

5-14-88  
must to hearing  
No recommendation made

**EXXON COMPANY, U.S.A.**

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT  
SOUTHWESTERN DIVISION

May 16, 1988

Downhole Commingling  
Simultaneous Dedication  
N. G. Penrose Well No. 2  
Unit H, Section 13, T22S, R37E  
Lea County, New Mexico

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

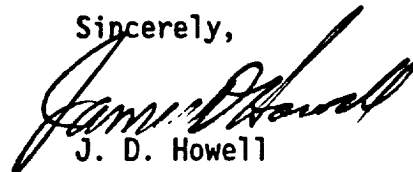
Attention: Mr. David R. Catanach

Exxon Corporation requests an exception to New Mexico Oil Conservation Division Rule 303-A to permit downhole commingling of production from the Blinebry Oil & Gas, Drinkard and Tubb Oil & Gas Pools in the captioned wellbore. Since we expect the Tubb Oil & Gas Pool completion to be gas, we also request simultaneous dedication of a 160 acre gas proration unit in the northeast quarter of Section 13 to N.G. Penrose Wells 1, 2 and 4. Please set this matter for consideration at the June 8, 1988 examiner hearing.

Well No. 2 is currently a marginal multiple completion in the Blinebry and Tubb. The Blinebry was potentialized for 59 mcfd in 1977. The Tubb last tested 50 mcfd. Exxon proposes to pull the current dual production equipment, add the Drinkard and install artificial lift to produce the remaining reserves in all three zones. Since separate testing of the zones before commingling would make the proposal prohibitively expensive, we ask that no such requirement be imposed.

A completed NMOCD Form C-102 for the Tubb is attached, as is the data described in Rule 303 (C)(2). All offset operators have been notified by copy of this letter and its attachments.

Sincerely,

  
J. D. Howell

JDH:jr  
Attachments

Certified Mail - w/attachments

c: Mr. James Bruce  
Offset Operators  
Mr. Jerry Sexton, NMOCD, Hobbs, NM  
2 copies to addressee

RECEIVED

MAY 18 1988

OCD  
HOBBS OFFICE