

313 Washington S.E.

Albuquerque, New Mexico 87108

(505) 266-5562



A 24

February 3, 1984

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

Mr. F. T. Chavez New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, New Mexico 87410

Dear Sirs:

Enclosed is Chace Oil Company's application for approval of downhole commingling. The application requests an exemption of rule 303-A.

Should the Division require any further information or data please call.

Yours truly,

Ross Easterling Sally Sawyer

Landman

RE:gs Enclosure

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF CHACE OIL COMPANY, INC. FOR DOWNHOLE COMMINGLING

The applicant, Chace Oil Company, Inc. is the owner and operator of the Chace Oil Company, Inc. Chace Apache 54, Well No. 1.

The 54-1 well was completed in the Chacon Dakota Associated field October 8, 1978, and recompleted in an Undesignated Gallup group November 19, 1983.

Applicant requests authority for downhole commingling in the subject well of the Chacon Dakota Associated pool with the Undesignated Gallup pool.

The application is presented in the order that the requirements are set forth in the Oil Conservation Division's Rules and Regulations, dated March 1, 1982.

Rule: 303-C

Section 1

(a) For wells involving oil zones:

limit.

1.	Bottom perforation		Bb1/day	Limit
	Chacon Dakota Associated	- 6967'	40	
	Undesignated Gallup	- 6799'	40	
	Neither zone is expected	to exceed the Bk	ol/dav	

- 2. Each of the zones require artificial lift. Neither is capable of flowing.
- 3. "Neither zone produces more water than the combined oil limit as determined in Paragraph (1) above."
- 4. The fluids from both zones are compatible with the fluids from the other zones, and will not react with each other to cause damage in either of the reservoirs.
- 5. The total value of the crude will not be reduced by commingling.

- 6. Ownership of each zone is common.
- 7. The commingling will not jeopardize the efficiency of any future secondary recovery operations.

Section 2, Paragraph A-J, 'For approval of downhole commingling':

- (a) Chace Oil Company, Inc.313 Washington, S.E.Albuquerque, New Mexico 87108
- (b) The applicant is the owner and operator of the Chace Oil Company, Inc., Chace Apache 54, Well No. 1.

Location: Unit 'A' - 990' FEL & 990' FNL Section 3, Township 22 North, Range 3 West Sandoval County, New Mexico

Pools to be commingled:

Chacon Dakota Associated

Undesignated Gallup

- (c) Plat indicating location of 54-1 well and off-setting location ownership. Attached p. 4.
- (d) Gas Oil ratio: form C-116, dated December 13, 1983. Attached p. 5.
- (e) Production decline curve for Dakota production only. Attached p. 6.
- (f) Estimated bottom hole pressure for each artificially lifted zone to be commingled, (PSIA):

Undesignated Gallup

2285

Chacon Dakota Associated

2315

(g) Fluid characteristics:

All zones produce oil of 40° - 45° gravity with little or no water.

(h) Individual production of each zone would not increase or decrease the value of the production. The price per barrel of oil is the same for each producing horizon.

