

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

## DISTRICT II

811 South First St., Artesia, NM 88210-2835

## DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429Form C-107-A  
New 3-12-96

## APPROVAL PROCESS:

☐ Administrative ☐ Hearing

## EXISTING WELLBORE

☐ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Operator Chateau Oil and Gas, Inc Address 5950 Berkshire Ln, Suite 275, Dallas, Tx 75225  
Southern Union 1 M 19-31N-12W San Juan  
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 159819 Property Code 010291 API NO. 30-045-1047900 Spacing Unit Lease Types: (check 1 or more)  
Federal ☒ State ☐ Land/Or Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesaverde 72319	-	Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4613' - 4819'		6747' - 6802'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 301 psi (offset - Williams #1) b. (Original) 1067 psi (est) 9/57	a. b.	a. 419 psi (offset - Williams #1) b. 2077 psi (est) 9/57
6. Oil Gravity (°API) or Gas BTU Content	1210 BTU	-	1261 BTU
7. Producing or Shut-In?	Shut-in		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 5/15/91 Rates: Trace	Date: - Rates: -	Date: - Rates: -
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: - Rates: -	Date: - Rates: -	Date: 5/97 Rates: Trace
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 26.8 % Gas: 20.7 %	Oil: - % Gas: - %	Oil: 73.2 % Gas: 79.3 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No  
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No

11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). \_\_\_\_\_

## 16. ATTACHMENTS:

- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- \* Production curve for each zone for at least one year. (If not available, attach explanation.)
- \* For zones with no production history, estimated production rates and supporting data.
- \* Data to support allocation method or formula.
- \* Notification list of all offset operators.
- \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE John V. Peters TITLE Vice President DATE 7/3/97

TYPE OR PRINT NAME John V. Peters TELEPHONE NO. ( 214 ) 891-3350



DISTRIBUTION	
UNIT NO.	
FILE	
U.S.D.	
LAND OFFICE	
TRANSPORTER	
OPERATION OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**  
**SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE**

Revised 5/1/57

**SECTION A**

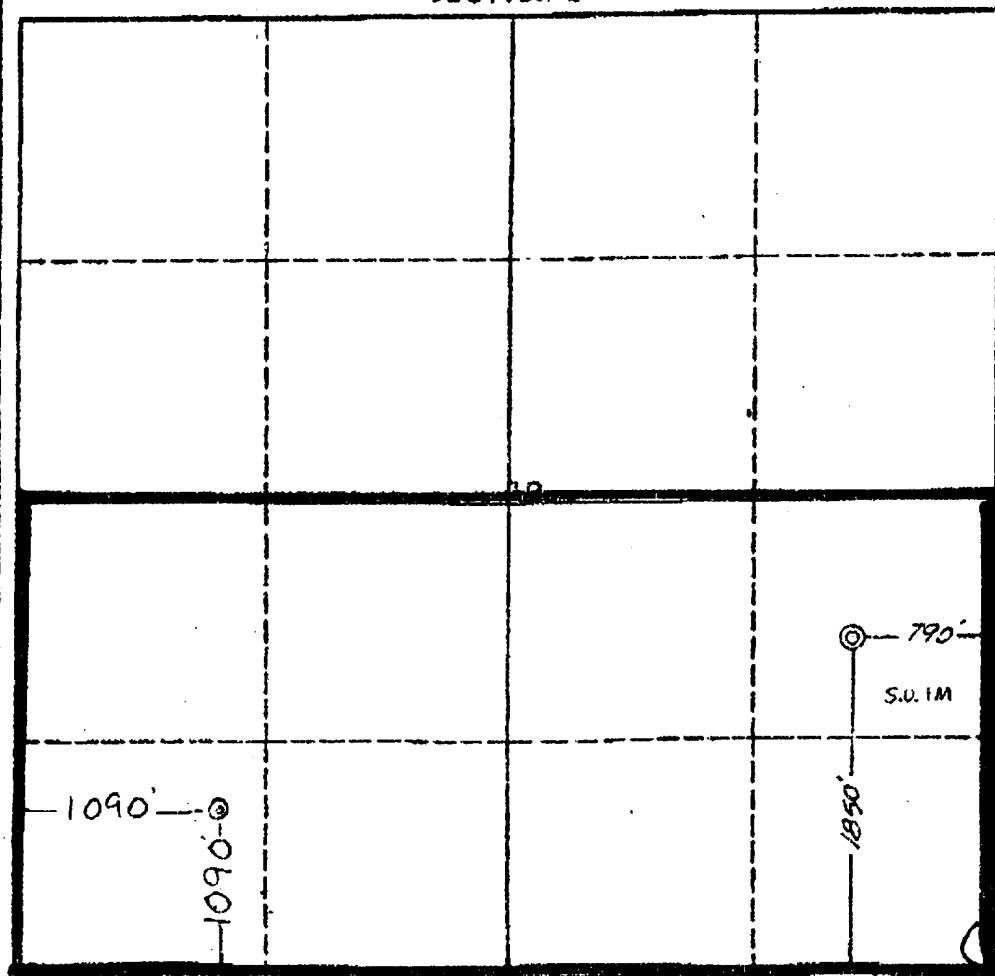
Operator <b>CONSOLIDATED OIL AND GAS, INC.</b>		Lessee <b>SOUTHERN UNION</b>		Well No. <b>1</b>
Unit Letter <b>M</b>	Section <b>19</b>	Township <b>31 NORTH</b>	Range <b>12 WEST</b>	County <b>SAN JUAN</b>
Actual Footage Location of Well: <b>1090</b> feet from the <b>SOUTH</b> line and <b>1090</b> feet from the <b>WEST</b> line				
Ground Level Elev. <b>5901'</b>	Producing Formation <b>DK + MV</b>	Pool <b>BASIN DK / BLANCO MV</b>	Dedicated Acreage: Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES \_\_\_\_\_ NO \_\_\_\_\_. ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1955 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**SECTION B**

**CERTIFICATION**



I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name
Position
Company
Date

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed <b>23 January 1979</b>
Registered Professional Engineer and/or Land Surveyor <i>James P. Leese</i> <b>James P. Leese</b>

