



David L. Wacker
Division Manager
Hobbs Division
Exploration and Production, North America

Conoco Inc.
726 East Michigan
P.O. Box 460
Hobbs, NM 88241
(505) 397-5800

November 21, 1989

Mr. William LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

*BM-5696-5693
GD 6706-7900*

Dear Mr. LeMay:

Application to Downhole Commingle
Jicarilla 22 No. 3, Unit D, Sec. 22,
T25N, R4W, Rio Arriba County, New Mexico

Conoco Inc. respectfully requests approval to downhole commingle the West Lindrith Gallup/Dakota Oil Pool with the Blanco Mesaverde Gas Pool.

Data relative to this commingling is listed below:

1. A lease plat (see Attachment 1).
2. C-116's are included providing the most recent tests for each zone (Attachments 2 and 3).
3. Decline curves for each horizon (Attachments 4 and 5).
4. The shut-in bottomhole pressure of the Mesaverde adjusted to the bottom of the Gallup/Dakota zone is 1008.5 psi. The shut-in bottomhole pressure of the Gallup/Dakota zone in the Jicarilla 22 No. 3 could not be obtained because the zone is currently isolated below a retrievable bridge plug. However, the bottomhole pressure of the Gallup/Dakota zone in the nearby Jicarilla 22 No. 6 is 784 psi. The pressure obtained from the Jicarilla 22 No. 6 should be representative of the bottomhole pressure of the Jicarilla 22 No. 3.
5. Royalty and working interests are the same in both formations.
6. The quality and other characteristics of the oil and gas is similar and downhole commingling will not reduce the commercial value or create any operational problems associated with incompatible fluids. In fact, Conoco has already received NMOCD approval by Order PC-754 to surface commingle production from the Mesaverde and Gallup/Dakota formations in a common tank battery and in a common gas sales line (see Attachment 6).

Mr. William LeMay, Director

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7. The following allocation percentages are suggested based upon the ratio of production from each zone:

| | <u>Oil</u> | <u>Gas</u> |
|---------------|------------|------------|
| Mesaverde | 67% | 54% |
| Gallup/Dakota | 33% | 46% |

8. By copy of this letter we are notifying the Bureau of Land Management of the proposed commingling. Conoco is the only offset operator to this well.

Yours very truly,



David L. Wacker
Division Manager

KLL:jd

Enc.

cc:

BLM-Farmington

NMOCD-Aztec

Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

GAS - OIL RATIO TEST

| Operator Conoco Inc. | | Pool Lindrieth Gallup/Dakota West | | | | County Rio Arriba | | | | | | | | | | |
|---|----------|--------------------------------------|----|------------------------------------|----|-------------------------------------|---------|---|-------------|------------------|----------------------|-------------------|-----------------|------------|----------------------------|-------|
| Address P.O. Box 460 - Hobbs, NM 88240 | | TYPE OF TEST - (X) | | Scheduled <input type="checkbox"/> | | Completion <input type="checkbox"/> | | Special <input checked="" type="checkbox"/> | | | | | | | | |
| LEASE NAME | WELL NO. | LOCATION | | | | DATE OF TEST | S. DATE | CHOKE SIZE | TBG. PRESS. | DAILY ALLOW-ABLE | LENGTH OF TEST HOURS | PROD. DURING TEST | | | GAS - OIL RATIO CU.FT/BBL. | |
| | | U | S | T | R | | | | | | | WATER BBL.S | GRAV. OIL BBL.S | GAS M.C.F. | | |
| Jicarilla 22 | 3 | D | 22 | 25N | 4W | 11/24/88 | PL | 1.75 | 60 | | 24 | 2 | 55.0 | 3 | 114 | 38000 |

Instructions:

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.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature

W.W. Baker - Administrative Supervisor

Printed name and title

November 20, 1989 397-5800

Date Telephone No.

Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

OIL CONSERVATION DIVISION

GAS - OIL RATIO TEST

| Operator Conoco Inc. | | Pool Blanco Mesaverde | | County Rio Arriba | | | | | | | | | | | | |
|---|----------|---|----|--|----|--------------|------------|------------|-------------|-------------------|----------------------|-------------------|------------------|------------|-----------------------------|-------|
| Address P.O. Box 460 - Hobbs, NM 88240 | | TYPE OF TEST - (X) <input type="checkbox"/> TEST - (X) | | Completion <input type="checkbox"/> Special <input type="checkbox"/> | | | | | | | | | | | | |
| LEASE NAME | WELL NO. | LOCATION | | | | DATE OF TEST | % OF TESTS | CHOKE SIZE | TBG. PRESS. | DAILY ALLOW. ABLE | LENGTH OF TEST HOURS | PROD. DURING TEST | | | GAS - OIL RATIO CU./FT/BBL. | |
| | | U | S | T | R | | | | | | | WATER BBL.S. | GRAV. OIL BBL.S. | GAS M.C.F. | | |
| Jicarilla 22 | 3 | D | 22 | 25N | 4W | 7/13/89 | PL | 1.75 | 60 | | 24 | 0 | 53.0 | 6 | 135 | 22500 |

Instructions:

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.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature

M.W. Baker - Administrative Supervisor

Printed name and title

November 20, 1989

Date

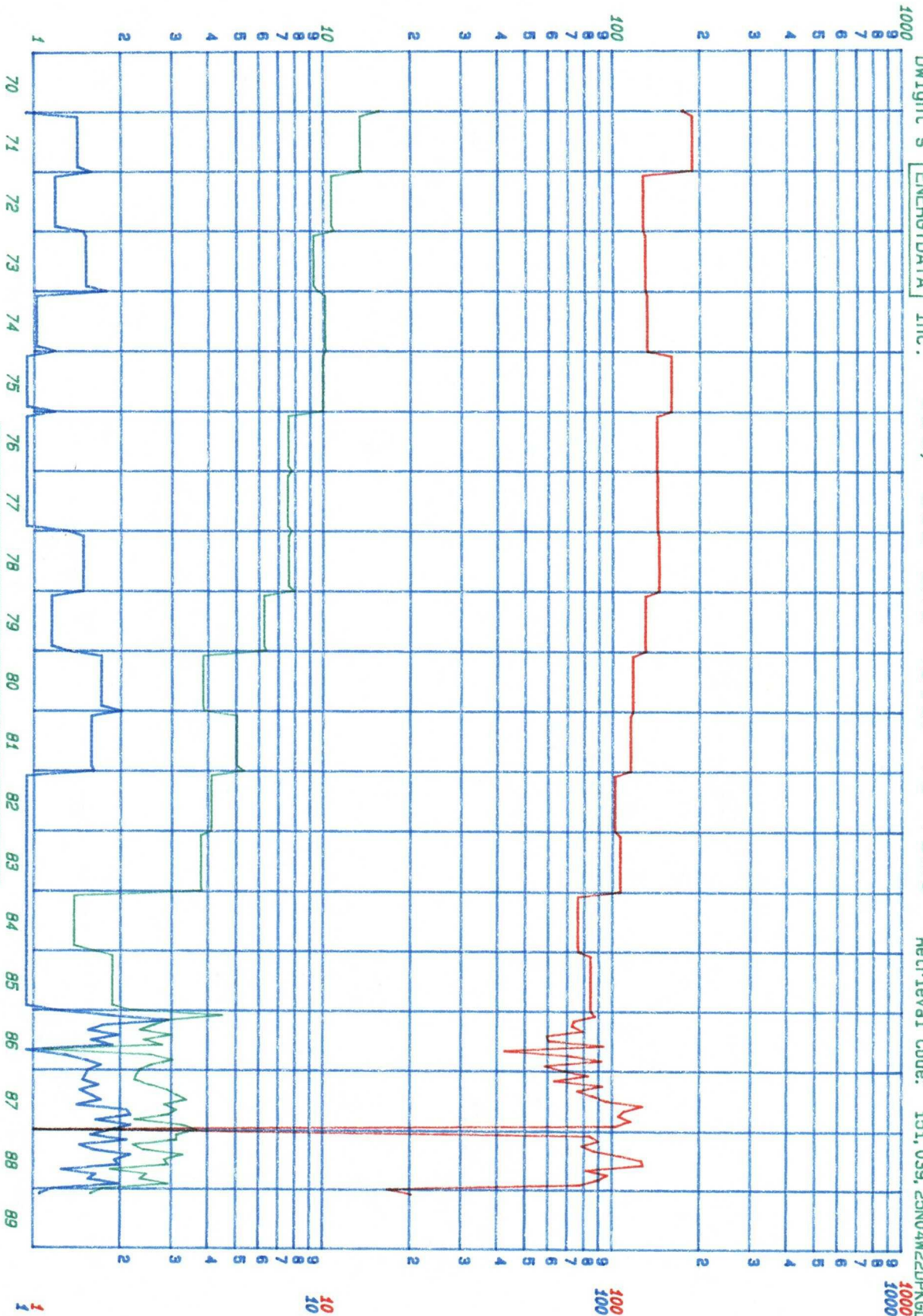
397-5800
Telephone No.

