Release Date: Oct 23, 1987 By DRC

Union Texas Petroleum

375 U.S. Highway 64
Farmington, New Mexico 87401
Telephone (505) 325-3587

RECEIVED
SEP 28 1987
OIL CONSERVATION DIVISION
SANTA FE

September 23, 1987

Mr. William LeMay
N. M. Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Re: Taliaferro #4E (SF-078244)
830' FNL; 1850' FWL
Section 29-T31N-R12W
San Juan County, New Mexico

Dear Mr. LeMay:

Union Texas Petroleum is applying for a downhole commingling order for the referenced well in the Basin Dakota and Blanco Mesaverde fields. The ownership of the two zones to be commingled is common. The Bureau of Land Management and the offset operators indicated in the attached plats will receive notification of this proposed downhole commingling.

The subject well was completed during March 1981 in both the Mesaverde and Dakota formations. The well has produced 291 MMCF and 0.8 MBO from the Mesaverde formation and 84 MMCF and .5 MBO from the Dakota formation. Production has averaged 110 MCFD from the Mesaverde and 12 MCFD from the Dakota during 1987.

Because of the low producing rate from the Dakota formation, the gas gatherer, Sunterra Gas Gathering Company, has informed Union Texas Petroleum that it intends to disconnect it. In order to continue producing the marginal Dakota zone in this well, and to recover additional reserves, it is recommended that both the Mesaverde and Dakota be downhole commingled. Commingling will prevent waste and will not violate correlative rights. Liquid production from each zone is negligible and no producing problems are anticipated. Total combined production from both zones has averaged .5 BOPD.

Fluid samples which were taken from both zones indicate the presence of 100% condensate and no water. The attached fluid analysis indicates the total value of the condensate will not be reduced by commingling. The reservoir characteristics of each of the producing zones are such that underground waste would not be caused by the proposed downhole commingling. The calculated bottom hole pressure, based on shut in surface pressure measurements and negligible liquid production, is 697 psi in the Mesaverde and 644 psi in the Dakota, and within the limits of Rule 303-C, Section 1(b), Part (6). The fluids from each zone are compatible and no precipitates or emulsions will be formed as a result of commingling to damage either reservoir. Current flow tests of 0 water and $\pm$0.5 BOPD from both zones indicate daily liquid production will not exceed the limit of Rule 303-C, Section 1(a), Parts (1) and (3).

The Aztec District Office will be notified any time the commingled well is shut in for seven consecutive days. To allocate commingled production to each zone, previous production history will be utilized. It is recommended that the following percentages be used: In the Mesaverde 83% gas and 92% oil; and the Dakota 16% gas and 8% oil.

Included in this letter are two plats showing ownership of offsetting leases, a production curve of both zones from the subject well, Form C-116 (GOR test), Fluid Analysis Report, and a wellbore diagram showing the proposed downhole equipment of the subject well.

