

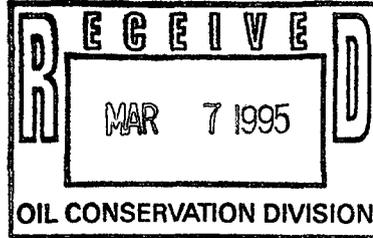
3-27-95

Mid-Continent Region  
Production United States

1112



P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626



Mr. David Catanach  
State of New Mexico  
Oil Conservation Division  
Energy and Minerals Department  
2040 South Pacheo  
Santa Fe, New Mexico 87505

RE: Request for Exception to Rule 303-A.  
Downhole Commingling  
Jicarilla Apache # 16-E  
UL "A", 825' FNL & 955' FEL  
Sec 34, T-26-N, R-5-W  
Blanco Mesa Verde and Basin Dakota Pools  
Jicarilla Field  
Rio Arriba County, New Mexico

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of the Mesa Verde and Basin Dakota zones in the referenced well.

A velocity string was installed in this well in Jan-94 to facilitate the reestablishment of Mesa Verde production. Commingling will allow for the more efficient operation of artificial lift equipment. Moreover downhole commingling would allow both zones to be artificially lifted to an abandonment BHP of 100 PSI, maximizing the productive life of the wellbore and reducing waste.

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please contact me at 915-687-8324. Your prompt consideration of this issue is greatly appreciated.

Sincerely,

*Thomas M Price*

Thomas M. Price  
Advanced Engineering Technician

**REQUEST FOR EXCEPTION TO RULE 303A**  
**JICARILLA APACHE # 16-E API# 30-039-22434**  
**UL"A" 825' FNL & 955' FEL**  
**SEC.34, T-26-N, R-5-W**  
**RIO ARRIBA CO., NEW MEXICO**  
**BLANCO MESA VERDE AND BASIN DAKOTA POOLS**

A: Operator  
 Marathon Oil Company  
 P.O. Box 552  
 Midland, Texas 79702

B: Plats and Offset Operators  
 Attached

C: C-116's  
 Attached

D: Production Decline Curves  
 Attached

E: Estimated Bottomhole Pressures  
 Mesa Verde 914 PSI @ 5278 Feet  
 Basin Dakota 930 PSI @ 5278 Feet

F: Product Characteristics  
 Previous commingling of these zones by other operators in this area have shown that the produced fluids are compatible and commingling will not cause formation damage.

G: Value  
 Marathon receives the same price for product from both zones and value will not be adversely affected.

