

1995 JAN 4 AM 8 52

DHC 1-29-96

1184

December 27, 1995

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

Re: Navajo Indian B #6M MV/DK
1190' FNL 790' FWL
Section 19, T27N R8W
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 Basin Dakota (DK) and the Blanco Mesaverde (MV) fields. The ownership of the zones to be commingled is common. The offset operators to both the Mesaverde and Dakota are Amoco, and Four Star Oil and Gas. The Bureau of Land Management and these offset operators will receive notification of this proposed downhole commingling.

This well has produced as a dual MV / DK well since 1980. The MV has an average producing rate of 100 MCF/D. The DK's is a marginal producing interval with a current rate of 20 MCF/D but is logging off with fluid. The DK has had trouble producing for several years due to a fluid loading problem. The addition of the MV gas to the producing stream should help lift the small amount of liquid (less than 1 BLPD). This would greatly enhance the DK producing efficiency thus preventing waste of the DK gas reserves. The cumulative production for the MV is 462 MMCF and 3261 BO with 236 MMCF and 1124 BO for the DK.

We believe that the DK production is currently being suppressed due to the presence of the well's production packer which limits the DK's ability to unload liquid with its small gas volume. The MV should continue producing at its present rate of 100 MCF/D. The commingling of the subject well in the twilight of its producing life will result in better producing efficiency for both intervals. We believe that the combined gas volume will be sufficient to lift the produced liquids.

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 MV tubing and the DK tubing, eliminate the production packer, and run a single string of 2-1/16" tubing.

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. MV and DK wells have been successfully commingled in many areas of San Juan Basin with no detrimental effects. In addition, the nearby well Navajo Indian B #5M (E 30 27 8) was commingled in the MV and DK (DHC-381) on 4-19-83 with no detrimental effects. The daily production will not exceed the limit of Rule 303c, Section 1a, Part 1. The shut-in pressures for the MV and DK are 350 and 355 psi, respectively, however, we do not believe that there will be any significant crossflow.

To allocate the commingled production to each of the zones, the current MV rate of 100 MCF/D and the DK rate of 20 MCF/D were utilized to obtain the following recommendation for the gas allocation: MV Gas = 83% and DK Gas = 17%. Due to the lack of consistent and current oil production volumes from each formation the oil allocation recommendation was calculated using the cumulative oil rates: MV Oil = 74% and DK Oil = 26%.

Included with this letter are plats showing ownership of offsetting leases for both the MV and DK, a copy of letters to the offset operators and BLM, before and after wellbore diagrams, production curves, a pertinent data sheet, and maps indicating the offset MV and DK wells in the area.

