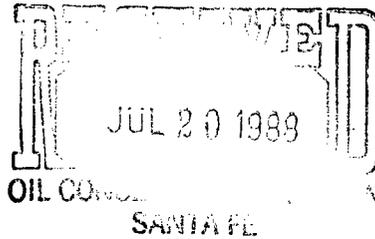


Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500



STANDARD OIL
PRODUCTION

July 6, 1988

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

RE: Application for Downhole Commingling
Elliott B-12-2, Well #3
E Section ~~18~~, T-22-S, R-37-E
Lea County, New Mexico

Gentlemen:

Section 12

Sohio Petroleum Company, as operator of the Elliott Lease, respectfully requests New Mexico Oil Conservation Division (NMOCD) administrative approval to downhole commingle production from the Drinkard and Granite Wash pools in Elliott B-12-2, Well #3. Sohio also requests that we be granted permission to continue producing the well until this application has been approved.

A recent packer leakage test failed on the well, and with the low production rates, it was considered in-house to be a high risk and uneconomic venture to repair the well. Consistent with this application, and based on the large number of currently commingled Drinkard/Wantz Granite Wash wells in this immediate geographic area, Sohio also requests additional temporary approval to continue to produce the well until such time as the Oil Conservation Division makes a final ruling on this application. Copies of recent correspondence on this packer leakage test is included in Exhibit V.

The well is currently completed as a dual producer with production through 2-1/16" tubing (Drinkard @ 6254'-6834') and through a second 2-1/16" tubing string (Granite Wash @ 7123'-7260'). A production packer presently isolates the two zones with a Baker Model D packer at 7054' and a Baker Model K Dual packer at 6198'; a wellbore schematic is attached. Production from the Drinkard zone recently tested 3 BOPD, 1 BWPD and 35 MCFPD; and production from the Granite Wash recently tested 3 BOPD, 0 BWPD and 11 MCFD. Downhole commingling will prevent waste of liquid hydrocarbons and protect the correlative rights of owners in both zones, while extending the economic productive life of each zone.

Anticipated production after commingling is 279 BOPM and 1333 MCFPM. Production allocation will be based on recent production history and current test rates. Because there is no difference in ownership between the two zones, the allocation formula, once approved by working interest owners and the NMOCD will be used until one or both zones are abandoned.

The Drinkard and Wantz Granite Wash are currently commingled in many wells in the area including some operated by Sohio. Exhibits No. VI a & b describe well test on two of these wells.

<u>Lease</u>	<u>Well</u>	<u>Location</u>	<u>Pools</u>
Hinton 12	13	L-12-22S-37E	Drinkard/Wantz Granite Wash
Hinton 14	8	J-12-22S-37E	Drinkard Wantz Granite Wash

The precedence for commingling the two pools has been established and based on internal records, these wells are producing at economic rates. Also, no fluid compatibility problems have been noted from the commingled wells operated by Sohio.

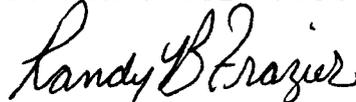
If either the Drinkard, or the Wantz Granite Wash were shut in, the Elliott B-12-2 #3 well would approach its economic limit. Once this application has been approved, Sohio intends to continue producing the well as is until the need for artificial lift is justified. At that time, the well would be evaluated and, if feasible, a workover would be performed consistent with the artificial lift design chosen to best produce the well fluids. If this application is not approved, Sohio will consider the feasibility of producing only one zone in the well if the NMOCD approves of this; or, to recomplete the well into another zone up hole (if another zone is available); or, to dispose of the lease; or, to plug and abandon the well.

Offset operators are being notified of the intent to commingle production in this well.

Please contact Gary R. B. Campbell (713) 552-8941 if further information is required.

Sincerely,

STANDARD OIL PRODUCTION COMPANY



Randy B. Frazier, Supervisor
Production Engineering West

RBF/GRBC/efh
Attachments

cc: New Mexico Oil Conservation Division
District I Office, P. O. Box 1980
Hobbs, New Mexico 88240

ATTACHMENT 1

DOWNHOLE COMMINGLING APPLICATION
 ELLIOTT B-12-2 #3 DRINKARD & GRANITE WASH
E-12-22S-37E, LEA COUNTY, NEW MEXICO

The Drinkard and Wantz Granite Wash formations in the Elliott B-12-2 Well No. 3 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. The bottom perforation in the Drinkard formation is at 6834'. Currently, the Drinkard produces approximately 2 BOPD and 35 MCFD; and the Wantz Granite Wash (bottom perf @ 7260') currently produces approximately 2 BOPD and 10 MCFD.
2. Oil zones require artificial lift, or both zones are capable of flowing. Both zones are currently flowing independently and are expected to continue to flow after commingling.
3. Neither zone produces more than 40 BWPD. Recent tests in the two pools resulted in the following (see Exhibit VII a & b):

	BOPD	BWPD	MCFPD	TEST DATA
Drinkard	3	1	35	3/24/88
Wantz Granite Wash	3	0	10	3/26/88

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. Fluids are considered compatible on the basis of offset commingled wells operated by Sohio.
5. The total value of the crude will not be reduced by commingling. Discussed in Attachment 2, section h.
6. Ownership of the zones to be commingled is common (including working interest, royalty and overriding royalty). Ownership is common. Oil will be prorated based on cumulative production and current tests. All parties will benefit from the commingling of production through extended economic life of well production.

Company	Pool	
	Drinkard	Granite Wash
Sohio Petroleum Company	.66667	.66667
Donaldson Brown Trust	.33333	.33333
	<u>1.00000</u>	<u>1.00000</u>

7. The commingling will not jeopardize the efficiency of present or future secondary recovery operations in either of the zones to be commingled. No current plans for secondary recovery in the immediate area.
8. The commingling is necessary to permit a zone or zones to be produced which would not otherwise be economically producible. Both zones individually are currently just above their economic limit. Major mechanical problems, as we anticipate having by trying to pull the packers in the well, will probably cause the well to be TA'd.
9. There will be no crossflow between zones to be commingled. Once the two zones are commingled, the producing bottomhole pressure will be less than the bottom pressure of either zones alone. Because the pressures are so close (less than 3%), no crossflow is expected.
10. The bottomhole pressure of the lower pressure zone is not less than 50% of the bottomhole pressure of the higher pressure zone adjusted to a common datum. See Attachment No. 3.

