



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178 Fax (505) 334-6170

GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

ADMINISTRATIVE ORDER RECOMMENDATION

Date: 2/20/96

New Mexico Oil Conservation Division
PO Box 2088
Santa Fe NM 87504-2088

RE: Proposed MC _____
Proposed NSL _____
Proposed WFX _____
Proposed NSP _____

Proposed DHC X _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 2/14/96
for the Onoco David San Com 1- #1E
OPERATOR LEASE & WELL NUMBER
14-27-29N-11W and my recommendations are as follows:

UL-S-T-R
Does not qualify for administrative approval

Yours truly,

[Signature]



Southern

Rockies

Business

Unit

February 9, 1996

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

Application for Exception to Rule 303-C
Downhole Commingling
Davis Gas Com F #1E Well
1490' FNL & 1110' FEL, Unit H Section 27-29N-11W
Basin Dakota and Bloomfield Chacra Pools
San Juan County, New Mexico

RECEIVED
FEB 14 1996
OIL CON. DIV.
DIST. 3

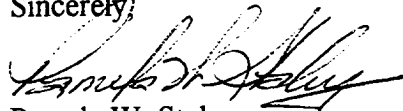
Amoco Production Company hereby requests administrative approval to downhole commingle production from the Basin Dakota and Bloomfield Chacra Pools in the Davis Gas Com F #1E well referenced above. The Davis Gas Com F #1E is currently a dual completion in the Dakota and Chacra formations and we believe that commingling both zones downhole in this wellbore will allow more efficient production and prevent waste. The two zones are expected to produce at a total commingled rate of about 73 MCFD with less than 1 BCPD. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights. The ownership (WI, RI, ORI) of these pools is not common in this wellbore. Offset operators to this well and all interest owners involved in the two formations 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. The Dakota and the Chacra formations have been producing as a dually completed well for some time and, as such, have a long producing history. The allocation percentages for gas would be based upon the percentage of the combined total rate. Eighty percent of gas production would be attributed to the Dakota and 20 percent of production to the Chacra formation. Historically the Chacra formation has not produced liquids and we would recommend allocating 100 percent of liquid production to the Dakota. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each of the common sources of supply.

Attached to aid in your review are plats showing the location of the well and offset wells in the same formation, a historical and recent production plot and a C-102 for each formation. This spacing unit is located on a federal lease (SF-047020-B) and we will send a copy of the application to the BLM as their notice.

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

Sincerely,



Pamela W. Staley

Enclosures

cc: Steve Webb
Gail Jefferson
Wellfiles
Proration Files

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

Application for Exception to Rule 303: SEGREGATION OF PRODUCTION FROM POOLS

Requirements

- (1) Name, address and OGRID of the operator:

Amoco Production Company
P.O. Box 800
Denver, CO 80201
OGRID No. 000778

- (2) Lease name, well number, well location, name of the pools to be commingled:

Lease Name: Davis Gas Com

Well Number: F #1E
Well Location: 1490' FNL & 1110' FEL
Unit H Section 27-29N-11W
San Juan County, New Mexico

Pools Commingled: Basin Dakota Pool
Bloomfield Chacra Pool

- (3) A plat of the area showing the acreage dedicated to the well and the ownership of all offsetting leases.

Attached

- (4) A current (within 30 days) 24-hour productivity test on Division Form C-116 showing the amount of oil, gas and water produced from each zone.

The Dakota is producing at a stabilized rate of 60 MCFD and less than 1 BCPD while the Chacra was producing 15 MCFD with no condensate production.

- (5) A production decline curve for both zones showing that for a period of at least one year a steady rate of decline has been established for each zone which will permit a reasonable allocation of the commingled production to each zone for statistical purposes.

Bloomfield Chacra Completion:	Historical production curve attached.
Basin Dakota Completion:	Historical production curve attached.

- (6) Estimated bottomhole pressure for each zone. A current (within 30 days) measured bottom hole pressure for each zone capable of flowing.

Bottomhole pressures were estimated from a 7 day shut-in during October 1995 during a plant shut down. Estimated bottomhole pressure in the Chacra formation is 524 PSI while the estimated bottomhole pressure in the Dakota is 1070 PSI. See attached calculations.

- (7) A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the wellbore.

These two formations do not produce any fluids which are incompatible and, therefore, are not expected create any effect that would prohibit commingling, or promote the creation of emulsions or scale.

- (8) A computation showing that the value of the commingled production will not be less than the sum of the values of the individual streams:

Since the BTU content of the produced gasses are very similar, we would expect the commingled production to have a similar value as the sum of the individual streams.

