

**AUSTRAL OIL COMPANY
INCORPORATED**

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cable-AUSTROIL

2700 Exxon Building Houston, Texas 77002
P. O. Box 259
Lamesa, Texas
June 19, 1975



New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Re: Request for authority to commingle gas production downhole in Bunny #1-10, Basin Dakota and Blanco Mesa Verde Reservoirs, San Juan County, New Mexico

Gentlemen:

Austral Oil Company Incorporated requests authority to commingle downhole, the gas production from separate gas reservoirs in its Bunny # 1-10, in the Basin Dakota and the Blanco Mesa Verde Reservoirs in San Juan County, New Mexico.

The subject well is located 1190 feet from the East Line and 1040 feet from the South Line of Section 10, T-27-N, R-9-W, San Juan County, New Mexico.

Bunny #1-10 was drilled and completed in 1964. The lower producing interval, the Basin-Dakota zone, is perforated 6432-50', 6502-27', 6534-40', 6564-72', 6578-84', 6590-6600', 6608-14', 6618-40', and 6662-72 with 2 jets per foot. The Blanco Mesa Verde interval is perforated 4357-65', 4367-74', 4378-84', 4389-99', 4405-17', and 4475-43' with 2 jets per foot.

The well is presently dually completed with a Baker Model D-1 wireline packer set at 6400 feet.

Production is now through dual tubing strings. The Basin Dakota is produced through a string of 1 1/4" 2.1 #J-55, 10 round thread non-upset electric weld tubing which is set in the Baker Packer. This string is equipped with 6 blast joints to protect it from erosion effects from gas entering the 4 1/2" casing through the Mesa Verde perforations. The Mesa Verde produces through a string of 1 1/4" 2.1 #J-55 10 round thread non-upset tubing which is bottomed at 4325 feet. The attached sheet shows the dual completion.

Communication now exists between the two zones.

During 1974 the well was worked over to eliminate a similar problem. Six days of pulling unit time were required to pull and rerun the parallel tubing strings. The well was vented to the atmosphere while the work was performed and some risk of fire was accepted. The cost of this work was approximately \$4100. Due to inflation we estimate that a similar repair at this time could cost as high as \$6000.

Production from Bunny #1 is marginal. During May, 1975, the following volumes were sold from this well:

	<u>Gas, MCF</u>	<u>Oil, Barrels</u>
Basin Dakota	3411	76
Blanco Mesa Verde	6599	161
	10010 MCF	237 BO

Because of the Marginal producing status of the well, the high estimated cost for repair, the waste of gas which would occur during a workover, and the possible fire hazard, Austral feels that another workover is unwarranted, hence our application to commingle.

If this application is approved, we propose to allocate production to each reservoir based upon current production, i.e:

	<u>Gas</u>	<u>Oil</u>
Basin Dakota	34.1%	32.1%
Blanco Mesa Verde	65.9%	67.9%

Yours very truly,

AUSTRAL OIL COMPANY INCORPORATED


W. J. Sandidge
District Engineer

WJS/th
Attachments

DOCKET MAILED

Date 7/2/75

SCHEMATIC DRAWING

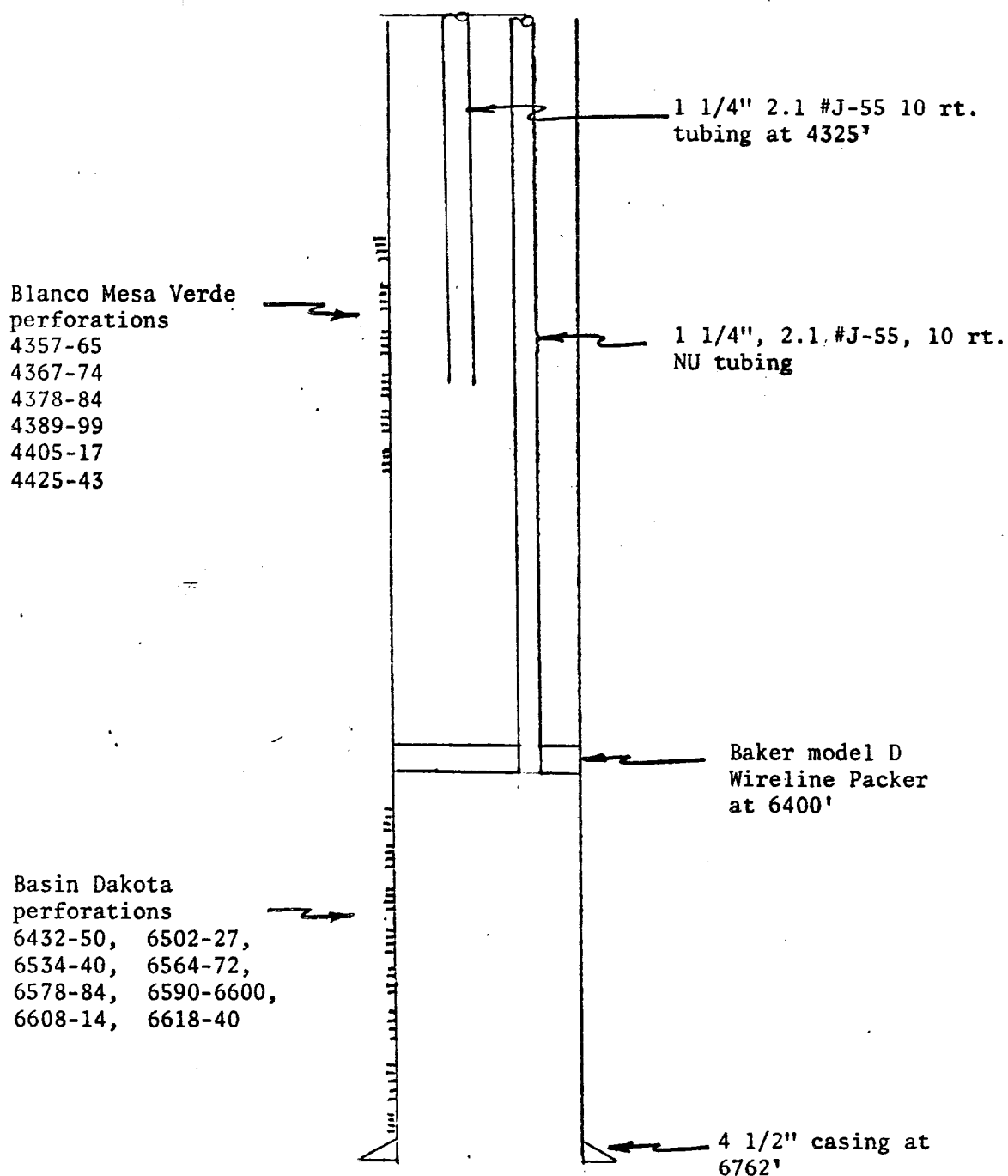
Austral Oil Company Incorporated

