

**CASE NO. 11429**  
**Order No. R-10547**  
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<u>Well Name</u>	<u>Well</u>	<u>Completion Interval</u>	<u>Date Completed &amp; IP</u>
SDE "31" No. 2	Unit C	Bone Spring 8,571'-8,623'	11/94 359 BOPD
SDE "31" No. 4	Unit F	Bone Spring 8,560'-8,614'	3/95 310 BOPD
SDE "31" No. 5	Unit B	Bone Spring 9,018'-9,044'	3/95 154 BOPD
SDE "31" No. 8	Unit K	Delaware (Upper Brushy Canyon) 7,193'-7,226'	5/95 33 BOPD
SDE "31" No. 9	Unit J	Delaware (Lower Brushy Canyon) 8,226'-8,437'	4/95 86 BOPD
SDE "31" No. 14	Unit N	Bone Spring 8,559'-8,610'	6/95 286 BOPD

(4) Division records further indicate that the applicant has obtained drilling permits for the following described wells within the development area:

<u>Well Name</u>	<u>Well</u>	<u>Completion Interval</u>	<u>Date Completed &amp; IP</u>
SDE "31" No. 6	Unit G	Delaware & Bone Spring	
SDE "31" No. 15	Unit O	Delaware & Bone Spring	

(5) The applicant's plan of operation for the development area includes:

- a) completing the Delaware formation within the SDE "31" Well Nos. 2, 4, 5 and 14 and downhole commingling this production with existing Bone Spring production;
- b) completing the Bone Spring formation within the SDE "31" Well Nos. 8 and 9 and downhole commingling this production with existing Delaware production; and,
- c) depending on the results obtained in the proposed recompletions, drill two additional wells, being the SDE "31" Well Nos. 6 and 15, as downhole commingled Bone Spring and Delaware producers.

(6) According to applicant's evidence and testimony, the Bone Spring formation within the development area typically exhibits high initial producing rates as indicated by the above-described IP's, however, this Bone Spring production exhibits decline rates of approximately 85-90 percent.

(7) Applicant's evidence shows that the SDE "31" Well No. 4, which initially produced at a rate of approximately 220 BOPD from the Bone Spring formation, produces at a rate of approximately 86 BOPD after just four months of production.