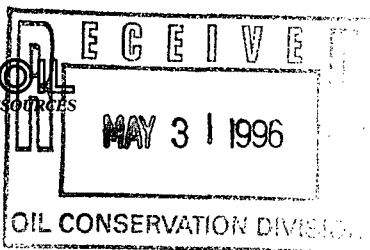


DHC

6/20/96

1279

**MERIDIAN**  
A Subsidiary of BURLINGTON RESOURCES



May 29, 1996

Mr. William LeMay  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: San Juan 27-5 Unit #40E  
1070'FNL, 1090'FWL Section 16, T-27-N, R-5-W, Rio Arriba County, NM  
API #30-039-23700

Dear Mr. LeMay:

This is a request for administrative approval for downhole commingling the Blanco Mesa Verde and Basin Dakota pools in the subject well. It is intended to add the Blanco Mesa Verde formation to this Dakota well and commingle both formations.

To comply with the New Mexico Oil Conservation Division rules, Meridian is submitting the following for your approval of this commingling:

1. Form C107A - Application for Downhole Commingling;
2. C-102 plat for each zone showing its spacing unit and acreage dedication;
3. Production curve for the Dakota for at least one year;
4. Notification list of offset operators - Meridian is operator of San Juan 27-5 Unit;
5. Notification list of working, overriding, and royalty interests.

If you are a working, overriding or royalty interest owner in either of the above described pools, you are being notified of this application as a requirement of the New Mexico Oil Conservation Division Rule #303C. Meridian Oil Inc, as operator, believes this application will be in the best interest of all owners. If you have no objection to this commingling application, you do not have to respond to this notification. Upon establishment of production from this well, you will receive your proportionate share of revenues from the pool in which you own an interest according to the proposed allocation formula.

The allocation formula will be based off past Dakota production. Any production over and above Dakota predicted volumes will be allocated to the Mesa Verde.

Please let me know if you require additional data.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peggy Bradfield".

Peggy Bradfield  
Regulatory/Compliance Administrator

encs.

xc: Bureau of Land Management  
State Land Office

**DISTRICT I**

P.O. Box 1980, Hobbs, NM 88241-1980

**DISTRICT II**

811 South First St., Artesia, NM 88210-2835

**DISTRICT III**

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**

2040 S. Pacheco  
Santa Fe, New Mexico 87505-8429

Form C-107-A  
New 3-12-96

**APPROVAL PROCESS**

Administrative  
 Hearing

**APPLICATION FOR DOWNHOLE COMMINGLING**

**EXISTING WELLBORE**

YES  NO

Meridian Oil Inc

PO Box 4289, Farmington, NM 87499

Operator

Address

San Juan 27-5 Unit

40E

D-16-27N-5W

Rio Arriba

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7454 API NO. 30-039-23700 Federal  , State  , (and/or) Fee \_\_\_\_\_

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesaverde - 72319		Basin Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	5024-5666'		7552-7777'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. not yet completed	a.	a. 1008 psi
	(Original) b. 980 (estimated)	b.	b. 1758 psi
6. Oil Gravity ( °API) or Gas BTU Content	1200 (estimated)		1124 BTU
7. Producing or Shut-In?	not yet completed		producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In and oil/gas/water rates of last production  Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data  * If Producing, give data and oil/gas/water of recent test (within 60 days)	Date: N/A Rates:	Date: Rates:	Date: N/A Rates:
	Date: Rates:	Date: Rates:	Date: 4-30-96 Rates: 0.10 BOPD, 200 MCFGPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: % Gas: % See cover letter	Oil: % Gas: %	Oil: % Gas: % See cover letter

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones?  Yes  No

If not, have all working, overriding, and royalty interests been notified by certified mail?  Yes  No  
Have all offset operators been given written notice of the proposed downhole commingling?  Yes  No

11. Will cross-flow occur?  Yes  No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable.  Yes  No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other?  Yes  No

13. Will the value of production be decreased by commingling?  Yes  No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application.  Yes  No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) \_\_\_\_\_

**16. ATTACHMENTS:**

- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- \* Production curve for each zone for at least one year. (If not available, attach explanation.)
- \* For zones with no production history, estimated production rates and supporting data.
- \* Data to support allocation method or formula.
- \* Notification list of all offset operators.
- \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Peggy Bradfield TITLE Regulatory Administrator DATE 5-30-96

TYPE OR PRINT NAME Peggy Bradfield TELEPHONE NO. ( 505 ) 326-9700

District I  
 PO Box 1988, Hobbs, NM 88241-1988  
 District II  
 PO Drawer DD, Artesia, NM 80211-0719  
 District III  
 1088 N. Main Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-23700		Pool Code 72319/71599		Pool Name Blanco Mesaverde/Basin Dakota	
Property Code 7454		Property Name San Juan 27-5 Unit			Well Number 40F
OGRID No. 14538		Operator Name MERIDIAN OIL INC.			Elevation 6576'

