Well File
I-3-22-3

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF CHACE OIL COMPANY, INC.
FOR DOWNHOLE COMMINGLING

The applicant, Chace Oil Company, Inc., is the owner and operator of the Chace Oil Company, Inc. Jicarilla Apache 54, Well No. 10.

The 54-10 well was completed in the Chacon Dakota Associated field and in an Undesignated Gallup group November 12, 1982.

Applicant requests authority for downhole commingling in the subject well of the Dakota Associated pool with the Gallup Associated pool.

The application is presented in the order that the requirements are set forth in the Oil Conservation Division's Rules and Regulations, dated March 1, 1982.

Rule: 303-C

Section 1

(a) For wells involving oil zones:

		Bbl/day limit
1. Bottom perforation		
Chacon Dakota Associated	- 6897'	40
Undesignated Gallup	- 6725'	40

Neither zone is expected to exceed the Bbl/day limit.

2. Each of the zones require artificial lift. Neither is capable of flowing.

3. "Neither zone produces more water than the combined oil limit as determined in paragraph (1) above".

4. The fluids from both zones are compatible with the fluids from the other zones, and will not react with each other to cause damage in either of the reservoirs.

5. The total value of the crude will not be reduced by commingling.

6. Ownership of each zone is common.

7. The commingling will not jeopardize the efficiency of any future secondary recovery operations.

Section 2, Paragraphs A-J, 'For approval of downhole commingling':

(a) Chace Oil Company, Inc.
313 Washington, SE
Albuquerque, New Mexico 87108

(b) The applicant is the owner and operator of the Chace Oil Company, Inc., Jicarilla Apache 54, Well No. 10.

Location: Unit 'I' - 1850' FSL & 990' FEL
Section 3, Township 22 North, Range 3 West
Sandoval County, New Mexico

Pools to be commingled:

Chacon Dakota

Undesignated Gallup

(c) Plat indicating location of 54-10 well and offsetting location ownership. Attached p. 4.

(d) Gas Oil ratio form C-116, dated November 17, 1982. Attached p. 5.

(e) Production decline curve. Completion Report. Attached p. 6.

(f) Estimated bottom hole pressure for each artificially lifted zone to be commingled, (PSIA):

Undesignated Gallup	2309
Chacon Dakota	2406

(g) Fluid characteristics:

All zones produce oil of 40°-45° gravity with little or no water.

(h) Individual production of each zone would not increase or decrease the value of the production. The price per barrel of oil is the same for each producing horizon.

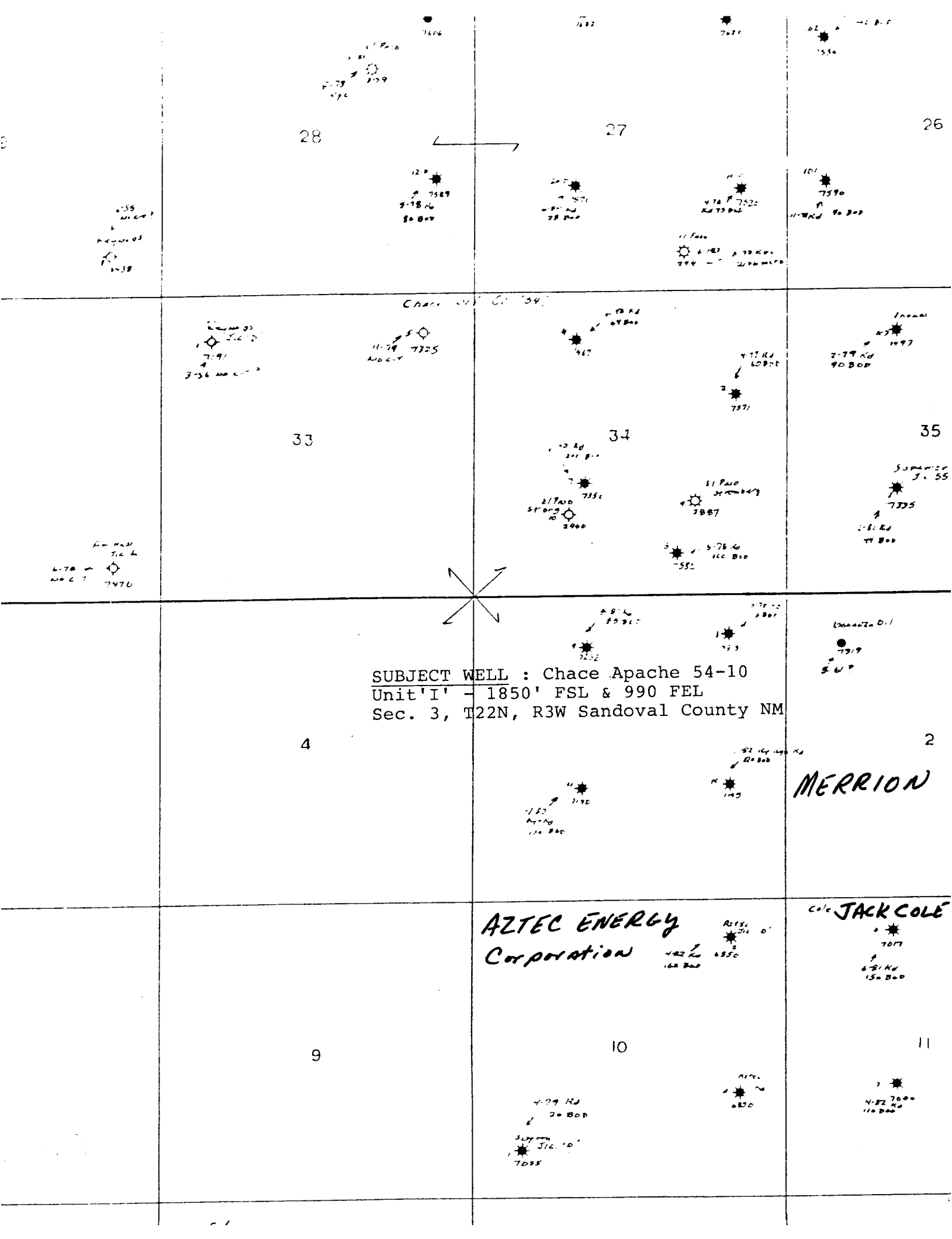
(i) Allocation of Production:

Estimated Oil and Gas:

	Oil	Gas
Dakota	60%	45%
Gallup	40%	55%

(j) Notification of proposed commingling:

Notice to the Minerals Management Service and waivers from offset operators are attached.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SUBJECT WELL : Chace Apache 54-10
Unit'I' - 1850' FSL & 990 FEL
Sec. 3, T22N, R3W Sandoval County NM
MERRION
AZTEC ENERGY
Corporation
JACK COLE

NEW MEXICO OIL CONSERVATION COMMISSION

GAS - OIL RATIO TESTS

C-116
Revised 1-1-65

Operator: Chace Oil Company, Inc.
Pool: Chacon Dakota
County: Sandoval
Address: 313 Washington, SE, Albuquerque, NM 87108
TYPE OF TEST - (X): Scheduled [ ] Completion [ ] Special [XX]

LEASE NAME	WELL NO.	LOCATION U	S	T	R	DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST WATER BBLS.	GRAV. OIL	OIL BBLS.	GAS M.C.F.	GAS - OIL RATIO CU.FT/BBL.
Chace Apache 54	10	'I'	3	22N	3W	1-14-83	P	2"	137	124	24	8	43	45	15	333

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 allowables when authorized by the Commission.

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 Commission in accordance with Rule 301 and appropriate pool rules.

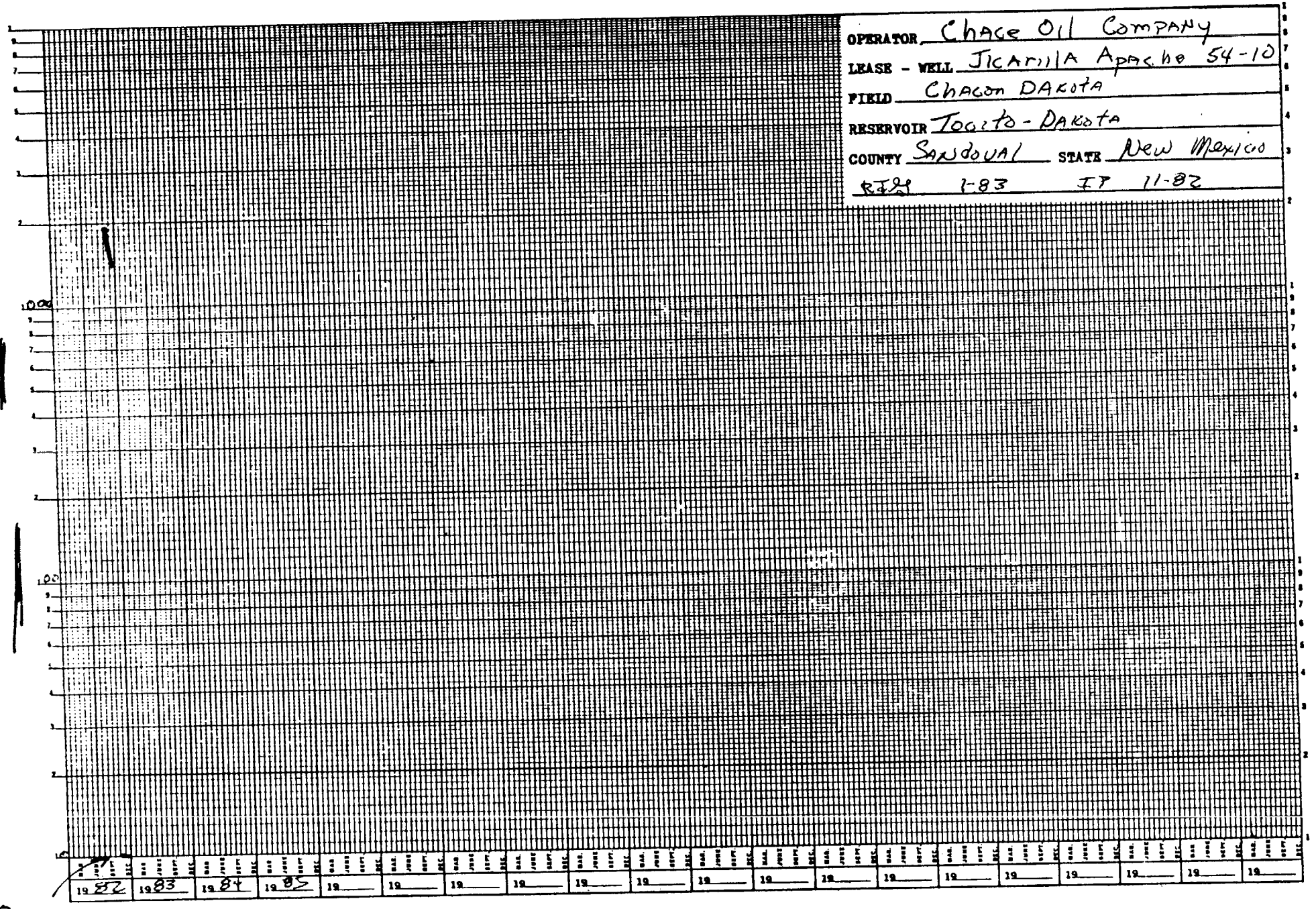
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

(Signature)

President

(Title)

1-14-83


OPERATOR Chace Oil Company
LEASE - WELL Jicarilla Apache 54-10
FIELD Chacon DAKOTA
RESERVOIR Tocito - DAKOTA
COUNTY Sandoval STATE New Mexico
RIG 1-83 IP 11-82
BBLS Oil & MCF GAS
MCF GAS
19 82
19 83
19 84
19 85

CHACE APACHE 54-10 PRODUCTION HISTORY

	Bbls/Oil	MCF/Gas
1982:		
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November	1901	0 IP
December	1434	0
1983:		
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

CHACE OIL COMPANY, INC.

313 Washington S.E.

Albuquerque, New Mexico 87108

(505) 266-5562

WELL HISTORY

NAME OF WELL: CHACE APACHE 54-10

LOCATION: Unit "I" - 1850' FSL and 990 FEL
Section 3, T22N,R3W
Sandoval Co., NM

PROJECTED DEPTH: 7100'

ELEVATION: 7124' GL

ESTIMATED FORMATION TOPS:

Ojo	2170'
Pictured Cliffs	2480'
Chacra	2845'
Cliff House	4015'
Point Lookout	4390'
Gallup	5660'
Greenhorn	6650'
Dakota "A"	6725'
Dakota "D"	6900'
Burro Canyon	7005'

3-30-82:

APD submitted.

7-7-72:

APD approved.

8-25-82:

Road and pad construction commenced.

9-26-82:

Day #1. Present operation: WOC. Depth today: 215'. Mud additives: 50 gel, 2 lime. Deviation record: 1/4° @ 215'. Bit #1, 12 1/4, OSC. 215' 1 1/2 hours.
9 hours - Move, and rig up.
1 hour - Drill rat and mousehole.
1 1/2 hours - Drill surface
1 hour - Circulate
1/2 hour - Survey and trip.
1 hour - Run 8 5/8 casing and cement.
10 hours - WOC.

9-25-82:

Moved in and rigged up with Arapahoe Drilling Company. Spudded at 4:00 PM on 9-25-82. Ran 5 joints of 8 5/8" casing, 23#, K-55. Total length 215', set at 213' KB. Circulated cement. 200 sxs (360 CF) Class B cement, 3% Calcium Chloride, with ¼# Flocele per sack. Circulated 5 sxs to surface. Plug down at 8:00 P. M. on 9-25-82.

9-27-82:

~~Day #2.~~ Operation: drilling. Depth today: 2130'. 24 hours footage: 1915'. Formation: sand and shale. Rotary RPM: 70. Weight on bit: 20,000#. Drilling rate: 50' per hour. Pressure: 1200#. 58 strokes per minute. Mud vis: 28. Wt.: 8.8. W. L: 8.4. Mud additives: 10 gel, 5 fiber, 17 bnex, 28 starch, 2 1/2 soda ash, 1 caustic soda. Deviation surveys: 1/2° @ 536'; 1/4° @ 837'; 1/2° @ 1113'; 3/4° @ 1392'; 1 1/4° @ 1699'; 1° @ 2005'. Bit #2, 7 7/8", F2. 1915', 19 3/4 hours.
1 hour - WOC
1 hour - Drill plug and cement
1/2 hour - RS Repairs
1 3/4 hours - Surveys
19 3/4 hours - Drilling

9-28-82:

Day #3. Present operation: drilling. Depth today: 2912'. 24 hour footage: 782'. Formation: sand and shale. Rotary RPM: 70. Weight on bit: 10,000#. Present drilling rate: 30' per hour. Pressure: 1200#. 58 strokes per minute. Mud vis: 34. Wt.: 8.6. W. L.: 4.6. Mud additives: 17 gel, 6 fiber, 12 starch, 4 bnex, 1 1/2 soda ash, 2 caustic soda, 3 thinner, 5 preservative, 70 bbls. oil. Bit #2, 7 7/8", F2. 2527', 33 3/4 hours. Bit #3, 7 7/8", J22. 170', 6 hours.
1/4 hour - RS
1 1/2 hours - Survey
2 1/4 hours - Trip
20 hours - Drilling

Deviation record:

3/4° @ 2315'
1° @ 2587'
1° @ 2680'
1° @ 2742'
1° @ 2834'
1° @ 2894'

Day #4. Present operation: drilling. Depth today: 3700'. 24 hour footage: 788'. Formation: sand and shale. Rotary RPM: 65. Weight on bit: 30,000#. Present drilling rate: 40 ft. per hour. Pump - liner size: 5 1/2. Pressure: 1,200#. 58 strokes per minute. Mud vis: 33. Wt.: 8.9. W. L. : 8.6. Mud additives: 22 gel, 8 fiber, 1 1/2 soda ash, 3 thinner, 26 barrels oil, 7 starch, 1 caustic soda, 5 preservative. Deviation record: 1° @ 2987'; 1° @ 3142; 3/4° @ 3572'. Bit #3, 7 7/8, J22. 958', 28 1/2 hours.
1/4 hour - RS
1 hour - Survey
23 3/4 hours - Drilling

9-30-82:

Day # 5. Present operation: drilling. Depth today: 4348'. 24 hour footage: 648'. Formation: sand and shale. Rotary RPM: 65. Weight on bit: 30,000#. Present drilling rate: 28' per hour. Pump - liner size: 5½. Pressure: 1200#. 58 strokes per minute. Mud vis: 39. Wt.: 9.2. W. L.: 5.6. Mud additives: 50 gel, 8 starch, 4 fiber, 3 thinner, 1 soda ash, 5 preservative, 2 caustic soda, 50 barrels of oil. Deviation record: 1¼° @ 4092'. 1° @ 4244'. Bit #3, 7 7/8', J22. 1606' 51 1/4 hours.
1/4 hour - RS
1 hour - Surveys
22 3/4 hours - Drilling

10-1-82:

Day #6. Present operation: trip. Depth today: 4838'. 24 hour footage: 490'. Formation: sand and shale. Mud vis: 40. Wt.: 9.2. W. L.: 5.4. Mud additives: 3 starch, 1/2 soda ash, 3 caustic soda, 2 thinner, 70 bbls. oil, 5 gal. preservative. Deviation record: 3/4° @ 4432'. 1/2° @ 4838'. Bit #3, 7 7/8", J22. 2096', 69 hours. Bit #4, 7 7/8", F2.
1/4 hour - RS
3/4 hours - Survey
2 1/4 hours - Pull 5 stands and work on stand pipe.
17 7/8 hours - Drilling
3 hours - trip.

10-2-82:

Day #7. Present operation: drilling. Depth today: 5400'. 24 hour footage: 562'. Formation: sand and shale. Rotary RPM: 65. Weight on bit: 35,000#. Present drilling rate: 25' per hour. Pump - 5 1/2. Pressure: 1,200#. 58 strokes per minute. Mud vis: 41. Wt.: 9.3. W. L.: 8.0. No mud additives available. Deviation record: 1° @ 5317'. Bit #4, 7 7/8", F2. 562', 21 1/4 hours.
2 hours - trip
1/4 hour - RS BOP
1/2 hour - Survey
21 1/4 hours - Drill

10-3-82:

Day #8. Present operation: drilling. Depth today: 5930'. 24 hour footage: 530'. Formation: sand and shale. Rotary RPM: 65. Weight on bit: 35,000#. Present drilling rate: 20' per hour. Pump - liner size: 5½. Pressure: 1200#. 58 strokes per minute. Mud vis: 40. Wt.: 9.4. W. L.: 5.4. No mud additives available. Deviation record: 1° @ 5808'. Bit #4, 7 7/8", F2. 1092', 44 1/2 hours.
23 1/4 hours - drilling
1/4 hours - RS BOP
1/2 hours - Survey

10-4-82:

Day #9. Depth today: 6390'. 24 hour footage: 460'. Formation: sand and shale. Rotary RPM: 65. Weight on bit: 35,000#. Present drilling rate: 16' per hour. Pump - liner size: 5 1/2. Pressure: 1,200#. 58 strokes per minute. Mud vis: 40. Wt.: 9.4. W. L. : 6.0. Mud additives: 75 gel, 7 starch, 4 caustic soda, 1 1/2 soda ash, 2 fiber, 5 thinner, 5 preservative, 50 barrels of oil. Deviation record: 3/4° @ 6300'. Bit #4, 7 7/8", F2. 1552', 67 1/2 hours.
23 hours - Drilling
1/2 hour - RS BOP
1/2 hour - Survey

10-5-82:

Day #10. Depth today: 6795'. 24 hour footage: 405'. Formation: sand and shale. Rotary RPM: 60. Weight on bit: 35,000#. Present drilling rate: 12' per hour. Pump - liner size: 5 1/2. Pressure: 1,200#. 58 strokes per minute. Mud vis: 45. Wt.: 9.4. W. L.: 6.8. Mud additives: 57 gel, 6 starch, 1 soda ash, 2 thinner, 2 caustic soda, 5 preservatives. No deviation record available. Bit #4, 7 7/8", F2. 1957', 91 hours.
23 1/2 hours - Drilling
1/2 hour - RS

10-6-82:

Day #11. Depth today: 6925'. 24 hour footage: 130'. Formation: Dakota. Rotary RPM: 45. Weight on bit: 40,000#. Present drilling rate: 7' an hour. Pump - liner size: 5 1/2. Pressure: 1200#. 58 strokes per minute. Mud vis: 55. Wt.: 9.5. W. L.: 5.2. Mud additives: 32 gel, 2 caustic soda, 1 soda ash, 5 starch, 2 thinner, 6 LCM, 15 bar. Deviation record: 1/2 ° @ 6818'. Bit #4, 7 7/8, F2. 1890', 94 hours. Bit #5, 7 7/8, F4. 107', 17 3/4 hours.
17 3/4 hours - Drilling
6 1/2 hours - RS - Survey - Trip

10-7-82:

Day #12. Present operation: drilling. Depth today: 7055'. 24 hour footage: 130'. Formation: Dakota. Rotary RPM: 45. Weight on bit: 35,000#. Present drilling rate: 4' per hour. Pump - liner size: 5 1/2. Pressure: 1200#. 58 strokes per minute. Mud vis: 55. Wt.: 9.6. W. L.: 5.6. Mud additives: 73 gel, 4 fiber, 5 thinner, 6 starch, 4 caustic soda, 1 1/2 soda ash, 5 preservative, 15 bar. Deviation record: 1¼° @ 7027'. Bit #5, 7 7/8", F4. 209', 27 1/2. Bit #6, 7 7/8", F3, 28', 5 1/2 hours.
19 hours - Drilling
4 1/2 hours - Survey and trip
1/2 hour - RS

10-8-82:

Day # 13. Present operation: circulate to lay down drill pipe. Depth today: 7145'. 24 hour footage: 90'. Rotary RPM: 45. Weight on bit: 35,000#. Pressure: 1,200#. 58 strokes per minute. Mud vis: 100. Wt.: 9.6. W. L.: 4.4. Bit #6, 7 7/8", F3. 118', 11 1/4 hours.
5 3/4 hours - Drilling
1/4 hour - RS
4 hours - Circulate
5 3/4 hours - Trip
2 1/4 hours - Tried to log. Bridge @ 1320 and 1215'.
3 3/4 hours - Log with Schlumberger
2 1/4 hours - Trip in

10-9-82:

Day #14. Present operation: rig down. Depth today: 7145' TD.
3 1/2 hours - Circulate and wash to bottom with bit.
4 3/4 hours - Lay down drill pipe
5 hours - Rig up and run 4½" casing
1 1/2 hours - Rig up Halliburton. Wash casing to bottom
1 1/4 hours - Cement 1st stage
1/4 hours - Open DV tool
3 hours - Circulate casing
1/2 hour - Cement second stage. Plug down @ 11:45 A. M.
3 1/4 hours - Nipple down. Set slips. Rig released @ 5:00 A. M.
1 hour - Rig down

10-8-82: Ran 182 jts. 4½" 11.6# N-80 casing to 7143', with guide shoe set @ 7143' KB, float collar @ 7101', and short joint @ 6333'-6353'. DV tool @ 2790'. Centralizers @ 7121', 7061', 6982', 6904', 6826', 6746', 6510', 6353', 2870', and 2751'. Cement baskets @ 6589', 6293', 2870', and 2003'. Cemented 1st stage with 750 sxs, (1350 CF) of 50/50 pozmix, 2% gel, 6¼# Gilsonite and 6# salt per sack. Cemented 2nd stage with 270 sxs, (486 CF) of 65/35 pozmix, 12% gel, 6¼# Gilsonite per sack, followed by 50 sxs, (90 CF) Class B. Plug down at 1:50 A. M. 10/9/82. Circulated 5 bbls to surface. WORT.

10-18-82:

10:00 A. M.: Move in Bayless rig.
12:00 A. M.: Go in hole with bit and tubing.
2:31 P. M.: Tag cement @ 2760', 30' above D. V. tool.

4:15 P. M.: Drill out cement to 7090', 10' above float collar.

9:00 P. M.: Circulate hole with 2% Kcl H_2O.

9:40 P. M.: Pressure test casing to 4500 PSI.
Held for 5 min. without losing any pressure.

9:45 P. M.: Spot 250 gal. 7½% acetic acid from 6897' to 6514'.

10:00 P. M.: COOHWT.

11:40 P. M.: Go in hole with logging tools. Have problem with computer.

10-19-82:

3:59 A. M.: Out of hole with logging tools. Logging complete.

5:01 A. M.: Go in hole with perforating guns to perforate Dakota "B" zone.
Shot holes @ 6863', 6865', 6868', 6870', 6872', 6874', 6876', 6878', 6886', 6890', and 6897'. Total 44 holes. 4 SPF

Dakota "B" Zone break down and ball off

5:28 A. M.: Broke @ 22 BPM 3200 PSI
Establish rate @ 39 BPM 3200 PSI
ISIP = 1800 PSI

5:51 A. M.: Drop balls. 2/bbl in 32 bbls.

5:56 A. M.: All balls in. 10 BPM 2600 PSI

6:02 A. M.: Ball action. Pressure climbing. 2900 PSI 7 BPM
No ball off. Used 190 bbl.

6:29 A. M.: Go in hole with junk basket to recover balls. Recovered 2 balls.
Check ball dropper, and found the remaining 63 balls.
Reload ball dropper. Repair Fracometer.

9:17 A. M.: Try ball off again. 5 balls/bbl for 62 bbl.
14 BPM 2400 PSI. All balls away.
Increase rate. 40 BPM. 3500 PSI.
Slow rate. 20 BPM 2500 PSI. 88 bbls. gone. Balls will hit after 20 bbls.

9:24 A. M.: Balls hit. Reach max. pressure. Shut down
2nd ball off used 127 bbls.

9:35 A. M.:	Go in hole with junk basket to recover balls. Recover 65 balls.	
10:26 A. M.:	Start pad	40 BPM @ 3600 PSI
10:30 A. M.:		40 BPM @ 3600 PSI
10:32 A. M.:	Start 0.5 lb/gal sand	40 BPM @ 3500 PSI
10:35 A. M.:	0.5 lb/gal sand on formation	40 BPM @ 3450 PSI
10:36 A. M.:	Start 1.0 lb/gal sand	41 BPM @ 3400 PSI
10:37 A. M.:		42 BPM @ 3300 PSI
10:37:40 A. M.:		42 BPM @ 3250 PSI
10:38 A. M.:	1.0 lb/gal sand on formation	42 BPM @ 3200 PSI
10:40 A. M.:	Start 1.5 lb/gal sand	42 BPM @ 3200 PSI
10:42 A. M.:	1.5 lb/gal sand on formation	42 BPM @ 3200 PSI
10:44 A. M.:	1.5 lb/gal sand	41.5 BPM @ 3250 PSI
10:46 A. M.:	1.5 lb/gal sand	41 BPM @ 3350 PSI
10:48 A. M.:	Slow rate to	34 BPM @ 3250 PSI
10:51 A. M.:		34 BPM @ 3350 PSI
10:52 A. M.:		33 BPM @ 3400 PSI
10:53 A. M.:	Start flush	34 BPM @ 3300 PSI
10:55 A. M.:		33 BPM @ 3350 PSI
10:56 A. M.:	Shut down. Flush away. ISIP = 2200 PSI 5 min. = 1900 PSI 10 min. = 1800 PSI	33 BPM @ 3400 PSI

Total fluid for frac: 1212 bbls.
Total sand: 40,000#

11:15 A. M.: Go in hole with EZ drill bridge plug.

11:55 A. M.: Set bridge plug @ 6830'

12:12 A. M.: Pressure test bridge plug to 4500 PSI.
Held pressure for 2 min.

12:25 A. M.: Go in hole with tubing to spot acid.

2:00 P. M.: Spot 250 gal. 7½% Hcl from 6799' to 6416'.

2:20 P. M.: Come out of hole with tubing.

3:45 P. M.: Go in hole with perforating guns to perforate Dakota "A" and Greenhorn:
Shoot holes from bottom up @ 6799, 6791, 6788', 6786', 6784', 6782', 6780', 6778', 6776', 6772', 6770'. 4 SPF.

3:52 P. M.: Come out of hole to pick up guns for second gun run.

4:15 P. M.: Shoot hole from bottom up @ 6725', 6722', 6720', 6713', 6704', 6697', 6695', 6692', 6690', 6684', 6682'. 4 SPF
Gun didn't shoot @ 6722', 6720', 6713'.
Will not make another gun run to shoot these holes.
76 holes.

Dakota "A" and Greenhorn break down

4:36 P. M.: Start break down.
Broke @ 2700 PSI
Establish rate 42 BPM @ 3800 PSI
ISIP = 2100 PSI

4:39 P. M.: Start balls. 5 balls/bbl in 26 bbl 130 balls total
10 BPM @ 2300 PSI
All balls in casing. Increase rate to 40 BPM @ 3600 PSI

4:43 P. M.: Slow rate to 15 BPM. Balls on perf in 10 bbls.

4:45 P. M.: Ball action. Pressure climbing to 3400 PSI.

4:48 P. M.: All balls should have hit. Shut down.
Used 182 bbls. for break down and ball off.
Go in hole with junk basket.
Recovered 39 balls.

Dakota "A" and Greenhorn frac:

5:35 P. M.:	Start pad.	41 BPM @ 3800 PSI	
5:37 P. M.:		40 BPM @ 3750 PSI	
5:43 P. M.:	Start 0.5 lb/gal sand	40 BPM @ 3775 PSI	333 bbls. away
5:45 P. M.:		40 BPM @ 3700 PSI	
5:46 P. M.:	0.5 lb/gal sd. on formation	40 BPM @ 3600 PSI	
5:47 P. M.:	Start 1.0 lb/gal sand	40 BPM @ 3600 PSI	455 bbls away
5:48 P. M.:		40 BPM @ 3550 PSI	

5:49 P. M.:	1 lb/gal sand on formation	40.5 BPM @ 3500 PSI	
5:51 P. M.:	Start 1.5 lb/gal sand	40.5 BPM @ 3500 PSI	642 bbls away
5:53 P. M.:	1.5 lb/gal sand on formation	41 BPM @ 3400 PSI	
6:02 P. M.:		40.5 BPM @ 3500 PSI	
6:04 P. M.:		41 BPM @ 3400 PSI	
6:07 P. M.:		41 BPM @ 3475 PSI	
6:10 P. M.:		41 BPM @ 3500 PSI	
6:11 P. M.:	Start flush	41 BPM @ 3500 PSI	1490 bbls away
6:14 P. M.:	Flush away. Shut down.		1597 bbls away

ISIP = 2200 PSI
5 min. = 1850 PSI
10 min. = 1800 PSI

Total fluid for frac: 1597 bbl
Total sand: 60,000#

6:40 P. M.: Go in hole with retrievable bridge plug.

7:07 P. M.: Set plug @ 6580'.

7:28 P. M.: Pressure test bridge plug to 4500 PSI.
Held for 3 min. with no loss in pressure.

7:39 P. M.: Go in hole with tubing to spot acid.

8:50 P. M.: Spot 250 gal. 7½% Hcl from 6496' to 6113'.

10:30 P. M.: Come out of hole with tubing.

10:35 P. M.: Go in hole to perforate Tocito Zone.

10:47 P. M.: Perforate @ 6392', 6395', 6406', 6414', 6416', 6421', 6426', 6428', 6442', 6444', 6446'. 4 SPF.

11:03 P. M.: Go in hole to perforate Tocito zone.

11:15 P. M.: Perforate @ 6460', 6464', 6468', 6471', 6476', 6481', 6487', 6490', 6492', 6494', 6496'. 4 SPF.