**Southern Union # 1**  
**Fixed Percentage Allocation Formula**

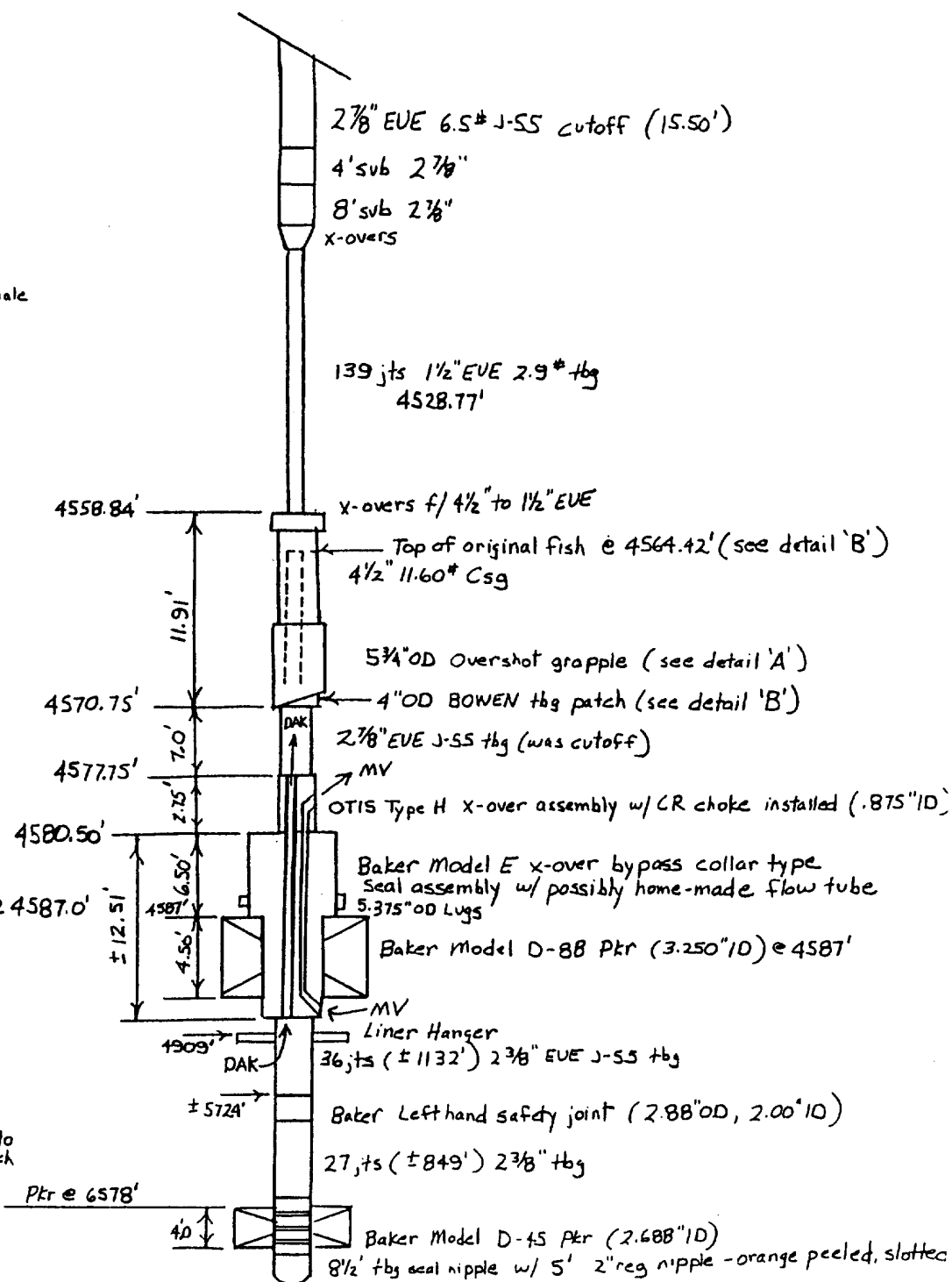
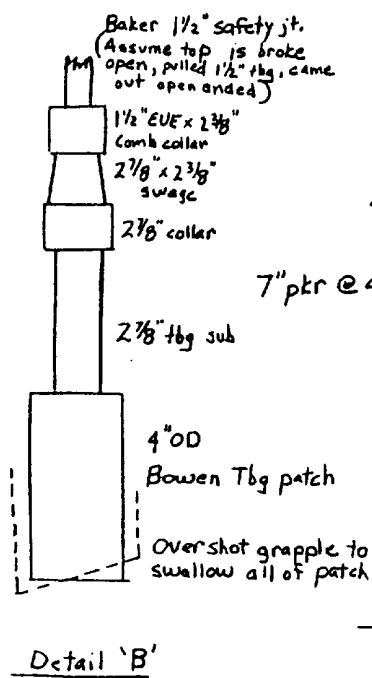
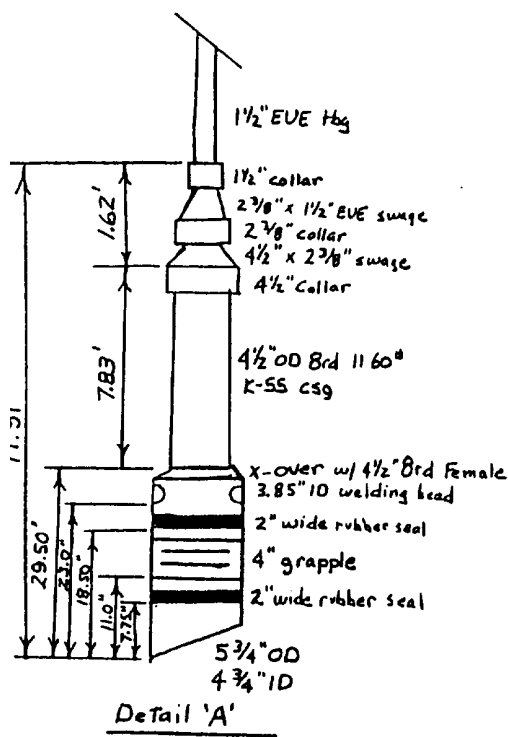
Cumulative Production as of May 1997

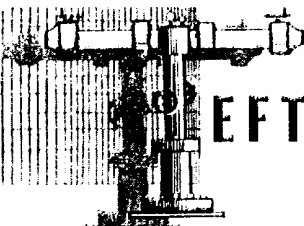
	<u>Oil (Barrels)</u>	<u>%</u>	<u>Gas (MCF)</u>	<u>%</u>
<b><u>Dakota Formation</u></b>	23751	73.2%	2814117	79.3%
<b><u>Mesaverde Formation</u></b>	8689	26.8%	733329	20.7%
<b><u>TOTAL</u></b>	32440	100.0%	3547446	100.0%