10 Surface Location

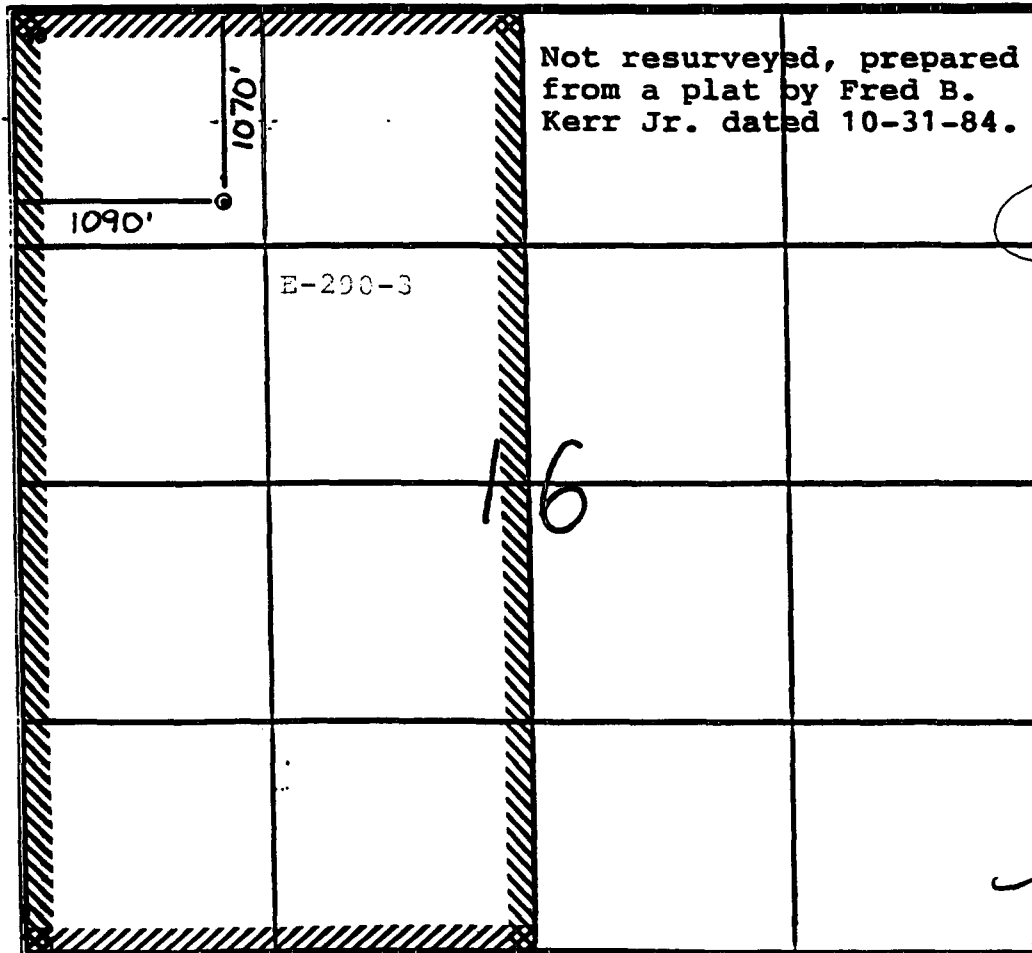
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
D	16	27 N	5 W		1070	North	1090	West	R.A.

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres W/320 W/320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



Not resurveyed, prepared from a plat by Fred B. Kerr Jr. dated 10-31-84.

17 OPERATOR CERTIFICATION

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

*Peggy Bradford*  
 Signature  
 Peggy Bradford  
 Printed Name  
 Regulatory Administrator  
 Title  
 5-23-96  
 Date

18 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 belief.