ATTACHMENT 2

DOWNHOLE COMMINGLING APPLICATION
 ELLIOTT B-12-2 #3 DRINKARD & GRANITE WASH
E-12-22S-37E, LEA COUNTY, NEW MEXICO

To obtain approval for downhole commingling, we have enclosed the following data pursuant to Rule 303(e)(2)(a thru j).

a. Operator, Name and Address:

SOHIO Petroleum Company
 5151 San Felipe
 Houston, Texas 77210

b. Lease Name: Elliott B-12-2
 Well Number: 3
 Well Location: 2310' FNL & 660' FWL,
 Sec 12, T22S, R37E
 Lea County, New Mexico
 Pools to be Commingled: Drinkard 6254-6834
 Granite Wash 7123-7260

c. Plat of area: See Exhibit I a & b

d. Current tests: See Exhibit II (Drinkard) & Leakage tests (Granite Wash) Packer

e. Production Decline curves: See Exhibit III (Drinkard) & Exhibit IV (Granite Wash)

f. Est. B.H. Pressures: See Attachment No. 3

<u>Pool</u>	<u>Surface Pressure</u> <u>psig</u>	<u>Pressure Depth</u> <u>(mid-perf)</u>	<u>Gradient</u> <u>gas</u>	<u>Est BH Pressure</u> <u>(psig)</u>
Drinkard	560	6544	.065	570
Granite Wash	580	7191	.065	585

g. Fluid Characteristics

Offset wells operated by Sohio with commingled production from the Drinkard and Wantz Granite Wash have not shown any fluid compatability problems.

Attachment 2 continued

h. Computation of fluid values: (Based on March 1988 Actual Production)

Pool	Oil	Production		Fluid	Price	VALUE (GROSS)
	API	BOPM	MCFM	\$/BO	\$/MCF	\$/MO
Drinkard	39	70	1031	14.50	1.07	2118.17
Granite Wash	40	70	302	14.50	1.07	1338.14
				Total		3456.31
Combined	30.4	140		14.50	1.07	3456.31

Other considerations for value:

i. Allocation of production shall be based on historical production, including a value for cumulative production, as well as current daily average production.

	Cumulative Production			Current Production				Proration		
	MB Oil	%	MM Gas	%	Oil	%	Gas	%	Oil %	Gas %
Drinkard	29.2	44	886	81	3	60	69	.59	58.4	61.2
Granite Wash	36.5	56	211	19	2	40	48	.41	41.6	38.8
Weight Factor*		10%				90%				

* Weight factor is arbitrary, based on anticipated ultimate recovery, along with a determination on each well's producing capability, net porosity and net feet of pay.

j. Statement of Notification of Offset Operators:

See Attachment No. 4.

ATTACHMENT 3

DOWNHOLE COMMINGLING APPLICATION
ELLIOTT B-12-2 #3 DRINKARD & GRANITE WASH
E-12-22S-37E, LEA COUNTY, NEW MEXICO

Calculations of Static Bottom Pressure
At Common Datum

Common Datum: Granite Wash - mid perf of 7191'.

Granite Wash: From surface pressure & (PR) @ 7191' = 580 psi +
(7191 x .065) = 1047 psi

Drinkard: From surface pressure survey (PR) @ 6544' = 560
psi + (6544' x .065) = 985 psi

HPG (from 6544' to 7191') = .065 psi/ft (assumed from producing
characteristics of well)

(PR) = Drinkard reservoir pressure @ common datum of 7191'
560 + (7191' x .065) = 1027

[(PR)Drinkard/(PR)Granite Wash] * 100 = 1027/1047 * 100 = 98.1%

Conclusion: The bottom hole pressures based on surface pressure and
a common gas gradient are within 3% at a common datum.

ATTACHMENT 4

OFFSET OPERATORS NOTIFICATION
DOWNHOLE COMMINGLING APPLICATION
ELLIOTT B-12-2 #3 DRINKARD & GRANITE WASH
E-12-22S-37E, LEA COUNTY, NEW MEXICO

Offset Operators:

Arco Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702

Chevron U.S.A., Inc.
P. O. Box 1660
Midland, Texas 79702

Exxon Company, U.S.A.
P. O. Box 1600
Midland, Texas 79702

John H. Hendrix Corp.
525 Midland Tower
Midland, Texas 79701

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Mobil Producing Texas & New Mexico, Inc.
Nine Greenway Plaza, Suite 2700
Houston, Texas 77046

Sun Exploration & Production Company
P. O. Box 1861
Midland, Texas 79702

Grace Petroleum corp.
10700 N. Freeway
Houston, Texas 77037

Standard Oil Production Company hereby certifies that it has notified the above operators of our intention to commingle the Drinkard and Wantz Granite Wash in the Elliott B-12-2 #3 by certified mail.


R. B. Frazier _____ date

July 5, 1988

[Offset Operators]

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

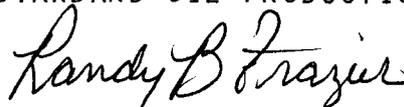
Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

If you have no objections to the proposed commingling, please sign below and forward the original to the NMOCD in Santa Fe, send one copy to the NMOCD office in Hobbs, return one copy to this office and retain one copy for your records. Stamped, addressed envelopes have been provided for your convenience.

Sincerely,

STANDARD OIL PRODUCTION COMPANY



Randy B. Frazier, Supervisor
Production Engineering West

Approval

Company: _____

By: _____

Title: _____

Date: _____

RBF:GRBC/efh

Enclosures

Humble

El. 3362
Tb. 10605
Pb. 6538
S. And. 4200
Glor. 5390
Citr. 6825
Tubb 6370
W.A. 6878
Perm. 7728
Fuss. 8928
Mont. 6448
Ellen. 10580
DMA 9-21-51

2 TUBB

4 Sunray M.C.

TD. 7236

Walter Lynch
Annie Christmas

Glor. Disc.
Alice Paddock

L. B. Jones

U.S., MI
Geo. P. Sims, S

Parker Drig.
State

Ambassador, etal
Lou Wortle

Sohio
Whitaker
Dual
Elliott U.S.

Humble
Sinclair
Sohio
Alex. Rodgers

Sohio
Alex. Rodgers

Sohio
"McCallister"
Alex. Rogers, MI
Geo. W. Sims, S

L. Lunt
8-1-67(2)
023029

U.S., MI

Oil Well Drig.
Shell
Parker Drig.
Thomas Long

Socony Mobil
S. E. Long

Sohio
L. Hinton, etal

Sohio
L. Hinton, etal

T.P.C. & O
Geo. W. Sims
Jas. T. Belcher, MI
T.H. Saunders

Gulf

DRINKARD

Sohio
Hinton
T.P.C. & O
Elliott U.S.

Humble
N.G. Penrose

Texaco
Dual
Cosden

Dual
Dual-NCT-1

Samedan, etal
Hugh Corrigan
J. O. Parks

T.P.C. & O.
Gulf
F. J. Danglade

Ohio
Mrs. E. Butler
T.P.C. & O.

Ohio
Edith Butler

Dual
"Lockhart"
U.S.

Sinclair
T.P.C. & O.
Sinclair
UnionTex.
Nat.
"Leo"

Phillips
Gulf D/R
O.W. Sims

Wolfson
Danglade
Geo. W. Sims etal
Ohio

Gulf
Dual

Texaco
"NCT-1"

Penrose
Gulf
Samedan
UnionTex.
Nat.
Ollie I. Boyd

Dual
J.L.M. Pat Si

Gulf
Gulf

Gulf
Brink

Gulf
Brink

ELLIOTT B-12-2 #3
LAND LEASE MAP.
EXHIBIT I-a
G CAMPBELL 6-22-88

2 TUBB

Sunray

Sunray

Humble

A. Paddock

L.B. Jones

State

Ohio

W. Lynch

A. Christmas

Sinclair

Sohio

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

91-28

291-54

309

370

3 5

4 6 11

3 3

5 4 1

2 7

5

S.U.