Southern Union 1-19 6-7-85

Southern Union 1-19

6-7-85





BHP • BU • FI • DD • GWT • RFS • GOR • FI • TS

# TEFTELLER, INC.

reservoir engineering data

MIDLAND, TEXAS / FARMINGTON, NEW MEXICO  
GRAND JUNCTION, COLORADO

P. O. Box 5278  
Midland, Texas 79704-5278  
(915) 694-0477

Midland Fax (915) 694-7602  
Farmington Fax (505) 325-1148  
Grand Junction Fax (970) 241-7634

June 20, 1997

Chateau Oil & Gas, Inc.  
5802 Highway 64  
Farmington, NM 87401

Attn: Mr. Jerry Nelson

Subject: Bottom Hole Pressure Measurements  
Williams No. 1  
Dakota & Mesa Verde Formations  
San Juan County, New Mexico  
File No. 2-30272-P

Dear Mr. Nelson:

Attached hereto are the results of bottomhole pressure measurements which were conducted on the above captioned well June 17, 1997.

The data presented are in tabular and graphical form.

It has been our pleasure to have conducted this service for you. If we may be of further assistance, please call us at any time.

Respectfully submitted,

TEFTELLER, INC.

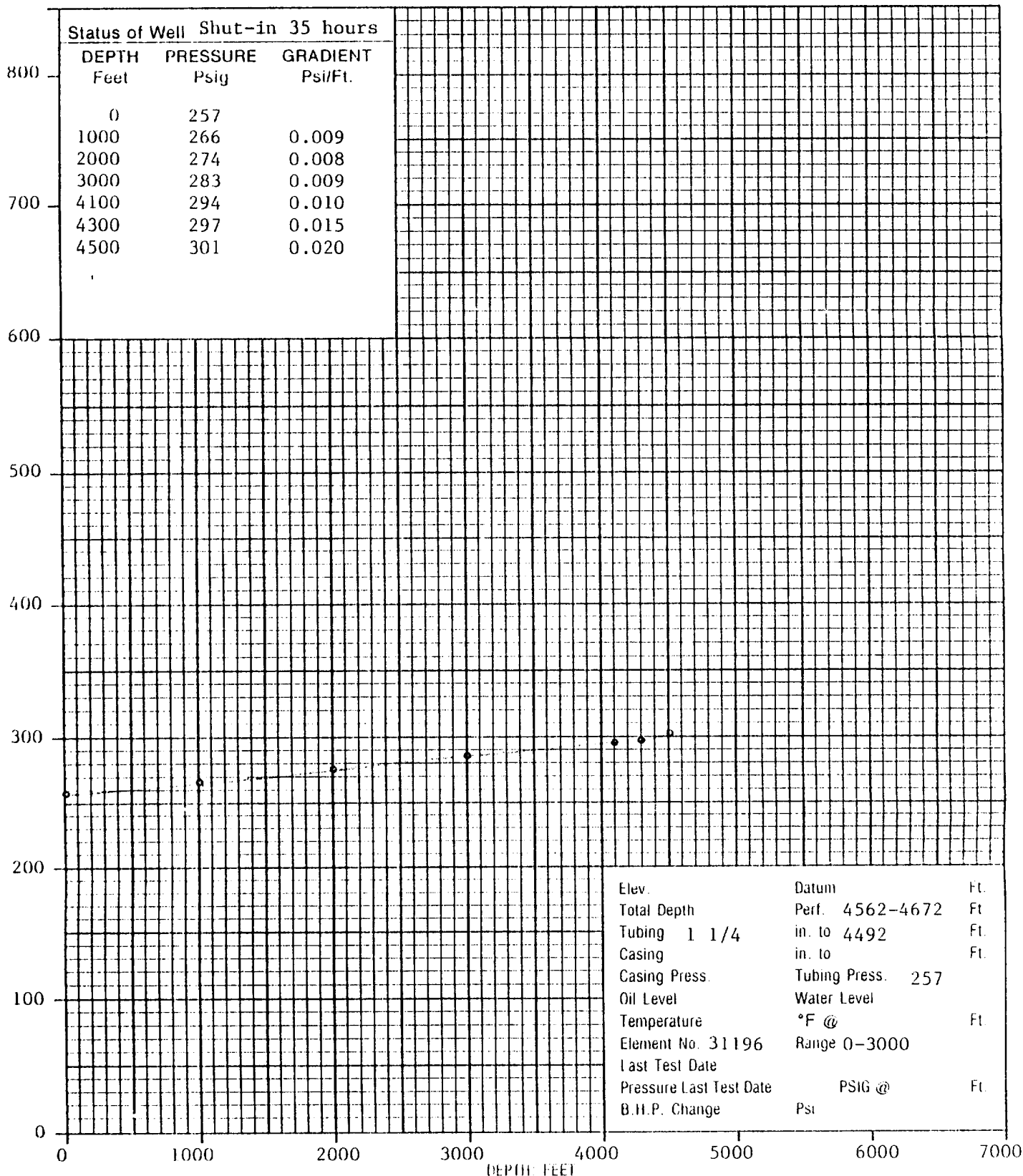
Neil Tefteller

NT/lw



Company Chateau Oil & Gas, Inc. Lease Williams Well No. 1(NV)  
Field \_\_\_\_\_ County San Juan State New Mexico  
Formation Mesa Verde Test Date June 17, 1997

