



OIL CONSERVATION DIVISION  
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FEB 22 AM 8 52

**Southern**  
**Rockies**  
**Business**  
**Unit**

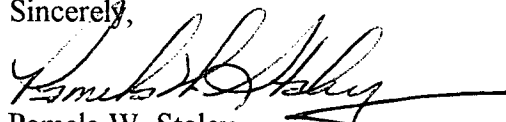
February 19, 1996

Mr. Benjamin E. Stone  
Petroleum Engineering Specialist  
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**

Amoco Production Company recently requested 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. In this application we incorrectly calculated an estimated bottomhole pressure for each zone using a gradient of 0.08 psi/ft. We believe that using this gradient misstated the actual bottomhole pressures of each zone. Since both of these zones have almost no fluids being produced, we believe that a more correct gradient to use would be 0.03 psi/ft. Attached is a revised bottomhole pressure for each zone to be commingled. Should you have questions concerning this matter, please contact me at (303) 830-5344.

Sincerely,

  
Pamela W. Staley

Enclosure

cc: Wellfiles  
Proration Files

***REVISED 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

**REVISED GRADIENT = 0.03 PSI/FT**

CK BHP =304 PSIG +2760' X 0.03 PSIG  
=387 PSIG

DK BHP = 573 PSIG +6213' X 0.03 PSIG  
=759 PSIG

387 PSI / 759 PSI = 0.51 OR LESS THAN THE 50% DIFFERENTIAL RULE



SEE ATTACHED  
BUCK SHEET

DHC 3.4.96  
1196

Southern

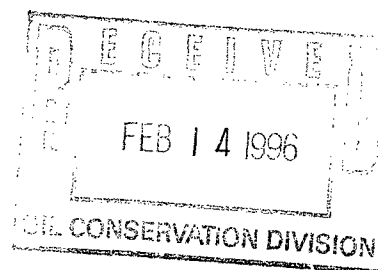
Rockies

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**

Amoco Production Company hereby requests administrative approval to downhole commingling 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.

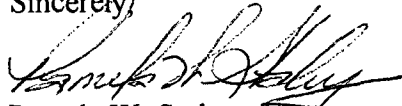
OK (25)

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.

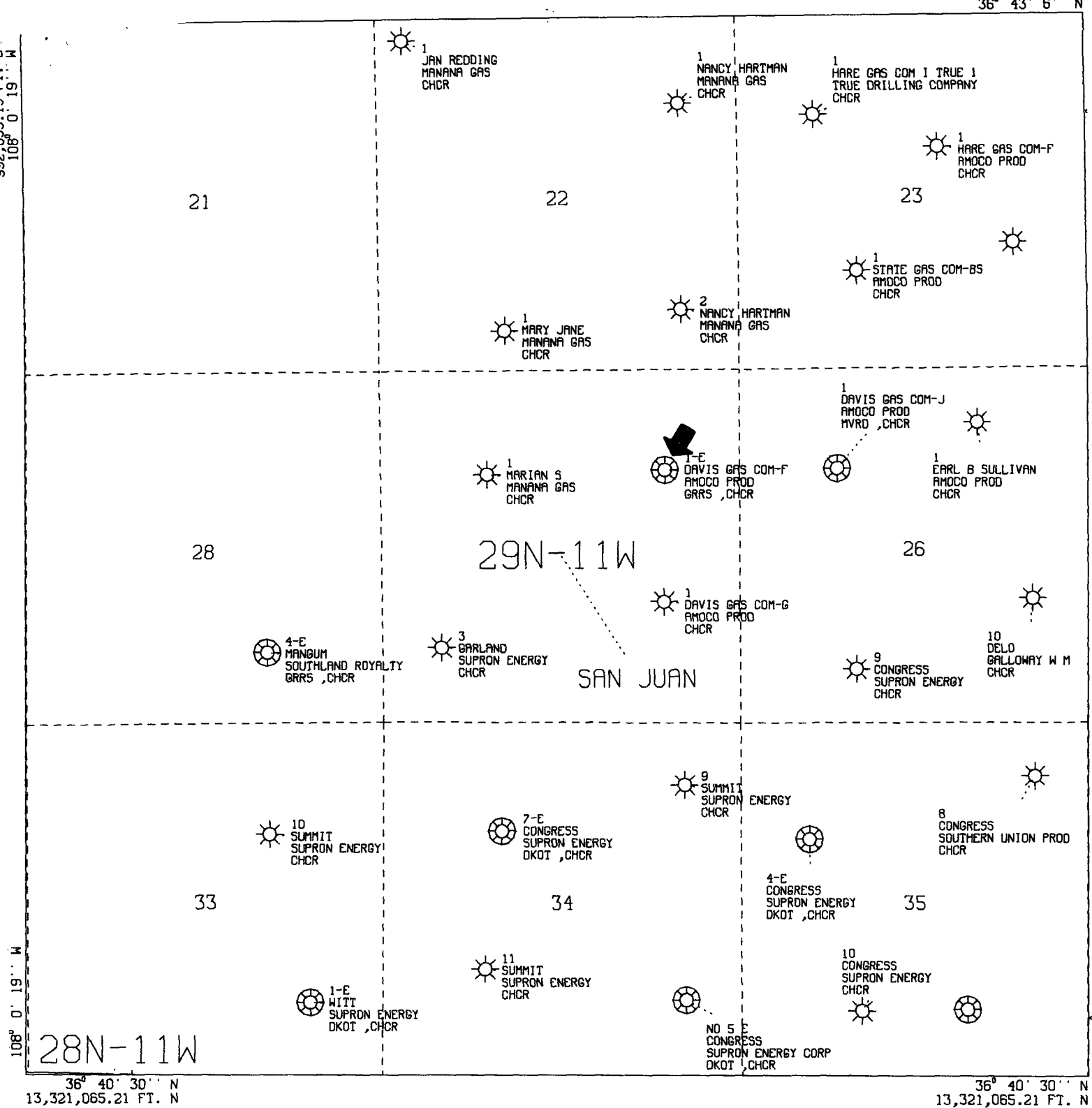
- (10) A statement that all offset operators and, in the case of a well on federal land, the United States Bureau of Land Management, have been notified in writing of the proposed commingling.

