



American Exploration Company

RECEIVED

May 12, 1989

MAY 17 1989
OIL CONSERVATION DIV.
SANTA FE

Re: Application for Downhole
Commingling of the
Blinebry/Drinkard/Abo Pools
McCallister No. 1
Sec. 7, T22S, R38E
Lea County, New Mexico

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

Attn: Mr. David Catanach

Gentlemen:

American Exploration Company respectfully requests administrative approval for amending DHC-80 under the provisions of Rule 303-C to downhole commingle the Blinebry/Drinkard/Abo pools in the McCallister No. 1. This well is presently completed in the So. Brunson Drinkard Abo Pool and produces 18 BOPD, 76 MCFPD and 9 BWPD. We recently tested the Blinebry unsuccessfully and the attached reflect only that information relative to the addition of the Blinebry Zone after the recent workover.

A summary of information required for commingling is attached. Additionally, American has a 100% interest in this lease and the royalty interests of each zone are common. Based on the information we have gathered, we believe the request to commingle is justified in the interest of conservataion.

If there are any questions, please contact the undersigned as soon as possible.

Very truly yours,

AMERICAN EXPLORATION COMPANY

Marty B. McClanahan
Marty B. McClanahan
Sr. Production Analyst

MBM:mm
Encl.

cc: Mr. J. T. Sexton
New Mexico Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

McCallister No. 1
Information for Downhole Commingling

- a. Operator: American Exploration Company
2100 RepublicBank Center
Houston, Texas 77002
- b. Lease, Well Location and Pools:
McCallister No. 1
660' FEL & 1980' FWL of Sec. 7, T22S, R38E
Lea County, New Mexico
Blinebry/Drinkard/Abo Pools
- c. Acreage Dedication (40 acres) Form C-102 is attached. Offset operators are listed on schedule attached.
- d. Commingling Computations - Attached.
- e. Allocation of Production - based on latest production tests.

	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Abo	88%	90%	90%
Drinkard	12%	10%	10%
Blinebry	0%	0%	0%

- f. Notification to Offset Operators.
A copy of the notice sent to offset operators.
- g. A complete resume of the well's completion history.



American Exploration Company

May 12, 1989

Re: Notification of Intent to
Commingle the Blinebry/
Drinkard/Abo Pools
McCallister No. 1
1980' FWL & 660' FNL of
Sec. 7, T22S, R38E
Lea County, New Mexico

OFFSET OPERATORS
MCCALLISTER NO. 1

Gentlemen:

In accordance with New Mexico Oil Conservation Division regulations, you are hereby notified of American Exploration Company's application to downhole commingle production from the Blinebry/Drinkard/Abo pools in the McCallister No. 1 Lease.

Very truly yours,

AMERICAN EXPLORATION COMPANY


Marty B. McClanahan
Sr. Production Analyst

MBM:mm

LIST OF OFFSET OWNERS
MCCALLISTER No. 1 LEASE

NE/4 NW//4-7, T22S, R38E

John H. Hendrix Corp. (NW/4 NW/4, SE/4 NW/4-7)
223 W. Wall, Suite 525
Midland, Texas 79701

Zachary Oil Operating Co. (SW/4-6)
1212 Commerce Building
Fort Worth, Texas 76102

J. G. 20 Properties, Inc. (SW/4 NW/4-7)
P. O. Box 796
Monahans, Texas 79756

Neville G. Penrose Estate (SW/4-6)
201 Main Street
Fort Worth, Texas 76102

MEMORANDUM

TO WHOM IT MAY CONCERN:

Pursuant to Rule 303 (C) (2) (i) of the rules and regulations of the State of New Mexico for downhole commingling, the following formula should apply as to the production allocation for the new zone added to the following well:

McCallister No. 1 located in Unit C; 660' FNL and 1980' FWL of Section 7, T22S, R38E, Lea County, New Mexico.

