

September 11, 1991 '91 SEP 20 AM 9 04

New Mexico Oil Conservation Division
Attn: Mr. Bill LeMay
P.O. Box 2088
310 Old Santa Fe Trail
Santa Fe, NM 87501

RE: Jicarilla G #10M
Unit I, Section 12, T26N, R05W
Rio Arriba County, New Mexico
Downhole Commingling Request

Dear Mr. LeMay:

Meridian Oil Inc. is applying for an administrative downhole commingling order for the referenced well in the Blanco Mesaverde and the Basin Dakota fields. The ownership of the zones to be commingled is common. The offset operator to the east is Columbus Energy, to the south is Amoco, and Meridian holds the acreage to the west and north of this well. The Bureau of Land Management, Amoco, and Columbus Energy will receive notification of this downhole commingling.

The subject well was drilled and dual completed in the Mesaverde and Dakota zones in 1979. The Dakota is producing up a 2 1/16" string of tubing and the Mesaverde produces up the 2 1/16" x 7" annulus. The Dakota has exhibited a normal decline over the 13 years of production. The Mesaverde has had fluid lifting problems up the larger flow area since it was put on production and has never produced to its potential. The Mesaverde produced over 650 MCFD for the first month of sales until the fluid in the annulus began logging off the well. Since then the well has never produced more than 200 MCFD consistently. By producing the Mesaverde more efficiently up the tubing string, an initial increase of 200 MCFD is anticipated.

The immediate offsets in the Mesaverde have an average cumulative production of 1153 MMCF per well, while the subject well has only produced 409 MMCF from the Mesaverde. This poor performance is attributed to the inefficient production string and can easily be remedied by granting this commingling request. It is proposed to pull the packer in the well and produce both zones up one string of tubing. The option of running dual tubing strings is not available because of the 4 1/2" liner.

The reservoir characteristics of each of the subject zones are such that underground waste will not be caused by the proposed commingling. The fluids in these reservoirs are compatible and no precipitates will be formed to cause damage to either reservoir. Commingling of these two zones has been authorized and successfully completed in the Jicarilla G #9 (NE/4, Section 1, T26N, R05W, Order #R-8321) and the Jicarilla G #8 (NE/4, Section 2, T26N, R05W, Order #R-8658). The shut in pressures for the Dakota and Mesaverde are 1039 psi and 710 psi; respectively.

New Mexico Oil Conservation Division
Mr. Bill LeMay
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The allocation of the commingled production will be calculated by using flow tests from the Mesaverde and Dakota during workover operations, and the previously established Dakota production history. Meridian will consult with the district supervisor of the Aztec NMOCD office for approval of the allocation.

Approval of this commingling application will allow for the prevention of wasted resources and protection of correlative rights. Included with this letter are plats showing ownership of offsetting leases for both the Mesaverde and Dakota, a copy of letters to the BLM and offset operators, wellbore diagrams, production history curves, and a pertinent data sheet.

Sincerely,

A handwritten signature in black ink, appearing to read "George T. Dunn", with a horizontal line extending to the right.

George T. Dunn
Regional Production Engineer

LKS:th
attachments

cc: Frank Chavez - NMOCD/Aztec

MERIDIAN OIL

September 11, 1991

Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

RE: Jicarilla G #10M
Unit I, Section 12, T26N, R05W
Rio Arriba County, New Mexico
Downhole Commingling Request

Gentlemen:

Meridian Oil, Inc. is in the process of applying for a downhole commingling order for the Jicarilla G #10M well located in Unit I, Section 12, T26N, R05W, N.M.P.M., Rio Arriba County, New Mexico, in the Blanco Mesaverde and Basin Dakota fields.

The purpose of this letter is to notify you of such action. If you have no objections to the proposed commingling order, we would appreciate your signing the attached copy of this letter and returning it to this office.

Your prompt attention to this matter would be appreciated.