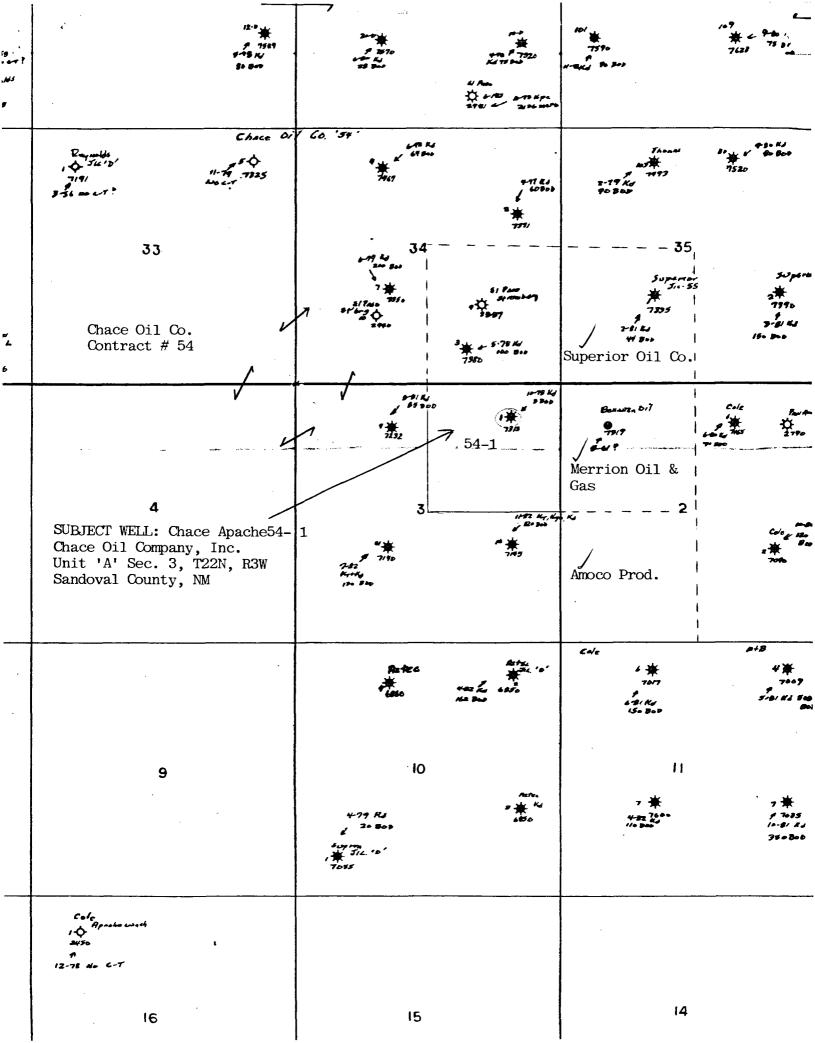
(i) Allocation of Production:

Estimated Oil and Gas:

	<u>Oil</u>	Gas
Dakota	62%	45%
Gallup	38%	55%

(j) Notification of proposed commingling:

The Minerals Management Service and all offset owners have been notified by attached letters.



NEW MEXICO OIL CONSERVATION COMMISSION

GAS-OIL RATIO TESTS

Revised 1-1-65

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No well will be assigned an allowable greater than the amount of all produced on the official test.

increased allowables when authorized by the Commission. 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.

is true and complete to the best of my know-

I hereby certify that the above information

ledge and belief.

will be 0.60. One volumes must be reported in MCF measured at a pressure base of 15,025 pain and a temperature of 50° F. Specific gravity base

Report cooing pressure in lieu of tubing pressure for any well producing through cooling.

Rule 301 and appropriate pool rules. Mail original and one copy of this report to the district office of the New Mexico Oli Conservation Commission in accordance with

President (Signature)

(Tille)

