

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

August 30, 1983

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

AMENDMENT Administrative Order No. DHC-413

Amerada Hess Corporation P. O. Drawer "D" Monument, New Mexico 88265

Attention: D. W. Holmes, Petroleum Engineer

Re: Jicarilla Apache "F" Well No. 1 Unit J, Sec. 17, T-25-N, R-5-W, Rio Arriba County, New Mexico South Blanco Pictured Cliffs and Otero Chacra Gas Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations for the subject dually completed well to permit the removal of the down-hole separation equipment and 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 Division Order No. MC-1789 Form C-107, 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 condensate production from the subject well shall not exceed 20 barrels per day, and total water production from the well shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by the standard proration schedule for the both zones combined. Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Pictured Cliffs Pool: Condensate 26%, Gas 26% Chacra Pool: Condensate 74%, Gas 74%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

ery truly yours JOE D. RAMEY,

Division Director