Prior Production (Before Recent Workover)

°485 BOPM @ 9% Decline

$$\frac{(\text{Initial Prod.}) - (\text{Economic Limit}) (12 \text{ Mo.})}{-\ln (1-\text{decline})} = \text{Total Production Rem.}$$

$$\frac{(485-45)(12)}{-\ln (1-.09)}$$

= °56,000 BO

485 BOPM (IP)

45 BOPM (E.L.)

9% decline

Current Production (After Workover)

°485 BOPM @ 9% Decline

$$\frac{(485-45)(12)}{-\ln (1-.09)}$$

= °56,000 BO

0 Reserves for new zone

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 27, 1988

American Exploration Company
2100 Republic Bank Center
700 Louisiana
Houston, Texas 77002-2725

Attention: Marty McClanahan

Re: McCallister Well No. 1

Dear Mr. McClanahan:

We have received your recent application for authorization to commingle South Brunson Drinkard Abo and Blinbry Oil and Gas Pools within the wellbore of the McCallister Well No. 1 located in Section 7, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico. Please be advised that the application cannot be approved as submitted. I am enclosing a copy of Division Rule No. 303(C)(2) which outlines the information that is required when filing such an application. Please submit the required information at which time your application can be properly evaluated. If you should have any questions please contact me at (505) 827-5800.

Sincerely,


David Catanach
Engineer



GARREY CARRUTHERS
GOVERNOR

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

May 11, 1989

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

American Exploration Company
2100 Republic Bank Center
700 Louisiana
Houston, TX 77002-2725

Attn: Marty B. McClanahan

Re: McCallister #1-C Sec. 7, T22S, R38E
Federal GPS #1-0 Sec. 6, T22S, R38E
G.G. Travis #3-I Sec. 21, T23S, R37E

Gentlemen:

We are still holding without approval the forms submitted to add additional producing zones and downhole commingle the above-referenced wells. We checked with David Catanach in our Santa Fe office and he indicates he has written you twice and has not received the additional information needed to complete these applications.

Please contact David at (505) 827-5807 and make arrangements to get the needed information to him in order that he may approve the downhole commingling for these wells.

Your cooperation will be greatly appreciated.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

ed

RECEIVED

MAY 15 1989

**OIL CONSERVATION DIV.
SANTA FE**

Memo

12-16-88
From
EVELYN DOWNS
Oil Conservation Staff
Specialist

To David Catanach

Per our conversation.

I see why you did not get it.
They had submitted it on a
C-107. What they need to do is
DHC So. Brunson Drinkard/abo
& Blinby.

Evelyn



American Exploration Company

November 21, 1988

Re: McCallister No. 1-C Well
Unit C, Sec. 7 T22S R38E
So. Brunson Drinkard Abo
Lea County, New Mexico

Oil Conservation Commission
P. O. Box 190
Hobbs, New Mexico 88240

Attn: Jerry Sexton
Director of Division

Gentlemen:

The subject well is dually completed in the Drinkard/Abo Zones which were placed in the pool designated as the South Brunson Drinkard-Abo Pool granted by Commission Order R-8593.

American Exploration Company has recently added perforations to the Blinebry Zone and hereby requests an exception to Rule 303-A of the Commission Rules and Regulations in order to obtain permission to commingle the production from all pools in the wellbore.

We have reviewed the provisions applicable to Rule 303-C and feel that we are in compliance with same and that such exception will not cause reservoir damage or waste to result from the down-hole commingling.

We have forwarded the original Form C-107 and 102 to the Santa Fe office and enclosed are your district copies as well as Forms C-103, C-104 and C-116.

Please contact Marty McClanahan of this office or the undersigned if there are any further questions. Your earliest consideration to our request is greatly appreciated.

Very truly yours,

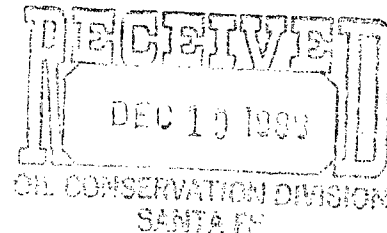
AMERICAN EXPLORATION COMPANY

Roy Quiroga

Roy Quiroga
Production Administrator

RQ:MM:mm
Encl.

cc: Oil Conservation Commission
Santa Fe, New Mexico 97501



APPLICATION FOR MULTIPLE COMPLETION

American Exploration Company Lea November 21, 1988

Operator	County	Date
2100 RepublicBank Center	McAllister	1
Address	Lease	Well No.
C 7 22S 38E		
Location of Well	Unit	Section Township Range

All Applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Blinebry 5704-6380	Drinkard 6841-6859	Abo 6924-7240
b. Top and Bottom of Pay Section (Perforations)	5704-6380	6841-6859	6924-7240
c. Type of production (Oil or Gas)	Oil	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Pump	Pump	Pump
e. Daily Production <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. 22 Gas MCF 70 Water Bbls. 9			

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

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

Signed Roy Quiroga Title Roy Quiroga, Prod. Admn. Date November 21, 1988

(This space for State Use)

Approved By _____ Title _____ Date _____

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundary of the Section.