2

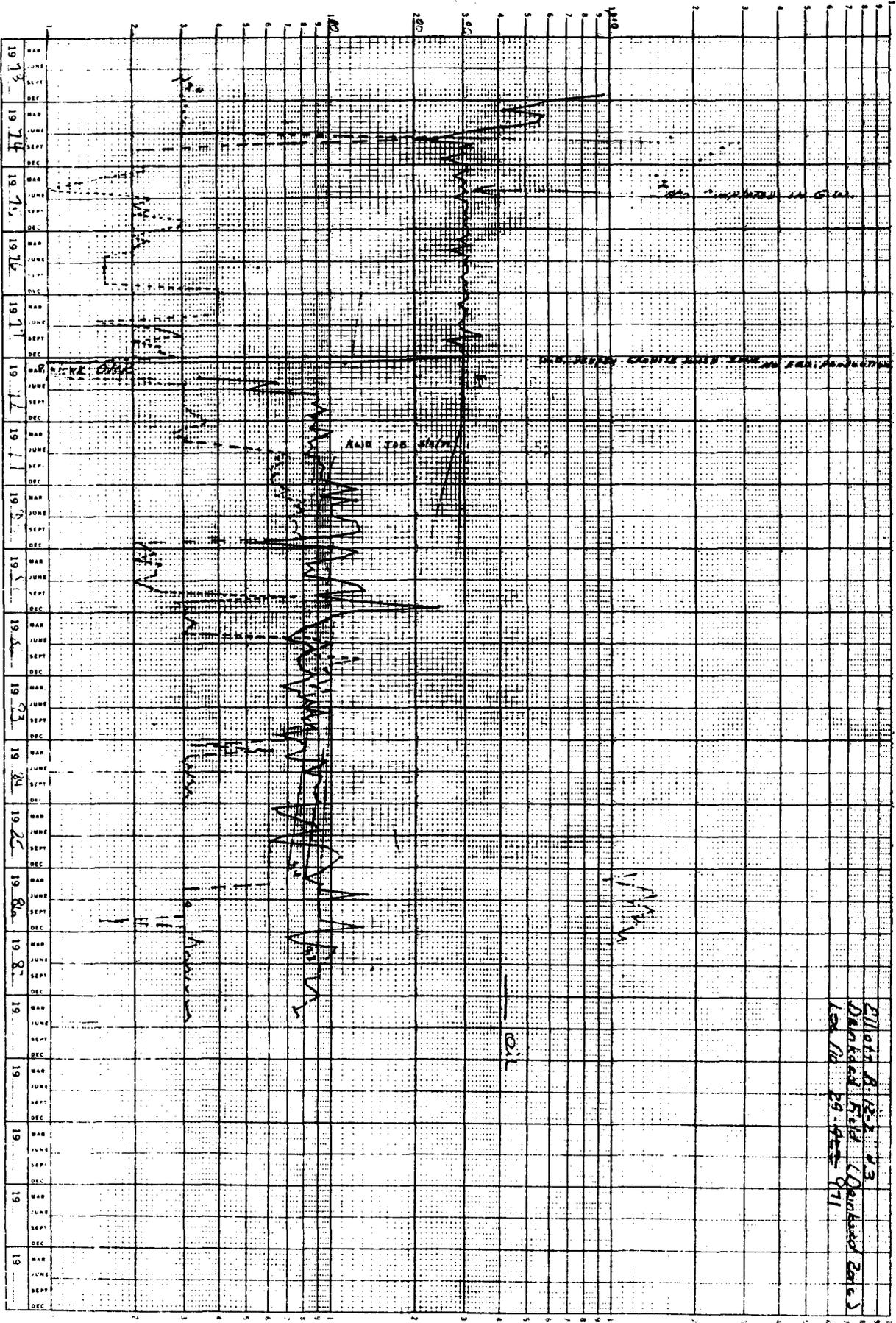


EXHIBIT III

ELKROT B-12-2 #3
 DRINKARD

Elkrot B-12-2 #3
 Drinkard Field (Dunkard Zone)
 Log No. 29-422-871

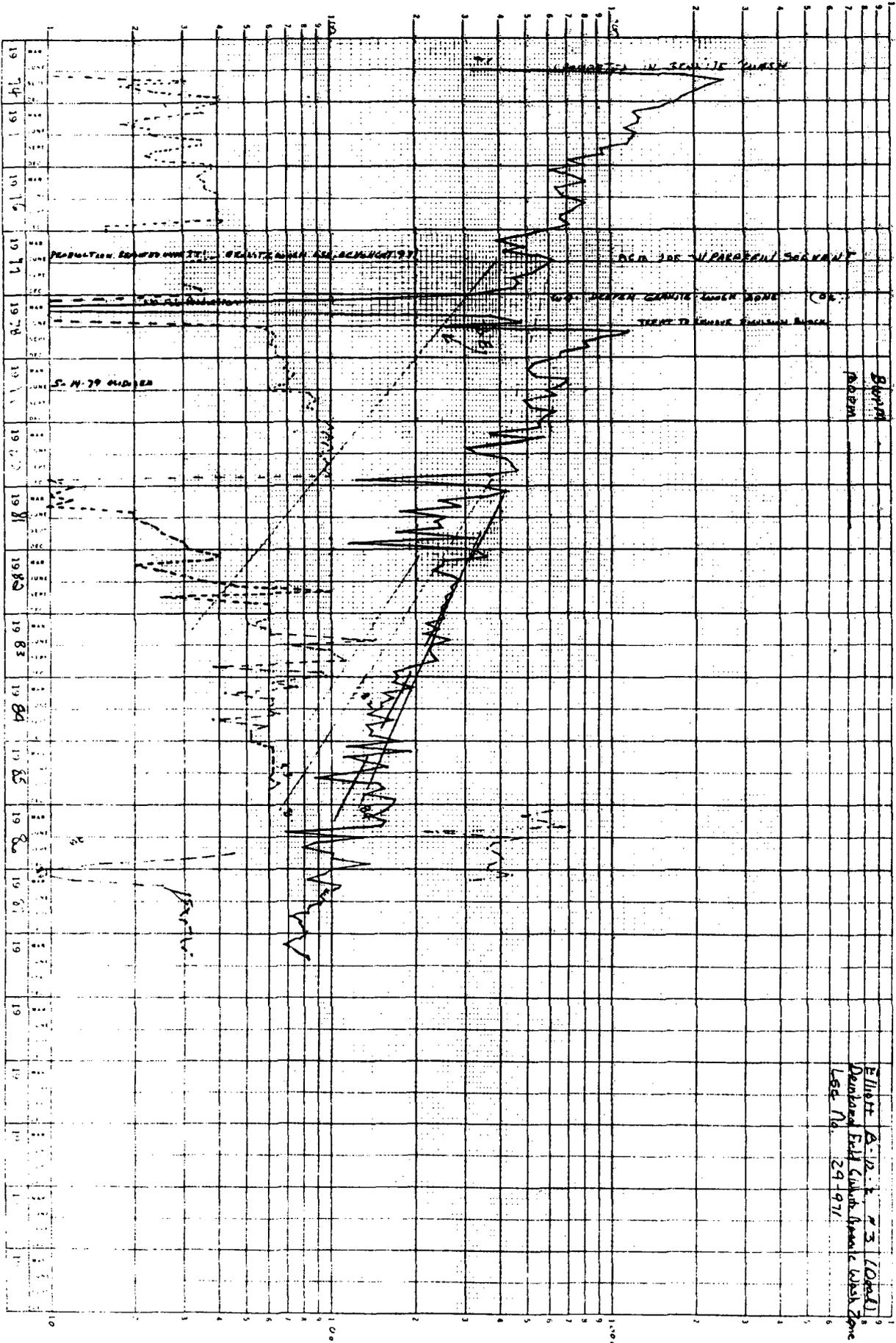


EXHIBIT IV

ELLIOTT S-12-2 #3

GRANITE WEST

Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500

May 4, 1988

**STANDARD OIL
PRODUCTION**

State of New Mexico
Department of Energy
Oil Conservation Commission
Attention: Ms. Evelyn Downs
1000 West Broadway
P. O. Box 1980
Hobbs, New Mexico 88240

RE: PACKER LEAKAGE TEST, ELLIOTT B-12-2 #3
E-12-T22S-R37E LEA COUNTY, NEW MEXICO

Dear Ms. Downs:

This memo documents and follows upon our verbal request for a 90 day extension to the Southeast New Mexico Packer Leakage test for well Elliott B-12-2 #3.

Attached is a copy of the test information performed by Jarrel Wireline which indicates a leak between the Granite Wash and the Drinkard zones requiring some remedial work before we could pass the test successfully.

Attached for your information is the following: 1) Wellbore schedmatic; 2) Jarrel pressure charts indicating leakage.

A workover AFE is being prepared and will be sent to partners for approval in early May, 1988. We expect to be able to move on the well during June, but request 90 days to help ensure partner approvals and sufficient time to complete the field work.

Thank you for your assistance.

Sincerely,

STANDARD OIL PRODUCTION COMPANY

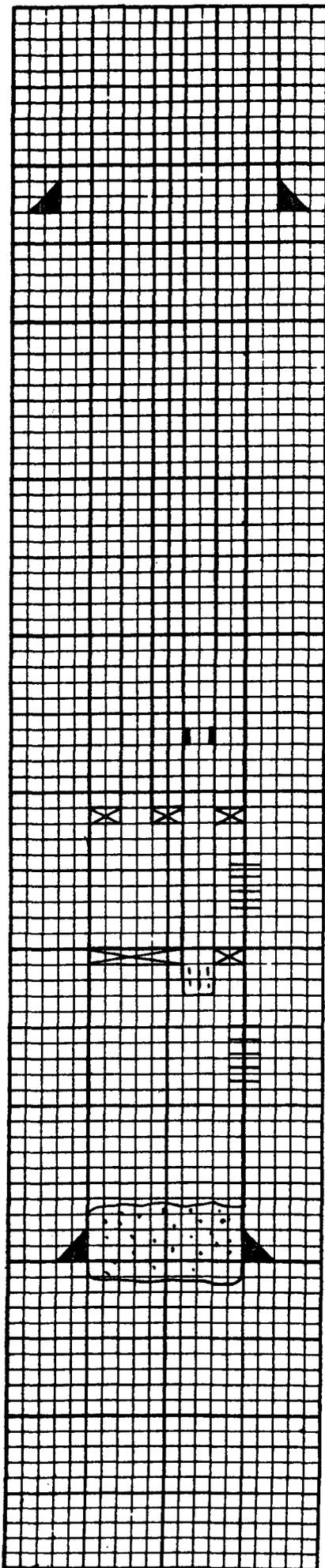

J. D. Starbrough
West Area Production Superintendent

JDS:GRBC/efh
0121A.14

Attachments

cc:  R. B. Frazier
G. R. B. Campbell
D. P. McCelvey

Standard Oil Production Company is a
unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.



STANDARD OIL PRODUCTION COMPANY

Lease: Elliott B-12-2 Lease No.: 29-92
 Well No.: 3 (Dual)
 Location: 2310'FNL & 660'FWL, Sec 12, T22S, R3
 Field: Drinkard
 County: Lea
 State: New Mexico

API No.: RRC No.:
 WI NRI RRC Dist.:

Spud'd: 08-25-73 TD'd: 09-18-73 Comp: 09-21-73

