



OIL CONSERVATION DIVISION
RECEIVED

'89 NOV 20 AM 10 34

November 16, 1989

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

ATTN: David Catanach

Gentlemen:

Damson requests your administrative approval to surface commingle two of our gas wells located on our Bunce lease in Section 19, T29N, R10W of San Juan County, New Mexico.

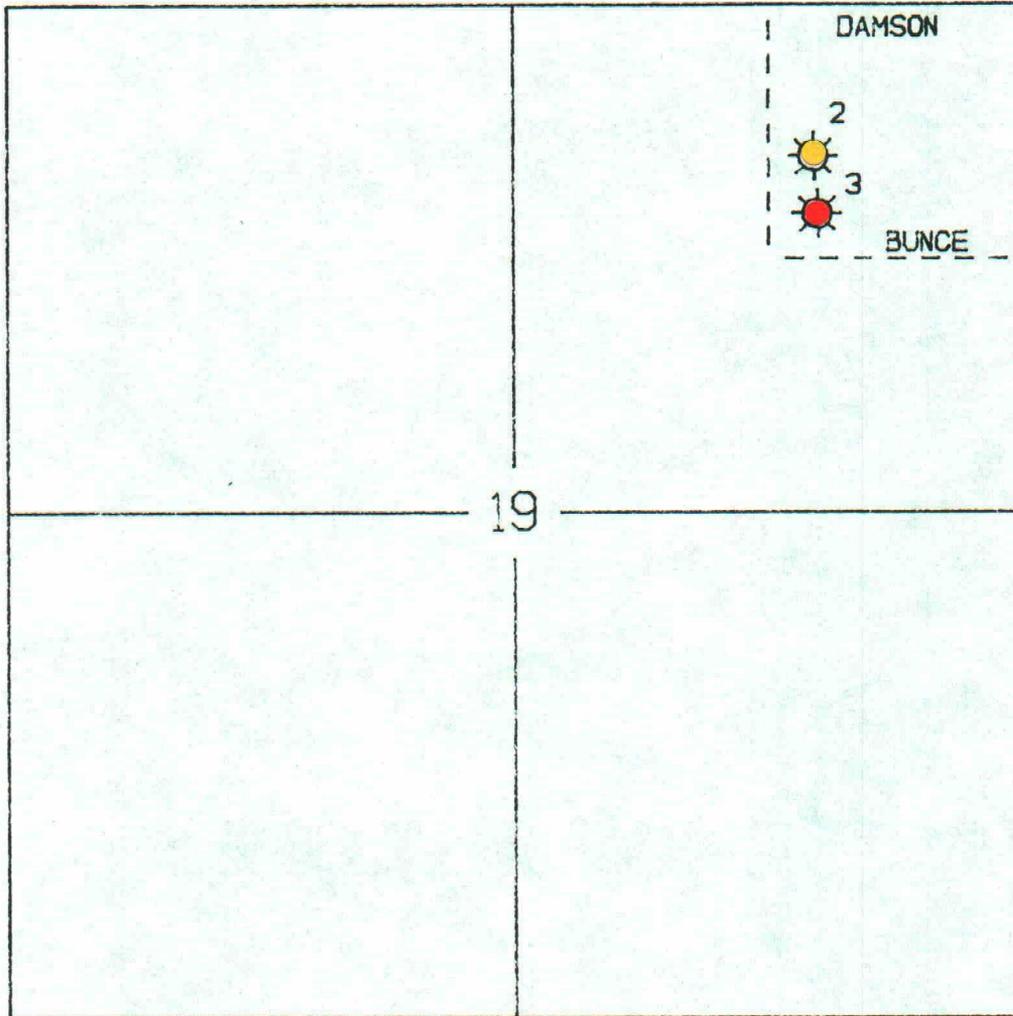
The Bunce No. 2 well is producing from Aztec Pictured Cliffs formation and currently produces an average of 225 MCFPD utilizing a compressor. The Bunce No. 3 well is producing from the Fruitland and is currently producing 0 MCFPD against the prevailing line pressure. The No. 3 well was producing approximately 80 - 90 MCFPD on compression but economics of operating the unit caused the compressor to be removed. If both wells can be produced using one compressor, the economic life of this lease can be increased.