Bunny #1-10 Well

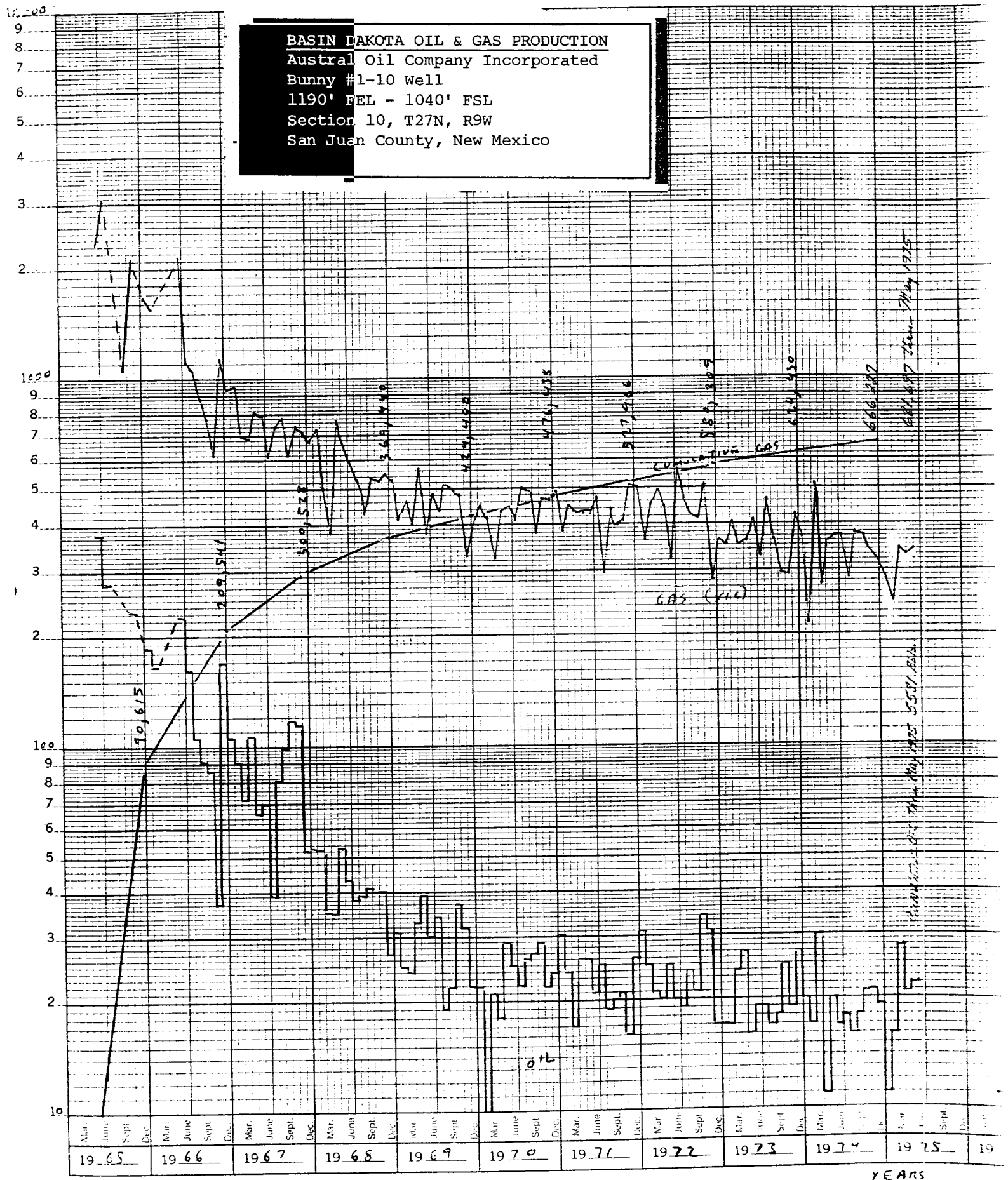
1190' FEL - 1040' FSL

Section 10, T27N, R9W

San Juan County, New Mexico



BASIN DAKOTA OIL & GAS PRODUCTION
Austral Oil Company Incorporated
Bunny #1-10 Well
1190' FEL - 1040' FSL
Section 10, T27N, R9W
San Juan County, New Mexico



