



August 26, 1994

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87504

Authorization to Produce
Jicarilla Contract 146 # 40 Well
1090' FSL, 1650' FWL, Sec. 3, T25N-R5W
Basin Fruitland Coal Pool/ So. Blanco Pictured Cliffs Pool
Rio Arriba County, New Mexico

Southern
Rockies
Business
Unit

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AUG 29 1994
OIL CON. DIV.
DIST. 3

Per my telephone conversation with Mr. David Catanach, Amoco Production Company hereby requests authorization to produce the Jicarilla Contract 146 # 40 well for a period of 60 days to stabilize production and to perform pressure testing and flow rate testing for the purpose of allocating production from the Basin Fruitland Coal Pool and the So. Blanco Pictured Cliffs Pool. The well has previously been producing from the Blanco Mesaverde Pool which is now isolated below a bridge plug. We have recompleted the well to the Basin Fruitland Coal Pool and the So. Blanco Pictured Cliffs Pool with the two formations currently separated by a packer although there does appear to be some behind pipe communication. We plan to produce the two formations into a single surface facility for a period of 30 days to stabilize production followed by a 30 day period of individual zone testing with compression to determine a proper allocation formula. During this period we plan to gather pressure data on both flowing and shut-in conditions to determine the extent of behind pipe communication. We plan to use this information to file an application for downhole commingling of the Fruitland Coal, Pictured Cliffs, and Blanco Mesaverde formations. The ownership of all three horizons is common (WL, RI, ORI).

Sincerely,

J. W. Hawkins

J. W. Hawkins

cc: Steve Smethie

Ernie Busch
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1000 Rio Brazos Rd.
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