Yours truly,



P. M. Pippin
Senior Production Engineer

PMP:pmp
attachments

cc: Frank Chavez - Aztec OCD

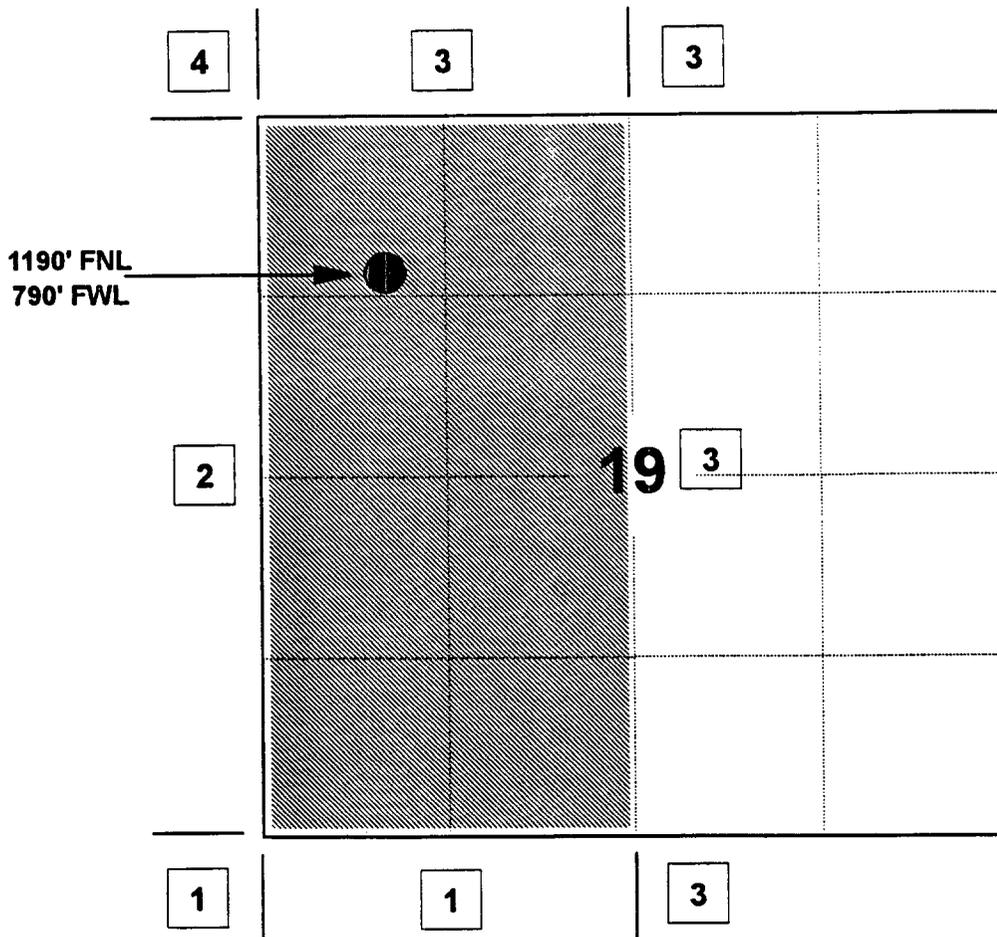
MERIDIAN OIL INC

NAVAJO B #6M

OFFSET OPERATOR \ OWNER PLAT

Mesaverde / Dakota Dual Completion Well

Township 27 North, Range 8 West



1) Meridian Oil Inc

2) Southland Royalty Company

3) Amoco Production Company

PO Box 800, Denver, CO 80201

4) Four Star Oil & Gas Company

P.O. Box 46555, Denver, CO 80201

Mesaverde Formation

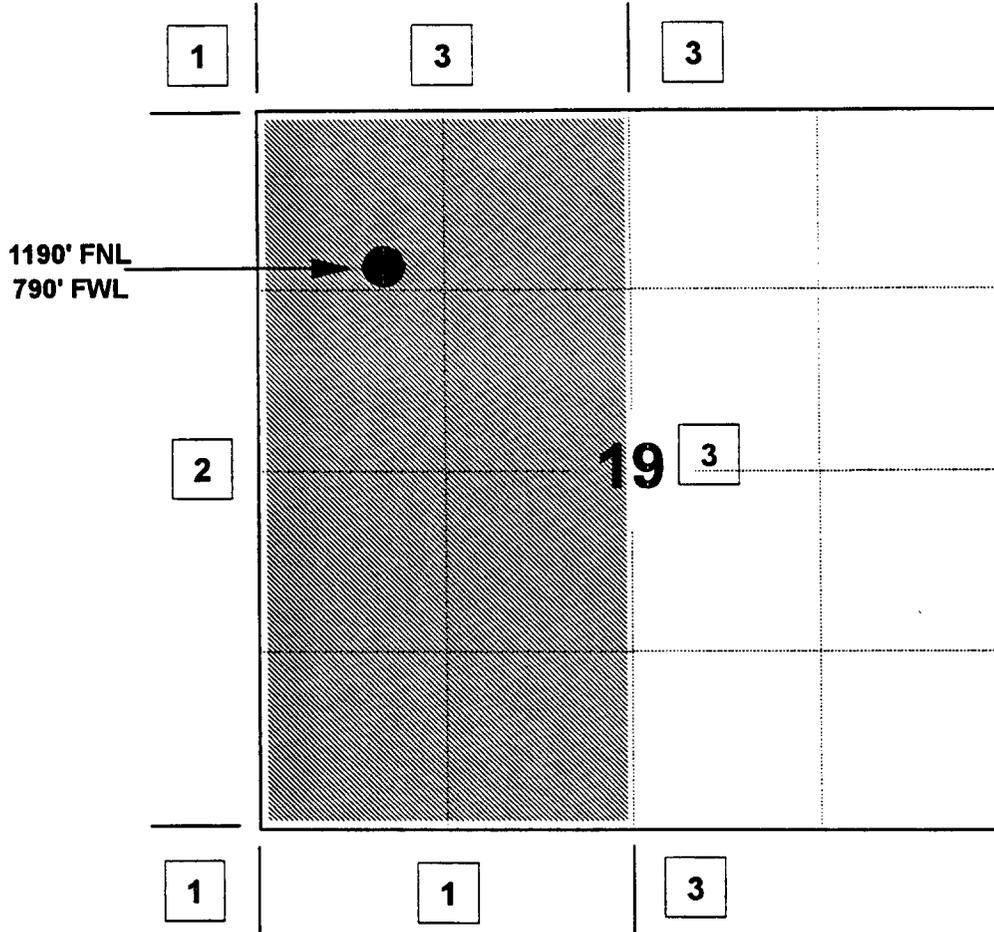
MERIDIAN OIL INC

