



**Southern**

**Rockies**

**Business**

**Unit**

May 30, 1996

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

**RECEIVED**  
JUN - 3 1996

**OIL CON. DIV.**  
**DIST. 3**

**Application for Exception to Rule 303-C - Downhole Commingling**  
**Valdez A #1E Well**  
**Unit G Section 24-T29N-R11W**  
**Otero Chacra and Basin Dakota 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. By copy of this application by certified mail, return receipt requested, Amoco is notifying all offset operators in the formations captioned above as well as all affected interest owners if the ownership of those formations is not common. The Division Director may approve the proposed downhole commingling in the absence of a valid objection from any offset operator or any interest owner in those instances where ownership is not common in the zones to be commingled within 20 days after the receipt of the application if, in his opinion, waste will not result thereby, and correlative rights will not be violated.

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

Sincerely,

Pamela W. Staley

Enclosures

cc: Steve Webb  
Gail Jefferson  
Wellfile  
Proration File

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

DISTRICT I  
P.O. Box 1980, Hobbs NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

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

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

DISTRICT III  
1000 Rio Brazos Rd. Aztec, NM 87410-1693

OIL CONSERVATION DIVISION  
APPLICATION FOR DOWNHOLE COMMINGLING

APPROVAL PROCESS:  
☒ Administrative ☐ Hearing  
EXISTING WELLBORE  
☒ YES ☐ NO

|                                             |               |                               |                            |
|---------------------------------------------|---------------|-------------------------------|----------------------------|
| Amoco Production Company                    |               | P.O. Box 800 Denver, CO 80201 |                            |
| Operator                                    | Address       | County                        |                            |
| Valdez A                                    | G-24-29N-11W  | San Juan                      |                            |
| Lease                                       | Well No.      | Unit Ltr. - Sec Twp - Rge     |                            |
|                                             | #1E           |                               |                            |
| Spacing Unit Lease Types: (check 1 or more) |               |                               |                            |
| OGRID NO.                                   | Property Code | API NO.                       | Federal State (and/or) Fee |
| 000778                                      | 001189        | 3004524445                    | X                          |

| The following facts are submitted in support of downhole commingling:                                                                                                                                | Upper Zone                                     | Intermediate Zone        | Lower Zone                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------|---------------------------------------|
| 1. Pool Name and Pool Code                                                                                                                                                                           | OTERO CHACRA<br>82329                          |                          | BASIN DAKOTA<br>71599                 |
| 2. Top and Bottom of Pay Section (Perforations)                                                                                                                                                      | 2732' - 2838'                                  | RECEIVED<br>JUN - 3 1996 | 6154' - 6320'                         |
| 3. Type of production (Oil or Gas)                                                                                                                                                                   | GAS                                            |                          | GAS                                   |
| 4. Method of Production (Flowing or Artificial Lift)                                                                                                                                                 | FLOWING                                        | OIL CON. DIV.<br>DIST. 3 | FLOWING                               |
| 5. Bottomhole Pressure<br>Oil Zones - Artificial Lift:<br>Gas & Oil - Flowing:<br>All Gas Zones:<br>Estimated Current<br>Measured Current<br>Estimated or Measured Original                          | a. (Current) 479 PSI<br>b. (Original) 1200 PSI | a.<br>b.                 | a. 790 PSI<br>b. 2480 PSI             |
| 6. Oil Gravity (° API) or Gas BTU Content                                                                                                                                                            | 1191 BTU                                       |                          | 1283 BTU / 59.4 DEG API               |
| 7. Producing or Shut-In?                                                                                                                                                                             | PRODUCING                                      |                          | PRODUCING                             |
| Production Marginal? (yes or no)                                                                                                                                                                     | YES                                            |                          | NO                                    |
| • If Shut-In, give data and oil/gas/water rates of last production<br>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data | Date:<br>Rates:                                | Date:<br>Rates:          | Date:<br>Rates:                       |
| • If Producing, give date and oil/gas/water rates of recent test (within 60 days)                                                                                                                    | 5/96<br>20 MCFD<br>0 BCPD<br>0 BWPD            | Date:<br>Rates:          | 5/96<br>90 MCFD<br>.11 BCPD<br>0 BWPD |
| 8. Fixed Percentage Allocation Formula -% for each zone                                                                                                                                              | Oil: 0 % Gas 18 %                              | Oil: % Gas %             | Oil: 100 % Gas 82 %                   |

9. 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 ☒ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No  
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☒ Yes ☐ 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 reliable. ☒ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ 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 United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No  
NO STATE OR FEDERAL LANDS
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.  
\* 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 is true and complete to the best of my knowledge and belief.

