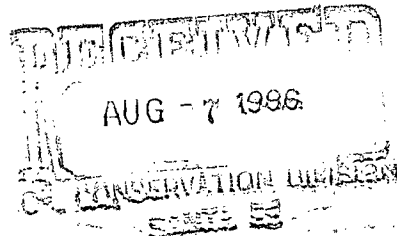


A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

August 6, 1986

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



Re: Application for Downhole Commingling
Curtis J. Little
Warren #3E
H-26-T25N-R6W
Devils Fork Gallup Pool
Basin Dakota Pool

Gentlemen:

Enclosed in duplicate is the application for downhole commingling for the Curtis J. Little Warren #3E well located H-26-T25N-R6W.

A copy of the application is being mailed at this mailing to all offset operators, the Oil Conservation Division District Office and to the U.S. Bureau of Land Management Office at the addresses shown on an exhibit in the application.

If there are questions please contact me.

Yours very truly,

A handwritten signature in cursive script, reading "A. R. Kendrick". The signature is written in dark ink and is positioned above the printed name.

A. R. Kendrick

Enclosures

APPLICATION FOR DOWNHOLE COMMINGLING

OPERATOR: Curtis J. Little, Box 1258, Farmington, New Mexico 87499-1258

WELL: Warren #3E, 1750' FNL 790' FEL, H-26-T25N-R6W, Devils Fork-Gallup Oil Pool and Basin-Dakota Gas Pool.

PLAT: See attachment.

TEST: See attached Form C-116.

PRODUCTION GRAPH: See attachments.

BOTTOM HOLE PRESSURES: No bottomhole pressures have been measured due to production problems. Based on the 1985 Packer Leakage Test Report and assuming a gas gravity of .650, the calculated pressures are 885 psi for the Gallup formation and 1385 psi for the Dakota zone at a common datum of 6600' of depth. (The lower pressure being 64% of the higher.)

FLUIDS DESCRIPTION: All petroleum products in the San Juan Basin from the Cretaceous formations are chemically compatible and form no precipitates.

VALUES: The value of combined stream of production from the subject well will not be impaired by commingling.

ALLOCATION FORMULA: Based on reserves of 30,000 barrels of oil and 300 MMcf gas in the Gallup zone and 7,000 barrels of oil and 1.0 Bcf gas in the Gallup-Dakota zone, the proposed production split would be 81% of the oil and 23% of the gas to the Gallup zone and 19% of the oil and 77% of the gas to the Dakota zone.

NOTIFICATIONS: A copy of this application is being mailed to all offset operators and to the Bureau of Land Management, the addresses of which are shown on an attachment.

