

Ben Stone

From: Brian Davis[SMTP:bdavis_f@nm0151wp.nmso.nm.blm.gov]
Sent: Monday, January 13, 1997 9:24 AM
To: benstone; pamela_w_staley
Cc: Rothenberg_Mark_D/denver_srbuden
Subject: Schwerdtfeger A #5 DHC-1357 - Reply

Pam and Ben,

I don't see any problem with changing the following well from three zones to two

Federal Lease SF-079319
No. 5 Schwerdtfeger "A"
1190' FSL and 1530' FEL
Section 33-T27N-R8W
San Juan County, New Mexico

Approval to modified the May 8, 1996 application is hereby granted. The new approval will be for downhole commingling the Blanco Mesaverde and Basin Dakota formations, with allocation based on the subtraction method. The subtraction method will still be used but will be based on the difference of the forecasted Dakota production and total gas production. Oil allocation will not change, with 20% allocated to the Mesaverde and 80% to the Dakota. I will be entered this approval into our well file.

Sincerely,
Brian W. Davis
Petroleum Engineer
Farmington District Office

>>> <pamela_w_staley@amoco.com> 01/09 3:07 pm >>>
Hi Ben and Brian,

Amoco applied for and received approval to downhole commingle this well in September 1996 from the NMOCD and in May 1996 from the BLM.

We have determined that to recomplete to the Chacra we might need to perform remedial cement work. This work would most likely cause the Chacra (20 MCFD expected) completion to be uneconomic. Therefore, we have decided not to perf the Chacra in this well, which would make the well a Mesaverde/Dakota downhole commingle only.

Gas allocations were originally approved using the subtraction method based on the Dakota future decline and using a percentage allocation between the Mesaverde and Chacra. Since we will not be recompleting to the Chacra, we recommend still using the subtraction method based on the Dakota with the remaining gas production being allocated to the Mesaverde. Since the Chacra was not expected to produce any liquids, the oil allocation remains unchanged.

Please send me an EMAIL to let me know if this is acceptable to you.

Ben Stone

From: pamela_w_staley[SMTP:pamela_w_staley@amoco.com]
Sent: Thursday, January 09, 1997 3:07 PM
To: benstone; bdavis_f
Cc: Rothenberg_Mark_D/denver_srbuden
Subject: Schwerdtfeger A #5 DHC-1357

Hi Ben and Brian,

Amoco applied for and received approval to downhole commingle this well in September 1996 from the NMOCD and in May 1996 from the BLM. We have determined that to recomplete to the Chacra we might need to perform remedial cement work. This work would most likely cause the Chacra (20 MCFD expected) completion to be uneconomic. Therefore, we have decided not to perf the Chacra in this well, which would make the well a Mesaverde/Dakota downhole commingle only.

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Thanks,

Pam Staley

Regulatory Affairs Engineer
Amoco Production Company
San Juan Business Unit