SIGNATURE Pamela W. Staley TITLE REGULATORY AFFAIRS REP DATE 5/30/96  
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. ( 303 ) 830-5344

All distances must be from the corner boundaries of the Sec.

|                                  |                                          |                   |                         |                   |                                     |
|----------------------------------|------------------------------------------|-------------------|-------------------------|-------------------|-------------------------------------|
| Tenneco Oil Company              |                                          |                   | Lease VALDEZ #A1E       |                   | Well No. 1E                         |
| Section 24                       | Township 29N                             | Range 11W         | County San Juan         |                   |                                     |
| Actual Footage Location of Well: |                                          |                   |                         |                   |                                     |
| 390                              | feet from the North line and             | 2560              | feet from the East line |                   |                                     |
| and Level Elev. 5474             | Producing Formation Dakota, M.V., Chacra | Pool Basin Dakota | Undesignated Mesa Verde | Bloomfield Chacra | Dedicated Acreage 320/160/160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 communization, unitization, force-pooling, etc?

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

*Communization in progress*

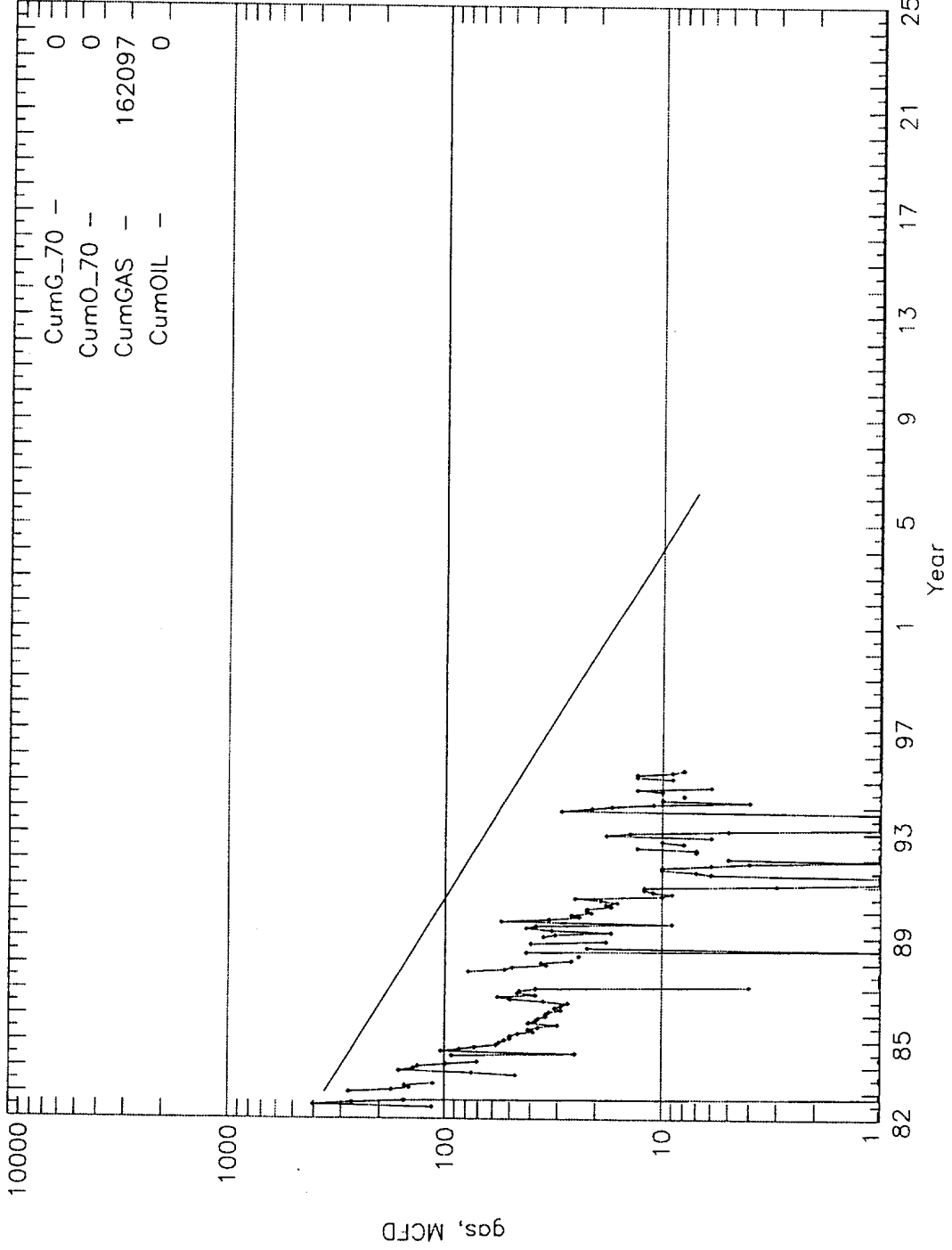
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