Very truly yours,

S. G. Katirgis

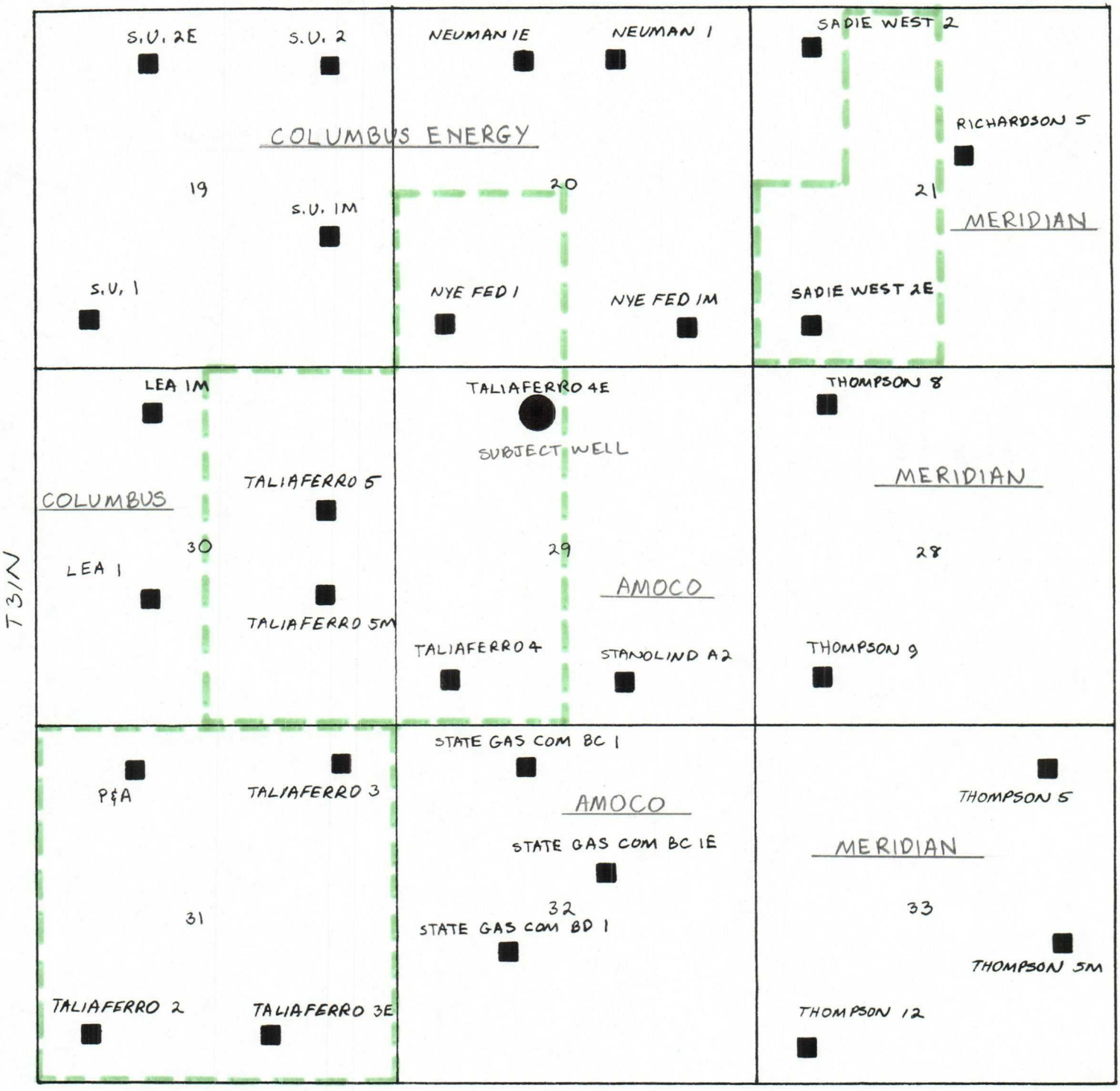
S. G. Katirgis
Production Engineer

SGK:lmg
attachments

cc: Frank Chavez, Aztec NMOCD
W. K. Cooper