5-17-96  
 Date of Survey  
 Signature and Seal of Professional Surveyor  
  
 Certificate Number

**San Juan 27-5 Unit #40E  
Mesaverde Recompletion / Commingle**

**Justification for Commingling Production**

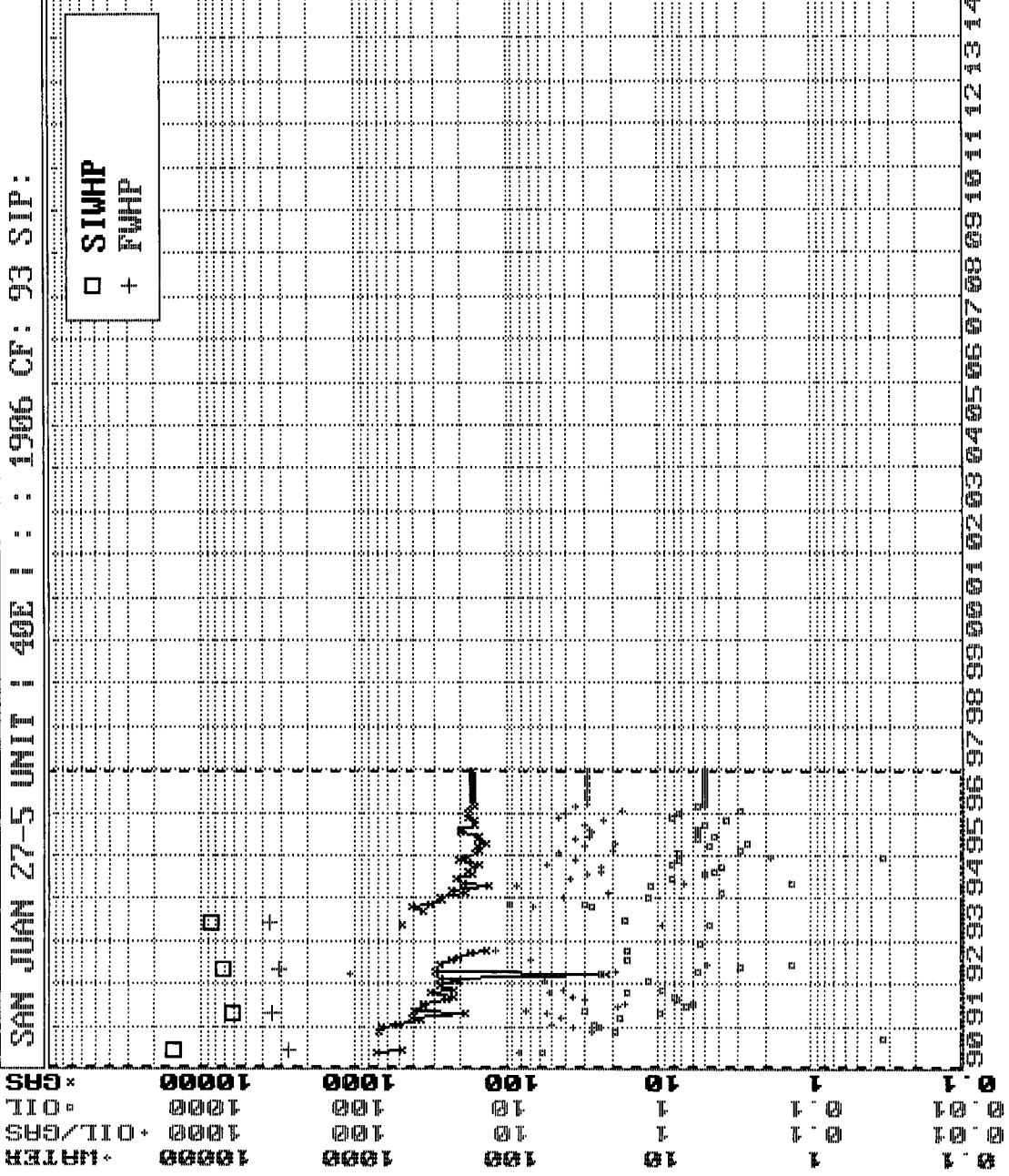
There are only two options available for developing the Mesaverde in the NW/4 of section 16. They are to recomplete the San Juan 27-5 Unit #40E and commingle with Dakota production or drill a new well. The current casing configuration in the #40E (4-1/2" casing from surface to 7,808') will not accommodate a dual configuration.

Meridian Oil does not feel the reserves in the Mesaverde can be exploited economically with new drill dollars. Based on this, it is our opinion that commingling is the only viable completion option to avoid waste in the Mesaverde interval. The Dakota formation will also benefit from commingling production with the Mesaverde. Adding the Mesaverde will extend the producing life of the Dakota and increase the overall recovery.

SAN JUAN 27-5 UNIT : 40E I : : 1906 CF: 93 SIP:

Prop 1728 \*

- \*GAS Mcf/d
- OIL Bbl/d
- OIL/GAS
- WATER Bbls/d
- RateTime
- Semi Log

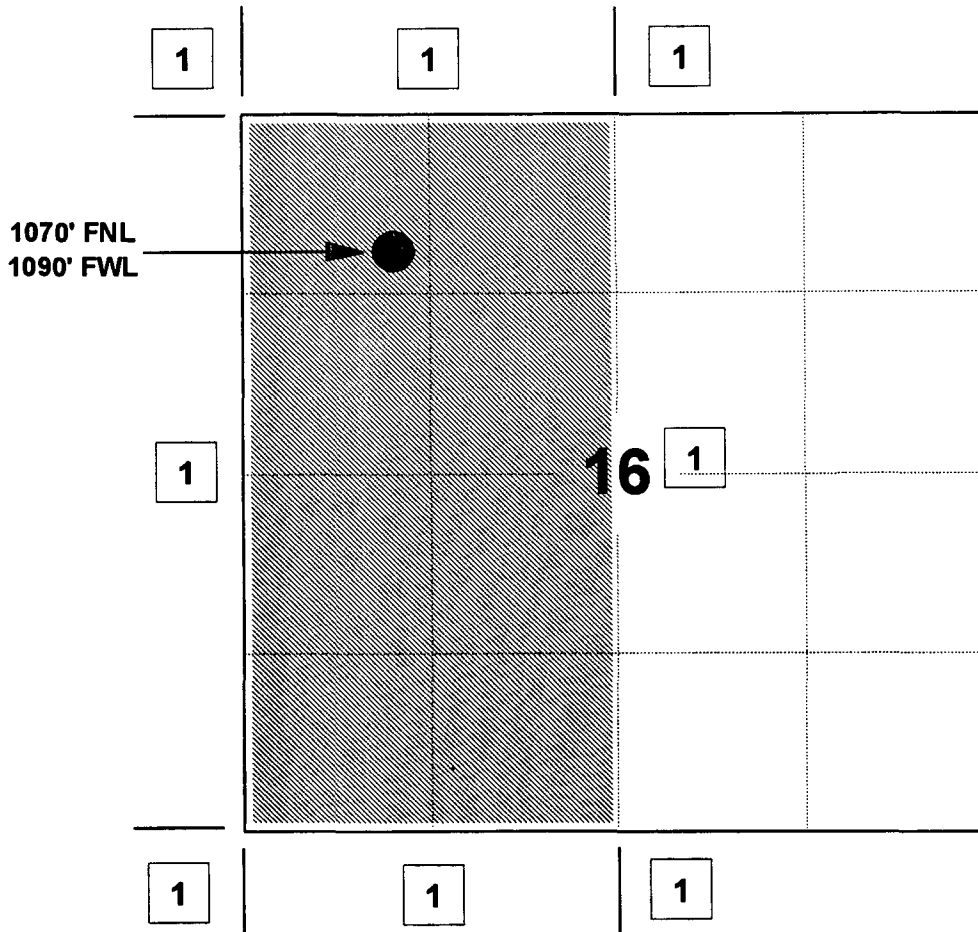


Major = GAS

# MERIDIAN OIL INC

**SAN JUAN 27-5 UNIT #40E**  
**OFFSET OPERATOR \ OWNER PLAT**  
**Mesaverde / Dakota Commingle Well**

Township 27 North, Range 5 West



1) Meridian Oil Inc

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**San Juan 27-5 Unit #40E**  
**Dakota Pseudo Critical Properties**

Component	Yi	Mwi	Yi * Mwi	Tci	Yi*Tci	Pci	Yi*Pci
Carbon Dioxid	0.0153	44.01	0.67	547.91	8.38	1071.00	16.39
Nitrogen	0.0025	28.01	0.07	227.49	0.57	493.10	1.23
Methane	0.8814	16.04	14.14	343.33	302.61	666.40	587.36
Ethane	0.0648	30.07	1.95	549.92	35.63	706.50	45.78
Propane	0.0187	44.10	0.82	666.06	12.46	616.00	11.52
iso-Butane	0.0049	58.12	0.28	734.46	3.60	527.90	2.59
n-Butane	0.0047	58.12	0.27	765.62	3.60	550.60	2.59
iso-Pentane	0.0027	72.15	0.19	829.10	2.24	490.40	1.32
n-Pentane	0.0015	72.15	0.11	845.80	1.27	488.60	0.73
Hexane	0.0000	86.18	0.00	913.00	0.00	436.90	0.00
Heptane	0.0035	100.21	0.35	972.80	3.40	397.00	1.39
		Mwa =	18.87	Tpc=	373.76	Ppc=	670.91
		S.G.=	0.651225				

Init. SIWHP =	1498	Pr =	2.62
Init. SBHP (calc.) =	1758	Pra =	1.50
Curr. SIWHP =	863	Tr =	1.74
Curr. SBHP (calc.) =	1008	Zi =	0.9
Res. Temp (deg F) =	190	Za =	0.93
Depth (mid perf) =	7665		