- (9) A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula:

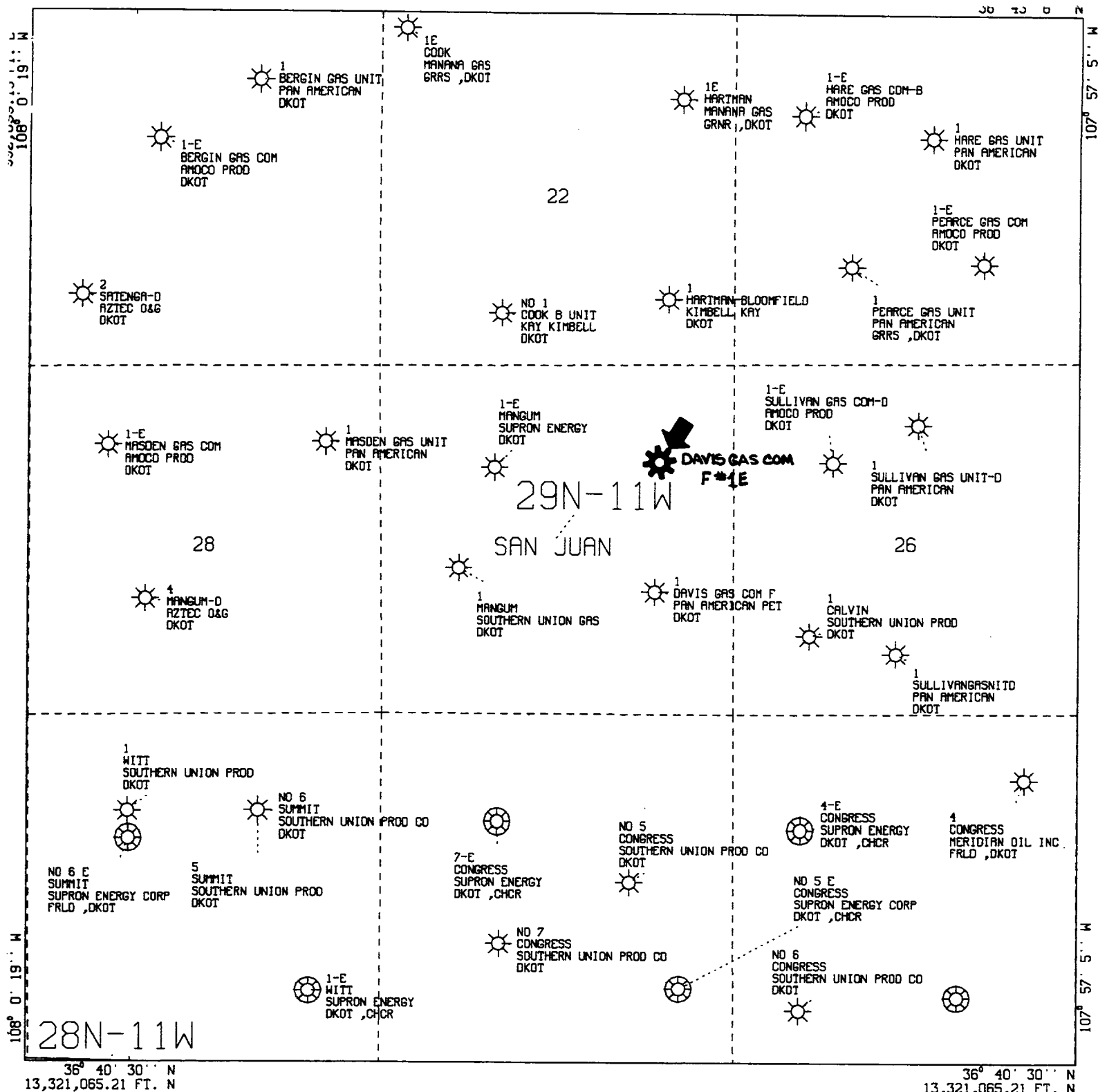
The allocation method that we plan to use for this commingled well is as follows. The Dakota and the Chacra formations have been producing as a dually completed well for some time and, as such, have a long producing history. The allocation percentages for gas would be based upon the percentage of the combined total rate. Eighty percent of gas production would be attributed to the Dakota and 20 percent of production to the Chacra formation. Historically the Chacra formation has not produced liquids and we would recommend allocating 100 percent of liquid production to the Dakota. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each of the common sources of supply.

- (10) A statement that all offset operators and, in the case of a well on federal land, the United States Bureau of Land Management, have been notified in writing of the proposed commingling.

