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OIL CONSERVATION DIV. SANTA FE Southern

Rockies

Business

Unit

April 8, 1996

Mr. William J. LeMay, Director New Mexico Oil Conservation Division 2040 S. Pacheco Street P. O. Box 6429 Santa Fe, NM 87505

Corrected Application for Exception to Rule 303-C
Downhole Commingling
Russell LS #3 Well
Unit M Section 23-T28N-R8W
Blanco Mesaverde and South Blanco Pictured Cliffs Pools
San Juan County, New Mexico

Enclosed please find an administrative application form (C-107-A) and attachments for downhole commingling for the captioned well. This application was formerly sent to you with the captioned wellname on the cover letter of Russell LS #1. The correct wellname as reflected in the rest of the information you received is the Russell LS #3. I apologize for any inconvenience that this may have caused you. All other information enclosed is unchanged.

Should you have questions concerning this matter, please contact me at (303) 830-5344.

Sincerety

Pamela W. Stalev

Enclosures

cc:

Mark Rothenberg

Patty Haefele

Wellfile

Proration file

Frank Chavez, Supervisor NMOCD District III 1000 Rio Brazos Road

Aztec, NM 87410

Duane Spencer

Bureau of Land Management

1235 La Plata Hwy.

Farmington, NM 87401

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-A New 3-12-96

OIL CONSERVATION DIVISION

DISTRICT II 811 South First St., Artesia , NM 88210-2835

2040 S. Pacheco Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS: X Administrative __ Hearing

DISTRICT III		

1000 Rio Brazos Rd. Azlec, NM 87410-1693

Amoco Production Company

APPLICATION FOR DOWNHOLE COMMINGLING

P.O. Box 800 Denver, CO 80201

EXISTING WELLBORE X YES __ NO

Operator Russell LS	3	Address M-23-28N-8W	San Juan		
Lonse	Well No. Unit Ltr Sec Twp - Rge County Specing Unit Lease Types: (check 1 or more)				
OGRID NO. 000778 Property Code	001000 API NO. 3004507	242 Federal x	State (and/or) Fee		
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediale Zone	Lower Zone		
Pool Name and Pool Code	SOUTH BLANCO PICTURED CLIFFS 72439		BLANCO MESAVERDE 72319		
Top and Bottom of Pay Section (Perforations)	2338' - 2432'		4009' - 4726'		
Type of production (Oil or Gas)	GAS		GAS		
Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING		
Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	(Current) 445 PSI	в.	^{a.} 855 PSI		
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Original) 1152 PSI b.	b.	b. 1248 PSI		
6. Oil Gravity (* API) or Gas BTU Content	1149 BTU		1280 BTU / 49 DEG API		
7. Producing or Shut-In?	PRODUCING		PRODUCING		
Production Marginal? (yes or no)	YES		YES		
If Shut-in, give data and oil/gas/water rates of last production	Date:	Date	Date		
Note: For new zones with no production history, applicant shall be required to attach production estimates and	Rales:	Rates:	Rates:		
If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 1/96 Rates: 32 MCFD 0 BCPD 0 BWPD	Date: Rates:	0ate: 1/96 Rates: 53 MCFD 0.35 BCPD 0 BWPD		
Fixed Percentage Allocation Formula -% for each zone	OII: 0 %: Gas 20 % ##	Oil: Gas %: %	Oil: 100 %: Gas 80 %		
If allocation formula is based upon supporting data and/or explaining	something other than current or past p method and providing rate projections o	production, or is based upon some other nor other nor other nor other required data.	nethod, submit attachments with		
10. Are all working, overriding, and royalty interests identical in all commingled zones? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling? X Yes No					
11. Will cross-flow occur? Yes _X_ No. If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliableYes No. (If No, attach explanation)					
12. Are all produced fluids from all cor	nmingled zones compatible with each o	other? _X_Yes No			
13. Will the value of production be dec	creased by commingling?Yes _	X_No (If Yes, attach explana	ition)		
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the Untied States Bureau of Land Management has been notified in writing of this application. X Yes No SF-078499 NM-013860-A COM 14-08-001-4706					
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S)					
 16. ATTACHMENTS: C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year. (If not available, attach explanation.) For zones with no production history, estimated production rates and supporting data. Data to support allocation method or formula. ## SEE ATTACHED Notification list of all offset operators. Notification list of working, overriding, and royalty interests for uncommon interest cases. Any additional statements, data, or documents required to support commingling. 					
I hereby certify that the information above to true and complete to the best of my knowledge and belief.					
SIGNATURE Lines	thy	TITLE REGULATORY AFFAIRS F	REP DATE 4/4/96		
TYPE OR PRINT NAME PAMELA	N. STALEY	TELEPHONE NO. (303	3) _830-5344		

