



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

6-27-89

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

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

6-27-89

RE: Proposed:

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

Gentlemen:

I have examined the application for the:

American Expl. & Prod. Co. Elk State # 2-M 16-23-37
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

/ed



American Exploration Company

June 22, 1989

Re: Application for Downhole
Commingling of the
Teague Blinebry/Tubb
Elk State No. 2
Sec. 16, T23S, R37E
Lea County, New Mexico

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

Attn: Mr. David Catanach

Gentlemen:

American Exploration Company respectfully requests administrative approval to downhole commingle the Teague Blinebry/Tubb pools in the Elk State No. 2. This well is presently completed in the Teague Blinebry Pool and produces 11 BOPD, 30 MCFPD and 5 BWPD. We recently tested the Tubb unsuccessfully and the attached reflect only that information relative to the addition of the Tubb after the recent workover.

A summary of information required for commingling is attached. Additionally, American has a 100% interest in this lease and the royalty interests of each zone are common. Based on the information we have gathered, we believe the request to commingle is justified in the interest of conservataion.

If there are any questions, please contact the undersigned as soon as possible.

Very truly yours,

AMERICAN EXPLORATION COMPANY

Marty B. McClanahan
Marty B. McClanahan
Sr. Production Analyst

MBM:mm
Encl.

cc: Mr. J. T. Sexton ✓
New Mexico Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Elk State No. 2
Information for Downhole Commingling

- a. Operator: American Exploration Company
2100 RepublicBank Center
Houston, Texas 77002
- b. Lease, Well Location and Pools:
Elk State No. 2
330' FSL & 990' FWL of Sec. 16, T23S, R37E
Lea County, New Mexico
Blinebry/Tubb Pools
- c. Acreage Dedication (40 acres) Form C-102 is attached. Offset operators are listed on schedule attached.
- d. Commingling Computations - Unsuccessful attempt to the Tubb.
- e. Allocation of Production - based on latest production tests.

	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Tubb	0%	0%	93%
Blinebry	100%	100%	06%

- f. Notification to Offset Operators.
A copy of the notice sent to offset operators.
- g. A complete resume of the well's completion history.



American Exploration Company

June 22, 1989

Re: Notification of Intent to
Commingle the Blinebry/
Tubb
Elk State No. 2
330' FSL & 990' FWL of
Sec. 16, T23S, R37E
Lea County, New Mexico

OFFSET OPERATORS
ELK STATE NO. 2

Gentlemen:

In accordance with New Mexico Oil Conservation Division regulations, you are hereby notified of American Exploration Company's application to downhole commingle production from the Blinebry/Tubb pools in the Elk State No. 2 Lease.

Very truly yours,

AMERICAN EXPLORATION COMPANY

Marty B. McClanahan
Sr. Production Analyst

MBM:mm

LIST OF OFFSET OWNERS
ELK STATE NO. 2 LEASE

SW/4 SW/4 of Sec. 16, T23S, R37E

Texaco, Inc.
P. O. Box 3109
Midland, Texas 79702
(NE/4 SW/4 of Sec. 16, 3800-6200')

Penroc Oil Corporation
P. O. Box 5970
Hobbs, New Mexico 88241
(To 3800' - SW/4 of Sec. 16)

Elk Oil Company
P. O. Box 310
Roswell, New Mexico
(D/R SW/4 of Sec. 16)

American Exploration Co.
2100 RepublicBank Center
Houston, Texas 77002
(SE/4 SW/4 of Sec. 16)

