
	14.650	1173	1194
	14.730	1180	1201
	14.735	1180	1201

DEANE SIMPSON





PHONE 505/393-3581

• P.O. BOX 1161 • 611 W. SNYDER • HOBBS, NEW MEXICO 88240

ANALYSIS CERTIFICATE

CLIENT: EXXON COMPANY USA
ADDRESS: 1700 W BROADWAY
CITY, STATE: ANDREWS, TX 79714

ANALYSIS NUMBER: 7808
DATE OF RUN: 8 12 85
DATE SECURED: 8 12 85

SAMPLE IDENT: "V" STATE #11 - TUBB GAS
SAMPLING PRESS: 22 PSIG SAMPLING TEMP: 90 DEG F

REMARKS: WELL SHUT IN INDEFINITE TIME; TUBB GAS

REMARKS: NO OIL FOR SAMPLE

REMARKS: H₂S - NONE DETECTED******* GAS ANALYSIS *******

	MOLE PERCENT	GAL/MCF
--	--------------	---------

NITROGEN	1.032	
CARBON DIOXIDE	0.127	
METHANE	82.293	
ETHANE	7.746	2.066
PROPANE	4.012	1.101
ISO-BUTANE	0.484	0.158
NORMAL BUTANE	1.518	0.477
ISO-PENTANE	0.482	0.177
NORMAL PENTANE	0.698	0.252
HEXANES	1.608	0.660
TOTAL	100.000	4.891

PROPANE GPM: 1.10 BUTANES GPM: 0.64
ETHANE GPM: 2.07 PENTANES PLUS GPM: 1.09

SPECIFIC GRAV (CALC): 0.7283
MOLE WEIGHT: 21.09

HHV-BTU/CU FT	PRESSURE (PSIA)	WET	DRY
	14.696	1239	1261
	14.650	1235	1257
	14.730	1241	1263
	14.735	1242	1264

DEANE SIMPSON



PHONE 505/383-3561

• P.O. BOX 1161

• 611 W. SNYDER

• HOBBS, NEW MEXICO 88240

ANALYSIS CERTIFICATE

CLIENT: EXXON COMPNY USA
ADDRESS: 1700 W BROADWAY
CITY, STATE: ANDREWS, TX 79714

ANALYSIS NUMBER: 7807
DATE OF RUN: 8 12 85
DATE SECURED: 8 12 85

SAMPLE IDENT: "V" STATE #6 - DRINKARD ZONE
SAMPLING PRESS: 25 PSIG SAMPLING TEMP: 93 DEG F

REMARKS: WELL SHUT IN INDEFINITE TIME; BLINEBRY

REMARKS: ZONE - NO CONNECTION

REMARKS: H2S - NONE DETECTED

***** GAS ANALYSIS *****

	MOLE PERCENT	GAL/MCF
NITROGEN	1.030	
CARBON DIOXIDE	0.069	
METHANE	85.818	
ETHANE	8.500	2.267
PROPANE	2.949	0.810
ISO-BUTANE	0.264	0.086
NORMAL BUTANE	0.745	0.234
ISO-PENTANE	0.138	0.051
NORMAL PENTANE	0.176	0.064
HEXANES	0.311	0.128
TOTAL	100.000	3.640

PROPANE GPM: 0.81 BUTANES GPM: 0.32
ETHANE GPM: 2.27 PENTANES PLUS GPM: 0.24

SPECIFIC GRAV (CALC): 0.6572
MOLE WEIGHT: 19.03

HHV-BTU/CU FT	PRESSURE (PSIA)	WET	DRY
14.696	1132	1152	
14.650	1128	1148	
14.730	1135	1155	
14.735	1135	1155	

DEANE SIMPSON

*Estimated Effects on the Value of
Total Production from Proposed
Down Hole Commingling*

New Mexico "V" State #11

Before Down Hole Commingling

	<i>BPD</i> <i>Oil Volume</i>	<i>Oil Price</i>	<i>MCF/Day Gas Volume</i>	<i>Gas Price</i>	<i>Daily Oil and Gas Value</i>
Blinbry	0	N/A	10	.857	8.57
Tubb	8.26	27.86	23	1.28	259.56
Drinkard	0	N/A	0	N/A	0
					<u>\$268.13</u>

After Down Hole Commingling

	<i>BPD</i> <i>Oil Volume</i>	<i>Oil Price</i>	<i>MCF/Day Gas Volume</i>	<i>Gas² Price</i>	<i>Daily Oil And Gas Value</i>	<i>Difference in Daily Value</i>
	60	27.86	500	.84	<u>2091.60</u> <u>\$2091.60</u>	<u>\$1823.47</u>

1. Production volumes and prices based on September 1985 data
2. If gas split between two purchasers-assumed lower price prevails after commingling.

