

EXXON COMPANY, U.S.A.

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September 4, 1990

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

Downhole Commingling
New Mexico "S" State No. 30
Unit I, Section 2, T22S, R37E
Lea County, New Mexico

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. David R. Catanach

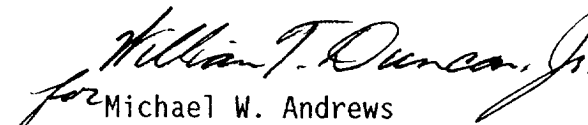
Exxon Corporation requests an exception to New Mexico Oil Conservation Division Rule 303-A to permit downhole commingling of production from the Drinkard, Wantz Abo, and Wantz Granite Wash Pools in the captioned wellbore. This well is a dual producer which flows the Drinkard through the upper tubing string. The Wantz Granite Wash is being pumped below a packer in the long tubing string. The well, currently producing a total of 1 BOPD and 8 mcf/d, is at its economic limit. The Wantz Abo has potential reserves behind pipe. Downhole commingling is necessary to produce the remaining Drinkard and Wantz Granite Wash reserves which we estimate to be an additional 2246 BO and 17,968 mcf that would not otherwise be recovered (see Attachment 3 for the calculation).

Exxon proposes to pull the current dual production equipment, add pay in the Wantz Abo and Wantz Granite Wash, and artificially lift the remaining reserves out of all three zones simultaneously in a single completion. All three zones will be artificially lifted with the pump set across the deepest zone to prevent crossflow.

We believe separate tests on each regulatory zone are unnecessary in this situation. The Wantz Granite Wash and the Drinkard have several years of production to establish their contribution. The minimal remaining reserves from the Drinkard and Wantz Granite Wash cannot economically justify separate testing in this well. The Wantz Abo contribution can be determined by the difference in the total rate before and after commingling.

All offset operators have been notified by copy of this letter and its attachments. Please call Bill Duncan at 915/688-7538 if you need additional information.

Sincerely,


for Michael W. Andrews
Compliance Supervisor

MWA:dbm
Attachments

c: Offset Operators
Mr. Jerry Sexton, NMOCD - Hobbs
2 copies to addressee