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 NMOC 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.

# AMOCO PRODUCTION COMPANY PLAT MAP

Davis Gas Com F 1E  
Chacra Formation

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

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



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

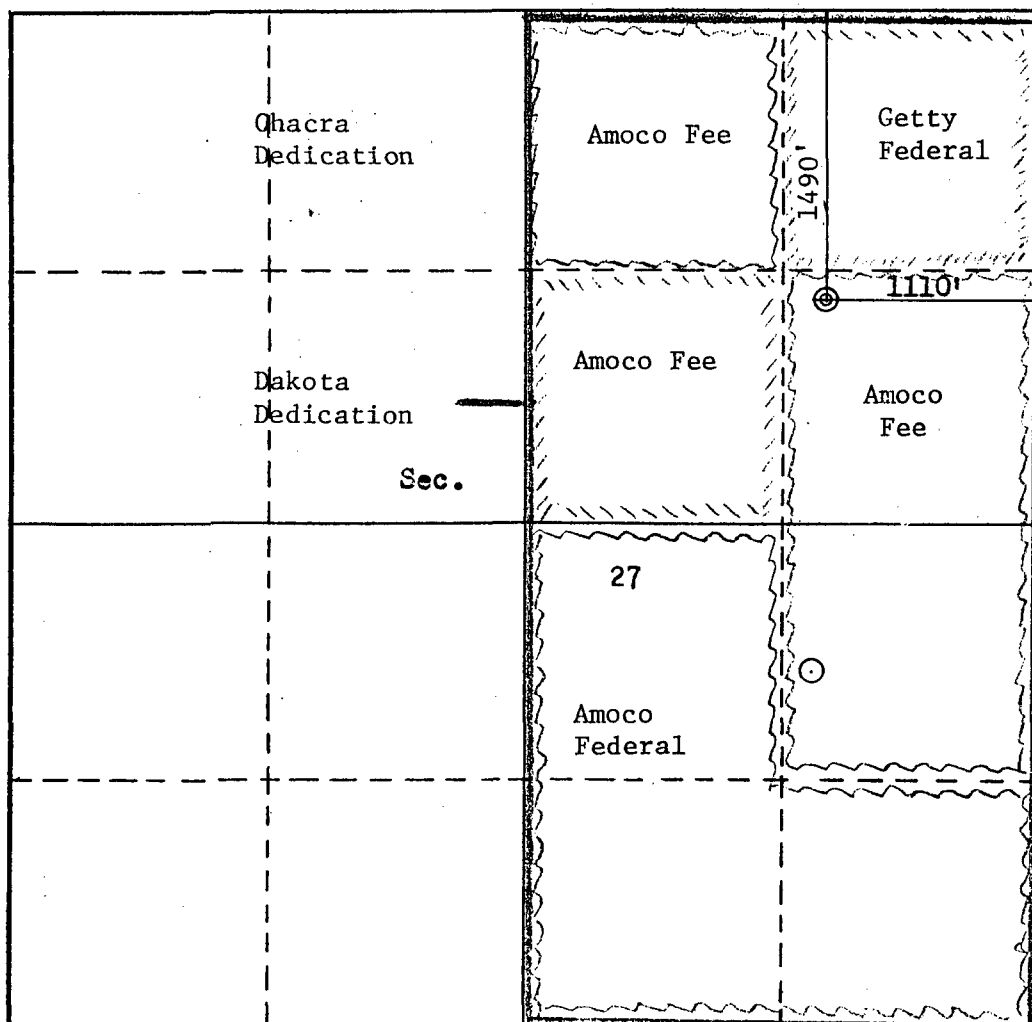
Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>DAVIS GAS COM "F"</b>		Well No. <b>1-E</b>
Unit Letter <b>H</b>	Section <b>27</b>	Township <b>29N</b>	Range <b>11W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1190</b> feet from the <b>North</b> line and <b>1110</b> feet from the <b>East</b> line					
Ground Level Elev. <b>5510</b>	Producing Formation <b>Dakota / Chacra</b>		Pool <b>Basin Dakota/ Bloomfield Chacra</b>		Dedicated Acreage: <b>320/160</b> 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

