

MERIDIAN OIL

OIL CONSERVATION DIVISION
OIL CONSERVATION DIVISION
REF: 133
'90 SEP 14 AM 10 00
'90 SEP 14 AM 10 00

August 30, 1990

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

Re: Reid #20
1030' FNL; 830' FEL
Section 19, T28N R09W
San Juan County, N. M.

Dear Mr. LeMay:

Meridian Oil Inc. is applying for an administrative downhole commingling order for the referenced well in the Blanco Mesaverde and Basin Dakota fields. The ownership of the zones to be commingled is common. The offset operator to the south and east is Amoco Production Company with Meridian Oil having acreage to the north and west. The Bureau of Land Management and this offset operator will receive notification of this proposed downhole commingling.

A packer leakage test conducted in April 1990 indicated that the two producing intervals in the subject well have communicated by either a tubing or packer leak. This well has produced since 1960 from the Dakota and since 1972 from the Mesaverde. It has a producing capacity of only 52 MCF/D and 30 MCF/D, respectively, and both sides are listed as "marginal" in the State Proration Schedule. The cumulative production is 1246 MMCF & 25,388 BO from the Dakota and 398 MMCF & 9864 BO from the Mesaverde, as of July 1, 1990. The commingling of the subject well in the twilight of its producing life will result in better producing efficiency. Granting this application will be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

We plan to commingle this well by pulling the tubing and packer seal assembly. The permanent packer will be extracted and a single string of tubing run to the lower producing interval.

The reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed downhole commingling. The fluids from each zone are compatible and no precipitates will be formed to cause damage to either reservoir. The daily production will not exceed the limit of Rule 303c, Section 1a, Part 1. The oil from this well is already

Mr. William J. LeMay
Reid #20
Page 2

surface commingled as per commingling order PC-700 on May 19, 1988 with no detrimental affects. The oil has an API oil gravity close to 48 degrees. The shut-in casing pressure for the Mesaverde and Dakota are 495 psi and 750 psi, respectively. The Dakota makes no water but the Mesaverde has produced about 10 gallons of water per day. The water is also commingled at the surface with no detrimental affects.

The District Office in Aztec will be notified anytime the commingled well is shut-in for seven (7) consecutive days.

Using the well's production from 1987 and 1988, which was before the tubing or packer leak developed, we propose the following production allocation. See the attached calculations.

| | | | |
|---------------|-----|------------|-----|
| Mesaverde gas | 39% | Dakota gas | 61% |
| Mesaverde oil | 79% | Dakota oil | 21% |

Included with this letter is a plat showing ownership of offsetting leases, a copy of the letter to the offset operator and BLM, wellbore diagram, pertinent data sheet, and an allocation calculation sheet.

Yours truly,



P. M. Pippin
Sr. Production Engineer

PMP:pmp
attachments

cc: Frank Chavez - OCD

MERIDIAN OIL

August 30, 1990

Amoco Production Company
P.O. Box 800
Denver, Colorado 80201

Gentlemen:

Meridian Oil, Inc. is in the process of applying for a downhole commingling order for their Reid #20 MV/DK well located 1030' FNL 830' FEL, Section 19 T28N R09W, N.M.P.M., San Juan County, New Mexico, in the Blanco Mesaverde and Basin Dakota.

The purpose of this letter is to notify you of such action. If you have no objections to the proposed commingling order, we would appreciate your signing the attached copy of this letter and returning it to this office.

Your prompt attention to this matter would be appreciated.

Yours truly,



P. M. Pippin
Sr. Production Engineer

PMP:pmp

The above downhole commingling request is hereby approved:

Date: _____

MERIDIAN OIL

August 30, 1990

Bureau of Land Management
1235 La Plata Hwy.
Farmington, N. M. 87401

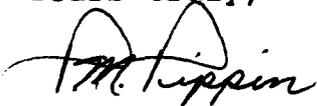
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Yours truly,



P. M. Pippin
Sr. Production Engineer

PMP:pmp

The above downhole commingling request is hereby approved:

Date: _____

MERIDIAN OIL

Commingle Application for Mesaverde/Dakota

Reid #20 MV/DK

San Juan County, N. M.

