

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping204 N. Auburn
Farmington, New Mexico 87401
(505) 327-4892

DATE:	1/24/95	TIME:	
TO:	COMPANY N.M. Oil Conservation Division		
	PERSON David Catnach		
	PHONE 827-8184	FAX 827-8177	
FROM:	COMPANY Thompson Engr. & Prod. Corp.		
	PERSON Paul C. Thompson		
	PHONE 505 327-4892	FAX (505) 327 - 4892	
MESSAGE:	Attached is copy of application for administrative approval to downhole commingle production on the Canyon #10. We would appreciate your help in getting this application approved. If you have any questions - please give me a call.		
PAGES:	TOTAL (including this page)		

NEED
BHP'S ON
DAKOTA & GALLUP POOLS
DAKOTA
GALLUP 200±
200-300

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

THOMPSON ENGR. & PROD. CORP.

037581

3. Address and Telephone No.

7415 E. Main Farmington, New Mexico 87402

505 327-4892

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

A 790'FNL & 790'FEL
Section 22, T25N, R11W5. Lease Designation and Serial No.
NOO-C-14-20-52486. If Indian, Allottee or Tribe Name
Navajo Indian Tribe7. If Unit or CA, Agreement Designation
Communitization Agr.
320 acres8. Well Name and No.
Canyon #10 0150339. API Well No.
30-045-2216810. Field and Pool, or Exploratory Area
Basin Dakota 7159911. County or Parish, State
San Juan County, N.M.

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒
- Notice of Intent
-
- ☐
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- ☐
- Abandonment
-
- ☐
- Recompletion
-
- ☐
- Plugging Back
-
- ☐
- Casing Repair
-
- ☐
- Altering Casing
-
- ☒
- Other Downhole Commingling
-
- ☐
- Change of Plans
-
- ☐
- New Construction
-
- ☐
- Non-Routine Fracturing
-
- ☐
- Water Shut-Off
-
- ☐
- Conversion to Injection
-
- ☐
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THOMPSON ENGR. & Prod. Corp. seeks Administrative Approval to commingle the production in the Canyon #10 from the Basin Dakota and Lower Bisti Gallup Pools. The Lower Bisti Gallup has not been completed in this well bore. Please refer to the attached Exhibits:

- Exhibit #1: Acreage Dedication Plat (Dakota).
 Exhibit #2: Acreage Dedication Plat (Gallup).
 Exhibit #3: Decline curve from Basin Dakota.
 Exhibit #4: Ownership Description (Dakota & Gallup).
 Exhibit #5: Allocation formula and fluid description.
 Exhibit #6: Gas Analysis (Dakota).
 Exhibit #7: Letters to Offset Operators.

I hereby certify that the foregoing is true and correct

Signed Paul C. ThompsonTitle Paul C. Thompson, PresidentDate 11/21/94

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

EXHIBIT #1

THOMPSON ENGR. & PROD. CORP.
CANYON NO. 10
DAKOTA OFFSET OPERATORS

NASSAU

AMBLD

TEXALO

CANYON
10

NOC-C-14-26-5-18

Can # 28741
NM 70100

TEXALO

THOMPSON

TEXALO

N.F. SEARS

CORONADO
MGMT. CO.