PRESSURE POUNDS PER SQUARE INCH GAUGE



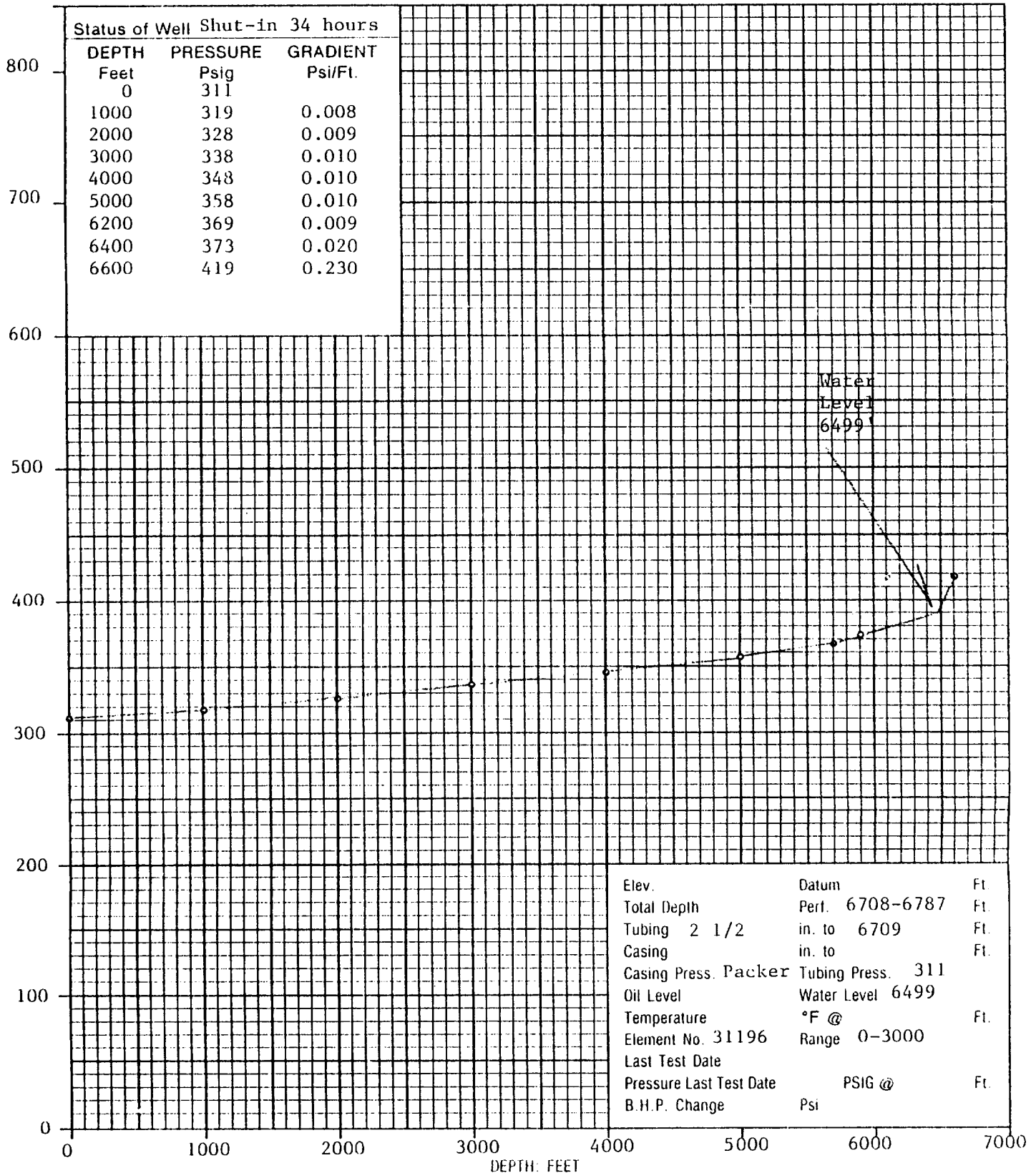


Company Chateau Oil & Gas, Inc. Lease Williams Well No. 1  
Field \_\_\_\_\_ County San Juan State New Mexico  
Formation Dakota Test Date June 17, 1997

Status of Well Shut-in 34 hours

DEPTH Feet	PRESSURE Psig	GRADIENT Psi/Ft.
0	311	
1000	319	0.008
2000	328	0.009
3000	338	0.010
4000	348	0.010
5000	358	0.010
6200	369	0.009
6400	373	0.020
6600	419	0.230

PRESSURE POUNDS PER SQUARE INCH GAUGE





# Southern Union 1 (Dakota)

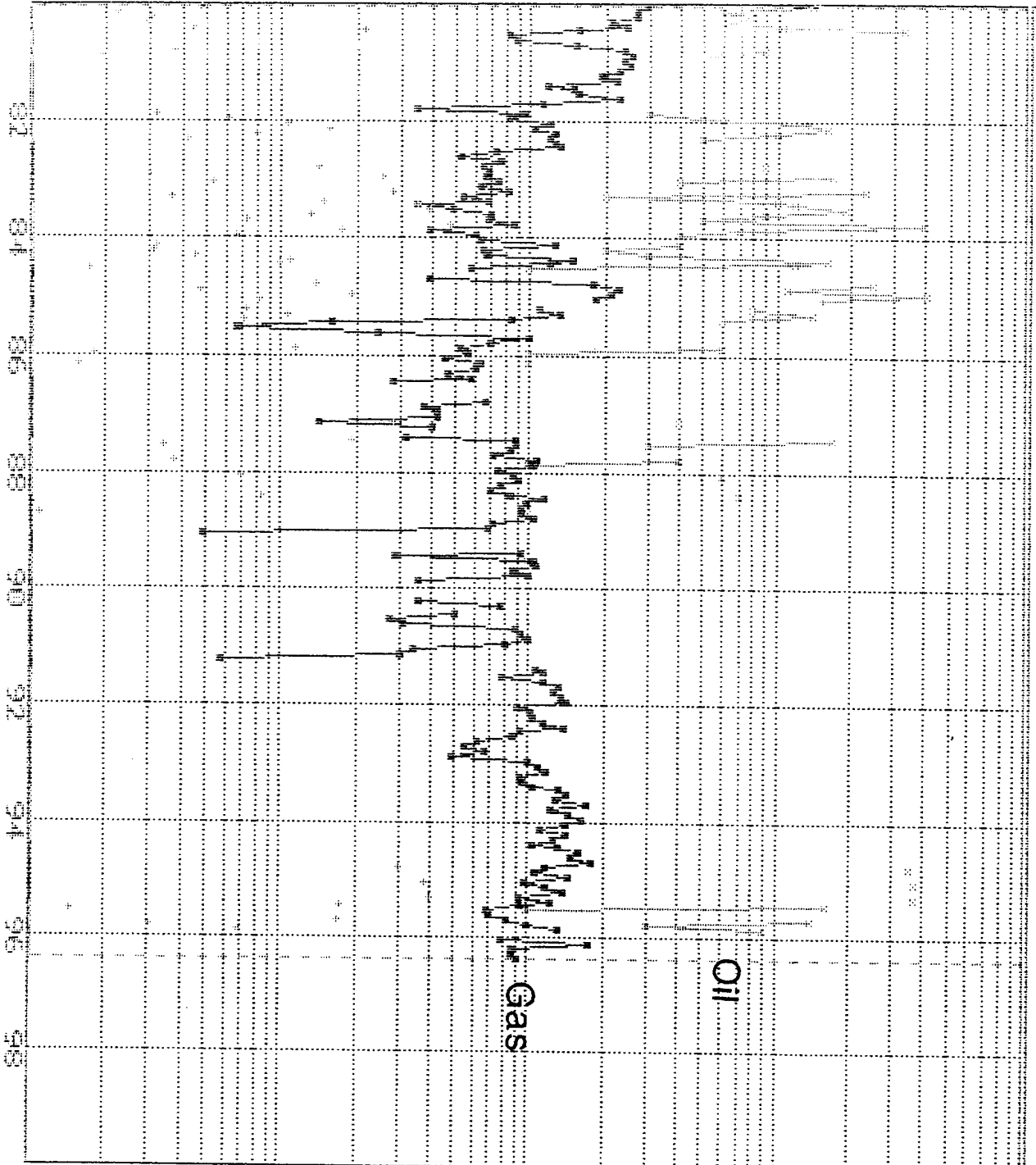
SOUTHERN UNION # 1 (D)

