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April 27, 1995

Energy, Minerals & Natural Resources Department
Oil Conservation Division
P O Box 1980
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Attention Donna Pitzer

Re: Lambirth #3 & #7
S. Peterson (Penn) Assoc. Field
Roosevelt County, New Mexico

Gentlemen:

Unit G 31-55-33a
The Lambirth #3 well was spudded June 5, 1978. The 5-1/2" O.D. Casing was set at 8030'. The well initially perforated the Lower Fusselman at 7940'-7944'. These perfs tested wet and were squeezed w/175 sx cement. The well was then perforated 7840'-7849' and completed as a Fusselman producer and put on rod pump. The well was potentialized on 7-20-78 for 25 BO, 12 BW and 64 MCFGPD.

October 14, 1978 a CIBP was set at 7800' over the Fusselman perforations. It was capped with 10' of cement. The well was then perforated 7702'-7715' in the Pennsylvanian formation and completed as a gas well. It was potentialized for 5099 MCFGPD on 24/64" choke, FTP 1976#, on 10-31-78. It produced from these perfs until 2-2-86 when a RBP was placed at 7685' and Penn. perfs 7653-7660' were added. These perfs were potentialized for 135 BO, 0 BW and 606 MCFGPD on 18/64" choke, FTP 350# on March 5, 1986. The RBP at 7685' was removed 6-13-86 and well was produced from both sets of Penn perfs.

Production had declined to 1 BOPD and 20 MCFGPD by 10-1-92. At this time well was placed on plunger lift with no significant increase in production obtained. March 17, 1994 work began to commingle existing Penn and Fusselman perfs and add additional Penn perfs. Additional Penn perfs 7818-7826', 7730-7750', 7615-7635', and 7572-7582' were added and acidized. Well was placed on pump. Electric service was obtained and well began producing on 4-17-94. Initial stabilized production was 31 BO, 254 BW, and 119 MCF. Production has declined to 22 BO, 197 BW, 75 MCF as of 4-27-95. Estimated

Energy, Minerals & Natural
Resources Department
April 27, 1995
Page 2

production after rework from the Penn zone is 9 BO, 49 MCF and the Fusselman zone is 13 BO, 26 MCF.

Oil Production	Fusselman	59%	Penn	41%
Gas Production	Fusselman	35%	Penn	65%

Penn production was estimated from the current rate of the well after the recompletion. Fusselman production was estimated from the last rate the well produced and its GOR. Administrative Order DHC-755 authorized this commingling.

The Lambirth #7 well was spudded on 4-2-79. The 5-1/2" O.D. casing was set at 7882'. The well was originally completed in the Fusselman with perforations from 7826'-7829'. The well was potentialed 6-19-79 for 117 BO, 87 BW and 138 MCFGPD and produced from these perfs until 3-17-85. In March of 1985 a RBP was placed over the Fusselman perfs at 7800'. Penn perforations 7628'-7631' and 7709-7718' were added at this time. It was potentialed on 3-18-85 for 144 BO, 72 BW and 1012 MCFGPD. Well produced from these perfs until 3-13-90 when work began to commingle the Fuss. and Penn. perfs.

After a long fishing job the RBP at 7800' was removed and the well was placed on production with the Fuss. and Penn. open on 3-30-90. The final report on this job was 4-24-90 with production recorded at 2 BO, 92 BW and 18 MCF. This well was produced from commingled zone until March of 1992, at which time the well was temporarily abandoned and shut in. It remains TA at this time. Administrative order DHC-756 dated 2-14-90 authorized this commingling.

Production percentages used when applying for commingle order are:

Oil Production	Penn	25%	Fuss	75%
Gas Production	Penn	19%	Fuss	81%

Sincerely,



Steven Hartley

SH:cjh