APPLICATION FOR DOWNHOLE COMMINGLING IN THE
BLANCO MESAYERDE GAS POOL AND QUITO GALLUP-DAKOTA OIL POOL

CURTIS J. LITTLE
WARREN #3E
H-26-T25N-R6W

RULE 303 C. DOWNHOLE COMMINGLING

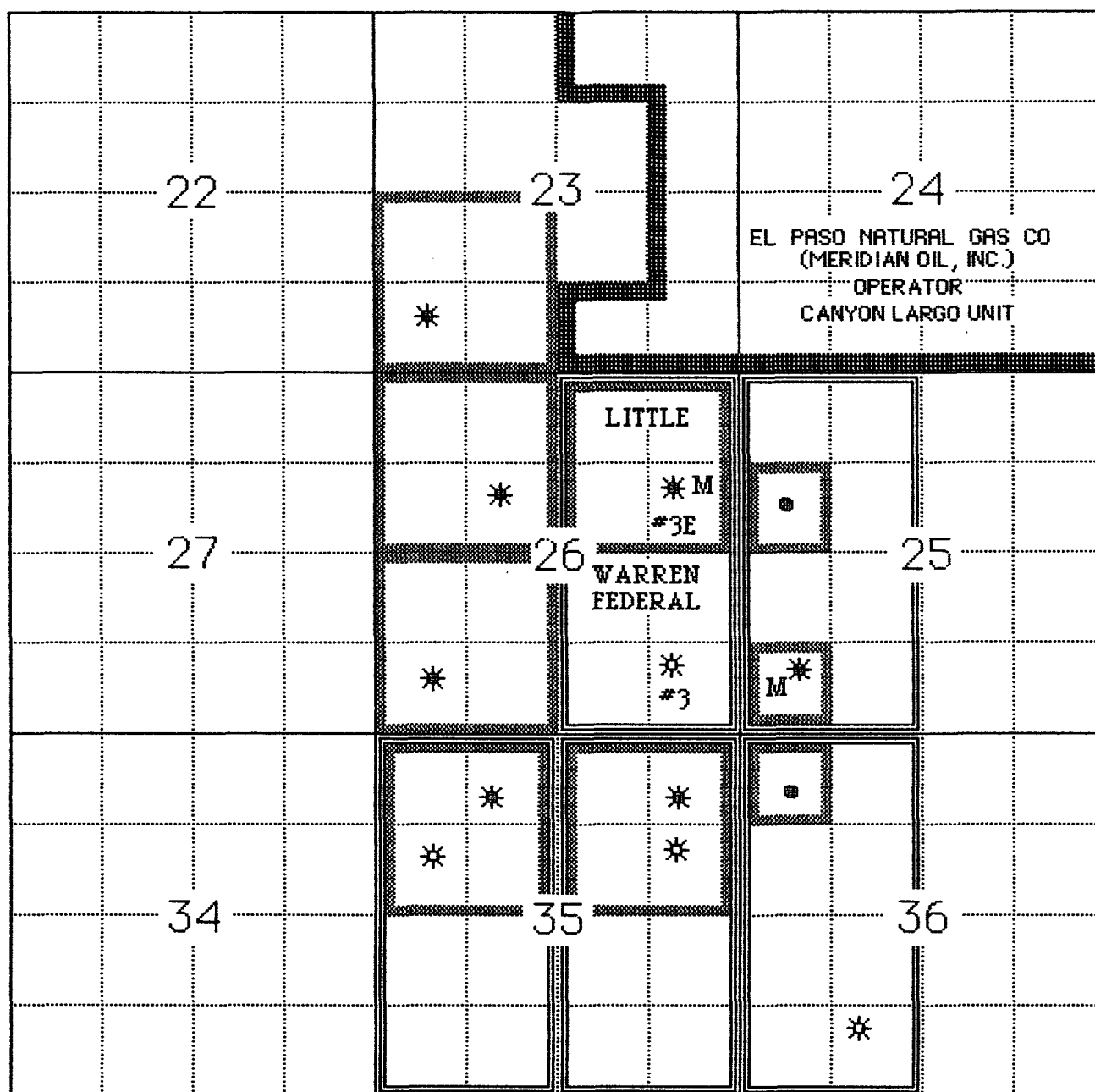
1 (a) For Wells Involving Oil Zones:

- (1) The total combined oil production will not exceed 60 barrels of oil per day — the limit set for wells completed down to ~~8,999'~~ ⁶⁹⁴⁰ (the range of the lowermost perforation).
- (2) The well will be produced by artificial lift.
- (3) The total water production is less than the oil limit set in (1) above.
- (4) The fluids are compatible in the two production zones.
- (5) The value of the commingled product will not be impaired by the commingling.
- (6) Ownership of all interests in the well are common.
- (7) The commingling will not jeopardize the efficiency of present or future secondary recovery operations in either of the zones to be commingled.

(b) For Wells Involving Gas Zones:

- (1) The downhole commingling is necessary to allow the recovery of products that would otherwise not be economically feasible to recover.
- (2) There will be no or minimal crossflow between zones.
- (3) There are no fluid-sensitive sands within the proposed completion zones.
- (4) The fluids are compatible and precipitates will not be formed which may damage the reservoir(s).
- (5) The ownership of all interests in the well are common.
- (6) The bottom hole pressure of the lower pressure zone is at least 50% of the pressure of the higher pressure zone when reduced to a common datum.