NAVAJO B #6M

OFFSET OPERATOR \ OWNER PLAT

Mesaverde / Dakota Dual Completion Well

Township 27 North, Range 8 West



1) Meridian Oil Inc

2) Southland Royalty Company

3) Amoco Production Company

PO Box 800, Denver, CO 80201

Dakota Formation

December 27, 1995

Amoco Production Company
PO Box 800
Denver, CO 80201

Re: Navajo Indian B #6M MV/DK
1190' FNL 790' FWL
Section 19, T27N R8W
San Juan County, N. M.

Gentlemen:

Meridian Oil Inc. is in the process of applying for a downhole commingling order for their Navajo Indian B #6M MV/DK located 1190' FNL, 790' FWL, Section 19 T27N R8W, 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.

Yours truly,



P. M. Pippin
Senior Production Engineer

PMP:ppm

December 27, 1995

Four Star Oil & Gas Company
P.O. Box 46555
Denver, CO. 80201

Re: Navajo Indian B #6M MV/DK
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P. M. Pippin
Senior Production Engineer

PMP:pmp

December 27, 1995

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

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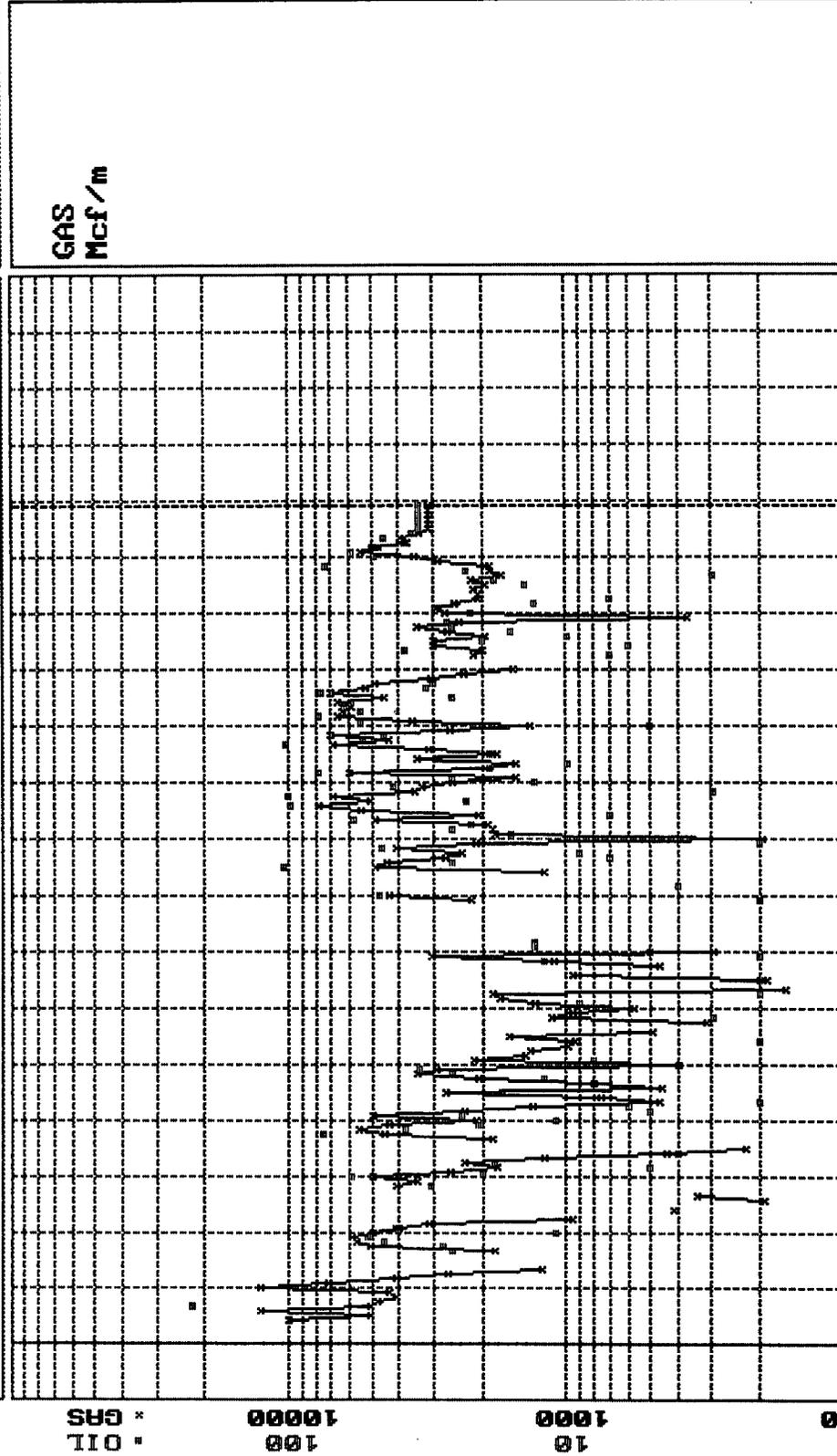


