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TEXAS OIL & GAS CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

NOV 19 1980

O. C. D.
ARTESIA, OFFICE

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OCT 27 1980
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

October 24, 1980

United States Dept. of the Interior
P. O. Box U
Artesia, New Mexico 88210

Re: Superior Federal Com. #1 /
Sec. 8, T-20S, R-29E
NM 0366497
Eddy County, New Mexico

Gentlemen:

Texas Oil & Gas Corp. hereby requests permission to commingle the production from the Atoka (perforated 11,091' - 97') and the Morrow (perforated 11,141' - 47') formations in the subject well.

The combined production from these two zones is only about 100 to 120 MCFGPD and it is felt that there will be no adverse effects of such a commingling.

Please find attached two copies of an amended Well Recompletion Report, Form 9-330, that correctly names the two intervals of perforations. Two additional copies of this form are included for forwarding to the NMOCC.

If there are any questions on this matter please do not hesitate to call me at 915/682-7992, extension 159, or write to the above address.

Sincerely,

Tom Myers

Tom Myers
Production Engineer

NOV 5, 1980

TM:dk

Attachments

cc: Sue Umshler
United States Dept. of the Interior
P. O. Box 26124
Albuquerque, New Mexico 87125

Texas Oil & Gas Corp.
Superior Federal Com. #1
NM-0366497
Information for Commingling Application

As outlined in the U.S. Geological Survey Conservation Division Manual, the following is submitted in support of Texas Oil & Gas Corp. application to commingle production from the Atoka and Morrow in its Superior Federal Com. #1 in Eddy County, New Mexico.

1. This workover has already been performed. Texas Oil & Gas Corp. interpreted the logs to show that both sections perforated were in the Atoka formation; however the State Geologist of New Mexico has defined the lower set of perforations (i.e. 11,141'-11,147') to be in the upper Morrow. Attached as Exhibits 1 and 2 are the detailed workover procedure and a downhole diagram of the well.
2. Attached as Exhibit 3 is a map showing the well location as well as the communitized area. It is expected that drainage from this commingling of production will not extend beyond the area communitized.
3. Equipment used in the downhole commingling is shown on Exhibit 2.
4. Production from this well has been dry gas with only trace amounts of condensate and/or water. Current production has been averaging between 100 and 120 MCFGPD.
5. It is not possible to allocate production from the two zones. Both sets of perforations were shot and acidized at the same time. No separate tests were taken. It can also be assumed that the acid has effectively communicated the two zones.
6. All working interest owners in this well approved this work prior to its start. All offset operators have been notified of this commingling and have stated they have no objection to it.
7. Federal royalties will not be reduced through approval of this application. To the contrary, if this well cannot be produced as commingled, it is likely that it would be abandoned as uneconomical to produce.
8. As can readily be seen from Exhibit 4, the total cost of this workover will likely not be recovered. Any further expenditure that might be necessitated by required separation of the two zones would almost certainly cause the abandonment of this well.

Well: Superior Federal No. 1
Location: 1650' FNL-1980' FEL
Sec. 8-T20S-R29E
Eddy County, N.M.

