



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

November 15, 1984

RECEIVED
OIL CONSERVATION DIVISION
DIST. 3

Administrative Order No. DHC-535

Merrion Oil & Gas Corporation
P.O. Box 1017
Farmington, NM 87499

Attention: Mr. Steve S. Dunn

Re: Edna No. 3R, Unit D,
Sec. 7, T-24N, R-6W,
NMPM, Rio Arriba County,
NM, Devils Fork Mesaverde
and Devils Fork Gallup
Associated Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle the production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Order which authorized the dual completion and required separation of the two zones, is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not

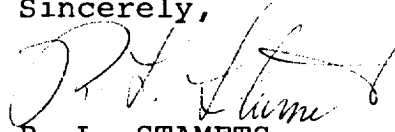
exceed 30 barrels per day, and total water production from the well shall not exceed 60 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2,000 by top unit allowable for the Devils Fork Gallup Associated Pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Devils Fork Mesaverde	Pool:	Oil 21 %	, Gas 25 %
Devils Fork Gallup	Pool:	Oil 79 %	, Gas 75 %

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Sincerely,



R. L. STAMETS,
Division Director



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE Oct 10, 1984

RE: Proposed MC _____
Proposed DHC α _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated Oct 5, 1984
for the Mission Oil and Gas Corp Elvira #3R D-7-24N-6W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

James D. Chavez

MERRION OIL & GAS CORPORATION

P. O. Box 1017
FARMINGTON, NEW MEXICO 87499

October 3, 1984

New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Edna 3R
790' FNL and 790' FWL
Sec. 7, T24N, R6W
Rio Arriba Co., New Mexico

Dear Mr. Chavez,

We request administrative approval to down hole commingle production from the Mesaverde and Gallup Formations in the above referenced well. Please consider the following:

1. Production tests on individual formations:

Gallup	15 BOPD	0 BWPD	75 MCFG/Day	Pumping
Mesaverde	4 BOPD	9 BWPD	25 MCFG/Day	Pumping

2. Total combined oil production rate is 19 BOPD which does not exceed the depth bracket allowable of 30 BOPD.

3. Both zones require artificial lift, and neither zone produces more water than the oil limit stated above.

4. Bottomhole pressure:

Gallup	1300 PSI - Estimated from other Gallup wells. Some drainage has occurred from Edna 3 well (plugged).
Mesaverde	1400 PSI - Estimated

5. Production Forecast (combined):

Oil	Stabilized @ 10 BOPD, decline @ 1.5 - 2% per month.
Gas	Stabilized @ 80 MCF/D, decline @ 0.75% per month.

6. Allocation Formula:

Gallup	- Oil	$\frac{15 \text{ BOPD}}{19 \text{ BOPD}}$	- 79% of total oil production
	Gas	$\frac{75 \text{ MCF/Day}}{100 \text{ MCF/Day}}$	- 75% of total gas production

6. Continued

Mesaverde - Oil $\frac{4 \text{ BOPD}}{19 \text{ BOPD}}$ - 21% of total oil production

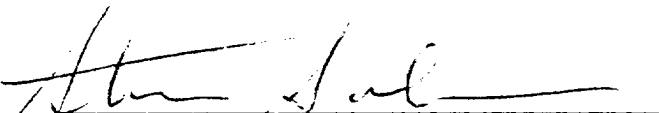
- Gas $\frac{25 \text{ MCF/Day}}{100 \text{ MCF/Day}}$ - 25% of total gas production

Ownership in both formations is common and the value of crude oil produced will be unaffected by commingling.

If further is required, please advise.

Yours truly,

MERRION OIL & GAS CORPORATION



Steve S. Dunn, Operations Manager

SSD/am

Enc.

NINE-SECTION PLAT

Scale: 1 inch = 2200 feet

Printed in U. S. A.

MERRION OIL & GAS CORPORATION

EDNA 3R

TOWNSHIP 24N RANGE 6W COUNTY Rio Arriba STATE New Mexico

	Merrion Oil & Gas Corp.	Merrion Oil & Gas Corp.
1 SF 078922	6	5
Merrion Oil & Gas SF 079915	SF 078874	SF 078874
Merrion O & G NM 03010	790 790	
12 McElvain Oil & Gas SF 078548	7 Merrion Oil & Gas Corp. FEE	8 Merrion Oil & Gas Corp. SF 078877
McElvain Oil & Gas SF 078548	Getty Oil Company SF 079086	Merrion Oil & Gas Corp.
13	18 SF 078562	17 SF 078886