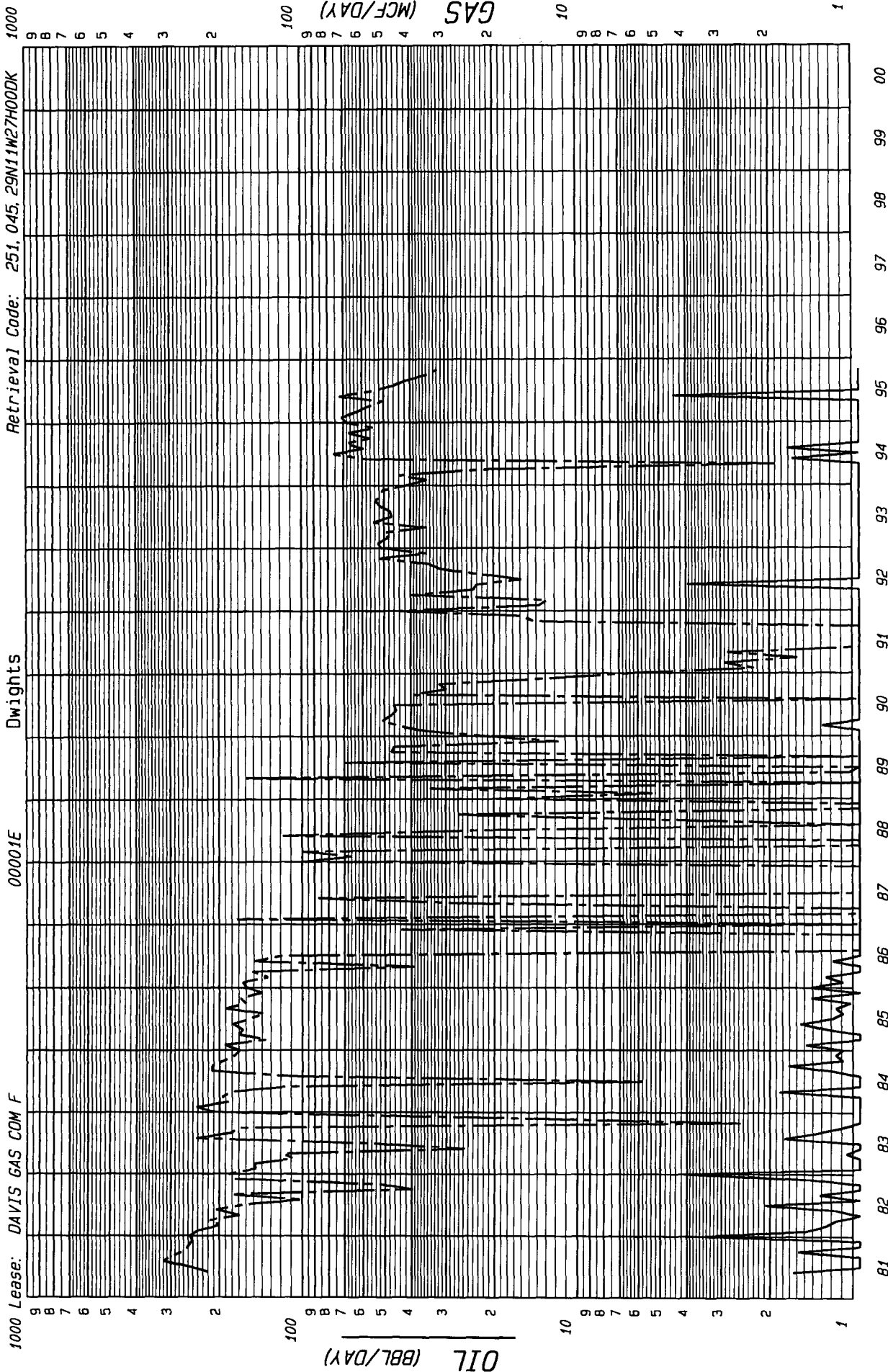
Registered Professional Engineer  
and/or Land Surveyor