## SAN JUAN 27-5 UNIT WORKING INTEREST OWNERS

Amoco Production Company  
Bedrock Limited Partnership  
Cinco General Partnerhship  
Coastal Oil & Gas Corporation  
Cruzelia C. & Pat Montoya  
Donald R. & Florence M. Candelaria  
EJE Brown Company  
Francis Lerby Candelaria  
Genevieve Candelaria  
Gerald E. Harrington  
Gerald F. Harrington Trust  
Harold O. Pool Irrevocable Trust  
James M. Raymond, Ind. & As Trustee for Corinne M. Gay & Maydell M. Mast  
James V. Harrington  
J. Fidel & Cordelia Candelaria  
John Christoper Candelaria  
Kerr-McGee Corporation  
Langdon D. Harrison  
MAR Oil & Gas Corporation, Inc.  
Mary Jone Chappell  
Mercedes M. Skidmore  
Meridian Oil Inc.  
Nick G. Candelaria  
Pablo Lenny Candelaria  
Paul M. Candelaria  
Paulette Sharon Candelaria  
Robert L. Bayless  
Robert P. Tinnin  
Ruth Zimmerman Trust  
Samuel L. Dazzo & Frances J. Dazzo  
Stephanie A. & Carlos Martinez  
Sunwest Bank for Kathleen Quinn  
Tempe LTD Partnership  
T. H. McElvain Oil & Gas Limited Partnership  
Thelma Pool Revocable Trust  
The Wiser Oil Company  
Thomas & Mary Dugan  
Williams Production Company



**San Juan 27-5 Unit  
Dakota Formation**

**Royalty Interest Owners:**

Cruzelia C. Montoya  
Cruzelia & Pat D. Montoya  
Diocese of Gallup  
Donald & Florence M. Candelaria  
Donald R. Candelaria  
Francis L. Candelaria  
Genevieve Candelaria  
Horace & Elmyra McKay Trust  
J. Fidel & Cordelia Candelaria  
J. Fidel Candelaria  
James R. Payne & Jean Payne  
Jo Ann Schmidt  
John C. Candelaria  
Jose P. Esquibel  
Langdon D. Harrison  
Mercedes M. Skidmore  
Meridian Oil Inc.  
Minerals Management Services  
Nick G. Candelaria  
Pablo L. Candelaria  
Paul M. Candelaria  
Paulette S. Candelaria  
State of New Mexico  
Stephanie A. & Carlos Martinez

**San Juan 27-5 Unit  
Dakota Formation**

**Overriding Royalty Interest Owners:**

Alice Jane Webb  
Amalia S. Sanchez  
Amoco Production Company  
Bedrock Limited Partnership  
Corinne Miller Gay Trust  
Derek Peter Venezia  
Edna E. Morrell Living Trust  
Eleanor G. Hand  
Elizabeth T. Calloway  
Frank D. Gorham, Jr.  
Frederick E. Turner  
Gerald E. Harrington  
Gerald F. Harrington  
J. Glenn Turner, Jr.  
James M. Raymond  
James V. Harrington  
John C. Meadows  
John Lee Turner  
Joseph R. Abraham  
Manuel A. Sanchez Trust  
Mary Jo Wells  
Mary Jone Chappell  
Maydell Miller Mast Trust  
Meridian Oil Inc.  
Patricia Ann Ashburn  
Robert P. & Anna D. Earnest  
Romero Family Ltd. Partnership  
Scott Anthony Venezia  
Tempe Limited Partnership  
Total Minatome Corporation  
U/W Foster Morrell, Dec'd  
Union Oil Company of California  
Vastar Resources, Inc.  
W. G. Peavy Oil Company  
William G. Webb

San Juan 27-5 Unit  
Mesaverde Formation

Royalty Interest Owners:

Alice M. Vicenti  
Amalia S. Sanchez  
Cruzelia C. Montoya  
Cruzelia & Pat D. Montoya  
Diocese of Gallup  
Donald & Florence M. Candelaria  
Donald R. Candelaria  
Ernestina M. Gallegos  
Francis L. Candelaria  
Freddy Arnold  
Frieda M. Holt  
Genevieve Candelaria  
Horace & Elmyra McKay Trust  
Iris Ann Daharsh  
J. Fidel & Cordelia Candelaria  
J. Fidel Candelaria  
James R. Payne & Jean Payne  
Jo Ann Schmidt  
John C. Candelaria  
Jose P. Esquibel  
Kathryn L. Campbell  
Langdon D. Harrison  
Manuel A. Sanchez Trust  
Marie Barton  
Mercedes M. Skidmore  
Meridian Oil Inc.  
Minerals Management Services  
Nick G. Candelaria  
Pablo L. Candelaria  
Paul M. Candelaria  
Paulette S. Candelaria  
Raymond Martinez  
Richard Arnold  
Rufie Lujan  
Stanley R. Arnold  
State of New Mexico  
Stephanie A. & Carlos Martinez  
Verda L. Boccacio  
Virgina M. Martinez