Well Location and Acreage Dedication Plat

Section A.

Date FEBRUARY 24, 1958

U.S. GLEV. SIGAL SAFE OF FARMINGTON, NEW MESTIC

Operator EL PASO NATURAL GAS COMPANY	Lange RUSSELL,	NN 013860-A
Well No. 3(PM) Unit Letter M Section Located 890 Feet From SOUTH Line,	23 Township 28-N R	ruige 8-W NMPM
Located 890 Feet From SOUTH Line,	11/10 From From	WEST Line
County SAN JUAN G. L. Elevation 5	Dedicated Acreage 320) & 160 Aeren
Name of Producing Formation MESA VENUE & PICTUR	RED CLIFF : Pool MV - BLANCO, I	C - WILDCAT
1. Is the Operator the only owner in the dedicated acreage	e outlined on the plat below?	
Yos X No		
$-2.$ If the answer to question one is $^{ m O}$ no $^{ m O}$, have the integral $^{ m O}$	terests of all the owners been consoli	dated by communitization
agreement or otherwise? Yes No	If miswer is "yes", Type of Con	solidation.
3. If the answer to question two is "no", list all the ov	where and their respective interests be	RECEIVE
Owner	Land Description	MAR 4 1950

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

El Paso Natural Gas Company
(Operator)

Original Signed R. C. Johnston

Box 997

(Address)

Farmington, New Mexico

SF 078499

SECTION 23

NM 013860-A

Scale 4 inches equal 1 mile

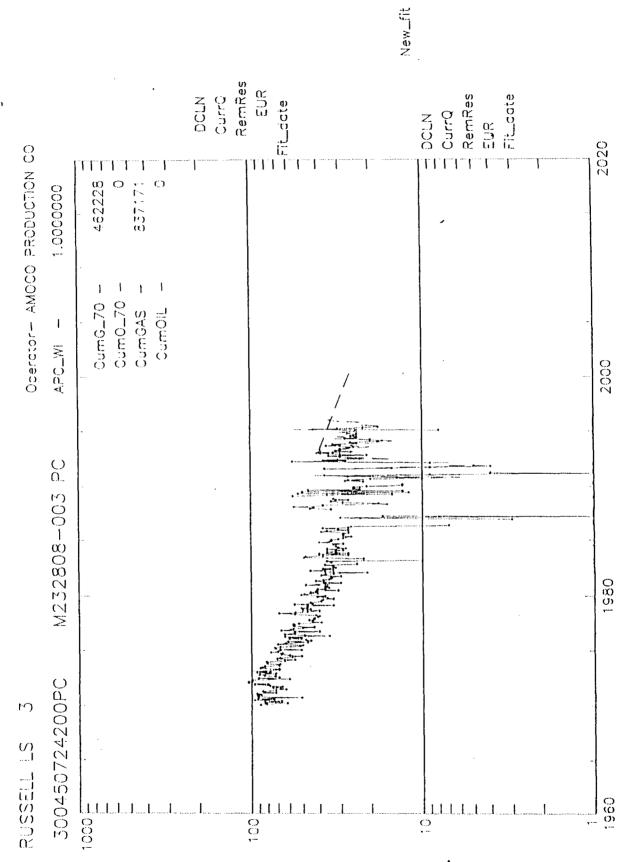
This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same we true and correct to the best of my knowledge and belief.