M. R. Herrington

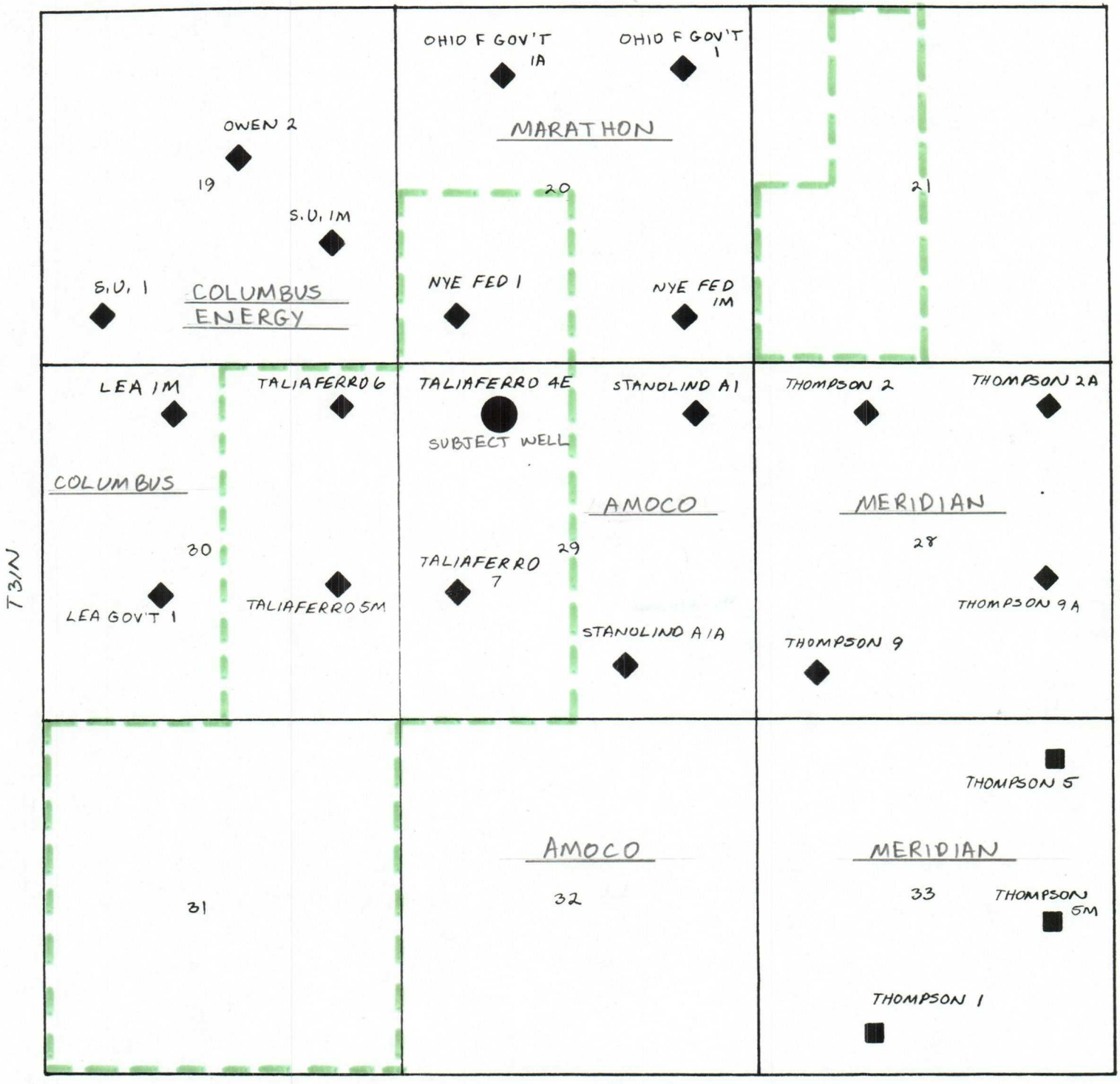
OFFSET OPERATORS

DAKOTA WELLS



UNION TEXAS PETROLEUM OPERATED ACREAGE

OFFSET OPERATORS
MESAVERDE WELLS