BLM will receive a copy of this application by certified mail. The offsetting operators listed on the attached sheet will receive a copy of this application by certified mail.

- (11) Referencing NMOCD Order No. 10470 Rule 303 (D) (11): In a case where there is diversity of ownership between the zones to be commingled (including working royalty, or overriding royalty interest), the applicant shall submit a statement that all such interest owners have been notified in writing of the proposed commingling.

All interest owners in the two formations will receive a copy of this application by certified mail.

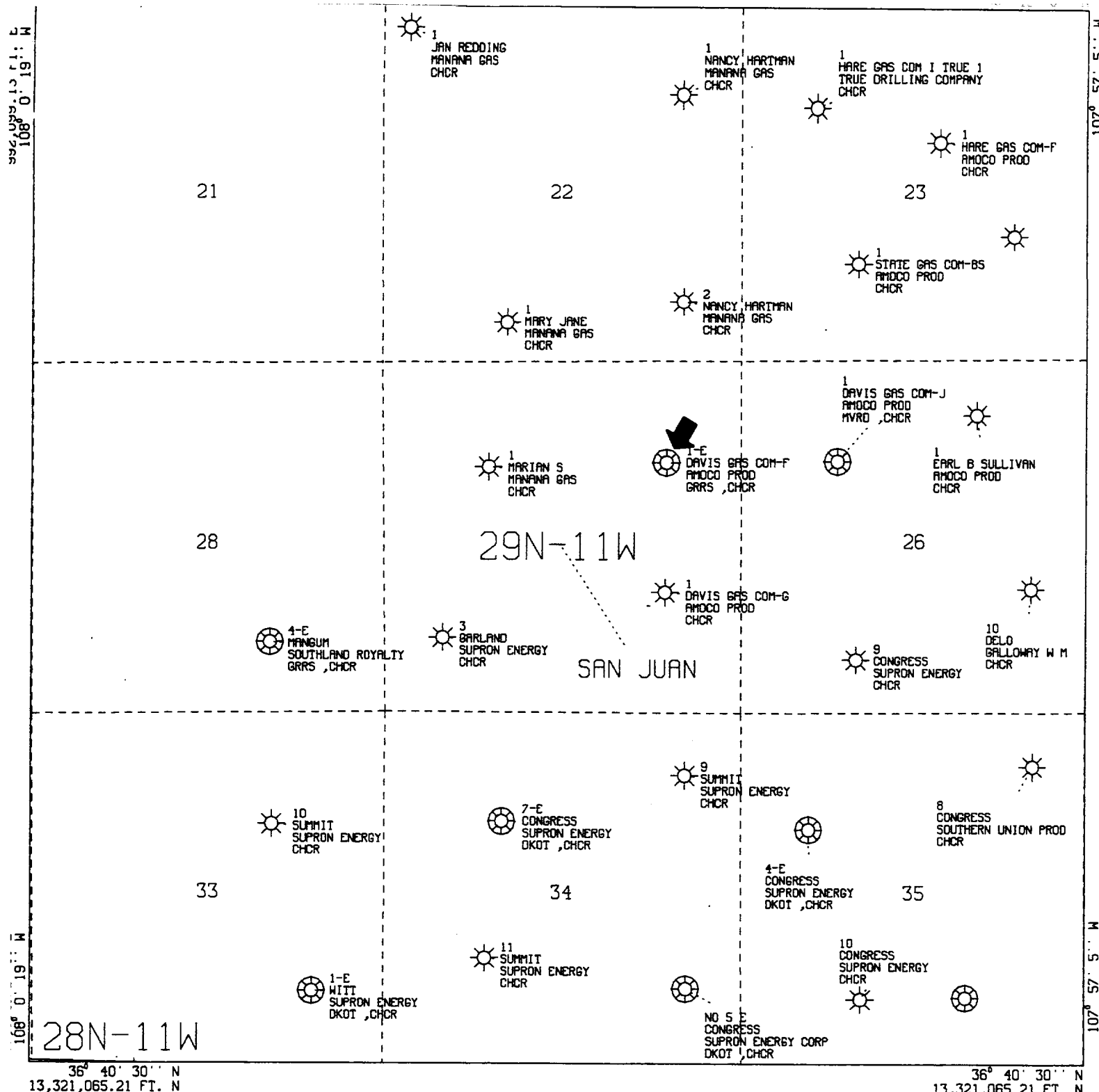


All geological and geophysical data, including the interpretation thereof, appearing on this map is the private and confidential property of Amoco Production Company. The publication or reproduction thereof without the written permission of said Company is strictly prohibited.

