



Texaco Exploration and Production Inc

3300 N Butler  
Farmington NM 87401

OIL CONSERVATION DIVISION  
RECEIVED

May 26, 1995

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505

Attention: David Catanach

RE: **Application for exception to NMOCD Rule 303-A: Downhole Commingle of  
H.J. Loe Federal B No. 3E 1100' FSL & 2000' FEL, Unit O, Sec. 23-T29N-  
R12W, NMPM, San Juan County, New Mexico**

Dear Mr. Catanach:

Texaco Exploration and Production Inc. respectfully requests administrative approval to downhole commingle the Fulcher Kutz Pictured Cliffs Gas Pool and the Basin Dakota Gas Pool within the referenced well. Approval of this application would require an exception to NMOCD Rule 303-a. Please accept the attached information in your consideration of this matter. All offset operators were notified of this request by certified mail (copy of return receipt cards attached).

Production methods are limited due to the 4-1/2" production casing the well is completed with. This size of casing does not offer sufficient room to run adequately sized tubing strings to each formation. The downhole commingling of these zones will offer an economic method of production without reservoir damage, waste reserves, or violation of correlative rights.

If you have and questions concerning this matter please contact Mr. Robert Schaffitzel at (505) 325-4397, ext. 27. Your attention to this matter is greatly appreciated.

Sincerely,

*Ted A. Tipton* - B. TAT

Ted A. Tipton  
Operating Unit Manager

RFS/s

Attachments  
NMOCD-Aztec  
file

WITHDRAWN  
6-1-95  
VERBAL

BS

OBJECTION

6-19-95

1141

**Application for Exception to Rule 303-Segregation of Production From Pools**

(1) **Name and address of the operator:** Texaco Exploration and Production  
3300 N. Butler Suite 100  
Farmington, NM 87401

(2) **Lease name, well number, well location, name of the pools to be commingled.**

Lease Name: H.J. Loe Federal B  
Well Number: 3E  
Well Location: 1100' FSL & 2000' FEL, Unit O, Sec. 23  
T29N-R12W, NMPM  
San Juan County, New Mexico

Pools to Commingle: Fulcher Kutz, Pictured Cliffs  
Basin, Dakota

(3) **A plat of the area showing the acreage dedicated to the well and the ownership of all offsetting leases.**

Attached (Attachment I, II, III)

4) **A current (within 30 days) 24-hour productivity test on Division C-116 showing the amount of oil, gas and water produced from each zone.**

The C-115 for H.J. Loe Federal B 3E Basin Dakota and Fulcher Kutz Pictured Cliffs are attached (Attachment IV, V).

(5) **A production decline curve for both zones showing that for a period of at least one year a steady rate of decline has been established for each zone for statistical purposes. (This requirement may be dispensed with in the case of a newly completed or recently completed well which has little or no production history. However, a complete resume of the well's completion history including description of treating, testing, etc., of each zone, and a prognostication of future production from each zone shall be submitted.)**

Dakota completion: Decline curve attached (Attachment VI), well has effective annual decline of 4.1 % and a calculated GOR of 177,000 SCF/STB.

P.C. completion: Decline curve attached (Attachment VII), formation was perforated at 1614'-1656' and stimulated on October 1, 1992 with 30,000 GALs of X-linked gel with 130,000 LBS of 20/40 sand followed with 24,000 LBS of Resin coated sand. The well was cleaned. The well is currently shut-in and both zones are logged off awaiting final production equipment and regulatory approvals.

Currently both zones are logged off due to insufficient bottom hole pressure on the PC formation therefore limiting production from the well. The Dakota zone has a 1.060 I.D. tubing string that causes too much friction loss to produce the well (Attachment VIII, current completion, Attachment IX, proposed completion).

**Application for Exception to Rule 303-Segregation of Production From Pools**  
**Requirements Continued.**

- (6) **Estimated bottomhole pressure for each artificially lifted zone. A current (within 30 days) measured bottomhole pressure for each zone capable of flowing.**

Dakota completion: 360 psig (Attachment X)  
Fulcher Kutz completion: 210 psig (Attachment X)

The Fulcher Kutz Pictured Cliffs and the Basin Dakota pressures are both shut-in pressures obtained from a State of NM packer leakage test conducted 10-03-94. The pressure differential between the zones will not present a crossflow problem. The proposed method of production is to run a 2-3/8" tubing string to the bottom of the Dakota perforations, run rods and install a pumping unit to pump both zones, this will keep all fluids off of the Dakota formation.

- (7) **A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the well-bore.**

The fluids have no abnormal components that would prohibit commingling, or promote the creation of emulsions or scale (see attachment XI-A,B, produced water analysis from offset currently commingled).

- (8) **A computation showing that the value of the commingled production will not be less than the sum of the individual streams.**

<u>Dakota Production</u>		<u>Fulcher Kutz PC Production</u>	
Oil, BOPD	1	Oil, BOPD	0
Gas, MCFD	150	Gas, MCFD	150
Water, BWPD	1	Water, BWPD	25

The combined production from the PC and Dakota formations will be approximately 300 MCFD, 1 BOPD, and 26 BWPD. The increase in production will occur due to the pressure drop on both formations because the fluid will be pumped out through the 2 3/8" tubing and the gas will flow free of fluid up the 4.5" casing.