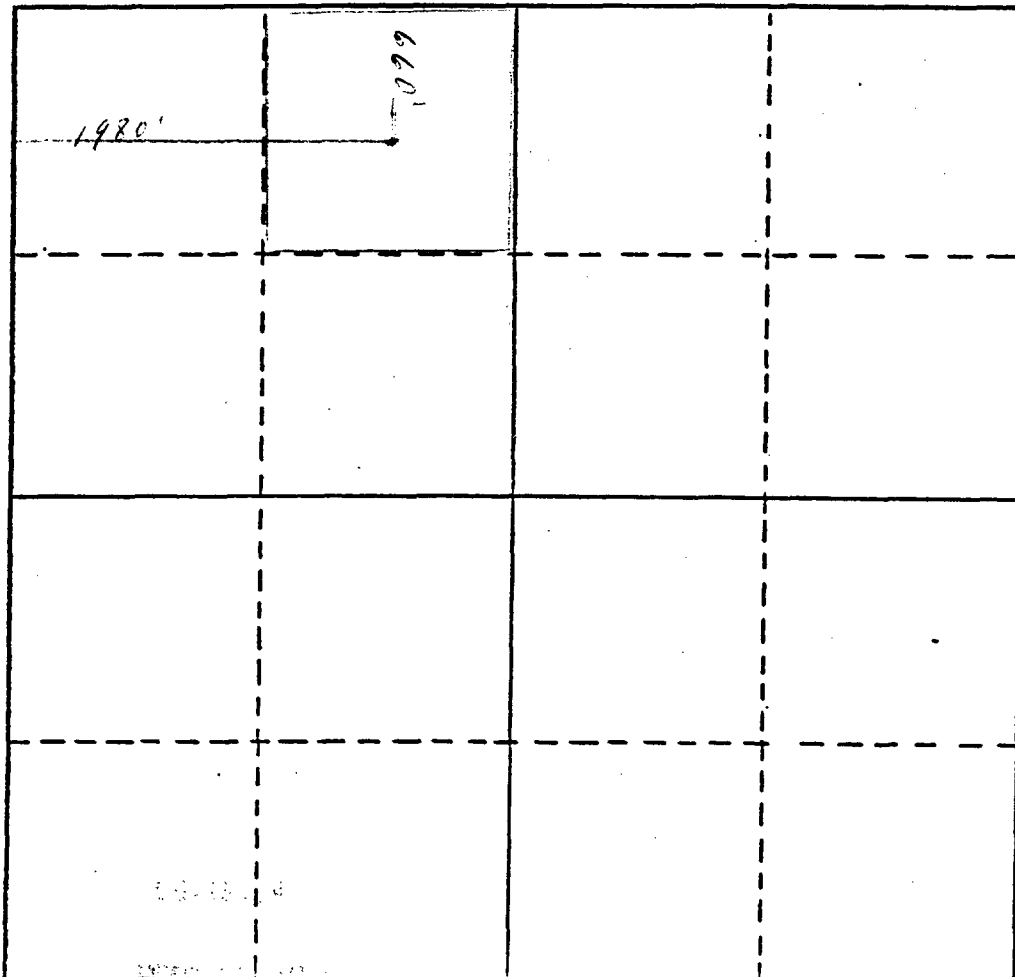
Operator American Exploration Company			Lease McCallister		Well No. 1
Unit Letter C	Section 7	Township 22S	Range 38E	County Lea	
Actual Postage Location of Well: 660 feet from the North line and 1980 feet from the West line					
Ground Level Elev. 3347.3	Producing Formation Blinebry		Pool Brunson, Drinkard ABO, So.		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

Marty B. McClanahan
Marty B. McClanahan

Name

Production Dept.

Position

American Exploration Co.