Elevation: KB 3354' GL 3343'

TD: 7658' PBD: 7304'

Surface Equipment:

Casing Data

Hole	Csg	Gr.	Wt	Depth	#Sx	TOC
11	8 5/8		23#	1282	430	Surf
7 7/8	5 1/2	J55	15.5& 17#	7343'	675	3319'

Tubing Data

Size	Gr.	Wt.	Depth	#Jts	Comments
2 1/6"	J55	3.25	7061'	216	*
2 1/16"	J55	3.25	6192'	191	**

Downhole Equipment (pkrs, tbg anchors, CIBP's, etc)

Type	Size	Depth	Comments
Long String	2 1/16"	5990'	ID= 1.53"
SN			
Baker K Pkr	5 1/2"	6189'	ID= 1.53"
Baker D Pkr	5 1/2"	7054'	
Perf Sub	2 1/16"	7061'	

Perforations

6254-6834'
 7123-7260'

Formation

Drinkard
 Granite Wash

Stimulation(Dat

Comments: *Btm 32 jts are int. plastic coated
 **Btm 94 jts are int. plastic coated
 Csg Repair 11-12-81

Prepared By: L. W. Sutton Date 2-12-86

This form is not to be used for repeating packer leakage tests in Northwest New Mexico

SOUTHEAST NEW MEXICO PACKER LEAKAGE TEST

Operator Standard Oil Production Company			Lease Elliott B-12-2			Well No. 3		
Location of Well	Unit E	Sec 12	Twp 22s	Rge 37e	County Lea			
Name of Reservoir or Pool			Type of Prod (Oil or Gas)	Method of Prod Flow, Art. Lift	Prod. Medium (Tbg. or Csg.)		Choke Size	
Upper Compl	Drinkard		Oil	Flow	Tbg.		8/64"	
Lower Compl	Granit Wash		Oil	Flow	Tbg.		4/64"	

FLOW TEST NO. 1

Both zones shut-in at (hour, date): 8:00 AM (4/11/88)

Well opened at (hour, date): 8:00 AM (4/12/88) Upper Completion Lower Completion

Indicate by (X) the zone producing..... X _____

Pressure at beginning of test..... 560 200

Stabilized? (Yes or No)..... Yes No

Maximum pressure during test..... 560 480

Minimum pressure during test..... 60 200

Pressure at conclusion of test..... 60 480

Pressure change during test (Maximum minus Minimum)..... 500 280

Was pressure change an increase or a decrease?..... Decrease Increase

Well closed at (hour, date): 8:00 AM (4/13/88) Total Time On Production 24.0 hours

Oil Production During Test: 3.0 bbls; Grav. 39 Gas Production During Test 69.0 MCF; GOR 23000

