

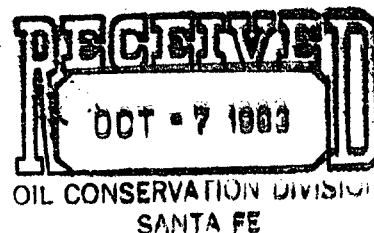
**Union Texas
Petroleum**

P. O. Box 1290
Farmington, N.M. 87499
(505) 325-3587

October 4, 1983

Aztec Energy Corporation
1206 E. 20th
Farmington, New Mexico 87499

Reference: Jicarilla O Well No. 1
M 10 22N 3W



Dear Sir:

Enclosed is a copy of Union Texas Petroleum Corporation's application for a downhole commingling order for the above captioned well located in Section 10, Township 22 North, Range 3 West, N.M.P.M., Sandoval County, New Mexico, Chacon Dakota Associated and Undesignated Gallup pools. The proposed zone to be commingled is the Gallup formation.

Our records indicate that you are the owner and operator of acreage which adjoins the referenced well site. If you have any objections to the downhole commingling of the Jicarilla O Well No. 1, please direct your comments to Joe D. Ramey at the following address within 20 days of receipt of this notification.

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

Your cooperation in this matter is greatly appreciated.

Yours truly,

J.A. Edmister
Engineering Analyst

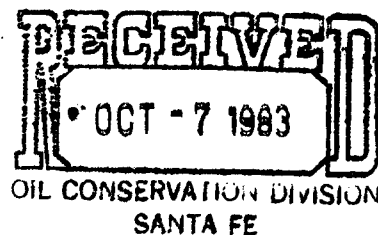
JAE:1m

**Union Texas
Petroleum**

P. O. Box 1290
Farmington, N.M. 87499
(505) 325-3587

October 4, 1983

Oil Conservation Division
Joe D. Ramey
Director
P.O. Box 2088
Santa Fe, New Mexico 87501



Reference: Jicarilla O Well No. 1
M 10 22N 3W

Dear Mr. Ramey:

Union Texas Petroleum Corporation is applying for a downhole commingling order for the referenced well in the Chacon Dakota Associated and Undesignated Gallup pools. The ownership of the zones to be commingled are common. Aztec Energy Corporation is the only offset operator. The Bureau of Land Management as well as Aztec Energy Corporation will receive notification of the proposed down hole commingling.

The proposed zone to be commingled is the Gallup formation. For perforations, the final decision will be made after another cased hole log is ran. A string of 2-3/8" EUE tubing will be run, with all zones being pumped through this one string.

The proposed commingling will result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste and will not violate correlative rights.

The total value of the crude will not be reduced by commingling. The production from the Chacon Dakota Associated within this wellbore is low marginal. It is currently producing 4.5 BOPD with 2 MCFPD. This is not enough gas to run the pump. Extra gas has to be purchased. The expected production from the Gallup is also low marginal. It is estimated to be from 14 to 18 BOPD with 6 to 10 MCFPD. This will be enough gas to run the pump and make the well economical to operate. The well will have to be plugged and abandoned if the cost efficiency is not increased.

The reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed down hole commingling. The fluids from each zone are compatible and no precipitates will be formed to cause damage to either reservoir. The daily production will not exceed the limit of Rule 303C, Section 1a, Part 1. Both fluids have an API gravity close to 40°. The bottom hole pressure for the Dakota is 1857 PSI. The estimated bottom hole pressure for the Gallup, based on two commingled Gallup-Dakota wells in Section 3, Township 22 North, Range 3 West, is 1834 PSI. The two wells which are currently down hole commingled in the Gallup and Dakota formations are Chace Oil Company. Chace Apache 54 Well No. 10 (I 3 22N 3W) and Chace Apache 54 Well No. 11 (K 3 22N 3W). The commingling will not

Joe D. Ramey
Jicarilla 0 Well No.1
M 10 22N 3W
Page 2

jeopardize the efficiency of future secondary recovery projects in either zones to be commingled.

The Division Aztec District office will be notified anytime the commingled well is shut-in for seven (7) consecutive days.