MERIDIAN

EXHIBIT #2
THOMPSON ENGR. & PROD. CORP.
CANYON NO. 10
GALLUP OFFSET OPERATORS

NASSAU

TEXACO

TEXACO

CANYON
10

TEXACO

THOMPSON

TEXACO

TEXACO

22 TEXACO

TEXACO

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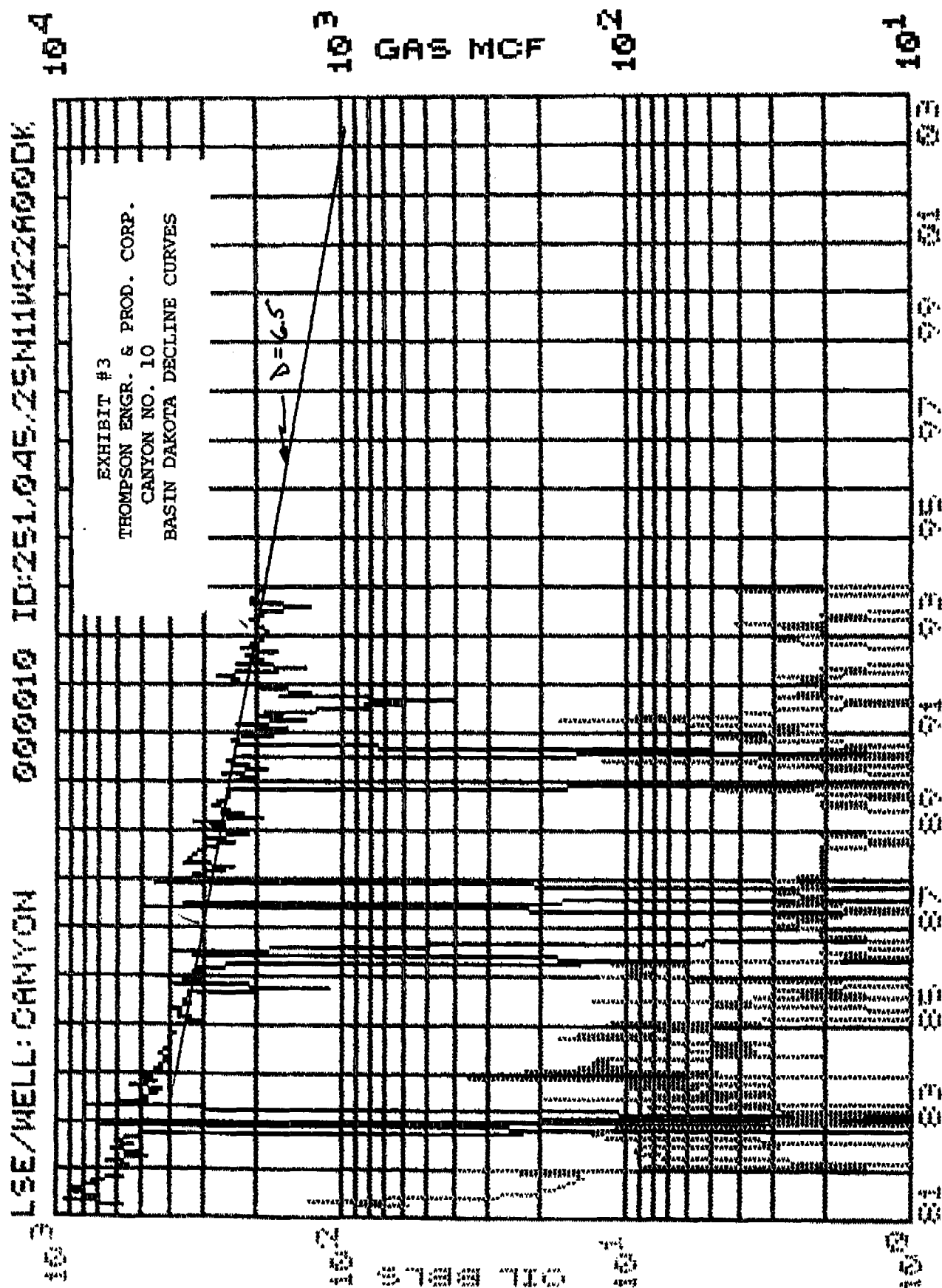


EXHIBIT #4

THOMPSON ENGINEERING AND PRODUCTION
CANYON #10

Interest Owner	Working Interest	Revenue interest
Coleman Oil and Gas	51.0000	37.4000
W. M. Gallaway	49.0000	35.9333
Amoco Production Co.	0.0000	10.0000
Bureau of Indian Affairs	0.0000	16.6667
	=====	=====
	100.0000	100.0000

EXHIBIT #5

THOMPSON ENGINEERING & PRODUCTION

CANYON #10

Allocation Formula:

The decline curve (Exhibit #3) for the Basin Dakota shows that the well has a 6.5% per year decline. The Dakota production can be calculated using the standard equation for exponential decline.

$$Q_t = Q_o e^{(-Dt)}$$

Where Q_t = Production rate at time t MCF/mo.
 Q_o = Production rate at time 0. Currently 1800 MCF/mo.
 D = Exponential Decline Rate (.065)
 t = Time since time 0 in months.

