

NMOCC DATA
Downhole Commingling

1. Operator - Energy Reserves Group, Inc.
P. O. Box 2437
Midland, Texas 79702
2. Lease Name & No. - State 17 No. 1.
3. Well location - 660' FNL, 900' FEL, Sec. 17, T-6-S, R-34-E
Roosevelt County, New Mexico.
4. Pools to be commingled - Cisco and Granite Wash.
5. Land Plat is attached.
6. Form C-116 showing production from Cisco is attached;
Granite Wash has never been produced. All production
above the amount assigned to the Cisco will be considered
to be coming from the Granite Wash.
7. The production decline curve for the Cisco is attached.
8. Estimated bottomhole pressures are: Cisco = 850 psi
Granite Wash = 1500 psi.
9. Both of these formations will be producing oil, water, and
gas with the bottom Cisco perf only 46 feet from the top Granite
Wash perforation. Therefore, these fluids should be compatible
and very similar.
10. The value of the oil from both zones will be identical since they
are of the same quality and are situated less than 100 feet apart.
11. All of the production above the current producing rate of the Cisco
will be considered Granite Wash and allocated as such.
12. A copy of the letters sent to the offset operators.

RECEIVED

NOV 12 1985

O.C.D.
HOBBS OFFICE