MV & DK Proration Units

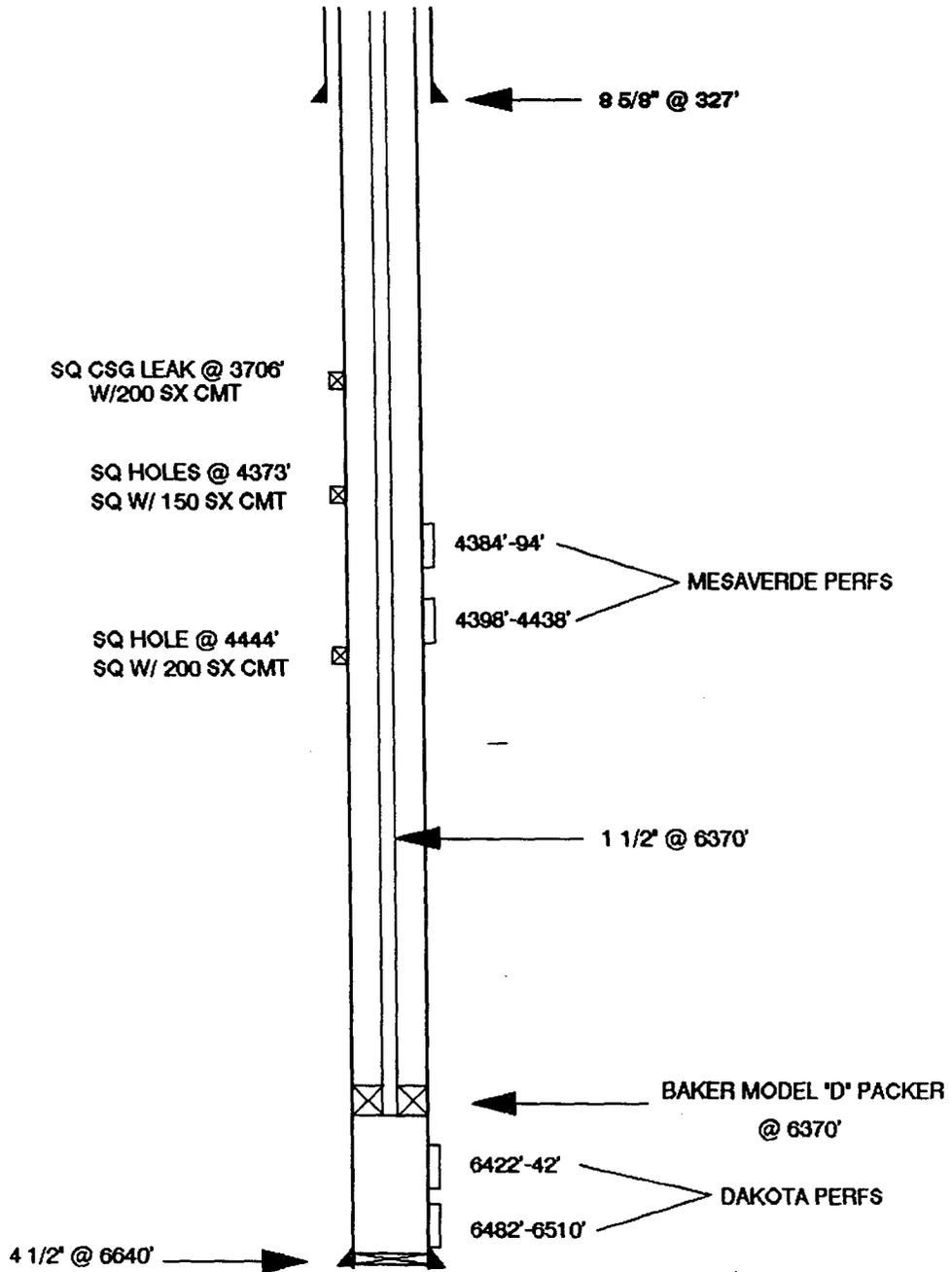
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28
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| | |
|--------------------|--------------------------|
| 18 Meridian Oil | 17 Meridian Oil Amoco |
| 19 Meridian Oil | 20 Amoco |
| 30 Amoco | 29 Amoco |
| Meridian Oil | Meridian Oil |

R 9 W

REID #20 MV/DK

UNIT A SECTION 19 T28N R09W
SAN JUAN COUNTY, NEW MEXICO



Pertinent Data Sheet - REID #20 MV/DK

Location: 1030' FNL 830' FEL, SEC. 19 T28N R09W, SAN JUAN COUNTY, N.M.

