



Texaco USA

PO Box 728
Hobbs NM 88240
505 393 7191

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JUN 21 1989

OIL CONSERVATION DIV.
SANTA FE

June 16, 1989

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. William J. LeMay
Director

RE: DHC Application
C. P. Falby "A" Well No. 2
Lea County, New Mexico

Gentlemen:

Approval is requested to downhole commingle Texaco's C. P. Falby "A" Well No. 2 in the Eumont Yates Seven Rivers Queen and Penrose Skelly Grayburg zones. The data below is required by New Mexico Oil Conservation Division Rule 303 for downhole commingling.

A) Name and address of operator:

Texaco Inc.
P. O. Box 728
Hobbs, New Mexico 88240

B) Lease name, well number and well location:

C. P. Falby "A" Lease
Well No. 2
660' FNL & 660' FWL
Section 8, T-22-S, R-37-E
Lea County, New Mexico

- C) C. P. Falby "A" Well No. 2 is a Federal property (Lease No. LC-033706 (a)). The well is completed in the Penrose Skelly Grayburg interval. A bridge plug was set above the Penrose Skelly Grayburg and a workover was performed, from April 20 - May 11, 1989, to additionally complete into the Eumont Yates Seven Rivers Queen interval. Production prior to workover was 3 BOPD, 1 BWPD, and 15 MCFPD as shown on the attached Form C-116. Approval is requested to remove the bridge plug and downhole commingle the Penrose Skelly Grayburg and Eumont Yates Seven Rivers Queen intervals. Texaco

Inc. has a 100% gross working interest and an 87.5% net interest in both zones.

- D) New Mexico Oil Conservation Division Form C-116 is attached showing a test of produced oil, water and gas from the Penrose Skelly Grayburg and Eumont Yates Seven Rivers Queen zones.
- E) A production decline curve for the Penrose Skelly Grayburg formation production is attached. No production history is available for the Eumont Yates Seven Rivers Queen zone since this zone is a recent completion. A complete resume of the well, including Penrose Skelly Grayburg and Eumont Yates Seven Rivers Queen treating and testing is attached. The prognosis for future production from each zone is as per past production trends and as per the attached production tests for each zone.
- F) The bottom hole pressure for zones obtained by stabilized fluid level measurements are as follows:
- | | |
|---------------------------------|---------|
| Penrose Skelly Grayburg | 200 psi |
| Eumont Yates Seven Rivers Queen | 110 psi |
- G) The Penrose Skelly Grayburg and Eumont Yates Seven Rivers Queen formations are compatible and have been successfully commingled on other Lea County properties. Therefore, no fluid incompatibilities are expected for the commingled Penrose Skelly Grayburg and Eumont Yates Seven Rivers Queen formations in the subject wellbore.
- H) The prices received for hydrocarbon products sold from the C. P. Falby "A" Lease are the same for all zones. Therefore, the value of the commingled production will not be less than the sum of the values of the individual streams.
- I) Offset operators have been notified of the pending downhole commingling (See Table 1 of a list of the offset operators that have been notified). Also, the United States Geological Survey has been notified of this proposed commingling on the Federal lease as per United States Department of the Interior Form 3160-3.

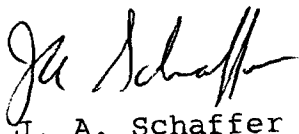
Mr. William J. LeMay

-3-

June 16, 1989

Please contact Mr. L. D. Ridenour of this office if additional information is required.

