



RELEASE 11.3.93 DHC

Midland Division
Exploration Production

OIL CONSERVATION CONOCO INC. DIVISION
RE: 10 Deste Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

1993 OCT 15 AM 9 24

October 12, 1993

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

*Verbal OK
2. Bush
11-5-93
DHC*

Application to Downhole Commingle Fruitland Sand
and Pictured Cliffs Gas Producing Zones in the
State Com No. 39, 990' FNL & 1850' FWL, Unit C
Sec. 36, T-29N, R-8W, San Juan County, New Mexico

Gentlemen:

It is proposed to downhole commingle Fruitland Sand and Pictured Cliffs gas zones in this well to maintain economic operation and to maximize the efficient and effective recovery of gas at this location. Economic evaluation of the continued operation of this well as a dual completion has shown that it can only be economically maintained if it can be downhole commingled and operated as a single completion.

The Fruitland Sand and Pictured Cliffs producing rates have declined to marginal levels of 25 MCFGPD and 35 MCFGPD respectively. Elimination of excess operational equipment and operating expense associated with dual operation would contribute to the maximization of the producing lives and recoveries from each pool. Downhole commingling would permit the elimination of one tubing string, one separator and one tank now required for the operation of this dual completion and would eliminate maintenance costs of maintaining isolation of the two completions.

The following attachments are submitted in support of this application:

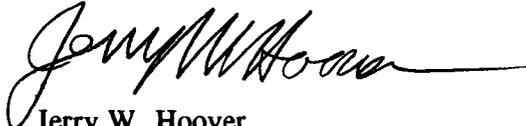
1. EXHIBIT A is a plat (a) showing all Jasis Canyon Fruitland Sand wells on this lease and in the surrounding area, (b) identifying the subject well, and (c) outlining the current Fruitland Sand proration unit.
2. EXHIBIT B is a plat (a) showing all Blanco Pictured Cliffs wells on the lease and in the surrounding area, (b) identifying the subject well, and (c) outlining the current Pictured Cliffs proration unit.
3. EXHIBIT C shows the most recent C-116 tests (GOR tests) for each completion.
4. EXHIBIT D and E are current decline curves for the Fruitland Sand and Pictured Cliffs production.

5. A recent packer Leakage test recorded 5-day shut in pressures of 250 psig for the upper Fruitland completion and 395 for the lower Pictured Cliffs completion.
6. WI, RI, and ORRI ownerships are identical for both formations.
7. EXHIBITS F & G are Fruitland Sand and Pictured Cliffs gas analyses.
8. Allocation percentages based on the C-116 tests included in this application are suggested as follows:

