

# AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING  
DALLAS, TEXAS 75202

PRODUCTION DEPARTMENT

December 20, 1974

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

Attn: Mr. A. L. Porter, Jr.

Re: Application for Well-bore  
Commingling Gutman No. 2,  
Blinebry & Drinkard Pools  
Lea County, New Mexico

Gentlemen:

Aztec Oil & Gas Company respectfully requests Administrative approval, under provisions of Order No. R-3845, to commingle production within the well-bore from the Blinebry and Drinkard formations in its Gutman Well No. 2, Unit L, Sec. 11, T-21-S, R-37-E, Lea County, New Mexico.

This well is currently producing marginal production from both zones, each being classified as oil zones. The Drinkard zone is being produced by artificial lift, therefore, production after commingling will be by artificial lift. Elimination of the packer will allow producing both zones through a single tubing string and increased recovery can be expected from both reservoirs. Also, operation costs will be reduced, thereby, extending the economical life of the well. In the event secondary operations are initiated in the future, the dual equipment can again be installed. Authorization for the original dual completion of this well was granted under Administrative Order No. MC-1613, dated April 1, 1965.

Pertinent data for the two zones are listed on the attached data sheet. Also, attached are oil production decline curves, a plat of the lease and offset leases showing producing zones of the respective wells, and well test data, as submitted on the most recent Form C-116. We propose to apportion oil production on the basis of the Blinebry projected decline with the balance going to the Drinkard, and gas production will be distributed in proportion to the most recent gas-oil ratios. A recent workover, including reperforating and fracturing of the Drinkard zone, was instrumental in a substantial

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production increase, therefore the previous decline is not representative of future production and the subtraction method is considered to be the most creditable.

Estimated bottom hole pressures of 720 psi. and 1450 psi., for the Blinebry and Drinkard, respectively, are based on the most recent BHP surveys conducted on this well. Although there is a difference in static bottom hole pressures, the Drinkard formation is tight with a low deliverability and flow into the Blinebry reservoir will occur only during brief shut-in periods. Fluid level build-up in the Drinkard will reduce the pressure differential at the point of Blinebry perforations; therefore, Drinkard flow into the Blinebry will be negligible during shut-in and will be produced quickly when returned to producing.

Blinebry production from Well Nos. 1 & 2 is commingled at the tank battery with Drinkard production from Well No. 2, as authorized by Administrative Order PC-409, dated January, 1971, and working interests and royalty interests for both zones are common. Value of the commingled fluids is not less than the total value of the fluids if they were sold separately. During commingling of production at the battery, no incompatibility has occurred; therefore, no incompatibility is anticipated with well-bore commingling at this location.

Production from these two zones is commingled in the well-bore of the east offset to this well as authorized to Conoco Oil Co. for their Nolan No. 3 by Order No. DHC-89.

Copies of this application are being submitted to the offset operators as shown on the attached list.

Yours very truly,

AZTEC OIL & GAS CO.

  
L. D. Eaton

LDE/sw

Attachments

cc: L. L. Duke  
NMOCC - Hobbs ✓  
Offset Operators (4)

OFFSET OPERATORS

Continental Oil Company  
Attn: Division Engineer  
Box 460  
Hobbs, New Mexico 88240

Exxon Company  
Attn: District Engineer  
Box 3116  
Midland, Texas 79701

Getty Oil Company  
Attn: W. J. Newman  
Box 1231  
Midland, Texas 79701

J. W. Rodgers  
P. O. Box 312  
Eunice, New Mexico 88231

DATA SHEET FOR WELLBORE COMMINGLING

Operator: AZTEC OIL & GAS COMPANY

Address: 2000 First National Bank Building, Dallas, Texas 75202

Lease and Well No: Gutman No. 2

Location: Unit     L    ;   921   Feet from the North Line and  
  1650  Feet from West Line of Section   11  ;  
Township  21S , Range  37E ;   Lea   County.

WELL DATA

	<u>Upper Pool</u>	<u>Lower Pool</u>
Name of Pool	<u>Blinebry</u>	<u>Drinkard</u>
Producing Method	<u>Flowing</u>	<u>Pumping</u>
BHP	<u>720</u>	<u>1450</u>
Type Crude	<u>Sweet</u>	<u>Sweet</u>
Gravity	<u>36.5</u>	<u>37.6</u>
GOR Limit	<u>4,000</u>	<u>6,000</u>
Completion Interval	<u>5690-5912</u>	<u>6464-6687</u>
Current Test Date	<u>9-3-74</u>	<u>12-9-74</u>
Oil	<u>5</u>	<u>16</u>
Water	<u>0</u>	<u>2</u>
GOR	<u>7,800</u>	<u>16,250</u>
Selling Price of Crude-\$/BBL.	<u>10.03</u>	<u>10.05</u>
Daily Income - \$/Day	<u>50.15</u>	<u>160.80</u>

COMMINGLED DATA:

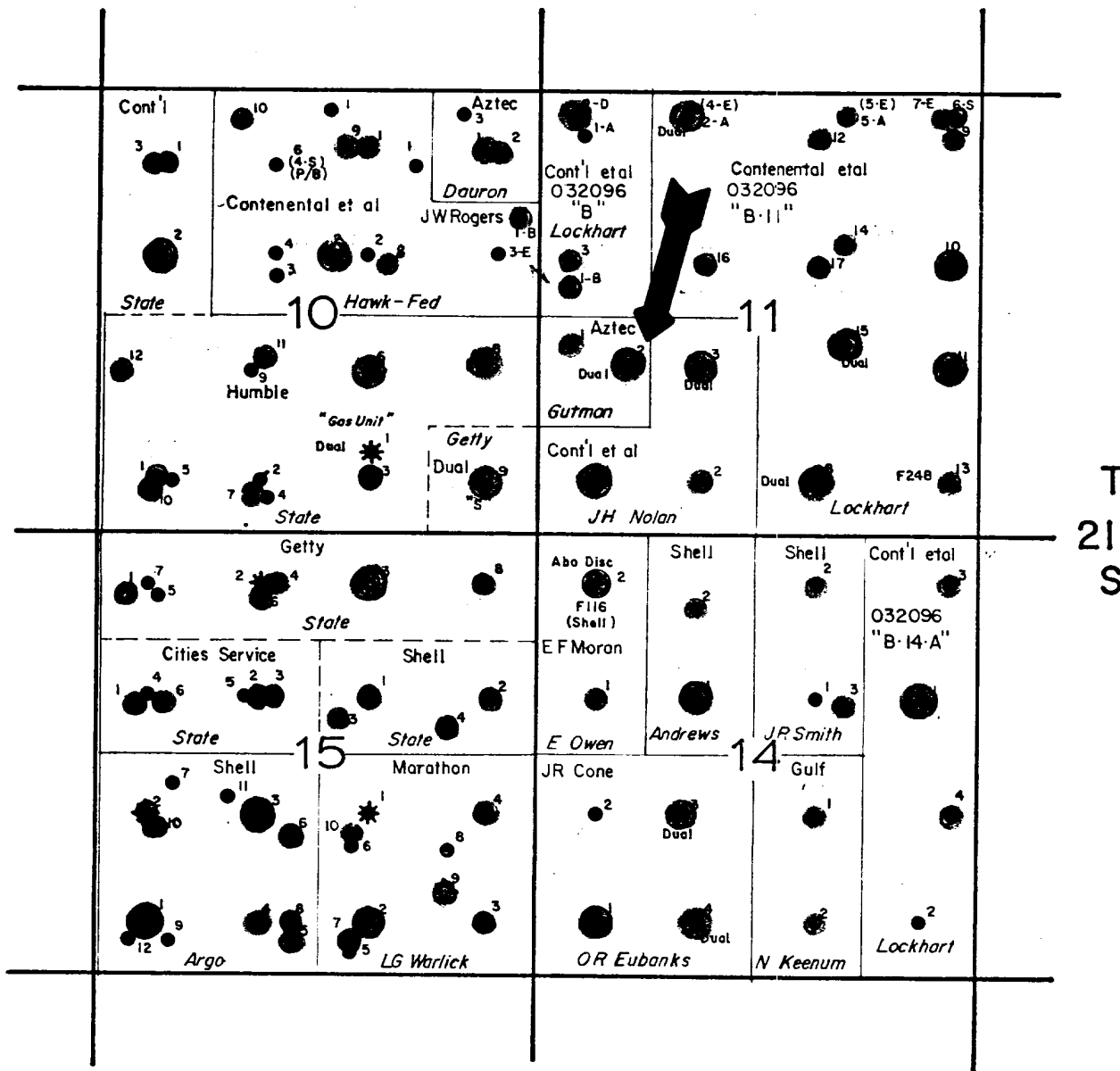
Gravity of Commingled Crude   37.3  

Selling Price of Commingled Crude - \$/BBL.   10.05  

Daily Income - \$/Day  211.05  

Net (Gain) From Wellbore Commingling - \$/Day   0.10    
based on current producing rates.

R 37 E



LEGEND:

- BLINEBRY
- DRINKARD

**AZTEC**  
**GUTMAN LEASE**  
 SEC II T21S R37E  
 LEA COUNTY, N. MEX.

NEW MEXICO OIL CONSERVATION COMMISSION  
GAS-OIL RATIO TESTS

C-116  
Revised 1-1-65

Operator		Pool		County								
Aztec Oil & Gas Company		Drinkard		Lea								
Address		P.O. Box 387, Hobbs, New Mexico 88240		88240								
LEASE NAME	WELL NO.	LOCATION	DATE OF TEST	TYPE OF TEST - (X)	SCHEDULED <input type="checkbox"/>	COMPLETION <input type="checkbox"/>	SPECIAL <input checked="" type="checkbox"/>					
								U	S	T	R	DATE OF TEST
Gutman	2	L 11 21 37	12-9-74	P 1/2	60	6	24	2	37	16	260	16250
<p style="text-align: center;">The Drinkard has been re-treated, Please increase allowable as shown</p> <p style="text-align: center;">Note: This well is surface Comingled with Blinberry</p>												

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 Commission.

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 Commission 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.

Original signed by  
LESTER L DUKE  
(Signature)

District Superintendent

12/11/74  
(Date)



Barrels per Day

