1109



P.O. Box 552 Midland, TX 79702-0552 Telephone 915/682-1626

Mr. David Catanach State of New Mexico Oil Conservation Division Energy and Minerals Department 2040 South Pacheo Santa Fe, New Mexico 87505

Santa Fe, New Mexico 87505

RE: Request for Exception to Rule 303-A

Downhole Commingling

Jicarilla Apache # 9-E

UL "O", 1040' FSL & 1685' FEL

Sec 28, T-26-N, R-5-W

Blanco Mesa Verde and Basin Dakota Pools Jicarilla Field

Rio Arriba County, New Mexico

Dear Mr. Catanach:

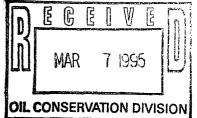
Marathon Oil Company requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of the Mesa Verde and Basin Dakota zones in the referenced well.

A velocity string was installed in this well in Jan-94 to facilitate the reestablishment of Mesa Verde production. Commingling will allow for the more efficient operation of artificial lift equipment. Moreover downhole commingling would allow both zones to be artificially lifted to an abandonment BHP of 100 PSI, maximizing the productive life of the wellbore and reducing waste.

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please contact me at 915-687-8324. Your prompt consideration of this issue is greatly appreciated.

Sincerely,

Thomas M. Price Advanced Engineering Technician



REQUEST FOR EXCEPTION TO RULE 303A JICARILLA APACHE # 9-E API# 30-039-22589 UL"O" 1040' FSL & 1685' FEL SEC.28, T-26-N, R-5-W RIO ARRIBA CO., NEW MEXICO BLANCO MESA VERDE AND BASIN DAKOTA POOLS

A: Operator
Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

B: <u>Plats and Offset Operators</u> Attached

C: <u>C-116's</u> Attached

D: <u>Production Decline Curves</u> Attached

E: <u>Estimated Bottomhole Pressures</u>
Mesa Verde 770 PSI @ 5232 Feet
Basin Dakota 930 PSI @ 5232 Feet

F: Product Characteristics
Previous commingling of these zones by other operators in this area have shown that the produced fluids are compatible and commingling will not cause formation damage.

G: <u>Value</u>
Marathon receives the same price for product from both zones and value will not be adversely affected.

H: Production Allocation

POOL	<u>BOPD</u>	<u>MCFPD</u>	BWPD
Mesa Verde	2	57	2
<u>Basin Dakota</u>	<u>3</u>	<u> 193</u>	0
TOTAL	5	250	2 3

Allocated Percentages

POOL	BOPD%	MCFPD%	BWPD
Mesa Verde	40	22.8	100
<u>Basin Dakota</u>	<u>60</u>	<u>77.2</u>	0
TOTAL	100	100	100

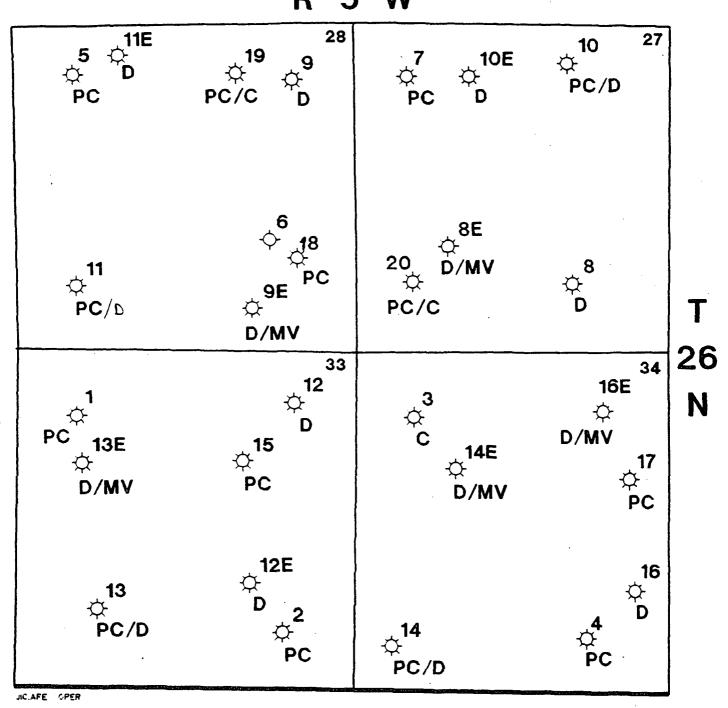
I: Ownership
Ownership of all zones is in common and correlative rights
will not be compromised.

J: Offset Operator Notification

By copy of this letter we are notifying all offset operators (see list, Item C) of the proposed commingling, by certified mail.

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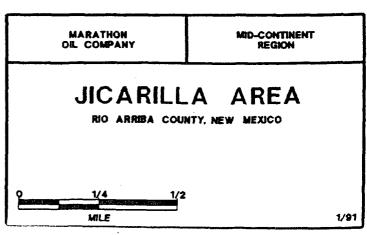


PC PICTURED CLIFFS

C CHACRA

MV MESA VERDE

D DAKOTA



OFFSETTING OPERATORS TO MARATHON OIL COMPANY'S JICARILLA APACHE LEASE SECTIONS 27, 28, 33, & 34, T-26-N, R-5-W, RIO ARRIBA COUNTY, NEW MEXICO

Amoco Production Company P. O. Box 800 Denver, CO 80201-0800

Meridian Oil Inc. P. O. Box 4289 Farmington, NM 87401-4289

Conoco Inc. 10 Desta Dr., Ste. 100W Midland, TX 79705-4500

Merit Energy Corp. P. O. Box 351 Midland, TX 79702-0351

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

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT III

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

> Form C-116 Revised 1/1/89

GAS - OIL RATIO TEST

INFORMATIONAL USE ONLY					Jicarilla Apache	LEASE NAME		Address P.O. Box 552, Midland, TX 79702	Operator Marathon Oil Company
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Instructions:

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

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

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

Thomas M. Price

Printed name and title 3/2/95

Date

915-687-8324

Telephone No.