H: Production Allocation

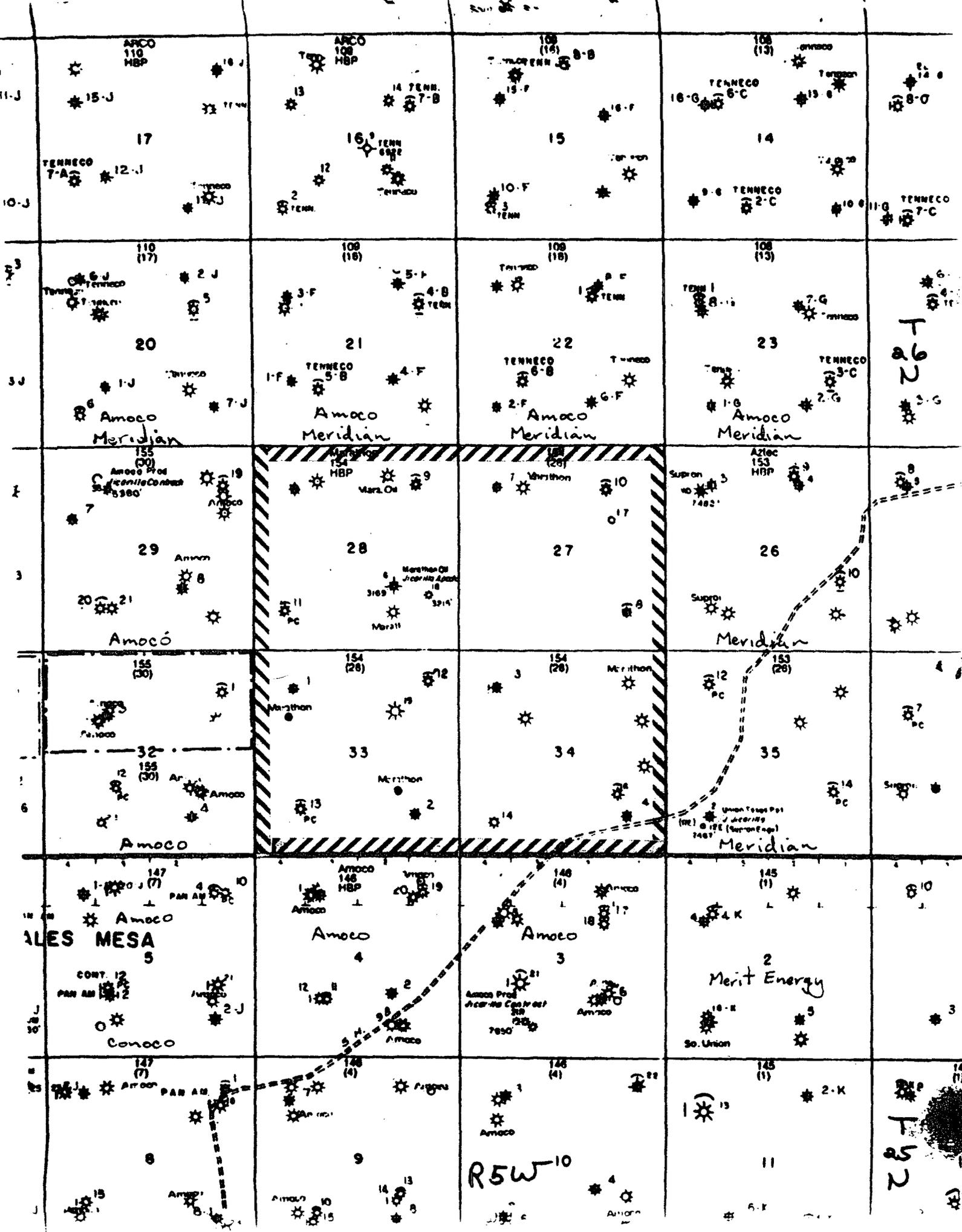
<u>POOL</u>	<u>BOPD</u>	<u>MCFPD</u>	<u>BWPD</u>
Mesa Verde	1	59	1
Basin Dakota	2	174	3
TOTAL	3	233	4

Allocated Percentages

<u>POOL</u>	<u>BOPD%</u>	<u>MCFPD%</u>	<u>BWPD</u>
Mesa Verde	33.3	25.3	25
Basin Dakota	66.7	74.7	75
TOTAL	100	100	100

I: Ownership  
 Ownership of all zones is in common and correlative rights will not be compromised.

J: Offset Operator Notification  
 By copy of this letter we are notifying all offset operators (see list, Item C) of the proposed commingling, by certified mail.