To allocate the commingled production to each of the zones, Union Texas Petroleum will consult with the supervisor of the Aztec District office of the Division and determine an allocation formula for each of the production zones.

Included with this letter is a plat showing ownership of offsetting leases, production curve for the Chacon Dakota, current GOR on State Form C-116, and a wellbore diagram for the referenced well.

Yours truly,



J.A. Edmister
Engineering Analyst

JAE:lm

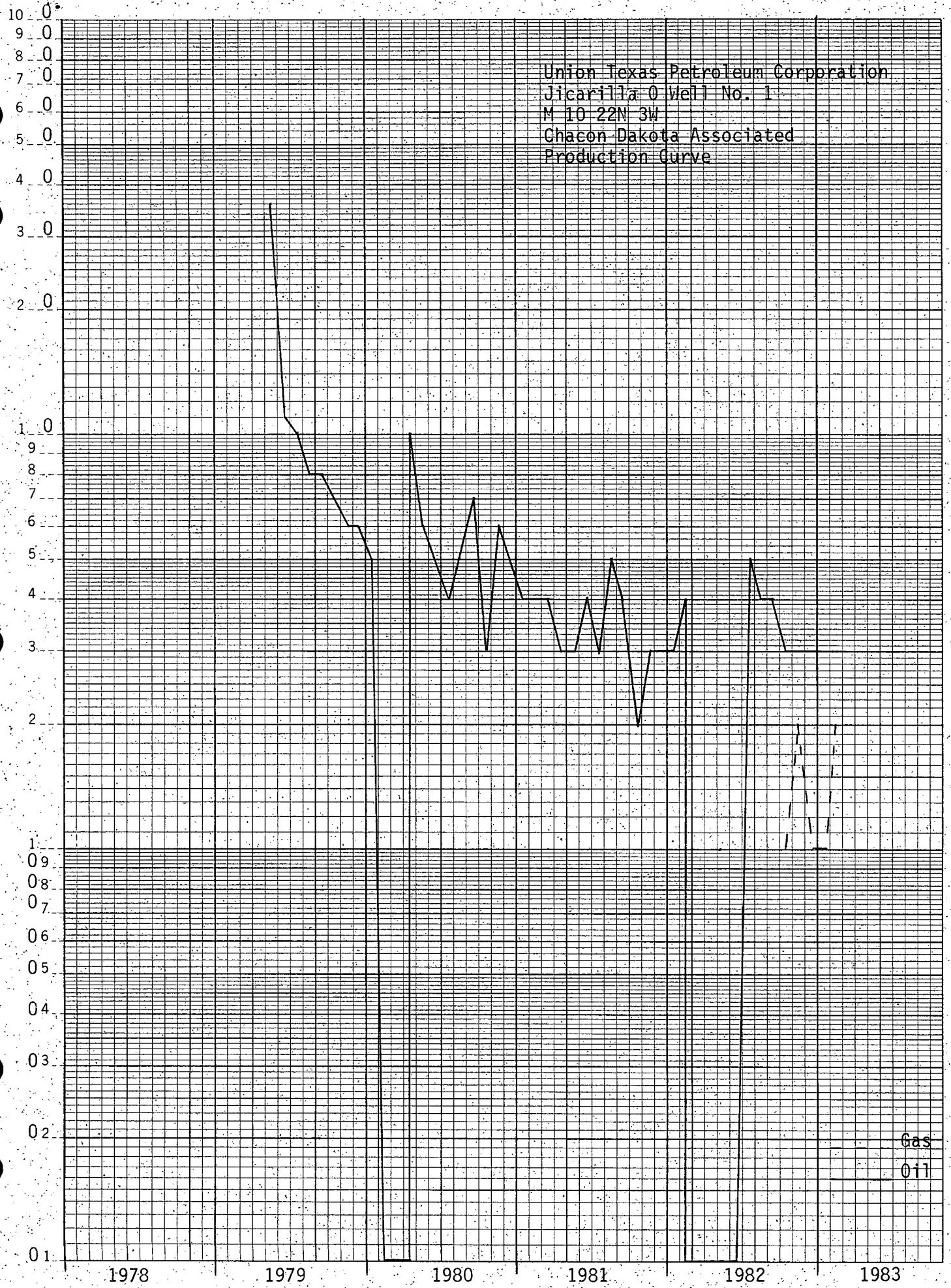
enclosures:

cc: Oil Conservation- Aztec
Aztec Energy Corporation
Bureau of Land Management
File

46 5493

K&S SEMI-LOGARITHMIC • 3 CYCLES X 70 DIVISIONS
KEUFFEL & ESSER CO. MADE IN U.S.A.