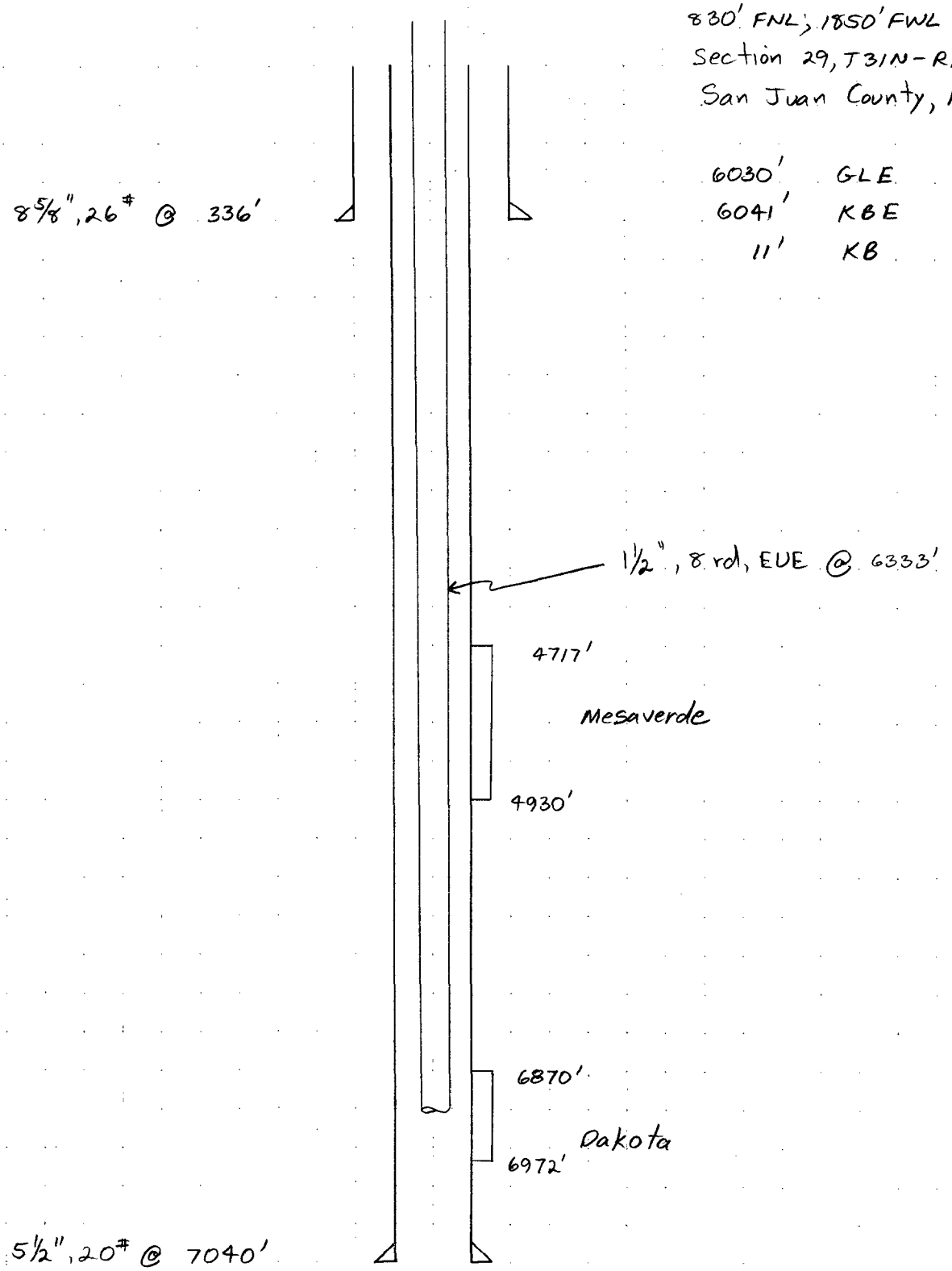
UNION TEXAS PETROLEUM OPERATED ACREAGE

SGK 9-23-87

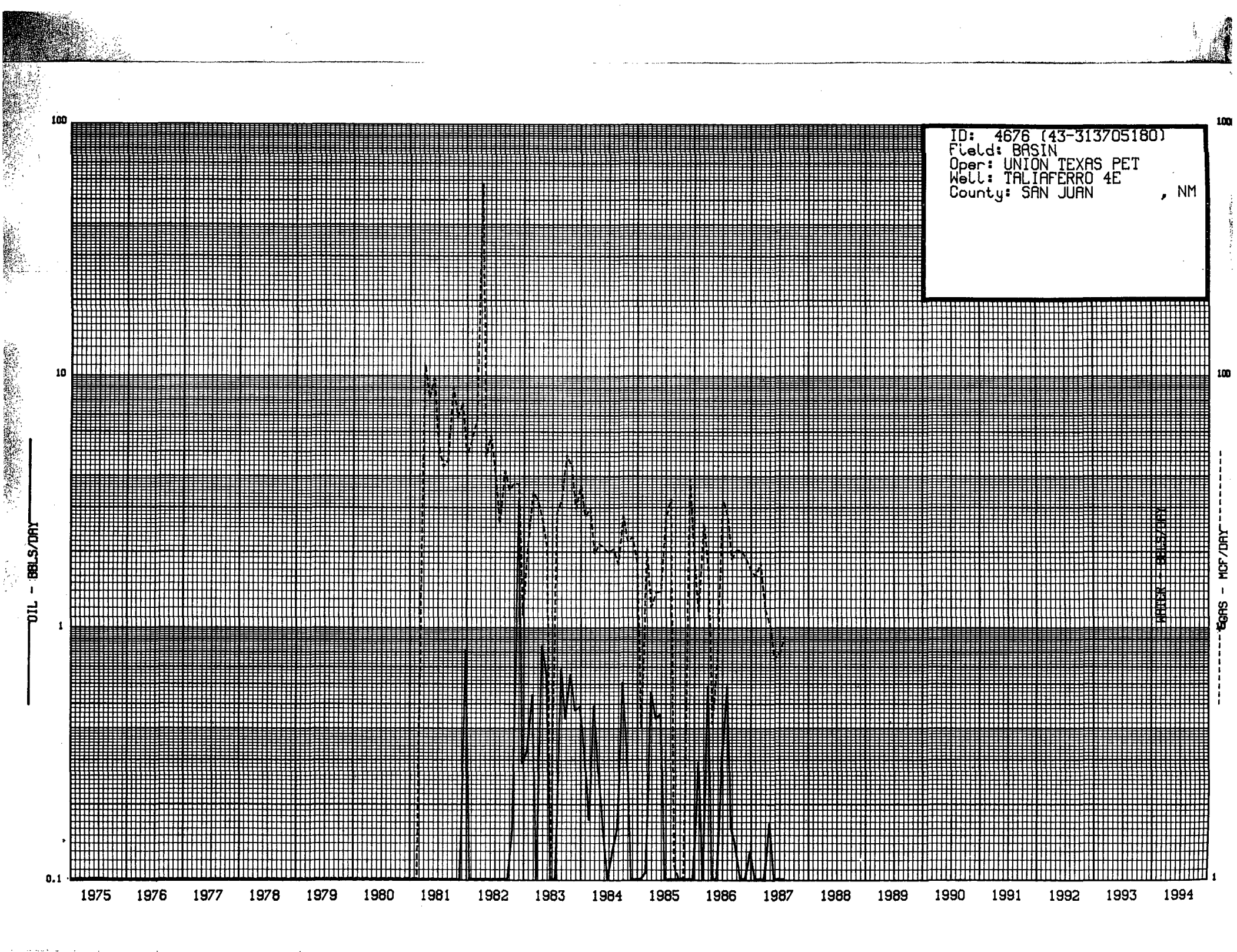
Taliaferro #4E
Proposed Wellbore Diagram