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HBP

ARCO  
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HBP

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LES MESA

Amoco

Amoco

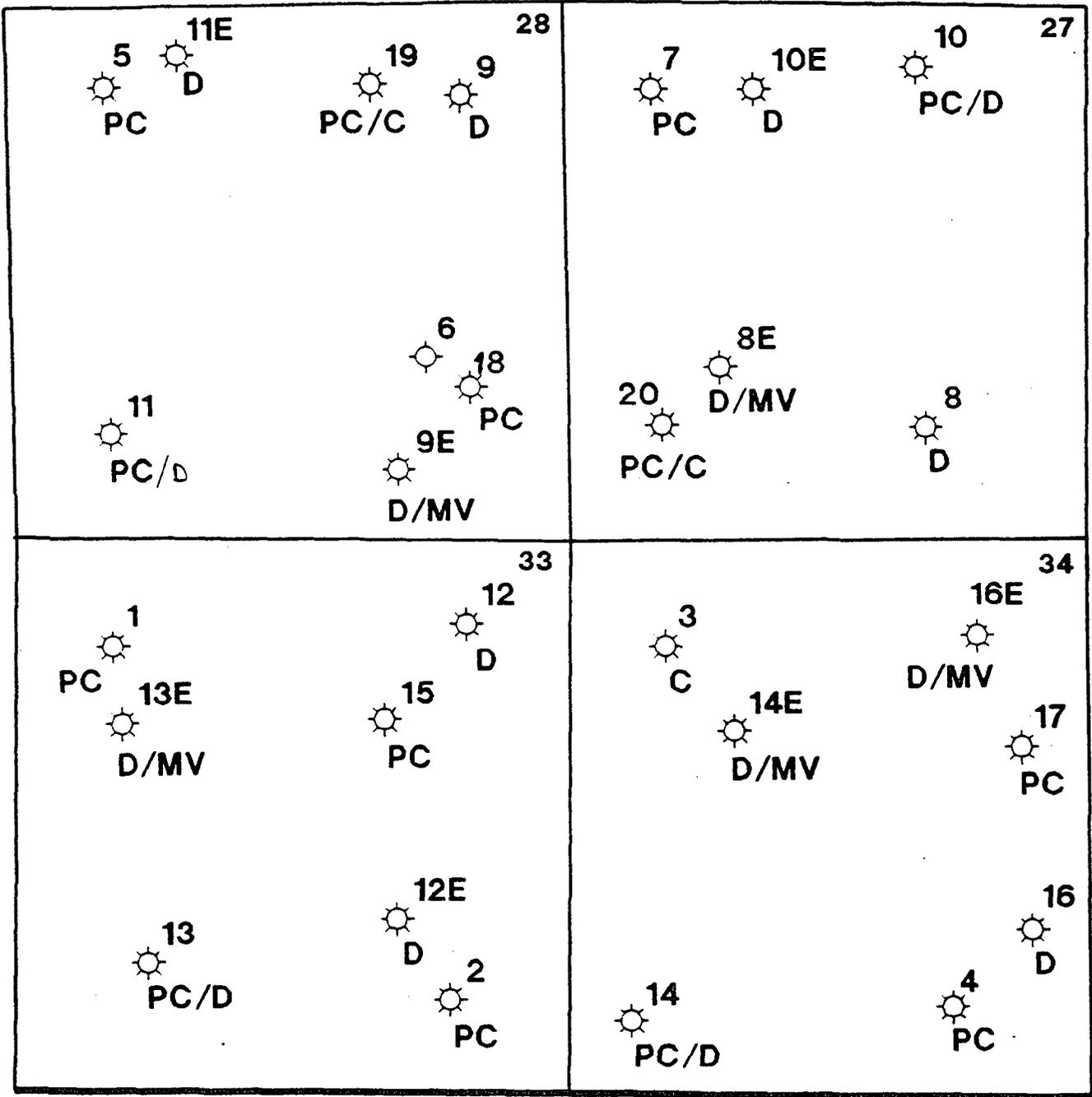
Merit Energy

R5W-10

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# R 5 W



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JIC.AFE OPER

- PC PICTURED CLIFFS
- C CHACRA
- MV MESA VERDE
- D DAKOTA

MARATHON OIL COMPANY	MID-CONTINENT REGION
<h2>JICARILLA AREA</h2> <p>RIO ARRIBA COUNTY, NEW MEXICO</p>	
<p>0      1/4      1/2 MILE</p>	
1/91	

**OFFSETTING OPERATORS TO MARATHON OIL COMPANY'S  
JICARILLA APACHE LEASE  
SECTIONS 27, 28, 33, & 34, T-26-N, R-5-W,  
RIO ARRIBA COUNTY, NEW MEXICO**

**Amoco Production Company  
P. O. Box 800  
Denver, CO 80201-0800**

**Meridian Oil Inc.  
P. O. Box 4289  
Farmington, NM 87401-4289**

**Conoco Inc.  
10 Desta Dr., Ste. 100W  
Midland, TX 79705-4500**

**Merit Energy Corp.  
P. O. Box 351  
Midland, TX 79702-0351**

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  
**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