POLYCONIC CENTRAL MERIDIAN - 107° 58' 42" W LON
SPHEROID - 6

AMOCO PRODUCTION COMPANY
PLAT MAP
Davis Gas Com F 1E
Dakota Formation

SCALE 1 IN. = 2,000 FT. OCT 6, 1995



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POLYCONIC CENTRAL MERIDIAN - 107° 58' 42'' W LON
SPHEROID - 6

AMOCO PRODUCTION COMPANY
PLAT MAP
Davis Gas Com F 1E
Chacra Formation
SCALE 1 IN. = 2,000 FT. OCT 6, 1995

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTOIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-107
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

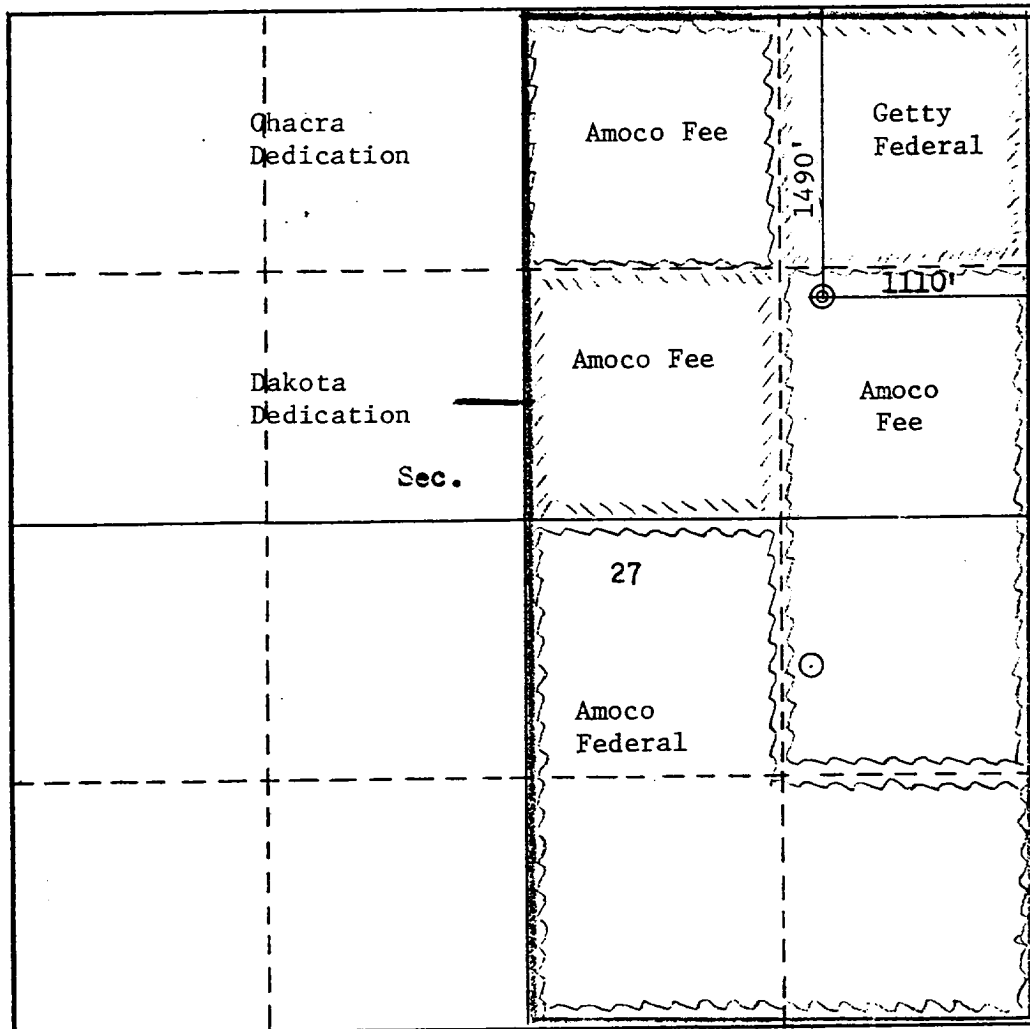
Operator AMOCO PRODUCTION COMPANY			Lease DAVIS GAS COM "FM"		Well No. 1-E
Unit Letter H	Section 27	Township 29N	Range 11W	County San Juan	
Actual Footage Location of Well: 1490 feet from the North line and 1110 feet from the East line					
Ground Level Elev. 5510	Producing Formation Dakota / Chacra		Pool Basin Dakota/ Bloomfield Chacra		Dedicated Acreage: 320/160 Acres

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?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

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 contained herein is true and complete to the best of my knowledge and belief.