Allocation Of Oil Production To Each Zone

Equations Used:

$$\text{Decline Rates (1)} \quad q = q_i e^{-at}$$

$$(2) \quad a_n = \frac{\ln(q_i/q)}{t}$$

a_n = nominal decline, per yr.
 q_i = initial rate, kCF/Day
 q = later rates, kCF/Day
 t = time between rates, yrs.

Decline rate computations:

Blinebry Zone

$$q_i = 14 \text{ BOPD} \quad a_n = \frac{\ln(14/3)}{3}$$

$$q = 3 \text{ BOPD} \quad a_n (\text{Blinebry}) = 0.5135/\text{yr.}$$

$$t = 3 \text{ years}$$

Based on an average of N. M. "V" State Nos. 6 and 7, direct offsets

Tubb Zone

$$q_i = 8 \text{ BOPD} \quad a_n = \frac{\ln(8/4)}{3}$$

$$q = 4 \text{ BOPD} \quad a_n (\text{Tubb}) = 0.2310/\text{yr.}$$

$$t = 3 \text{ years}$$

Drinkard Zone

$$q_i = 12 \text{ BOPD} \quad a_n = \frac{\ln(12/4)}{3}$$

$$q = 4 \text{ kcf/Day} \quad a_n (\text{Drinkard}) = 0.3662/\text{yr.}$$

$$t = 3 \text{ years}$$

Based on an average of N. M. "V" State Nos. 1, 3, and 6, direct offsets.

Actual Allocation:

x_b = Blinebry Allocation, fraction.
 x_t = Tubb Allocation, fraction.
 x_d = Drinkard Allocation, fraction.
 q_b = Blinebry rate, BOPD.
 q_t = Tubb rate, BOPD.
 q_d = Drinkard rate, BOPD.
 q_{bi} = Blinebry initial rate, BOPD.
 q_{ti} = Tubb initial rate, BOPD.
 q_{di} = Drinkard initial rate, BOPD

$$x_b = \frac{q_b}{q_b + q_t + q_d} \quad x_t = \frac{q_t}{q_b + q_t + q_d} \quad x_d = 1 - x_b - x_t$$

$$\frac{1}{x_b} = \frac{q_b + q_t + q_d}{q_b} = \frac{q_d + q_t}{q_b} + 1$$

Allocation of Oil Production to Each Zone
Page 2

$$x_b = \left[\frac{q_d + q_t}{q_b} + 1 \right]^{-1}$$

Substituting eq. (1)

$$x_b = \left[\frac{\frac{-a_d t}{q_{di} e} + \frac{-a_t t}{q_{ti} e}}{\frac{-a_t t}{q_{bi} e}} + 1 \right]^{-1}$$

$$q_{bi} = 14 \text{ BOPD} \quad q_{ti} = 8 \text{ BOPD} \quad q_{di} = 12 \text{ BOPD} \\ a_n (\text{Blinebry}) = 0.5135/\text{yr.} \quad a_n (\text{Tubb}) = 0.2310/\text{yr} \quad a_n (\text{Drinkard}) = 0.3662/\text{yr.}$$

$$x_b = \left[\frac{12e^{-(0.3662)t} + 8e^{-(0.2310)t}}{14e^{-(0.5135)t}} + 1 \right]^{-1}$$

Where t = time between January 1, 1974 and current date, years.

$$x_t = \left[\frac{\bar{q}_b + q_d}{q_t} + 1 \right]^{-1}$$

Substituting eq. (1)

$$x_t = \left[\frac{\frac{-a_b t}{q_{bi} e} + \frac{-a_d t}{q_{di} e}}{\frac{-a_t t}{q_{ti} e}} + 1 \right]^{-1}$$

$$x_t = \left[\frac{14e^{-(0.5135)t} + 12e^{-(0.3662)t}}{8e^{-(0.2310)t}} + 1 \right]^{-1}$$

