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PHC 5-7-96

APR 18 1996

OIL CONSERVATION DIV
SANTA FE

April 16, 1996

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: San Juan 27-5 Unit #146
890'FSL, 840'FWL Section 36, T-27-N, R-5-W, Rio Arriba County, NM
API #30-039-20462

Dear Mr. LeMay:

This is a request for administrative approval for downhole commingling the Blanco Mesa Verde and Basin Dakota pools in the subject well. It is intended to add the Blanco Mesa Verde formation to this Dakota well and commingle both formations.

To comply with the New Mexico Oil Conservation Division rules, Meridian is submitting the following for your approval of this commingling:

1. Form C107A - Application for Downhole Commingling;
2. C-102 plat for each zone showing its spacing unit and acreage dedication;
3. Production curve for the Dakota for at least one year;
4. Notification list of offset operators - Meridian is operator of San Juan 27-5 Unit;
5. Notification list of working, overriding, and royalty interests.

The allocation formula will be based off past Dakota production. Any production over and above Dakota predicted volumes will be allocated to the Mesa Verde.

Please let me know if you require additional data.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

encs.

xc: Bureau of Land Management
State Land Office

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS

☒ Administrative ☐ Hearin

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

☒ YES ☐ NO

Operator

Address

MERIDIAN OIL

PO Box 4289, Farmington, NM 87499

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

San Juan 27-5 Unit

146

M Sec 36,T-27N, R-5-W

Rio Arriba

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7455 API NO. 30-039-20462 Federal , State ☒ , (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	5743-6318'		8200-8416'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. not yet completed (Original) b. 1290 (est)	a. b.	a. 1111 psi b. 3119 psi
6. Oil Gravity (^o API) or Gas BTU Content	1202 (est)		1145
7. Producing or Shut-In?	not yet completed		producing
Production Marginal? (yes or no)	yes		yes
* If Shut-In and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give data and oil/gas/water of recent test (within 60 days)	Date: not yet completed Rates:	Date: Rates:	Date: 03-02-96 Rates: 0.10 BOPD/34 MCF/D 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: % Gas: % Based off past Dakota Production.	Oil: % Gas: % Any production over & above Dakota	Oil: % Gas: % predicted volumes will be allocated to Mesa Verde.

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones?

☐ Yes ☒ No

If not, have all working, overriding, and royalty interests been notified by certified mail?

☒ Yes ☐ No

Have all offset operators been given written notice of the proposed downhole commingling?

☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No (In Federal Unit)

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Peggy Bradfield TITLE Reg/Compliance Admin DATE 04-16-96TYPE OR PRINT NAME Peggy Bradfield TELEPHONE NO. (505) 326-9727

Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Hondo Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C
Revised February 21.
Instructions on
Submit to Appropriate District C
State Lease - 4 C
Fee Lease - 3 C

☐ AMENDED REP

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-039-20462	Pool Code 72319/71599	Pool Name Blanco Mesaverde/Basin Dakota
Property Code 7454	Property Name San Juan 27-5 Unit	Well Number 146
OGRID No. 14538	Operator Name MERIDIAN OIL, INC.	Elevation 7250'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	27 N	5 W		890	South	840	West	R.A.

11 Bottom Hole Location If Different From Surface

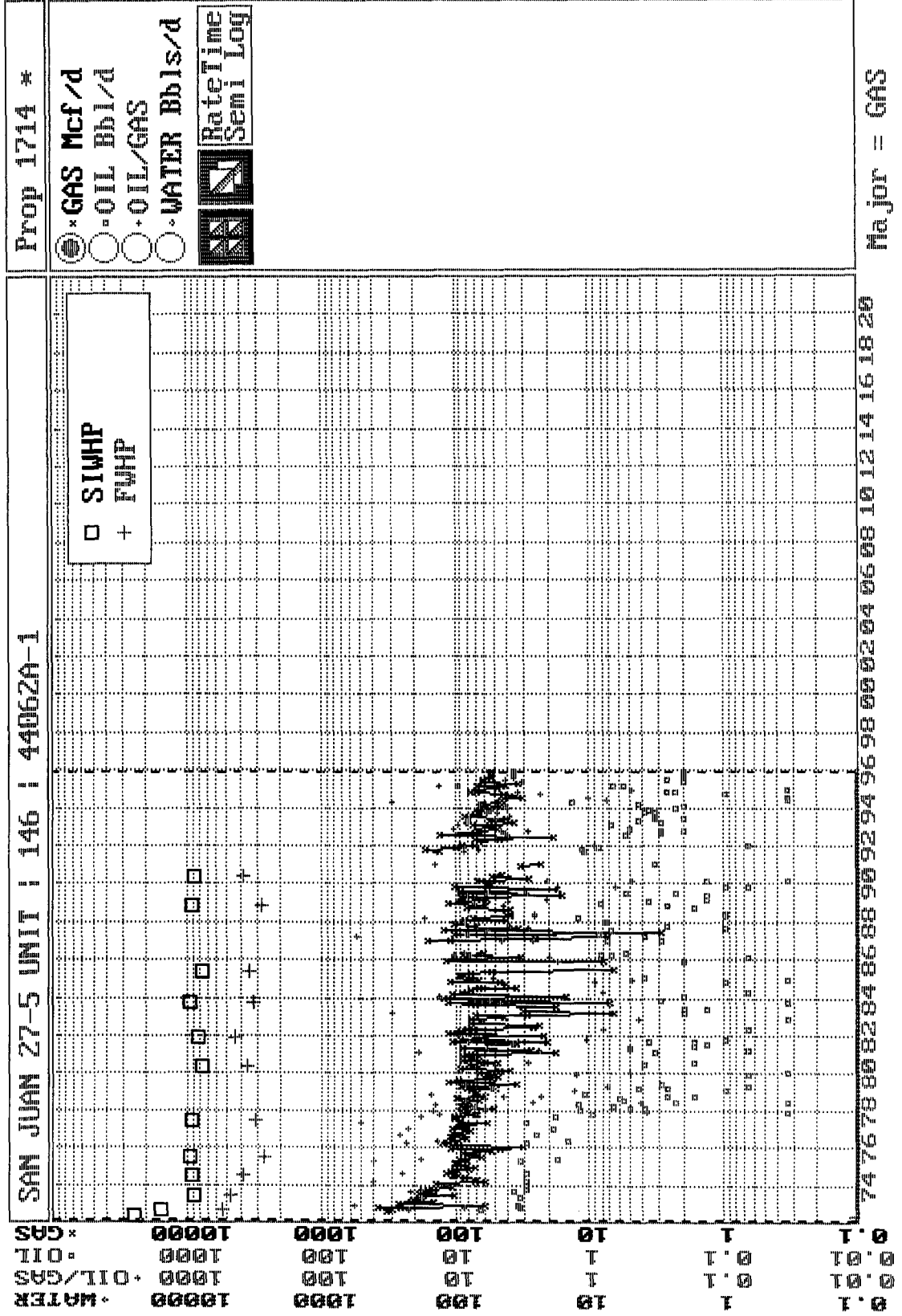
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

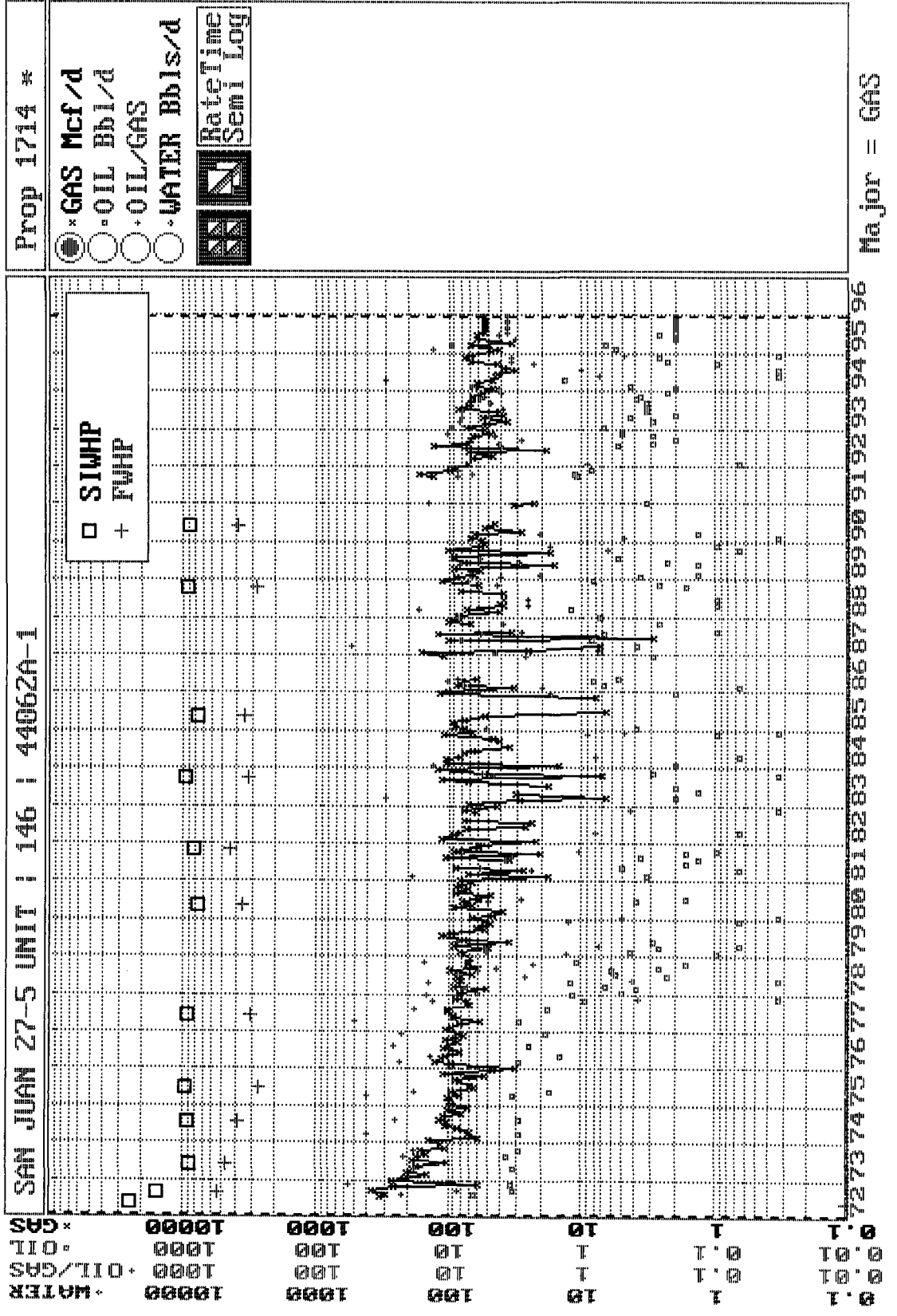
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.

W/320-W/320

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Not resurveyed, prepared from a plat dated 1-18-78 by David O. Vilven.	36	RECEIVED FEB 1 2 1996 OIL CON. DIV. DIST. 3	17 OPERATOR CERTIFICATE I hereby certify that the information contained hereon is true and complete to the best of my knowledge and belief. Signature <u>Peggy Bradfield</u> Printed Name Regulatory Administrator Title 2-7-96 Date
			18 SURVEYOR CERTIFICATE I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made or under my supervision, and that the same is true and correct to the best of my belief. 2-6-96 Date of Survey Signature and Seal of Professional Surveyor C. E. EDWARDS 8857 8857 Certificate Number





Major = GAS

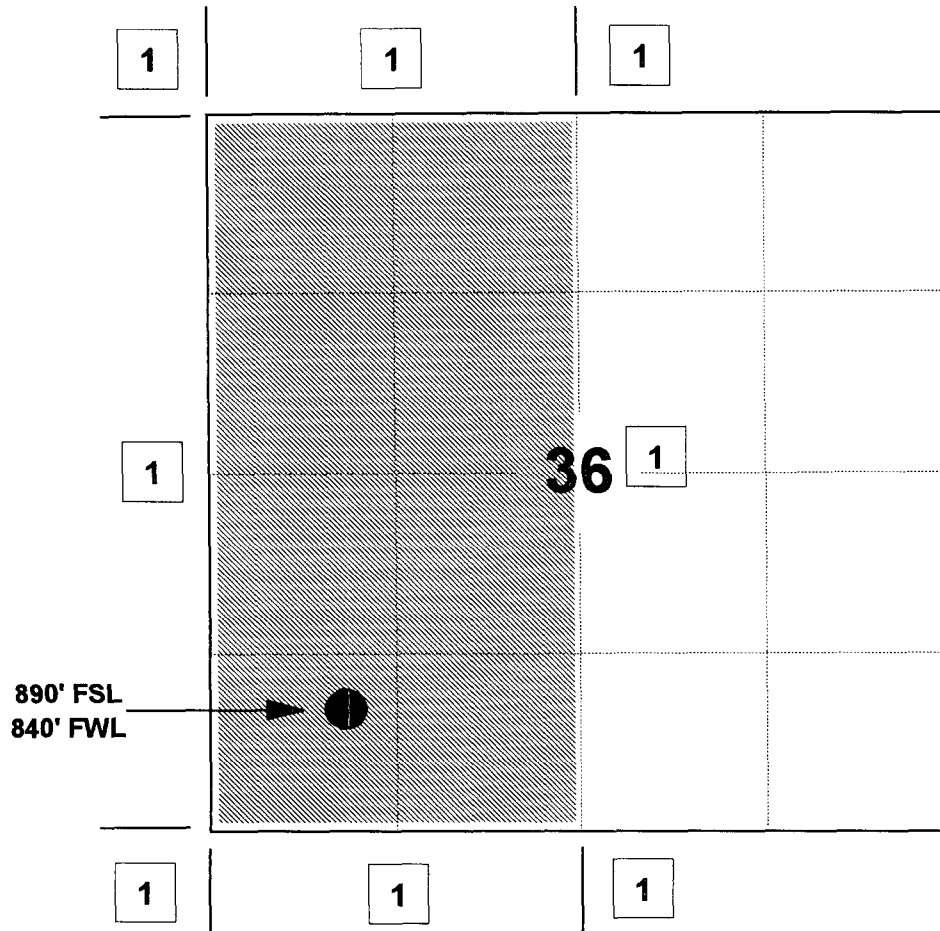
MERIDIAN OIL INC

SAN JUAN 27-5 UNIT #146

OFFSET OPERATOR \ OWNER PLAT

Mesaverde / Dakota Formations Commingle Well

Township 27 North, Range 5 West



1) Meridian Oil Inc

**SAN JUAN 27-5 UNIT
MESAVERDE FORMATION**

Amoco Production Company
Bedrock Limited Partnership
Cinco General Partnership
Coastal Oil & Gas Corporation
Cruzelia C. & Pat D. Montoya
Donald R. & Florence M. Candelaria
EJE Brown Company
Francis Lerby Candelaria
Genevieve Candelaria
Gerald E. Harrington
Gerald F. Harrington Trust
Harold O. Pool Irrevocable Trust
J. Fidel & Cordelia Candelaria
James M. Raymond, Ind. & as Trustee for Corinne M. Gay & Maydell Miller Mast Trusts
James V. Harrington
John Christopher Candelaria
Kerr-McGee Corporation
Langdon D. Harrison
MAR Oil & Gas Corporation, Inc.
Mary Jone Chappell
Mercedes M. Skidmore
Meridian Oil Inc.
Nick G. Candelaria
Pablo Lenny Candelaria
Paul M. Candelaria
Paulette Sharon Candelaria
Robert L. Bayless
Robert P. Tinnin
Ruth Zimmerman Trust
Stephanie A. & Carlos Martinez
Sunwest Bank for Kathleen Quinn
Tempe LTD Partnership
T. H. McElvain Oil & Gas Limited Partnership
Thelma Pool Revocable Trust
The Wiser Oil Company
Thomas & Mary Dugan

**SAN JUAN 27-5 UNIT
DAKOTA FORMATION**

Amoco Production Company
Bedrock Limited Partnership
Cinco General Partnership
Coastal Oil & Gas Corporation
Cruzelia C. & Pat D. Montoya
Donald R. & Florence M. Candelaria
EJE Brown Company
Francis Lerby Candelaria
Genevieve Candelaria
Gerald E. Harrington
Gerald F. Harrington Trust
Harold O. Pool Irrevocable Trust
J. Fidel & Cordelia Candelaria
James M. Raymond, Ind. & as Trustee for Corinne M. Gay & Maydell M. Mast
James V. Harrington
John Christopher Candelaria
Kerr-McGee Corporation
Langdon D. Harrison
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Meridian Oil Inc.
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Pablo Lenny Candelaria
Paul M. Candelaria
Paulette Sharon Candelaria
Robert L. Bayless
Robert P. Tinnin
Ruth Zimmerman Trust
Stephanie A. & Carlos Martinez
Sunwest Bank for Kathleen Quinn
Tempe LTD Partnership
T. H. McElvain Oil & Gas Limited Partnership
Thelma Pool Revocable Trust
The Wiser Oil Company
Thomas & Mary Dugan
Williams Production Company