Field: Blanco Mesaverde
Basin Dakota

Elevation: 5799' GR
12' KB

TD: 6641'
PBTD: 6640'

Completed: 11/17/60 - DK
Recompleted: 1/29/72 - Dual MV/DK

GWI: 100.00%
NRI: 85.00%

Initial Potential:

DK -- AOF=5358 MCF/D SICP=1974 PSI
MV -- 165 MCF/D & 23 BOPD (Test after recomp.)

Casing Record:

| <u>Hole Size</u> | <u>Csq. Size</u> | <u>Wt. & Grade</u> | <u>Depth Set</u> | <u>Cement</u> | <u>Top/Cmt.</u> |
|------------------|------------------|------------------------|------------------|---------------|-----------------|
| 12 1/4" | 8 5/8" | 24.0# J-55 | 327' | 225sx | CIRC. CMT |
| 6 3/4" | 4 1/2" | 9.5/11.6# J-55 | 6640' | 250sx | 5480' |
| | | | DV @ 2219' | 150sx | 1755' |

Tubing Record:

198 jts. 1 1/2" 2.7# IJ 6370' w/Baker mod. D pkr @ 6370'
& F nip. and sliding sleeve

Formation Tops:

Pictured Cliffs 2010'
Cliff House 3680'
Point Lookour 4340'
Gallup 5524'
Greenhorn 6300'
Dakota 6422'

Logging Record: Induction, Casing Inspection, CBL

Stimulation: Dakota: Perfed @ 6422'-42' & 6482'-6510' w/4 spf. Fraced w/20,000# sand in water. AIR 38 BPM, ATP 2800 PSI, SIP 1200 PSI.

