

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (2-89) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Cross Timbers Operating Company

3a. Address 3b. Phone No. (include area code)
2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401505 324 1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1,710' FNL 880' FEL Sec 4, T 30 N, R 12 W.

5. Lease Serial No.

SF 081239

6. If Indian, Allottee or Tribe Name

If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

LC Kelly 3E

9. API Well No.

300452560200

10. Field and Pool, or Exploratory Area

Basin Dakota
Flora Vista Gallup

11. County or Parish, State

San Juan NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Downhole</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Commingle.</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Cross Timbers Operating Company requests permission to pull the packer isolating the Gallup & Dakota formations. Commingle approval was received from the State of New Mexico Oil Conservation on 11-21-94.

Amoco Production received permission from the BLM to remove the packer on 12/16/94. The work was never accomplished. Cross Timbers intends to proceed with the pulling of the packer. Attached for your information is a copy of the downhole commingling orders from the State of New Mexico.

Cross Timbers will report the allocation factors for the Gallup & Dakota production based upon the Dakota production before commingling and the production from the commingling production.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Loren W. Fothergill

Title

Production Engineer.

Date December 18, 1998

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

AS/ Duane W. Spencer

Title

Date

FEB - 1 1999

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

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*Nilio ED
Approval*

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

RECEIVED
NOV 22 1994

CAMPBELL, CARR, et. al.

CASE NO. 11096
ORDER NO. R-10238

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR DOWNHOLE COMMINGLING, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 27, 1994, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 21st day of November, 1994 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Amoco Production Company, is the owner and operator of the L. C. Kelly Well No. 3-E (API No. 30-045-25602), located 1710 feet from the North line and 880 feet from the East line (Lot 12/Unit H) of Section 4, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.
- (3) The applicant seeks authority to commingle Basin-Dakota Pool gas production with Flora Vista-Gallup Pool gas production within the wellbore of the above-described well.

(4) Said well was originally drilled in 1983 to a total depth of 6872 feet and was completed as a single producer in the Basin-Dakota Pool. In June and July of 1994 the applicant dually completed this well such that the Basin Dakota gas was produced through a tubing string and Flora Vista-Gallup gas was produced up the casing/tubing annulus.

(5) According to the evidence submitted by the applicant, build-up of fluids has caused the available marginal gas production from the Gallup interval in the annulus to log-off. Further, the Basin-Dakota interval in the subject well is capable of only low marginal production.

(6) The applicant now proposes to recompleate said well in such a manner as to produce gas, condensate, and associated salt water from both zones through one string of tubing, commingling in the wellbore the production from the Flora Vista-Gallup Pool, in which Lots 5, 6, 11, and 12 (the NE/4 equivalent) of said Section 4 will be dedicated to form a 151.26-acre gas spacing and proration unit, and the Basin-Dakota Pool, in which Lots 6 through 12 (the N/2 equivalent) of said Section 4 will be dedicated to form a 296.05-acre gas spacing and proration unit.

(7) The ownership within the Basin-Dakota Pool and the Flora Vista-Gallup Pool underlying each respective proration unit is not common.

(8) The applicant has notified all working interests owning an interest in either the Gallup and Dakota intervals within the subject proration units of its proposed downhole commingling.

(9) No offset operator or interest owner appeared at the hearing in opposition to this application.

(10) Evidence indicates that the reservoir characteristics of the Flora Vista-Gallup and Basin-Dakota intervals in the subject well are such that underground waste would not be caused by the proposed commingling in the wellbore. Further, the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject intervals.

(11) To afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for seven consecutive days.

(12) In order to allocate the commingled production in the well to each zone, the applicant should consult with the supervisor of the Aztec district office of the Division and determine an appropriate allocation formula.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Amoco Production Company, is hereby authorized to commingle Basin-Dakota Pool and Flora Vista-Gallup Pool gas production within the wellbore of its L. C. Kelly Well No. 3-E (API No. 30-045-25602), located 1710 feet from the North line and 880 feet from the East line (Lot 12/Unit H) of Section 4, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

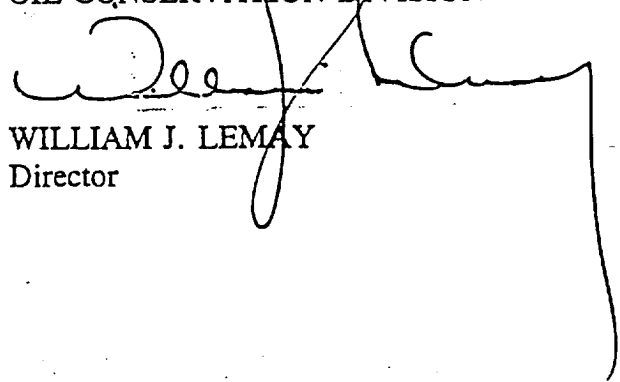
(2) The applicant shall consult with the supervisor of the Aztec district office of the Division and determine an appropriate allocation formula for the allocation of production to each zone in the subject well.

(3) The operator of the subject well shall immediately notify the Division's Aztec District Office any time the well has been shut-in for seven consecutive days and shall concurrently present to the Division a plan for remedial action.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

SEAL

*testing & getting
allocation*
- 12/12 Wayne B
- 8/11/12 panel letter
to ERNIE abt
- app. 1/1/13
- 1/1/13 original for
entire
- 1/1/13 Bureau
1/1/13 ERNIE

7. Ernie B

- produce up to 90 days
- use production data to determine correct alloc.
- letter to ERNIE w/ future alloc. basis.