Sun Exploration and Production Company No 24 Smith Road ClavDesta Plaza PC Box 1861 Miorand TX 797029970 915 688 0300

July 10, 1984

State of New Mexico Energy and Minerals Dept. Oil Conservation Division P. O. Box 2088 Santa Fe, N.M. 87501 Attn: Gilbert Quintana

> Re: Elliott A-15 #1 Request to downhole commingle the Penrose Skelly Grayburg and Paddock oil zones.

Dear Mr. Quintana:

Sun Exploration and Production Company requests administrative approval for an exception to Rule 303-A to permit downhole commingling of production from the Penrose Skelly Grayburg and Paddock Pools in the subject well. The location of the well is Unit J, Section 15, Township 22-S, Range 37-E in Lea County, New Mexico.

Currently this well is producing from the Paddock, pumping under a packer. Paddock perfs were only recently added (see attached history). Sun requests approval to downhole commingle Grayburg and Paddock production. The total combined oil production from both zones before commingling does not exceed 30 BOPD. Both zones are not capable of flowing and require artificial lift. Neither zone produces more water than the combined oil limit. Ownership of the zones is common. Presently the well is not involved in a secondary recovery project. The efficiency of a secondary recovery project would not be jeopardized by the downhole commingling of the two zones. Additional information as outlined in Rule 303-C is attached.

If there are any additional questions please call me at 915-688-0418.

Yours truly.

Coby Øsborne Petroleum Engineer

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cc: P. K. Beggs F. Brandes Well File

Tom Golden J. Crowder