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 7-21-86

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

Gentlemen:

I have examined the application dated 7-14-86

for the Curtis J. Little (Operator) Schmitz #2A (Lease and Well No.) G-16-25N-3W (Unit, S-T-R)

and my recommendations are as follows:

Approve

Yours truly,

[signature]

A. R. KENDRICK
BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

August 6, 1986

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Application for Downhole Commingling
Curtis J. Little
Schmitz #2
E-16-T25N-R3W
Blanco Mesaverde Pool
Ojito Gallup-Dakota Pool

Gentlemen:

Enclosed in duplicate is the application for downhole commingling for the Curtis J. Little Schmitz #2 well located E-16-T25N-R3W.

A copy of the application is being mailed at this mailing to all offset operators, the Oil Conservation Division District Office and to the U.S. Bureau of Land Management Office at the addresses shown on an exhibit in the application.

If there are questions please contact me.

Yours very truly,

A. R. Kendrick

Enclosures

APPLICATION FOR DOWNHOLE COMMINGLING

OPERATOR: Curtis J. Little, Box 1258, Farmington, New Mexico 87499-1258

WELL: Schmitz #2, 1850' FNL 790' FWL, E-16-T25N-R3W, Blanco-Mesaverde Gas Pool and Ojito Gallup-Dakota Oil Pool.

PLAT: See attachment.

TEST: See attached Form C-116.

PRODUCTION GRAPH: See attachments.

BOTTOM HOLE PRESSURES: No bottomhole pressures have been measured due to production problems. Based on the 1985 Packer Leakage Test Report and assuming a gas gravity of .650, the calculated pressures are 814 psi for the Mesaverde formation and 786 psi for the Gallup-Dakota zone at a common datum of 6600' of depth.

FLUIDS DESCRIPTION: All petroleum products in the San Juan Basin from the Cretceous formations are chemically compatable and form no precipitates.

VALUES: The value of combined stream of production from the subject well will not be impaired by commingling.

ALLOCATION FORMULA: Based on reserves of 10,000 barrels of oil and 3,000 MMcf gas in the Mesaverde zone and 75,000 barrels of oil and 3765 MMcf gas in the Gallup-Dakota zone, the proposed production split would be 12% of the oil and 89% of the gas to the Mesaverde zone and 88% of the oil and 11% of the gas for the Gallup-Dakota zone.

NOTIFICATIONS: A copy of this application is being mailed to all offset operators and to the Bureau of Land Management, the addresses of which are shown on an attachment.

APPLICATION FOR DOWNHOLE COMMINGLING IN THE
BLANCO MESAVERDE GAS POOL AND OJITO GALLUP-DAKOTA OIL POOL

CURTIS J. LITTLE
SCHMITZ #2
E-16-T25N-R3W

RULE 303 C. DOWNHOLE COMMINGLING

1 (a) For Wells Involving Oil Zones:

(1) The total combined oil production will not exceed 60 barrels of oil per day — the limit set for wells completed down to 8,999' (the range of the lowermost perforation).

(2) The well will be produced by artificial lift.

(3) The total water production is less than the oil limit set in (1) above.

(4) The fluids are compatable in the two production zones.

(5) The value of the commingled product will not be impaired by the commingling.

(6) Ownership of all interests in the well are common.

(7) The commingling will not jeopardize the efficiency of present or future secondary recovery operations in either of the zones to be commingled.

(b) For Wells Involving Gas Zones:

(1) The downhole commingling is necessary to allow the recovery of products that would otherwise not be economically feasible to recover.

(2) There will be no or minimal crossflow between zones.

(3) There are no fluid-sensitive sands within the proposed completion zones.

(4) The fluids are compatable and precipitates will not be formed which may damage the reservoir(s).

(5) The ownership of all interests in the well are common.

(6) The bottom hole pressure of the lower pressure zone is at least 50% of the pressure of the higher pressure zone when reduced to a common datum.

GAS PRODUCTION GRAPH

CURTIS J. LITTLE
SCHMITZ #2

MONTH	ZONE	VOLUME		GRAPH
APR '85	MV	1103	MCF	
APR '85	G-D	2017	MCF	
MAY '85	MV	5373	MCF	
MAY '85	G-D	1797	MCF	
JUN '85	MV	14190	MCF	
JUN '85	G-D	2158	MCF	
JUL '85	MV	12654	MCF	
JUL '85	G-D	1354	MCF	
AUG '85	MV	0	MCF	
AUG '85	G-D	2264	MCF	
SEP '85	MV	455	MCF	
SEP '85	G-D	2526	MCF	
OCT '85	MV	0	MCF	
OCT '85	G-D	2347	MCF	
NOV '85	MV	0	MCF	
NOV '85	G-D	0	MCF	
DEC '85	MV	0	MCF	
DEC '85	G-D	0	MCF	
JAN '86	MV	3401	MCF	
JAN '86	G-D	1861	MCF	
FEB '86	MV	17339	MCF	
FEB '86	G-D	1079	MCF	
MAR '86	MV	13147	MCF	
MAR '86	G-D	1006	MCF	
APR '86	MV	4469	MCF	
APR '86	G-D	1083	MCF	

