



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

3-21-88

POST OFFICE BOX 1900
HOBBS, NEW MEXICO 88401-1900
(505) 393 6161

DNC-195 Amended
amended by R-8708

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

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Enron Corp 71 J. Penrose #3-A 13-22-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

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O. C. D.
ARTESIA, OFFICE

March 9, 1988

Downhole Commingling Request
N. G. Penrose No. 3 ²²
Unit G, Sec. 13, T-~~27~~-S, R-37-E
Lea County, New Mexico

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: David R. Catanach

Exxon Corporation respectfully requests administrative approval to downhole commingle the Blinebry, Drinkard, and Wantz Granite Wash pools in the N. G. Penrose No. 3. This well is currently downhole commingled in the Drinkard and Wantz Granite Wash pools.

Additional data relative to this commingling is listed below:

1. A lease plat is attached showing the location of this well.
2. A C-116 is included providing a test for the commingled Drinkard/Granite Wash zone.
3. The Blinebry is not currently completed in this well. Expected production is 12 BOPD and 111 MCFPD.
4. A decline curve for the Drinkard/Granite Wash zone is attached.
5. Estimated shut-in bottomhole pressures are 1002 psia for the Blinebry (estimated from static fluid level in the N. G. Penrose No. 2) and 1416 psia for the Drinkard/Granite Wash (estimated from static fluid level in the N. G. Penrose #3). When adjusted to a common average datum of 2767 feet subsea, the Blinebry pressure is 1261 psia and the Drinkard/Granite Wash pressure is 1243 psia.
6. The well currently flows and does not require pumping. However, the pumping unit on the well will be reactivated if the zones do not flow after the additional commingling.

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Mr. William J. LeMay
Page 2

7. Working interest and royalty ownership in all formations are the same.
8. The quality of the crude is virtually identical and downhole commingling will not reduce the commercial value. The value of the crude is as follows:

<u>Zone</u>	<u>Oil Gravity</u>	<u>Quality</u>	<u>01/28/88 Posted Price \$ bbl</u>
Blinebry	41.0	Sweet	16.50
Drinkard/Granite Wash	40.8	Sweet	16.50

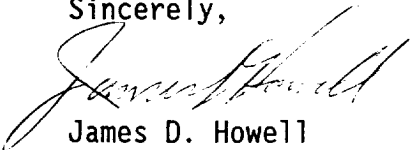
Crude and condensate currently produced from the Blinebry, Tubb, Drinkard and Granite Wash pools on this lease is already being surface commingled into one common stock tank, and sold as a mixture.

9. The following allocation percentages are suggested based upon the ratio of production from each zone:

	<u>Oil</u>	<u>Expected Prod. BOPD</u>	<u>Gas</u>	<u>Expected Prod. MCFPD</u>
Blinebry Oil & Gas	48%	12	74%	111
Drinkard	48%	12	24%	36
Wantz Granite Wash	4%	1	2%	3

10. By copy of this letter, we are notifying the offset operators of this proposed commingling. If these operators have no objections we ask that they execute the attached waiver and return one copy to the NMOCD and another to my attention at the letterhead address.

Sincerely,



James D. Howell

JDH:def

Enclosure

xc: Offset Operators (Certified Mail)
NMOCD District I, Hobbs, New Mexico

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N. G. Penrose No. 3
Unit G, Sec. 13, T-27-S, R-37-E
Lea County, New Mexico

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the Exxon application to downhole commingling the Blinebry, Drinkard and Wantz Granite Wash Pools in the captioned wellbore.

Approved by: _____

Representing: _____

Date: _____

OFFSET OPERATORS TO
EXXON'S N. G. PENROSE LEASE

Mabee Petroleum Corp.
400 W. Illinois, Ste. 1500
Midland, Texas 79701

Zachary Oil Operating Co.
1212 Commerce Bldg.
Fort Worth, Texas 76102

Marathon Oil Company
Box 522
125 W. Missouri St.
Midland, Texas 79702

Fina Oil & Chemical Company
6 Desta Drive
Midland, Texas 79705

Texaco Producing, Inc.
Box 3109
500 N. Lorraine
Midland, Texas 79701

Sun Exploration & Production Co.
Box 1861
Midland, Texas 79702

Sohio Petroleum Company
10 Desta Drive, Ste. 600 West
Midland, Texas 79705

J. H. Hendrix Corp.
223 W. Wall
525 Midland Tower Bldg.
Midland, Texas 79701

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-116
Revised 10-1-78

GAS-OIL RATIO TESTS TEST PERIOD - JAN, FEB, MARCH, APR.