Where t = time between January, 1974 and current date, years.

$$x_d = 1 - x_b - x_t$$

Allocation of Gas Production To Each Zone

Decline Rate Computations:

Blinebry Zone

$$\begin{aligned} q_i &= 300 \text{ kCF/D} \\ q &= 195 \text{ kCF/D} \\ t &= 3 \text{ years} \end{aligned}$$

$$\begin{aligned} a_n &= \frac{\ln (300/195)}{3} \\ a_n (\text{Blinebry}) &= 0.1436/\text{yr} \end{aligned}$$

Tubb Zone

$$\begin{aligned} q_i &= 300 \text{ kCF/Day} \\ q &= 100 \text{ kCF/Day} \\ t &= 3 \text{ years} \end{aligned}$$

$$\begin{aligned} a_n &= \frac{\ln (300/100)}{3} \\ a_n (\text{Tubb}) &= 0.3662/\text{yr} \end{aligned}$$

Drinkard Zone

$$\begin{aligned} q_i &= 83 \text{ kCF/D} \\ q &= 53 \text{ kCF/D} \\ t &= 3 \text{ years} \end{aligned}$$

$$\begin{aligned} a_n &= \frac{\ln (83/53)}{3} \\ a_n (\text{Drinkard}) &= 0.1495/\text{yr} \end{aligned}$$

Based on an average of N. M. "V" State Nos. 1, 3, and 6, direct offsets

Actual Allocations:

$$\begin{aligned} q_{bi} &= 300 \text{ kCF/Day} & q_{ti} &= 300 \text{ kCF/Day} & q_{di} &= 83 \text{ kCF/Day} \\ a_n (\text{Blinebry}) &= 0.1436/\text{yr} & a_n (\text{Tubb}) &= 0.3662/\text{yr} & a_n (\text{Drinkard}) &= 0.1495/\text{yr.} \end{aligned}$$

$$x_b = \left[\frac{\frac{-a_d t}{q_{di} e} + \frac{-a_t t}{q_{ti} e}}{\frac{-a_b t}{q_{bi} e} + 1} \right]^{-1}$$

$$x_b = \left[\frac{\frac{83e^{-(0.1495)t} + 300e^{-(0.3662)t}}{300e^{-(0.1436)t}} + 1}{\frac{300e^{-(0.1436)t}}{300e^{-(0.3662)t}} + 1} \right]^{-1}$$

$$x_t = \left[\frac{\frac{-a_b t}{q_{bi} e} + \frac{-a_d t}{q_{di} e}}{\frac{-a_t t}{q_{ti} e} + 1} \right]^{-1}$$

$$x_t = \left[\frac{\frac{300e^{-(0.1436)t} + 83e^{-(0.1495)t}}{300e^{-(0.3662)t}} + 1}{\frac{300e^{-(0.3662)t}}{300e^{-(0.1436)t}} + 1} \right]^{-1}$$

Where t = time between January, 1974 and current date, years.

$$x_d = 1 - x_b - x_t$$

OFFSET OPERATORS
TO EXXON'S N.M. "V" STATE LEASE
LEA COUNTY, NEW MEXICO

Conoco
P. O. Box 1959
Midland, Texas 79702

Aztec Energy Corp.
1206 E. 20th St.
Farmington, New Mexico 87401

Bravo Energy Inc.
P. O. Box 2160
Hobbs, New Mexico 88240

Texaco Producing Inc.
P. O. Box 3000
Tulsa, Oklahoma 74101

Chevron U.S.A., Inc.
Attn: J. C. Prindle
P. O. Box 670
Hobbs, New Mexico 88240

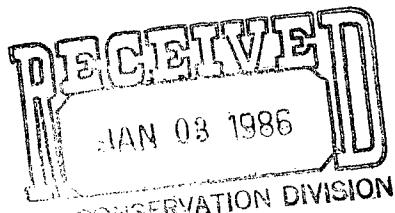
Amoco
P. O. Box 3092
Houston, Texas 77253



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE
December 31, 1985

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161



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

RE: Proposed:

MC _____
DHC X
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Exxon Corp.	New Mexico V State #11-K	10-21-37
Operator	Lease & Well No. Unit	S-T-R

and my recommendations are as follows:

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

Yours very truly,

Jerry Sexton
Supervisor, District 1

/mc