Form 3160-5 November 1983) Formeriv 9-331)	UNITED STATE EPARTMENT OF TH		SUBMIT IN TRIPLICA (Other instructions on	ATE• Budg	get Bureau No. 1004-0135 tres August 31, 1985
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CLIVIDO			WELLC	6. IF INDI	ontract 153 AN. ALLOTTEE OR TRIBE NAME
	Y NOTICES AND RI				
U	n for proposals to drill or to de e "APPLICATION FOR PERMIT	" for such propos	als.)	Ji	carilla Apache
OIL GAS				7. UNIT A	SEEMENT NAME
2. NAME OF OPERATOR	OTHER			S PARM O	R LEASE NAME
	exas Petroleum Corp		,		Jicarilla J
3. ADDRESS OF OPERATOR	zxas recroteum corp	•		9. WELL I	
P.O. Box 2120 Houston, TX 77252-2120				2	25
LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface				10. FIELD	AND POOL, OR WILDCAT
					Slanco Mesaverde/GAL
0401 580	0 11001 EE1			11. SEC., 1	T., R., M., OR BLE. AND DAK
940° FNI	_ & 1100' FEL				Soc 26 T26N DEW NM
i. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)				12. COUNT	Sec. 36, T26N-R5W, NM
		6663 GR			Arriba NM
1 .	Check Appropriate Box To		e of Netter Deser		
		inaicate INGIU:			
NOTICE OF INTENTION TO:				BSEQUENT REPORT	, OF:
TEST WATER SHUT-OFF	PULL OR ALTER CASE	'o	WATER SHUT-OFF	i	REPAIRING WELL
FRACTURE TREAT SHOOT OR ACIDIZE	MULTIPLE COMPLETE ABANDON®		FRACTURE TREATMENT		ALTERING CASING
REPAIR WELL	CHANGE PLANS		(Other)		ABANDONMENT*
Other)	 Comminale Permit	X	(Note: Report re	esults of multiple completion Report	completion on Well
	ose that the Gallup & Dakota. Offset				
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					MAR2 6 1990
				O	L CON. DIV
					DIST. 3
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				0	WICH.
18. I hereby certify that the	foregoing is true and correct		1	nDRI	MED
SIGNED	mull	TITLE Regula	tory Permit Co	#L 193	2/14/90
(This space for Federal o	or State office use)			- 4	7620
APPROVED BY		mimi is		MARI	S/X/ .
CONDITIONS OF APPRO	OVAL, IF ANY:	TITLE		Jan 59	TOTAL
		7.75		. JFN N	IANAULII
			1962	ahth I	II to
	*See	Instructions on	Reverse Side	1 11	

Memorandum



Union Texas Petroleum

VARIA BOO

the transfer of the party of th

Date:

January 24, 1990

To:

S. J. Hunter

From:

P. M. Pippin

Subject:

Jicarilla J #25 MV/DK
Proposed Capital New Zone Workover
940' FNL, 1100' FEL; Sec. 36, T25N-R5W
Rio Arriba County, New Mexico
Jicarilla North Area

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 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 GCNM 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 \$150,820 in 2.7 years with an ROR of 69% and a P.I. of 5.2. Using a risk factor of 0.75, payout is 3.2 years with an ROR of 48% and a P.I. of 3.7.

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 459 MMCF and 3605 BO with a present capacity of 200 MCF/D and 2 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 well has a cumulative of only 32 MMCF.

Jicarilla J #23 Page Two

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.