Yours very truly,



J. A. Schaffer
District Operations Manager

LDR/RH:JRB

cc: NMOCD - Hobbs
BLM - Carlsbad

Attachments

TABLE 1

W. B. Yarbrough
1400 Briercroft Savings Building
Midland, Texas 79701

Amoco Production Company
P.O. Box 39
Hobbs, New Mexico 88240

Shell Western E & P Inc.
P.O. Box 1950
Hobbs, New Mexico 88240

Chevron USA Inc.
P.O. Box 670
Hobbs, New Mexico 88240

Dallas McCasland
P.O. Box 206
Eunice, New Mexico 88231

Martindale Petroleum Corp.
P.O. Box 2403
Hobbs, New Mexico 88240

Bliss Energy Corp.
P.O. Box 1817
Hobbs, New Mexico 88240

Marathon Oil Co.
P.O. Box 2409
Hobbs, New Mexico 88240

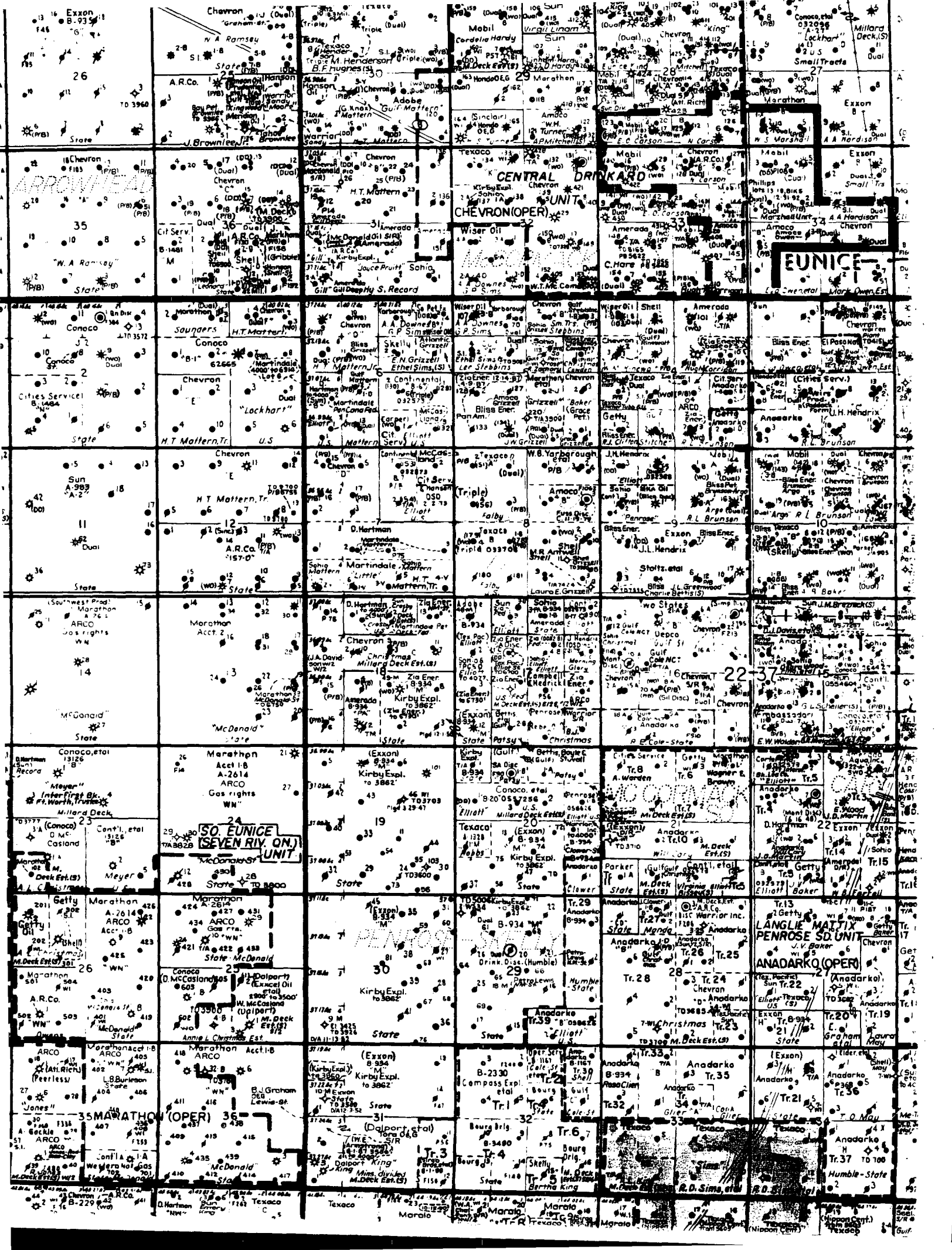
Conoco
P.O. Box 460
Hobbs, New Mexico 88240