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

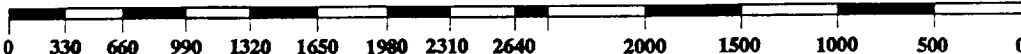
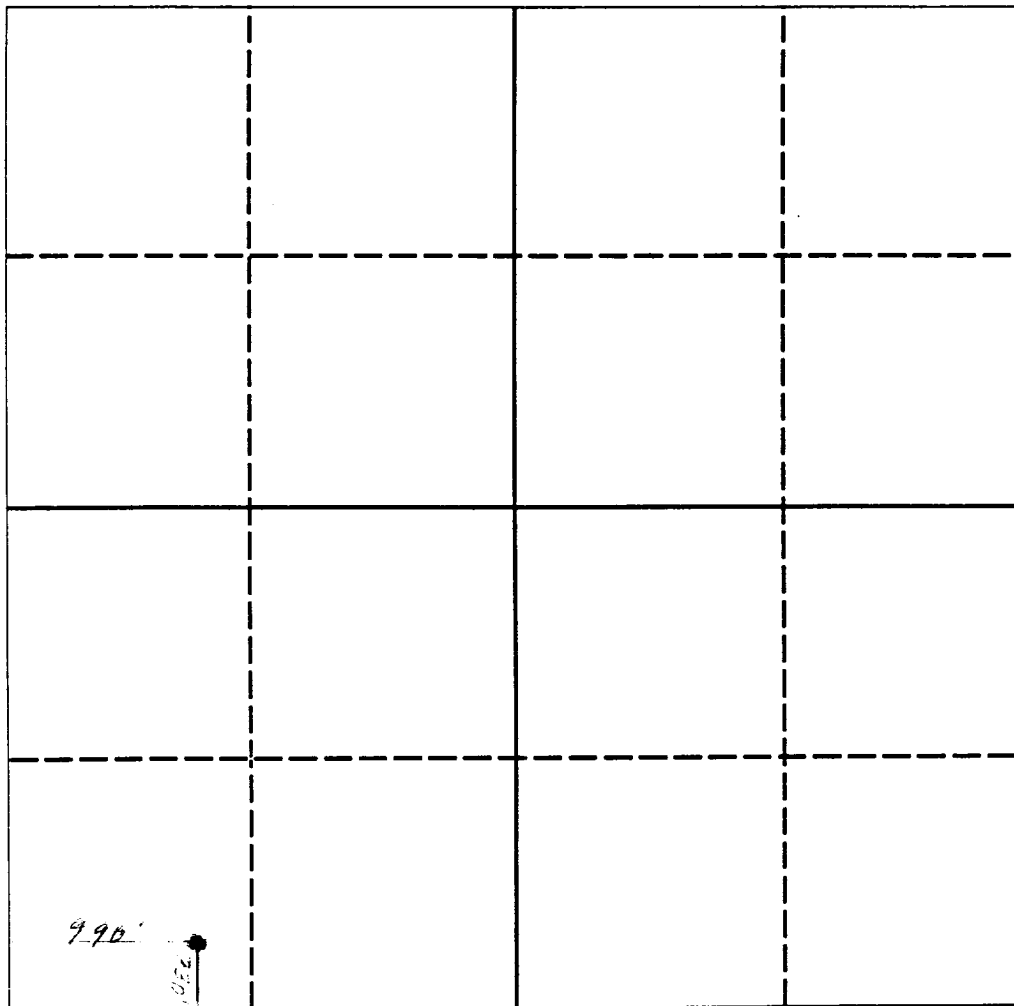
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator American Exploration Company			Lease Elk State		Well No. 2
Unit Letter M	Section 16	Township 23S	Range 37E	County Lea	NMPM
Actual Footage Location of Well: 330 feet from the South line and 990 feet from the West line					
Ground level Elev. 3311.8	Producing Formation Blinebry		Pool Teague Blinebry/Tubb		Dedicated Acreage: SW/4 SW/4 Acres 4

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Marty B. McClanahan

Printed Name

Sr. Production Analyst

Position

American Exploration Co.

Company

June 22, 1989

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.