DAILY OIL PRODUCTION (BBL/DAY)

Dwight's ENERGYDATA Inc.

Oil, Gas and Water vs Time

Retrieval Code: 151, 039, 25N04W22DPKGD



LEGEND

OIL —
GAS —
WATER —

Lease: JICARILLA 22

Well # 000003

Operator: CONOCO INC

Field: LINDRITH GALLUP-DAKOTA, WEST

Reservoir:

County: RIO ARriba NM

Location: 22 25N 4W

GD

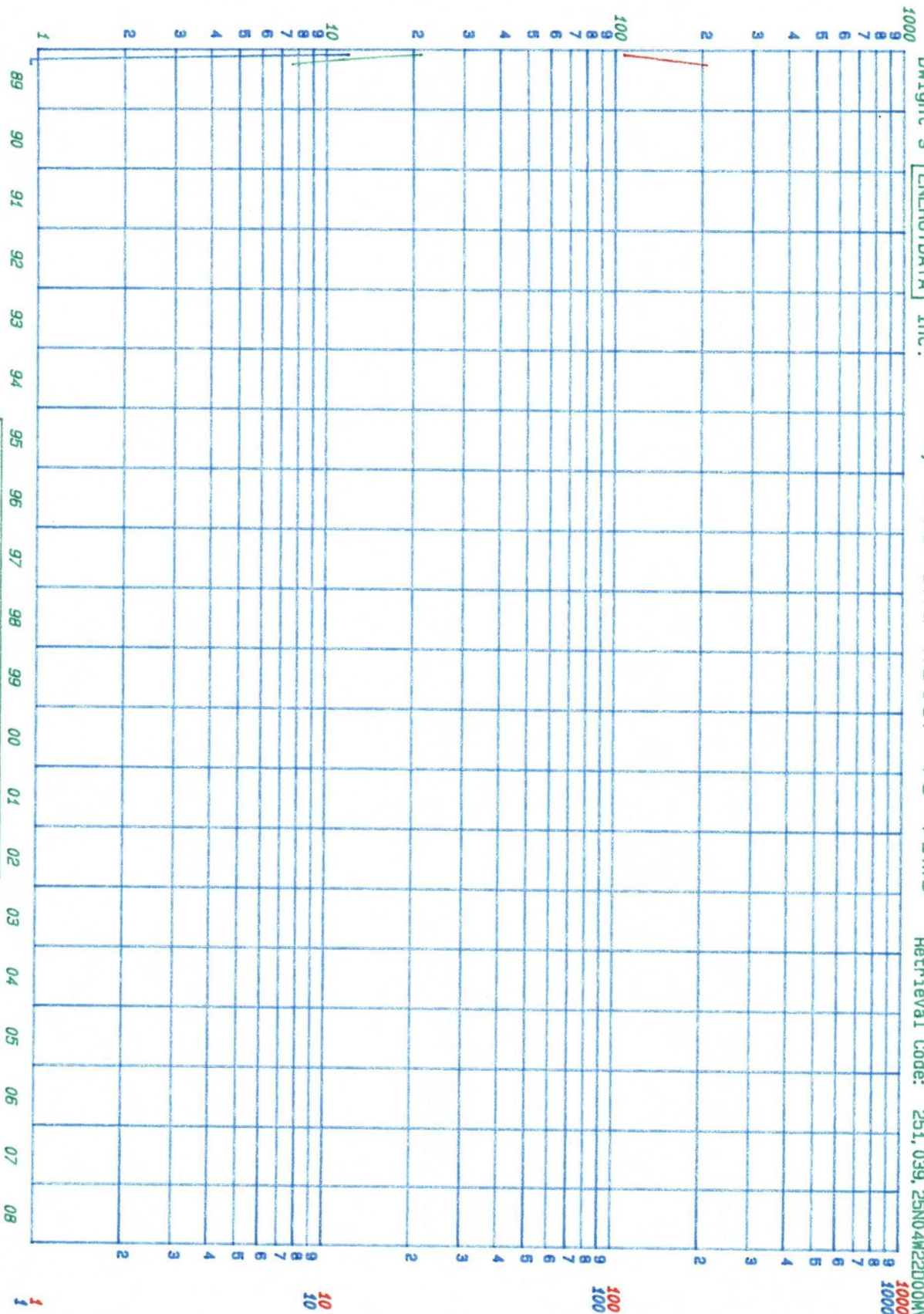
DAILY WATER PRODUCTION (BBL/DAY) DAILY GAS PRODUCTION (MCF/DAY)