OIL PRODUCTION GRAPH

CURTIS J. LITTLE
SCHMITZ #2

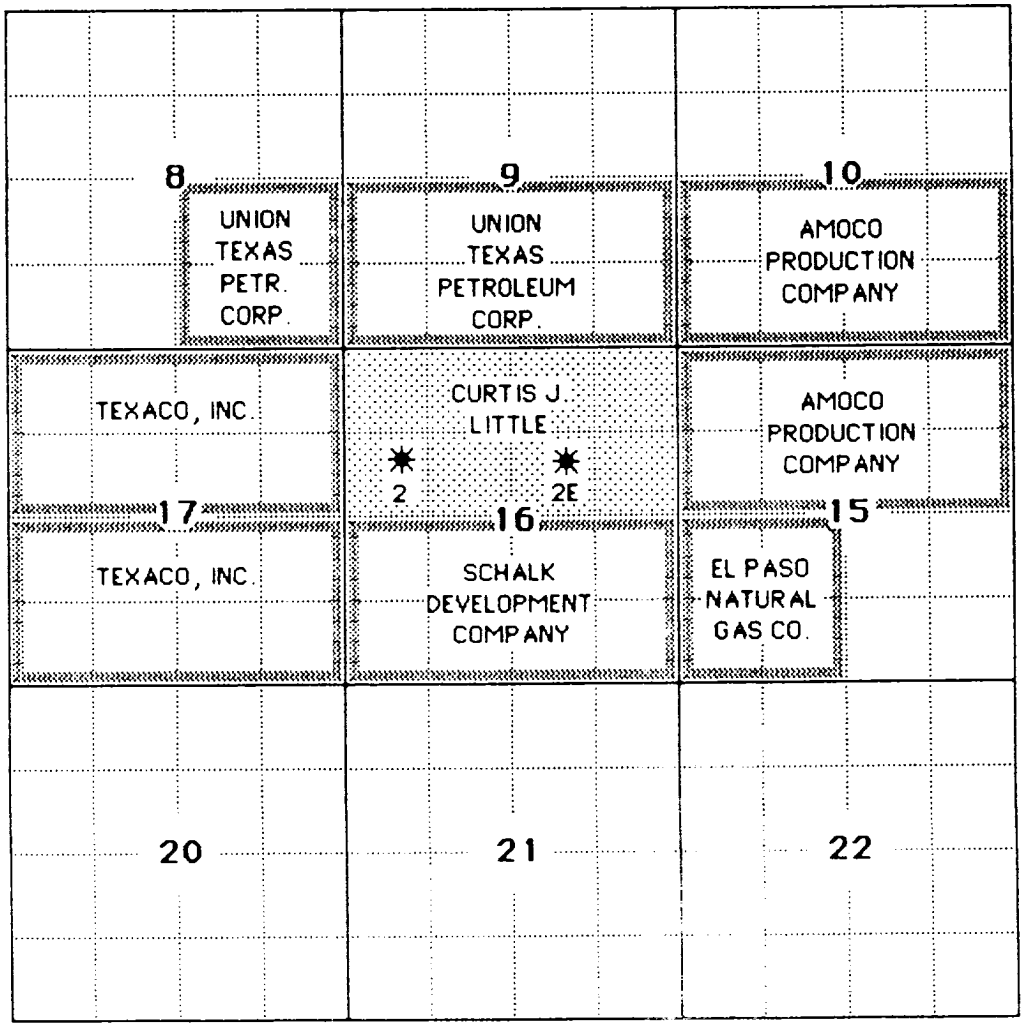
MONTH	ZONE	VOLUME		GRAPH
APR '85	MV	43	BBL	
APR '85	G-D	367	BBL	
MAY '85	MV	25	BBL	
MAY '85	G-D	216	BBL	
JUN '85	MV	38	BBL	
JUN '85	G-D	325	BBL	
JUL '85	MV	21	BBL	
JUL '85	G-D	181	BBL	
AUG '85	MV	0	BBL	
AUG '85	G-D	230	BBL	
SEP '85	MV	24	BBL	
SEP '85	G-D	205	BBL	
OCT '85	MV	0	BBL	
OCT '85	G-D	154	BBL	
NOV '85	MV	0	BBL	
NOV '85	G-D	0	BBL	
DEC '85	MV	0	BBL	
DEC '85	G-D	0	BBL	
JAN '86	MV	16	BBL	
JAN '86	G-D	139	BBL	
FEB '86	MV	21	BBL	
FEB '86	G-D	185	BBL	
MAR '86	MV	22	BBL	
MAR '86	G-D	187	BBL	
APR '86	MV	10	BBL	
APR '86	G-D	89	BBL	