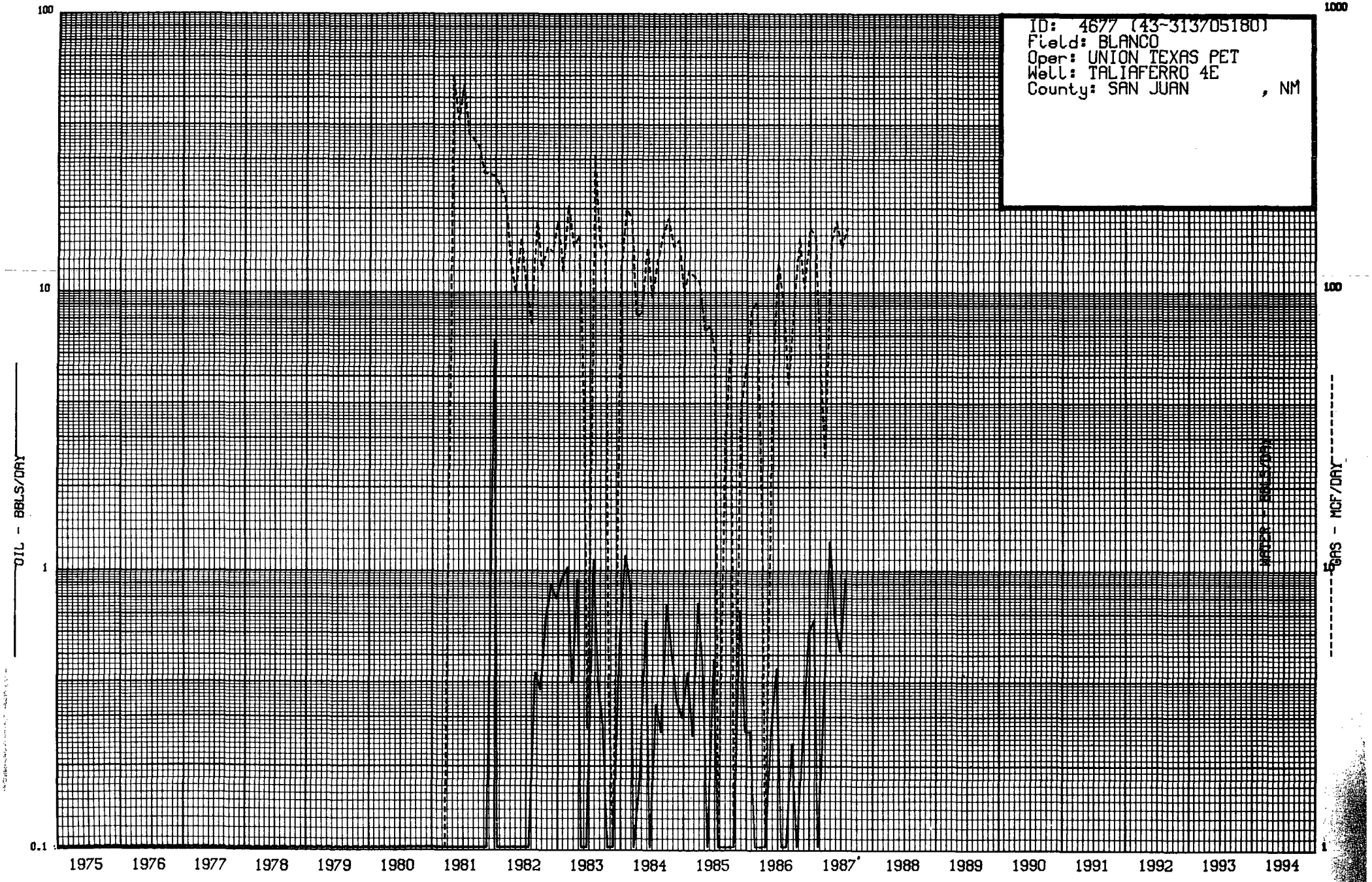
830' FNL; 1850' FWL
Section 29, T31N-R12W
San Juan County, NM

6030' GLE
6041' KBE
11' KB



TD: 7071'
PBTD: 7010'