B. E. Fackrell

Name

B. E. FACKRELL

Position

DISTRICT ENGINEER

Company

AMOCO PRODUCTION COMPANY

Date

DECEMBER 19, 1979

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

December 19, 1979

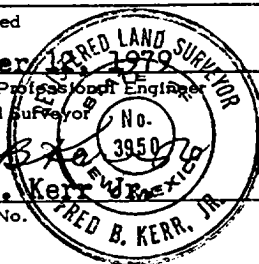
Registered Professional Engineer and/or Land Surveyor

Fred B. Kerr

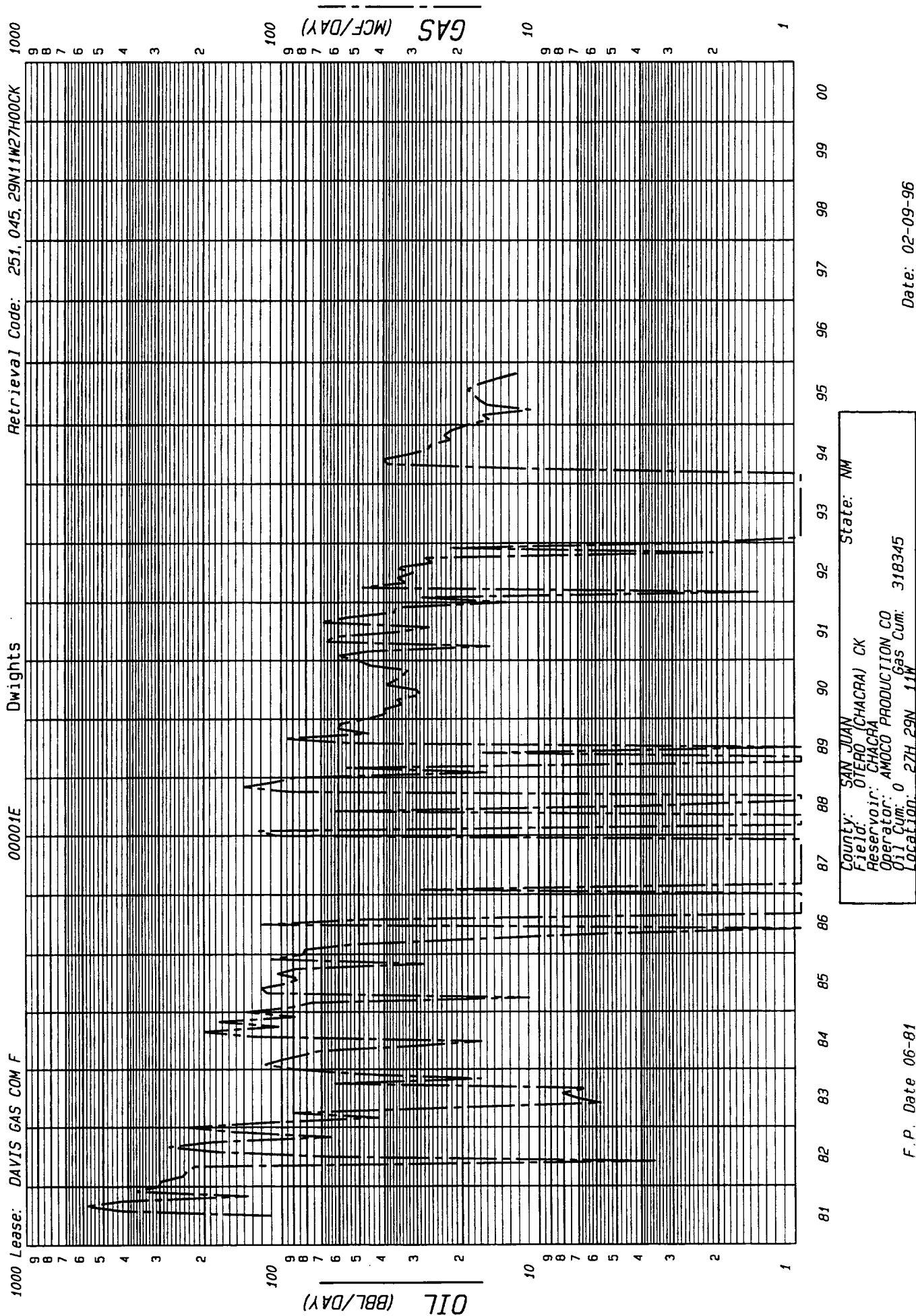
Fred B. Kerr

Certificate No.