P. M. Pippin
Senior Production Engineer

PMP:pmp

Prop: 3321

NAVAJO B I 6M I 32086A-1 MV



GAS
Mcf/m

* OIL
* GRS

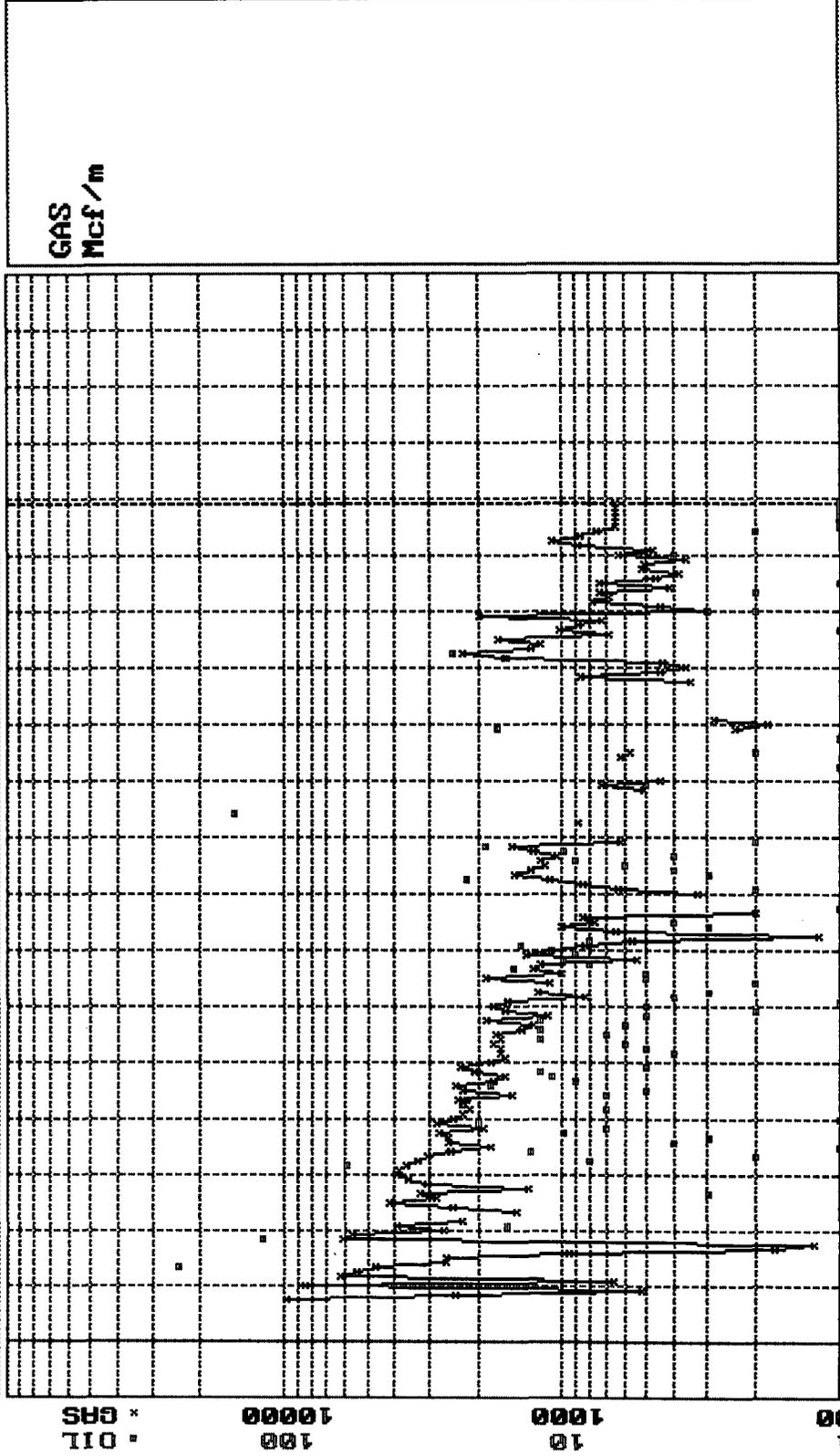
Major=GAS

Prop: 1386

GAS
Mcf/m

DK

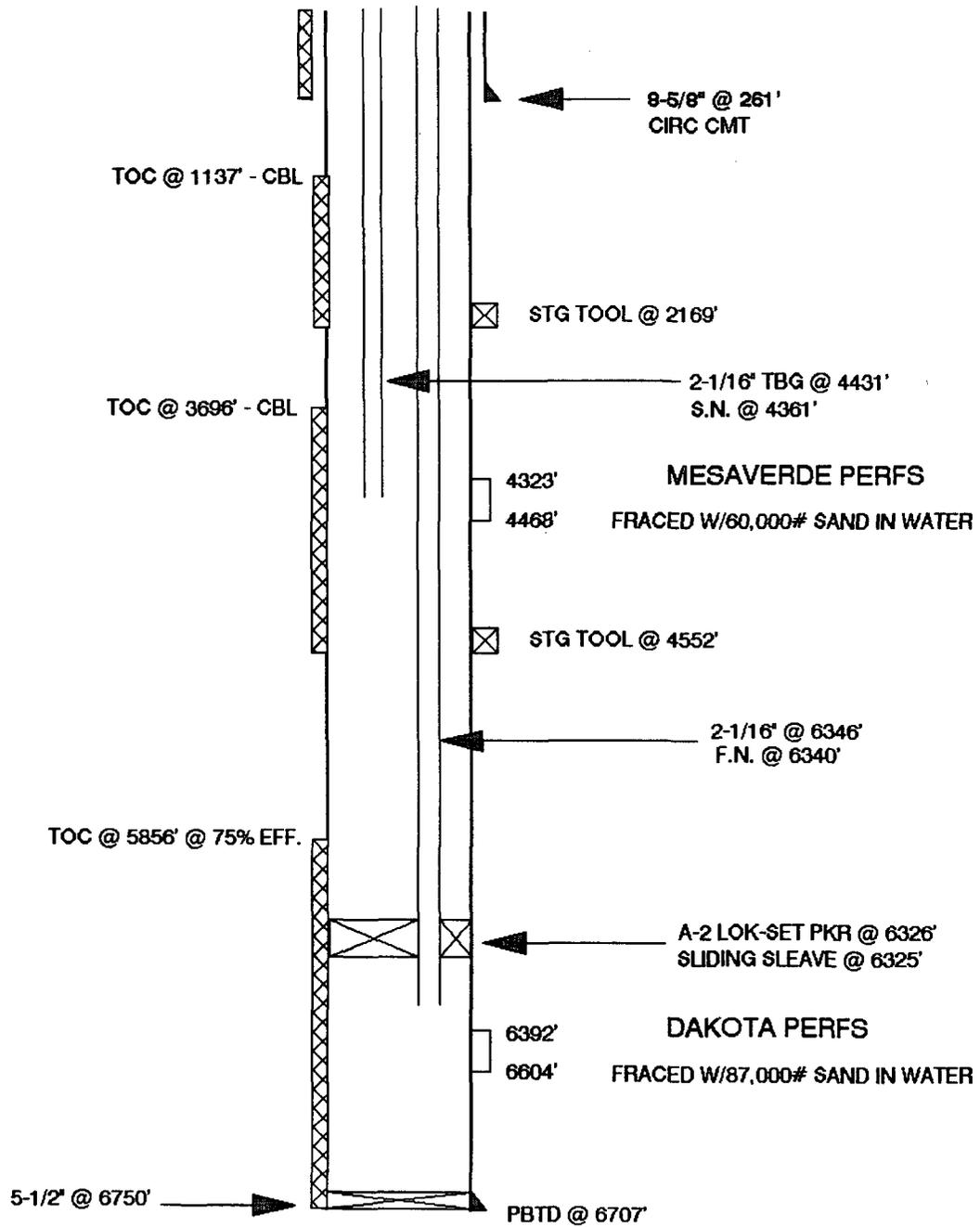
NAVAJO B : 6M : 32086B-1



Major=GAS

NAVAJO INDIAN B #6M MV/DK

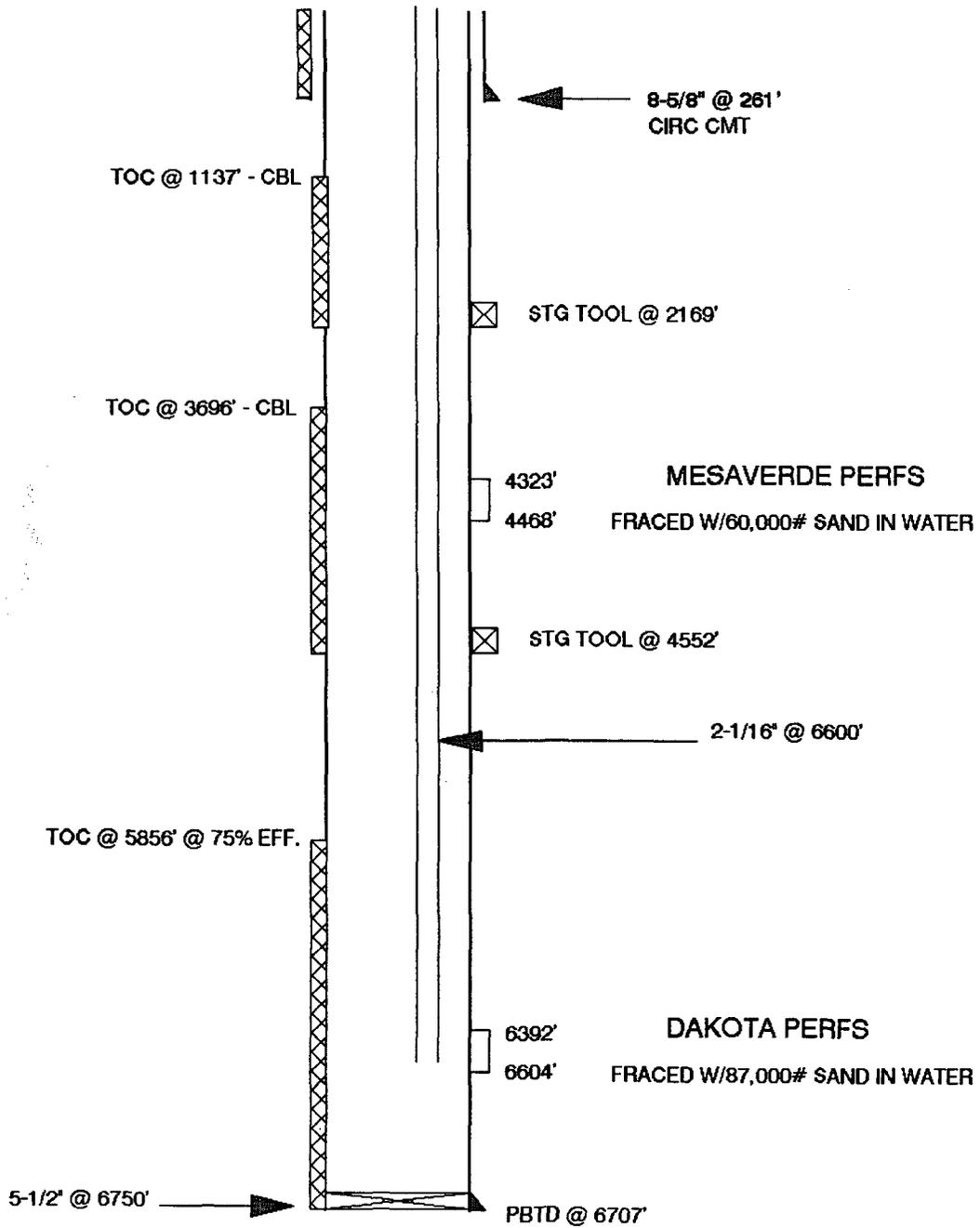
UNIT D SECTION 19 T27N R8W
SAN JUAN COUNTY, NEW MEXICO



NAVAJO INDIAN B #6M MV/DK

UNIT D SECTION 19 T27N R8W
SAN JUAN COUNTY, NEW MEXICO

PROPOSED



Pertinent Data Sheet - NAVAJO INDIAN B #6M MV/DK

Location: 1190' FNL & 790' FWL, Unit D, Section 19, T27N, R08W, San Juan County, New Mexico

