STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

ADMINISTRATIVE ORDER DHC-1116

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

Attention: Pamela W. Stanley

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Schwerdtfeger Well No.A-3

Unit D, Section 6, Township 27 North, Range 8 West, NMPM,

San Juan County, New Mexico.

Basin Dakota (Prorated Gas) and Blanco Mesaverde (Prorated Gas) Pools

Dear Ms. Stanley:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 30 barrels per day, and total water production shall not exceed 60 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

In accordance with the provisions of Rule 303-C, the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 4th day of April, 1995.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

SEAL

WJL/BES

cc: Oil Conservation Division - Aztec

Ernie Busch

From:

Ernie Busch

To: Subject: David Catanach AMOCO (DHC)

Date:

Tuesday, March 28, 1995 7:08AM

Priority:

High

SCHWERDTFEGER A #3

D-06-27N08W

RECOMMEND: SET FOR HEARING OR SUPPLY DATA FOR MESAVERDE EXPECTED RATES. NOT

ENOUGH INFORMATION TO MAKE ADMINISTRATIVE DETERMINATION.

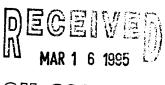


Rockies
Business
Unit

March 13, 1995

Mr. William J. LeMay, Director New Mexico Oil Conservation Division 2040 S. Pacheco Street P. O. Box 6429 Santa Fe, NM 87504

Application for Exception to Rule 303-A Downhole Commingling Schwerdtfeger A 3 Well 815' FWL, 885' FNL, Section 6-T27N-R8W Blanco Mesaverde and Basin Dakota Pools San Juan County, New Mexico



OIL COM. DIV.

Amoco Production Company hereby requests administrative approval to downhole commingle production from the Blanco Mesaverde and Basin Dakota Pools in the Schwerdtfeger A 3 well referenced above. The Schwerdtfeger A 3 well was originally completed in the Dakota formation. We plan to recomplete the well to the Mesaverde with both zones open in the wellbore. The two zones are expected to produce at a total commingled rate of about 500 MCFD. The ownership (WI, RI, ORRI) of these pools is identical in this wellbore. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights. Offset operators to this well will receive a copy of this application by certified mail.

The allocation method that we plan to use for this commingled well is as follows. We plan to determine the stabilized rate from the Dakota formation prior to the recompletion of the Mesaverde. After recompletion of the Mesaverde formation, we will allow the production to stabilize to a rate from the Mesaverde and Dakota commingled zones. The allocation percentages would then be fixed at the Dakota stabilized rate as a percentage of the total stabilized rate. Once these rates have been establised we will notify your Aztec District.