T 25 N, R 6 W



GALLUP PRORATION UNIT
✱ = DEVILS FORK, ● = OTERO



BASIN DAKOTA GAS WELL



MULTIPLE COMPLETION
GALLUP / DAKOTA

OFFSET OPERATORS

	23		24
		EL PASO NATURAL GAS CO. (MERIDIAN OIL, INC.)	
		CURTIS J. LITTLE	
MERRION OIL & GAS CORPORATION			MERRION OIL & GAS CORP.
	26		25
			AMERADA HESS CORPORATION
		WARREN FEDERAL	
MERRION OIL & GAS (GALLUP) KIMBELL OIL CO. (DAKOTA)		KIMBELL OIL CO OF TEXAS	AMERADA HESS CORP
	35		36

**OFFSET OPERATORS
TO THE**

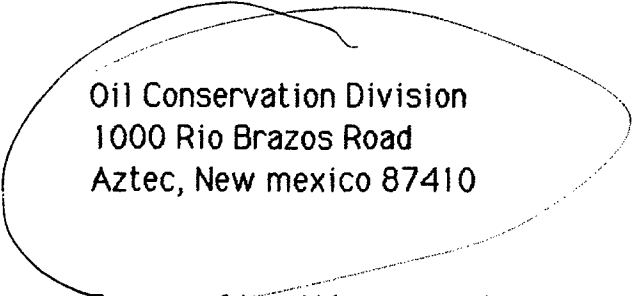
CURTIS J. LITTLE
WARREN #3E
H-26-T25N-R6W