Prop 550

- OIL bbl/m
- GAS Mcf/m
- OIL/GAS
- WATER Bbl/m

Rate Time  
Semi log

10000 1000 100 10 1  
10000 1000 100 10 1  
10000 1000 100 10 1  
WATER  
OIL/GAS  
GAS  
OIL

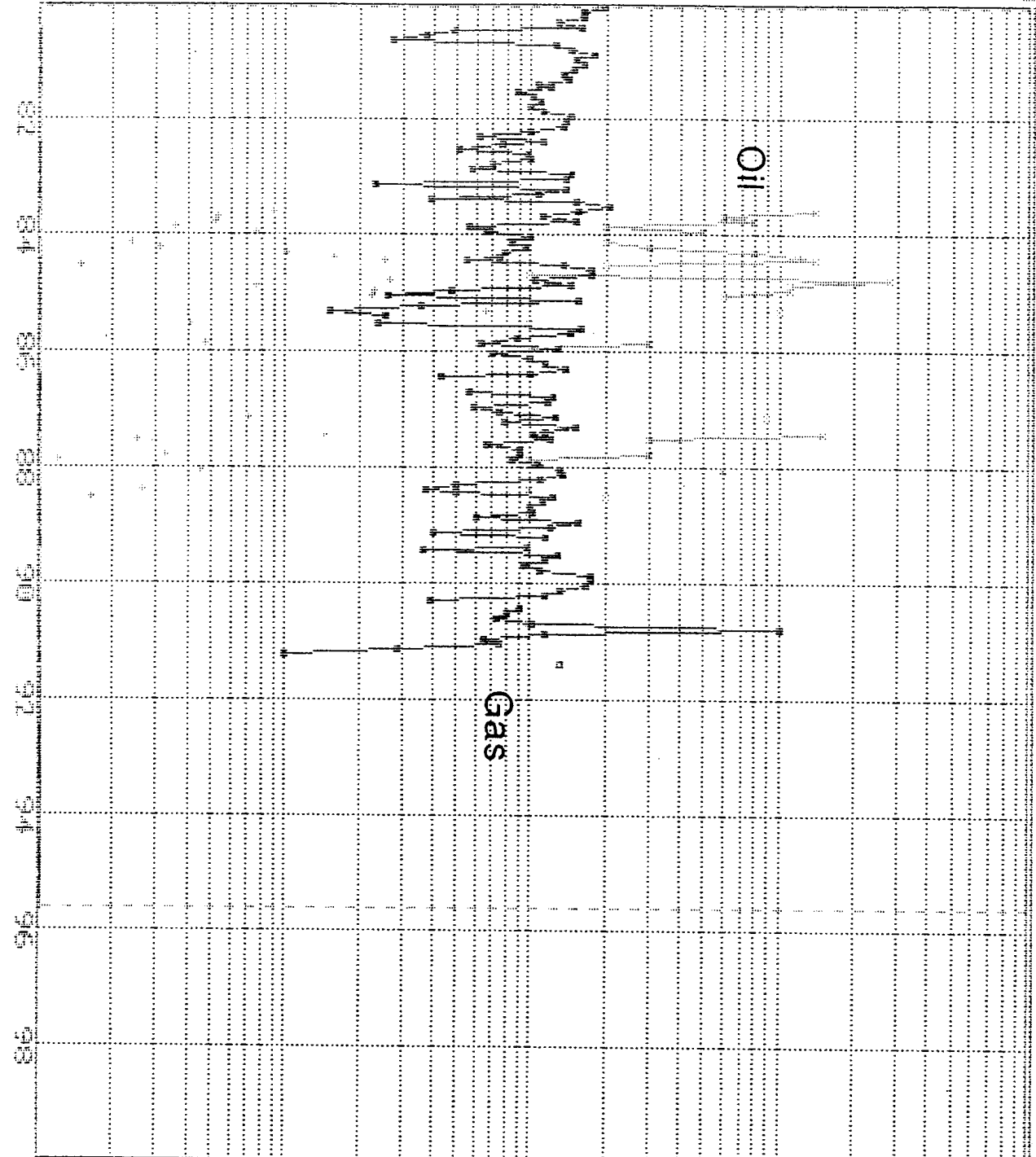


Major = GAS

# Southern Union #1 (Mesaverde)

10000 100000 1000000 1e+06 : WATER  
 10 100 1000 : OIL/GAS  
 0.001 0.1 1 10 : GAS  
 0.001 0.1 1 10 : OIL

SOUTHERN UNION #1 CO 24



Prop 551

☐ OIL Bbl/m  
☒ GAS Mcf/m  
☐ OIL/GAS  
☐ WATER Bbl/m

Rate Toolmark  
 Semi L.O.