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

Sincerely

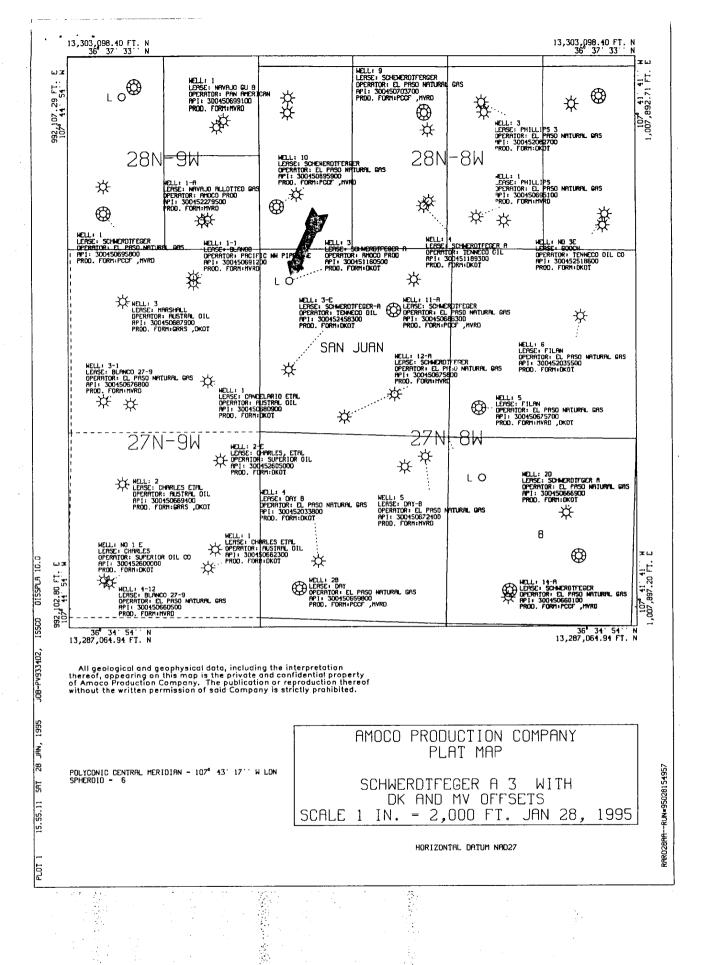
Pamela W. Staleý

Enclosures

cc: Wayne Branam Lara Kwartin

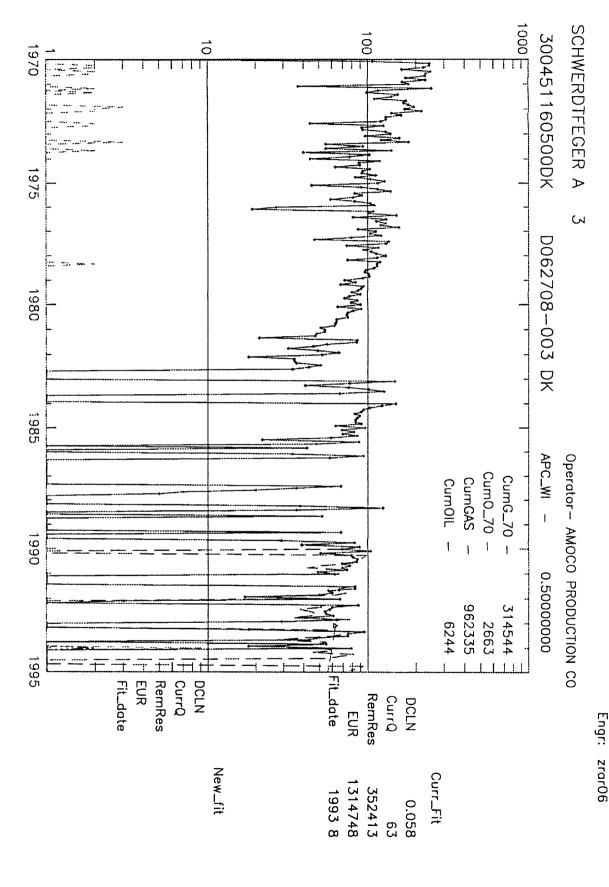
> Frank Chavez, Supervisor Amoco District III 1000 Rio Brazos Road Aztec, NM 87410

