STATE OF NEW MEXICO



GOVERNOR

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

4/7/97

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

DHC-1481

OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	-	
DHC	<u>Ý</u>	
NSL	7	
NSP		
SWD		
WFX		
PMX		

Gentlemen:

I have examined the application for the:

# 4-225-37e Operator Unit

and my recommendations are as follows:

10

very truly, Yours Jerry ton Supervisor, District 1

/ed

## THE WISER OIL COMPANY 8115 PRESTON ROAD, SUITE 400, DALLAS, TX 75225 (Phone) 214-265-0080 (Fax) 214-373-3610

 $\mathcal{A}^{\pm}$ 

March 31, 1997

Energy, Minerals and Natural Resources Department Oil Conservation Division 2040 S. Pacheco Santa Fe, NM 87505-6428

Oil Conservation DivisionP. O. Box 1980Hobbs, NM 88240

State Land Department P. O. Box 1148 Santa Fe, NM 87504-1148

> Re: Rinewalt B - Dual Compl. Blinebry/Tubb zones API # 30-025-10044 D 04 22S 37E Lea County, NM

Attn: Downhole Commingling Department

The Wiser Oil Company as operator of the captioned well in Lea County, New Mexico, hereby requests permission to downhole commingle all production from same. We understand that commingling for these zones has been approved for other operators. Following is a list of attachments:

C107 A Map of Location Downhole Schematic C102 for Blinebry & Tubb zones C116 for Blinebry & Tubb zones Production curve for Blinebry & Tubb zones Blinebry/Tubb Downhole Commingling Page 2

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Allocation Formula Value Formula Notification list

The Blinebry zone is currently testing at 24 Mcfd and is uneconomic. The plunger lift on this tubing string will be used to artificially lift both zones economically. We are selling all gas production to Texaco under the same ten year contract. We are paid 90% residue, 40% liquid of weighted average resale price. BTU's should not change significantly with commingling. We do not expect any crossflow. Commercial production should not decrease. Allocation of production will be based on current well tests.

No pressures have been recorded on either the Blinebry or Tubb formation in the subject well. If allowed to commingle the two zones, a dip-in pressure bomb would be run to determine the commingled bottom-hole pressure (to aid in designing the plunger lift for both zones). As these are marginal wells, we would ask for relief from performing BHP testing before commingling the zones.

Please let us know as soon as possible if you require any additional information.

Yours very truly,

Sun Hopper

S/s

## EXHIBIT " - CASE NO. 11353, ORDER NO. R- 170-A

DISTRICT | P.D. Ban 1880, Holds, MA 88240 DISTRICT II 811 Bouth First St., Artours. NM 88210 DISTRICT III 000 he brane Rd. Amer, Md. \$7410

## State of New Mexico Energy, Minerale and Natural Resources Department **OIL CONSERVATION DIVISION** 2040 S. Pacheco Santa Fa, New Mexict 57505-6428

Form C-107-A APPROVAL PROCESS \_ Administrative \_\_\_\_hearing E) JTING WELLBORT \_\_\_\_YES \_\_\_NO

and Unit Lease To

## APPLICATION FOR DOWNHOLE COMMINGLING

### The Wiser Oil Company 115 Preston Rd., Ste 400, Dallas, TX 75225 ¥ Rinewalt B D 04 22S 37E 1 Lea 100 - 101

pes. (chęck 1 or OGRID NO. \_139036\_ Property Code \_16243/16234PI NO. \_30-025-10044 State 4 (milde) Fes X Pederal