*Fred B. Kerr*  
No. 3950

Certificate No.

3950

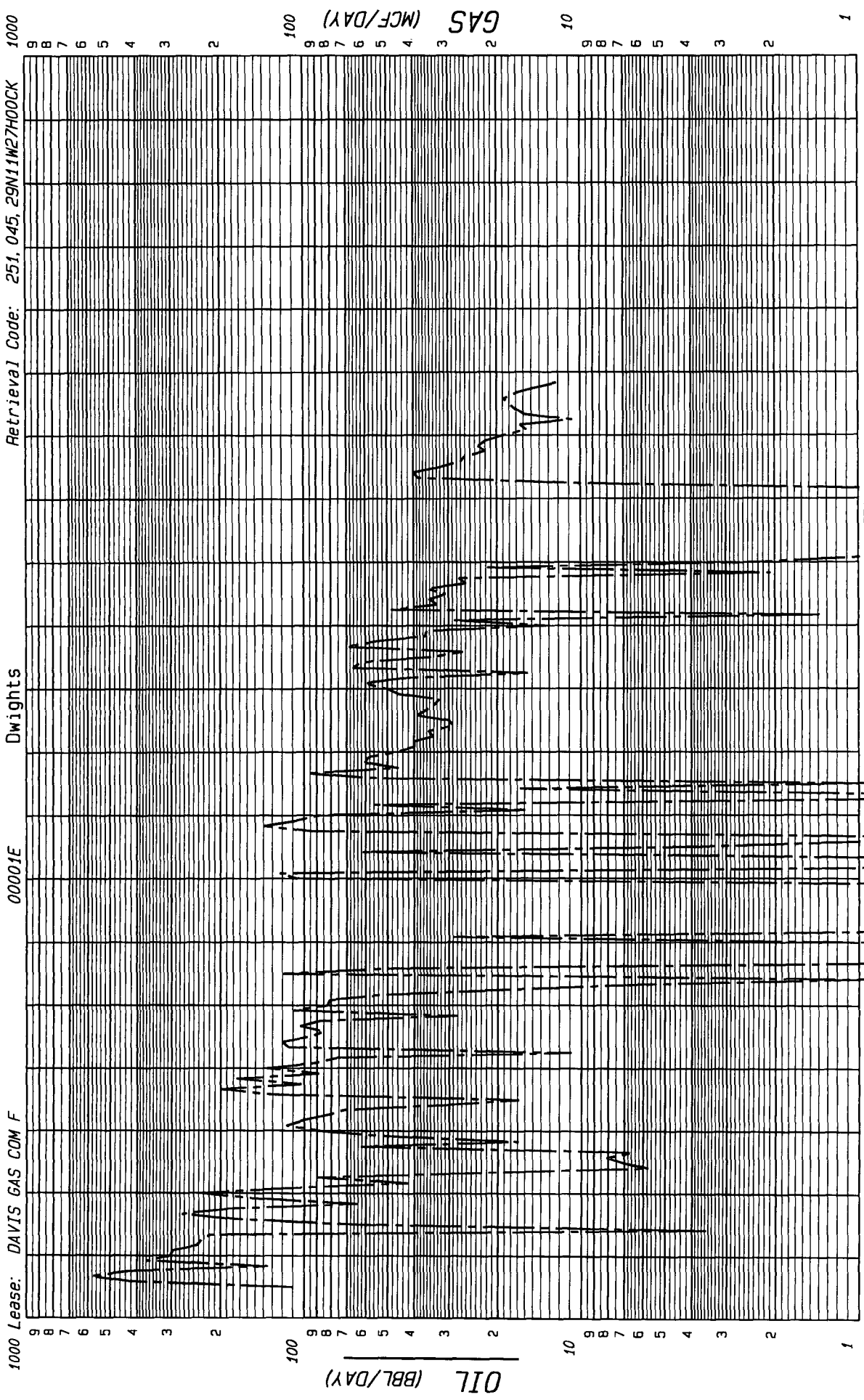




County: SAN JUAN      State: NM  
 Field: BASIN (DAKOTA) DK  
 Reservoir: DAKOTA  
 Operator: AMOCO PRODUCTION CO  
 Oil Cum: 2342      Gas Cum: 422870  
 Location: 27H 29N 11W

F.P. Date 05-81

Date: 02-09-96



1000 Lease: DAVIS GAS COM F      00001E      Dights      Retrieval Code: 251, 045, 29N11W27H00CK      1000

81    82    83    84    85    86    87    88    89    90    91    92    93    94    95    96    97    98    99    00

County: SAN JUAN      State: NM  
 Field: OTERO (CHACRA) CK  
 Reservoir: CHACRA  
 Operator: AMOCO PRODUCTION CO  
 Oil Cum: 0      Gas Cum: 318345  
 Location: 27H 29N 11W

F.P. Date 06-81

Date: 02-09-96

Chart1

Well: DAVIS GC F 001E-DK (84207801)