The working and revenue interests on both of these wells is common and no loss of commercial value will occur by combining these two well streams. The compressor will be located at one of the wells which is not yet determined. To adequately test each of these wells for allocation, we are proposing to test each well individually. This will be accomplished by shutting in one of the wells and producing the other into the flowline against prevailing pressures for a 24 hour period. At the conclusion of this test, both wells will be returned to production to stabilize production for approximately one week. Then the other well will be tested in the same manner. We feel this will provide the most efficient and effective manner for allocating this production. A request for approval by the BLM has been submitted a copy of which is enclosed for your information.

If you have any additional questions concerning this application, please call me at 915-686-6117.

Sincerely,

Donald R. Craig
District Engineer



LEGEND
 ● FRUITLAND
 ● PICTURED CLIFFS
 SCALE 1" - 1000'

damson
 BUNCE FED. LEASE
 LOCATION PLAT
 SEC 19 T29N R10W
 SAN JUAN CO., NM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on re-
verse side)

Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. SF-078716
2. NAME OF OPERATOR Danson Oil Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 3300 N "A" Bldg 8, Suite 100 Midland, TX 79705		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface		8. FARM OR LEASE NAME Bunce
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, ST, CR, etc.)	9. WELL NO. 2 & 3
		10. FIELD AND POOL, OR WILDCAT Aztec PC
		11. SEC., T., R., M., OR B.L. AND SURVEY OR AREA Sec 19-T29N-R10W
		12. COUNTY OR PARISH San Juna
		13. STATE NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <input type="checkbox"/>	Surface Commingle <input checked="" type="checkbox"/>	(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROMISED 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.)*

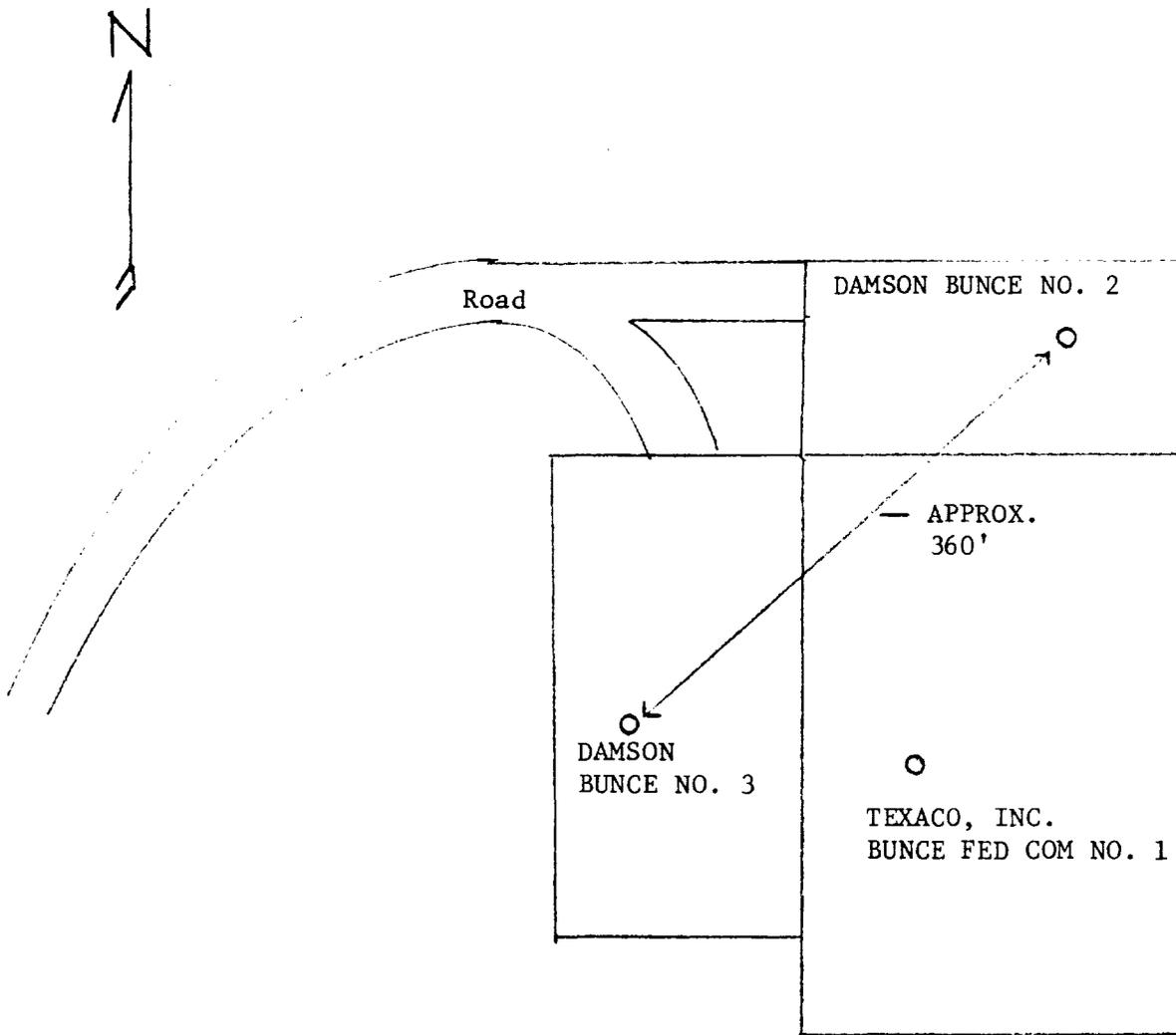
Your approval is requested to surface commingle the gas from the Bunce #2 and #3 wells. We have in the past produced each well by utilizing a compressor. However, because of economics, we have had to remove the compressor on the Bunce #3. We propose to lay a line between the two wells and utilize one compressor to produce both wells. This will substantially increase the economic life of both wells and should maintain an increased producing rate. The wells will be tested once a month by shutting in the other well, and testing the remaining well down the flowline. Both wells will be returned to production to stabilize the wells, then the alternate well will be tested with the other well shut-in. Attached for your review is a plat showing the location of the wells. As you can see, all this area has been significantly disturbed, so no additional surface damage will occur.