**San Juan 27-5 Unit  
Mesaverde Formation**

**Overriding Royalty Interest Owners:**

Alice Jane Webb  
Amalia S. Sanchez  
Amoco Production Company  
Bedrock Limited Partnership  
Corinne Miller Gay Trust  
Derek Peter Venezia  
E J E Brown Company  
Edna E. Morrell Living Trust  
Eleanor G. Hand  
Elizabeth T. Calloway  
Frank D. Gorham, Jr.  
Frederick E. Turner  
Gerald E. Harrington  
Gerald F. Harrington  
Harold O. Pool Irrev. Residual Trust  
J. Glenn Turner, Jr.  
James M. Raymond  
James V. Harrington  
John C. Meadows  
John Lee Turner  
Joseph R. Abraham  
Kathleen Quinn  
Kerr-McGee Corporation  
Langdon D. Harrison  
Manuel A. Sanchez Trust  
Mary Jo Wells  
Mary Jone Chappell  
Maydell Miller Mast Trust  
Meridian Oil Inc.  
Patricia Ann Ashburn  
Robert L. Bayless  
Robert P. & Anna D. Earnest  
Robert P. Tinnin  
Romero Family Ltd. Partnership  
Ruth Zimmerman Trust  
Scott Anthony Venezia  
T.H. McElvain Oil & Gas Limited Partnership  
Thomas A. Dugan & Mary E. Dugan  
Total Minatome Corporation  
U/W Foster Morrell, Dec'd  
Union Oil Company of California  
Vastar Resources, Inc.  
W. G. Peavy Oil Company  
William G. Webb

submitted in lieu of Form 3160-5

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
BLM

95 JAN -6 PM 1:36

Sundry Notices and Reports on Wells

070 FARMINGTON, NM

1. Type of Well  
Gas

2. Name of Operator

Meridian Oil, Inc.

3. Address & Phone No. of Operator

P.O. Box 4289, Farmington, NM 87499  
(505) 328-9700

4. Location of Well, Footage, Sec., T, R, M

815'FNL 1120'FWL  
Sec. 31, T-32-N R-9-W

5. Lease Number

NMSF-078509

6. If Indian, All. or  
Tribe Name

7. Unit Agreement Name

San Juan 32-9 Unit

8. Well Name & Number

San Juan 32-9 Unit #41A

9. API Well No.

10. Field and Pool

Mesa Verde Blanco

11. County and State

San Juan, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Plugging Back
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other - First Delivery
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut Off
	<input type="checkbox"/> Conversion to Injection

13. Describe Proposed or Completed Operations

This well was first delivered on December 1, 1984 and produced natural gas and entrained hydrocarbons.

TP 478 CP N/A Initial MCF 1276

14. I Hereby certify that the foregoing is true and correct.

Signed Amy L. Pferdehirt Title Production Asst.

1/4/95

Amy L. Pferdehirt

(This Space for Federal or State Office Use)

APPROVED BY

Title

Date

CONDITION OF APPROVAL, if any:

ACCEPTED FOR RECORD

JAN 11 1995

Page 1  
OPERATOR

FARMINGTON DISTRICT OFFICE  
BY Sum

32-9 Unit # 37A : 47A

**FLOWING AND STATIC BHP  
CULLENDER AND SMITH METHOD**

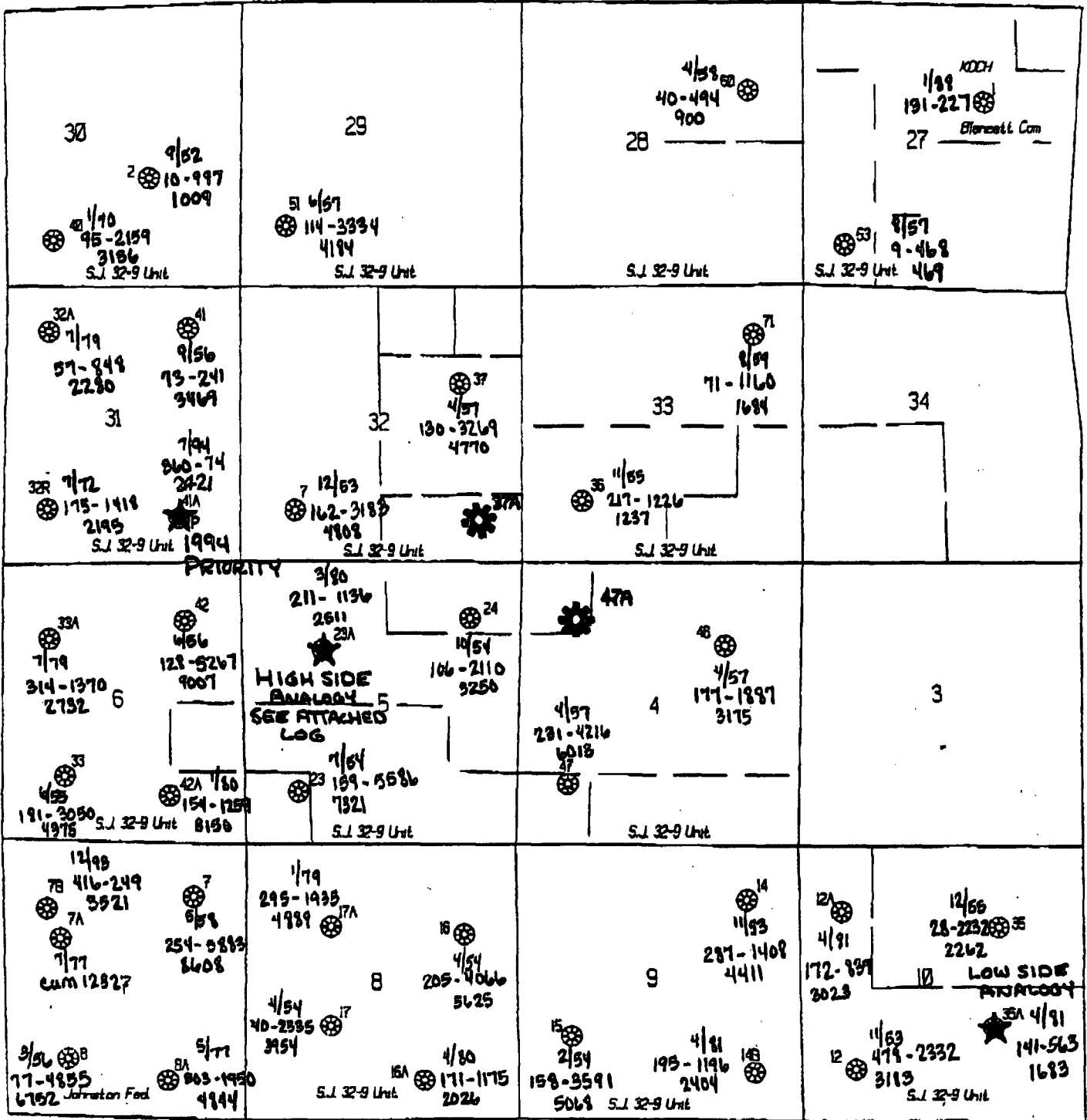
VERSION 1.0 3/13/94

GAS GRAVITY	0.87
COND. OR MISC. (C/M)	C
%N2	0
%CO2	0
%H2S	0
DIAMETER (IN)	2.441
DEPTH (FT)	6083
SURFACE TEMPERATURE (DEG F)	88
BOTTOMHOLE TEMPERATURE (DEG F)	150
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	478
BOTTOMHOLE PRESSURE (PSIA)	553.7

← From 32-9 #41A

MESA VERDE

SAN JUAN 32-9 UNIT #37A & 47A  
SECTION 4, T31N, R9W  
SECTION 32, T32N, R9W  
MESAVERDE



T  
32  
N

T  
31  
N

submitted in lieu of Form 3160-5

RECEIVED  
BLM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

95 JAN -6 PM 1:35

Sundry Notices and Reports on Wells

070 FARMINGTON, NM

1. Type of Well  
Gas

2. Name of Operator

Meridian Oil, Inc.

3. Address & Phone No. of Operator

P.O. Box 4289, Farmington, NM 87499  
(505) 326-9700

4. Location of Well, Footage, Sec., T, R, M

815'FNL 1120'FWL  
Sec. 31, T-32-N R-9-W SE1SE

5. Lease Number

NMSF-078509

6. If Indian, All. or  
Tribe Name

7. Unit Agreement Name

San Juan 32-9 Unit

8. Well Name & Number

San Juan 32-9 Unit #41A

9. API Well No.

10. Field and Pool

Picture Cliffs Blanco

11. County and State

San Juan, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Plugging Back
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other - First Delivery
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut Off
	<input type="checkbox"/> Conversion to Injection

13. Describe Proposed or Completed Operations

This well was first delivered on December 1, 1994 and produced natural gas and entrained hydrocarbons.

TP 482 CP 490 Initial MCF 1194

14. I hereby certify that the foregoing is true and correct.

Signed

*Amy L. Pferdehirt*

Title Production Asst.