Date: 09-28-89

DAILY OIL PRODUCTION (BBL/DAY)

Dwight's ENERGYDATA Inc. Oil, Gas and Water vs Time

Retrieval Code: 251, 039, 25N04M22D00MV



| LEGEND | |
|--------|---|
| OIL | — |
| GAS | — |
| WATER | — |

Lease: JICARILLA 22
 Well #: 000003
 Operator: CONOCO INC
 Field: BLANCO MESAVERDE (PRORATED GAS)
 Reservoir:
 County: RIO ARriba NM
 Location: 22 25N 4W

DAILY WATER PRODUCTION (BBL/DAY) DAILY GAS PRODUCTION (MCF/DAY)

Date: 09-28-89

28-11/10



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER PC-754

Conoco, Inc.
P.O. Box 460
Hobbs, NM 88240

Attention: David L. Wacker

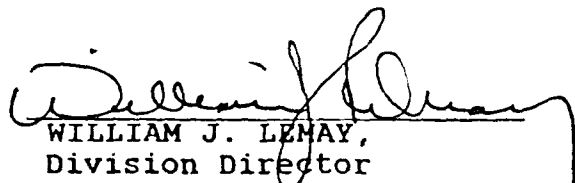
LEASE NAME: Jicarilla "22" Lease
DESCRIPTION: Sections 15, 16, 21 and 22, Township 25 North,
Range 4 West, NMPM, Rio Arriba County, New Mexico.

The above-named company is hereby authorized to commingle West Lindrith Gallup Dakota and Blanco Mesaverde Pool production in a common tank battery and in a common gas sales line and to determine the production from each pool by well tests. (All commingled production must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Gas production from current or future Mesaverde gas wells shall be separated and metered prior to being commingled in a common sales line.

DONE at Santa Fe, New Mexico, on this 26th day of October, 1988.


WILLIAM J. LEMAY,
Division Director



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

'89 DEC 7 AM 8 59

1000 RIO HIAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-0178

Date: 12-6-89

DAVE COTANACK

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

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

Gentlemen:

I have examined the application dated 12-4-89
for the Coucho Inc. Lic 22#3
Operator Lease & Well No.

D-22-25N-4W and my recommendations are as follows:
Unit, S-T-R

Approve

Yours truly,

Ernie Basel