Major = GAS

U N I C H E M   I N T E R N A T I O N A L

1215 Basin Road

P.O. Box 421

FARMINGTON, N.M. 87401

COMPANY: COLUMBUS ENERGY

DATE: 4-9-86

FIELD, LEASE AND WELL: 50% CANDADO 1E MESA VERDE/50% CANDADO 1E DAKOTA

SAMPLING POINT: WELLHEAD

DATE SAMPLED: 3-27-86

SPECIFIC GRAVITY: 1.009

TOTAL DISSOLVED SOLIDS: 14,764

PH = 7.495

		ME/L	MG/L
CATIONS			
CALCIUM	(CA)+2	3.6	72.1
MAGNESIUM	(MG)+2	3.4	41.4
SODIUM	(NA), CALC.	233.0	5367.0

ANIONS			
BICARBONATE	(C)3)-1	17.2	1049.0
CARBONATE	(CO3)-2		
HYDROXIDE	(OH)-1		
SULFATE	(SO4)-2	19.2	925.0
CHLORIDES	(CL)-1	204.0	7300.0

DISSOLVED GASES			
CARBON DIOXIDE	(CO2)		
HYDROGEN SULFIDE	(H2S)		
OXYGEN	(O2)		
IRON	(FE)		48.0
BARIUM	(BA)+2	0.12	8.7
MANGANESE	(MN)		
IONIC STRENGTH 0.258			

	TEMP.	
SCALING INDEX	86°F 30°C	120°F 48.8°C
CARBONATE INDEX	0.115	0.517
CALCIUM CARBONATE SCALING	LIKELY	LIKELY
SULFATE INDEX	-36.0	-36.0
CALCIUM SULFATE SCALING	UNLIKELY	UNLIKELY

# UNICHEM INTERNATIONAL

1215 Basin Road

P.O. Box 421

FARMINGTON, N.M. 87401

COMPANY: COLUMBUS ENERGY

DATE: 4-9-86

FIELD, LEASE AND WELL: CANDADO 1E DAKOTA

SAMPLING POINT: WELLHEAD

DATE SAMPLED: 3-27-86

SPECIFIC GRAVITY: 1.009

TOTAL DISSOLVED SOLIDS: 15,092

PH = 7.95

		ME/L	MG/L
<b>CATIONS</b>			
CALCIUM	(CA)+2	1.6	32.0
MAGNESIUM	(MG)+2	2.4	29.1
SODIUM	(NA), CALC.	245.0	5632.0

<b>ANIONS</b>			
BICARBONATE	(C)3)-1	21.0	1281.0
CARBONATE	(CO3)-2		
HYDROXIDE	(OH)-1		
SULFATE	(SO4)-2	0	0
CHLORIDES	(CL)-1	228.0	8100.0

<b>DISSOLVED GASES</b>			
CARBON DIOXIDE	(CO2)		
HYDROGEN SULFIDE	(H2S)		
OXYGEN	(O2)		
IRON	(FE)		35.1
BARIUM	(BA)+2	0.25	17.3
MANGANESE	(MN)		
IONIC STRENGTH = 0.255			

	TEMP.	
SCALING INDEX	86°F 30°C	120°F 48.8°C
CARBONATE INDEX	0.310	0.711
CALCIUM CARBONATE SCALING	LIKELY	LIKELY
SULFATE INDEX	-45.0	-46.0
CALCIUM SULFATE SCALING	UNLIKELY	UNLIKELY

# U N I C H E M I N T E R N A T I O N A L

1215 Basin Road

P.O. Box 421

FARMINGTON, N.M. 87401

COMPANY: COLUMBUS ENERGY

DATE: 4-9-86

FIELD, LEASE AND WELL: CANDADO 1E MESA VERDE

SAMPLING POINT: WELLHEAD

DATE SAMPLED: 3-27-86

SPECIFIC GRAVITY: 1.009

TOTAL DISSOLVED SOLIDS: 14,335

PH = 7.04

		ME/L	MG/L
CATIONS			
CALCIUM	(CA)+2	5.6	112.0
MAGNESIUM	(MG)+2	4.4	53.4
SODIUM	(NA), CALC.	221.0	5101.0

ANIONS			
BICARBONATE	(C)3)-1	13.4	817.0
CARBONATE	(CO3)-2		
HYDROXIDE	(OH)-1		
SULFATE	(SO4)-2	38.5	1850.0
CHLORIDES	(CL)-1	180.0	6400.0

DISSOLVED GASES			
CARBON DIOXIDE	(CO2)		
HYDROGEN SULFIDE	(H2S)		
OXYGEN	(O2)		
IRON	(FE)		61.0
BARIUM	(BA)+2		0.2
MANGANESE	(MN)		
IONIC STRENGTH = 0.26			
SCALING INDEX		TEMP	
		86 °F 30 °C	120 °F 48.8 °C
CARBONATE INDEX		-0.25	0.142
CALCIUM CARBONATE SCALING		UNLIKELY	LIKELY
SULFATE INDEX		-27.0	-28.0
CALCIUM SULFATE SCALING		UNLIKELY	UNLIKELY

**Southern Union 1 Offset Operators**

Dugan Production Corp. P.O. Box 420 Farmington, N.M. 87499-0420	Sec 29-31N-13W Dakota/Mesaverde
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Great Western Drilling P.O. Box 1659 Midland, Tx. 79702	Sec 17-31N-12W Dakota
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Marathon Oil Co. P.O. Box 3128 Houston, Tx 77253	Sec 20-31N-12W Mesaverde Sec 18-31N-12W Mesaverde
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Bruce Anderson 1000 Louisiana St. Suite 900 Houston, Tx 77002	Sec 29-31N-13W Dakota
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Burlington Resources P.O. Box 840656 Dallas, Tx 75284-0656	Sec 29-31N-12W Dakota/Mesaverde Sec 20-31N-12W Dakota/Mesaverde Sec 17-31N-12W Mesaverde
--	--

Amoco Production P.O. Box 841521 Dallas, Tx 75284-1868	Sec 17-31N-12W Dakota/Mesaverde Sec 29-31N-12W Dakota/Mesaverde
--	--

Chateau Oil and Gas, Inc. 5950 Berkshire Lane Suite 275 Dallas, Tx 75225	Sec 13-31N-13W Dakota/Mesaverde Sec 24-31N-13W Dakota/Mesaverde Sec 30-31N-12W Dakota/Mesaverde Sec 20-31N-12W Dakota Sec 18-31N-12W Dakota/Mesaverde
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Robert R. Click Roddy Production 8340 Meadow Road Suite 230 Dallas, Tx 75231	Sec 30-31N-12W Dakota/Mesaverde
--	---------------------------------