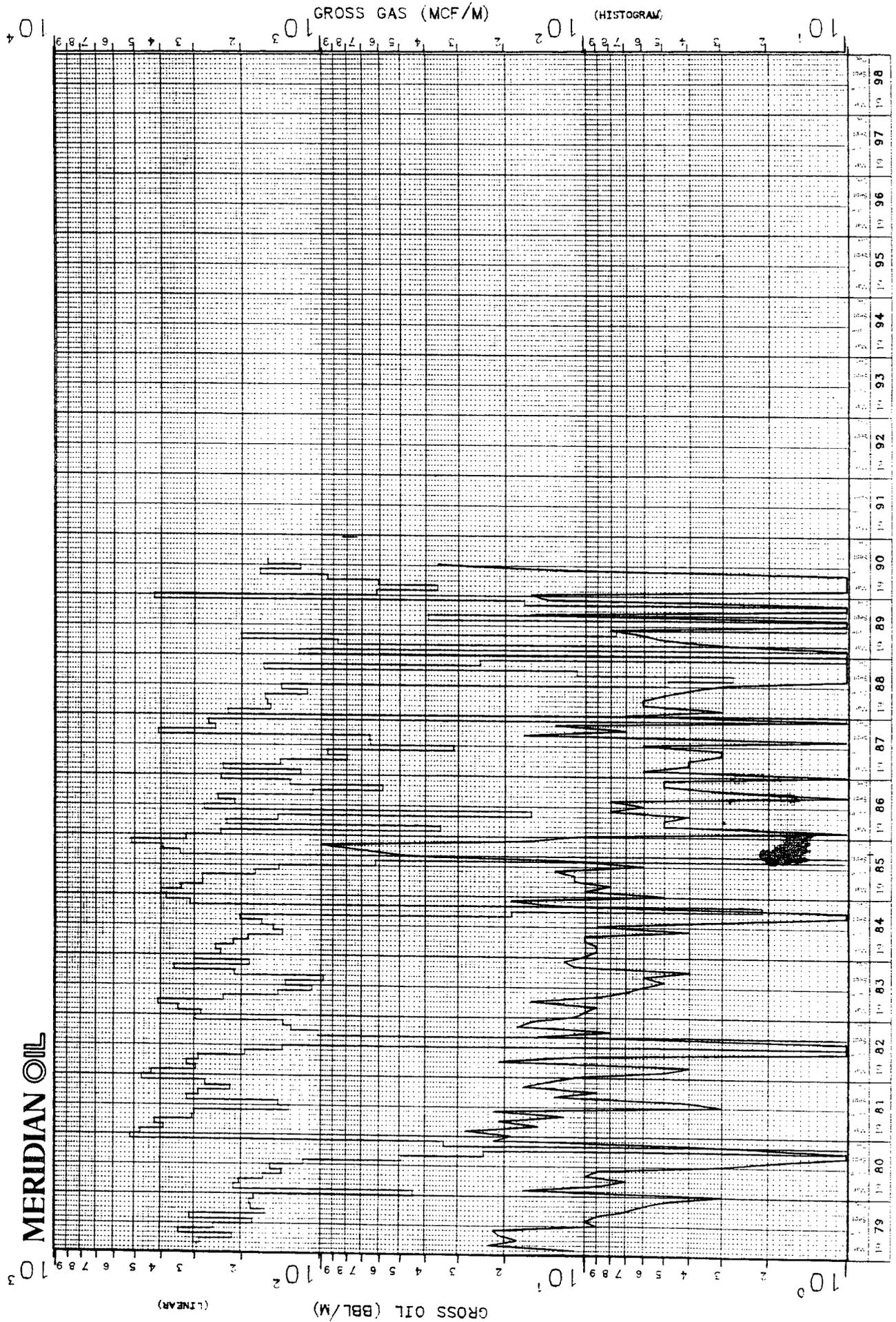
Workover History: 2/7/68--Set BP @ 6376'. Ran McCullough Casing Inspection Log & found hole @ 3706'. Squeezed w/200sx. Drilled out.
Mesaverde: 1/29/72 Perfed SQ hole @ 4444' & sq w/200 sx cmt. Perfed SQ holes @ 4373' & sq w/150 sx cmt. Perfed @ 4384'-94' & 4398'-4438'. Fraced w/40,000# 20/40 & 20,000# 10/20. AIR 29 BPM, ATP 3900 psi. 12/30/85--Pulled & lay down 1" tbg. Pull 1 1/2" tbg. and pkr seal assembly & repair.

Production History: Dakota: Cum. = 1246 MMCF & 25,388 BO. Capacity = 52 MCF/D.
Mesaverde: Cum = 398 MMCF & 9,864 BO. Capacity = 30 MCF/D (Up 4 1/2"-1 1/2" annulus)
See attached production curves.

PMP

DISTRICT : FARMINGTON
 STATE : NEW MEXICO
 COUNTY : SAN JUAN
 PROJECT NAME :

DP-NO : 66041
 WELL NAME & NO : REID
 FIELD NAME : BASIN DAKOTA (PRORATED GAS)
 OPERATOR : SOUTHLAND ROYALTY COMPANY
 PAGE NUMBER : 0000001-A



