

EXXON COMPANY, U.S.A.

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PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

September 4, 1990

Downhole Commingling
New Mexico "S" State #36
Unit B, Section 2, T22S, R37E
Lea County, New Mexico

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

Attention: Mr. David R. Catanach

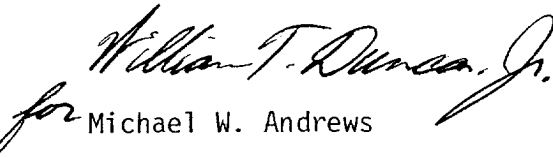
Exxon Corporation requests an exception to New Mexico Oil Conservation Division Rule 303-A to permit downhole commingling of production from the Wantz Abo and Wantz Granite Wash Pools in the captioned wellbore.

The well is a dual producer which flows the Wantz Abo in the upper tubing string. The Wantz Granite Wash was being pumped below a packer in the long tubing string, but it was shut in during April, 1987 due to pump problems. The Wantz Granite Wash produced only 2 bopd and 8 mcfpd during the year prior to being shut in. This rate does not economically justify repairing the pump. However, there is remaining pay behind pipe in the Wantz Abo. By downhole commingling the Wantz Granite Wash with the economic Wantz Abo completion, Exxon will be able to recover an additional 4492 BO and 18,866 MCF out of the Wantz Granite Wash that otherwise would not be recovered (see Attachment 3 for the calculation).

Exxon proposes to pull the current dual production equipment, add pay in the Wantz Abo, and artificially lift the remaining reserves out of both zones simultaneously in a single completion. The seat nipple will be set across the Wantz Granite Wash pay to prevent crossflow.

All offset operators have been notified by copy of this letter and its attachments.

Sincerely,


for Michael W. Andrews

MWA:dbm
Attachments

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