Hugoton Energy Corp. Mr. Randy Click 301 N. Main, Suite 1900	Sec 30-31N-12W Mesaverde
--	--------------------------

# *Chateau Oil and Gas, Inc.*

June 30, 1997

Dugan Production Corp.  
P.O. Box 420  
Farmington, NM 87499-0420

**Re: Waiver for administrative Approval of Downhole commingling for  
Chateau Oil and Gas, Inc. Southern Union 1, Basin Dakota & Blanco  
Mesaverde Dual, 1090' FSL & 1090' FWL, Sec 19, T31N, R12W  
San Juan County, New Mexico**

Gentlemen:

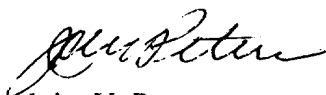
Chateau Oil and Gas, Inc. is applying to the New Mexico Oil Conservation Division, as outlined in the NMOCD Rule 303C, for administrative approval to commingle production from the Dakota and Mesaverde zones in the subject well. These zones have already been approved by the Commission for downhole commingling in the area. We are therefore notifying your office of our intent to commingle the same zones in the referenced well, and would like you to sign and return one copy of the Waiver of Objection in each of the self addressed envelopes.

Please mail the waivers to William J. LeMay, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505-6249 and John V. Peters, Chateau Oil and Gas, Inc., 5950 Berkshire Lane, Suite 275, Dallas, Texas 75225.

If you have any questions concerning this request, please contact John V. Peters at 214-891-3350.

Sincerely,

CHATEAU OIL AND GAS, INC.



John V. Peters  
Vice President - Operations

JVP/jw

Enclosures

cc: N.M. Conservation Division, Santa Fe  
N.M. Conservation Division, Aztec  
BLM, Farmington

# *Chateau Oil and Gas, Inc.*

June 30, 1997

Great Western Drilling  
P.O. Box 1659  
Midland, Tx 79702

**Re: Waiver for administrative Approval of Downhole commingling for  
Chateau Oil and Gas, Inc. Southern Union 1, Basin Dakota & Blanco  
Mesaverde Dual, 1090' FSL & 1090' FWL, Sec 19, T31N, R12W  
San Juan County, New Mexico**

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Sincerely,

CHATEAU OIL AND GAS, INC.



John V. Peters  
Vice President - Operations

JVP/jw

Enclosures

cc: N.M. Conservation Division, Santa Fe  
N.M. Conservation Division, Aztec  
BLM, Farmington



# *Chateau Oil and Gas, Inc.*

June 30, 1997

Marathon Oil Co.  
P.O. Box 3128  
Houston, Tx 77253

**Re: Waiver for administrative Approval of Downhole commingling for  
Chateau Oil and Gas, Inc. Southern Union 1, Basin Dakota & Blanco  
Mesaverde Dual, 1090' FSL & 1090' FWL, Sec 19, T31N, R12W  
San Juan County, New Mexico**

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CHATEAU OIL AND GAS, INC.



John V. Peters  
Vice President - Operations

JVP/jw

Enclosures

cc: N.M. Conservation Division, Santa Fe  
N.M. Conservation Division, Aztec  
BLM, Farmington

# *Chateau Oil and Gas, Inc.*

June 30, 1997

Bruce Anderson  
1000 Louisiana Street  
Suite 900  
Houston, Tx 77002

**Re: Waiver for administrative Approval of Downhole commingling for  
Chateau Oil and Gas, Inc. Southern Union 1, Basin Dakota & Blanco  
Mesaverde Dual, 1090' FSL & 1090' FWL, Sec 19, T31N, R12W  
San Juan County, New Mexico**

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CHATEAU OIL AND GAS, INC.



John V. Peters  
Vice President - Operations

JVP/jw

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N.M. Conservation Division, Aztec  
BLM, Farmington

# *Chateau Oil and Gas, Inc.*

June 30, 1997

Burlington Resources  
P.O. Box 840656  
Dallas, Tx 75284-0656

**Re: Waiver for administrative Approval of Downhole commingling for  
Chateau Oil and Gas, Inc. Southern Union 1, Basin Dakota & Blanco  
Mesaverde Dual, 1090' FSL & 1090' FWL, Sec 19, T31N, R12W  
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John V. Peters  
Vice President - Operations

JVP/jw

Enclosures

cc: N.M. Conservation Division, Santa Fe  
N.M. Conservation Division, Aztec  
BLM, Farmington

# *Chateau Oil and Gas, Inc.*

June 30, 1997

Amoco Production  
P.O. Box 841521  
Dallas, Tx 75284-1868

**Re: Waiver for administrative Approval of Downhole commingling for  
Chateau Oil and Gas, Inc. Southern Union 1, Basin Dakota & Blanco  
Mesaverde Dual, 1090' FSL & 1090' FWL, Sec 19, T31N, R12W  
San Juan County, New Mexico**

Gentlemen:

Chateau Oil and Gas, Inc. is applying to the New Mexico Oil Conservation Division, as outlined in the NMOCD Rule 303C, for administrative approval to commingle production from the Dakota and Mesaverde zones in the subject well. These zones have already been approved by the Commission for downhole commingling in the area. We are therefore notifying your office of our intent to commingle the same zones in the referenced well, and would like you to sign and return one copy of the Waiver of Objection in each of the self addressed envelopes.

Please mail the waivers to William J. LeMay, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505-6249 and John V. Peters, Chateau Oil and Gas, Inc., 5950 Berkshire Lane, Suite 275, Dallas, Texas 75225.

If you have any questions concerning this request, please contact John V. Peters at 214-891-3350.

Sincerely,

CHATEAU OIL AND GAS, INC.



John V. Peters  
Vice President - Operations

JVP/jw

Enclosures

cc: N.M. Conservation Division, Santa Fe  
N.M. Conservation Division, Aztec  
BLM, Farmington

# *Chateau Oil and Gas, Inc.*

June 30, 1997

Robert R. Click  
Roddy Production  
8340 Meadow Road, Suite 230  
Dallas, Texas 75231

**Re: Waiver for administrative Approval of Downhole commingling for  
Chateau Oil and Gas, Inc. Southern Union 1, Basin Dakota & Blanco  
Mesaverde Dual, 1090' FSL & 1090' FWL, Sec 19, T31N, R12W  
San Juan County, New Mexico**

Gentlemen:

Chateau Oil and Gas, Inc. is applying to the New Mexico Oil Conservation Division, as outlined in the NMOCD Rule 303C, for administrative approval to commingle production from the Dakota and Mesaverde zones in the subject well. These zones have already been approved by the Commission for downhole commingling in the area. We are therefore notifying your office of our intent to commingle the same zones in the referenced well, and would like you to sign and return one copy of the Waiver of Objection in each of the self addressed envelopes.