ID: 4676 (43-313705180)
Field: BASIN
Oper: UNION TEXAS PET
Well: TALIAFERRO 4E
County: SAN JUAN , NM
OIL - BBLS/DAY
GAS - MCF/DAY
WATER - BBLS/DAY
100
10
1
0.1
100
1
1975
1976
1977
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994


ID: 4677 (43-31370518O)
Field: BLANCO
Oper: UNION TEXAS PET
Well: TALIAFERRO 4E
County: SAN JUAN , NM
100
10
1
0.1
1000
100
10
1
OIL - BBLS/DAY
GAS - MCF/DAY
MESAVERDE
1975
1976
1977
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-116
Revised 10-1-78

GAS – OIL RATIO TESTS

Operator	Pool	County
Union Texas Petroleum	Basin Dakota - Blanco Mesaverde	San Juan

Address	TYPE OF TEST – (X)	Scheduled [ ]	Completion [ ]	Special [XX]
375 US Highway 64 Farmington, NM 87401				

LEASE NAME	WELL NO.	LOCATION U	S	T	R	DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST WATER BBLS.	GRAV. OIL	OIL BBLS.	GAS M.C.F.	GAS – OI RATIO CU.FT/BI
Taliaferro (Mesaverde)	4E	C	29	31N	12W	7-18-87			350*		24	0		0.5	124	
(Dakota)	4E	C	29	31N	12W	7-18-87			350*		24	0		0	14	

*estimate

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above informatio is true and complete to the best of my know ledge and belief.

Steven D. Katiyis
(Signature)
Production Engineer
(Title)

Rocky Mountain Region

COMPATABILITY STUDY OF MIXED HYDROCARBON FLUIDS FOR UNION TEXAS PETROLEUM'S TALIAFERRO 4-E MESA VERDE AND DAKOTA INTERVALS

Prepared for:

Sterg Katirgis
Union Texas Petroleum

Prepared by:

Clay Terry
Western Company of North America

08/27/87

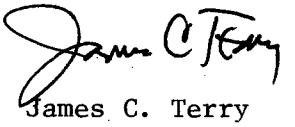
P.O. Drawer 360 • Farmington, N.M. 87499

OBSERVATIONS:

Both Mesa Verde and Dakota produced hydrocarbons are clean and clear condensates. Comingling of these produced fluids involves no immiscible fluids such as may be the case in oil or gas producing zones with accompanying H_2O production. API gravity was determined on each sample and on a 50/50 mixture of samples. Emulsion tendencies, scaling and precipitations of solids were investigated.

CONCLUSIONS:

No apparent problems exist in comingling as observed for a 50/50 admixture of these 2 produced fluids. A linear relationship of mixture and resulting API gravity exists suggesting no incompatability problems involving solids precipitation, emulsion creation or volumetric loss of one or both fluids. There should be no reason why comingling of these two fluids would produce a production problem for this well.



James C. Terry
The Western Company
of North America

Date August 27, 1987

The Western Company

Oil Analysis

Operator Union Texas Petroleum

Well 50/50 Mixture

Field

Formation Kd/MV

Depth

County

State

Date Sampled

Date Received 08/27/87

Submitted By Sterg Katirgis

Worked By Clay Terry

Sample Description 50/50 Mixture

Laboratoru prepared

API Gravity 65.4 ° at 60°F

*Paraffin Content _____% by weight

*Asphaltene Content _____% by weight

Pour Point _____°F

Cloud Point _____°F

Comments:

Analyst Clay Terry

Date August 27, 1987

The Western Company

Oil Analysis

Operator Union Texas Petroleum

Well Taliaferro 4E

Field

Formation Mesa Verde

Depth

County

State NM

Date Sampled

Date Received 08/27/87

Submitted By Sterg Katirgis

Worked By Clay Terry

Sample Description Clear, condensate sanple; no impurities

API Gravity 59.5 ° at 60°F

*Paraffin Content % by weight

*Asphaltene Content % by weight

Pour Point °F

Cloud Point °F

Comments:

Analyst Clay Terry

Date August 27, 1987

The Western Company

Oil Analysis

Operator Union Texas PEtroleum

Well Taliaferro 4E

Field

Formation Dakota

Depth

County

State

Date Sampled

Date Received 08/27/87

Submitted By Sterg Katirgis

Worked By Clay Terry

Sample Description Clear condensate sample; no impurities

API Gravity 69.6 ° at 60°F

*Paraffin Content % by weight

*Asphaltene Content % by weight

Pour Point °F

Cloud Point °F

Comments:

Analyst Clay Terry

Union Texas Petroleum

RECEIVED
OCT - 2 1987
OIL CON. DIV.
DIST. 3

375 U.S. Highway 64
Farmington, New Mexico 87401
Telephone (505) 325-3587

October 1, 1987

Mr. William LeMay
N. M. Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Re: Taliaferro #4E (SF-078244)
830' FNL; 1850' FWL
Section 29-T31N-R12W
San Juan County, NM

Dear Mr. LeMay:

Union Texas Petroleum has applied to your office for a downhole commingling of the Blanco Mesaverde and Basin Dakota pools by a letter dated September 23, 1987. At that time we had not notified the offset operators. Please be advised that the offset operators, Amoco Production Company and Columbus Energy Corporation, have been notified by certified mail as of this date.