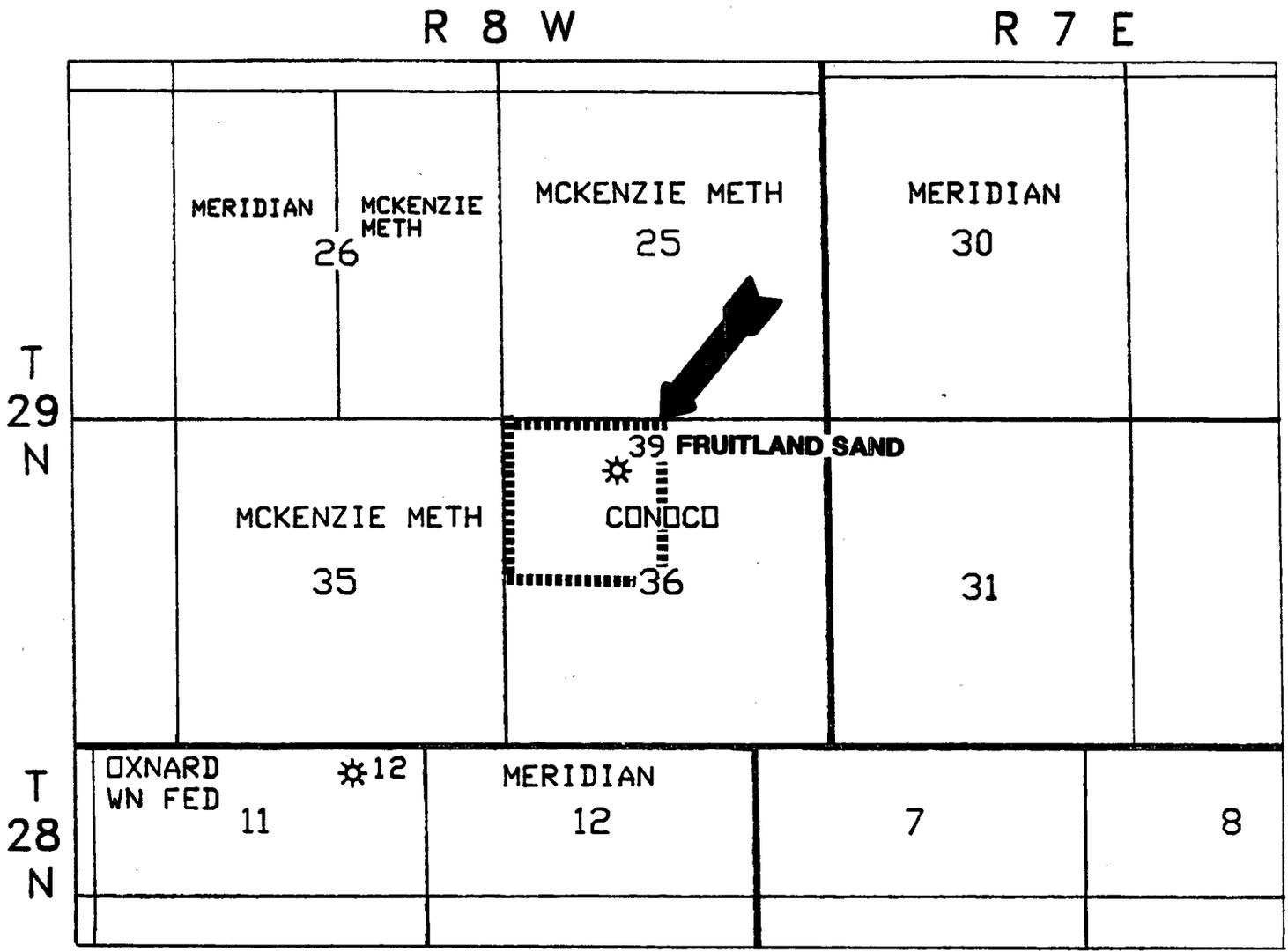
	Oil	Gas	Water
Jasis Canyon Fruitland Sand	0%	42%	0%
Blanco Pictured Cliffs	0%	58%	0%

9. Copies of this application were sent by certified mail to each offset operator and to the State Land Office of New Mexico, as identified on EXHIBIT H.