Field: Basin DK/Banco MV

Elevation: 6016' GL
KB=11'

TD: 6750'
PBTD: 6707'

Completed: 5/1/80

Spud Date: 2/1/80

DP #: MV: 32086A
DK 32086B
Lease: Ind:I-149-IND 8468
GWI: 100%
NRI: 87.5%
Prop#: 071216900

Initial Potential: MV: AOF = 1122 MCF/D; Q = 901 MCF/D, SICP = 734 psi
DK: AOF = 943 MCF/D; Q = 932 MCF/D; SICP = 1760 psi

Casing Record:

<u>Hole Size</u>	<u>Csg Size</u>	<u>Wt. & Grade</u>	<u>Depth Set</u>	<u>Cement</u>	<u>Cement (Top)</u>
12-1/4"	8-5/8"	24# K-55	261'	205 sx	Circ Cmt
7-7/8"	5-1/2"	15.5# K-55	6750'	175 sx	5856' @ 75% Eff.
		DV Tool @	4552'	235 sx	3696' - CBL
		DV Tool @	2169'	235 sx	1137' - CBL

Tubing Record:

<u>Tbg. Size</u>	<u>Wt. & Grade</u>	<u>Depth Set</u>	
2-1/16"	3.25# IJ K-55	6346"	197 Jts
	F.N. @	6340'	
	Baker A-2 Lok-Set PKR @	6326'	
	Sliding Sleeve @	6325'	
2-1/16"	3.25# IJ J-55	4431'	138 Jts
	S.N. @	4361'	6' perfed sub: 4362'-68'

Formation Tops:

Ojo Alamo:	1240'	Cliff House	3695'
Kirtland Shale:	1290'		
Fruitland:	1794'	Point Lookout	4320'
Pictured Cliffs:	2042'	Dakota	6380'

Logging Record: Induction Log, Density/Neutron Log, CBL

Stimulation: Perfed DK w/28-0.42" holes 6392'-6604' & fraced w/87,000# sand in water.
Perfed MV w/25-0.42" holes 4323'-4468' & fraced w/60,000# sand in water.