Oil production from the Dakota has averaged 0.002 bbl/mcf. Multiplying this factor times the calculated Dakota gas production will result in the allocated Dakota Oil Production.

The difference between the total production and the calculated Dakota oil and gas production will be allocated to the Lower Bisti Gallup.

The Lower Bisti Gallup zone should produce more oil per MCF than the Dakota zone, and possibly some water, but the fluids will be similar enough that no formation damage should occur as a result of the commingling.

The Lower Bisti Gallup has been developed in this area and we only expect marginal production from this zone. The value of the products from the commingled production will not be less than the sum of the values of the individual zones. The Gallup will not be completed if the downhole commingling application is not approved.

If the downhole commingling application is approved, we will perforate the Lower Bisti Gallup zone at 4947-4957' and slick water fraced with 20-30,000# of 20/40 sand.

Bottom hole pressures in the Dakota have been estimated from surface pressures at 165 psig. The pressure from the Lower Bisti Gallup is expected to be similar to the Dakota.

EXHIBIT #6

EL PASO NATURAL GAS COMPANY
VOLUME ACCOUNTING DEPARTMENT
MEASUREMENT DIVISION
POST OFFICE BOX 1492
EL PASO, TEXAS 79978
PHONE: (915) 841-5287

DATE 5/08/94

CHROMATOGRAPHIC GAS ANALYSIS REPORT

MAILEE
28758

THOMPSON ENGINEERING & PRODUCT
CORPORATION
204 NORTH AUBURN
FARMINGTON, NM 87401

METER NUMBER 93835 - CANYON #10
OPERATOR 0523 - THOMPSON ENGINEERING & PROD

ANALYSIS DATE	4/07/94	TYPE CODE	2 - ACTUAL
SAMPLE DATE	4/06/94	H2S GRAINS	0
EFFECTIVE DATE	5/01/94	LOCATION	D - DANIELS FM
EFFECTIVE FOR	6 MONTHS		

COMPONENTS	NORMALIZED MOL %	GPM
CO2	.57	.000
H2S	.00	.000
N2	1.35	.000
METHANE	77.21	.000
ETHANE	12.64	3.381
PROPANE	4.95	1.364
ISO-BUTANE	.64	.209
NORM-BUTANE	1.13	.356
ISO-PENTANE	.38	.139
NORM-PENTANE	.31	.112
HEXANE PLUS	.62	.358
	100.00	5.918

SPECIFIC GRAVITY .738
MIXTURE HEATING VALUE
(BTU @ 14.73 DRY) 1263
RATIO OF SPECIFIC HEATS .000
NO TEST SECURED FOR H2S CONTENT

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892~~November 21, 1994~~

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

Re: Application for Downhole Commingling
Thompson Engineering and Production Corp.
Canyon #10
790'FNL, 790'FEL, Section 22, T25N R11W
San Juan County, New Mexico
Basin Dakota and Lower Bisti Gallup

Dear Mr. LeMay,

This is a request on behalf of Thompson Engineering and Production Corp., for administrative approval of the above referred to Downhole commingling of the production from the Basin Dakota and Lower Bisti Gallup pools.

I have attached for your review the following Exhibits.

- Exhibit 1: Acreage Dedication Plat (Dakota)
- Exhibit 2: Acreage Dedication Plat (Gallup)
- Exhibit 3: Decline curve from Basin Dakota
- Exhibit 4: Ownership Description (Dakota and Gallup)
- Exhibit 5: Allocation Formula and Fluid Description
- Exhibit 6: Gas Analysis from Basin Dakota
- Exhibit 7: Letters to Offset Operators

The Gallup interval has not been completed pending approval of this application.

Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson
Paul C. Thompson, P.E.
President



WALSH

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892

November 21, 1994

CERTIFIED MAIL-RETURN RECEIPT

Meridian Oil, Inc.
3535 30th Street
Farmington, New Mexico 87402

REF: Thompson Engr. & Prod. Corp.
Canyon #10
NE 22, T25N, T11W
San Juan County, N.M.