MERIDIAN OIL

ECTIONS:
 BY MONTH

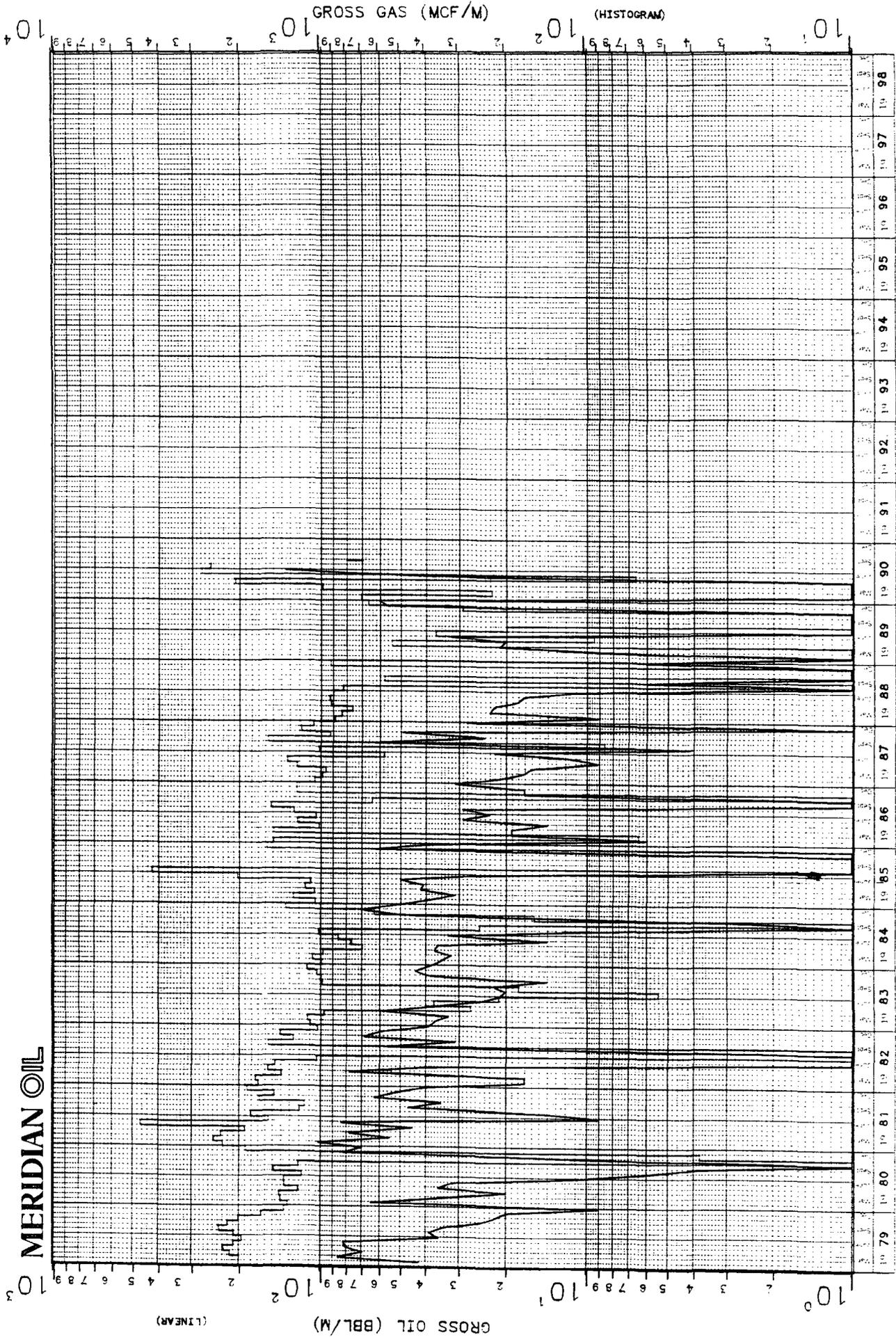
GAS BY MONTH

DISTRICT :
 STATE :
 COUNTY :
 PROJECT NAME :

FARMINGTON
 NEW MEXICO
 SAN JUAN

DP-NO : 66042
 WELL NAME & NO : REID
 FIELD NAME : BLANCO MESAVERDE (PRORATED GAS
 OPERATOR : SOUTHLAND ROYALTY COMPANY
 PAGE NUMBER : 0000001-A

MERIDIAN OIL



SELECTIONS:
 OIL BY MONTH

GAS BY MONTH



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

GARREY CARRUTHERS
 GOVERNOR

'90 SEP 27 AM 10 10

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

Date: Sept 26, 1990

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

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

Gentlemen:

I have examined the application dated Sept 14, 1990
 for the Meridian Leid # 20
 Operator Lease & Well No.

A-19-282-aw and my recommendations are as follows:
 Unit, S-T-R

Oppose

Yours truly,

J. J.