OFFSET OWNERSHIP PLAT

CURTIS J. LITTLE
SCHMITZ #2
E-16-T25N-R3W

BLANCO MESAVERDE POOL AND
OJITO GALLUP-DAKOTA POOL

R 3 W



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NAMES AND ADDRESSES OF OFFSET OPERATORS
TO THE

CURTIS J. LITTLE
SCHMITZ #2
E-16-T25N-R3W

Amoco Production Company
501 Airport Drive
Farmington, New Mexico 87401

El Paso Natural Gas Company
P.O. Box 990
Farmington, New Mexico 87499-0990

Schalk Development Company
P.O. Box 25825
Albuquerque, New Mexico 87125

Texaco, Inc.
P.O. Box 2100
Denver, Colorado 80201

Union Texas Petroleum Corporation
375 U.S. Highway 64
Farmington, New Mexico 87401

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

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

WELLS AUTHORIZED FOR DOWNHOLE COMMINGLING

IN TOWNSHIP 25 NORTH, RANGE 3 WEST

BLANCO MESAVERDE GAS POOL AND
OJITO GALLUP-DAKOTA OIL POOL

LOCATION	OPERATOR	WELL	DHC ORDER NUMBER	PRODUCTION SPLIT ZONE	OIL%	GAS%
A-10-25-3	AMOCO PROD. CO.	FRED PHILLIPS	R-7651	MV	16	24
				G-D	84	76
C-10-25-3	AMOCO PROD. CO.	FRED PHILLIPS	R-7651	MV	16	24
				G-D	84	76
I-10-25-3	AMOCO PROD. CO.	FRED PHILLIPS	R-7651	MV	16	24
				G-D	84	76
K-10-25-3	AMOCO PROD. CO.	FRED PHILLIPS	R-7651	MV	16	24
				G-D	84	76
E-15-25-3	AMOCO PROD. CO.	FRED PHILLIPS	R-7651	MV	16	24
				G-D	84	76
E-18-25-3	TEXACO, INC.	C. W. ROBERTS #6A	R-7139	MV	12	87
				G-D	88	13
L-18-25-3	TEXACO, INC.	C. W. ROBERTS #3A	R-7139	MV	12	87
				G-D	88	13
O-18-25-3	TEXACO, INC.	C. W. ROBERTS #3	R-5500	MV		
				G-D		
A-19-25-3	TEXACO, INC.	LYDIA RENTZ #4	R-5500	MV		
				G-D		
E-21-25-3	ELLIOTT OIL CO.	ORA #1	R6757	MV	9	70
				G-D	91	30
G-21-25-3	ELLIOTT OIL CO.	ORA #2	DHC-529	MV	5	10
				G-D	95	90

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-116
Revised 10-1-78

GAS – OIL RATIO TESTS

Operator: CURTIS J. LITTLE
Pool: Ojito Gallup-Dakota
County: Rio Arriba
Address: P. O. Box 1258, Farmington, NM 87499
TYPE OF TEST – (X): Scheduled [ ] Completion [ ] Special [X]

LEASE NAME	WELL NO.	LOCATION U	S	T	R	DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST WATER BBLS.	GRAV. OIL	OIL BBLS.	GAS M.C.F.	GAS – OIL RATIO CU.FT/BBL.
Schmitz	2	E	16	25	3	7/13/86		2"			24			3	36	12000

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

(Signature)

Operator
(Title)

7-20-86

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-116
Revised 10-1-78

GAS - OIL RATIO TESTS

Operator: CURTIS J. LITTLE
Pool: Blanco-Mesaverde
County: Rio Arriba
Address: P. O. Box 1258, Farmington, NM 87499
TYPE OF TEST - (X): Scheduled [ ] Completion [ ] Special [X]

LEASE NAME	WELL NO.	LOCATION U	S	T	R	DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST WATER BBLS.	GRAV. OIL	OIL BBLS.	GAS M.C.F.	GAS - OIL RATIO CU.FT/BBL
Well not produced in last 30 days, here is the most recent test...																
Schmitz	2	E	16	25	3	4/20/86		2"			24	0		1	149	149000

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

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I hereby certify that the above information is true and complete to the best of my knowledge and belief.

(Signature)
Operator
(Title)
4-23-86