Remarks _____

FLOW TEST NO. 2

Well opened at (hour, date): 8:00 AM (4/14/88) Upper Completion Lower Completion

Indicate by (X) the zone producing..... _____ X

Pressure at beginning of test..... 560 580

Stabilized? (Yes or No)..... Yes Yes

Maximum pressure during test..... 560 580

Minimum pressure during test..... 460 60

Pressure at conclusion of test..... 480 190

Pressure change during test (Maximum minus Minimum)..... 100 520

Was pressure change an increase or a decrease?..... Decrease Decrease

Well closed at (hour, date): 8:00 AM (4/15/88) Total time on Production 24.0 hours

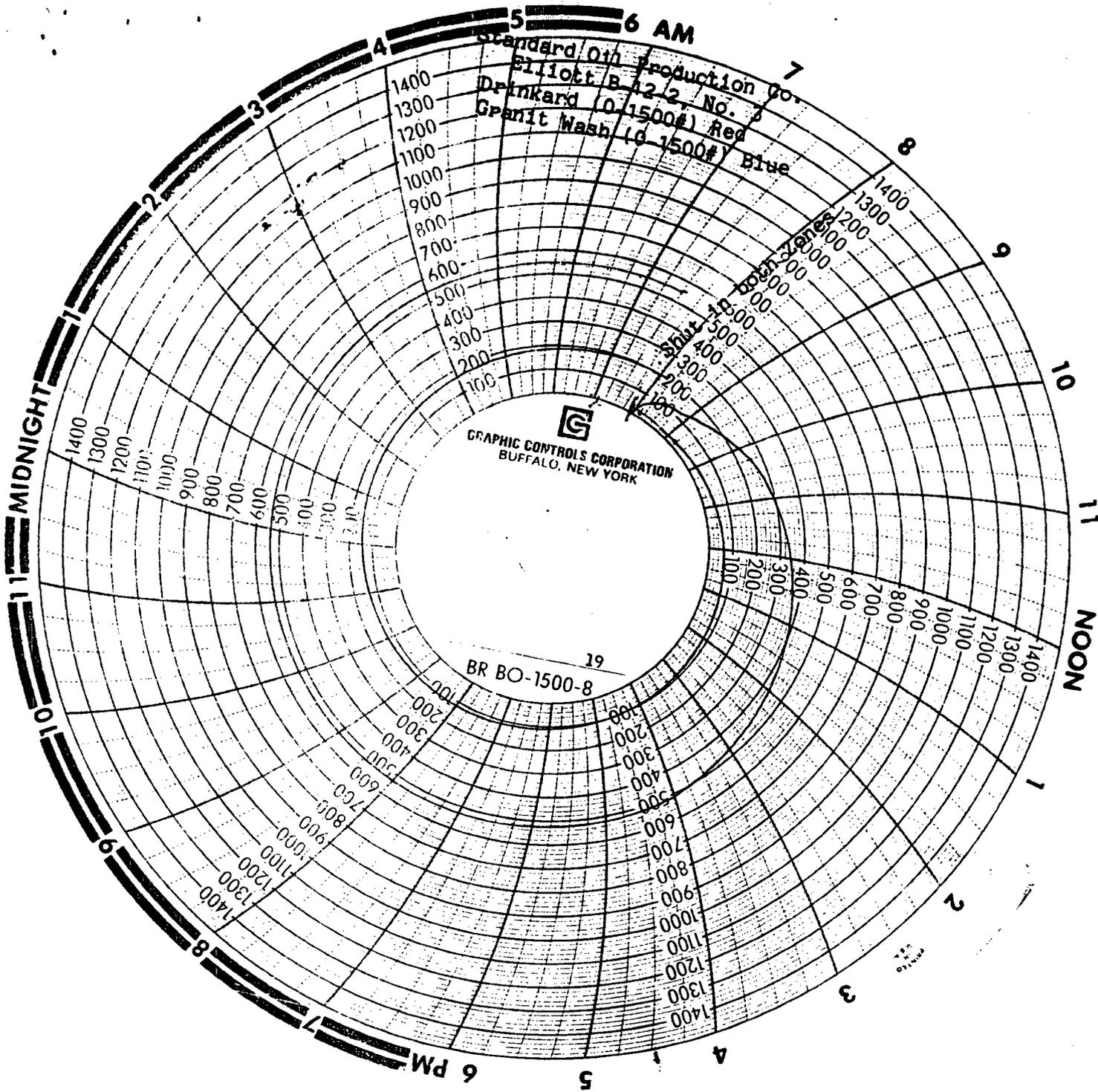
Oil Production During Test: 2.0 bbls; Grav. 40 Gas Production During Test 48.0 MCF; GOR 24000

REMARKS: _____

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

Approved: _____ 19 _____
Oil Conservation Division

Operator Standard Oil Production Company
By J. Dubson
Jarrel Services, Inc.
Title Agent



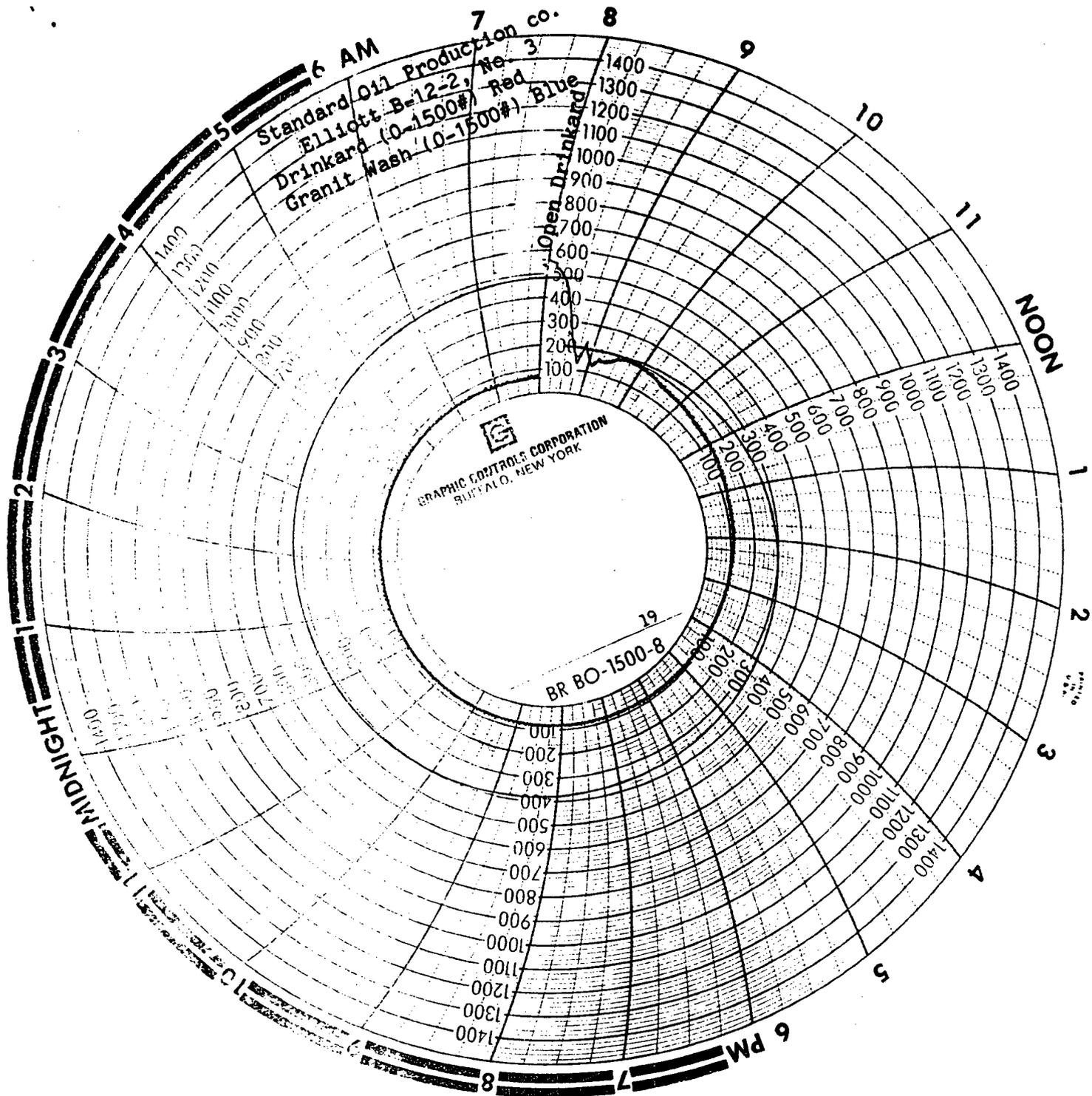
Standard Oil Production Co.
Elliott B 12/2 No. 2
Drinkard (0.1500#) Red
Granit Wash (0.1500#) Blue