|                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Valdez #A1E<br/>spud date: 1/4/82<br/>Sec.</p> <p>24 2560'</p> <p>CH/DK</p> <p>DK</p> <p>FRT</p> <p>PC</p> <p>PC</p> <p>For all wells within the spacing unit</p> | <p align="center"><b>CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>M. L. Freeman</i><br/>Name</p> <p>M. L. Freeman<br/>Position</p> <p>Staff Production Analyst<br/>Company</p> <p>Tenneco Oil Company<br/>Date</p> <p>July 8, 1980<br/>Date</p> <p>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.</p> <p>Date Surveyed<br/>June 13, 1980</p> <p>Registered Professional Engineer and/or Land Surveyor<br/>Fred B. West Jr.<br/>Certificate J-6888, N.M.</p> <p>3950</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

For: zalc14  
Engr: zr06

VALDEZ A 1E  
300452444500CK G242911-001ECK  
Operator- AMOCO PRODUCTION CO  
APC\_WI - 0.50000000



Last Op. Forecast by zr06 in 07/1995

For: zalc14  
Engr: zrar06

VALDEZ A 1E Operator- AMOCO PRODUCTION CO

300452444500DK G242911-001EDK APC\_WI - 0.52083000

|         |   |        |
|---------|---|--------|
| CumG_70 | - | 0      |
| CumO_70 | - | 0      |
| CumGAS  | - | 366221 |
| CumOIL  | - | 2065   |

gas, MCFD

Reserves

DCLN  
CurrQ  
RemRes  
EUR  
Fit\_date

Year

Last Op. Forecast by zrar06 in 07/1995

69827100 00006  
617000 00  
AMOCO PRODUCTION COMPANY  
P O BOX 591  
TULSA

ZJAM63  
OK 74192-0591

69827100 00006 ZJAM63  
258067 00  
ALICE HICKMAN  
321 CHURCH ST  
AZTEC NM 87410-1921

69827100 00006 ZJAM63  
924823 00  
KATHLEEN BROWN  
3 MARIN VIEW DRIVE  
NOVATO CA 94949-6705

69827100 00006 ZJAM63  
686510 00  
CELIA A JUDKINS  
1709 NORTH WAGON WHEELS PLACE  
TUCSON AZ 85745-1856

69827100 00006 ZJAM63  
142140 00  
COWAN FAMILY TRUST  
JOAN AND TROY SULLIVAN TRUSTEES  
5219 FAIRFAX DR NW  
ALBUQUERQUE NM 87114-4661

69827100 00006 ZJAM63  
110863 00  
ADELE ELMORA VAUGHT KILLGORE  
P O BOX 2142  
PAYSON AZ 85547-214

69827100 00006 ZJAM63  
932651 00  
GRACE GOSS DEES  
TRUSTEE UTA APRIL 4, 1984  
1300 3 20TH STREET  
FARMINGTON NM 87401

69827100 00006 ZJAM63  
110862 00  
ERMA LAZELLA VAUGHT KILLGORE  
117 EAST SYCAMORE AVENUE  
BLOOMFIELD NM 87413-534

69827100 00006 ZJAM63  
750737 00  
EL PAMCO INC  
P O BOX 14738  
ALBUQUERQUE NM 87191-4738

69827100 00006 ZJAM63  
910176 00  
MACKIE LAFFERTON TRUST  
MACKIE LAFFERTON TRUSTEE  
U/A DATED 4-21-87  
6128 ALDERMAN DRIVE NW  
ALBUQUERQUE NM 87120-540

69827100 00006 ZJAM63  
153326 00  
MARILYN B ELLIOTT  
7124 TICONDEROGA NE  
ALBUQUERQUE NM 87109-5042

69827100 00006 ZJAM63  
311152 00  
MAGEE TRANSPORTATION LTD  
BOX 627  
BLOOMFIELD NM 87413-062

69827100 00006 ZJAM63  
926464 00  
BETTY M HARTMAN QUALIFIED TERM TRUST  
EDWARD M HARTMAN TRUSTEE  
1002 TRAMWAY LANE NE  
ALBUQUERQUE NM 87122-1317