- 5-20-80 11,500' PBTB. MIRUCU. Kill well w/10#/gal br wtr. Rlsd Otis MH pkr & retrvd BP. POH w/363 jts 2-3/8" 4.7# N-80 EUE tbf. RU & RIH w/CIBP set CIBP @ 11,500'. POH & SION. Prep to rn Otis Permalatch pkr. DDC: \$2698 CDC: \$2609.
- 5-21-80 11,500' PBTB. Prep to swb & tst Atoka perfs 11,091-11,147' Yest RIH w/Otis Perma-Latch pkr w/on-off receptacle w/1.79 Profile nipple on 2-3/8" tbg. Set pkr @ 11,049', NU WH. Swb FL to 10,000' FS. Perf Atoka section 11,091-97', 11,141-47', 2 SPF, tot of 28 holes, w/1-9/16" thru tbg perfg gun. No incr in press aft perfg SION. DDC: \$9854 CDC:\$12,552
- 5-22-80 11,500' PBTB. Prep to POH w/tbg & pkr, tst tbg & pkr in hole. Yest 11 1/4' SITP 600#. Opn well on 1/2" ck, press decr to 15# in 30". RIH w/swb, rec 4 BF, est gas vol 300 MCFPD. Attmp to acd perfs, had tbg leak. Now prep to POH & tst tbg. DDC: \$1392 CDC: \$13,944.
- 5-23-80 11,500' PBTB. Prep to fish pkr & jar free. Yest rlsd pkr, st out of hole w/tbg & pkr. Pkr hung up @ 11,029', unable to wrk pkr free. Rls on-off tool, POH w/tbg & on-off tool. RIH w/OS, hydraul jars & bmr sub. Prep to jar on stuck pkr. DDC: \$2630 CDC: \$16,574.
- 5-24-80 11,500' PBTB. GIH w/2-3/8" tbg & pkr, prep to swb tst Atoka perfs 11,091-11,147'. Latched onto fish @ 11,029', jar'd on stuck pkr for 45". POH, rec profile nipple & pkr mandrel, thru
- 5-27-80 RIH w/spear, latched inside Otis Perma-latch pkr for 30". POH w/pkr body leaving slip segments, pkr rubber III. RIH w/Guiberson Uni-VI pkr. Set pkr @ 11,018'. Swb tbg dry to SN. GSG, ARO 200 MCFGPD. Acd Atoka perfs 11,091-11,147' w/1500 gal 7 1/2% MS acd using 45 BSs. Perfs balled out. MP 7150#, AIR 4 1/2 bpm, ISDP 3500#, Tot LTR 86 hbbs. CWI, now prep to swb well for tst aft acd. DDC:\$15,613 CDC:\$32,187.
- 5-28-80 11,500' PBTB. Prep to re-acd Atoka perfs 11,091-11,147'. Yest swb tstd Atoka perfs 11,091-11,147' 6', swb tbg dry to SN. Rec 42 BLW, -44 LTR. Well flwg on 1/2" ck, 26# FTP, ARO 260 MCFGPD. SWION for PBU. DDC:\$2090 DCD: \$ 34,277.
- 5-29-80 11,500' PBTB. Swb tstg Atoka perfs (11,091-11,147'). Yest 14' SITP 3950 psi. Open on 1/2" ck, flwd 105". TP drpd to 100 psi. Opn on 3/4" ck, flwd dn to 16 psi. Acd Atoka perfs w/1500 gal 7 1/2% MS acd. 1st form feed-in 4400 psi. ATP 4700 psi @ 2.5 bpm. MTP 5000 psi @ 3 bpm, ISDP 3600 psi, 15" SIP 3600 psi. Opn well to tst tank, flwd to 0. RIH w/swb, rec 62 BLW in 6'. -18 BLTR of 80 tot TR. Rec SSG @ end of swb rn. SION for PBU. DDC: \$5861 CDC: \$40,138.