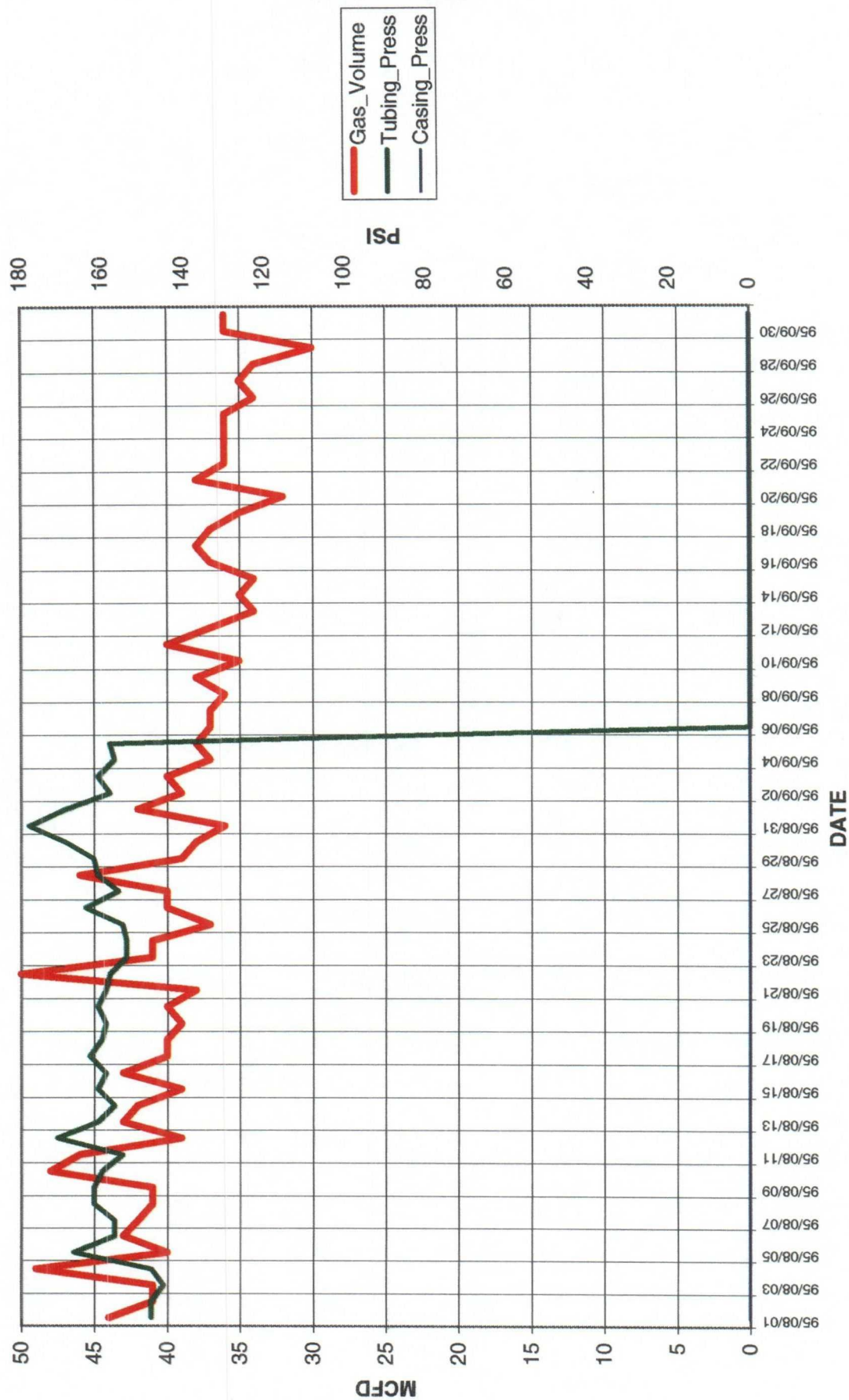