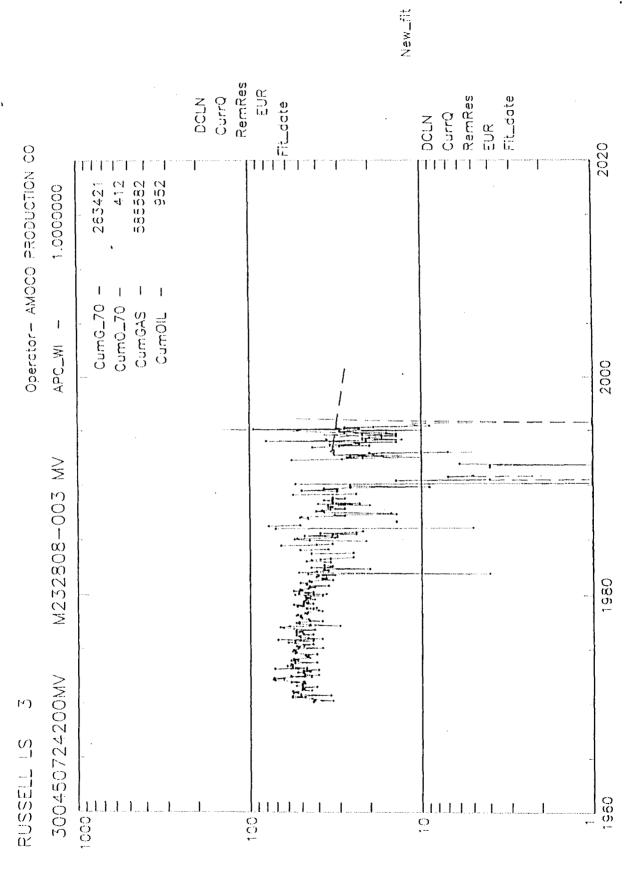
(Sent)

Farmington, New Mexico.

Data Sugraped OCTOMER 23, 1957

William Below





METHOD OF ALLOCATION RUSSELL LS #3

This well has a significant Cliffhouse zone in the Mesaverde which has never been completed. The pay additions will more than double the perforations in the Mesaverde. (See attached logs and Work Procedure) As a result of the Mesaverde pay additions, we feel that the Mesaverde will increase significantly in production and recommend allocating 80% of gas production to the Mesaverde and 20% of gas production to the Dakota. Liquid allocations are not expected to change.



SJOET Well Work Procedure

Wellname:

Russell LS 3

Version:

#1

Date:

Feb. 15, 1996

Budget:

Repair

Workover Type:

Pay Add

Objectives:

Remove/Mill out packer

Recomplete the Cliffhouse. 2.

Establish gas rates and shut-in pressures on the CH. 3.

Place well on production and commingle PC and MV. 4.

Pertinent Information:

Location:

890' FSL, 1140' FWL, M23-28N-8W

Horizon:

PC/MV dual

County:

San Juan New Mexico API #:

30-045-07242 Mark Rothenberg

State:

Federal # NM-013860

Engr:

W--(303)830-5612

Lease: Well Flac:

9785390

Phone:

H--(303)696-7309

Lease Flac

698779/698761

P--(303)553-6448

Economic Information:

APC WI:

100%

PC Prod. Before:

35 MCFD

Estimated Cost:

\$100,000

PC Anticipated Prod:

35 MCFD

Payout:

MV Prod. Before:

40 MCFD

4.9 years

MV Anticipated Prod:

140 MCFD

PV15:

\$14.6M

TOTAL Anticipated Prod:

175 MCFD

NOTE: Repair will be done as this is a positive PV(15) job. This is best payadd oppertunity from geological study.

