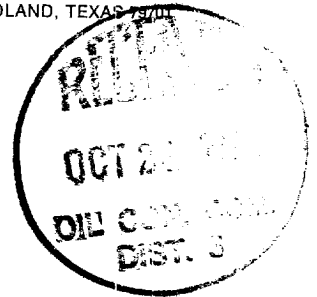


# Mobil Oil Corporation

P.O. BOX 633  
MIDLAND, TEXAS 79701

October 23, 1974

United States Geological Survey  
Farmington District  
P. O. Box 959  
Farmington, New Mexico 87401



APPLICATION OF MOBIL OIL CORPORATION  
FOR EXCEPTION TO RULE 303 (A)  
FOR AUTHORIZATION TO DOWNHOLE  
COMMINGLE PRODUCTION FROM THE  
GAVILAN PICTURED CLIFFS AND  
BLANCO MESAVERDE GAS POOLS  
IN THE WELLBORE OF MOBIL'S  
FEATHERSTONE FED. WELL NO. 1  
RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

Mobil Oil Corporation respectfully requests your approval of our request for an exception to the New Mexico Oil Conservation Commission's Rule 303(A) for authorization to commingle, within the wellbore of Mobil's Featherstone Fed. #1, production from the Gavilan Pictured Cliffs and Blanco Mesaverde Gas Pools. The subject well is located in Unit A, Section 19, T-26-N, R-2-W, Rio Arriba County, New Mexico.

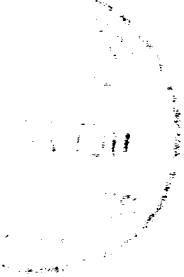
The basic data for each of the zones proposed to be commingled in the subject well is as follows:

	GAVILAN P. C.		BLANCO MESAVERDE	
	<u>Condensate</u>	<u>Gas</u>	<u>Condensate</u>	<u>Gas</u>
Gravity	47.9°	0.721	47.9°	0.701
Present Production	0.85 BOPD	23 MCFD	0.75 BOPD	76 MCFD
Interval	3832'-3887'		5602'-6090'	
Shut-in Pressure	242 psia		387 psia	

We believe that the subject well qualifies for consideration as an exception to Rule 303(A) since both zones of this request are very low productivity gas zones and are compatible. The liquid production from the two subject zones is compatible, as evidenced by the successful surface commingling of the liquids on the adjacent Jicarilla Leases since 1958. The ownership of both zones to be commingled is common, including working interest and royalty. The value of the commingled production will not be less than the sum of the values of the individual streams and the purchasers have consented to this proposal. We do not believe that commingling will violate correlative rights and the offset operators have been notified of this application.

# McCall Oil Corporation

EXHIBIT A  
TO EXHIBIT B



McCall Oil Corporation

McCall Oil Corporation  
1000 West 10th Avenue  
Denver, Colorado 80202  
Telephone: 333-1234

THIS DOCUMENT IS A COPY OF THE  
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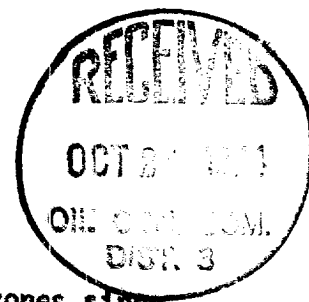
Page 1 of 1

The following is a summary of the information contained in the report. The report was prepared by the McCall Oil Corporation and is a confidential document. It contains information regarding the operations of the McCall Oil Corporation and its subsidiaries. The information is classified as "Confidential" and is not to be released to the public without the express written consent of the McCall Oil Corporation.

The report is a confidential document and is not to be released to the public without the express written consent of the McCall Oil Corporation.

Item	Description	Quantity	Value
1	Oil	1000	\$1000.00
2	Gas	500	\$500.00
3	Electricity	100	\$100.00
4	Water	100	\$100.00
5	Other	100	\$100.00
6	Oil	1000	\$1000.00
7	Gas	500	\$500.00
8	Electricity	100	\$100.00
9	Water	100	\$100.00
10	Other	100	\$100.00

The following is a summary of the information contained in the report. The report was prepared by the McCall Oil Corporation and is a confidential document. It contains information regarding the operations of the McCall Oil Corporation and its subsidiaries. The information is classified as "Confidential" and is not to be released to the public without the express written consent of the McCall Oil Corporation.



The subject well has produced as a dual gas well in the subject zones since 1959, as authorized by Order No. R-1088, dated May 13, 1957. The gas production has now declined to a very low productivity stage, with the Pictured Cliffs zone now producing 23 MCF/gas/day and the Blanco Mesaverde zone now producing 76 MCF/gas/day. Both zones produce small amounts of distillate, which we believe is restricting the flow of the remaining gas into the wellbore. If this request is approved, we would proceed to set a pumping unit on the Featherstone Fed. Well #1 in an attempt to keep the fluid removed from the area of the perforations, and thereby providing more efficient production of the gas. Other benefits would be: (a) salvage of 3870' of 2-3/8" tubing for more beneficial use elsewhere, and (b) possible increase in wellhead pressure available to overcome existing gathering line backpressures. We believe that the proposed downhole commingling may substantially extend the productive lives of both zones, and may result in the recovery of additional distillate, thereby preventing waste.

In support of this application we respectfully submit the following information for your consideration:

- Exhibit #1 - A plat showing the location of the subject lease in the pool.
- Exhibit #2 - A wellbore sketch of the proposed installation in the subject well.
- Exhibit #3 - A copy of the latest well tests for each zone in the subject well.
- Exhibit #4 - Production curves for each zone in the subject well.
- Exhibit #5 - A tabulation of the production for each zone in the subject well.
- Exhibit #6 - Letters of consent from the purchasers of the production from the subject well.

We respectfully request your approval of this proposed downhole commingling in the Featherstone Fed. Well #1, as we believe that it will result in a more efficient recovery of additional distillate and gas in this well.