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

BR BO-1500-8
19

PRINTED
U.S.A.



Standard Oil Production Co.
Elliott B-12-2, No. 3
Drinkard (0-1500#) Red
Granit Wash (0-1500#) Blue

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

BR BO-1500-8

Open Drinkard

MIDNIGHT

NOON

6 PM

3

4

5

8

7

6

5

4

3

2

1

2

1

11

10

9

8

7

6

5

4

3

2

1

0

1

2

3

4

5

6

7

8

9

10

11

12

1

2

3

4

5

6

7

8

9

10

11

12

1

2

3

4

5

6

7

8

9

10

11

12

1

2

3

4

5

6

7

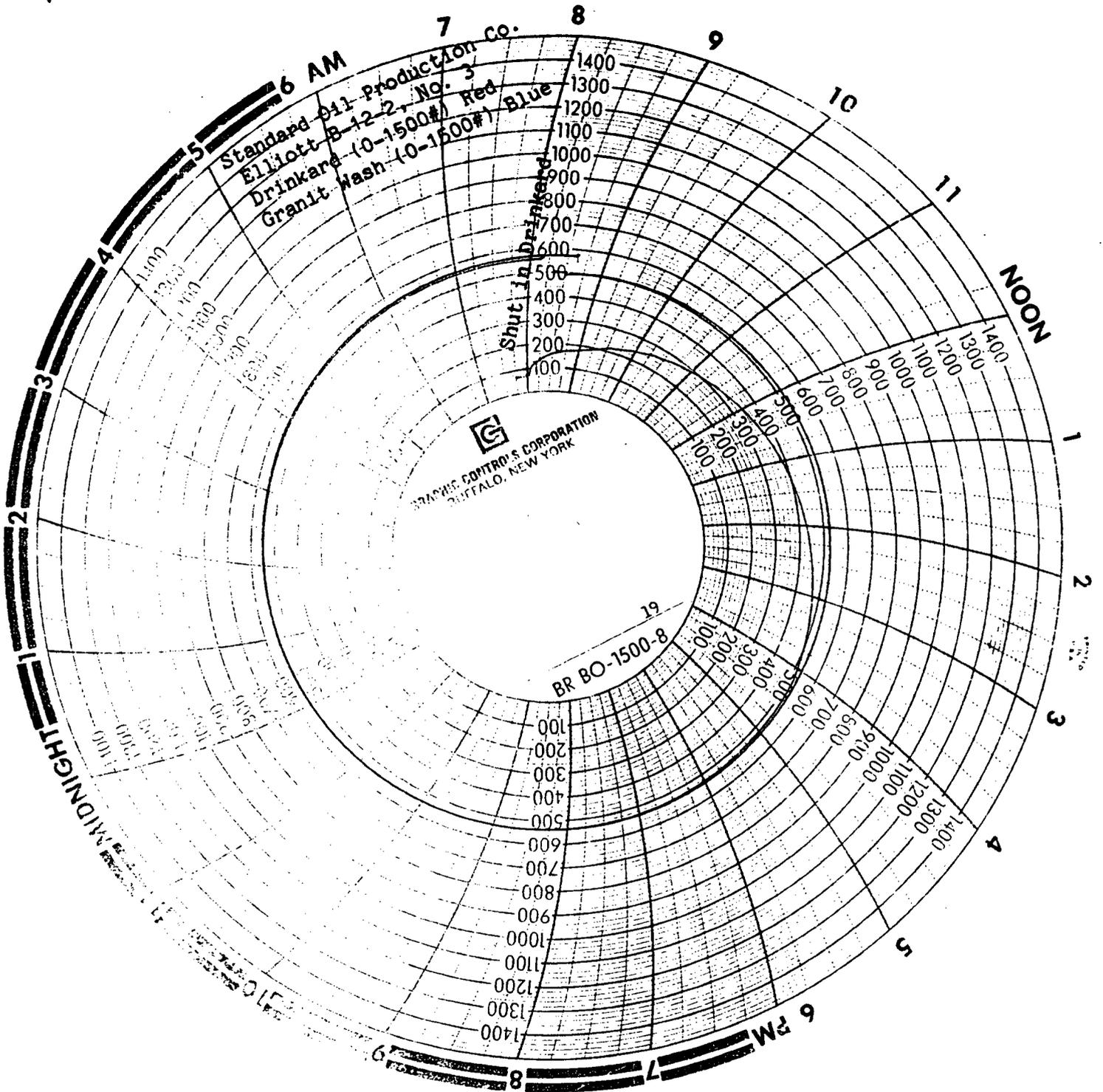
8

9

10

11

12



LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	TYPE OF TEST - (X)	CHOKE SIZE	TBO. PRESS.	DAILY ALLOW. ABLE	Number of test runs	PROD. DURING TEST			GAS RA CU.F.	
		U	S	T							WATER BBLs.	GRAV. OIL BBLs.	OIL BBLs.		GAS M.C.F.
Hinton 12	13	L	12	22S	37e	3/27/88				24	5	38.8	7	45	6429
11# - Drinkard 89# - Wantz Granite Wash 100#	-														

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

During gas-well ratio test, each well shall be produced at a rate not exceeding the top well 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 allowable when authorized by the Division.

Gas volumes must be reported in MCP 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 Division in accordance with Rule 331 and appropriate pool rules.

