

27852

DHC 8/3/00

2791

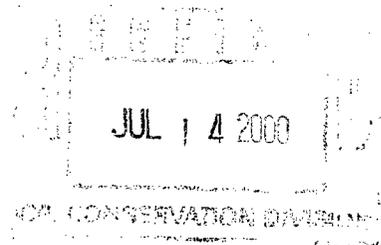


Arch Petroleum Inc.

CERTIFIED MAIL RETURN RECEIPT REQUESTED

July 11, 2000

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Attention: Mr. David R. Catanach



Re: Fowler Prospect
Lea County, New Mexico
**Application for Administrative Approval
For Downhole Commingling**
Learcy McBuffington 13Y Well
S/2 Section 13, T-25-S, R-37-E,
Arch Lease 728.001

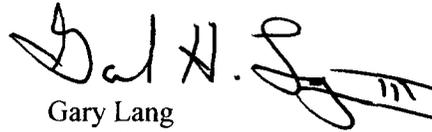
Gentlemen:

Arch Petroleum Inc., respectfully submits herewith its application for Administrative Approval for Downhole Commingling of the captioned well. Enclosed please find a Form C-107-A with appropriate attachments for such well.

If you have any questions, please give Mr. Mark Kelly or myself a call.

Sincerely,

ARCH PETROLEUM INC.


Gary Lang
Consulting Landman

Enclosures

cc: New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88240
Attn: District Supervisor
(w/copy of enclosure)

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 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Pogo Producing Company Address P.O. Box 10340 Midland, TX 79702-7340

Lease Learcy McBuffington 13Y Well No. 0 13 25S 37E Unit Ltr. - Sec - Twp - Rge Lea County

OGRID NO. 000962 Property Code 14912 API NO. 30-025-35004 Spacing Unit Lease Types: (check 1 or more) 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	Justis Abo Central 96630		Justis Montoya 35150
2. Top and Bottom of Pay Section (Perforations)	6760' - 6780'		6978' - 7000'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 2228 estimated	a.	a. 2200 estimated
	b. (Original) 2573	b.	b. 2655
6. Oil Gravity (°API) or Gas BTU Content	35.2		36
7. Producing or Shut-In?	Producing		Shut In
Production Marginal? (yes or no)			
* If Shut-In, give date 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: 5/29/00 Rates: 14/10/12
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 7/8/00 Rates: 21/40/60	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 60 % Gas: 80 %	Oil: % Gas: %	Oil: 40 % Gas: 20 %

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 No
11. 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 No
13. 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
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 Mark V Kelley TITLE Sr. Petroleum Engr. DATE _____

TYPE OR PRINT NAME Mark V. Kelley TELEPHONE NO. (915) 685-8100

**Production Estimate and Supporting Data for Form C-107-A
Application for Downhole Commingling Learcy McBuffington #13Y**

During initial completion operations the Justis Montoya interval (6978'-7000') was tested as shown below:

DATE	BOPD	BWPD	MCFPD
5/15/00	19	65	27
5/19/00	23	27	35
5/23/00	14	19	20
5/29/00	14	12	10

A cast iron bridge plug was set at 6930 feet and the Justis Abo Central zone (6657'-6780') was tested separately as follows:

6/10/00	31	41	90
6/16/00	20	16	70
6/19/00	18	19	70
7/08/00	21	60	40

The well has been completed in the Justis Abo Central zone with the Montoya zone still below the bridge plug. The fixed percentage allocation based on the latest test is reported in item No. 8.

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35004		Pool Code 35150	Pool Name JUSTIS-MONTOYA
Property Code 14912	Property Name McBUFFINGTON		Well Number 13Y
OGRID No. 962	Operator Name ARCH PETROLEUM, INC.		Elevation 3077

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	25 S	37 E		630	SOUTH	2490	EAST	LEA

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Joe T. Janica</i> Signature</p> <p>Joe T. Janica Printed Name</p> <p>Agent Title</p> <p>04/12/00 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>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 belief.</i></p> <p>3/11/2000 Date Surveyed</p> <p>DC</p> <p>Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 3/11/00</p> <p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12841 MACON McDONALD 12185</p>

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-35004	² Pool Code 96630	³ Pool Name Justis Abo Central
⁴ Property Code 14912	⁵ Property Name McBuffington	
⁷ OGRID No. 000962	⁸ Operator Name Arch Petroleum Inc.	⁶ Well Number 13Y
		⁹ Elevation 3077

¹⁰Surface Location

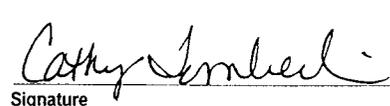
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
0	13	25S	37E		630	South	2490	East	Lea

¹¹Bottom 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 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16					<p>¹⁷OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p></p> <p>Signature Cathy Tomberlin</p> <p>Printed Name Operation Tech</p> <p>Title 06/19/00</p> <p>Date</p>
					<p>¹⁸SURVEYOR CERTIFICATION</p> <p><i>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 belief.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p>
	<p>--- 2490 ---</p> <p>--- 630 ---</p>				<p>Certificate Number</p>

ATTACHMENT
TO Form C-107-A
Application for Downhole Commingling Learcy McBuffington #13Y

Item #10. Arch Petroleum Inc. is the offsetting Operator; therefore, no written notice is required.