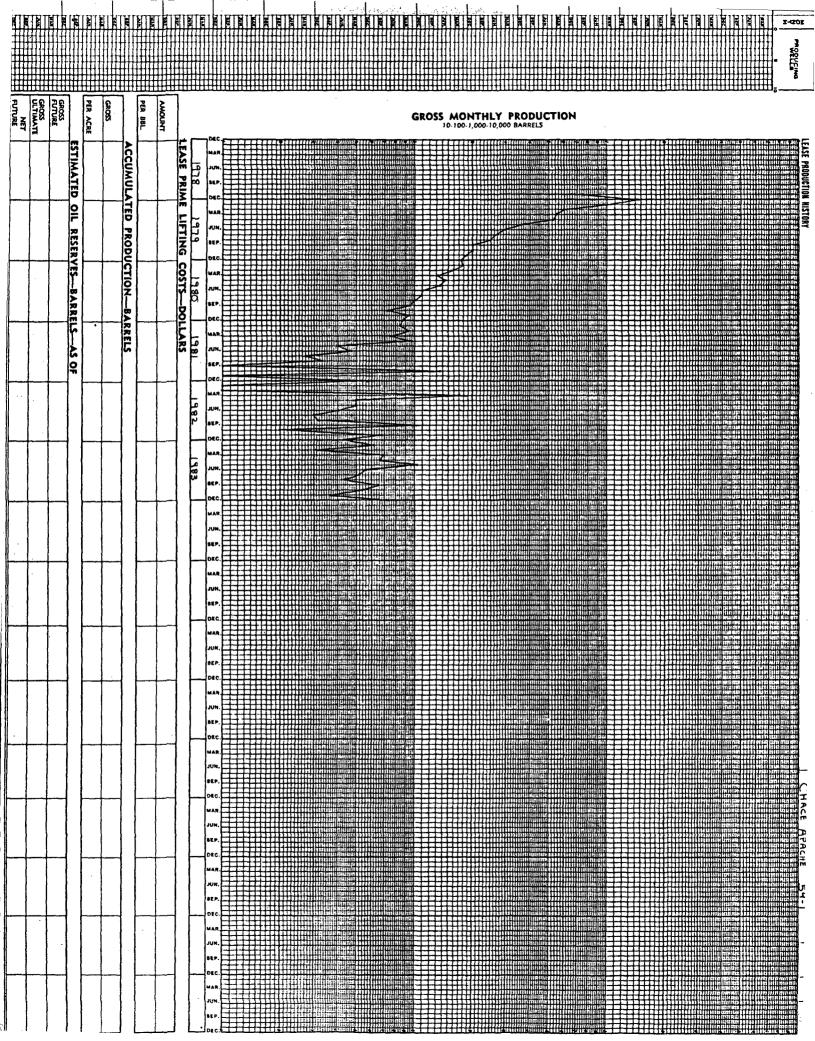
December 13 2002

GAS-OIL RATIO TESTS

Revised 1-1-05

Operator Address Chace Apache 54 313 Washington, SE, Chace Oil Company, Rule 301 and appropriate pool rules. increased allowables when authorized by the Commission. During ges-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 23 percent. Operator is encouraged to take advantage of this 25 percent telerance in order that well can be assigned. Wall original and one copy of this report to the district office of the New Mexico Oli Conservation Commission in accordance with One volumes must be reported in MCF measured at a pressure base of 15,025 pain and a temperature of 60° F. Specific gravity base No well will be assigned an ellowable greater than the amount of oil produced on the official test. Report easing pressure in lieu of tubing pressure for any well producing through easing. LEASE NAME Inc. Albuquerque, NM WELL ž O بر c \triangleright 87108 LOCATION ω Undesignated Gallup 22<u>N</u> 4 얼 2 12/12/83 DATEOF TEST HO BULL TEST STATUS CHOKM M M ק i X SIZE PRESS. ភ TBG. 140 Scheduled ___ **≯LLO₩-**PAILY ABLE 1 ı Sandoval KEN 07H XOC P P 7687 24 88CS. WATER GRAV. Dec. 13, 1983 ledge and belief. President is true and complete to the best of my know ယ Completion XX I hereby certify that the above information PROD. DURING 43° Š 1188 ٥ 16 (Signature) TEST Y.C.F. S ₹ ~1 CU.FT/BI GAS - 01 438 RATIO

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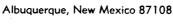
CHACE APACHE 54-1 OIL PRODUCTION HISTORY

	Bbls/Oil		Bbls/Oil
1978:		1980:	
January	-0-	January	178
February	-0-	February	156
March	-0-	March	132
April	-0-	April	146
May	-0-	May	136
June	-0-	June	110
July	-0-	July	109
August	-0-	August	102
September	-0-	September	95
October	-0-	October	73
November	755	November	94
December	1488	December	87
Total:	2243	Total:	1418
1979 :		<u> 1981:</u>	
January	1003	January	85
February	598	February	94
March	552	March	75
April	529	April	96
May .	369	May	40
June	293	June	47
July	260	July	27
August	249	August	33
September	202	September	4
October	201	October	136
November	187	November	-0-
December	174	December	57
Total:	4617	Total:	694