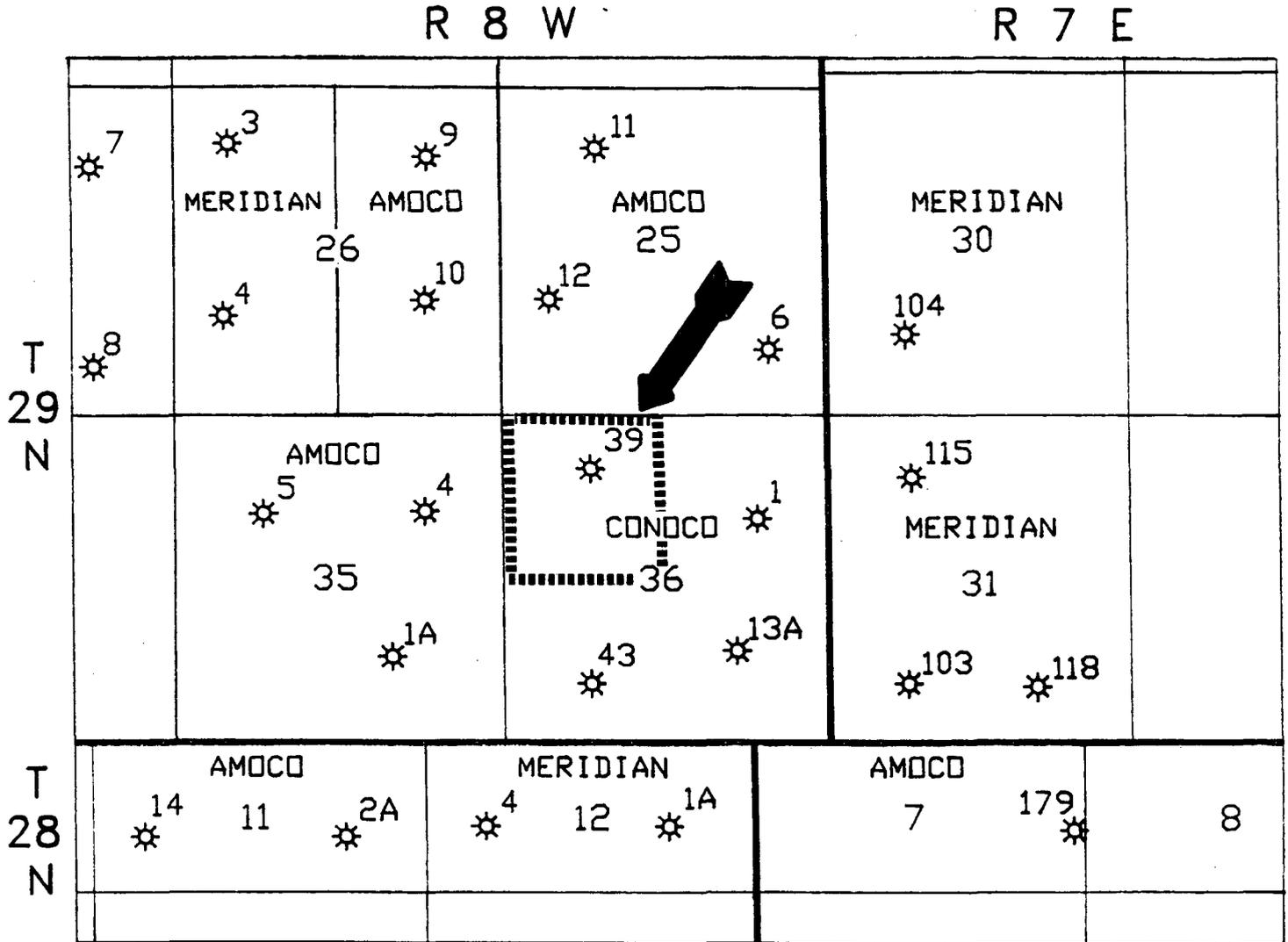
Very truly yours,



Jerry W. Hoover
Sr. Conservation Coordinator



CONOCO INC.	
FRUITLAND SAND WELLS	
NAME: State Com Lease	
DATE: 8-25-93	NUMBER: BA1185



CONOCO INC.	
PICTURED CLIFF WELLS	
NAME: State Com Lease	
DATE: 8-25-93	NUMBER: BA1186

Submit 2 copies to Appropriate District Office.
 DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240
 DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210
 DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-116
 Revised 1/1/89

OIL CONSERVATION DIVISION

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

GAS - OIL RATIO TEST

Operator	Pool		TYPE OF TEST - (X)	Completion	Special									
	Conoco Inc.	Blanco Pictured Cliffs				San Juan								
Address		Jasis Canyon Fruitland Sand												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST		GAS - OIL RATIO CU.FT/BSL.		
		U	S	T						R	WATER BBL.S.		GRAV. OIL	OL BBL.S.
State Com (Fruitland)	39	C	36	29N	8W	6/93	F	--	24	0	--	0	25	--
	State Com (Pictured Cliffs)	39	C	36	29N	8W	6/93	F	--	24	0	--	0	35

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

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which the well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in 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.

Rule 301, Rule 1116 & appropriate pool rules.)