Form C-116  
 Revised 1/1/89

**GAS - OIL RATIO TEST**

Operator <b>Marathon Oil Company</b>		Pool <b>Blanco Mesa Verde</b>		County <b>Rio Arriba</b>											
Address <b>P.O. Box 552, Midland, TX 79702</b>		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL		
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.	GAS M.C.F.
<b>INFORMATIONAL USE ONLY</b>	8E	K	27	26	5	2-27-95	F 64/64	144	M	24	2	58.0	2	41	20500
	9E	O	28	26	5	2/19/95	F 64/64	178	M	24	2	58.0	2	57	28500
	13E	E	33	26	5	2/17/95	F 64/64	200	M	24	0	58.0	2	78	39000
	14E	F	34	26	5	2/26/95	F 64/64	300	M	24	4	58.0	1	11	11000
	16E	A	34	26	5	2/21/95	F 64/64	212	M	24	1	58.0	1	59	59000

**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 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 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.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

*Thomas M. Price*

Signature

**Thomas M. Price**

Printed name and title

**3/2/95**

Date

**915-687-8324**

Telephone No.

State of New Mexico  
Energy, Minerals and Natural Resources Department  
**OIL CONSERVATION DIVISION**

Form C-116  
Revised 1/1/89

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DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

**GAS - OIL RATIO TEST**

Operator <b>Marathon Oil Company</b>		Pool <b>Basin Dakota</b>		County <b>Rio Arriba</b>										
Address <b>P.O. Box 552, Midland, TX 79702</b>		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL	
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.
<b>Informational Use Only</b>	8E	K	27	26	5	2/22/95	F 64/64	190	M	24	3	56.6	1	209000
	9E	O	28	26	5	2/23/95	F 64/64	160	M	24	0	56.6	3	64333
	13E	E	33	26	5	2/18/95	F 64/64	142	M	24	4	56.6	2	66000
	14E	F	34	26	5	2/25/95	F 64/64	154	M	24	2	56.6	2	50000
	16E	A	34	26	5	2/16/95	F 64/64	139	M	24	3	56.6	2	87000

**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 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 increased allowables when authorized by the Division.

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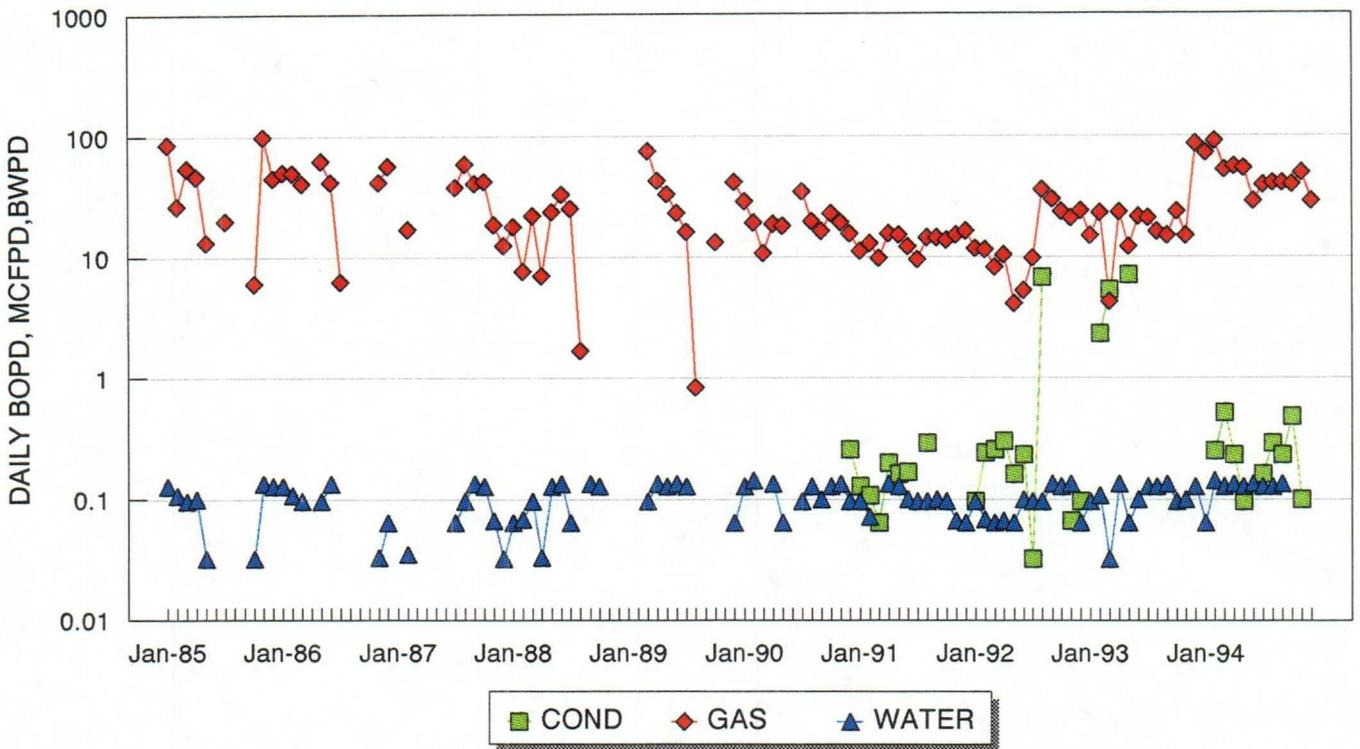
**3/2/95**

