

# AMERADA HESS CORPORATION

P. O. DRAWER "D"  
MONUMENT, NEW MEXICO 88265

June 10, 1985

State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Request to Surface Commingle the Basin Dakota and Otero Gallup Production in Amerada Hess Corporation's Jicarilla Apache "F" #9, Unit P, Sec. 16, T-25N, R-5W, Rio Arriba County, New Mexico, Jicarilla Contract #149.

Gentlemen:

Amerada Hess Corporation is requesting approval for an exception to Rule 303-A to permit the surface commingling of production from the Basin Dakota and Otero Gallup pools currently being produced from the Jicarilla Apache "F" #9, a dual completion.

Recent well tests (1/85) have shown the Dakota is capable of making 0 BO with 1300 MCF of gas per month while the Gallup side makes 10 BO and no gas per month. Unless swabbing operations result in the recovery of Dakota condensate, it is unlikely that fluids from either pool will ever be mixed at the surface.

Presently, each zone produces through its own separation vessel and into separate stock tanks. In the winter months, the dump valve on the Gallup separator freezes up resulting in frequent operating problems. If surface commingling is approved, production from both zones can be routed through a combination heater-separator unit currently used for Dakota production, only. This vessel is better equipped for winter operations.

The API gravity of the Gallup oil from the J. Apache "F" #9 is 41.6° and the Dakota condensate gravity was 62.9° when the well last produced condensate in 12/77. The current price for product of 40° API gravity or greater is \$23.45/BB1. Therefore, the commercial value of the commingled production will not be less than the sum of the values of the production from each common source.

Since both zones in this wellbore are marginally productive and are physically incapable of producing top unit allowable for their respective pools, the production from each zone will be determined from well tests conducted periodically as the Commission may prescribe in the order authorizing the commingling.

The original and five copies of this application have been submitted to you for review. If you have any questions concerning this matter, please contact me at (505) 393-2144.

Respectfully,

*D. W. Holmes*

D. W. Holmes  
Sr. Petroleum Engineer

DWH/db

Enclosure

AMERADA HESS CORPORATION

March 8, 1985

P. O. DRAWER "D"  
MONUMENT, NEW MEXICO 88265

RECEIVED

MAR 11 1985

BUREAU OF LAND MANAGEMENT  
FARMINGTON RESOURCE AREA

Bureau of Land Management  
Caller Service 4104  
Farmington, New Mexico 87499

Re: Request To Surface Commingle The Basin Dakota  
And Otero Gallup Production In Amerada Hess  
Corporations' Jicarilla Apache "F" #9, Unit P,  
Sec. 16, T-25N, R-5W, Rio Arriba County, *Sic 179*  
New Mexico

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RECEIVED

MAR 18 1985

OIL CON. DIV.  
DIST. 3

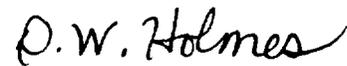
*AmcD*

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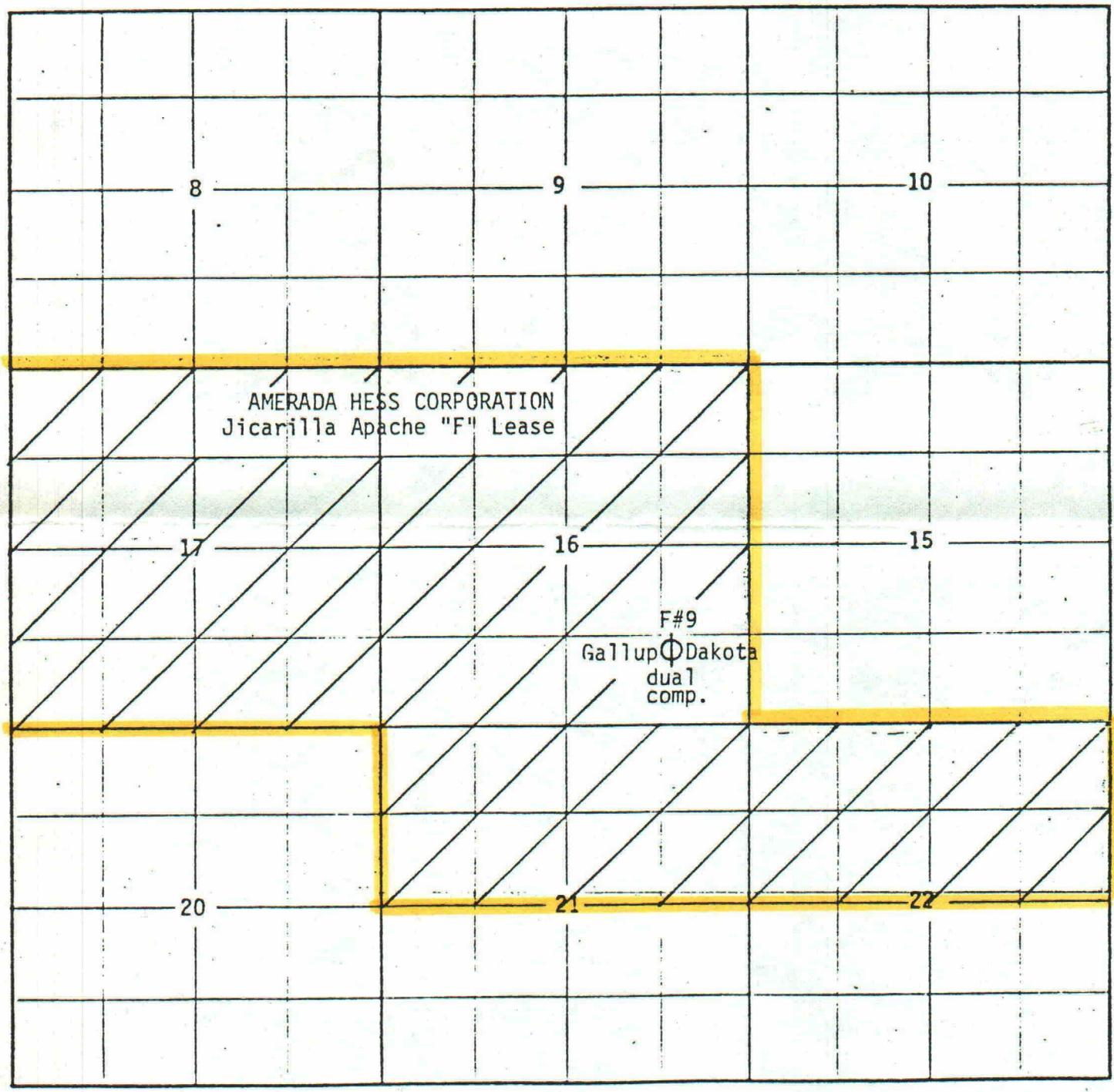
D. W. Holmes  
Sr. Petroleum Engineer

DWH/db

Enclosure

PLAT SHOWING THE LOCATION OF THE JICARILLA APACHE "F"#9  
attachment to application for surface commingling

TOWNSHIP 25-N RANGE 5-W COUNTY Rio Arriba STATE N.M.



Schematic Of Proposed Installation  
 (attachment)