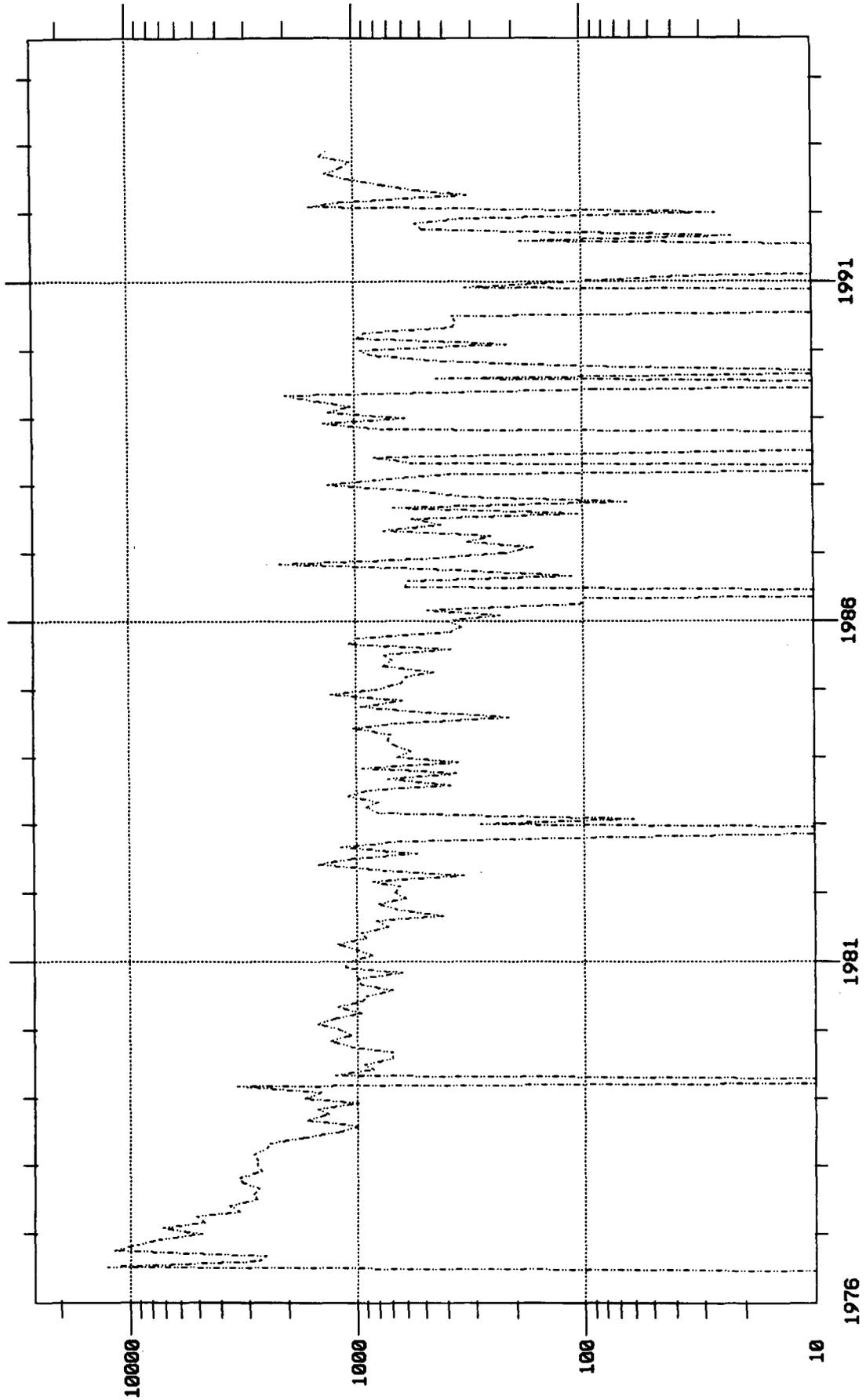
Signature: Sr. Conservation
 Jerry W. Hoover Coordinator
 Printed name and title
 10/11/93
 Date
 (915) 686-6548
 Telephone No.

Calculated
 Oil
 Gas
 Water - - - -

Production
 Oil
 Gas
 Water
 Water

FRUITLAND SAND
 Production Rate vs Time
 BBl/Mo or Mcf/Mo vs Months
 STATE COM:39:CONOCO INCORPORATED
 For the Period 07/1976 to 12/1992