- (9) **A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula.**

Using our anticipated rates as shown in item #8 as an example, allocation will be calculated as follows:

	<u>Gas</u>	<u>Oil</u>	<u>Water</u>
Pictured Cliffs	150/300=50%	0/1=0%	25/26=96%
Dakota	150/300=50%	1/1=100%	1/26=04%

- (10) **A statement that all offset operators and, in the case of a well on federal land, the United States Bureau of Land Management, have been notified in writing of the proposed commingling.**

All offset operators and the BLM have been notified. Please find attached, signed return receipt cards from each operator.

# OIL CONSERVATION DIVISION

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

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>Texaco E &amp; P Inc.</b>			Lease <b>H.J. Loe Federal B</b>		Well No. <b>3E</b>
Unit Letter <b>O</b>	Section <b>23</b>	Township <b>29N</b>	Range <b>12W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1100</b> feet from the <b>South</b> line and <b>2000</b> feet from the <b>East</b> line					
Ground level Elev. <b>5583'</b>	Producing Formation <b>Pictured Cliffs</b>		Pool <b>Kulcher Futz</b>		Dedicated Acreage: <b>160</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

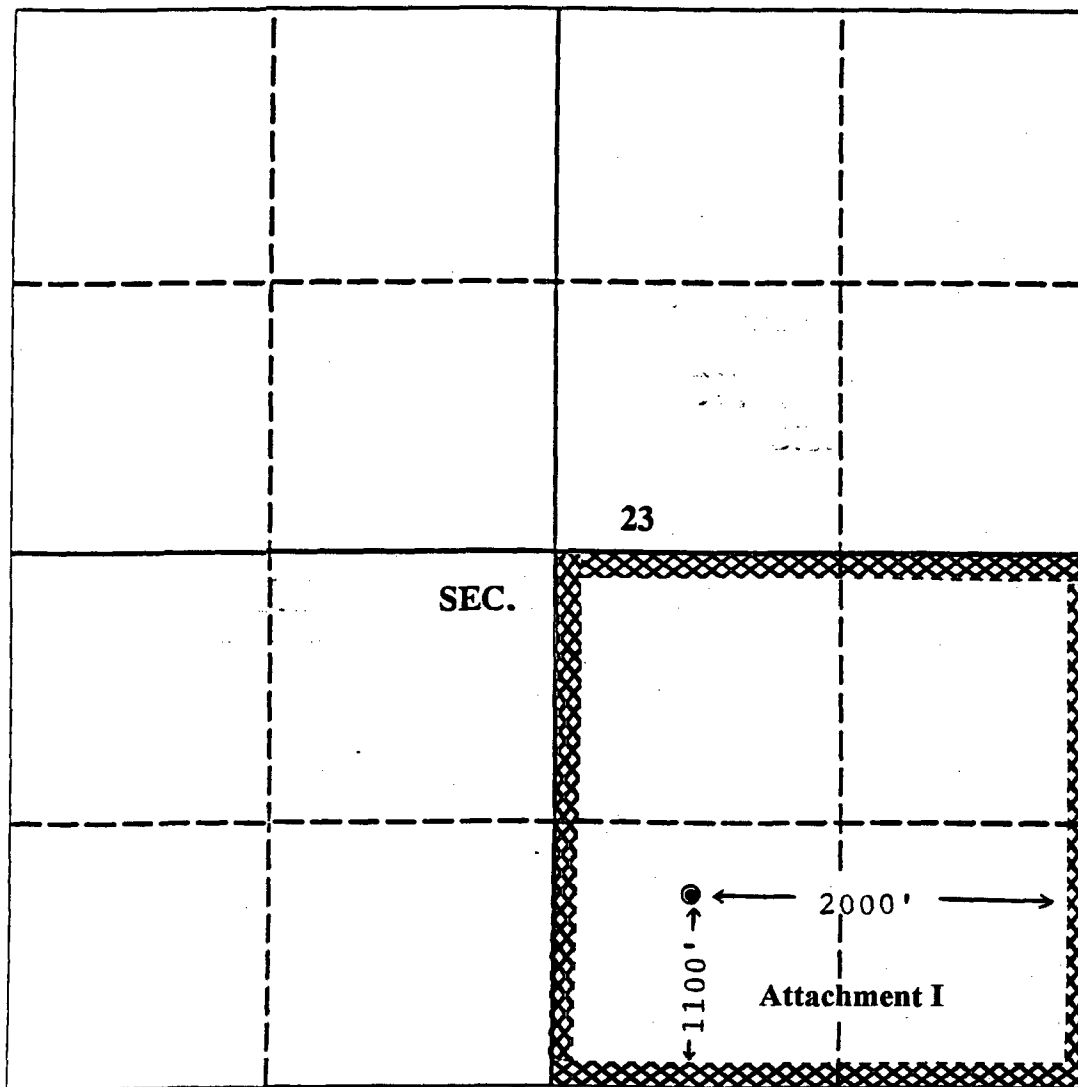
☐ Yes

☐ No

If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



### OPERATOR CERTIFICATION

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

Signature

*Ted A. Tipton*

Printed Name

**Ted A. Tipton**

Position

**Area Manager**

Company

**Texaco Inc.**

Date

**11-09-92**

### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Signature & Seal of  
Professional Surveyor

Certificate No.