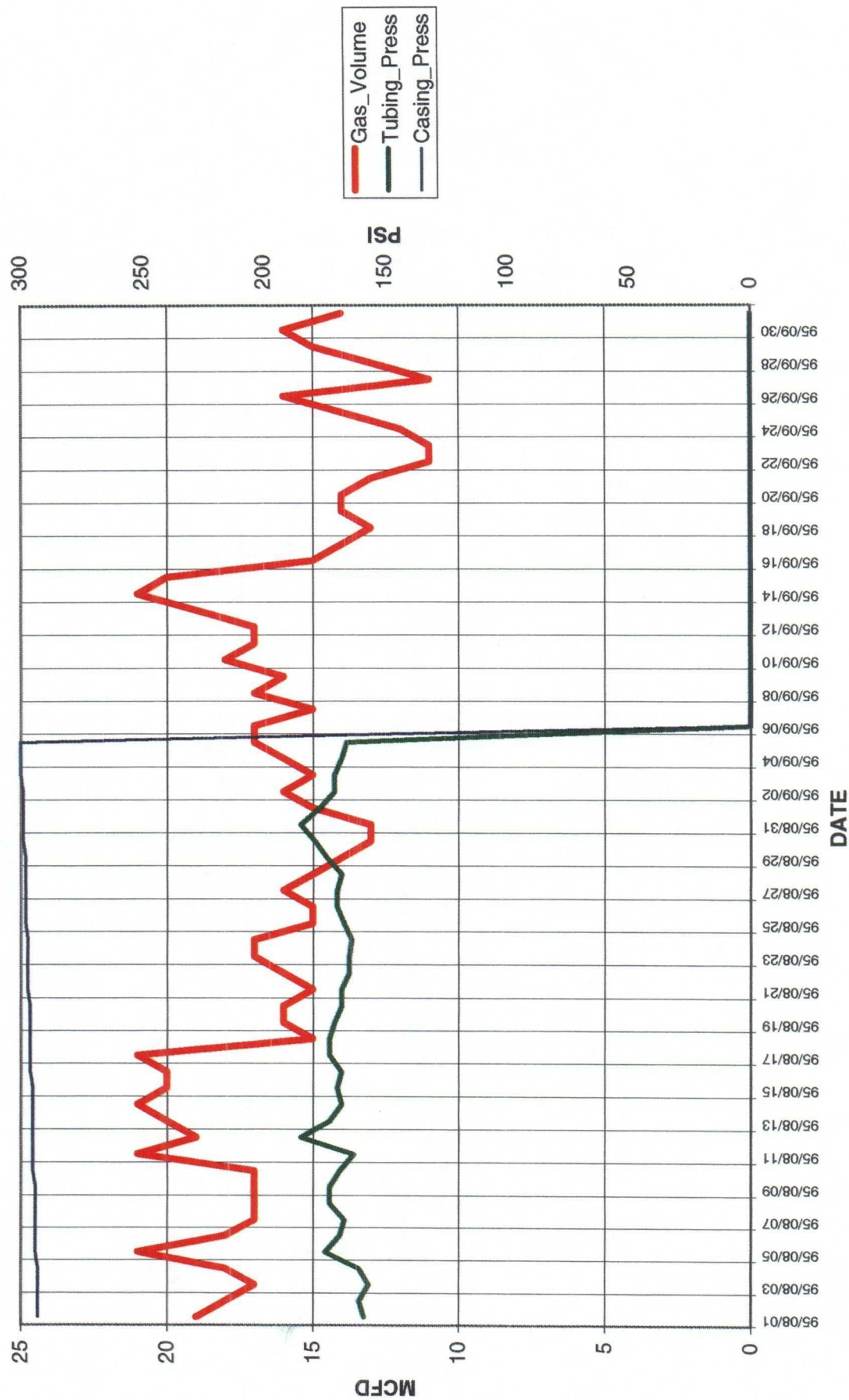