69827100 00006 ZJAM63  
599039 01  
MANANA GAS INC  
2520 TRAMWAY TERRACE CT NE  
ALBUQUERQUE NM 87122-231

69827100 00006 ZJAM63  
922562 00  
EDWARD M HARTMAN  
1002 TRAMWAY LANE NE  
ALBUQUERQUE NM 87122-1317

69827100 00006 ZJAM63  
903560 00  
HORACE F MCKAY JR AND  
ELMYRA K TRUST  
U/T/A DATED 12/19/88  
HORACE F JR AND ELMYRA K MCKAY TRUSTEE  
P O BOX 14738  
ALBUQUERQUE NM 87191-473

|                                                                                                                                                                                        |                                 |                                                                                                                                                |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 69827100 00006<br>679493 01<br>RIGGS OIL AND GAS CORPORATION<br>PO BOX 711<br>FARMINGTON                                                                                               | ZJAM63<br><br><br>NM 87499-0711 | 69827100 00006<br>110860 00<br>DONALD LEE VAUGHT<br>1017 WEST WASHINGTON<br>MERIDIAN                                                           | ZJAM63<br><br><br>ID 83642      |
| 69827100 00006<br>924451 00<br>JOSEPH T AND MARIAN S SALMON LIVING<br>TRUST<br>UTA DTD SEPTEMBER 18, 1987<br>JOSEPH T AND MARIAN S SALMON TRUSTEES<br>2516 N BLANCO BLVD<br>BLOOMFIELD | ZJAM63<br><br><br>NM 87413-9515 | 69827100 00006<br>110861 00<br>FRANKLIN DELAND VAUGHT<br>90 CANYON CIRCLE<br>PAGOSA SPRINGS                                                    | ZJAM63<br><br><br>CO 81147-9402 |
| 69827100 00006<br>258063 00<br>BRUCE L AND DORAL D SULLIVAN<br>PO BOX 55<br>BLOOMFIELD                                                                                                 | ZJAM63<br><br><br>NM 87413-0055 | 69827100 00006<br>110835 00<br>LEONIDAS BENTON VAUGHT<br>500 WEST SYCAMORE<br>BLOOMFIELD                                                       | ZJAM63<br><br><br>NM 87413-5542 |
| 69827100 00006<br>345101 00<br>H DANIEL AND DOROTHY C SULLIVAN<br>LIVING TRUST<br>DOROTHY SULLIVAN TRUSTEE<br>PO BOX 392<br>BLOOMFIELD                                                 | ZJAM63<br><br><br>NM 87413-0392 | 69827100 00006<br>110859 00<br>RONALD RAY VAUGHT<br>9122 EAST ALDER AVENUE<br>MESA                                                             | ZJAM63<br><br><br>AZ 85208-1653 |
| 69827100 00006<br>682455 00<br>R BRUCE SULLIVAN<br>MARY HELENE SULLIVAN SIKES ATTY-IN-FACT<br>PO BOX 400<br>BLOOMFIELD                                                                 | ZJAM63<br><br><br>NM 87413-0400 | 69827100 00006<br>153324 00<br>A R WEBB<br>C/O FIRST NATIONAL BANK OF BLOOMFIELD<br>ACCOUNT NO 004-09-4652<br>1200 WEST BROADWAY<br>BLOOMFIELD | ZJAM63<br><br><br>NM 87413-6790 |
| 69827100 00006<br>320230 00<br>VAID LIMITED PARTNERSHIP<br>EL PAMCO INC GENERAL PARTNER<br>PO BOX 14738<br>ALBUQUERQUE                                                                 | ZJAM63<br><br><br>NM 87191-4738 |                                                                                                                                                |                                 |
| 69827100 00006<br>917900 00<br>JOHN VANDERWERKER<br>17701 AVALON SP #45<br>CARSON                                                                                                      | ZJAM63<br><br><br>CA 90746      |                                                                                                                                                |                                 |

**OFFSET OPERATORS**

**Valdez A #1E**

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

Dugan Production Corporation  
P.O. Box 420  
Farmington, New Mexico 87499

Texaco E&P Inc.  
P.O. Box 2100  
Denver, Colorado 80201

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