In addition, the initial application indicated UTP did not operate the SE/4 of Section 20-T31N-R12W. However, that is not correct. UTP does operate the SE/4 under a communitization agreement (Com No. 14-08-001-6537).

If I may be of any further assistance, please advise.

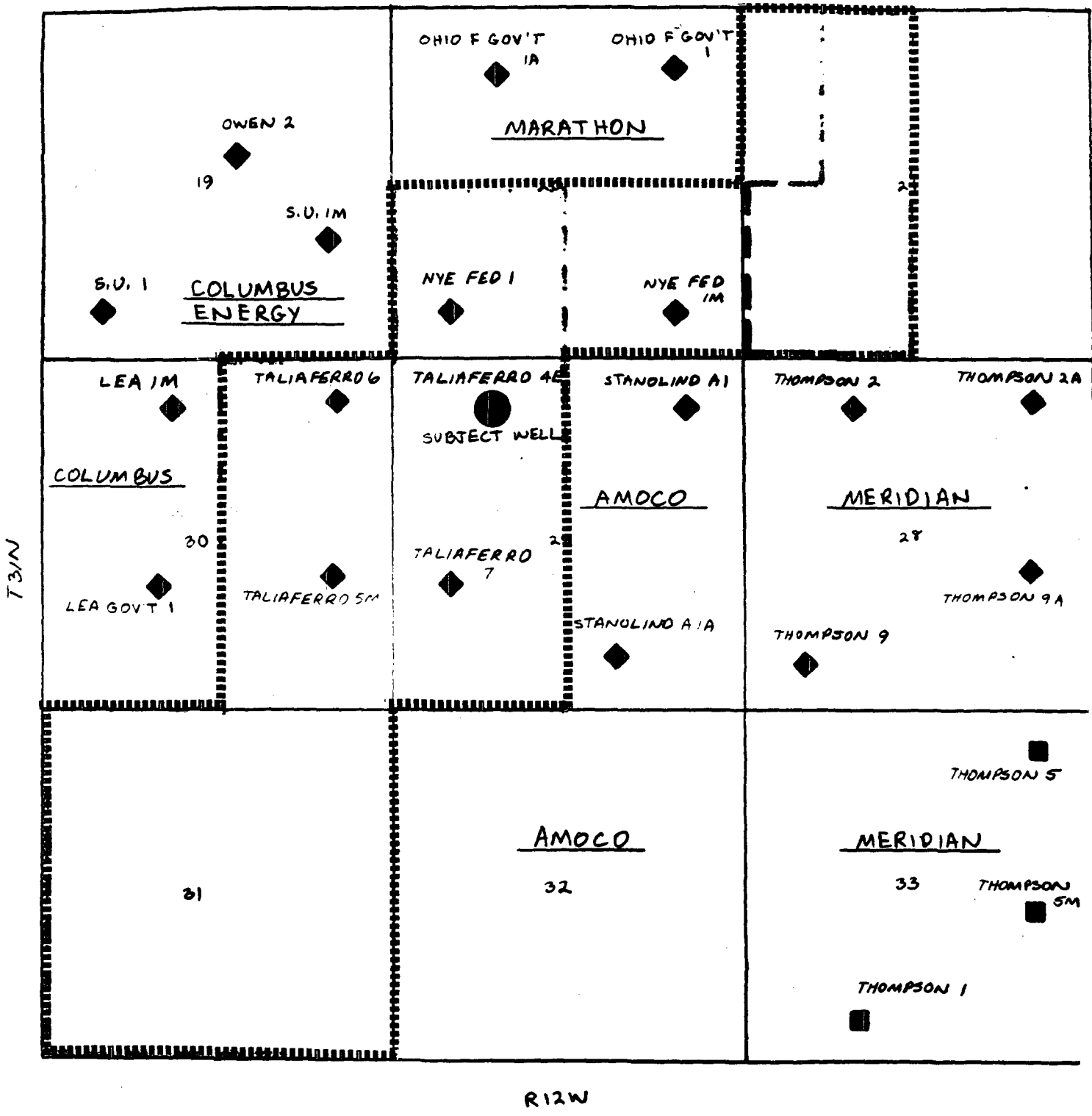
Very truly yours,

Robert C. Frank

Robert C. Frank
Permit Coordinator

RCF:lmg

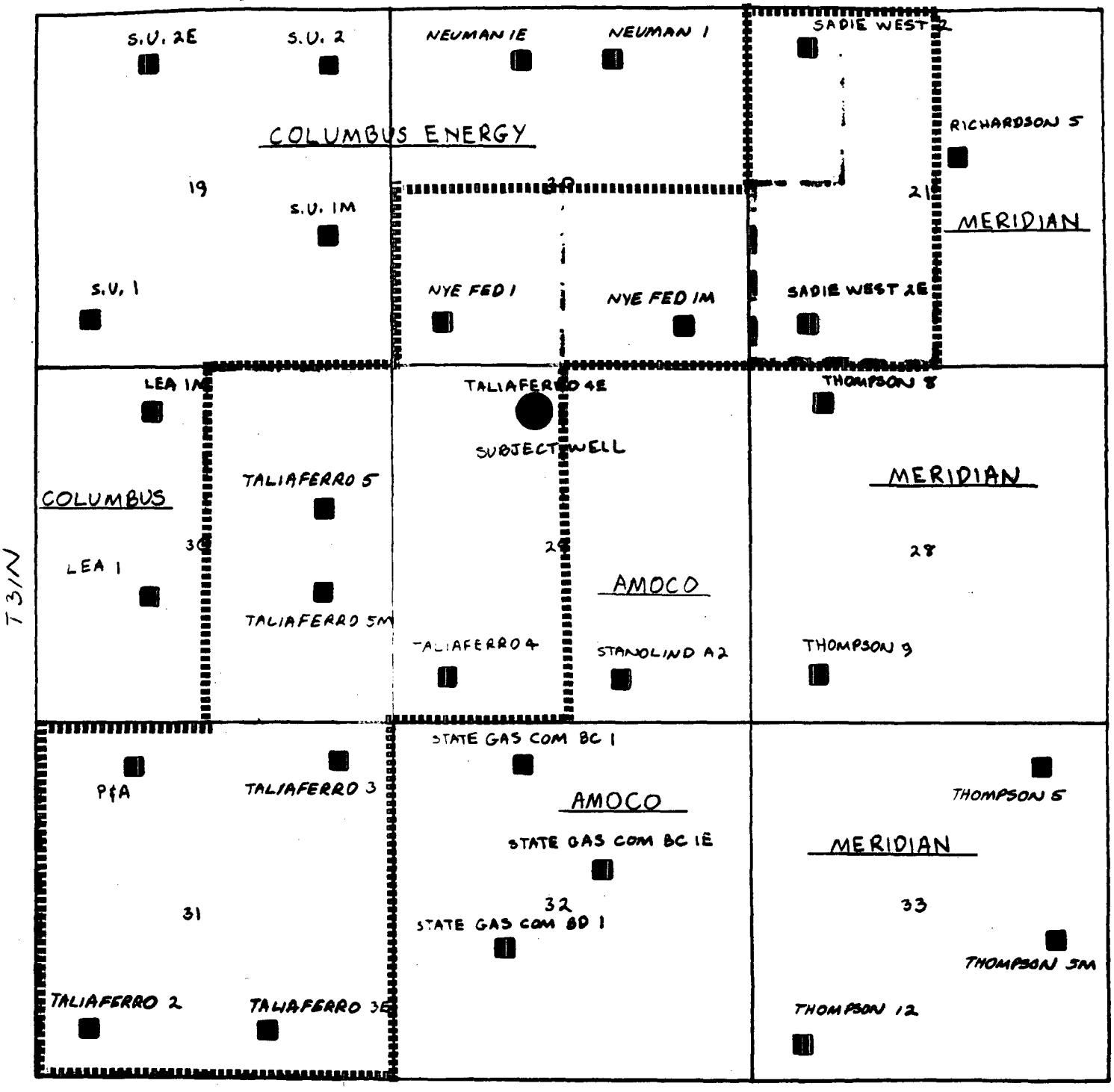
OFFSET OPERATORS
MESAVERDE WELLS



UNION TEXAS PETROLEUM OPERATED ACREAGE

OFFSET OPERATORS

DAKOTA WELLS



UNION TEXAS PETROLEUM OPERATED ACREAGE

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

RECEIVED
SEP 30 1987

DATE Sept 29, 1987

RE: Proposed MC _____
Proposed DHC X
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated September 28, 1987

for the Union Texas Pet Corp Jalapeno #4E C-29-31N-12W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Frank Chavez