Submit 2 copies to Appropriate District Office.

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

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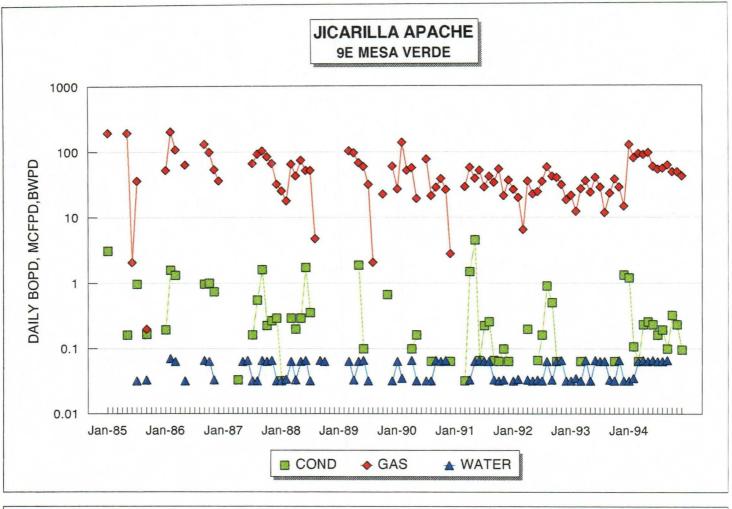
Printed name and title

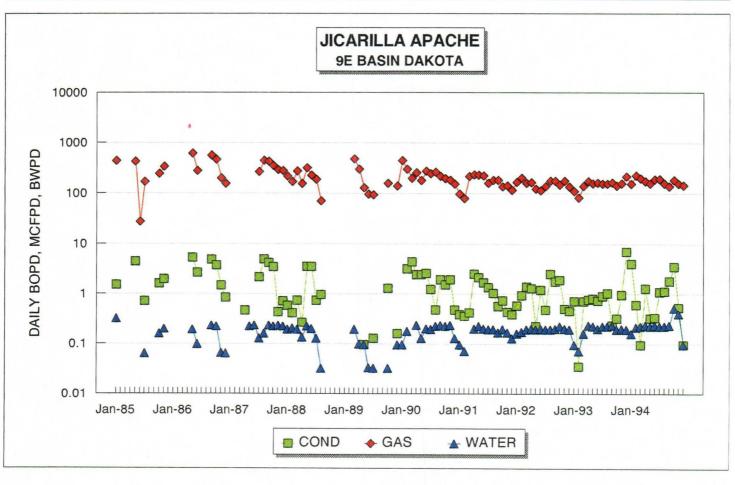
915-687-8324

3/2/95 Thomas M. Price

Date

Telephone No.





Form 3160-5 (June 1990)

UNITED STATES

Budget Bureau No. 1004-0135 Expires: March 31, 1993 DEPARTMENT OF THE INTERIOR 5. Lease Designation and Serial No. **BUREAU OF LAND MANAGEMENT** Tract 251 Contract 154 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Jicarilla Apache Use "APPLICATION FOR PERMIT - " for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well 8. Well Name and No. Oil Well X Gas 9 E Jicarilla Apache 2. Name of Operator 9. API Well No. Marathon Oil Company 30-039-22589 3. Address and Telephone No. 10. Field and Pool, or exploratory Area P.O. Box 552, Midland, TX 79702 915-687-8324 Jic / Basin Dakota.Mesa Verde 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State UL"O". 1040 FSL & 1685 FEL Section 28. T-26-N. R-5-W Rio Arriba NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Downhole Commingle 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.)* Marathon Oil Company is applying to the New Mexico Oil Conservation Division for permission to downhole commingle the Blanco Mesa Verde and Basin Dakota pool in this well. Upon receiving approval from the NMOCD, the coiled tubing will be unseated and raised to a depth which will optimize production from both zones. The estimated start date is upon approval of the DHC Permit from the NMOCD.

FORM APPROVED

14. I hereby certify that the foregoing is true and correct Signed	Title Advanced Engineering Tecl	h. _{Date} 3/3/95
(This space for Federal or State office use)		
Approved by	Title	Date



March 3, 1995

Amoco Production Company
P. O. Box 800
Denver, Colorado 80201-0800

Re: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache No. 9E
UL "O" 1040' FSL & 1685' FEL
Sec. 28, T-26-N, R-5-W
Mesa Verde and Basin Dakota Pools
Jicarilla Field
Rio Arriba County, New Mexico

Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation Division to downhole commingle the referenced well. Please find enclosed a copy of the application as outlined in Rule 303-A.

If you are in agreement and waive all objections to the downhole commingling, please sign below and mail the original to the NMOCD, 2040 South Pacheco, Santa Fe, NM 87505, Attn. David Catanach.

Thomas M. Price

Thomas M. Price

Advanced Engineering Technician

& other dians of 1984 Corporation .

TMP/9510.a/lr Enclosure

Sincerely,

Agreed and accepted this	day of1995
by	, as representative of
·	



March 3, 1995

Meridian Oil Inc.
P. O. Box 4289
Farmington, New Mexico 87401-4289

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by	, as representative of

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March 3, 1995

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