State Com #39 - Fruitland Sand



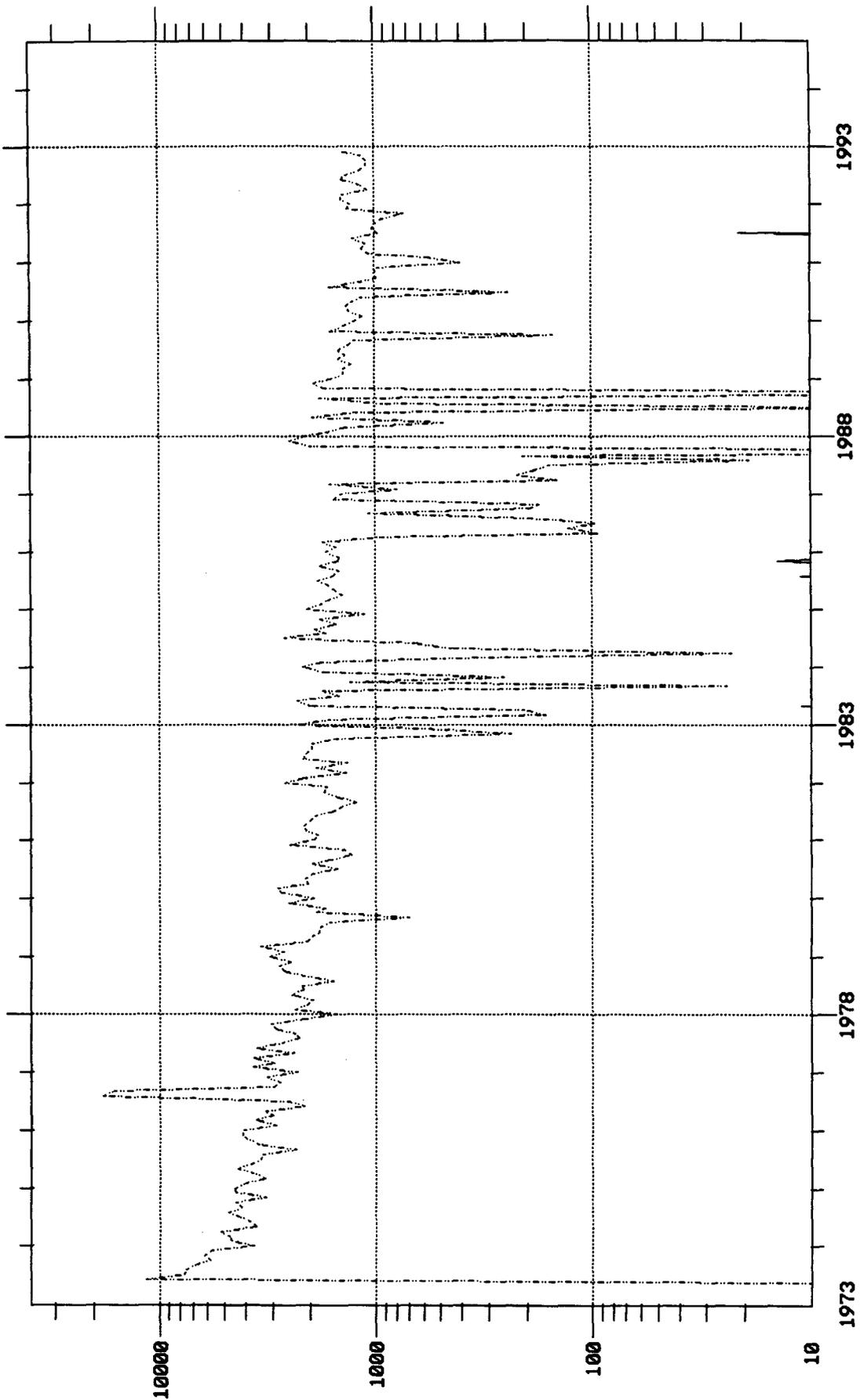
Reported Oil Production = 6 Bbls
 Reported Gas Production = 227110 Mcf
 Reported Water Production = 123 Bbls

Calculated
 Oil
 Gas
 Water

PICTURED CLIFF
 Production Rate vs Time
 BBl/Mo or Mcf/Mo vs Months
 STATE COM:39:CONOCO INCORPORATED:10cc #2
 For the Period 06/1973 to 12/1992

Production
 Oil
 Gas
 Water

State Com #39 - Pictured Cliffs



Reported Oil Production = 71 Bbls
 Reported Gas Production = 502553 Mcf
 Reported Water Production = 154 Bbls