Formation Tops: (Estimated formation tops)

Kirtland Shale:

1520

Fruitland:

2100

Pictured Cliffs:

2336

Lewis Shale:

2438

Cliffhouse:

3949

Menefee:

4095

Point Lookout:

Mancos Shale:

4577 4752

Bradenhead Test Information:

9/27/92

284-PC

INT

Casing:

CSG

309

BH: 0

Tubing:

Test Date:

Time	BH	CSG
5 min	0	309
10 min	0	309
15 min	0	309
20 min	0	309

Comments:

MV tubing pressure 288.

Wellname: Russell LS 3

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Suggested Procedure:

- 1. Check location for anchors. Install if necessary. Test anchors.
- 2. MIRUSU. Record SITPs and CP. Blow down well. Kill only if necessary with water.
- 3. NDWH. NUBOP.
- 4. Circulate hole above packer clean. TOH with short string.
- 5. TOH with long string, and seal assembly. If packer cannot be retreived, mill out packer.
- 6. RIH with the and RBP, set RBP at 4500'. Circulate hole clean, spot 10' of sand on RBP.
- 7. Run CBL/CCL/GR from RBP to top of liner at 2442' to determine condition of cement behind pipe. Relay CBL info to Mark Rothenberg in Denver (continuous fax # 303-830-4264) to verify if remedial cement squeezes will be needed prior to any frac treatment.
- 8. Correlate to Schlumberger Gamma Ray-Induction log (4/20/58) for depth control. Perf select fire 23 shots at:

4009, 4023, 4039, 4047, 4049, 4051, 4057, 4059, 4061, 4063, 4065 4073, 4075, 4083, 4085, 4087, 4089, 4091, 4093, 4095, 4243, 4285, 4397

- 9. Frac well down tubing according to attached frac procedure. NOTE: Set packer/frac string below TOL.
- 10. Flow well back as soon as possible to tank on a 1/4" choke for 8 hours, then increase choke to 1/2".
- 11. Once sand production has stopped, RIII with tubing and packer and set packer at 3950' to establish and record gas, water, oil rates and producing and shut-in TP and Cps. Obtain water and as samples.

NOTE: We would like an accurate flow test of the Cliffhouse and Menefee only. This is why we would like to flow up tubing and a packer.

- 12. RIII with bit and scraper for 4.5" csg and c/o sand to RBP at 4500'. Retreive RBP and TOOH.
- 13. TIH with 2" production string, tag for fill and clean out if necessary, and land openended at original depth of 4715 (1/2 mule shoe on btm and a SN 1 JT off btm). RDMOSU
- 14. Place well on production.