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

[Signature]
 West Area Production Sup't.
 (7/14/88)

4/7/88

Operator Standard Oil Production Company Pool Drinkard/Wantz Granite Wash County Tea
 Address P. O. Box 4587, Houston, Texas 77210

LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	TYPE OF TEST - (X)	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABL.	NUMBER OF TEST RUNS	PROD. DURING TEST			GAS M/C.F.	
		U	S	T							WATER BBL'S	GRAV. OIL BBL'S	GAS M.C.F.		
278 - Drinkard - 738 - Wantz Granite Wash 100%	8	J	12	22s	37e	3/24/88	P			24	3	39.8	13	45	346.

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 well 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 allowances when authorized by the Division.
 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 0.66.

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 Division in accordance with Rule 331 and appropriate pool rules.

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


 (Signature)
 West Area Production Sup't.
 (Title)

Operator

Standard Oil Production Company

Pool Drinkard

County

Lea

Address P. O. Box 4587, Houston, Texas 77210

LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	TYPE OF TEST - (X)	CHOKE SIZE	TBC. PRESS.	DAILY ALLOW. ABLE	Hours of test	PROD. DURING TEST			GAS - RAJ CU.FT.	
		U	S	T							R	WATER BBLs.	GRAV. OIL BBLs.		GAS M.C.F.
Elliott B-12-2	3	E	12	22s	37e	F	32/64	110		24	1	38.7	3	38	1266
Hinton	11	F	12	22s	37e	F	38/64	68		24	0	36.8	1	62	6200
Hinton	12	K	12	22s	37e	P	--	--		24	3	36.8	8	94	1175
Penrose	4	E	9	22s	37e	F	24/64	120		24	0	38.4	6	160	2666
Rogers	2	H	12	22s	37e	F	28/64	38		24	58	34.8	3	75	2500
Walden A	3	F	15	22s	37e	P	--	--		24	4	34.8	8	58	725
Walden A	5	E	15	22s	37e	P	--	--		24	3	34.8	4	124	3100

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 well allowable for the pool in which well is tested by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowable when authorized by the Division.
 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 casings.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 331 and appropriate pool rules.

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

Jack P. ...
 (Signature)
 West Area Production Sup't.
 4/7/88
 (Date)

Block

Wartz Granite Wash

County

Tag

Operator
Standard Oil Production Company
Address
P. O. Box 4587, Houston, Texas 77210

77210

TYPE OF TEST - (X)

Scheduled

Completion

Spent

LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	TGB. PRESS.	DAILY ALLOW. ABL	Season of test	PROD. DURING TEST			GAS RA CU.F1	
		U	S	T	R						WATER BBL.	GRAV. OIL	OIL BBL.		GAS M.C.F.
Elliott B-12-2	3	E	12	22s	37e	3/26/88	42/64	48		24	0	39.8	3	11	3667

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 well 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 allowable when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.023 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.

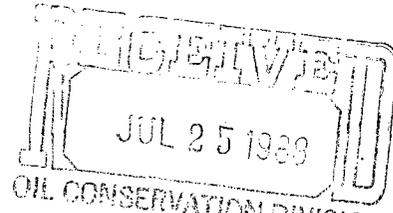
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 331 and appropriate pool rules.

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

Seal P. ...
(Signature)
West Area Production Sup't.
Title

CERTIFIED MAIL, RETURN RECEIPT

Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500



July 5, 1988

**STANDARD OIL
PRODUCTION**

Grace Petroleum corp.
10700 N. Freeway
Houston, Texas 77037

RECEIVED

JUL 19 1988

HOUSTON
DISTRICT

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

If you have no objections to the proposed commingling, please sign below and forward the original to the NMOCD in Santa Fe, send one copy to the NMOCD office in Hobbs, return one copy to this office and retain one copy for your records. Stamped, addressed envelopes have been provided for your convenience.

Sincerely,

STANDARD OIL PRODUCTION COMPANY

Randy B. Frazier, Supervisor
Production Engineering West

Approval

Company: Grace Petroleum

By: Dan Scott

Title: Dist Reservoir Engineer

Date: 7/22/88

RBf:GRBC/efh

Enclosures

A unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.

CERTIFIED MAIL, RETURN RECEIPT

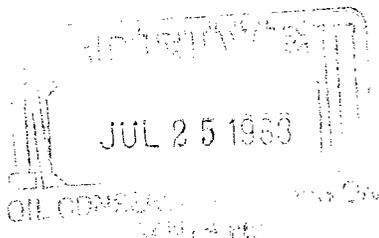
Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500

JOHN H. HENDRIX CORPORATION

JUL 20 1988

RECEIVED

July 5, 1988



STANDARD OIL
PRODUCTION

John H. Hendrix Corp.
525 Midland Tower
Midland, Texas 79701

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

If you have no objections to the proposed commingling, please sign below and forward the original to the NMOCD in Santa Fe, send one copy to the NMOCD office in Hobbs, return one copy to this office and retain one copy for your records. Stamped, addressed envelopes have been provided for your convenience.

Sincerely,

STANDARD OIL PRODUCTION COMPANY

Randy B Frazier

Randy B. Frazier, Supervisor
Production Engineering West

Approval

Company: John H. Hendrix Corp

By: Ronnie H. Westbrook

Title: V. Pres.

Date: 7/20/88

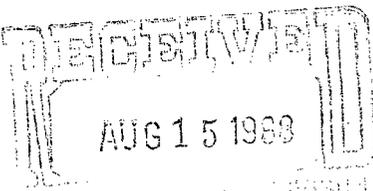
RBF:GRBC/efh

Enclosures

A unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.

CERTIFIED MAIL, RETURN RECEIPT

Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500



July 5, 1988

STANDARD OIL
PRODUCTION

Arco Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
→ Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

If you have no objections to the proposed commingling, please sign below and forward the original to the NMOCD in Santa Fe, send one copy to the NMOCD office in Hobbs, return one copy to this office and retain one copy for your records. Stamped, addressed envelopes have been provided for your convenience.

Sincerely,

STANDARD OIL PRODUCTION COMPANY

Randy B. Frazier, Supervisor
Production Engineering West

Approval
Company: **ARCO Oil and Gas Company**
Division of Atlantic Richfield Co.

By: *[Signature]*
Title: Joint Interest Coordinator
Date: 8/10/88



JOINT INTEREST
OPERATIONS

RBF:GRBC/efh
A unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.
Enclosures

CERTIFIED MAIL, RETURN RECEIPT

Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500

RECEIVED
AUG - 1 1988
OIL CONSERVATION DIVISION
SANTA FE

July 5, 1988

**STANDARD OIL
PRODUCTION**

Mobil Producing Texas & New Mexico, Inc.
Nine Greenway Plaza, Suite 2700
Houston, Texas 77046

RECEIVED	
MEPUS-MIDLAND	
JOINT INTEREST	
JUL 25 '88	
CSS	
RED	
MPR	
SR	
Uc	
LWS	
PS	
PLP	
PC	

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

If you have no objections to the proposed commingling, please sign below and forward the original to the NMOCD in Santa Fe, send one copy to the NMOCD office in Hobbs, return one copy to this office and retain one copy for your records. Stamped, addressed envelopes have been provided for your convenience.