Workover History: None

Production history: 1st delivered 5/28/81. Current capacity: MV=20 MCF/D, DK=100MCF/D.
Cumulative: MV=462 MMCF & 3261 BO, DK=236 MMCF & 1124 BO.

Pipeline: EPNG

DATE: December 22, 1995
 NAME: NAVAJO INDIAN B #6M
 FORM: MESAVERDE
 LOCATION UNIT: D
 SEC: 19
 TWN: 27N
 RNG: 08W

T
27
N

<p>11/77 John Charles 7A 50/801('96)</p> <p>[13]</p> <p>6/60 John Charles 7 50/2569('96)</p>	<p>10/86 Florance Ls 4A 55/155('96)</p> <p>2/58 Florance D LS 11 85/1789('96)</p> <p>11/60 Florance LS 4 88/2349('96)</p>	<p>P&A 3/58 Florance D LS 10 1/1265('99)</p> <p>[17]</p> <p>4/58 Florance D LS 9 109/2221('96)</p>
<p>8/82 Huerfanito Unit 77A 35/228('96)</p> <p>[24]</p> <p>9/62 Huerfanito Unit 77 2/383('96)</p> <p>2/66 Jernigan 3 1/584('96)</p> <p>1/80 Jernigan 3A 81/224('96)</p>	<p>6/81 Navajo B 6M 125/500('96)</p> <p>6/58 Florance D LS 12 69/2264('96)</p> <p>[19]</p> <p>4/59 Navajo Indian B 3 21/842('96)</p>	<p>INA 3/56 Florance D LS 4 [20] 0/1083('96)</p> <p>4/58 Florance D LS 13 72/1531('96)</p>
<p>10/65 Huerfanito Unit 82 48/2369('96)</p> <p>11/84 Navajo 1 #1 [25] 1.5/825('96)</p>	<p>2/82 Navajo Indian B 5M 21/44('96)</p> <p>6/64 Navajo Indian B 5 23/1319('96)</p> <p>5/58 Bolack C LS 14 5/813('96)</p> <p>[30]</p> <p>3/86 Bolack C LS 14A 53/239('96)</p>	<p>3/58 Bolack C LS 12 123/1472('96)</p> <p>1/87 Bolack C LS 12A 34/134('96)</p> <p>[29]</p> <p>4/58 Bolack C LS 13 33/906('96)</p>

LEGEND
 COMPLETION DATE
 WELL NAME
 MCF/D-CUM(MMMF)

R-09-W

R-08-W

DATE: December 22, 1995

NAME: NAVAJO INDIAN B 6M

FORM: DAKOTA

LOCATION UNIT: D

SEC: 19

TWN: 27N

RNG: 08W

T 27 N

<p>1/81 John Charles 7E 57/705(96)</p> <p>2/87 Ramenta ET AL 1E 63/274(96)</p> <p>3/85 Ramenta ET AL 1 23/703(96)</p> <p>6/80 John Charles 7 21/402(96)</p>	<p>8/59 Lodewick 4 18/1795(96)</p> <p>6/59 Lodewick 3 24/1670(96)</p>	<p>6/83 Lodewick 4A 30/226(96)</p>	<p>3/66 Huerfanito 8 56/892(96)</p> <p>1/71 INA 1/71</p> <p>Whitley 10 0/318(90)</p>
<p>10/81 Navajo B 6M 28/236(96)</p> <p>11/85 Huerfanito Unit 97 101/2590(96)</p>	<p>6/66 Navajo B 6 44/540(96)</p> <p>5/87 Florence 67 23/388(96)</p>	<p>7/66 Florence 62 28/1013(96)</p> <p>8/66 Florence 68 24/356(96)</p>	<p>7/66 P&A 7/66</p> <p>Bolack B 1 7/71(92)</p>
<p>11/81 Navajo Indian B 5M 51/270(96)</p> <p>6/64 Navajo Indian B 5 49/1250(96)</p>	<p>10/86 Bolack B 4 7/227(96)</p>	<p>11/84 Navajo 1 #1 48/1355(96)</p>	<p>[13] [18] [19] [20] [25] [29]</p>

LEGEND
 COMPLETION DATE
 WELL NAME
 MCF/D-CUM(MIMF)

R-08-W

R-09-W