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If you have any questions concerning this request, please contact John V. Peters at 214-891-3350.

Sincerely,

CHATEAU OIL AND GAS, INC.



John V. Peters  
Vice President - Operations

JVP/jw

Enclosures

cc: N.M. Conservation Division, Santa Fe  
N.M. Conservation Division, Aztec  
BLM, Farmington

# *Chateau Oil and Gas, Inc.*

June 30, 1997

Hugoton Energy Corporation  
Mr. Randy Click  
301 N. Main, Suite 1900  
Wichita, Ks 67202

**Re: Waiver for administrative Approval of Downhole commingling for  
Chateau Oil and Gas, Inc. Southern Union 1, Basin Dakota & Blanco  
Mesaverde Dual, 1090' FSL & 1090' FWL, Sec 19, T31N, R12W  
San Juan County, New Mexico**

Gentlemen:

Chateau Oil and Gas, Inc. is applying to the New Mexico Oil Conservation Division, as outlined in the NMOCD Rule 303C, for administrative approval to commingle production from the Dakota and Mesaverde zones in the subject well. These zones have already been approved by the Commission for downhole commingling in the area. We are therefore notifying your office of our intent to commingle the same zones in the referenced well, and would like you to sign and return one copy of the Waiver of Objection in each of the self addressed envelopes.

Please mail the waivers to William J. LeMay, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505-6249 and John V. Peters, Chateau Oil and Gas, Inc., 5950 Berkshire Lane, Suite 275, Dallas, Texas 75225.

If you have any questions concerning this request, please contact John V. Peters at 214-891-3350.

Sincerely,

CHATEAU OIL AND GAS, INC.



John V. Peters  
Vice President - Operations

JVP/jw

Enclosures

cc: N.M. Conservation Division, Santa Fe  
N.M. Conservation Division, Aztec  
BLM, Farmington

**Southern Union 1**

**Working Interest Owners - Dakota/Mesaverde**

Chateau Oil and Gas, Inc.  
5950 Berkshire Lane  
Suite 275  
Dallas, Tx 75225

Hugoton Energy Corp.  
Mr. Randy Click  
301 N. Main  
Suite 1900  
Wichita, Ks 67202

Geodyne Resources, Inc.  
c/o Samson Production Serv. Co.  
P.O. Box 94339  
Tulsa, Ok 74194

Arthur Alsberg  
3816 Longridge  
Sherman Oaks, Ca 91423

Sanford Becker  
27 Chester Drive  
Rye, N.Y. 10580

Marjorie A. Bachman  
20 Old Mamaroneck Road  
White Plains, N.Y. 10605

Addie Guttag  
575 Park Avenue, Apt 1603  
New York, N.Y. 10021

Susan K. Baker  
40 East 88th Street  
New York, N.Y. 10128

John V. Guttag  
273 Emerson Road  
Lexington, Ma. 02713

Richard S. Becker  
44 Graham Road  
Scarsdale, N.Y. 10583

Thomas Kaufman  
39 Princeton Ave.  
Princeton, N.J. 08540

Chateau Energy, Inc.  
5950 Berkshire Lane  
Suite 275  
Dallas, Tx. 75225

Royalty Owners - Dakota/Mesaverde

Minerals Management Service  
Royalty Management Program  
P.O. Box 5810  
Denver, Co. 80217-5810

Hugoton Energy Corp.  
301 N. Main  
Wichita, Ks 67202

Burke Healey  
Trustee of the Burke Healey  
Trust DTD 1/2/85  
P.O. Box 100  
Davis, Ok 30300

Barren Healey  
Trustee for the Barren Healey  
1988 Trust U/A/D 4-25-88  
P.O. Box 888  
Davis, Ok 30300

Jane K. Beard  
4104 Lovers Lane  
Dallas, Tx 75225

W. Thomas Beard III  
P.O. Box 668  
Alpine, Texas 79830



Herbert Kokernot Lea  
434 Chemin St. Andre'  
13120 Gardanne  
France

Michael Scott Lea  
4251 So. Allison Street  
Lakewood, Co. 80235

Elizabeth Beard Tanksley  
P.O. Box 628  
Alpine, Tx. 79831

Miriam Bartlett  
Trustee of the Miriam L.  
Bartlett Trust  
156 Sandpiper Ave.  
Royal Palm Beach, Fl 33411

Trueblood Resources, Inc.  
1720 South Belaire, Suite 908  
Denver, Co. 80222

Burlington Resources Oil & Gas  
P.O. Box 840656  
Dallas, Tx 75284-0656

# *Chateau Oil and Gas, Inc.*

June 30, 1997

Working Interest and Royalty Owners

**Re: Administrative Approval of Downhole Commingling for  
Chateau Oil & Gas, Inc. Southern Union 1, Basin Dakota & Blanco  
Mesaverde Dual, 1090' FSL & 1090' FWL, Sec 19, T31N, R12W  
San Juan County, New Mexico**

Gentlemen:

Chateau Oil and Gas, Inc. is applying to the New Mexico Oil Conservation Division, as outlined in the NMOCD Rule 303C, for administrative commingle of the Dakota and Mesaverde zones in the subject well. These zones have already been approved by the Commission for the downhole commingling in the area. We are therefore notifying you of our intent to commingle the same zones in the referenced well. Enclosed for your information is a copy of the Application for Downhole Commingling Form C-107-A. Shown on the Form is the Fixed Percentage Allocation Formula -% for each zone which has been calculated based on the historical cumulative production.

If you have any objection to this application, you may contact John V. Peters at Chateau Oil and Gas, Inc., 5950 Berkshire lane, Suite 275, Dallas, Texas 75225. You may also contact Mr. William J. LeMay at the New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505-6249.

If you have any questions concerning this request, please contact John V. Peters at 214-891-3350.

Sincerely,

CHATEAU OIL AND GAS, INC.



John V. Peters  
Vice President - Operations

JVP/jw

Enclosures

cc: N.M. Conservation Division, Santa Fe  
N. M. Conservation Division, Aztec  
BLM, Farmington