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Form C-102
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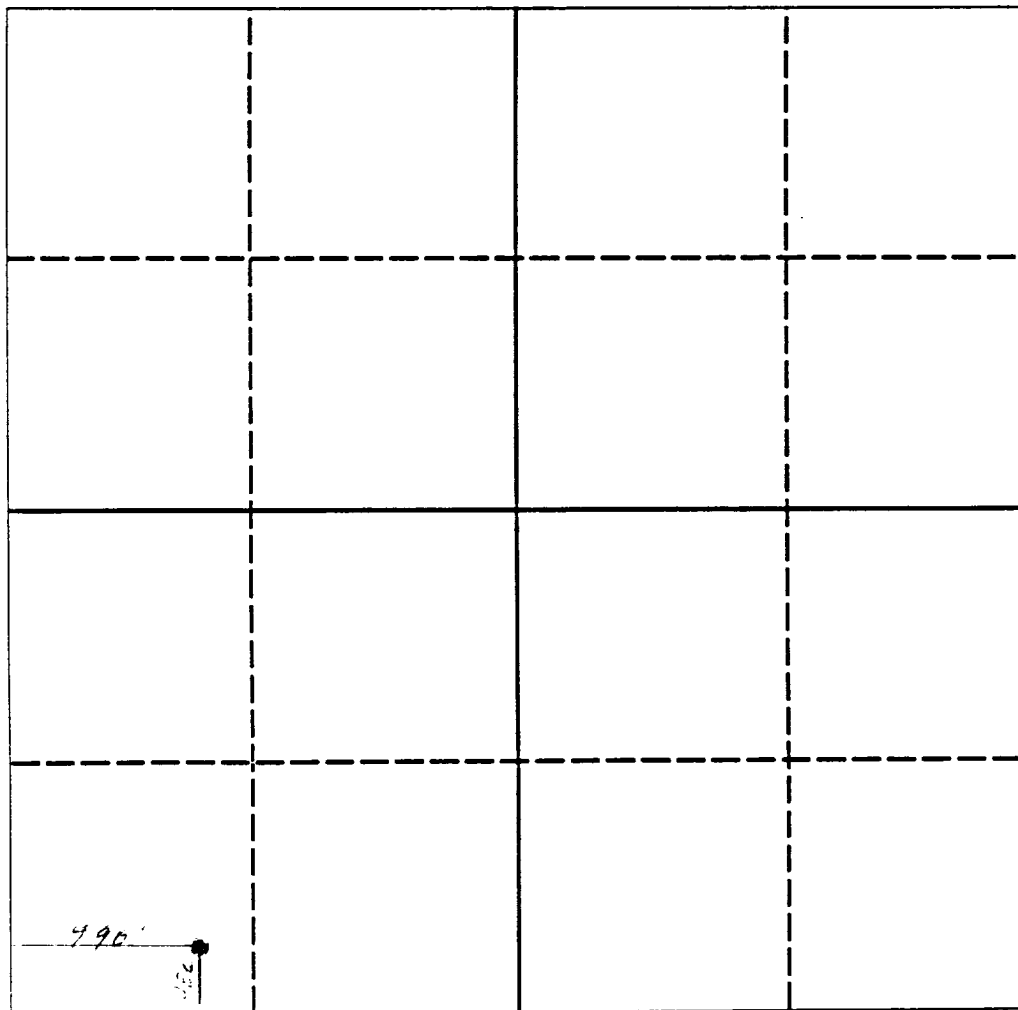
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Ground level Elev. 3311.8	Producing Formation Blinebry		Pool Teague Blinebry/Tubb		Dedicated Acreage: SW/4 SW/4 Acres 40

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Printed Name
Sr. Production Analyst
Position
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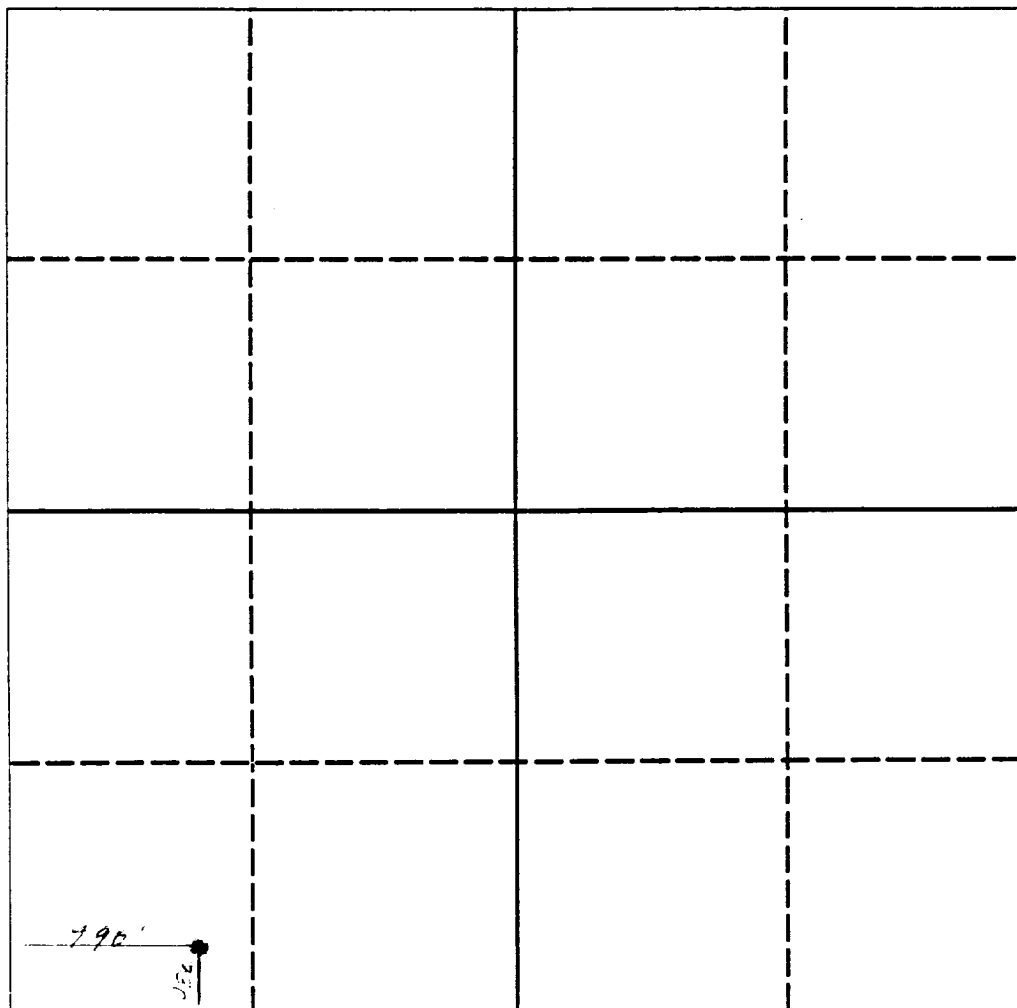
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Ground level Elev. 3311.8	Producing Formation Blinebry		Pool Teague Blinebry/Tubb		Dedicated Acreage: SW/4 SW/4 Acres 4.0