Arco Oil and Gas Co.
P.O. Box 1610
Midland, TX 79702

C. P. FALBY A NO. 2 HISTORY

660 FNL and 660 FWL
Section 8, T22S, R37E
Lea County, New Mexico

- October 19, 1937- 13", 40#, Lapweld casing set at 209' with 200 sacks of cement.
- October 22, 1937- Ran and set 9 5/8", 40#, Seamless casing at 1190' with 600 sacks.
- November 4, 1937- Ran and set 7", 24#, Seamless casing at 3500' with 300 sacks of cement. Total Depth 3760'.
- December 11, 1937- Acidized open hole 3500' - 3760' with 2000 gallons. The acid job resulted in a production of 134 BOPD and 12 BWPD.
- December 16, 1937- Shot open hole with 450 quarts of nitro-glycerin from 3584' - 3760'. The stimulation resulted a production of 76 BOPD flowing.
- April 11, 1989- Additionally completed into the Eumont Yates Seven Rivers Queen at 2610'-2970'. Perforated this interval with 48 shots. Acidized this interval with 4000 gallons of 15% HCL pumped at 3-6 BPM. Fracture treated the interval with 32,000 gallons of gelled water carrying 90,000 lbs. of 20/40 sand. Placed well on production in the Eumont Yates Seven Rivers Queen Formation to test production and apply for downhole commingling.



C. P. Falby A No 2
Section 8. TZZS. R37E
660 FNL and 660 FWL
DF = 3443

Eumont Yates Seven Rivers
Queen Formation

Penrose Skelly Garburg

TD 3760

209'

1190'

3500'

13" 40# Lapweld,
200 sks, 17" hole (est)
Cmt circ (calc 70%)

9 7/8" 40# Seamless,
600 sks, 11 1/2" hole (est)
Cmt circ (calc 70%)

Perforations
2610-2970 (48 shots)

7" 24# Seamless,
300 sks, 8" hole (est)
TDC at 412' calc 70%

GAS-OIL RATIO TESTS

Operator Texaco Inc		Pool Penrose Skelly Grayburg - Eumont Yates Seven Rivers Queen		County Lea										
Address P.O. Box 728, Hobbs, New Mexico 88240		TYPE OF TEST - (X) ☒		Completion ☒ Special ☐										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL	
		U	S	T						R	WATER BBL'S.	GRAV. OIL		OIL BBL'S.
C.P. Falby A	Z	D	8	ZZS	37E	2/22/89	P	-	-	24	1	3	15	5000
	Penrose Skelly Gray									24	5	0	42	-
	Eumont Yates Seven Rivers Queen													