Operator	Exxon Corporation	Pool	DRINKARD - WANTZ GRANITE WASH	County	LEA
Address	P O Box 1600 Midland, Texas 79702				

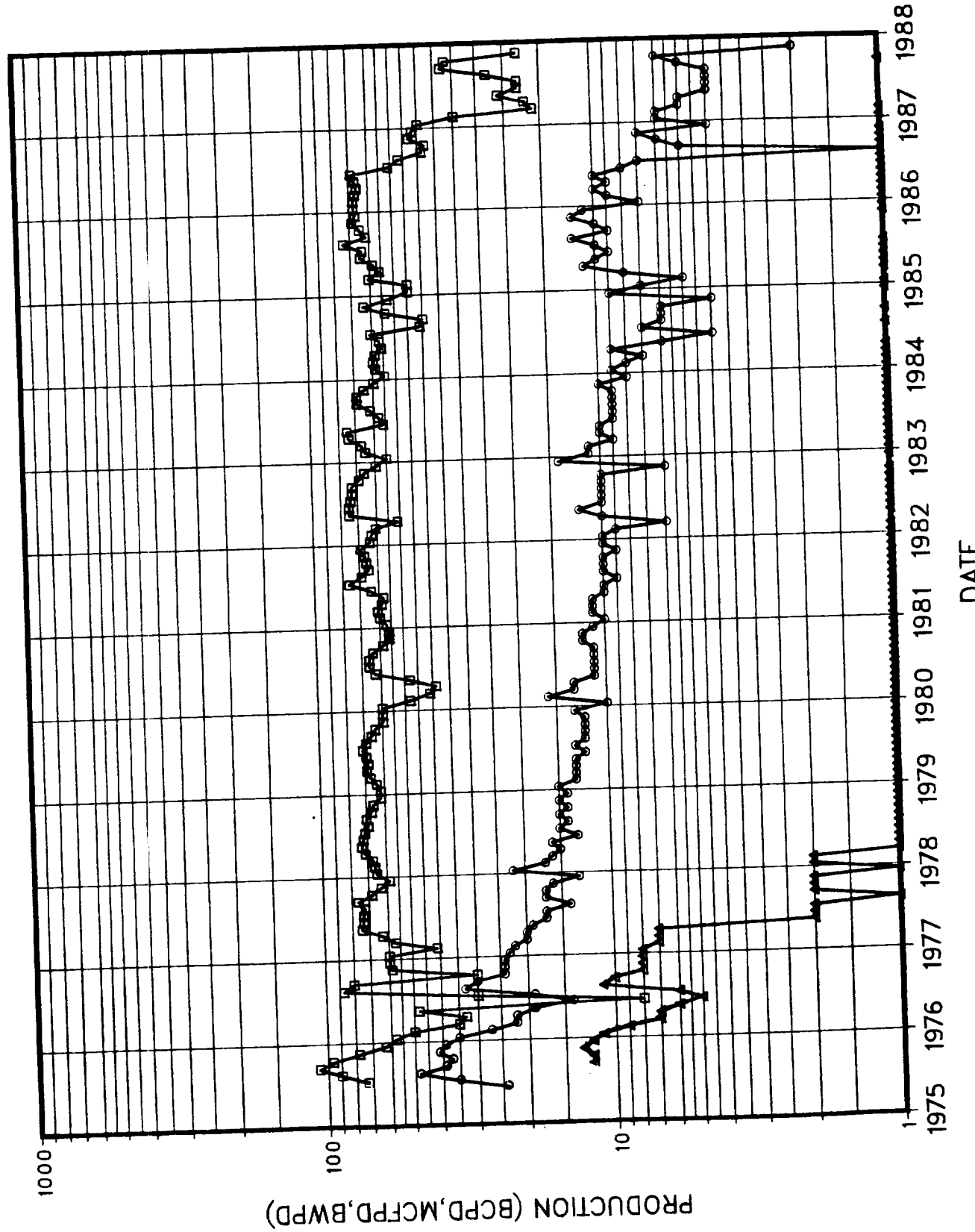
Address										TYPE OF TEST - (X)		SCHEDULED		Completion		Special	
P O Box 1600 Midland, Texas 79702																	
LEASE NAME		WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BB			
			U	S	T	R					WATER BBLs	GRAV. OIL	OIL BBLs	GAS M.C.F.			
N.G. PENROSE		3L	G	13	22	37			10	24	4			5	25	5000	
DOWNHOLE COMMINGLING PERMIT #DHC 195								91%	DEINKARD						4.55	BOPD	
								9%	WANTZ	G.W	014				.45	BOPD	
								100%							5.00		

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

Arthur J. Longland
Secretary
Dr. Staff Post.
Fiscal
5-12-81

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 allowable 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. 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 Division in accordance with Rule 301 and appropriate pool rules.

N G PENROSE #3 DRINKARD-GRANITE WASH PRODUCTION



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Lea County, New Mexico

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the Exxon application to downhole commingling the Blinbry, Drinkard and Wantz Granite Wash Pools in the captioned wellbore.

Approved by: Ronald E. Smalley
Representing: Fina Oil and Chemical Company
Date: 3/24/88

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