Date

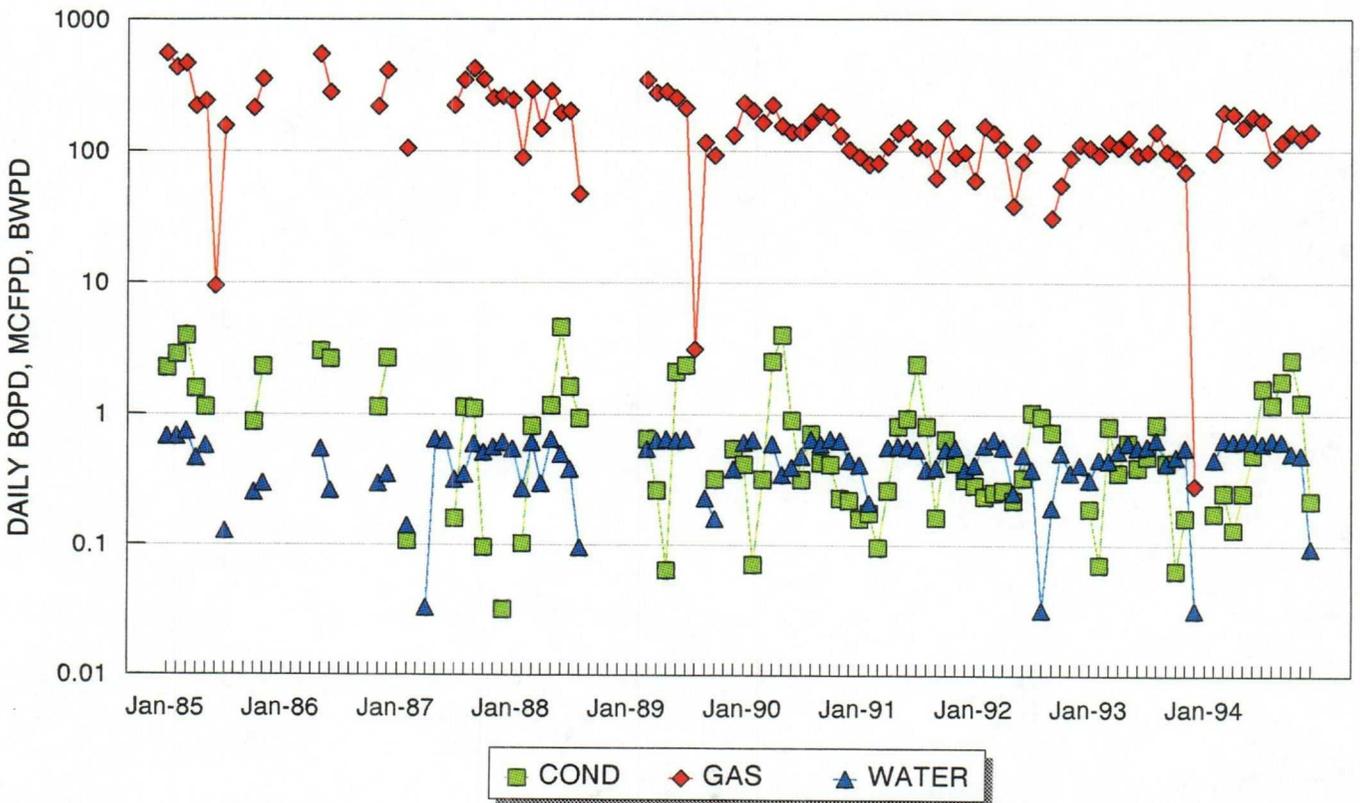
**915-687-8324**

Telephone No.

**JICARILLA APACHE  
16E MESA VERDE**



**JICARILLA APACHE  
16E BASIN DAKOTA**



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT - " for such proposals

5. Lease Designation and Serial No.  
Tract 251 Contract 154

6. If Indian, Allottee or Tribe Name  
Jicarilla Apache

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
Jicarilla Apache 16 E

9. API Well No.  
30-039-22434

10. Field and Pool, or exploratory Area  
Jic / Basin Dakota, Mesa Verde

11. County or Parish, State  
Rio Arriba NM

SUBMIT IN TRIPLICATE

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
Marathon Oil Company

3. Address and Telephone No.  
P.O. Box 552, Midland, TX 79702 915-687-8324

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
UL "A", 825 FNL & 955 FEL  
Section 34, T-26-N, R-5-W

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent  
 Subsequent Report  
 Final Abandonment Notice

TYPE OF ACTION

- Abandonment  
 Recompletion  
 Plugging Back  
 Casing Repair  
 Altering Casing  
 Other Downhole Commingle  
 Change of Plans  
 New Construction  
 Non-Routine Fracturing  
 Water Shut-Off  
 Conversion to Injection  
 Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Marathon Oil Company is applying to the New Mexico Oil Conservation Division for permission to downhole commingle the Blanco Mesa Verde and Basin Dakota pool in this well. Upon receiving approval from the NMOCD, the coiled tubing will be unseated and raised to a depth which will optimize production from both zones. The estimated start date is upon approval of the DHC Permit from the NMOCD.

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