Amerada Hess Corporation
Drawer D
Monument, New Mexico 88265

EL Paso Natural Gas Company
P.O. Box 990
Farmington, New Mexico 87499-0990

Kimbell Oil Company of Texas
P.O. Box 1097
Farmington, New Mexico 87499-1097

Merrion Oil & Gas Corporation
P.O. Box 1017
Farmington, New Mexico 87499-1017

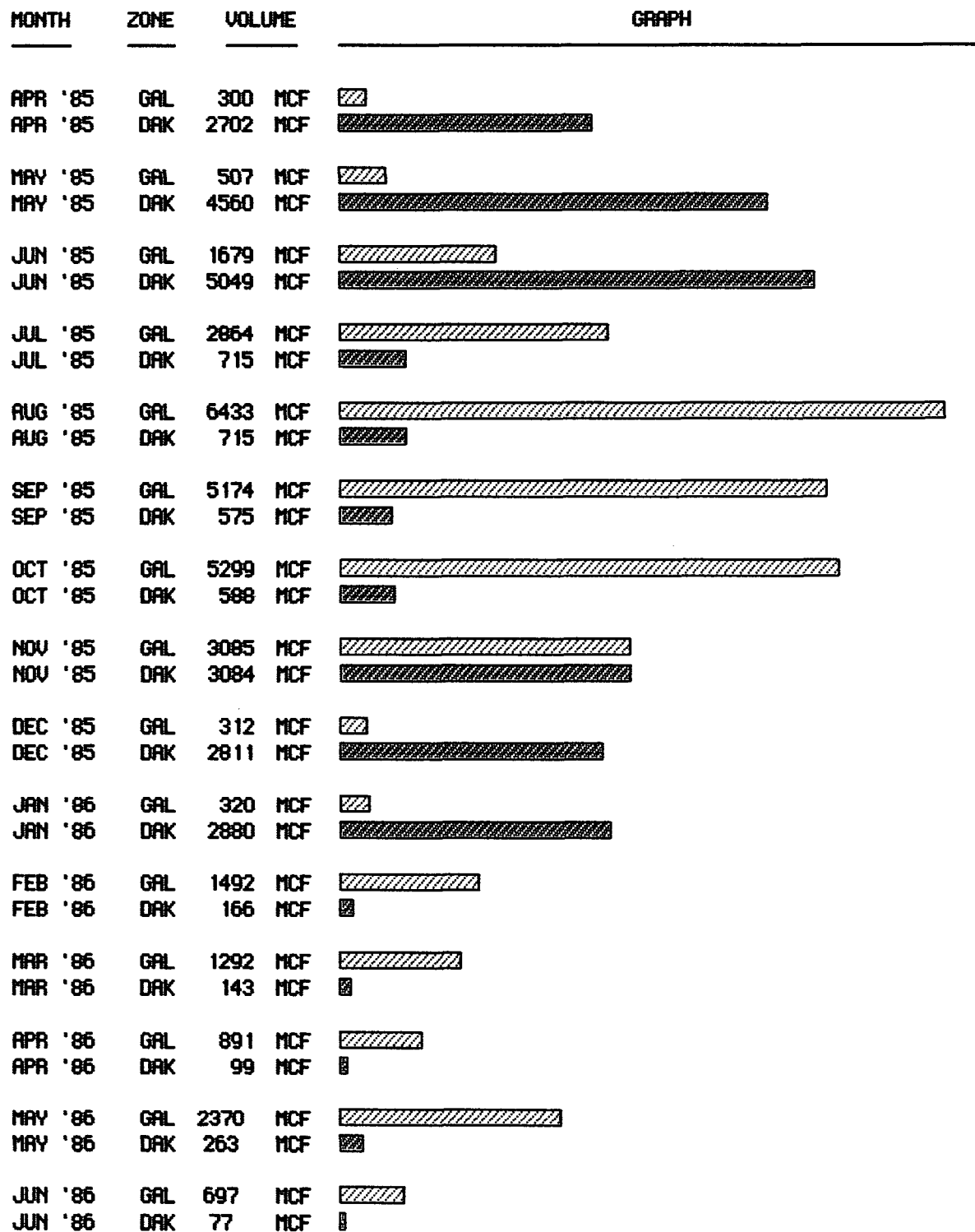


Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Bureau of Land Management
Caller Service 4104
Farmington, New Mexico 87499-4104