# H.J. Loe Lease

## Offset Operators T29N-R12W

Texaco	Texaco	Alpine Oil & Gas Conoco	24
Texaco	H.J Loe Federal B 3E	Amoco	
BHP Petr Americas Amoco	Amoco	Amoco	25
			26

**Offset Operators  
H.J. Loe Federal B No. 3E  
Sec. 23 T29N/R12W**

**Alpine Oil & Gas**  
Box 2567  
Durango, CO 81302

**Amoco Production**  
200 Amoco Court  
Farmington, NM 87401

**BHP Petroleum (Americas) Inc.**  
Box 977  
Farmington, NM 87499

**CONOCO Inc.**  
3315 Bloomfield Hwy.  
Bloomfield, NM 87413

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals, and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
P.O. BOX 2088  
Santa Fe, New Mexico 87504-2088

**OPERATOR'S MONTHLY REPORT**  
Form C-115 - Revised 1/1/79  
See Distribution and Coding  
Information Bottom of Page

Company  
or Operator **TEXACO E & P INC.**

Address **3300 NORTH BUTLER  
FARMINGTON, NM 87401**

For  
Month, Year

**02 1985** Page **33** of **126**

POOL NAME (Underline)		INJECTION		PRODUCTION			DISPOSITION OF GAS			DISPOSITION OF OIL							
WELL STATUS	VOLUME	PRESS.	BARRELS OIL/COND. PRODUCED	BARRELS OF WATER PRODUCED	GAS PRODUCED (MCF)	DAYS PROD	SOLD	TRANS-PORTER	OTHER	CODE	OIL ON HAND AT BEG. OF MONTH	BBL. TO TRANS-PORTER	TRANS-PORTER	OTHER	CODE	OIL ON HAND AT END OF MONTH	
<b>BASIN DAKOTA (PRORATED GAS)</b>																	
-----																	
LOE, H. J. FEDERAL "B"																	
-----																	
30-045-24554	2E	23 29N 12W	S	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30-045-22163	2R	23 29N 12W	P	0	0	0	35	0	0	0	0	0	0	0	0	0	0
30-045-07855	3	23 29N 12W	P	0	0	0	56	0	0	0	0	0	0	0	0	0	0
30-045-24555	3E	23 29N 12W	P	0	0	0	104	89	0	0	0	0	0	0	0	0	0
-----																	
				0	195	95	10040	9725 TEP	315 U	404	159 MOI	0	440				

**STATUS CODE**  
F ..... FLOWING  
P ..... PUMPING  
G ..... GAS LIFT  
S ..... SHUT IN  
T ..... TEMP. ABANDONED  
I ..... INJECTION  
D ..... DISCONTINUED

**"OTHER" GAS DISPOSITION CODE**  
X ..... USED OFF LEASE  
D ..... USED FOR DRILLING  
G ..... GAS LIFT  
L ..... LOST (MCF ESTIMATED)  
E ..... EXPLANATION ATTACHED  
R ..... REPRESSURING OR  
V ..... VENTED

**"OTHER" OIL DISPOSITION CODE**  
C ..... CIRCULATING OIL  
L ..... LOST  
S ..... SEDIMENTATION (BS & W)  
E ..... EXPLANATION ATTACHED  
T ..... THEFT

**TRIBUTION**  
Original OGD Santa Fe  
1 Copy OGD Dist. Office  
in which lease is located  
1 Copy to Transporter (s)  
**DATE DUE**  
be postmarked by 24th day  
next succeeding month.

**I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE**  
**T. A. TIPTON**  
(TYPED NAME)  
**AREA MANAGER**  
(POSITION)  
**505-325-4397**  
(PHONE NUMBER)

Attachment IV

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals, and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. BOX 2088  
Santa Fe, New Mexico 87504-2088

OPERATOR'S MONTHLY REPORT

Form C-115 - Revised 1/1/9  
See Distribution and Coding  
Information Bottom of Page

Company  
or Operator TEXACO E & P INC.

Address 3300 NORTH BUTLER  
FARMINGTON, NM 87401

Zip

For  
Month, Year

02 1995

Page 107 of 126

POOL NAME (Underline)		INJECTION		PRODUCTION			DISPOSITION OF GAS			DISPOSITION OF OIL								
WELL STATUS		VOLUME	PRESS.	BARRELS OIL/COND. PRODUCED	BARRELS OF WATER PRODUCED	GAS PRODUCED (MCF)	DAYS PROD	SOLD	TRANS-PORTER	OTHER	CODE	OIL ON HAND AT BEG. OF MONTH	BBLs. TO TRANS-PORTER	TRANS-PORTER	OTHER	CODE	OIL ON HAND AT END OF MONTH	
FULCHER KUTZ PICTURED CLIFF (GAS)																		
LOE, H. J. FEDERAL "B"																		
30-045-24554	2E	23 28N 12W	P	0	0	0	87 8											
30-045-07955	3	23 28N 12W	P	0	0	0	8607 28											
30-045-24555	3E	23 28N 12W	S	0	0	0	0											
		0		0	0	0	6694	8536 TEP			158 U	0	0			0	0	

DISTRIBUTION  
Original OGD Santa Fe  
One Copy OGD Dist. Office  
in which lease is located  
One Copy to Transporter (s)

DATE DUE  
To be postmarked by 24th day  
of next succeeding month

STATUS CODE  
F .....FLOWING  
P .....PUMPING  
G .....GAS LIFT  
S .....SHUT IN  
T .....TEMP. ABANDONED  
I .....INJECTION  
D .....DISCONTINUED