Company

November 21, 1988

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Land Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

**MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section C.

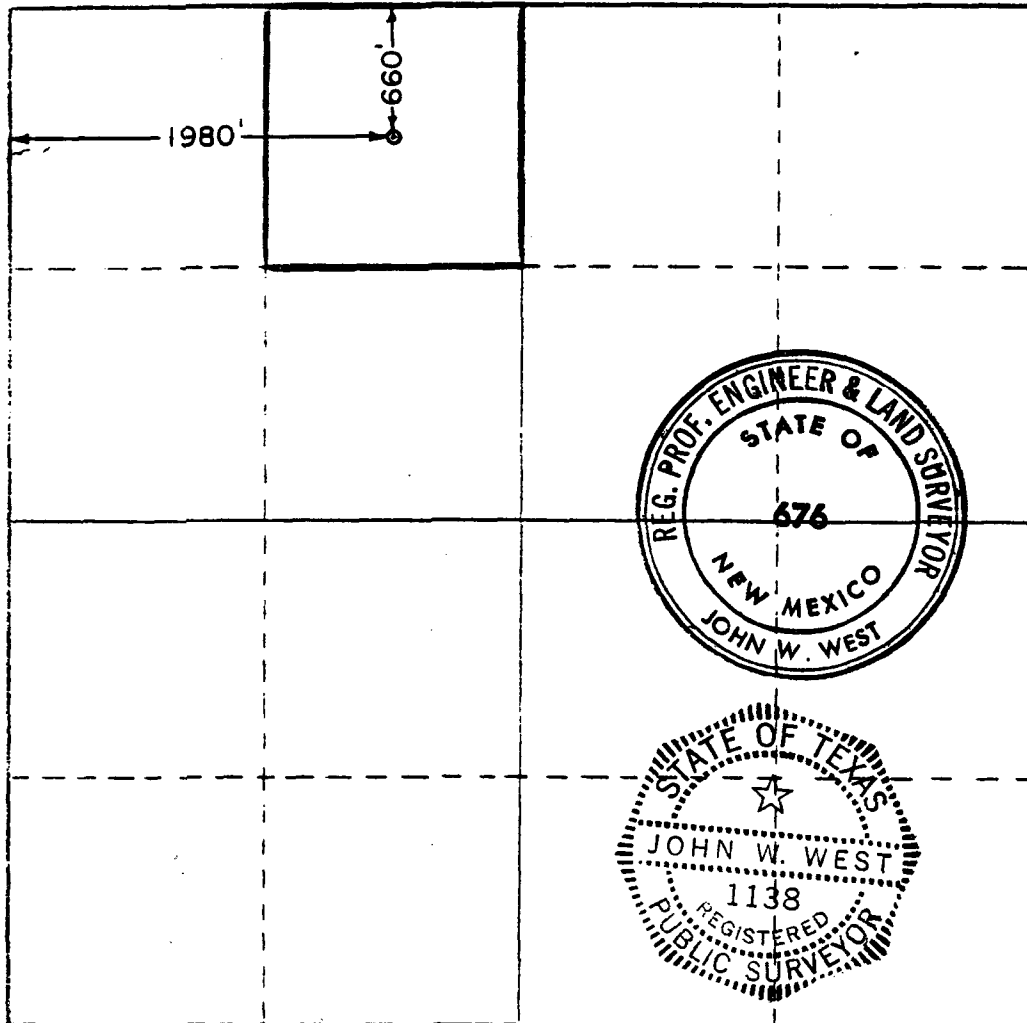
Operator SOLAR OIL COMPANY			Lease AUG 1 11 AM '68 McCAUSTIN		Well No. 1
Section Letter C	Section 7	Township 22 SOUTH	Range 38 EAST	County LEA	
Actual Footage Location of Well:					
660 feet from the NORTH line and		1980 feet from the WEST line			
Ground Level Elev. 3347.3	Producing Formation DRINKARD	Pool IMPERIAL TUBB	Dedicated Acreage: 40 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name **John W. West**
Position

AGENT

Company
SOLAR OIL COMPANY

Date
JULY 31, 1968

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
JULY 30, 1968

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No.