3950



0 330 660 .90 1320 1650 1980 2310 2640 2000 1800 1000 500 0



F.P. Date 06-81

Date: 02-09-96

Chart1

Well: DAVIS GC F 001E-DK

(84207801)

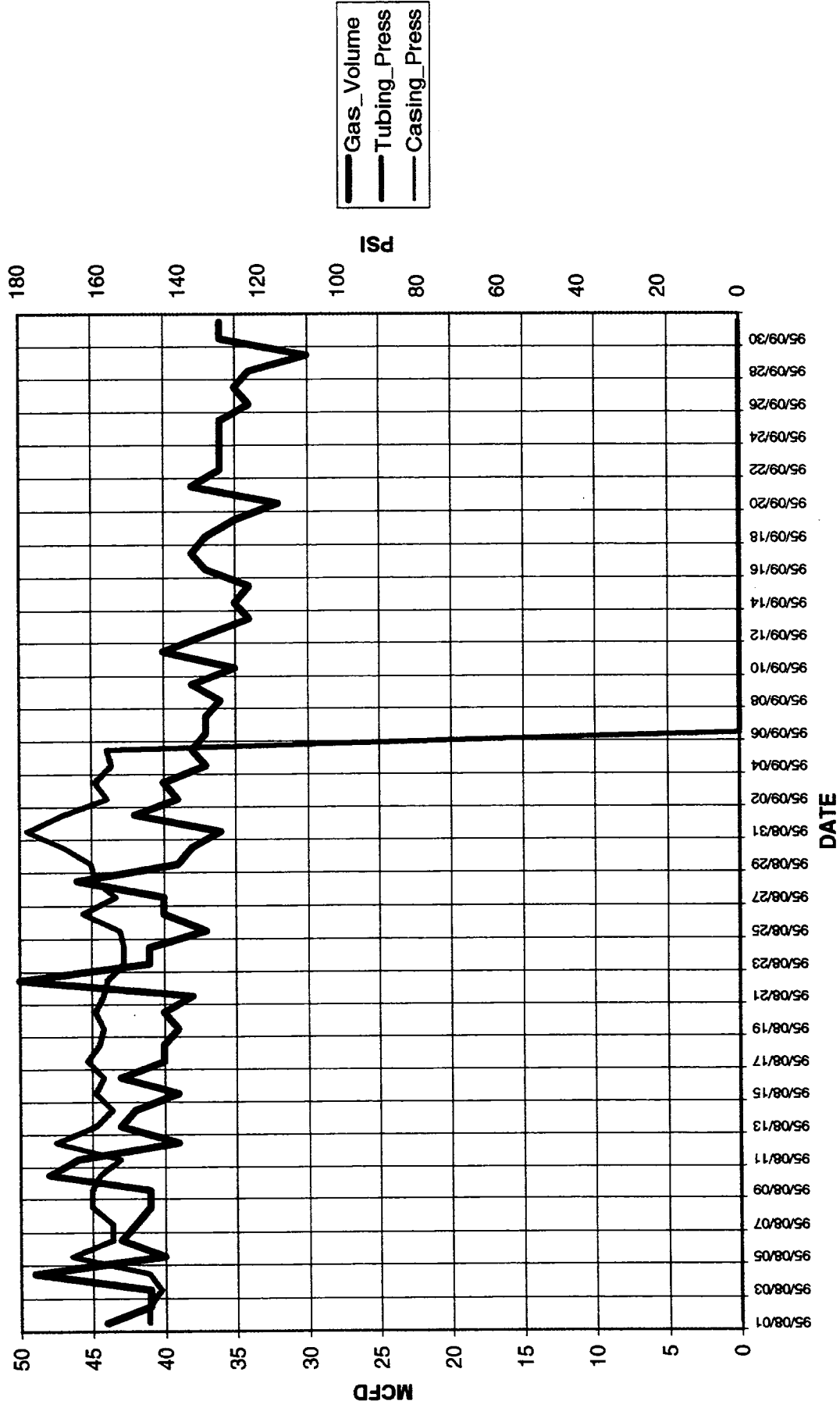
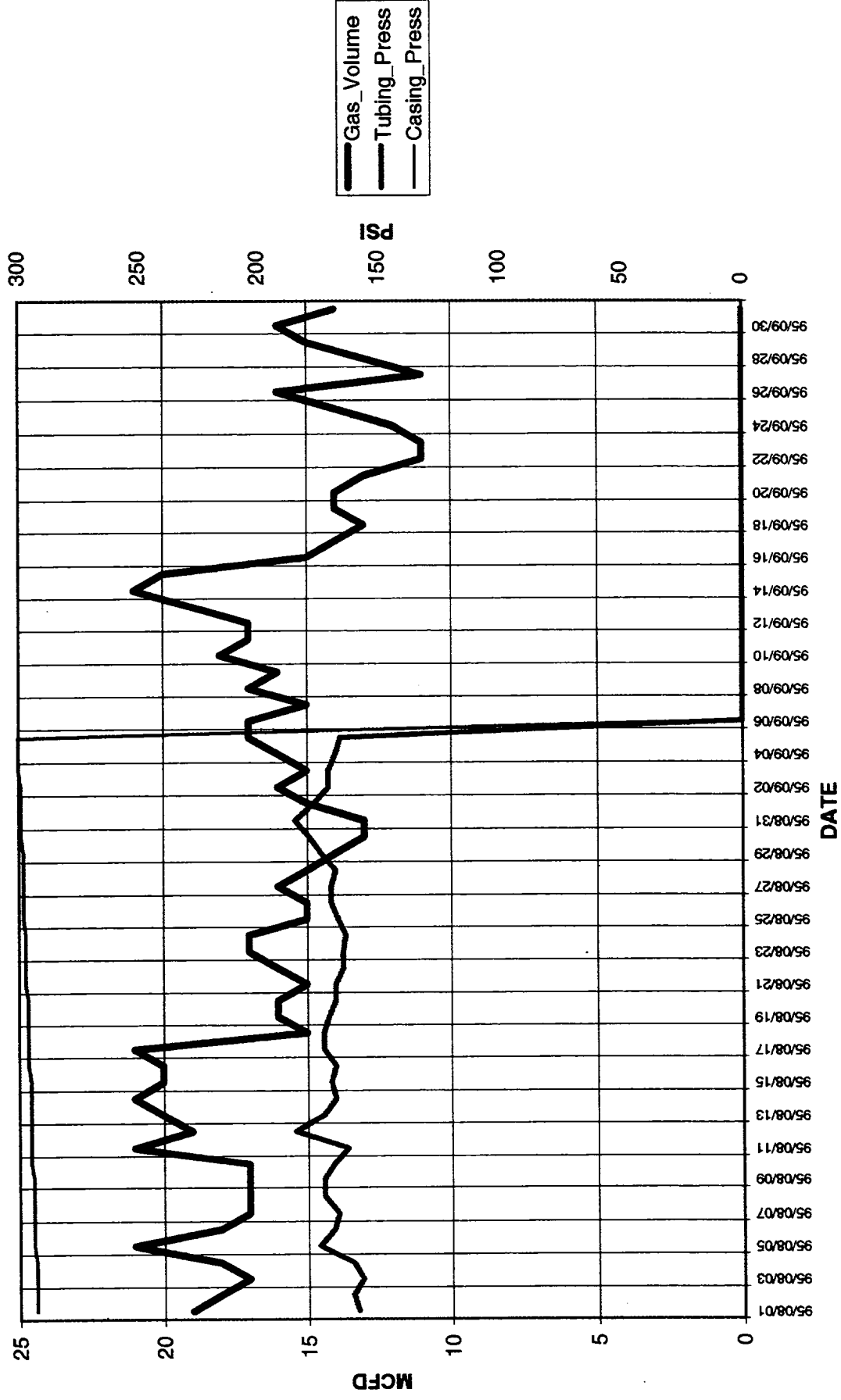