1/4/95

Amy L. Pferdehirt

(This Space for Federal or State Office Use)

APPROVED BY

Title

Date

CONDITION OF APPROVAL, if any:

ACCEPTED FOR RECORD

JAN 11 1995

Page 1

OPERATOR

FARMINGTON DISTRICT OFFICE  
BY *S*



San Juan 32-9 Unit #37A  
#47A

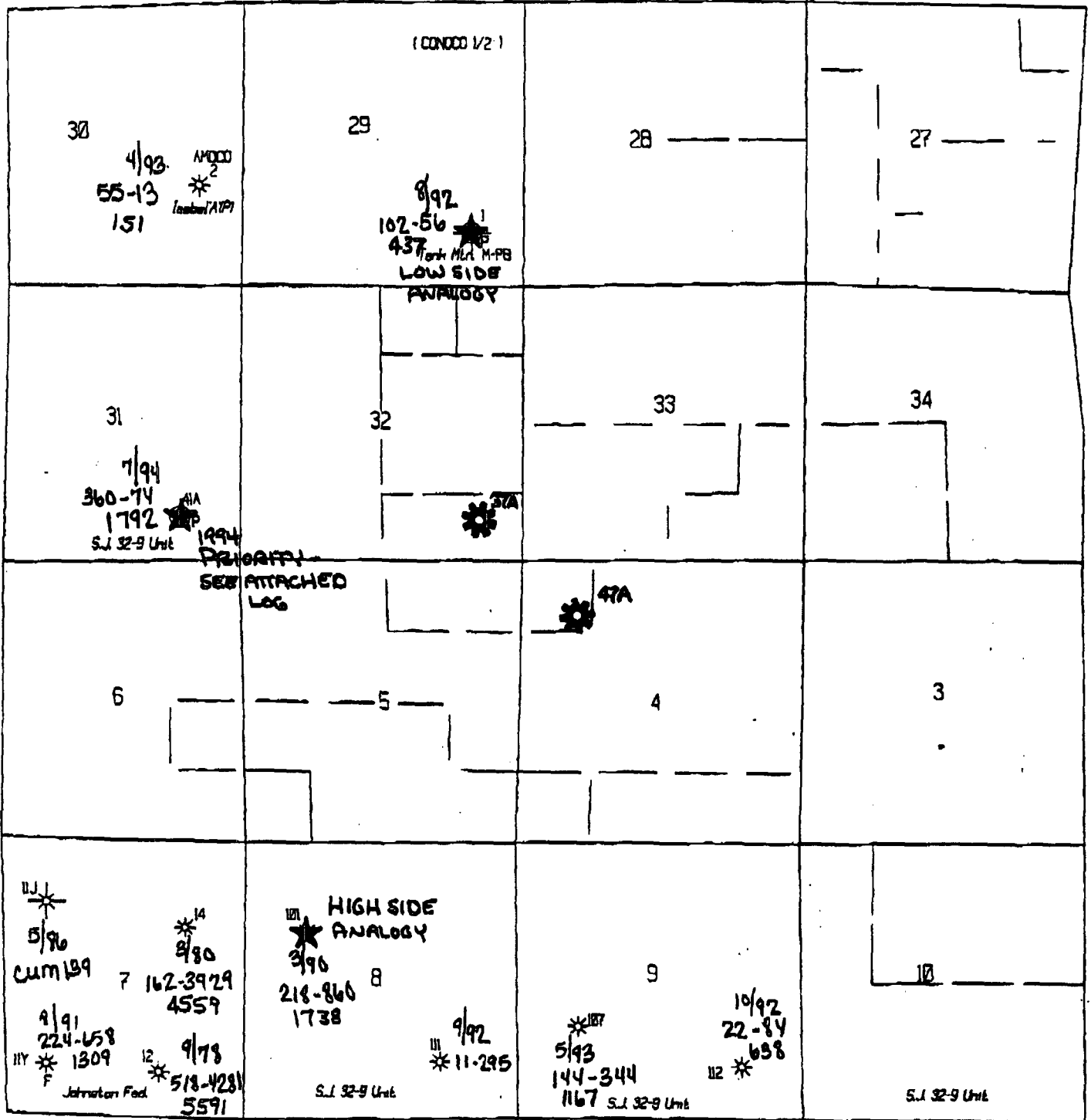
**FLOWING AND STATIC BHP  
CULLENDER AND SMITH METHOD  
VERSION 1.0 3/13/94**

GAS GRAVITY	0.67
COND. OR MISC. (C/M)	C
%N2	0
%CO2	0
%H2S	0
DIAMETER (IN)	2.441
DEPTH (FT)	3726
SURFACE TEMPERATURE (DEG F)	66
BOTTOMHOLE TEMPERATURE (DEG F)	126
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	480
BOTTOMHOLE PRESSURE (PSIA)	597.7

← 32-9 Unit # 41A

PC

SAN JUAN 32-9 UNIT #37A & 47A  
SECTION 4, T31N, R9W  
SECTION 32, T32N, R9W  
PICTURED CLIFFS



R-9-W