"OTHER" GAS DISPOSITION CODE  
X .....USED OFF LEASE  
D .....USED FOR DRILLING  
G .....GAS LIFT  
L .....LOST (MCF ESTIMATED)  
E .....EXPLANATION ATTACHED  
R .....PRESSURING OR  
V .....VENTED

"OTHER" OIL DISPOSITION CODE  
C .....CIRCULATING OIL  
L .....LOST  
S .....SEDIMENTATION (BS & W)  
E .....EXPLANATION ATTACHED  
T .....THEFT

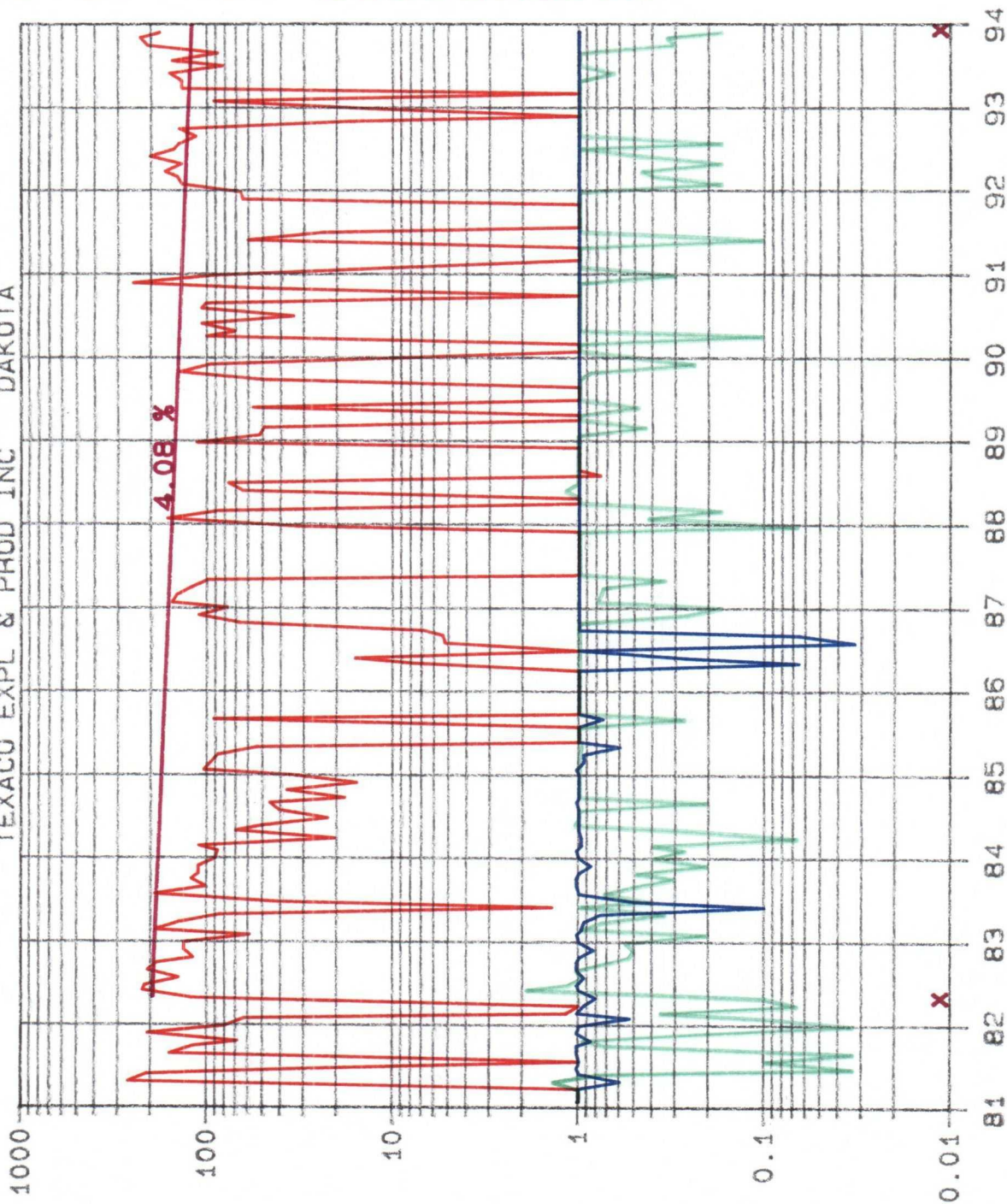
I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE  
T. A. TIPTON  
(TYPED NAME)  
AREA MANAGER  
(POSITION)

505-325-4397  
(PHONE NUMBER)



H J LOE B FEDERAL 00003E BASIN ( DAKOTA ) DK  
TEXACO EXPL & PROD INC DAKOTA

LEASE DATA  
LSE 29N12W230PI  
FLD 8004974  
OPER 158628  
ZONE DAKOTA  
29N-12W-23  
COUNTY 045  
STATE 30  
300452455500  
**STATUS 11-93**  
**CO 1 MBO**  
**CG 323 MMCF**  
**CW 1 MBW**  
**BOPD 0**  
**BWPD 0**  
**MCFPD 177**  
**WELLS 1**  
**CI 0 MBWI**  
**BWIPD 0**