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

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

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

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

R.L. Johnson
AREA SUPERINTENDENT

JUN 9 1989 *J. Linder*

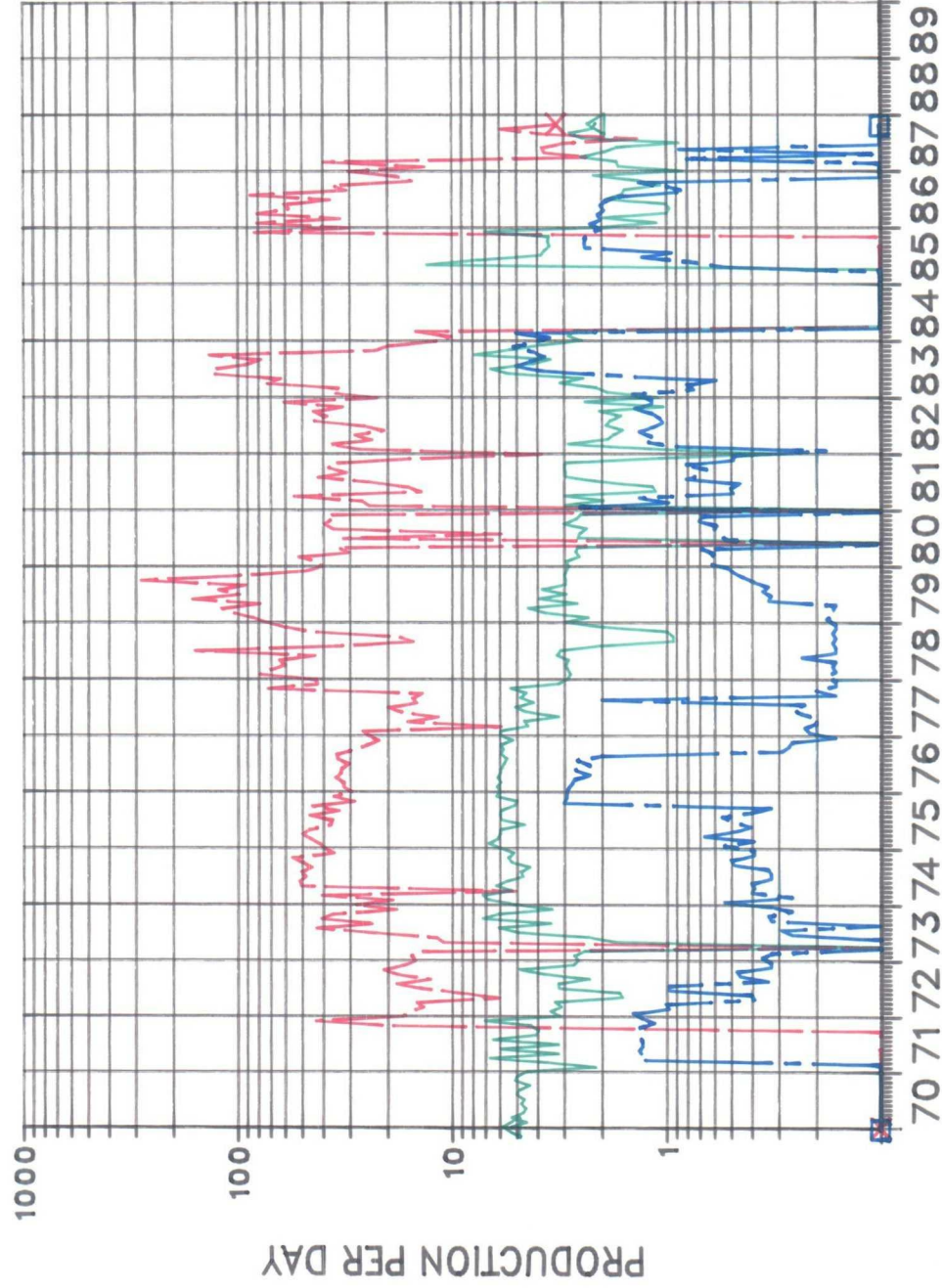
NEW MEXICO REGION

STATE: NEW MEXICO
REG. DIST: HOBBS/SE
COUNTY: LEA
FLD: PENROSE SKELLY GRAYBURG
ZONE: GRAYBURG

PRODUCTION VS TIME

PROP: C P FALBY A FEDERAL 08:35:36
PROP NO: 213520 WNUM: 002
LOCATION: 22S 37E 8 D
OPER: TEXACO INCORPORATED
WLSER: 22S37E08DGB

88-04-06



UPPER PERF:N/A
LOWER PERF:N/A

CUM. TOTALS
THRU 11/30/87
CRUDE: 100852
GAS : 474789
WATER: 5445

△ CRUDE (BBLS)
× GAS (MCF)
□ WATER (BBLS)



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

6-22-89

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 X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

RECEIVED

JUN 27 1989

OIL CONSERVATION DIV.
SANTA FE

Gentlemen:

I have examined the application for the:

Tusaco Prod Inc. C.P. Fulby A Fed #2-D 8-22-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK JS

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed