

Jic - G - 8

*Compd order
attached*

MERIDIAN OIL

December 15, 1994

New Mexico Oil Conservation Division
Attn.: Mr. Ernie Bush & Mr. Frank Chavez
1000 Rio Brazos Road
Aztec, New Mexico 87410

RECEIVED
DEC 28 1994

OIL CON. DIV.
DIST. 9

RE: **Jicarilla G # 8**
Unit G, Section 02, T25N, R05W
San Juan County, New Mexico
Administrative Order DHC-959

Please reference the attached Administrative Order DHC-959 regarding the downhole commingle of production from the Blanco-Mesaverde, B. S. Mesa Gallup, and Basin Dakota Gas Pools in the Jicarilla G # 8 wellbore. This letter submittal includes the final production allocation for this wellbore.

Approval is requested of the following allocation:

Blanco Mesaverde Pool:	Oil	30 %	Gas	60 %
B. S. Mesa Gallup Pool:	Oil	42 %	Gas	20 %
Basin Dakota Pool:	Oil	28 %	Gas	20 %
		<hr/>		<hr/>
		100 %		100 %

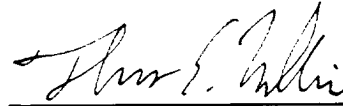
The recompletion and commingle operation was completed on January 28, 1994. The wellbore was returned to production on April 20, 1994. The time delay in submitting this allocation formula was necessary in order that verification by actual sales production could be substantiated.

The Jicarilla G # 8 was first delivered at a rate of 700 MCFD and 6 BOPD, and is currently flowing to Gas Company of New Mexico at a sales rate of 530 MCFD and 4.5 BOPD. The attached document supplies supporting evidence for this allocation, which should be accurate within engineering reason. The equalized surface shut-in casing pressure upon first delivery was 880 psi.

(Next Page)

Jicarilla G # 8
12/15/94

If you have any concerns or questions please call me at (505) 326-9546.

A handwritten signature in cursive script, appearing to read "Thomas E. Mullins".

Thomas E. Mullins
Production Engineer

TEM

attachments

cc: Peggy Bradfield
TDS

Accounting
LLB

Well File

Jicarilla G # 8
12/15/94

Supporting Data concerning allocation on the Jicarilla G # 8:

Mesaverde Information:

Old Perforations from 5042' to 5166'.
New Perforations from 5268' to 5719'.

Pitot Gauge on entire Mesaverde during the workover was 1,065 MCFD with 6 BWPH. Pitot Gauge on isolated New Perforations during workover was 1,065 MCFD with 5 BWPH. A pressure bomb was run during the new zone isolated test, which showed a flowing bottom hole pressure of 140 psi, and a 22-hr shut-in bottom hole pressure of 1116 psi.

Gallup Information:

New Perforations from 7106' to 7115'.

Pitot Gauge on entire Mesaverde and Gallup during the workover was 1,454 MCFD. Pitot Gauge on isolated New Perforations in Gallup was 1,584 MCFD. A pressure bomb was run during the new zone isolated test, which showed a flowing bottom hole pressure of 166 psi, and a 22-hr shut-in bottom hole pressure of 1,204 psi.

Dakota Information:

Old Perforations from 7596' to 7784'.
Additional Perforations placed from 7513' to 7784'.

Pitot Gauge on entire well, including Mesaverde, Gallup, & Dakota was 1,065 MCFD and 6 BWPH. 2-3/8" tubing was landed at 7705'. All zones are producing up the 2-3/8" tubing string. Current Production is 530 MCFD and 4.5 BOPD as of 12-12-94.

Utilizing these production tests and pressures, combined with remaining volumetric reserve estimates correlated to offset well history, sales line production history, the following percentages of gas and oil from each zone are estimated.

Remaining Reserves Information:

	Gas MMCF	%	Oil Bbls	%
MV Remaining:	2,672,917	64.11	2,672	22.22
GP Remaining:	736,137	17.65	5,374	44.64
DK Remaining:	760,480	18.24	3,993	33.14
Total Remaining:	4,169,534	100.00 %	12,039	100.00 %

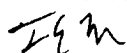
Production Information:

	Gas Rate	%	Oil Rate	%
MV Remaining:	420	60.00	2	33.33
GP Remaining:	140	20.00	2.5	41.67
DK Remaining:	140	20.00	1.5	25.00
Total Remaining:	700 MCFD	100.00 %	6 BOPD	100.00 %

All production and rate information is based from time of initial commingled production, April 20, 1994.

By combining these two methods(Reserve & Rate), the resulting allocation formula should reflect true conditions within engineering accuracy. Sales line conditions continue to be the optimum method for verification of producing zone deliverability.

TEM 12/15/94





BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER DHC-959

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87401

Attention: Thomas E. Mullins

*Jicarilla "G" Well No. 8
Unit G, Section 2, Township 26 North, Range 5 West, NMPM,
Rio Arriba County, New Mexico.
Blanco Mesaverde, Blanco South Mesa Gallup and Basin Dakota Pools*

Dear Mr. Mullins:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the three zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

In accordance with the provisions of Rule 303-C, the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

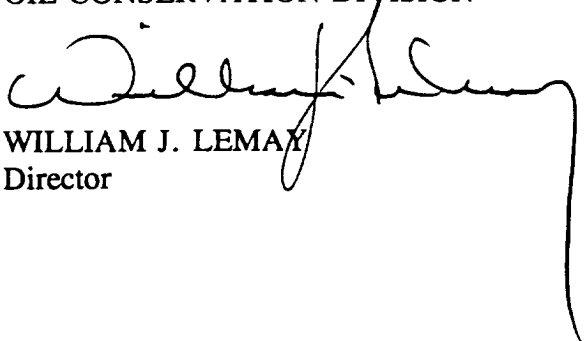
Administrative Order DHC-959
Meridian Oil, Inc.
December 21, 1993
Page 2

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 21st day of December, 1993.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/BES/amg

cc: Oil Conservation Division - Aztec
Oil Conservation Division - Data Processing
Bureau of Land Management - Farmington