Tocito break down and ball off

11:40 P. M.: Start break down.
Broke @ 3000 PSI.
Establish rate 49 BPM @ 3600 PSI
ISIP = 2300 PSI

11:46 P. M.: Start balls. 5 balls/bbl in 26 bbl. 130 balls total.
10 BPM 2400 PSI 26 bbl away All balls away.
Increase rate to 48 BPM

11:51 P. M.: Slow rate to BPM. Balls should be hitting.

11:54 P. M.: Shut down. Reach max. pressure. Have a ball off.

Total fluid for break down and ball off: 328 bbl.

10-20-82:

12:10 A. M.: Go in hole with junk basket to recover balls.

12:38 A. M.: Tag sand @ 6550' with junk basket.

12:55 A. M.: Run tubing in hole with packer and seating nipple to swab test Tocito.

3:00 A. M.: Swabbed fluid level down to seating nipple. Have show of gas out flow line.

7:15 A. M.: Come out of hole with tubing and packer.
Rig up Western to frac Tocito.

9:10 A. M.:	Start pad	42 BPM @ 3800 PSI	
9:16 A. M.:		42 BPM @ 3850 PSI 38 BPM @ 3800 PSI	
9:20 A. M.:	Start 0.5 lb/gal sand	36 BPM @ 3650 PSI	333 bbl away
9:23 A. M.:	0.5 lb/gal sand on formation	35.5 BPM @ 3450 PSI	
9:25 A. M.:		35.5 BPM @ 3600 PSI	

Slow rate @ 3900 PSI.

9:27 A. M.: Go to flush. 566 bbl. 14 BPM @ 3900 PSI

9:35 A. M.: Shut down. Flush away.
ISIP = 2400 PSI
5 min. = 2350 PSI
10 min. = 2300 PSI

Total fluid: 673 bbls.
Total sand: 4830#.

10:05 A. M.: Start in hole with tubing to recover bridge plug.

Landed 213 joints of 2 3/8" tubing at 6918'.

CHACE OIL COMPANY, INC.

313 Washington S.E.

Albuquerque, New Mexico 87108

(505) 266-5562

January 10, 1982

Aztec Energy Corporation
P. O. Box 2637
Farmington, NM 87401

Attention: Mr. Ron Allen

Gentlemen:

This is to notify Aztec Energy Corporation, as offset operator to the Chace Oil Company wells Chace Apache 54-10 and 54-11, in units 'I' and 'K' respectively, of Section 3, T22N, R3W, that Chace Oil Company has applied under Oil Conservation Rule 303-C for authority to commingle the Gallup Associated pool with the Dakota Associated pool in said wells.

Yours truly,

Ross Easterling
Landman

RE/ss

CHACE OIL COMPANY, INC.

313 Washington S.E.

Albuquerque, New Mexico 87108

(505) 266-5562

January 10, 1983

Merrion Oil and Gas
108 West Apache
Farmington, NM 87401

Gentlemen:

This is to notify Merrion Oil and Gas, as offset operator to the Chace Oil Company Chace Apache 54-10 in Unit 'I' of Section 3, T22N,R3W, that Chace Oil Company has applied under Oil Conservation Commission Rule 303-C for authority to commingle the Gallup Associated pool with the Chacon Dakota in said well.

Yours truly,

Ross Easterling
Landman

RE/ss

CHACE OIL COMPANY, INC.

313 Washington S.E.

Albuquerque, New Mexico 87108

(505) 266-5562

January 11, 1983

Mr. Jack A. Cole
415 West Main
Farmington, NM 87401

Dear Mr. Cole:

This is to notify you as offset operator to the Chace Apache 54-10 well in unit 'I' in section 3, T22N,R3W that Chace Oil Company, has applied under Oil Conservation Rule 303-C for authority to commingle the Gallup Associated pool with the Dakota Associated pool is said Well.

Yours truly,

Ross Easterling

Ross Easterling
Landman

CHACE OIL COMPANY, INC.

313 Washington S.E.

Albuquerque, New Mexico 87108

(505) 266-5562

January 10, 1983

Mr. John S. Keller
U. S. Dept of the Interior
Bureau of Land Management
P. O Drawer 600
Farmington, NM 87401

Re: Commingling of Well 54-10 Chacon Dakota Associated Pool

Dear Mr. Keller:

This is to notify the Bureau of Land Management that Chace Oil Company, Inc. has applied under the Oil Conservation Commission rule 303-C for authority to commingle the Gallup, Tocito, Greenhorn, and Dakota production.

The application is submitted for the Chace Oil Company, Inc. 54-10 Well in Unit 'I', of Section 3, T22N,R3W, Sandoval County, New Mexico.

Very truly yours,

Ross Easterling

Ross Easterling
Landman

RE/ss