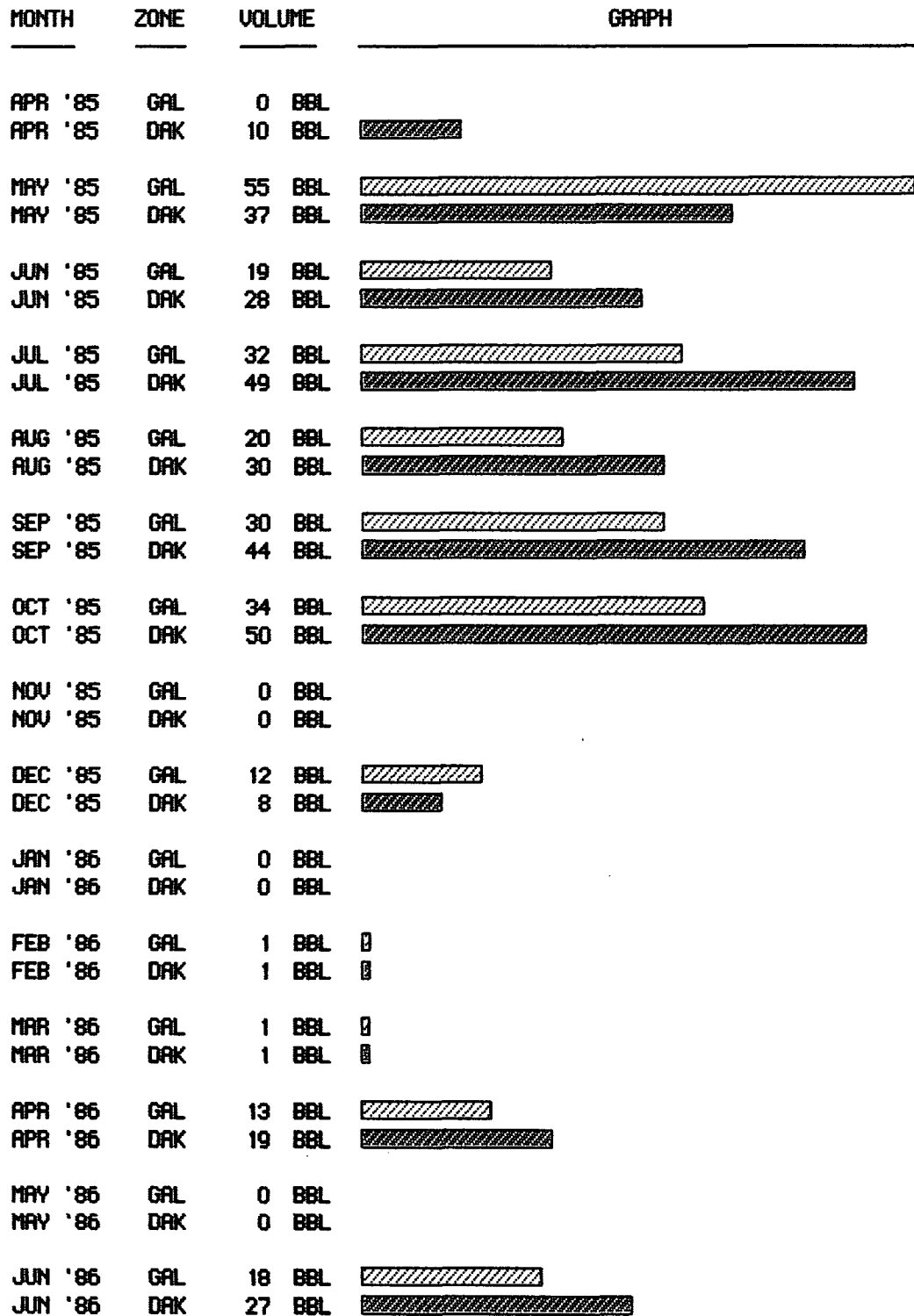
GAS PRODUCTION GRAPH

CURTIS J. LITTLE
WARREN #3E



OIL PRODUCTION GRAPH

CURTIS J. LITTLE
WARREN #3E



WELLS AUTHORIZED FOR DOWNHOLE COMMINGLING
NEAR THE SUBJECT WELL OF THIS APPLICATION

OTERO GALLUP OIL POOL
BASIN DAKOTA GAS POOL

<u>LOCATION</u>	<u>OPERATOR</u>	<u>WELL</u>	<u>DHC ORDER NUMBER</u>	<u>PRODUCTION SPLIT ZONE OIL% GAS%</u>
M-30-25N-5W	EL PASO NATURAL	JICARILLA 67 *10	R-6096	GALLUP 100 0 DAKOTA 0 100
L-31-25N-5W	TEXACO, INC.	JICARILLA B *20E	R-5854	GALLUP DAKOTA
M-25-25N-6W	AMERADA HESS	McKENZIE FEDERAL *1	R-5138	GALLUP 100 0 DAKOTA 0 100
O-25-25N-6W	AMERADA HESS	McKENZIE FEDERAL *3	R-5138	GALLUP 100 0 DAKOTA 0 100
N-36-25N-6W	AMERADA HESS	HARVEY STATE *10	R-5138	GALLUP 100 0 DAKOTA 0 100

GAS-OIL RATIO TESTS

Operator		Pool		County									
CURTIS J. LITTLE		Devils Fork Gallup		Rio Arriba									
Address				TYPE OF TEST - (X)		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>					
P. O. Box 1258, Farmington, NM 87499													
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU. FT./BBL.
		U	S	T						R	WATER BBLs.	GRAV. OIL	
Warren	3-E	H	26	25	6	2"	6/21/86				1	13	13000

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 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.


(Signature)

Operator

(Title)

6-25-86

GAS-OIL RATIO TESTS

Operator		County		Pool		Basin		Dakota		Rio Arriba			
CURTIS J. LITTLE													
Address		P. O. Box 1258, Farmington, NM 87499		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>			
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS-OIL RATIO CU.FT./BBL
		U	S	T						R	WATER BBLs.	GRAV. OIL BBLs.	
Well not produced within last 30 days, here is a recent test...													
Warren	3-E	H	26	25	6	4/18/86	2"				1	3	3000

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 Division.

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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.

Curtis J. Little
Signature
Operator

4-24-86
Date