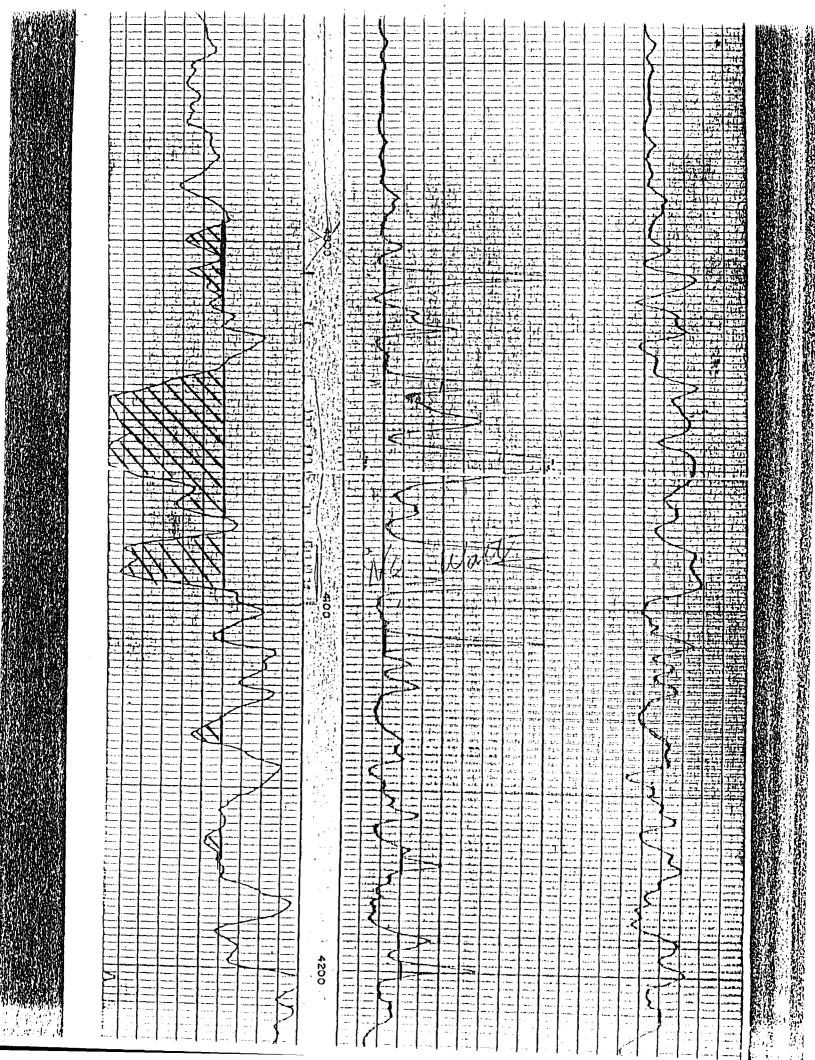
If problems are encountered, please contact:

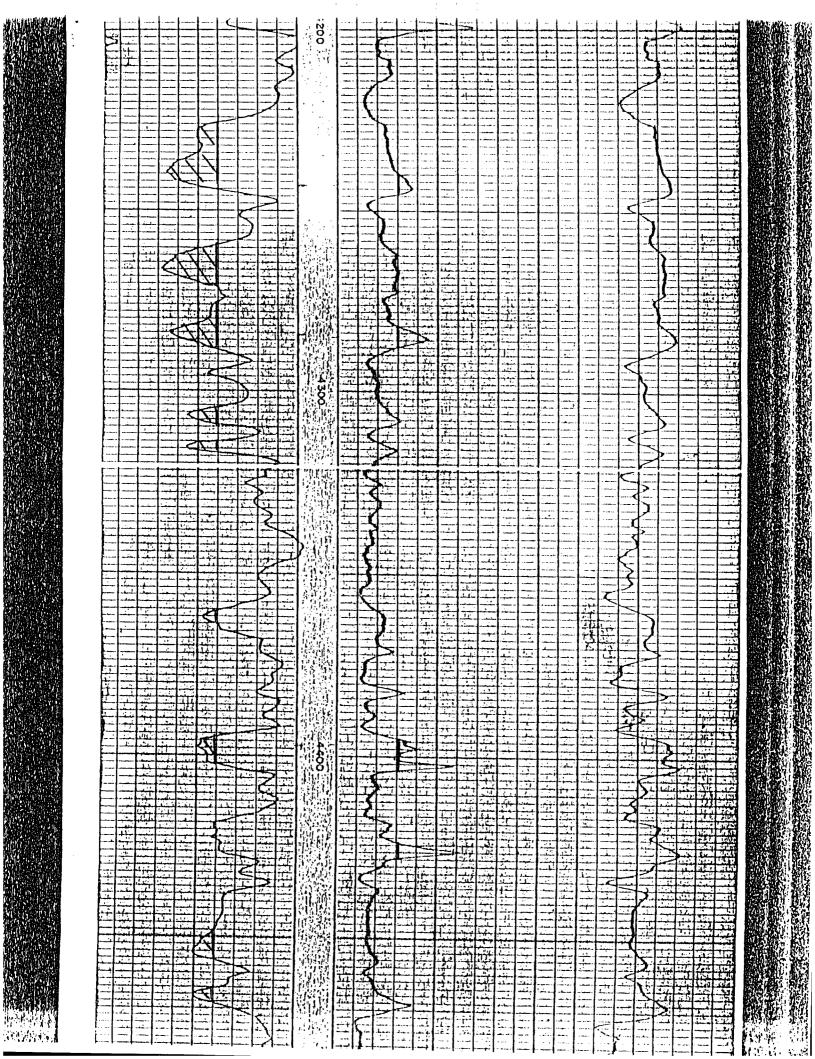
MARK ROTHENBERG

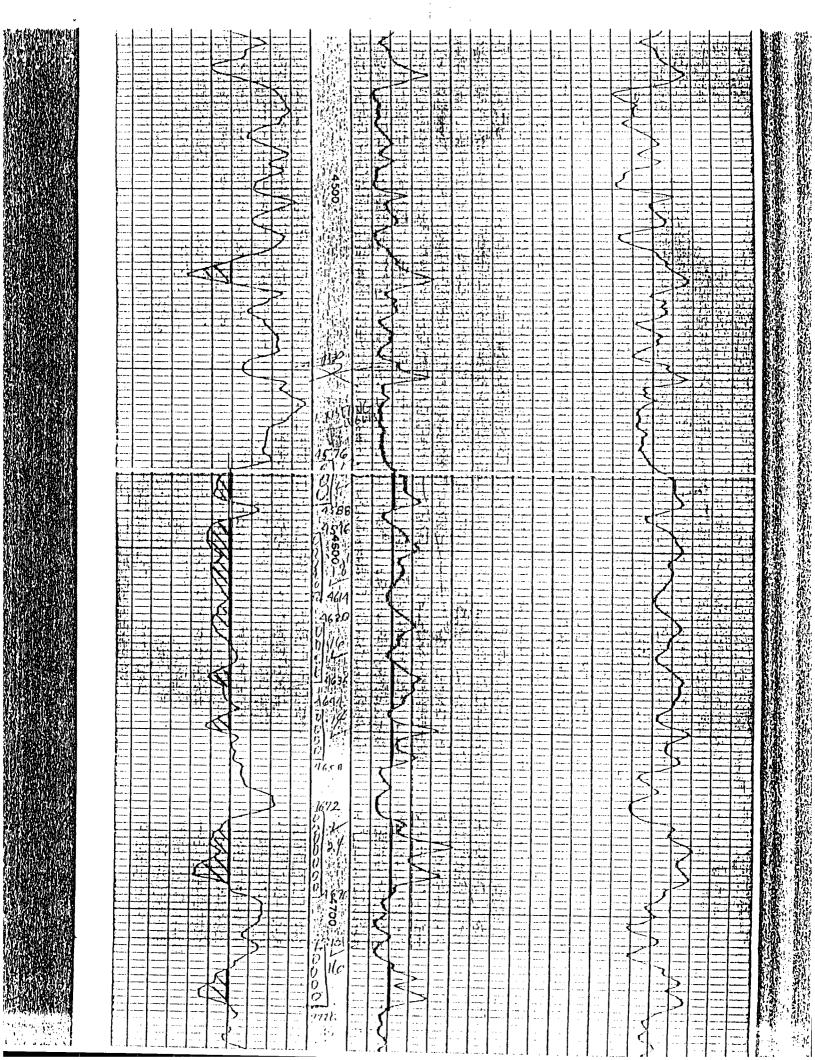
(W) (303) 830-5612

(H) (303) 696-7309

(P) (303) 553-6448







LIST OF OFFSET OPERATORS Russell LS #1

Meridian Oil, Inc. P.O. Box 4289 Farmington, NM 87499