Chart1

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



**OFFSET OPERATOR LIST**  
**DAVIS GAS COM #1E**

**DAKOTA SPACING UNIT**

**OPERATOR**

W/2 SECTION 22	MANANA GAS INC.
E/2 SECTION 22	MANANA GAS INC.
S/2 SECTION 23	AMOCO PRODUCTION CO.
N/2 SECTION 26	AMOCO PRODUCTION CO.
S/2 SECTION 26	MERIDIAN OIL, INC.
W/E SECTION 27	AMOCO PRODUCTION CO.
W/2 SECTION 34	MERIDIAN OIL INC.
E/2 SECTION 34	MERIDIAN OIL INC.
N/2 SECTION 35	MERIDIAN OIL INC.

**CHACRA SPACING UNIT**

**OPERATOR**

SW/4 SECTION 22	MANANA GAS INC.
SE/4 SECTION 22	MANANA GAS INC.
SW/4 SECTION 23	AMOCO PRODUCTION CO.
NW/4 SECTION 26	AMOCO PRODUCTION CO.
SW/4 SECTION 26	MERIDIAN OIL INC.
NW/4 SECTION 27	MANANA GAS INC.
SW/4 SECTION 27	MERIDIAN OIL INC.
SE/4 SECTION 27	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

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=1070 PSIG

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

15262800 00001 125302 00 NANCY P TONKIN REVOCABLE TRUST NANCY P TONKIN TRUSTEE 1524 PARK AVE S W ALBUQUERQUE	ZJAM63     NM 87104-1024	15262800 00001 144545 00 CHRISTINE T WILLINS LIVING TRUST CHRISTINE T WILLINS TRUSTEE P O BOX 898 BELEN	ZJAM63     NM 87002-0898
29020200 00001 115719 00 CONTINENTAL HOLDINGS INC ATTN HOLDING ACCOUNT 1000 KIEWIT PLAZA OMAHA	ZJAM63     NE 68131	29020200 00001 145420 00 CHRISTMANN MINERAL COMPANY A TEXAS CORPORATION 1500 BROADWAY SUITE 800 LUBBOCK	ZJAM63     TX 79401-3104
15262800 00001 141627 00 WELDON C JULANDER TRUST WELDON, ILA MAE AND JOHN JULANDER TRUSTEES P O BOX 2773 LITTLETON	ZJAM63     CO 80161-2773	15262800 00001 150588 00 PARKER AND PARSLEY DEVELOPMENT L P P O BOX 840835 DALLAS	ZJAM63     TX 75284-0835
29020200 00001 150738 00 HERD PARTNERS LTD A TEXAS LIMITED PARTNERSHIP P O BOX 130 MIDLAND	ZJAM63     TX 79702-0130	15262800 00001 283206 00 LOUISE B ARELL P O BOX 68 WHITEFISH	ZJAM63     MT 59937-0068
15262800 00001 389747 00 MAUREEN G WRIGHT TRUST 2816 KENTUCKY STREET NE ALBUQUERQUE	ZJAM63     NM 87110-3408	29020200 00001 497361 46 MERIDIAN OIL PRODUCTION INC P O BOX 840656 DALLAS	ZJAM63     TX 75284-0656
15262800 00001 604368 00 DUGAN PRODUCTION CORPORATION P O BOX 420 FARMINGTON	ZJAM63     NM 87499-0420	15262800 00001 608060 47 KERR MCGEE CORPORATION E & P REVENUE SECTION P O BOX 730330 DALLAS	ZJAM63     TX 75373-0330
15262800 00001 609333 00 JACK MARKHAM SUITE 1212 1500 BROADWAY LUBBOCK	ZJAM63     TX 79401-3192	15262800 00001 685909 00 NANCY TONKIN CUTTER 1524 PARK SW ALBUQUERQUE	ZJAM63     NM 87104-1024
15262800 00001 685910 00 ALLEN M TONKIN JR 412 SAN PASQUALE SW ALBUQUERQUE	ZJAM63     NM 87104-1135	15262800 00001 685956 00 GRACE IFFNE PEARCE TRUST GRACE IFFNE PEARCE TRUSTEE 500 SOUTH 1ST STREET BOX 12 BLOOMFIELD	ZJAM63     NM 87413-6224
15262800 00001 707356 00 ENID M NEIBAUER PRICE 600 TEXAS ST APT 327 FORT WORTH	ZJAM63     TX 76102-3469	29020200 00001 710000 01 MINERALS MANAGEMENT SERVICE ROYALTY MANAGEMENT PROGRAM PO BOX 5810 TA DENVER	ZJAM63     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