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

SIGNED Donald R. Craig TITLE District Engineer DATE 11-16-89
Donald R. Craig
(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side



DAMSON OIL COMPANY
 BUNCE NO. 2, 790'FNL, 1080'FEL
 BUNCE NO. 3, 1080'FNL, 1060'FEL
 SECTION 19-T29N-R10W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO
 Lease No: SF-078716



DAMSON OIL COMPANY
BUNCE NO. 2, 790'FNL, 1080'FEL
BUNCE NO. 3, 1080'FNL, 1060'FEL
SECTION 19-T29N-R10W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO
Lease No: SF-078716

Gas Gathering Line for Common Compressor.

1. Distance - Approximately 360'.
2. Soil Conditions - River rock and small boulders, bench of river.
3. Surface Disturbance - Due to building of indicated locations the surface had previously been disturbed.
4. Gas gathering lines and production lines will have to be located prior to construction of connecting gas gathering line.



OIL CONSERVATION DIVISION
RECEIVED

'89 DEC 8 PM 9 08

December 6, 1989

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

ATTN: David Catanach

Gentlemen:

Attached for your information and to be added to our request to surface commingle two of our gas wells located on our Bunce lease in Section 19, T29N, R10W of San Juan County, New Mexico is the approval from the District Director of the BLM.

If you have any additional questions concerning this application, please call me at 915-686-6117.

Sincerely,

A handwritten signature in cursive script that reads "Donald R. Craig".

Donald R. Craig
District Engineer

November 1983
(Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

SF-078716

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL GAS WELL OTHER

09 NOV 20 AM 10:39

7. UNIT AGREEMENT NAME

2. NAME OF OPERATOR

Damson Oil Corporation

8. FARM OR LEASE NAME

Bunce

3. ADDRESS OF OPERATOR

3300 N "A" Bldg 8, Suite 100 Midland, TX 79705

9. WELL NO.

2 & 3

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface

10. FIELD AND POOL, OR WILDCAT

Aztec PC

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec 19-T29N-R10W

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, CL)

MIDLAND, TEXAS

12. COUNTY OR PARISH

San Juna

13. STATE

NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETION

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON*

SHOOTING OR ACIDIZING

ABANDONMENT*

REPAIR WELL

CHANGE PLANE

(Other)

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

(Other) Surface Commingle

17. DESCRIBE PROMISED 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.)*

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

SIGNED

Donald R. Craig
Donald R. Craig

TITLE District Engineer

DATE

11/28/89

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

OPERATOR

*See Instructions on Reverse Side

APPROVED
NOV 28 1989
John H. ...
AREA MANAGER