The following facts are submitted in support of downhole comminging:	Upper Zone	Internedists Zones	Lower Zone
1. Pool Name and Pool Cade	Blinebry		Tubb
2. Top and Bottom pf Pay Section (Perforations)	5661-5 <b>903'</b>		6060-6150'
3. Type of production (OII or Gas)	Gas/Condensate		Gas
4. Mathed of Production (Flowing or Artificial Lift)	Plunger Lift		Flowing
5. Bottomhole Pressure Oil Zenes - Antificial Lift:	e. (Current) N/A	<b>.</b>	•. N/A
Gas & OU - Flowing: Messured Current All Gas Zones: Estimated Or Messured Original	b, <sup>IONgINH)</sup> N/A (see attached)	b.	<sup>b.</sup> N/A (see attache
6. Oli Grevity ( <sup>4</sup> API) pr Gas BTU Content	1199		1177
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes.		Yes
<ul> <li>If Shut-In, give dets and cil/gas/ water rates of last production</li> <li>Note: For new zones with no production hatory, spekert shall be require to stach</li> </ul>	Dave : Perse:	Dece: Ranes :	Date: Rense:
history, applicant shall be required to static stoduction estimates and supporting data * If Producing, give dats andoit/gas/ water rates of recent test (within SO days)	Den: Maxwa: see attached Cll	Dens: 6 Ranse	Dmm: Remusee attached C116
8. Fixed Percentage Allocation Formule -% for each zone	Ciil: % Gas: %	CM: Ges. %	04: <b>Gas</b> 54

If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling?

. Are all working, overriding, and royalty interests identical in all commingled zones?	X Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail?	X Yes No
Have all offset operators been given written notice of the proposed downhole commingling?	X Yes No
Will cross-flow occur? Yes XX No If yes, are fluids compatible, will the formations not flowed production be recovered, and will the allocation formula be reliable. Yes No	be damaged, will any cross- (If No, attach explanation)

X Yes 12. Are all produced fluids from all commingled zones compatible with each other? No

13.	Will the value of	production be decreased b	y commingling	1? Yes	X	No	(If Yes,	attach ex	planati	ion'
13.	AAHI TUQ AEIMG OF	broggiction of declateter o	y communguing	I	•	IN Q	, ut tos,		pier	1411

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. <u>x</u> Yes \_\_\_\_ No

ORDER NO(S). 15. NMOCD Reference Cases for Rule 303(C) Exceptions:

O. ALLAUHMENTS:

11

* C-102 for each zone to be c	commingled showing its spaci	ing unit and acreage dedication. not available, attach explaination.)
Production curve for each ze	one for at least one year. (If	not available, attach explaination.)

Production curve for each zone for at least one year. (If not available, attach explaination.
 For zones with no production history, estimated production rates and supporting data.
 Data to support allocation method or formula.
 Notification list of all offset operators.
 Notification list of working, overriding, and royalty interests for uncommon interest cases.
 Any additional statements, data, or documents required to support comminging.

hereby certify that the information above is true and complete to the best of my knowledge and belief.

	Agent	DATE	_4/1/97
VPE OR PRINT NAME Susan Hopper	 TELEPHONE NO. ( 21	<b>4_</b> )_	360-3522



District I PO Box 1980, Hobbs, NM 88241-1980 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 2040 South Pacheco, Santa Fe, NM 87505

## State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505 Form C-102 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

		W	ELL LO			ACR	REAGE DEDI	CAT	ION PL	.AT		
30 025	PI Numbe 10044	er		0660		<b>B1</b> :	inebry Oil &	Gas	<sup>3</sup> Pool Na	ame		
Property 16243		Wm.	M. Rine	1 1 1						Well Number —B		
'ogrid <del>263963</del> 0		The	Wiser O	il Com	-	erator	Name	·				'Elevation 3453
					<sup>10</sup> Sur	face	Location					
UL or lot no. D	Section 4	Township 22-S	Range 37–E	Lot Idn	Feet from 660	the	North/South line		from the 90	East/Wes		County Lea
	4	22-5		tom H		on I	f Different Fro			[		L
UL or lot no.	Section	Township	Range	Lot Idn			North/South line		from the	East/Wes	t line	County
<sup>12</sup> Dedicated Acr	es <sup>13</sup> Joint	or Infill <sup>(4</sup>	Consolidatio	n Code	<sup>15</sup> Order No.		1	<u> </u>		1		1
NO ALLON	VABLE						ON UNTIL ALL EEN APPROVED				EN CO	NSOLIDATED
									I hereby certi true and com Signature Susa Printed Nan Agen Title 214 Date I hereby cert was plotted or under my correct to the Date of Sur	fy that the in plete to the b plete to the b pletet	formation rest of my er 22 CER vell locati tes of actu and that belief.	TIFICATION contained herein is knowledge and belief

