State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco Santa Fe, New Mexico 87505-6429 New 3-12-96

Form C-107-A

APPROVAL PROCESS:

x_Administrative __ Hearing

EXISTING WELLBORE _x_ YES __ NO

DISTRICT II DISTRICT III

1000 Rio Brazos Rd. Aztec, NM 87410-1693

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

APPLICATION FOR DOWNHOLE COMMINGLING

Amoco Production Company PO Box 3092 Houston, TX 77253-3092 1E 4-29N-09W San Juan

Gutierrez Gas Com B Spacing Unit Lease Types: (check 1 or more) OGRID NO. 000778 Property Code 000623 API NO. 30-045-23752 , (and/or) Fee The following facts are submitted in support of Uppe Intermediate Zone downhole commingling Blanco Mesaverde **Basin Dakota** Pool Name and 72319 71599 Pool Code 2. Top and Bottom of 3829' - 4700' EST 6572' - 6778' Pay Section (Perforations) Type of production Gas Gas (Oil or Gas) Method of Production **Flowing** MAR 2000 Flowing (Flowing or Artificial Lift) RECEIVED Bottomhole Pressure (Current) OFF COM DIV 395 psig (est) 704 psig (est) Oil Zones - Artificial Lift: DEST. 3 Estimated Current Gas & Oil - Flowing: Measured Current (Original) 2007 psig (est) 2935 psig (est) Estimated or Measured Original Oil Gravity (° API) or Gas BTU Content 1208 BTU 1167 BTU Producing or Shut-In? New zone **Producing** Production Marginal? (yes or no) YES YES If Shut-In, give data and oil/gas/water rates of last production Date Date Date Rates Rates Note: For new zones with no production history, applican shall be required to attach production estimates and automorbing data. 3/04/00 If Producing, give date and 50 MCFD oil/gas/water rates of recent test 0 BCPD (within 60 days) 0 BWPD Oil: Gas Oil: Gas Gas Fixed Percentage Allocation %: % %. % Formula -% for each zone If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data. 10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes If not, have all working, overriding, and royalty interests been notified by certified mail? Yes Have all offset operators been given written notice of the proposed downhole commingling? X Yes Yes X No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, 11 Will cross-flow occur? and will the allocation formula be reliable. $\underline{\mathbf{X}}$ Yes $\underline{}$ No (If No, attach explanation) 12. Are all produced fluids from all commingled zones compatible with each other? _X__ Yes ___ No 13. Will the value of production be decreased by commingling? Yes X No (If Yes, attach explanation) 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. ___ Yes X No NO FEDERAL OR STATE LANDS ORDER NO(S). 15. NMOCD Reference Cases for Rule 303(D) Exceptions: 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

TITLE Sr. Business Analyst DATE

TELEPHONE NO. (_281

3/10/00

) 366-4491

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

shles

Mary Corley

SIGNATURE

TYPE OR PRINT NAME