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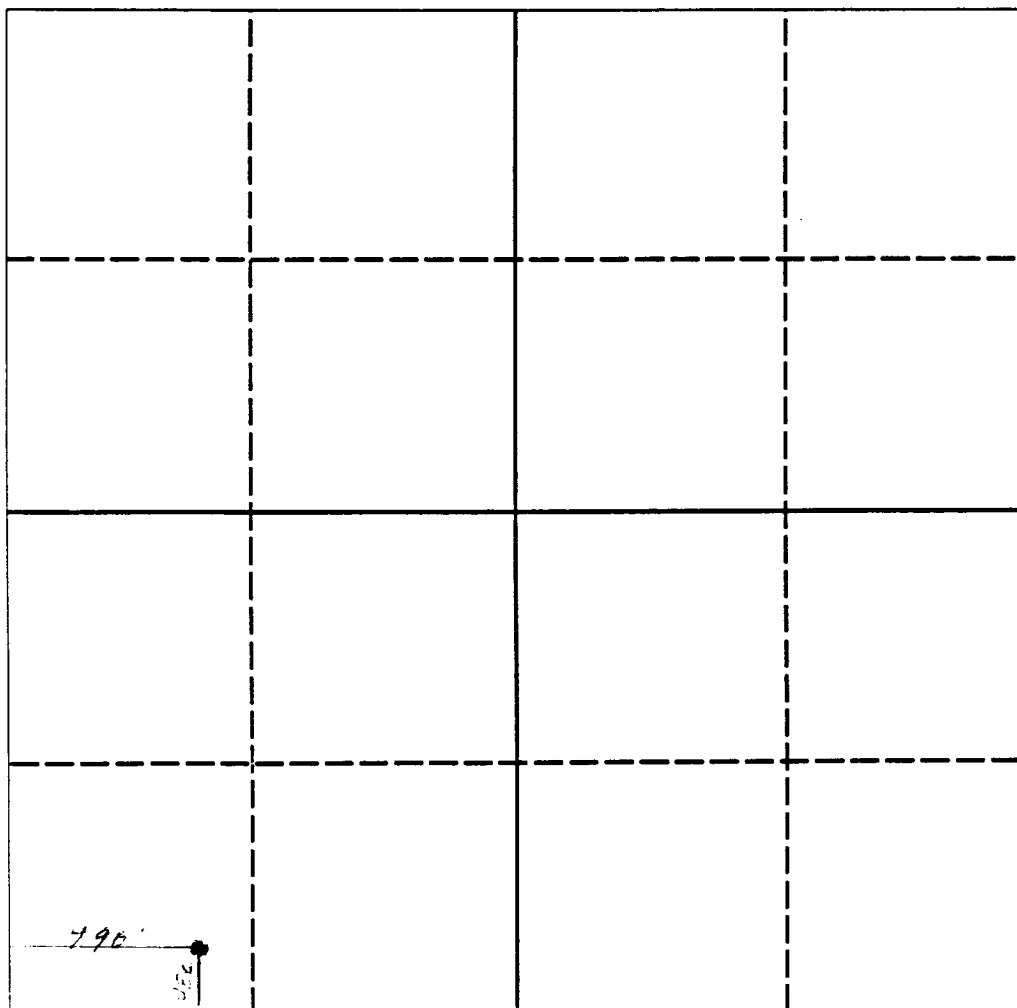
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