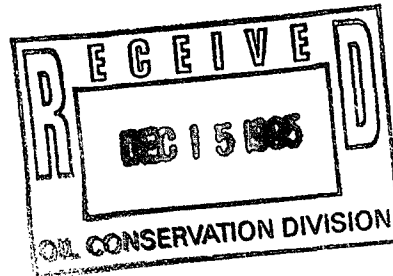


1.3.96  
DHC



P.O. Box 2409  
Hobbs, NM 88241-2409  
Telephone 505/393-7106



Mr. David Catanach  
State of New Mexico  
Oil Conservation Department  
Energy and Minerals Department  
2040 South Pacheo  
Santa Fe, New Mexico 87505

**RE: Request for Exception to Rule 303-A  
Downhole Commingling  
Jicarilla Apache Well No. 12  
Unit Letter A, 800' FNL & 800' FEL  
Section 33, T-26-N, R-5-W  
Blanco Mesa Verde and Basin Dakota Pools  
Jicarilla Field  
Rio Arriba County, New Mexico**

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of the Mesa Verde and Basin Dakota zones in the referenced wells.

The Mesa Verde was completed in July of 1994 and a coiled tubing string installed to aid in the production of the Dakota and the Mesa Verde (production plots attached). The coiled tubing string has not performed as expected. The downhole commingling will allow for the installation of plunger lift equipment for both formations and thus maximize production and prevent waste from both formations.

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please contact me at (505) 393-7106, ext 201. Your prompt consideration of this issue is greatly appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Ricky D. Gaddis'.

Ricky D. Gaddis  
Advanced Production Engineer

**REQUEST FOR EXCEPTION TO RULE 303-A**

**JICARILLA APACHE WELL NO. 12**

**API NO. 30-039-20002**

**Unit Letter A, 800' FNL & FEL**

**Section 33, T-26-N, R-5-W**

**Jicarilla Field**

**Rio Arriba County, New Mexico**

- A. Operator:  
Marathon Oil Company  
P.O. Box 2409  
Hobbs, New Mexico 88240
- B. Plats and Offset Operators:  
Attached.
- C. C-116's:  
Attached.
- D. Production Decline Curves:
- E. Estimated Bottomhole Pressures:  
Mesa Verde                      770 psig.  
Basin Dakota                    930 psig.
- F. Product Characteristics:  
Previous commingling of these zones by other operators in this area have shown that the produced fluids are compatible and commingling will not cause formation damage.
- G. Value:  
Marathon receives the same price for product from both zones and value will not be adversely affected.