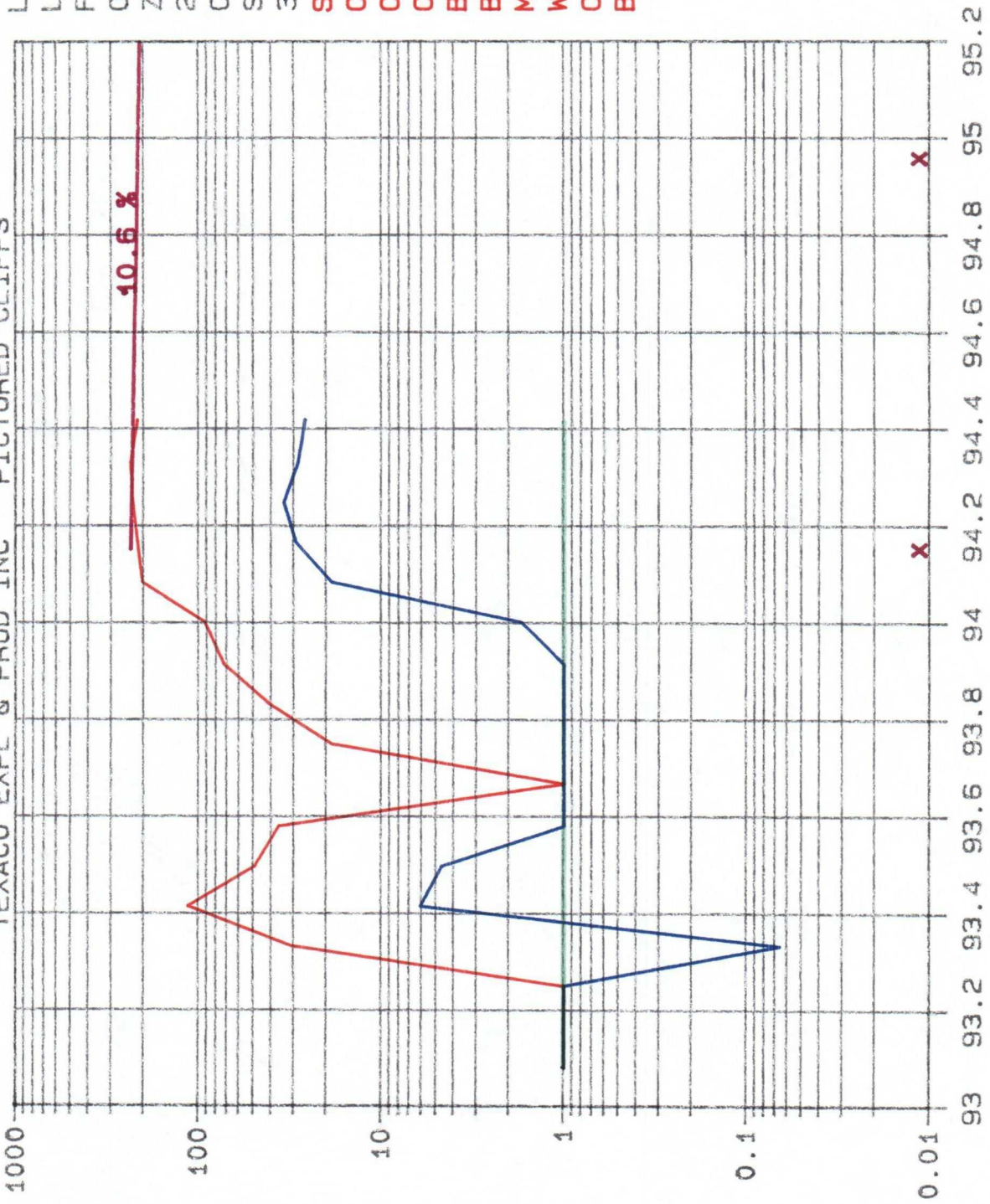
BOPD  
BWPD  
MCFPD

Attachment VI

YEARS

H J LOE B FEDERAL 000036 FULCHER KUTZ ( PICTURED CLIFFS ) PC  
 TEXACO EXPL & PROD INC PICTURED CLIFFS

LEASE DATA  
 LSE 29N12W2300'  
 FLD 8029874  
 OPER 158628  
 ZONE PICTURED CI  
 29N-12W-23  
 COUNTY 045  
 STATE 30  
 300452455400  
 STATUS 5-94  
 CO 0 MBO  
 CG 47 MCF  
 CW 5 MBW  
 BOPD 0  
 BWPD 26  
 MCFPD 216  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0



Attachment VII  
 BOPD  
 BWPD  
 MCFPD

YEARS



11/25/92

## H. J. LOE FEDERAL B No. 3E CURRENT COMPLETION

### LOCATION:

Unit O, 1100' FSL & 2000' FEL  
Sec. 23, T29N, R12W  
San Juan County

### SPUD DATE:

9/29/80

### COMPL DATE:

10/31/80

### PICTURED CLIFFS PERFORATIONS:

1614'-1656'

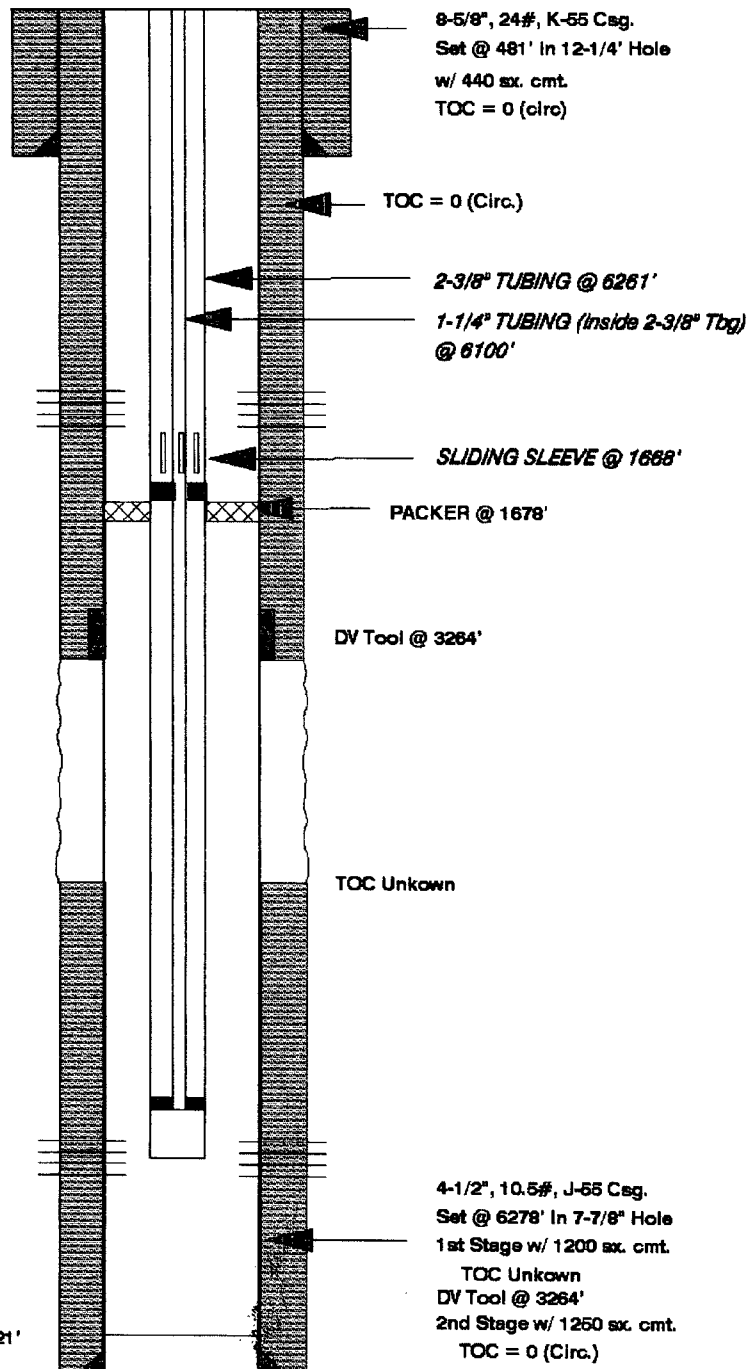
### FORMATION TOPS:

Fruitland 1356'  
Pictured Cliffs 1608'  
Chacra 2595'  
Mesa Verde 3143'  
Gallup 5225'  
Dakota 6061'

### DAKOTA PERFS:

6066' - 6179'

PBTD - 6221'  
TD - 6278'







3/10/95

## H. J. LOE FEDERAL B No. 3E

### Proposed Commingled Completion

#### LOCATION:

Unit O, 1100' FSL & 2000' FEL  
Sec. 23, T29N, R12W  
San Juan County

**SPUD DATE:** 9/29/80

**RECOMPL. DATE:** 11/17/92

#### PICTURED CLIFFS PERFS (11/92):

1614'-20', 1650'-56'; 4 JSPF

Frac w/ 30000 gals. XL gel, 130000# 20/40 sand  
talled w/ 24000# resin coated sand.

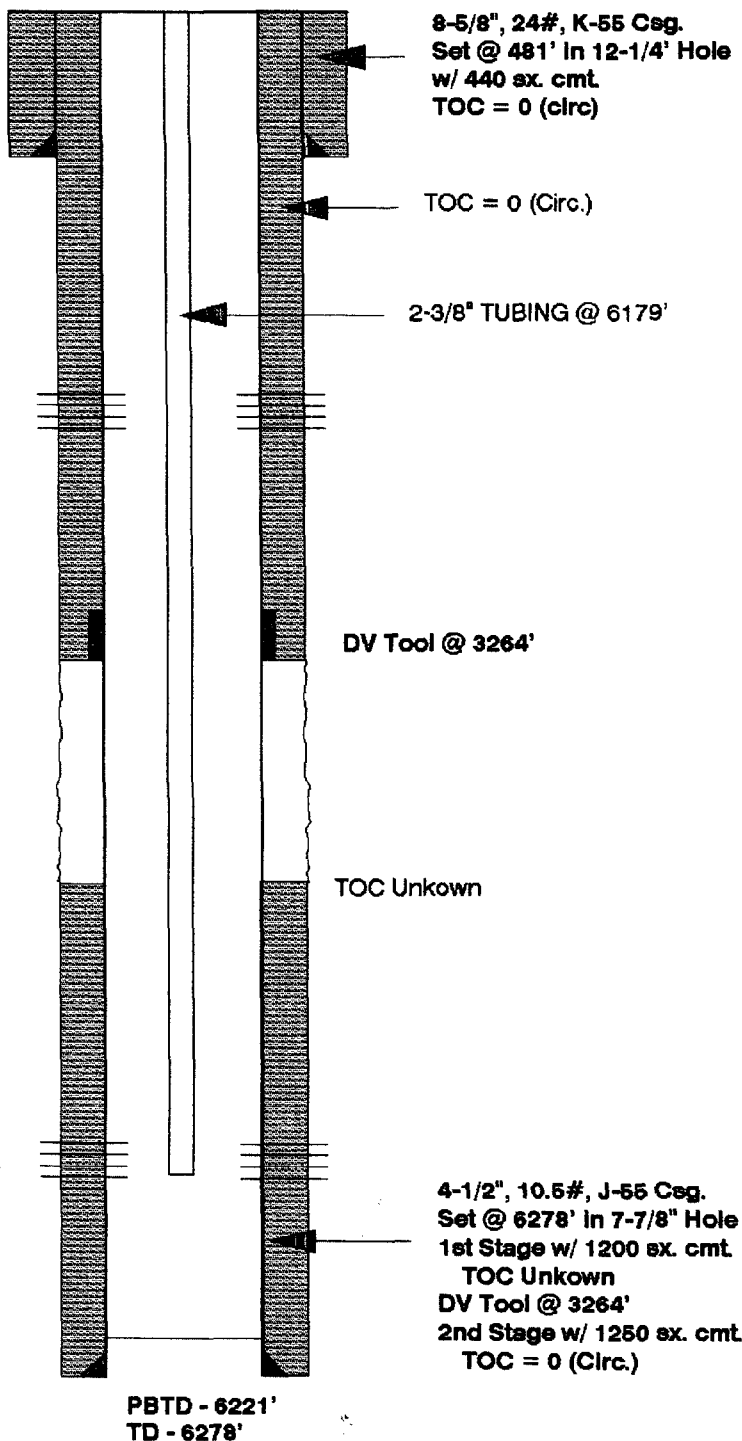
#### FORMATION TOPS:

Fruitland 1356'  
Pictured Cliffs 1608'  
Chacra 2595'  
Mesa Verde 3143'  
Gallup 5225'  
Dakota 6061'

#### DAKOTA PERFS (10/80):

6066'-69', 6138'-42', 6145', 6148', 6156'  
6160', 6164', 6168', 6171', 6176', 6179'.  
w/ 1 JSPF.

Acidized w/ 1800 gals. MSR acid w/ 4 gals. per  
1000 inhibitor 400 SCF N2 per bbl.  
54000 gals. water & 47500# sand.



## NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST

Operator TEXACO E & P INC.Lease H.J.LOE.FEDERAL BWell  
No. 3E

Location

of Well: Unit O Sec. 23 Twp. 29N Rge. 12W County SAN JUAN

	NAME OF RESERVOIR OR POOL	TYPE OF PROD. (OIL OR GAS)	METHOD OF PROD. (Flow or Art. Lift)	PROD. MEDIUM (Tbg. or Csg.)
Upper Completion	FULCHER KUTZ PICTURED CLIFFS	GAS	FLOW	TBG.
Lower Completion	BASIN DAKOTA	GAS	FLOW	TBG.

## PRE-FLOW SHUT-IN PRESSURE DATA

Upper Completion	Hour, Date shut-in LOGGED OFF 9-29-94	Length of time shut-in	Si press. psig	Stabilized (Yes or No)
Lower Completion	Hour, Date shut-in	Length of time shut-in	Si press. psig	Stabilized (Yes or No)

## FLOW TEST NO. 1

Commenced at (hour, date)*				Zone producing (Upper or Lower) LOWER	
TIME (hour, date)	LAPSED TIME SINCE*	PRESSURE		PROD. ZONE TEMP.	REMARKS
		Upper Completion	Lower completion		
10-3-94	24 HRS.	200	312		BOTH ZONES SHUT IN
10-4-94	48 HRS.	200	325		
10-5-94	72 HRS.	200	336		
10-6-94	96 HRS.	200	342		
10-7-94	120 HRS.	200	348		
10-8-94	144 HRS.	201	352		
10-9-94	168 HRS.	203	359		
10-10-94	192 HRS.	205	60		UPPER SHUT IN; LOWER FLOWING
10-11-94	216 HRS.	206	65		UPPER SHUTIN : LOWER FLOWING

FARMINGTON AREA

TAT			MRR	✓	11-2
RH			RDM		
ENG			BRH		

NOV 1 1994

TRB			JLW		
RSD			JDP		
MCB			RFS	✓	3-10
DBS			FILE	✓	
TLD			Return To		

Production rate during test

Oil \_\_\_\_\_ BOPD based on \_\_\_\_\_ Bbls. in \_\_\_\_\_ Hours \_\_\_\_\_ Grav. \_\_\_\_\_ GOR \_\_\_\_\_

Gas \_\_\_\_\_ MCFPD; Tested thru (Orifice or Meter): \_\_\_\_\_

## MID-FLOW SHUT-IN PRESSURE DATA

Upper Completion	Hour, Date shut-in	Length of time shut-in	Si press. psig	Stabilized (Yes or No)
Lower Completion	Hour, Date shut-in	Length of time shut-in	Si press. psig	Stabilized (Yes or No)

Attachment X

RECEIVED  
OCT 29 1994OIL CON. DIV.  
DEPT. 8

UNICHEM INTERNATIONAL  
P.O. BOX 61427 4312 County Road 1298 S.  
Midland, Texas 79711

Texaco

Report Date: March 8, 1994  
Lab In Date: March 8, 1994  
Sample Date: March 4, 1994

Listed below please find our water analysis report from H J Lowe - 2E , DK :

Specific Gravity: 1.025  
Total Dissolved Solids: 35126  
PH: 7.72  
Ionic Strength: .602

CATIONS:

		mg/liter
Calcium:	(Ca++)	144
Magnesium:	(Mg++)	136
Sodium:	(Na+)	13176
Iron (Total)	(Fe++)	.60
Barium	(Ba++)	49.50
Manganese:	(Mn++)	0.00
Resistivity:		

ANIONS:

Bicarbonate:	(HCO3-)	1659
Carbonate:	(CO3--)	0
Hydroxide:	(OH-)	0
Sulfate:	(SO4--)	10
Chloride:	(Cl-)	20000

GASES:

Carbon Dioxide:	(CO2)	*****
Oxygen:	(O2)	*****
Hydrogen Sulfide:	(H2S)	*****

SCALE INDEX (Positive Value Indicates Scale Tendency) \* indicates tests were not run.

Temperature	CaCO3 SI	CaSO4 SI
86F 30.0C	.57	-66.53
104F 40.0C	.79	-66.81
122F 50.0C	1.03	-66.53
140F 60.0C	1.37	-65.95
168F 70.0C	1.67	-65.09
176F 80.0C	2.01	-63.02

If you have any questions or require further information, please contact us.

Sincerely,

*Jeanne McManis*

Laboratory Technician

cc:

bc: Jerry Woodward

Attachment XI-A

UNICHEM INTERNATIONAL  
P.O. BOX 61427 4312 County Road 1298 S.  
Midland, Texas 79711

Texaco

Report Date: March 8, 1994  
Lab In Date: March 8, 1994  
Sample Date: March 4, 1994

Listed below please find our water analysis report from H J Lowe - 2E , PC :

Specific Gravity: 1.000  
Total Dissolved Solids: 268  
PH: 6.51  
Ionic Strength: .004

CATIONS:

		mg/liter
Calcium:	(Ca++)	2
Magnesium:	(Mg++)	0
Sodium:	(Na+)	91
Iron (Total)	(Fe++)	19.60
Barium	(Ba++)	1.20
Manganese:	(Mn++)	0.00
Resistivity:		

ANIONS:

Bicarbonate:	(HCO3-)	73
Carbonate:	(CO3--)	0
Hydroxide:	(OH-)	0
Sulfate:	(SO4--)	2
Chloride:	(Cl-)	100

GASES:

Carbon Dioxide:	(CO2)	*****
Oxygen:	(O2)	*****
Hydrogen Sulfide:	(H2S)	*****

SCALE INDEX (Positive Value Indicates Scale Tendency) \* indicates tests were not run.

Temperature		CaCO3 SI	CaSO4 SI
86F	30.0C	-2.73	-21.84
104F	40.0C	-2.45	-21.84
122F	50.0C	-2.33	-21.84
140F	60.0C	-2.13	-21.84
168F	70.0C	-2.01	-20.91
176F	80.0C	-1.85	-19.94

If you have any questions or require further information, please contact us.

Sincerely,

*Jane McMurry*

Laboratory Technician

cc:

bc: Jerry Woodward





**ALPINE OIL & GAS CORPORATION****P. O. BOX 2567****DURANGO, COLORADO 81302****Thomas B. Grandin, Jr.  
President****Phone (303) 247-5386  
Fax (303) 247-5388**

April 27, 1995

**Texaco Exploration and Production, Inc.  
3300 N. Butler  
Farmington, NM 87401****RE: Downhole Commingle  
H.J. Loe Federal B No. 3E  
Sec. 23-T29N-R12W Unit O NMPM  
San Juan County, New Mexico****Attention: Ted A. Tipton, Area Manager**

Alpine Oil & Gas Corporation is an offset operator to the above referenced well, and has received your letter of April 24, 1995 concerning your proposal to commingle the Fulcher Kutz Pictured Cliffs and Basin Dakota formations.

Alpine Oil & Gas Corporation **OBJECTS** to your proposal. We feel that the reservoir characteristics of the Pictured Cliffs and Dakota formations are so different that commingling may result in injury to the offsetting operators. The purpose of Rule 303- Segregation of Production from pools is to prevent such injury from occurring. We feel that due to the differences in the producing formations that an exception to Rule 303 should not be granted.

Sincerely yours,

**Thomas B. Grandin, Jr.  
President****Certified Mail  
Return Receipt Requested**

TG/sa

10-2000

NATION AREA	
SEARCHED	INDEXED
SERIALIZED	FILED
APR 28 1995	
FBI	NEW
REC'D	NEW
NEW	NEW
DES	NEW
T.D.	Return To

**DURANGO, COLORADO 81302**

**Fax (303) 247-5388**

RE: Downfall Commingle  
H.1. Federal B No. 3E  
Sec. 23-T29N-R12W Unit O NMPM  
San Juan County, New Mexico

*12-10-95*

<b>SECTION 514</b>		<b>DATE</b>	
<b>NAME</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>
<b>AGE</b>	<b>OCCUPATION</b>	<b>ZIP CODE</b>	<b>TELEPHONE</b>
<b>SEX</b>	<b>RACE</b>	<b>EDUCATION</b>	<b>RELIGION</b>
<b>MARRIAGE</b>	<b>SERVICE</b>	<b>REMARKS</b>	<b>INITIALS</b>
<b>T.D.</b>	<b>Return To</b>	<b>DATE</b>	<b>TIME</b>

**APR 28 1995**