Sincerely,

STANDARD OIL PRODUCTION COMPANY

Randy B. Frazier, Supervisor
Production Engineering West

Approval

Company:

By: M E Summary

Title: Environmental & Regulatory Manager

Date: 7/28/88

Mobil Exploration & Producing U.S. Inc.
as Agent for
RBF:GRBC/efh Mobil Producing Texas & New Mexico Inc.

Enclosures

A unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.

RECEIVED

JUL 26 1988

ENV. & REG.

CERTIFIED MAIL, RETURN RECEIPT

Standard Oil
Production Company
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
713 552-8500

OCD
Santa Fe, NM

July 5, 1988

RECEIVED
AUG 19 1988
OIL CONSERVATION DIVISION
SANTA FE

STANDARD OIL
PRODUCTION

Chevron U.S.A., Inc.
P. O. Box 1660
Midland, Texas 79702

RE: Downhole Commingling Application
Drinkard and Wantz Granite Wash
Elliott B-12-2 #3, E SEC 12, T22S, R37E
Lea County, New Mexico

Gentlemen:

As operator of the Elliott B-12-2, Well #3, Standard Oil Production Company, a.k.a. Sohio Petroleum Company, hereby notifies you of our intent to commingle production from the Drinkard and Granite Wash formations to facilitate efficient and economic recovery from the well. Application has been made to the New Mexico Oil Conservation Division for Administrative Approval.

If you have no objections to the proposed commingling, please sign below and forward the original to the NMOCD in Santa Fe, send one copy to the NMOCD office in Hobbs, return one copy to this office and retain one copy for your records. Stamped, addressed envelopes have been provided for your convenience.

Sincerely,

STANDARD OIL PRODUCTION COMPANY

Randy B. Frazier

Randy B. Frazier, Supervisor
Production Engineering West

Approval

Company: Chevron U.S.A. Inc.

By: Alan W. Bohling

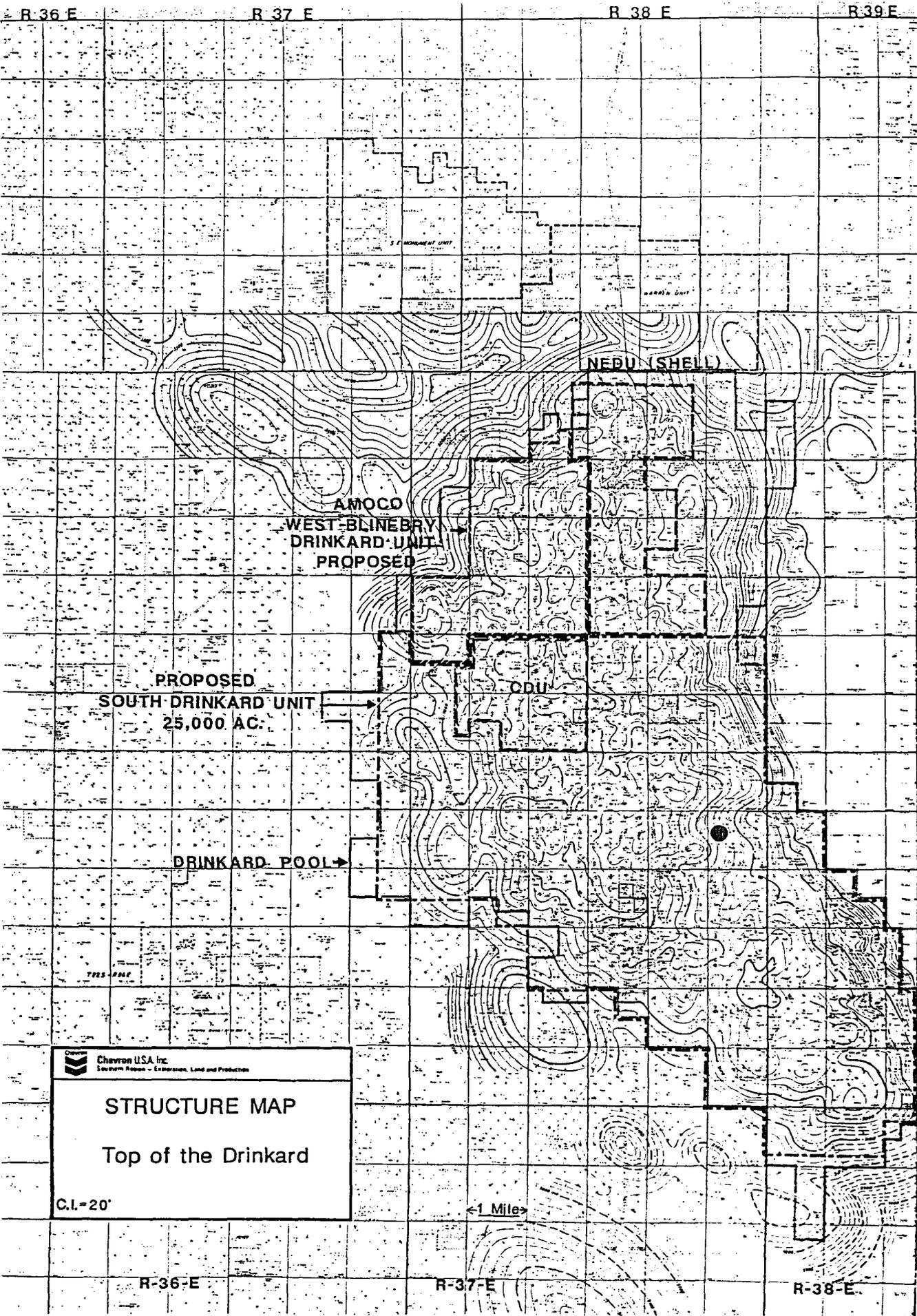
Title: Division Production Engineer

Date: August 15, 1988

RBF:GRBC/efh

Enclosures

A unit of the original Standard Oil Company
founded in Cleveland, Ohio, in 1870.



 **Chevron USA Inc.**
Southern Region - Exploration, Lease and Production

STRUCTURE MAP
Top of the Drinkard

C.I. = 20'

PROPOSED SOUTH-DRINKARD UNIT
25,000 AC.

AMOCO WEST-BLINEBRY DRINKARD UNIT PROPOSED

DRINKARD POOL

NEBU SHELL

CDU

$\le 1 \text{ Mile}$

R-36-E

R-37-E

R-38-E

R-36 E

R-37 E

R-38 E

R-39 E

T-20 S

T-21 S

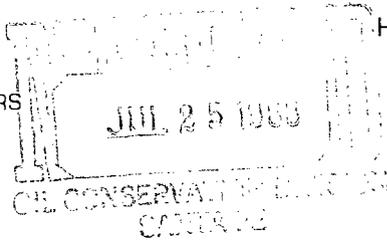
T-22 S

T-23 S



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
 GOVERNOR



7-21-88

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88241-1980
 (505) 393-6161

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

RE: Proposed:

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

Gentlemen:

I have examined the application for the:

Sokis Pet. Co. Elliott B-12-2 #3-E 12-22-37
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OKJF

Yours very truly,

 Jerry Sexton
 Supervisor, District 1

/ed