CHACE APACHE 54-1 OIL PRODUCTION HISTORY

	Bbls/Oil		Bbls/Oil
1982 :		1984:	
January	-0-	January	
February	5	February	
March	183	March	
April	50	April	
May	50	May	
June	40	June	
July	30	July	
August	33	August	
September	104	September	
October	20	October	
November	68	November	
December	43	December	
Total:	626	Total:	
1983:		<u></u>	
January	62	January	
February	31	February	
March	69	March	
April	67	April	
May	104	May	
June	56	June	
July	52	July	
August	44	August	
September	65	September	
October	54	October	
November	37	November	
December	74	December	
Total:	715	Total:	

313 Washington S.E.



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OIL CONSERVATION DIVISION

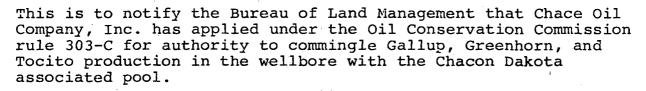
SANTA FE



February 3, 1984

Mr. John S. Keller U. S. Dept. of the Interior Bureau of Land Management P.O. Drawer 600 Farmington, New Mexico 87401

Dear Mr. Keller:



The application is submitted for the Chace Oil Company, Chace Apache 54-1 in the NE $\frac{1}{2}$ of Section 3, Township 22 North, Range 3 West, Rio Arriba County, New Mexico.

Cordially,

Ross Easterling \mathcal{O}

Landman



313 Washington S.E.

Albuquerque, New Mexico 87108

(505) 266-5562

February 3, 1984

Mr. Patrick Hegarty Merrion Oil and Gas P.O. Box 1017 Farmington, New Mexico 87499 FEB - 7 1984

OIL CONSERVATION DIVISION SANTA FE

RE:

Chace Apache 54-1

NE% Section 3, Township 22 North, Range 3 West

Sandoval County, New Mexico

Gentlemen:

This is to notify Merrion Oil and Gas as offset operator to the Chace Apache 54-1, that Chace Oil Company, Inc. has applied under Oil Conservation Division rule 303-C for authority to commingle Gallup, Greenhorn and Tocito production with the Chacon Dakota associated pool in the wellbore of the above referenced well.

Should you have any questions regarding our application please call.

Yours truly,

Ross Easterling

Landman

313 Washington S.E.



(505) 266-5562



February 3, 1984

Amoco Production Company Amoco Building Denver, Colorado 80202 FEB - 7 1984

OIL CONSERVATION DIVISION SANTA FE

Attention:

Production Engineering Department

San Juan Basin, New Mexico

RE: Ch

Chace Apache 54-1

NE¼ Section 3, Township 22 North, Range 3 West

Sandoval County, New Mexico

Gentlemen:

This is to notify Amoco Production Company as offset operator to the Chace Apache 54-1, that Chace Oil Company, Inc. has applied under Oil Conservation Division rule 303-C for authority to commingle Gallup, Greenhorn, and Tocito production with the Chacon Dakota associated pool in the wellbore of the above referenced well.

Should you have any questions regarding our application please call.

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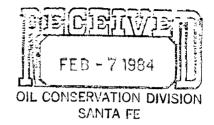
313 Washington S.E.



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February 3, 1984



Superior Oil Company Suite 800 1860 Lincoln Street Denver, Colorado 80295

RE: Chace Apache 54-1

NE% Section 3, Township 22 North, Range 3 West

Sandoval County, New Mexico

Gentlemen:

This is to notify Superior Oil Company as offset operator to the Chace Apache 54-1, that Chace Oil Company, Inc. has applied under Oil Conservation Division rule 303-C for authority to commingle Gallup, Greenhorn, and Tocito production with the Chacon Dakota associated pool in the wellbore of the above referenced well.

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