Yours truly,

George T. Dunn
Regional Production Engineer

LKS:th

The above downhole commingling request is hereby approved:

Date: _____

MERIDIAN OIL

September 11, 1991

Columbus Energy
Attn: Tracie Stogner
1860 Lincoln Street
Suite 1100
Denver, Colorado 80295

RE: Jicarilla G #10M
Unit I, Section 12, T26N, R05W
Rio Arriba County, New Mexico
Downhole Commingling Request

Gentlemen:

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Yours truly,

George T. Dunn
Regional Production Engineer

LKS:th

The above downhole commingling request is hereby approved:

Date: _____

MERIDIAN OIL

September 11, 1991

Amoco Production Company
Attn: Bill Hawkins
P.O. Box 800
Denver, Colorado 80201

RE: Jicarilla G #10M
Unit I, Section 12, T26N, R05W
Rio Arriba County, New Mexico
Downhole Commingling Request

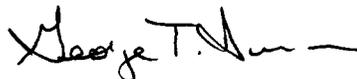
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Yours truly,



George T. Dunn
Regional Production Engineer

LKS:th

The above downhole commingling request is hereby approved:

Date: _____

Pertinent Data Sheet - Jicarilla G #10M

Location: 1600' FSL, 790' FEL, Section 12, T26N, R05W, Rio Arriba County, NM

Field: Basin Dakota
Blanco Mesaverde

Elevation: 7195'KB **TD:** 8337'

PBTD: 8275'

Completed: 01/79

Initial Potential: Dakota - 917 MCFD AOF
Mesaverde - 6019 MCFD AOF

Casing Record:

<u>Hole Size</u>	<u>Csg. Size</u>	<u>Wt. & Grade</u>	<u>Depth Set</u>	<u>Top/Cement</u>
13 3/4"	10 3/4"	32.75#	281'	Circ. to Surf
8 3/4"	7"	23#	4125'	3675' (T.S.)
6 3/4"	4 1/2" Liner	10.50# & 11.60#	3964'-8337'	Circ to Liner Top

Tubing Record: 2 1/16" 3.25# IJ @ 8074', Baker Model F Packer set @ 8060'.

Formation Tops:

Ojo Alamo	3490'
Fruitland	3750'
Pic. Cliffs	3862'
Mesaverde	5506'
Gallup	7226'
Dakota	8068'

Logging Record: Induction, Density, GR, Temp. Survey

Stimulation: Dakota - Perf'd 25 holes from 8096' - 8250'. Frac'd with 122,000# sand and 130,000 gal. KCl water.

Mesaverde - Perf'd 33 holes from 5509' - 6217'. Frac'd with 90,000# sand and 73,000 gal. KCl water.

Workover History: None

Production History: Initial deliverability: 4/79 - 425 MCFD DK - 650 MCFD MV
Latest deliverability: 1/91 - 80 MCFD DK - 25 MCFD MV
Cumulative production: 1/91 - 562 MMCF DK - 409 MMCF MV