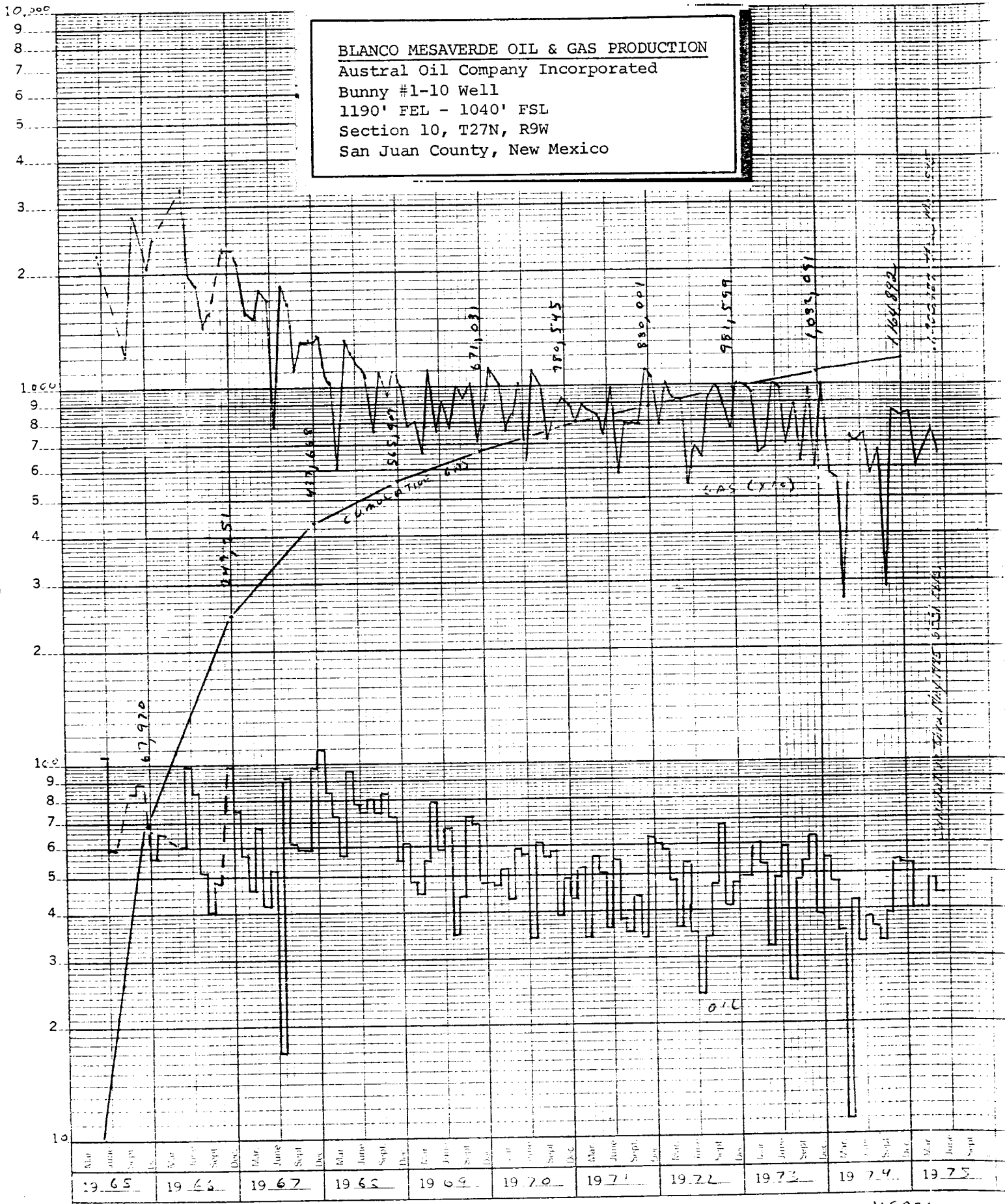
YEARS

BASIN DAKOTA OIL & GAS PRODUCTION
 Austral Oil Company Incorporated
 Bunny #1-10 Well
 1190' FEL - 1040' FSL
 Section 10, T27N, R9W
 San Juan County, New Mexico

JANUARY 1974 THRU MAY 1975

DATE	GAS (MCF)	OIL (BBLs)
<u>1974</u>		
January	3,691	20
February	2,149	17
March	5,099	30
April	2,724	11
May	3,658	20
June	3,728	17
July	3,684	18
August	2,861	16
September	3,778	18
October	3,748	21
November	3,418	21
December	3,259	19
<u>1975</u>		
January	2,821	11
February	2,492	16
March	3,435	28
April	3,311	21
May	<u>3,411</u>	<u>22</u>
TOTAL	57,267	326

BLANCO MESAVERDE OIL & GAS PRODUCTION
 Austral Oil Company Incorporated
 Bunny #1-10 Well
 1190' FSL - 1040' FSL
 Section 10, T27N, R9W
 San Juan County, New Mexico



YCAs

BLANCO MESAVERDE OIL & GAS PRODUCTION
 Austral Oil Company Incorporated
 Bunny #1-10 Well
 1190' FEL - 1040' FSL
 Section 10, T27N, R9W
 San Juan County, New Mexico

JANUARY 1974 THRU MAY 1975

DATE	GAS (MCF)	OIL (BBLS)
<u>1974</u>		
January	9,997	55
February	5,809	47
March	5,583	35
April	4,039	33
May	7,266	42
June	7,011	33
July	7,382	38
August	5,780	36
September	6,680	33
October	6,405	38
November	8,505	54
December	8,344	53
<u>1975</u>		
January	8,449	53
February	6,014	40
March	6,910	40
April	7,623	48
May	<u>6,599</u>	<u>44</u>
TOTAL	118,396	722