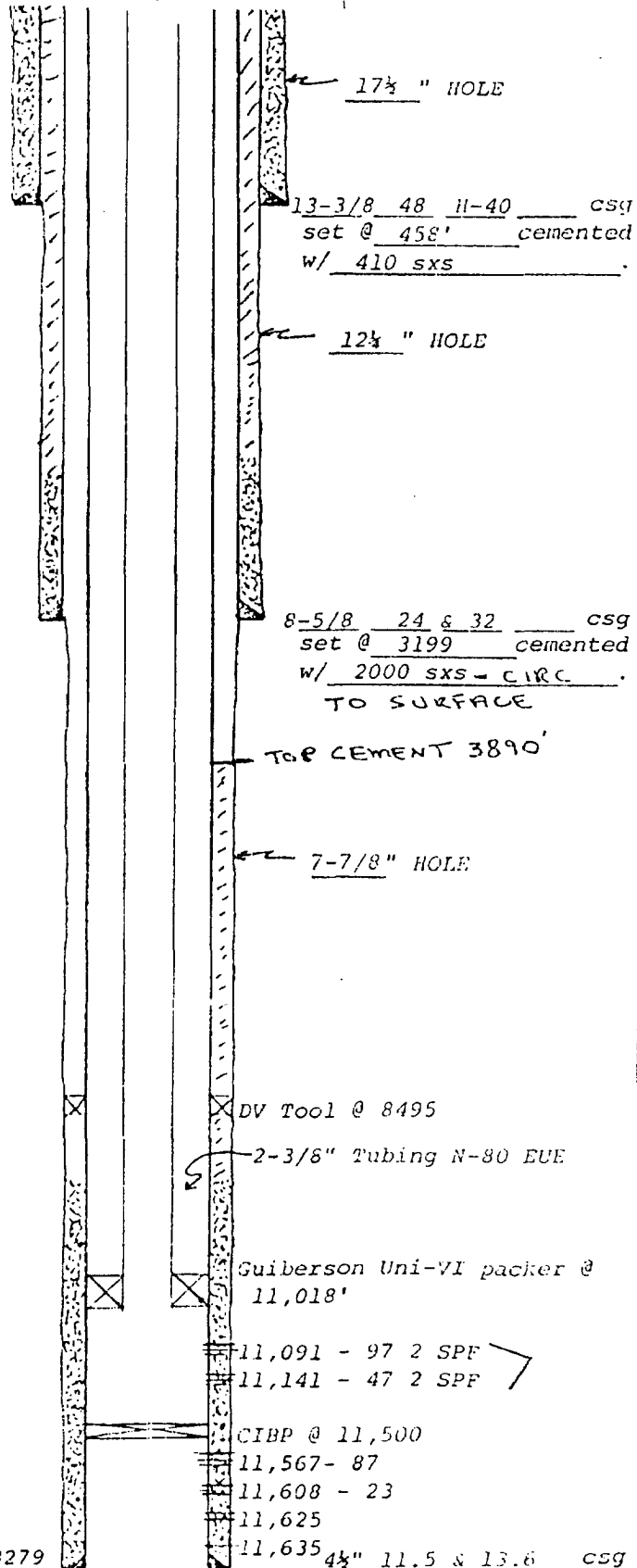
Texas Oil & Gas Corp.

Well: Superior Federal No. 1
Location: 1650' FNL-1980' FEL
Sec. 8-T20S-R29E
Eddy County, N.M.

- 5-30-80 11,500' PBTD. Well SI for PBU. Yest 14' SITP 3200#. Bled press to 0 in 1'. RIH w/swb, swb 2', rec 6 BLW, -12 BLWTR. Tbg dry to SN. Set well on $\frac{1}{4}$ " ck, press stab for 3' @ 89# ARO 160 MCFGPD, dry. SWI. RD workover unit. DDC: \$1137 CDC: \$41,275.
- 5-31-80 11,500' PBTD. Well SI for PBU. CDC: \$41,275.
- 6-03-80 11,500' PBTD. Well SI for PBU. CDC: \$41,275.
- 6-05-80 11,500' PBTD. SITP 4350#. Opn well, flwd well 2". Press decr to 85# on $\frac{1}{4}$ " ck in 2'. ARO 150 MCFGPD. SWI for PBU. CDC: \$41,275.
- 6-06-80 11,500' PBTD. Well SI for PBU. CDC:\$41,275.
- 6-07-80 Same.
thru
6-08-80
- 6-09-80 3/4" ck, 165# FTP, 160# LP, 183 MCFGPD, tr of wtr, tr of condens. Producing from East Burton Flat (Atoka).
FINAL REPORT.