Union Texas Petroleum Corporation
Jicarilla 0 Well No. 1
M 10 22N 3W
Chacon Dakota Associated
Production Curve



Gas
Oil

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

Form C-116
Revised 10-1-78

GAS-OIL RATIO TESTS

Operator		Pool		County												
Union Texas Petroleum Corporation		Chacon Dakota		Sandoval												
Address P.O. Box 1290, Farmington, New Mexico 87499				Type of Test - (X) <input checked="" type="checkbox"/> Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST hours	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL			
		U	S	T						R	WATER BBLs.	GRAV. OIL BBLs.		GAS M.C.F.		
Jicarillo 0	1	M	10	22N	3W	9-2-83	P	1/8"	40	6	24	0	40°	4.45	2	449

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 allowances when authorized by the Division.

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 Division 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.

J. A. Edmister
J. A. Edmister (Signature)
Engineering Analyst
(Title)

UNION TEXAS PETROLEUM CORP.
WELLBORE DIAGRAM

WELL NAME Jicarillo 0 Well No 1.
LOCATION 790' FSL; 790' FWL **SECTION** 10 **T** 22N **R** 3W
COUNTY Sandoval **STATE** New Mexico **LEASE** Jicarilla

GLE 7085'
KBE 7097'
KB _____

SURFACE CASING

Hole size: 12-1/4"
Casing: 8-5/8"
Casing set @ 274'
Top of Cement: Surface

FORMATION TOPS

Ojo Alamo	<u>1990</u>
Kirtland Shale	<u>2132</u>
Pictured Cliffs	<u>2394</u>
Lewis Shale	<u>2494</u>
Chacra	<u>3272</u>
Cliffhouse	<u>3890</u>
Point Lookout	<u>4504</u>
Mancos Shale	<u>4820</u>
Gallup	<u>5156</u>
Greenhorn	<u>6534</u>
Graneros	<u>6610</u>
Dakota	<u>6676</u>

PRODUCTION CASING

Hole size: 7-7/8"
Casing: 5-1/2"
Casing set @ 7055'
Top of Cement: 5326'

WELL HISTORY

Spud date: 11- 19 -78
Original owner: Supron Energy Corporation
IP: MCFD 9 BOPO 20 BWPD 7
GOR 450
Completion 1-21-79

CURRENT DATA

Pumping Unit: _____
Tubing: 2-3/8"
Pump size: 2" X 1-1/2" X 16'
Rod string: 3/4"
Wellhead: _____
Remarks: _____

PERFORATIONS

6632, 34, 36, 38, 40, 45, 47, 49, 51, 53,
55, 6723, 25, 27, 30, 32, 34, 36

Date of Last Revision: _____

PBTD 6860'
TD 7055'

VERZON MISS
3-24-79

CITIES SERVICE R
REYNOLDS MINING
HBP

CHACE
2-28-80
CITIES SERV
REYNOLDS MIN
HBP

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SO UNION
5-19-79

NM-1302 HBP
NM-2231
3-5-68

Aztec Energy
Corp. Farmout

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PS604C

Jicarito Apache Tribe

REFINERS PETR

UNION CALIF
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14

UNION CALIF
2-27-76

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23

CAMP A. 22
7900

ENNECO
2-27-80

UNION CALIF
12-27-76

REFINERS PETR

FE REYNOLDS

PARLAY



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

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 10-6-83

RE: Proposed MC _____
Proposed DHC ✓ _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

RECEIVED
OCT 14 1983
OIL CONSERVATION DIVISION
SANTA FE

Gentlemen:

I have examined the application dated 10-6-83
for the Union Tex Pet. Corp. Jicarella O #, M-10-22-3
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,