EL PASO NATURAL GAS COMPANY
 VOLUME ACCOUNTING DEPARTMENT
 MEASUREMENT DIVISION
 POST OFFICE BOX 1492
 EL PASO, TEXAS 79978
 PHONE: (915) 541-5267
 CHROMATOGRAPHIC GAS ANALYSIS REPORT

DATE 4/08/92

CONOCO, INC.
 ATTN: GAS MEASUREMENT
 7415 EAST MAIN
 FARMINGTON, NEW MEXICO 87402

Jasis Canyon Fruitland Sand

METER NUMBER 89450 - STATE COM #39 FT
 OPERATOR 0286 - CONOCO - MESA OPERATING LTD

ANALYSIS DATE 99/99/99
 SAMPLE DATE 3/06/92
 EFFECTIVE DATE 4/01/92
 EFFECTIVE FOR 6 MONTHS

TYPE CODE 2 - ACTUAL
 H2S GRAINS 0
 LOCATION F - FARMINGTON

COMPONENTS	NORMALIZED MOL %	GPM
CO2	.35	.000
H2S	.00	.000
N2	.74	.000
METHANE	89.94	.000
ETHANE	5.05	1.351
PROPANE	2.38	.656
ISO-BUTANE	.46	.150
NORM-BUTANE	.53	.167
ISO-PENTANE	.18	.066
NORM-PENTANE	.11	.040
HEXANE PLUS	<u>.26</u>	<u>.113</u>
	100.00	2.543

SPECIFIC GRAVITY .636
 MIXTURE HEATING VALUE
 (BTU @ 14.73 DRY) 1120
 RATIO OF SPECIFIC HEATS .000
 NO TEST SECURED FOR H2S CONTENT

EXHIBIT F

EL PASO NATURAL GAS COMPANY
 VOLUME ACCOUNTING DEPARTMENT
 MEASUREMENT DIVISION
 POST OFFICE BOX 1492
 EL PASO, TEXAS 79978
 PHONE: (915) 541-5267
 CHROMATOGRAPHIC GAS ANALYSIS REPORT

DATE 4/08/92

CONOCO, INC.
 ATTN: GAS MEASUREMENT
 7415 EAST MAIN
 FARMINGTON, NEW MEXICO 87402

Blanco Pictured Cliffs

METER NUMBER 87658 - STATE COM #39
 OPERATOR 0286 - CONOCO - MESA OPERATING LTD

ANALYSIS DATE 99/99/99
 SAMPLE DATE 3/06/92
 EFFECTIVE DATE 4/01/92
 EFFECTIVE FOR 6 MONTHS
 TYPE CODE 2 - ACTUAL
 H2S GRAINS 0
 LOCATION F - FARMINGTON

COMPONENTS	NORMALIZED MOL %	GPM
CO2	.29	.000
H2S	.00	.000
N2	1.34	.000
METHANE	84.30	.000
ETHANE	6.34	1.696
PROPANE	4.65	1.282
ISO-BUTANE	1.02	.334
NORM-BUTANE	1.11	.350
ISO-PENTANE	.35	.128
NORM-PENTANE	.23	.083
HEXANE PLUS	.37	.161
	100.00	4.034

SPECIFIC GRAVITY .692

MIXTURE HEATING VALUE
 (BTU @ 14.73 DRY) 1199

RATIO OF SPECIFIC HEATS .000

NO TEST SECURED FOR H2S CONTENT

STATE COM NO. 39 PRORATION UNIT
OFFSET OPERATORS AND MINERALS OWNER

Amoco Production Company
Southern Rockies Business Unit
1670 Broadway
Denver, CO 80202

McKenzie Methane Corporation
1625 Broadway
Suite 2580
Denver, CO 80202

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-1148



STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

OIL CONSERVATION DIVISION

'93 NOV 15 AM 9 19

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

Date: 11-10-93

DHC-947

Ben Stone

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 11-10-93
for the CONOCO OPERATOR STATE COM # 39 LEASE & WELL NO.

C-36-29N-08W and my recommendations are as follows:
UL-S-T-R

Approve

Yours truly,

Ernie Busch