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington District Office  
1235 La Plata Highway  
Farmington, New Mexico 87401

IN REPLY REFER TO:

14080017339/SRM1402  
3162.7-3 (07327)

March 21, 1996

Ms. Pamela W. Staley  
Amoco Production Company  
P.O. Box 800  
Denver, CO 80201

RE: Federal Communitization Agreements  
14-08-0001-7339 (CRS # NM 73614) Dakota  
SRM-1402 (CRS # NM 76015) Chacra  
Downhole Commingling Application  
Basin Dakota and Bloomfield Chacra Pools  
Davis Gas Com F #1E  
1490' FNL & 1110' FEL, Section 27-T29N-11W  
San Juan County, New Mexico

Dear Ms. Staley:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated February 23, 1996, for downhole commingling of the Bloomfield Chacra and Basin Dakota Pools in the above referenced well.

Your application stated that historical data will be used in determining the allocation percentage for each formation. Presently, the Chacra formation is producing 15 MCFD and 0 BCPD and the Dakota is producing 60 MCFD and 1 BCPD. Corrected bottom hole pressures are 1070 psi for the Dakota and 524 psi for the Chacra. Using these values, the fixed percentage for allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Basin Dakota	80%	100%
Bloomfield Chacra	20%	0%

Approval to downhole commingle the Bloomfield Chacra and Basin Dakota formations for the above referenced well is hereby granted.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

/s/ Duane Spencer

Duane W. Spencer  
Team Leader, Petroleum Management

bcc:  
NMOCD, Santa Fe  
CA Files NM73614 and NM76015  
DOMR  
Suspense (Brian)  
AIRS  
07237:BWDavis:03/16/96:x6367:staleydavis13.1tr



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

March 20, 1996

Amoco Production Company  
P.O. Box 800  
Denver, Colorado 80201-0800

Attn: Ms. Pamela Staley

***Re: Correct First Page - Division Order DHC-1196***

Dear Pam:

The enclosed page is to replace that of the referenced order. I mistakenly left Bloomfield Chacra in the allocation table. Ernie Busch of our Aztec office informed me that the Bloomfield had been abolished and is now considered the Otero Chacra.

Thank you for your attention and I apologize for any inconvenience.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ben Stone".

Benjamin E. Stone  
P.E. Specialist

/BES

file: DHC-1196



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

**ADMINISTRATIVE ORDER DHC-1196**

Amoco Production Company  
P.O. Box 800  
Denver, Colorado 80201-0800

Attention: Ms. Pamela Staley

*Davis Gas Com 'F' Well No.1E  
Unit H, Section 27, Township 29 North, Range 11 West, NMPM,  
San Juan County, New Mexico.  
Otero Chacra (Gas - 82329) and  
Basin Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Staley:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject 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 zones is hereby placed in abeyance.

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.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Otero Chacra Pool	Oil 0%	Gas 20%
Basin Dakota Pool	Oil 100%	Gas 80%

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



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
GOVERNOR

CONSERVATION DIVISION  
RECEIVED  
FEB 22 1996  
AZTEC DISTRICT OFFICE  
1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6170 Fax (505) 334-6170

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 K \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed PMX \_\_\_\_\_  
Proposed DD \_\_\_\_\_

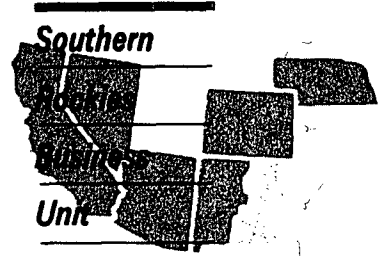
Gentlemen:

I have examined the application received on 2/14/96  
for the Amoco Davis San Com 1#15  
OPERATOR LEASE & WELL NUMBER  
14-27-29N-11W and my recommendations are as follows:

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

Yours truly,

[Signature]



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.

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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.