Robert Kent Bureau of Land Management 435 Montano NE Albuquerque, NM 87107



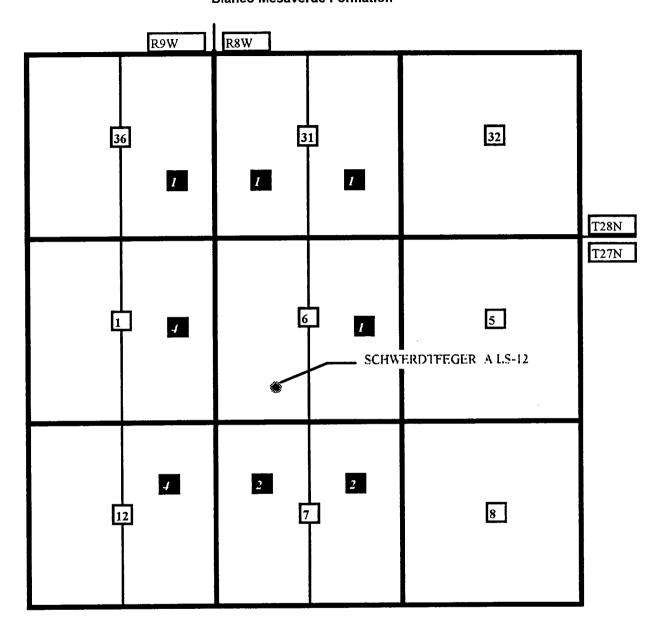
OFFSET WELL PRESSURES AND API GRAVITY INFORMATION

WELLNAME	DK PRESSURE	MV PRESSURE	API GRAVITY		
Schwerdtfeger A 3	320 TP		51.4		
Schwerdtfeger A LS 11		267 TP	57.4		
Schwerdtfeger A LS 12		241 TP	59.7		

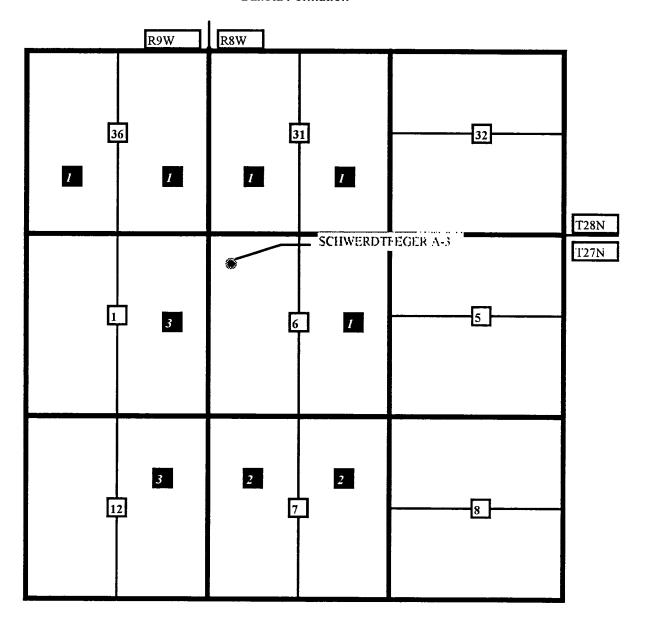


zrar06

Amoco Production Company Offset Operator Plat Schwerdtfeger LS-12 T27N-R8W, Section 6 2350'FWL & 500'FSL Blanco Mesaverde Formation



Amoco Production Company Offset Operator Plat Schwerdtfeger A-3 T27N-R8W, Section 6 815'FWL & 885'FNL Dakota Formation



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WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-112 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section L-tator TENNECO CIL COMPANY SCHWERDTFEGER "A" Section weishire D 6 27 North 8 West San Juan Actual Footage Location of Well: 885 Morth 815 "'est feet from the feet to mithe Jipund Level Elev. Producing Formation Dedicated Acreage: 5902'ungraded Basin Dakota Dakota 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? If answer is "yes." type of consolidation If answer is "no." list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)_ No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. CERTIFICATION I hereby certify that the information con-Senior Production Clerk Position Tenneco Oil Company Company Durango, Collor Section 6 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or Date Surveyed <u>8 October 1965</u> ertiningte Na ". Yex. PE & LS 2463

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102

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Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

17) Drawer DD, Artesla, NMI 88211-0719 III shidd 1000 Rlo Brums Rd., Aztec, NM 87410 Dutrict IV PO Box 2088, Santa Fe, NNE 87504-2088

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

MENDED REPORT Number change

WELL LOCATION AND ACREAGE DEDICATION PLAT

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000778 AMOCO Production Company 6134												
¹⁰ Surface Location												
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11 Bottom Hole Location If Different From Surface												
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"Dedicated Acres "Joint or Infill "Consolidation Code" Order No.												
320 4												
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION											NOCIDATED	
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1					i			11	18 SURVEYOR CERTIFICATION 1 hereby certify that the well location shown on this plut			
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