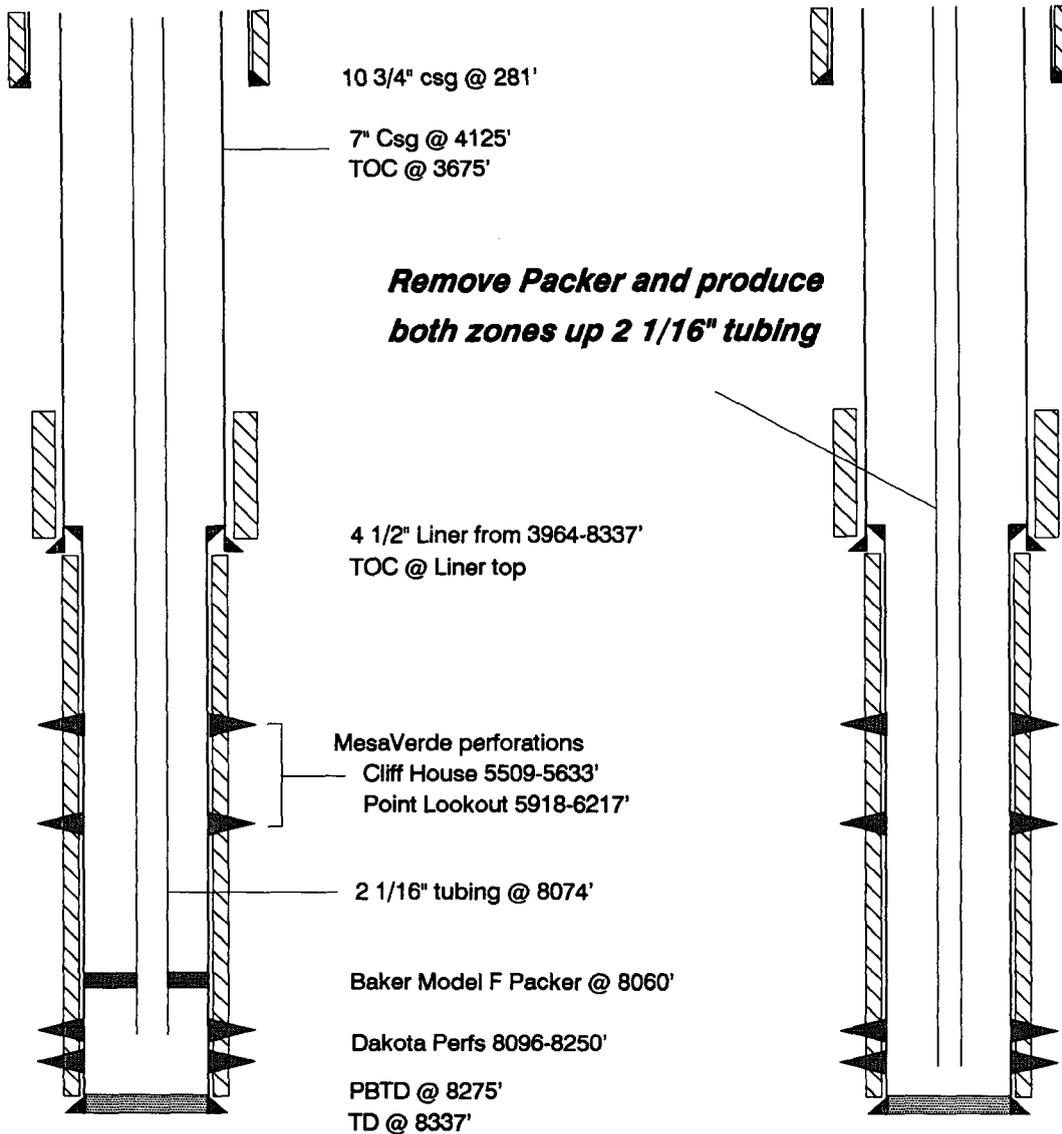
Transporter: GCNM

Jicarilla G #10M
Unit I Sect 12-T26N-R5W
Rio Arriba County, New Mexico

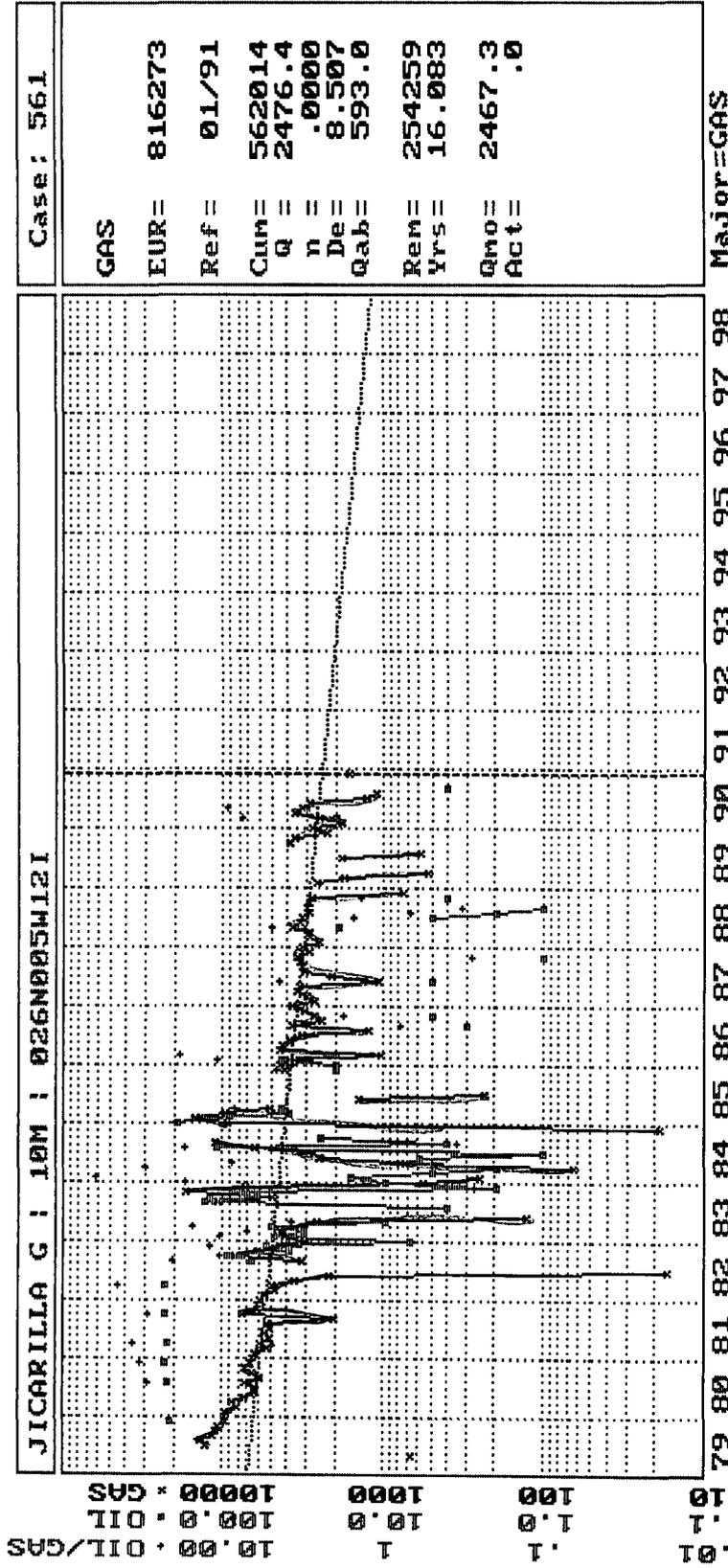
Wellbore Schematic

CURRENT

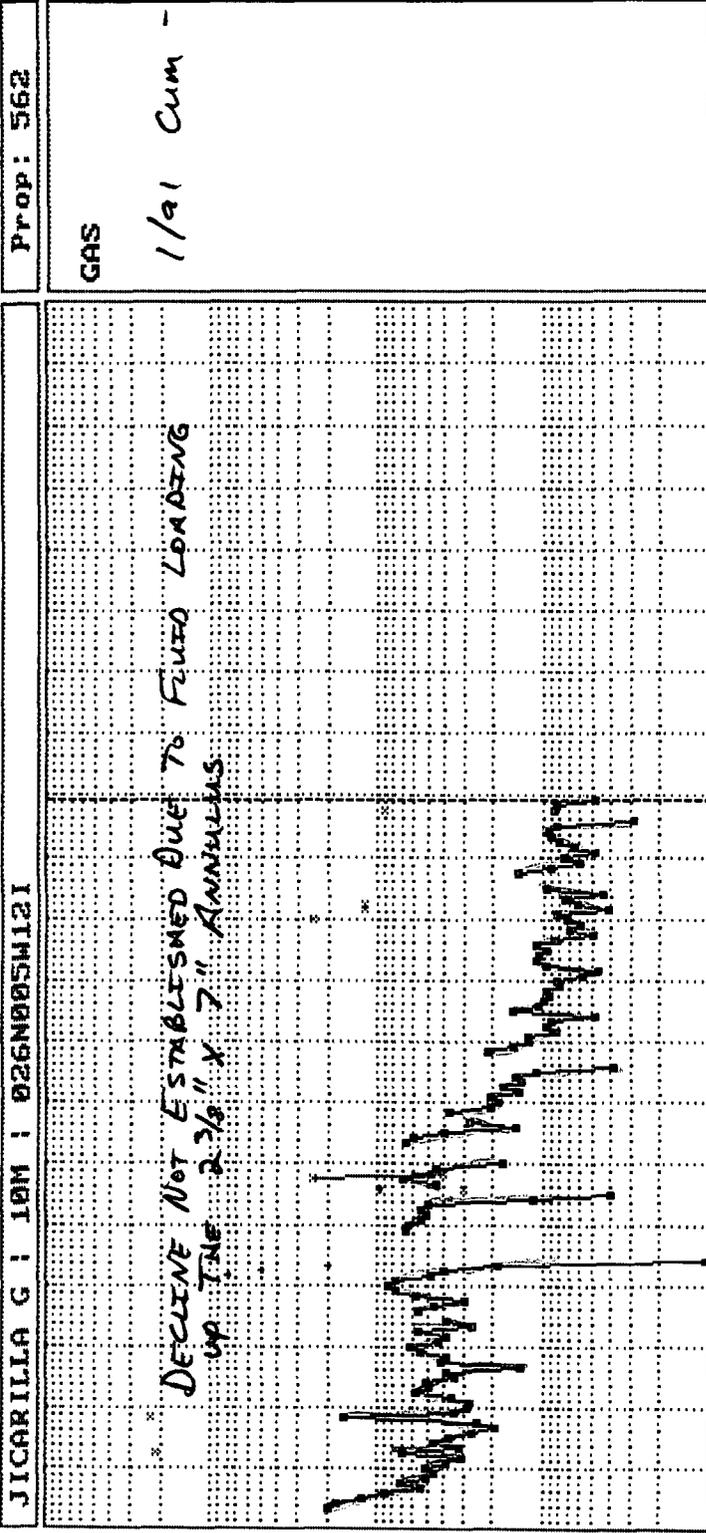
PROPOSED



Dakota



MESAVERDE



Prop: 562

GAS

1/91 Cum - 409 MMCF

Major=GAS

.00001 .0001 1 10 100 1000
.001 .001 1 10 100 1000
100 * OIL
10000 * GAS
.001 * WATER

MERIDIAN OIL

Jicarilla G #10M

Rio Arriba County, N. M.

Dakota - Mesaverde

Commingle Application

Dakota Leasehold