H. Production Allocation:

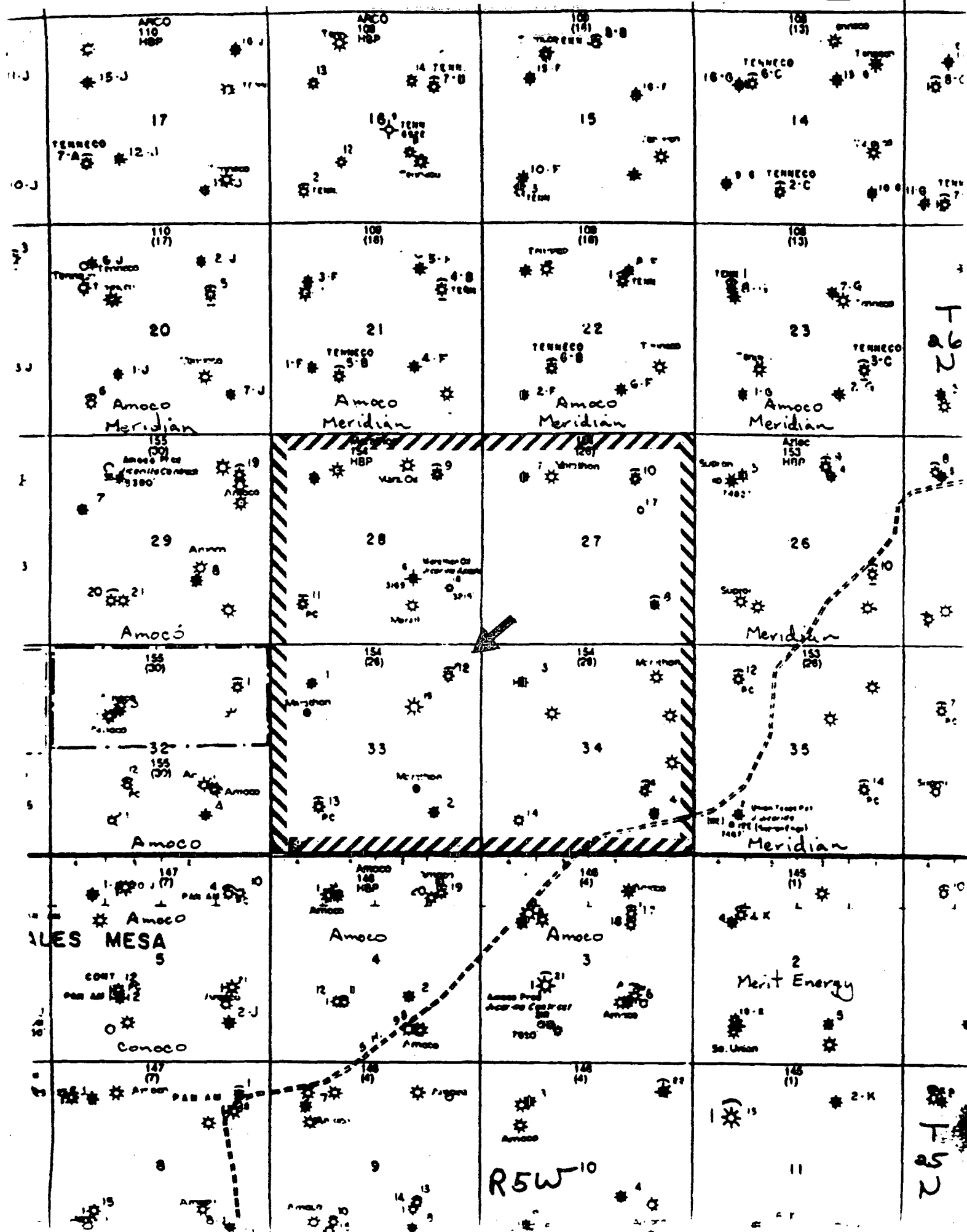
<u>POOL</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>
Mesa Verde	1	60	1
<u>Basin Dakota</u>	<u>1</u>	<u>267</u>	<u>1</u>
Total	2	327	2

Allocated Percentages:

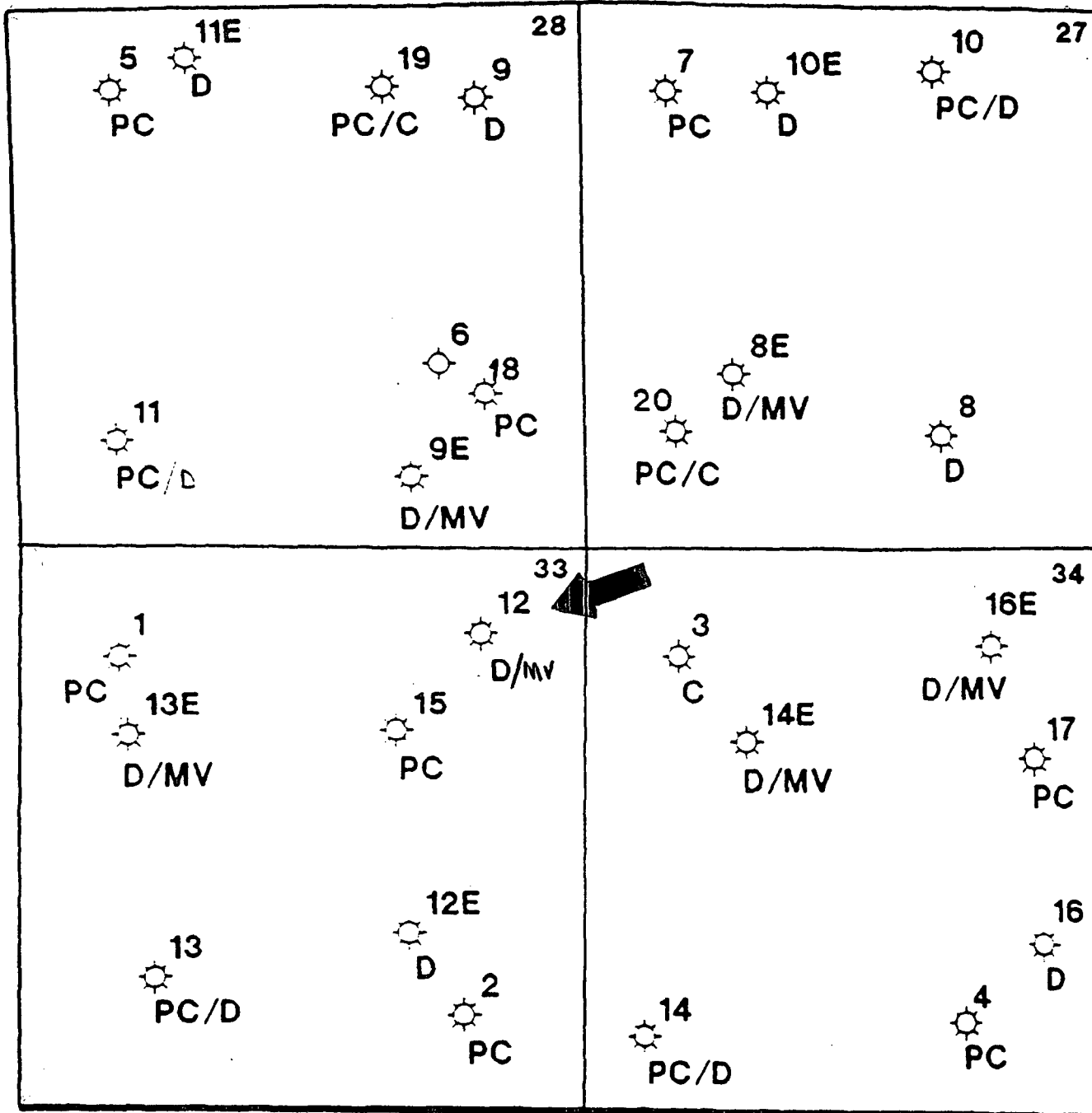
<u>POOL</u>			
Mesa Verde	50%	18.3%	50%
<u>Basin Dakota</u>	<u>50%</u>	<u>81.7%</u>	<u>50%</u>
Total	100%	100.0%	100%

**Request for Exception to Rule 303-A**  
**Jicarilla Apache Well No. 12**  
**Page 2**

- I. Ownership:  
Ownership of all zones is in common and correlative rights will not be compromised.
  
- H. Offset Operator Notification:  
By copy of this letter we are notifying all offset operators (see list, Item B) of the proposed commingling, by certified mail.

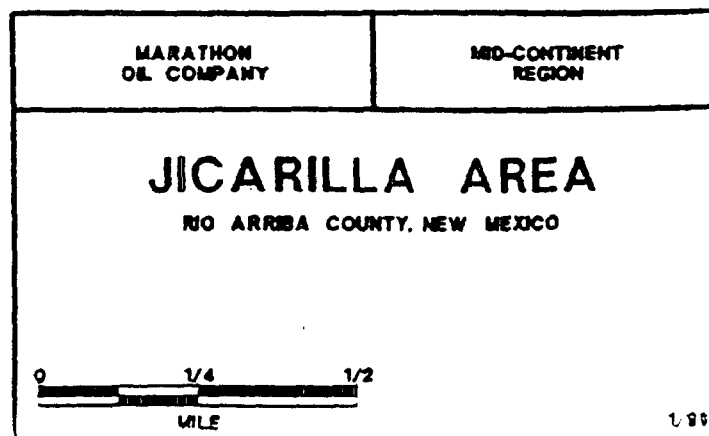


R 5 W



SCALE 1 PER

PC PICTURED CLIFFS  
C CHACRA  
MV MESA VERDE  
D DAKOTA



**OFFSETTING OPERATORS**  
**Jicarilla Apache Well No. 12**  
**Sections 27, 28, 33 & 34 of T-26-N, R-5-W**  
**Rio Arriba County, New Mexico**

Amoco Production Company  
P. O. Box 800  
Denver, CO 80201-0800

Meridian Oil Inc.  
P. O. Box 4289  
Farmington, NM 87401-4289

Conoco Inc.  
10 Desta Dr., Ste. 100W  
Midland, TX 79705-4500

Merit Energy Corp.  
P. O. Box 351  
Midland, TX 79702-0351

Submit 2 copies to Appropriate  
District Office.  
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

Form C-116  
Revised 1/1/89

**GAS - OIL RATIO TEST**

Operator <b>Marathon Oil Company</b>		Pool <b>Mesa Verde-Point Lookout</b>		County <b>Rio Arriba</b>											
Address <b>P.O. Box 2409, Hobbs, NM 88240</b>		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW- ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL		
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.	GAS M.C.F.
<b>Jicarilla Apache</b>	<b>12</b>	<b>A</b>	<b>33</b>	<b>26N</b>	<b>5W</b>	<b>10/03/95</b>	<b>F</b>	<b>Full</b>	<b>249</b>	<b>24.0</b>	<b>0</b>	<b>NA</b>	<b>0</b>	<b>21</b>	<b>-----</b>
<b>NOTE: Well is logged off.</b>															

**Instructions:**

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.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

*Rick Gaddis*

Signature

**Rick Gaddis-Advanced Production Engineer**

Printed name and title

**12/13/95**

Date

**(505) 393-7106**

Telephone No.

Submit 2 copies to Appropriate  
District Office.

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

Form C-116  
Revised 1/1/89

### GAS - OIL RATIO TEST

Operator <b>Marathon Oil Company</b>		Pool <b>Basin Dakota</b>		County <b>Lea</b>										
Address <b>P.O. Box 2409, Hobbs, NM 88240</b>		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW- ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU FT/BBL	
		U	S	T						R	WATER BBLs.	GRAV. OIL		OIL BBLs.
Jicarilla Apache	12	A	33	26N	5W	12/08/95	F	Full	34	24.0	NA	1	227	227,000

#### Instructions:

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.

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

*Rick Gaddis*

Signature

**Rick Gaddis-Advanced Production Engineer**

Printed name and title

**12/13/95**

Date

**(505) 393-7106**

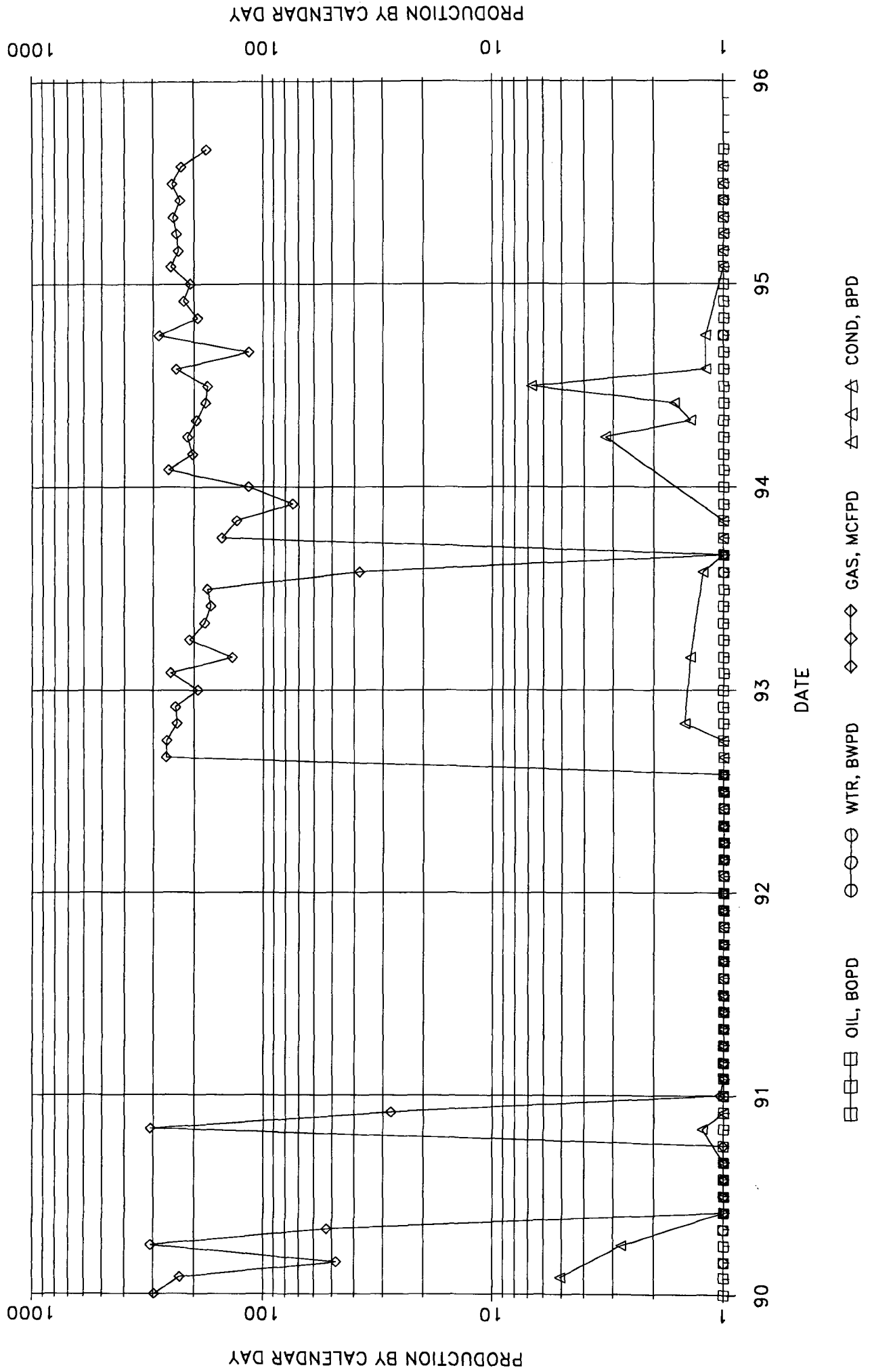
Telephone No.

(See Rule 301, Rule 1116 & appropriate pool rules.)



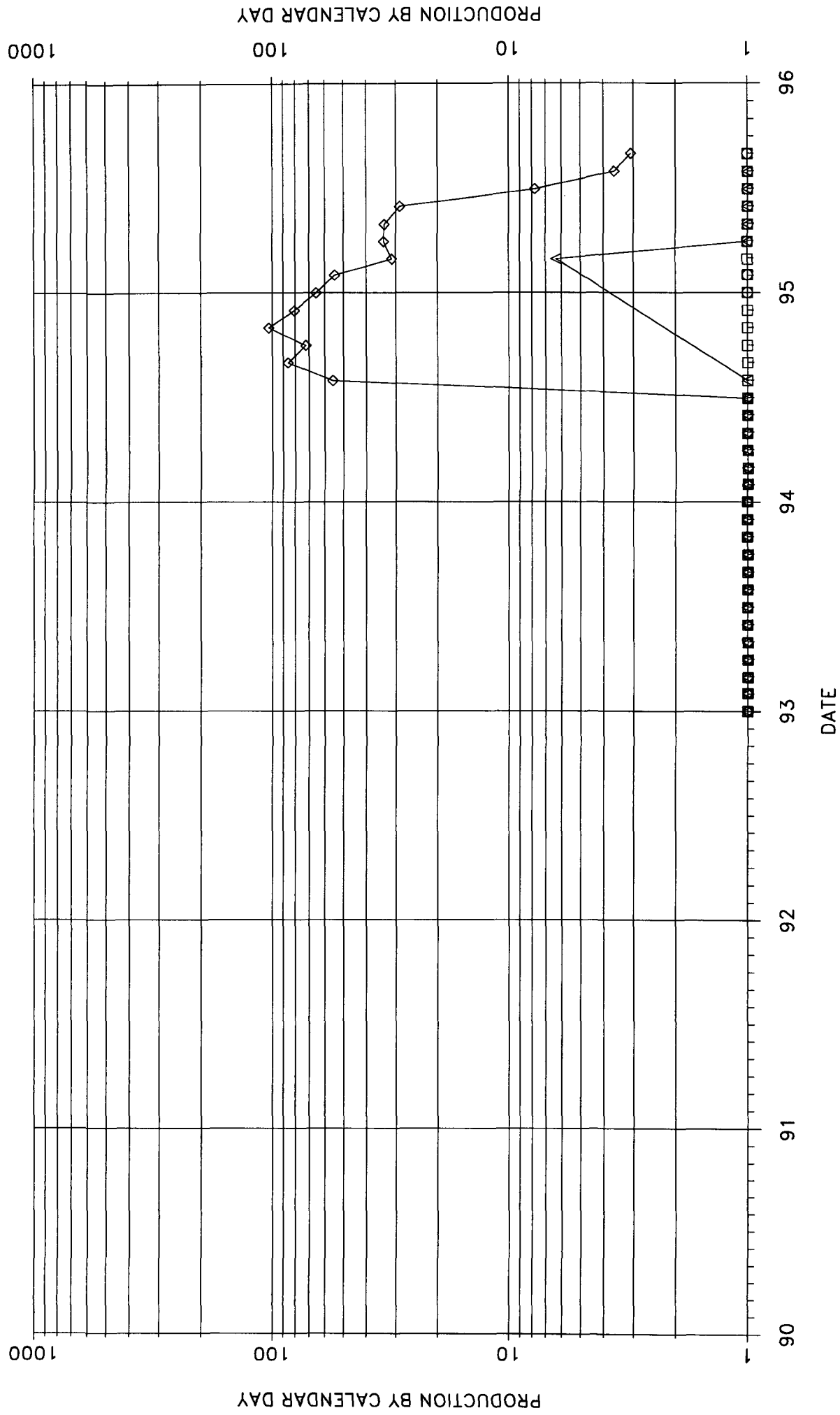
# Midland Operations

JICARILLA APACHE WELL NO. 12 - BASIN DAKOTA



# Midland Operations

JICARILLA APACHE WELL NO. 12 - MESA VERDE



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT - " for such proposals

5. Lease Designation and Serial No.  
Tract 251, Contract 154

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Jicarilla Apache 12

9. API Well No.

30-039-20002

10. Field and Pool, or exploratory Area

Jicarilla MV & BD

11. County or Parish, State

Rio Arriba, NM

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 2409, Hobbs, NM 88240

(505) 393-7106

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit Letter A, 800' FNL & FEL  
Section 33, T-26-N, R-5-W

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Remove CT and DHC.  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Marathon Oil Company is applying to the New Mexico Oil Conservation Division for permission to downhole commingle the Blanco Mesa Verde and Basin Dakota pools in this well. Upon approval from the NMOCD, the existing coiled tubing will be removed from the well, the production tubing pulled, the packer removed and then run back into the well and have plunger lift equipment installed. This proposed work is expected to optimize production from both zones. The estimated start date is upon approval of the DHC permit from the NMOCD.

14. I hereby certify that the foregoing is true and correct.

Signed

Title

Advanced Production Engineer

Date

12/13/95

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\* See Instruction on Reverse Side