which well is I in order that w Gas volo Specific gravit Report o	Instructions:	Rinewalt B	LE	Address 8	Operator T		DISTRICT III 1000 Rio Brazc	DISTRICT II P. O. Box DD,
<ul> <li>Ouring gas-oil ratio test, each well shall be produced at a fact not exceeding to top unit anomatic to the poor 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 Division.</li> <li>Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a Temperature of 60° F.</li> <li>Specific gravity base will be 0.60.</li> <li>Report casing pressure in lieu of tubing pressure of any well producing through casing.</li> </ul>	-		LEASE NAME	8115 Preston Rd., Ste 400, Dallas, TX 75225	The Wiser Oil Company		DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410	P. O. Box DD, Artesia, NM 88210
u snal oe proc eercent. Opera ased allowable MCF measure tubing pressur			NO. U	Dallas, TX 7.				
tor is encouraged at a rate s when author d at a pressure e of any well p		4 22 37	J S T R	5225				
ged to take adv ized by the Di base of 15.02 producing thro		02/14/97 F	DATE OF F		Pool I			
vantage of th vision. 25 psia and a ugh casing.		F Open	ST AT SIZE	Type of Test - (X)	Blinebry	GAS		Sante
is 25 perce Temperatu	allowable fo	130	TBG PRESS.		2	- OIL ]		P. O. Fe, New I
	r the pool	130 Marg	DAILY ALLOW- ABLE	Scheduled		GAS - OIL RATIO TEST		P. O. Box 2088 Sante Fe, New Mexico 87504-2088
Signature Signature Susan Hopper Printed name and title Printed name and title Ult 197	I hereby completents	24	OF TEST HOURS			ST		-2088
ITE LOOP	hereby certify that above informore omplete the best of my knowledge and belief.	0	WATER 0 BBLS	Completion				
	at abov cnowledge	 39	OIL BBLS		County			
よ	e information and belief.	1.5		Special				
4/360 Telephone	nation is	 24	GAS M.C.F.	×	Lea			
1/34.0-3522 Telephone No.	s true and	16	RATIO CU. FT/BBL					
	ıd	 6		1				

(See Rule 301, Rule 1116 & appropriate pool rules.)

Revised 1/1/89 Form C-116

OIL CONSERVATIONS DIVISION

Energy, Minerals and Natural Resources Department

State of New Mexico

District Office DISTRICT I P. O. Box 1980, Hobbs, NM 88240

Submit 2 copies to Appropriate



District I PO Box 1980, Hobbs, NM 85241-1980 District II 811 South First, Artesia, NM 85210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 2040 South Pacheco, Santa Fe, NM 87505 State of New Mexico Energy, Minerals & Natural Resources Department

## OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

Form C-102 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION	AND	ACREAGE	DEDICATION	PLAI
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												<u> </u>
	API Numb	ar in the second se		<sup>2</sup> Pool Code	•				<sup>3</sup> Pool Na	une.		
30 025	10044			86440		Tu	bb Oil & Gas					
<sup>4</sup> Property	roperty Code									Well Number		
16234		Wm. M.	. M. Rinewalt									
'OGRID					•	erator	Name					* Elevation 3453
26397		THe Wi	ser Oi	1 Compa	ny							JHJJ
1390					10 Sur	face	Location			ł.		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	the	North/South line	Feet fi	rom the	East/West	line	County
D	4	22-S	37-E		660		North	99	90	West		Lea
	•····	•	<sup>11</sup> Bot	tom Hole	Locati	on If	f Different Fro	om Su	irface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	the	North/South line	Feet fi	rom the	East/West	line	County
" Dedicated Act	es <sup>13</sup> Joint	or Infill 14 (	Consolidatio	n Code <sup>15</sup> O	rder No.		0 001					
4 N				1	•	NS	P-881					
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		OR A	NON-ST	ANDARD	UNIT HA	AS BE	EEN APPROVED					
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DISTRICT II P. O. Box DD, Artesia, NM 88210 DISTRICT III	Submit 2 copies to Appropriate District Office <u>DISTRICT 1</u> P. O. Box 1980, Hobbs, NM 88240
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Energy, Minerals and Natural Resources Department State of New Mexico