Chart 1

Well: DAVIS GC F 001E-CK (84207802)



OFFSET OPERATOR LIST
DAVIS GAS COM #1E

DAKOTA SPACING UNIT

W/2 SECTION 22
E/2 SECTION 22
S/2 SECTION 23
N/2 SECTION 26
S/2 SECTION 26
W/E SECTION 27
W/2 SECTION 34
E/2 SECTION 34
N/2 SECTION 35

OPERATOR

MANANA GAS INC.
MANANA GAS INC.
AMOCO PRODUCTION CO.
AMOCO PRODUCTION CO.
MERIDIAN OIL, INC.
AMOCO PRODUCTION CO.
MERIDIAN OIL INC.
MERIDIAN OIL INC.
MERIDIAN OIL INC.

CHACRA SPACING UNIT

SW/4 SECTION 22
SE/4 SECTION 22
SW/4 SECTION 23
NW/4 SECTION 26
SW/4 SECTION 26
NW/4 SECTION 27
SW/4 SECTION 27
SE/4 SECTION 27

OPERATOR

MANANA GAS INC.
MANANA GAS INC.
AMOCO PRODUCTION CO.
AMOCO PRODUCTION CO.
MERIDIAN OIL INC.
MANANA GAS INC.
MERIDIAN OIL INC.
AMOCO PRODUCTION CO.