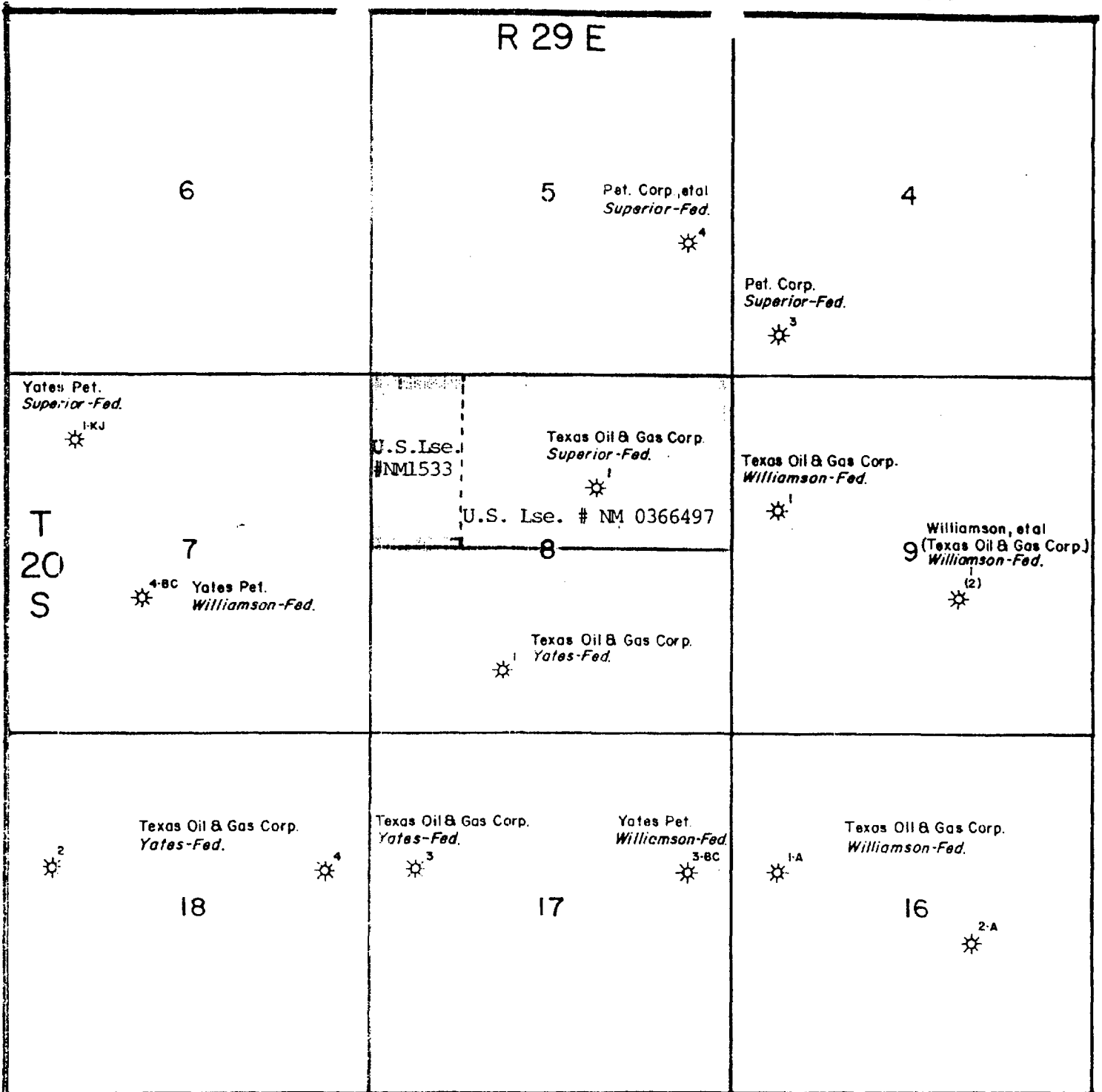
TEXAS OIL & GAS CORP.
 SUPERIOR FEDERAL NO. 1
 1650' FNL - 1980' FEL
 Section 8-T20S-R29E
 Eddy County, N. M.

Exhibit 2



WATION FB 3293 DF GL 3279
 11,700 FSTD 11,500 RECOMPL. 6-9-80
 (Date)

4 1/2" 11.5 & 13.6 csg
 set @ 11,700 cemented
 w/ 1st stage 850 sxs
 2nd stage 800 sxs



Texas Oil & Gas Corp.

SUPERIOR FEDERAL COM. #1

1650' FNL - 1980' FEL
 Section 8-T20S-R29E
 Eddy County, New Mexico

Scale: 1" = 2000'

SUPERIOR FEDERAL NO. 1
1650' FNL - 1980' FEL
Section 8-T20S-R29E
Eddy County, N. M.

ECONOMIC APPRAISAL

*Recoverable Reserves (MCF)	40,150
Reserves to 100% Working Interest (MCF)	32,622
Gross Income (\$)	47,628
Taxes (\$)	3,572
Operating Costs (\$)	9,750
Net Income (\$)	34,306
Cost of Workover, May, 1980 (\$)	43,497
Net Profit/Loss to Operator (\$)	(9,191)

*Based on Apparent Monthly Rates of Decline in Production.