676

WELL NAME: McCALLISTER #1
 FIELD: DRINKARD - WANTZ
 CO/ST: LEA COUNTY, NM
 LOCATION: U-C, Sec. 7-7225-R38E
 SPUDDED: 8-14-68
 COMPLETED: 10-19-68 (DUAL)

SKETCH BY: Cheryl Balch
 DATE DRAWN: 8-26-88
 AS OF DATE: 10-5-85
 ELEV: KB: 3358.5'
 GL: 3347.3'
 DF: _____

13 3/8" HOLE

RODS 87 7/8"
198 3/4"

TA @ 6402'

PUMP 2" x 1 1/4" x 16"
RWAC

SN @ 7237'
 Perf Sub @ _____
 BTM MA @ _____

CIBP @ _____
 CIBP @ _____

9 3/4" HOLE

PBTD: 7249'
 TD: 7300'

10 3/4" 40.5# CSG @ 850'
WI 400 SX 4% gel & 20% CaCl₂
TOC @ Circ to Surface

TUBING 224 jts 2 3/8" J-55, 4.7 Tbg
w/slim hole collars

PERFORATIONS:

DATE	ZONE	DEPTHS
9-24-68	Abo	7240, 28, 14', 08, 7192, 29, 74, 62, 32
(20 holes 1 spf)		15, 08, 7083, 69, 19, 10, 6982, 72, 43, 692
10-2-68	DRINKARD	6859, 29, 16, 6778, 55, 32, 28, 14, 6692
(13 holes 1 spf)		85, 76, 64, 6656,
10-3-68	DRINKARD	6627, 24, 11, 6596, 87, 74, 68, 63, 554
(15 holes 1 spf)		13, 09, 06, 6500, 6494.

STIMULATIONS:

DATE	ZONE	AMOUNT & TYPE
9-24-68	Abo	A/5000 gal. 15% DS-30 + 57 BS
		2000 g 7 1/2% below wash F/62, 00
		gal. Brine + 28,000 # & 21,000 # 20-4
10-2-68	DRINKARD	A/4750 gal. 15% DS-30 + 36 BS
		F/40,000 gal. brine + 38,000 # 20-4

7-5/8 33.7# CSG @ 7300'
WI 935 SX C1 "C" Inscr, 2% gel, 3# salt/lz
8# 5L/sx & 5% CFR-2
TOC @ 1172' (calc.)

OTL CONSERVATION DIVISION
P. O. BOX 2000
SANTA FE, NEW MEXICO 87501

GAS-OIL RATIO TESTS

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 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 by flow of tubing pressure for any well producing through casing.

Well original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 303 and appropriate pool rules.

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

Marty B. Sullivan
Marty B. Sullivan
Production Dept.

November 21, 1988

(date)

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease
State ☐ Fee ☒

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER-	7. Unit Agreement Name
2. Name of Operator American Exploration Company	8. Farm or Lease Name McAllister
3. Address of Operator 2100 RepublicBank Center, Houston, Texas 77002	9. Well No. 1
4. Location of Well UNIT LETTER C, 660 FEET FROM THE North LINE AND 1980 FEET FROM THE West LINE, SECTION 7 TOWNSHIP 22S RANGE 38E NMPM.	10. Field and Pool, or WHdcat So. Brunson Drinkard AP
15. Elevation (Show whether DF, RT, GR, etc.)	12. County Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐
PULL OR ALTER CASING ☐
OTHER ☐

PLUG AND ABANDON ☐
CHANGE PLANS ☐
OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐
COMMENCE DRILLING OPNS. ☐
CASING TEST AND CEMENT JOBS ☐
OTHER Perforate Blinbry & Stimulate ☒
ALTERING CASING ☐
PLUG AND ABANDONMENT ☐

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

11/01/88 Perforated 6273', 60', 52', 39', 33', 20', 6210', 6194', 81', 68', 60', 53', 44', 30', 15', 09', 6097', 80', 74', 59', 6007', 5292', 85', 79', 71', 61', 51', 35', 23', 5914', 5882', 77', 67', 63', 27', 5818'. Set pkr. @ 6350'. Pumped 5000 gal. 15% NEFE.

11/02/88 Test tool integrity would not test. Rel. pkr. Reset RBP @ 6380' & pkr. at 5704'. Acidized perforated interval and rec. load. Placed well back on pump.

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

SIGNED Marty McClanahan TITLE Production Dept. DATE 11/21/88

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

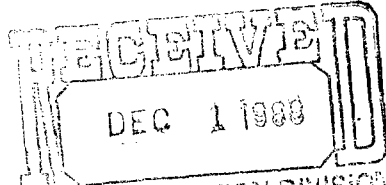
(Date) _____



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

GARREY CARRUTHERS
GOVERNOR

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:

American Expl & Prod. Co. McCallister #1-C-7-22-38
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed