

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	3. LEASE DESIGNATION AND SERIAL NO. Contract 153
2. NAME OF OPERATOR Union Texas Petroleum Corp.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache
3. ADDRESS OF OPERATOR P.O. Box 2120 Houston, TX 77252-2120	7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 800' FNL & 800' FEL	8. FARM OR LEASE NAME Jicarilla J
14. PERMIT NO.	9. WELL NO. 23
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6639' Gr.	10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde/ Basin L.N. Dakota GA/
	11. SEC., T., R., M., OR BLK. AND SURVEY OR ARMA Sec. 25, T26N-R5W, NMPM
	12. COUNTY OR PARISH Rio Arriba
	13. STATE NM

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <input type="checkbox"/>	Commingle Permit <input checked="" type="checkbox"/>	(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. 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.)*

We propose that the Gallup Formation be perforated, faced and commingled with MV and Dakota. Offset operators have been notified with copies attached.

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MAR 26 1990

OIL CON. DIV.
DIST. 3

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

SIGNED

[Signature]

TITLE Regulatory Permit Clerk Date 3/21/90

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED

MAR 1 1990

AREA MANAGER

*See Instructions on Reverse Side

Memorandum



Union Texas Petroleum

Date: January 24, 1990
To: S. J. Hunter
From: P. M. Pippin
Subject: Jicarilla J #23 MV/DK
Proposed Capital New Zone Workover
800' FNL, 800' FEL; Sec. 25, T26N-R5W
Rio Arriba County, New Mexico
Jicarilla North Area

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DIST. 3

We propose that the Gallup formation be perforated, fraced, and its production commingled with the Mesaverde and Dakota in the subject dual Mesaverde/Dakota well. We now have a directive from the N.M.O.C.D. to initiate immediate remedial activity. See the attached State directive.

We anticipate a total production increase of 150 MCF/D and 2 BOPD. The gas will be from the West Lindrith Gallup Dakota oil pool, thus classified as "casinghead gas" and dedicated to GCM under Contract #4548. Since our July 17, 1989, agreement with the pipeline, we anticipate future pipeline curtailment to be negligible. The subject well may be commingled in the Mesaverde-Gallup-Dakota as per New Mexico State Order number R-7507. Economic calculations reflect a payout of the gross investment of \$148,620 in 2.7 years with an ROR of 70% and a P.I. of 5.3. Using a risk factor of 0.75, payout is 3.2 years with an ROR of 48% and a P.I. of 3.8.


The well was completed in January 1981 as a dual Mesaverde/Dakota well. The completion was in 4-1/2" casing with the Dakota (lower) zone being produced up 2-3/8" tubing and the Mesaverde produced up the annulus. A packer was utilized to segregate the two producing intervals. The Dakota has a cumulative of 604 MMCF and 3285 BO with a present capacity of 250 MCF/D and 1.5 BOPD.

Mesaverde wells completed in this fashion are generally poor performers because of fluid loading. Fluid loading of the Mesaverde completion results from the well being produced up the tubing-casing annulus. The produced fluids are not removed at lower gas velocities and accumulated in the casing. Back pressure increases as the fluid column increases, reducing flow which further aggravates the fluid loading and results in the Mesaverde completion being marginal. The Mesaverde in the subject

Jicarilla J #23
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well has a cumulative of only 98 MMCF and 478 BO. However, special attention by the well's pumper has resulted in an increase in the Mesaverde's current capacity from almost 0 MCF/D to 54 MCF/D. The well must be blown to atmosphere every two days to obtain this on-line production rate. This capacity indicates what the Mesaverde could produce under a more efficient producing situation, such as the proposed commingling. Commingling of the Mesaverde with the higher gas volume Dakota will allow all fluid to be produced up tubing, allowing higher velocity, thus more effective liquid removal. Artificial lift will be possible after commingling if reservoir energy in the future is inadequate to lift produced fluids.

In addition to more effective production of the Mesaverde, it is proposed to add a Gallup completion to this well. Very similar workovers have already been completed on two other Mesaverde/Dakota dual wells in the Jicarilla J lease. A workover was completed on Jicarilla J #12E (SWSW Sec. 35, T26N-R5W) in December, 1984, resulting in a net increase of 210 MCF/D and 4.5 BOPD. The workover on Jicarilla J #9E (NWNW Sec. 26, T26N-R5W) in November, 1986, resulted in a net increase of 90 MCF/D. See the attached production curves. Similar to this recommendation on the subject well, these two workovers opened the massive Gallup interval and commingled it with the Mesaverde and Dakota.

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