> Form C-116 Revised 1/1/89

# OIL CONSERVATIONS DIVISION

P. O. Box 2088 Sante Fe, New Mexico 87504-2088

1000 Rio Brazos Rd., Aztec, NM 87410

## GAS - OIL RATIO TEST

							County		Lea	
Operator The Wiser Oil Company	V Pool	Tubb Oil & Gas (Oil)	ts (Oil)							-
A "Aress 8115 Preston Rd., Ste 400, Dallas, TX 75225	.00, Dallas, TX 75225	Type of Test - (X)	Scheduled	fuled	С	Completion		Special	X	
	WELL LOCATION		D	DAILY	LENGTH	PRO	PROD. DURING TEST	G TEST		GAS-OIL
LEASE NAME		STAT CHOKE	TBG AL PRESS. A		OF TEST HOURS	WATER BBLS	GRAV. OIL		GAS M.C.F.	RATIO CU. FT/BBL
Rinewalt B	I D 4 22 37 02/14/97 P	7 P Open	315 N	Marg	24	0		<u>^</u>	90	N/A
Instructions: During gas-oil ratio test, each v which well is located by more than 2 in order that well can be assigned inc Gas volumes must be reported	Instructions: During gas-oil ratio test, each well shall be produced at a rate not exceeding to 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 Division. Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a Temperature of 60° F.	ng to top unit alludvantage of this Division. 025 psia and a T	owable for the p 25 percent toler emperature of 6		I hereby certify that above infor complete to the best of my knowledge and belief Signature Signature Susan Hopper, Production Administrator	certify that e best of my known of the second secon	nat above knowledge ar Administrator	e information ınd belief. or	ation is	true and
Gas volumes must be reported Specific gravity base will be 0.60. Report casing pressure in lieu	Gas volumes must be reported in MCr measured at a pressure base of 15.025 psia and fic gravity base will be 0.60. Report casing pressure in lieu of tubing pressure of any well producing through casing.	rough casing.	curbo and o o		Printed name and title $\frac{4}{1/97}$ Date	and title			214/360-3522 Telephone No.	1522 No.
(See Rule 301, Rule 1116 & appropriate pool rules.)	propriate pool rules.)									

(See Rule 301, Rule 1116 & appropriate pool rules.)



## Rinewalt B Blinebry/Tubbs Downhole Commingling Application Allocation Formula

Allocation will be based on well tests. An example follows:

## days on x well test = ultimate production

## actual production ÷ ultimate production = allocation %

## allocation % x ultimate production = allocated production

Step 1 Zone Blinebry Tubb	<u>Days (</u> 30 30	<u>Dn</u> x x	<u>Mcf</u> 24 90	=	720 <u>2700</u> 3420	
Step 2	<u>Actual</u> 2900 N		÷	<u>Test</u> 3420	=	<u>% Prod</u> .8480
Step 3						
Blinebry Tubb	<u>% Pro</u> .8480 .8480	<u>d</u>	X X	<u>Test</u> 720 2700	=	<u>Allocated</u> 611 2290

## Rinewalt B Blinebry/Tubbs Downhole Commingling Application Value Formula

3

Current Value (as of 2/97) is as follows:

Zone	Mcf	<u>pd</u>	NRI		Price	<u>Value</u>
Blinebry	24	x	.898437	х	\$2.19 =	48.18
Tubb	90	x	.898437	=	\$2.19 =	<u>177.39</u>
						225.57

Proposed Value after commingling:

<u>Zone</u>			<u>Prop. Inc</u>		NRI		Price		<u>Value</u>
Commingled	134	x	1.10	x	.898437	х	2.19	=	290.02

## NOTIFICATION LIST - OFFSET OPERATORS RINEWALT 1 BLINEBRY OIL & GAS TUBB OIL & GAS LEA COUNTY, NM

P.H.

All Operators notified via Certified Mail dated 4/1/97

CHEVRON U.S.A., INC. Claydesta Plaza 15 Smith Rd Midland, TX 79705	Ph: Fax:	915/687-7366 915/687-7667
CHEVRON U.S.A., INC. Box 688 Eunice, NM 88231	Ph: Fax:	505/397-8770 505/397-8771
COLLINS & WARE, INC. 303 W. Wall, Ste 2200 Midland, TX 79701	Ph:	
ARCH PETROLEUM, INC. Dr. 909 802 E. Texas Eunice, NM 88231	Ph: Fax:	505/394-2246 505/394-2454