Meridian 2	Meridian 1	Columbus Energy 6	Meridian
Meridian 11	Meridian 12 ● Jicarilla G #10M	Columbus Energy 7 Meridian	T26N
Amoco 14	Amoco 13	Meridian 18	

R5W

R4W

MERIDIAN OIL

Jicarilla G #10M

Rio Arriba County, N. M.

Dakota - Mesaverde

Commingle Application

Mesaverde Leasehold

Meridian 2	Meridian 1	Meridian 6
Meridian 11	Meridian 12 ● Jicarilla G #10M	Meridian 7 Columbus Energy
Amoco 14	Amoco 13	Meridian 18

T26N

R5W

R4W



STATE OF NEW MEXICO
 ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION
 AZTEC DISTRICT OFFICE

RECEIVED

91 OCT 16 AM 9 17

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

Date: 10/11/91

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

RE: Proposed MC _____
 Proposed NSL _____
 Proposed WFX _____
 Proposed NSP _____

Proposed DHC X _____
 Proposed SWD _____
 Proposed PMX _____
 Proposed DD _____

Gentlemen:

I have examined the application received on 9/19/91
 for the Meridian OPERATOR Juanilla Co #10M LEASE & WELL NO.

I-12-26N-SW and my recommendations are as follows:
 UL-S-T-R

Approve

Yours truly,

[Signature]