Signed Thomas M Price Title Advanced Engineering Tech. Date 3/2/95

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

March 3, 1995

Amoco Production Company  
P. O. Box 800  
Denver, Colorado 80201-0800

Re: Request for Exception to Rule 303-A  
Downhole Commingling  
Jicarilla Apache No. 16E  
UL "A" 825' FNL & 955' FEL  
Sec. 34, T-26-N, R-5-W  
Mesa Verde and Basin Dakota Pools  
Jicarilla Field  
Rio Arriba County, New Mexico

Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation Division to downhole commingle the referenced well. Please find enclosed a copy of the application as outlined in Rule 303-A.

If you are in agreement and waive all objections to the downhole commingling, please sign below and mail the original to the NMOCD, 2040 South Pacheco, Santa Fe, NM 87505, Attn: David Catanach.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas M. Price'.

Thomas M. Price  
Advanced Engineering Technician

TMP/9510.d/r  
Enclosure

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_ 1995

by \_\_\_\_\_, as representative of

\_\_\_\_\_



P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

March 3, 1995

Meridian Oil Inc.  
P. O. Box 4289  
Farmington, New Mexico 87401-4289

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by \_\_\_\_\_, as representative of

\_\_\_\_\_



P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

March 3, 1995

Conoco Inc.  
10 Desta Drive, Suite 100W  
Midland, Texas 79705-4500

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P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

March 3, 1995

Merit Energy Corp.  
P. O. Box 351  
Midland, Texas 79702-0351

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