To Whom It May Concern:

Thompson Engineering and Production Corporation has applied to the New Mexico Oil Conservation Division for Administrative Approval to downhole commingle production from the Basin Dakota with the Lower Bisti Gallup in the subject well.

As an Offset Operator you are being notified of this application, by certified mail, pursuant to NMOCD regulations. If you object to this application, you will need to notify the NMOCD at P. O. Box 6429, Santa Fe, New Mexico within 20 days.

If you have any questions or need additional information, please call or write me at the letterhead address.

Sincerely,

Paul C. Thompson, P.E.
President

PCT:rr

From : WEPC (505) 327-4892

Is your RETURN ADDRESS completed on the reverse side?

SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. ☐ Addressee's Address 2. ☐ Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: Meridian Oil Inc. 3535 30th Street Farmington, New Mexico 87402	4a. Article Number Z 688 078 833	Thank you for using Return Receipt Service.
	4b. Service Type ☐ Registered ☐ Insured ☒ Certified ☐ COD ☐ Express Mail ☐ Return Receipt for Merchandise	
	7. Date of Delivery 11-23-94	
5. Signature (Addressee) <i>Carolyn Curry</i>	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent)		

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT



WALSH

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87401
(505) 327-4892

November 21, 1994

CERTIFIED MAIL-RETURN RECEIPT

AMOCO Production Company
200 Amoco Court
Farmington, New Mexico 87401

REF: Thompson Engr. & Prod. Corp.
Canyon #10
NE 22, T25N, T11W
San Juan County, N.M.

To Whom It May Concern:

Thompson Engineering and Production Corporation has applied to the New Mexico Oil Conservation Division for Administrative Approval to downhole commingle production from the Basin Dakota with the Lower Bisti Gallup in the subject well.

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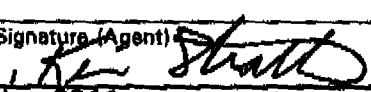
If you have any questions or need additional information, please call or write me at the letterhead address.

Sincerely,

Paul C. Thompson

Paul C. Thompson, P.E.
President

PCT:rr

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3. Article Addressed to: AMOCO PRODUCTION COMPANY 200 Amoco Court Farmington, N.M. 87401		4a. Article Number Z 688 078 830	
		4b. Service Type ☐ Registered ☐ Insured ☒ Certified ☐ COD ☐ Express Mail ☐ Return Receipt for Merchandise	
		7. Date of Delivery 11/23/94	
5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) 			

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT



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ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87401
(505) 327-4892

November 21, 1994

CERTIFIED MAIL-RETURN RECEIPT

Nassau Resources, Inc.
P. O. Box 809
Farmington, New Mexico 87499

REF: Thompson Engr. & Prod. Corp.
Canyon #10
NE 22, T25N, T11W
San Juan County, N.M.

To Whom It May Concern:

Thompson Engineering and Production Corporation has applied to the New Mexico Oil Conservation Division for Administrative Approval to downhole commingle production from the Basin Dakota with the Lower Bisti Gallup in the subject well.

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Paul C. Thompson, P.E.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Nassau Resources, Inc.
P. O. Box 809
Farmington, N.M. 87499

4a. Article Number
Z 688 078 832

4b. Service Type

☐ Registered ☐ Insured

☒ Certified ☐ COD

☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
11-26-94

5. Signature (Addressee)

6. Signature (Agent)
Fran Perrin

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892

November 21, 1994

CERTIFIED MAIL-RETURN RECEIPTTEXACO EXPLORATION & PROD. INC.
3701 E. Main
Farmington, New Mexico 87402REF: Thompson Engr. & Prod. Corp.
Canyon #10
NE 22, T25N, T11W
San Juan County, N.M.

To Whom It May Concern:

Thompson Engineering and Production Corporation has applied to the New Mexico Oil Conservation Division for Administrative Approval to downhole commingle production from the Basin Dakota with the Lower Bisti Gallup in the subject well.

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Texaco Exploration & Prod.
3701 E. Main
Farmington, N.M. 87402

4a. Article Number

Z 688 078 831

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

11-23-94

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



WALSH

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892

No addresses were available at OCD for the following:

Coronado Management Company
N. F. Sears