

# 3E COMPANY, INC.

*Engineering • Energy • Exploration*

P.O. Box 190 — 505/326-1135

FARMINGTON, NEW MEXICO 87499

September 25, 1984

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

Attention Engineering Section

Re: Downhole Comingled Application  
Elliott Oil Co. Ora #2 G-21-25N-3W  
Rio Arriba County, NM

Gentlemen:

Please accept this as an application to downhole comingled production from Mesa Verde, Gallup and Dakota formations in the subject well.

The operator is Elliott Oil Co., P.O. Drawer 1355, Roswell, NM 88201.

The well is the No.2 Ora, 1750' FNL and 2000' FEL 21-25N-3W Rio Arriba County, NM. Zones to be comingled are the Blanco Mesa Verde and the Ojito Gallup-Dakota.

A plat showing this well and all offsetting lease holders is attached.

No recent C-116's have been submitted because of production problems in both the Dakota-Gallup and Mesa Verde.

No production decline curves are available on either zone. Attached are copies of the work done on each of these zones. The initial test on the Dakota-Gallup interval was 72 oil and 550 mcfd gas. The initial Mesa Verde test was 914 mcfd. Shortly after this test, the Mesa Verde began to produce 200 bbls of water daily. The gas in this zone would not lift the water and the well remained dead. The attached reports show that a workover commenced on 8-8-84 to squeeze off the upper Mesa Verde perforations. This workover successfully stopped production of water in the Mesa Verde. After this workover, production from the Mesa Verde was estimated at 75 mcfd and no water. A piston lift system was installed in the Dakota-Gallup side, but apparent inadequate pressures did not allow the system to work satisfactorily. The operator plans to comingled all zones and use a rod pump to artificially lift production.

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No measured bottom hole pressures on either zone have been made. Estimated bottom hole for the Mesa Verde is 1500psi, based on shut-in pressures from before the last workover. The Dakota-Gallup pressure is estimated at 2100psi.

The Mesa Verde interval will produce little liquid hydrocarbon and thus its gas will comeingle with oil from the Dakota-Gallup. No incompatibilities should exist.

The value of the comingled production will not be less than the sum of the values of the individual zones. Neither zone should hamper the productive capability of the other interval.

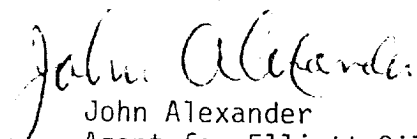
Allocation of production is to be as follows:

Oil:	
Dakota-Gallup	95%
Mesa Verde	5%
Gas:	
Dakota-Gallup	90%
Mesa Verde	10%

These were based on limited testing of the individual zones and the operators understanding of their ability to produce.

All offset operators have been made aware of this application by certified mail.

Sincerely,

  
John Alexander  
Agent for Elliott Oil Co.

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Enclosure

25N

3W

ELLIOTT OIL COMPANY

OFFSET WELLS TO ORA No.2

1. Elliott Oil Company, Ora No. 2 1750'/N & 2000'/E 21-25N-3W
2. EPNG, Hall No. 3, 1495'/N & 1190'/E 21-25N-3W
3. Elliott Oil Co., Ora No. 1 1520'/N & 790'/W
4. Schalk Development Corp., Schalk 41 No. 1, 790'/S & 790'/W 16-25N-3W
5. Schalk Development Corp., Schalk 41 No. 3, 790'/S & 790'/E
6. EPNG, Hall No. 6, 1850'/S & 1850'/W 15-25N-3W
7. EPNG, Hill No. 2, 1500'/S & 990'/W 22-25N-3W
8. Dome Petroleum, Hall No. 5, 1850'/N & 790'/W 21-25N-3W
9. EPNG, Hall No. 4, 870'/S & 1070'/W 21-25N-3W
10. Dome Petroleum, Hall No. 4, 850'/S & 890'/E 21-25N-3W (Now Texaco)

El Paso Natural Gas, P.O Box 990, Farmington, N.M 87401

Dome Petroleum, 3600 Southside River Road, Farmington, N.M 87401

Schalk Development, Box 25825, Albuquerque, N.M 87125