ADDRESSES:

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

Manana Gas Inc.
2520 Tramway Terrace Crt NE
Albuquerque, NM 87122

ESTIMATED BOTTOMHOLE PRESSURES BY FORMATION
Davis Gas Com F #1E

CK Perforations at 2760'
DK Perforations at 6213'

Shut in pressures taken during Chaco plant shutdown 10/95 --- CK =304 PSIG
DK =573 PSIG

GRADIENT = 0.08 PSI/FT

CK BHP =304 PSIG +2760' X 0.08 PSIG
=524 PSIG

DK BHP = 573 PSIG +6213' X 0.08 PSIG
=1070 PSIG

524 PSI / 1070 PSI = 0.489 OR LESS THAN THE 50% DIFFERENTIAL RULE

15262800 00001 ZJAM63
125302 00
NANCY P TONKIN REVOCABLE TRUST
NANCY P TONKIN TRUSTEE
1324 PARK AVE S W
ALBUQUERQUE NM 87104-1024

29020200 00001 ZJAM63
115719 00
CONTINENTAL HOLDINGS INC
ATTN HOLDING ACCOUNT
1000 KIEWIT PLAZA
OMAHA NE 68131

15262800 00001 ZJAM63
141627 00
WELDON C JULANDER TRUST
WELDON, ILA MAE AND
JOHN JULANDER TRUSTEES
P O BOX 2773
LITTLETON CO 80161-2773

29020200 00001 ZJAM63
150738 00
HERD PARTNERS LTD
A TEXAS LIMITED PARTNERSHIP
P O BOX 130
MIDLAND TX 79702-0130

15262800 00001 ZJAM63
389747 00
MAUREEN G WRIGHT TRUST
2816 KENTUCKY STREET NE
ALBUQUERQUE NM 87110-3408

15262800 00001 ZJAM63
604368 00
DUGAN PRODUCTION CORPORATION
P O BOX 420
FARMINGTON NM 87499-0420

15262800 00001 ZJAM63
609333 00
JACK MARKHAM
SUITE 1212 1500 BROADWAY
LUBBOCK TX 79401-3192

15262800 00001 ZJAM63
685910 00
ALLEN M TONKIN JR
412 SAN PASQUALE SW
ALBUQUERQUE NM 87104-1135

15262800 00001 ZJAM63
707356 00
ENID M NEIBAUER PRICE
600 TEXAS ST APT 327
FORT WORTH TX 76102-3469

15262800 00001 ZJAM63
144545 00
CHRISTINE T WILLINS LIVING TRUST
CHRISTINE T WILLINS TRUSTEE
P O BOX 898
BELEN NM 87002-0898

29020200 00001 ZJAM63
145420 00
CHRISTMANN MINERAL COMPANY
A TEXAS CORPORATION
1500 BROADWAY SUITE 800
LUBBOCK TX 79401-3104

15262800 00001 ZJAM63
150588 00
PARKER AND PARSLEY DEVELOPMENT L P
P O BOX 840835
DALLAS TX 75284-0835

15262800 00001 ZJAM63
283206 00
LOUISE B ABELL
P O BOX 68
WHITEFISH MT 59937-0068

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497361 46
MERIDIAN OIL PRODUCTION INC
P O BOX 840656
DALLAS TX 75284-0656

15262800 00001 ZJAM63
608060 47
KERR MCGEE CORPORATION
E & P REVENUE SECTION
P O BOX 730330
DALLAS TX 75373-0330

15262800 00001 ZJAM63
685909 00
NANCY TONKIN CUTTER
1524 PARK SW
ALBUQUERQUE NM 87104-1024

15262800 00001 ZJAM63
685956 00
GRACE IRFNE PEARCE TRUST
GRACE IRFNE PEARCE TRUSTEE
500 SOUTH 1ST STREET BOX 12
BLOOMFIELD NM 87413-6224

29020200 00001 ZJAM63
710000 01
MINERALS MANAGEMENT SERVICE
ROYALTY MANAGEMENT PROGRAM
PO BOX 5810 TA
DENVER CO 80217-5810

15262800 00001
786926 00
LINLEY T SOLARI
7406 CORRALES ROAD
CORRALES

ZJAM63

NM 87048-9020

29020200 00001
915570 00
CYNTHIA CALVIN
747 NEWPORT STREET
DENVER

ZJAM63

CO 80220-5507