

called 6-22-84 for more data

PH. 505-325-5093

MERRION OIL & GAS CORPORATION

P. O. Box 1017
FARMINGTON, NEW MEXICO 87499

Need (c)
(e)
(f)
(i)
(j)

June 13, 1984

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

Attention: Mr. Frank Chavez

Re: Salazar G 22-1
1650' FSL and 925' FEL
Sec. 22, T25N, R6W
Rio Arriba Co., New Mexico

Dear Mr. Chavez,

We request administrative approval to down hole commingle production from the Mesaverde and Gallup Formation of the above referenced well.

Production test on the individual formations are as follows:

Gallup	8 BOPD	Trace of Water	27 MCFGPD
Mesaverde	24 BOPD	12 BWPD (Frac Water)	75 MCFGPD

The total combined daily oil production is 32 BOPD which does not exceed the depth bracket allowable of 40 BOPD.

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


The water being produced from the Mesaverde is completion fluid water as determined by the potassium and chloride content on the attached water analysis. This water production should dissipate as production continues.

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.

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DIST. 3

API WATER ANALYSIS REPORT FORM

Company MERRION OIL AND GAS		Sample No.		Date Sampled	
Field		Legal Description		County or Parish	
Lease or Unit SALAZAR		Well 22-1		Depth	
Type of Water (Produced, Supply, etc.) PRODUCED		Sampling Point		Water, B/D MESAVERDE	
				Sampled By STEVE DUNN	

DISSOLVED SOLIDS

CATIONS	mg/l	me/l	ppm
Sodium, Na (calc.)	3955	172	3948
Calcium, Ca	160	8	160
Magnesium, Mg	243	20	243
Barium, Ba			
POTASSIUM K+	210	5	210

ANIONS

Chloride, Cl	5171	146	5161
Sulfate, SO ₄	401	8	400
Carbonate, CO ₃			
Bicarbonate, HCO ₃	27.7	56	3379

Total Dissolved Solids (calc.)

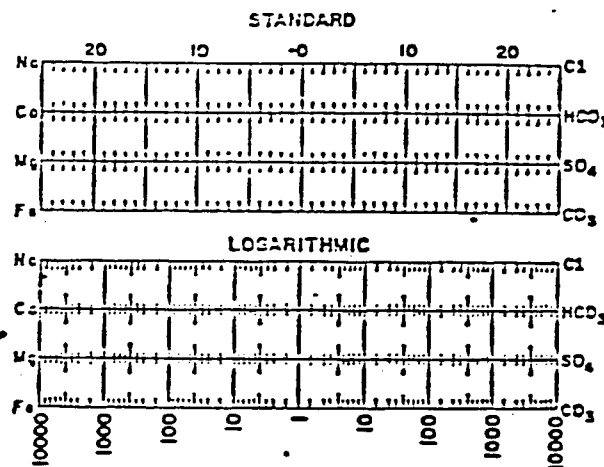
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Iron, Fe (total) fe^{++} 3ppm fe^{++} 3ppm
 Sulfide, as H₂S

OTHER PROPERTIES

pH	8.0
Specific Gravity, 60/60 F.	1.002
Resistivity (ohm-meters) F.	.64
TOTAL HARDNESS	1400

WATER PATTERNS — me/l



REMARKS & RECOMMENDATIONS:
 FRAC USED 1%KCL

ANALYST: Tom Burris

THE WESTERN COMPANY OF NORTH
 AMERICA, FARMINGTON, N.M.
 (505) 327-6222

Please refer any questions to: Clay Terry, District Engineer or
 Tom Burris, Field Engineer.

MERRION OIL & GAS CORPORATION

SALAZAR G 22-1
Sec. 22, T25N, R6W
Rio Arriba Co., New Mexico

1. Allocation Formula for Production:

Current Rates:

Gallup	12 BOPD	40 MCFGD	Pumping
Mesaverde	8 BOPD	20 MCFGD	Pumping

Formula:

Gallup Allocation:	Oil	$\frac{12 \text{ BOPD}}{20 \text{ BOPD}}$	60% of total oil production
	Gas	$\frac{40 \text{ MCFGD}}{60 \text{ MCFGD}}$	67% of total gas production
Mesaverde Allocation:	Oil	$\frac{8 \text{ BOPD}}{20 \text{ BOPD}}$	40% of total oil production
	Gas	$\frac{20 \text{ MCFGD}}{60 \text{ MCFGD}}$	33% of total gas production

2. Bottomhole Pressure:

Gallup	1500 PSI	Estimated from measurements on other wells in the area.
Mesaverde	1400 - 1500 PSI	Estimated

3. Production Forecast: (Combined)

Initial Rate	20 BOPD
	60 MCFGD

Oil will decline @ 6%/month for one year to estimated 10 BOPD then continue to decline @ 1.5%/month thereafter.

Gas will decline @ 3%/month for one year to estimated 42 MCFGD then continue to decline @ 0.75%/month thereafter.

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MERRION OIL & GAS CORPORATION

SALAZAR G 22-1

TOWNSHIP 25N RANGE 6W COUNTY Rio Arriba STATE New Mexico



Gallup - Dedicated Acreage 160 - Merrion Oil & Gas Corporation controls all surrounding acreage.

Mesaverde - Dedicated Acreage 40 - Kimbell, Warren, Salazar controls all surrounding acreage. Merrion Oil & Gas has a farmout for the 40 acres.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

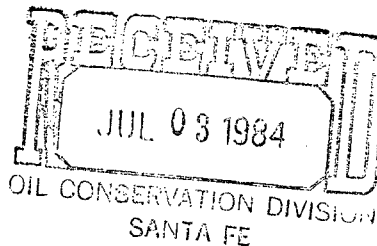
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1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 6-29-84

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



Gentlemen:

I have examined the application dated 6-14-84
for the Merrin O. & B. Corp. Salazar 622#1 1-22-25N6W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Ernest J. Perry