

8/25/97 | 9/15/97 | MS | KV | NSL

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NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location] [DD-Directional Drilling] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

Case 11865

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
[ ] NSL [ ] NSP [ ] DD [ ] SD

25

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
[ ] DHC [ ] CTB [ ] PLC [ ] PC [ ] OLS [ ] OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
[ ] WFX [ ] PMX [ ] SWD [ ] IPI [ ] EOR [ ] PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or [ ] Does Not Apply

- [A] [ ] Working, Royalty or Overriding Royalty Interest Owners
[B] [ ] Offset Operators, Leaseholders or Surface Owner
[C] [ ] Application is One Which Requires Published Legal Notice
[D] [ ] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] [ ] For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] [ ] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Paul C. Thompson
Print or Type Name

Paul C. Thompson
Signature

President
Title

8/20/97
Date



**WALSH** ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 1, 1997

Mr. William J. LeMay  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, NM 87504-2088

Re: Non-Standard Spacing Unit  
Downhole Commingling Application  
Thompson Engineering  
Blancett #2R  
790' FSL, 830' FEL  
Section 13, T30N R12W  
San Juan County, NM

Dear Mr. LeMay,

This is a request for administrative approval for a Non-Standard Spacing Location in the Basin Fruitland Coal pool, and for downhole commingling of the production from the Pictured Cliffs and Fruitland Coal, for the referenced well.

The Blancett #2R is currently producing from the Aztec Pictured Cliffs pool. The well is only capable of marginal production, despite our efforts to produce the well with a compressor and pump jack. A Fruitland Coal completion, subsequent downhole commingling with the Pictured Cliffs in this wellbore, will allow us to produce our Fruitland Coal gas without the expense of drilling additional wells. Besides the economic benefits of utilizing the existing wellbore, we will reduce the surface disturbance since the pad and pipeline facilities are already in place. The surface is owned by Richard Blancett.

Exhibit 1 is a copy of Form C-102 for each formation. Attached is a plat indicating the offset Fruitland Coal and Pictured Cliffs operators and existing wells (Exhibit 2) and a list of offset operators and their addresses (Exhibit 3).

The offset Fruitland Coal and Pictured Cliffs operators are being notified of this application by certified return receipt mail. Copies of these letters are enclosed as Exhibit 4.



Exhibit 5 is a list of the working, royalty, and overriding royalty interest owners in the proposed commingled well. All of these parties were notified of this application by certified mail. Copies of these letters are also included in Exhibit 5.

Exhibit 6 describes the proposed allocation formula. Exhibit 7 is a rate vs. time curve for the Pictured Cliffs formation and a list of the monthly production. Also included in Exhibit #7 is a gas analysis from the Pictured Cliffs formation.

Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson, P.E.  
President, Thompson Engineering

cc: Chris Coleman  
NMOCD Aztec NM