

DHC

6/20/96

1307

Southern

Rockies

Business

Unit

May 28, 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**  
**Hamner #3E Well**  
**Unit M Section 29-T29N-R9W**  
**Otero Chacra and Blanco Mesaverde 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

Duane Spencer  
Bureau of Land Management  
1235 La Plata Hwy.  
Farmington, NM 87401

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

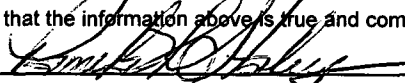
APPROVAL PROCESS:  
☒ Administrative ☐ Hearing  
EXISTING WELLBORE  
☒ YES ☐ NO

Amoco Production Company		P.O. Box 800 Denver, CO 80201	
Operator Hamner	3E	Address M-29-29N-9W	San Juan
Lease	Well No.	Unit Ltr. - Sec Twp - Rge	County
Spacing Unit Lease Types: (check 1 or more)			
OGRID NO. 000778	Property Code 000625	API NO. 3004524800	Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> (and/or) Fee <input type="checkbox"/>

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	OTERO CHACRA 82329		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	3105' - 3234'		6482' - 6582'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated or Measured Original	a. (Current) 502 PSI b. (Original) 1153 PSI	a. b.	a. 978 PSI b. 2681 PSI
6. Oil Gravity (° API) or Gas BTU Content	1192 BTU		1275 BTU / 59.2 DEG API
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		YES
• If Shut-In, give data and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: Rates:
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	5/96 40 MCFD .0023 BCPD 0 BWPD	Date: Rates:	5/96 70 MCFD .0019 BCPD <1 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 55 % Gas 36 %	Oil: % Gas %	Oil: 45 % Gas 64 %

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 communized 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 SF-080245
15. NMOC 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 	TITLE	REGULATORY AFFAIRS REP	DATE	5/23/96
TYPE OR PRINT NAME	PAMELA W. STALEY	TELEPHONE NO. ( 303 )	830-5344	

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Revised 10-81  
Effective 10-81

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

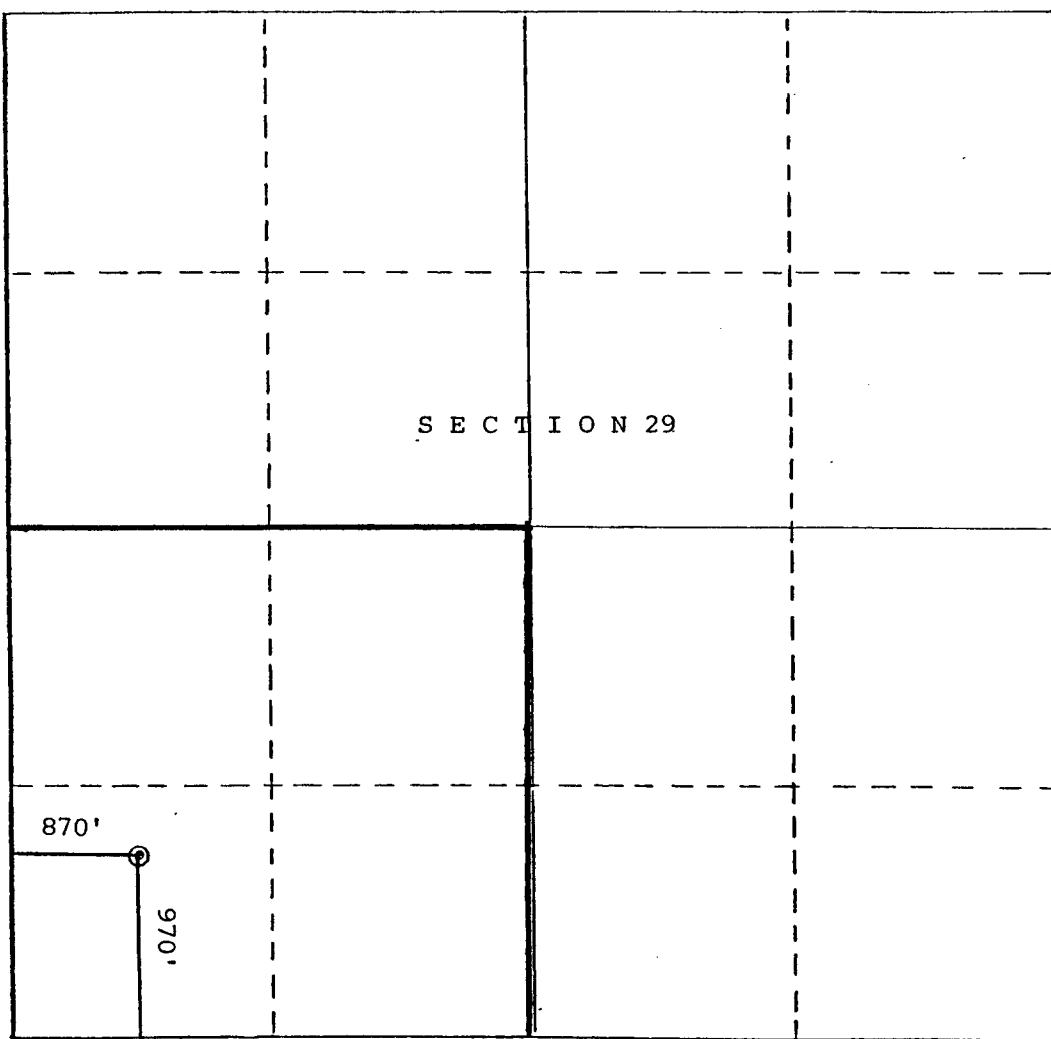
Operator <b>Tenneco Oil Company</b>			Lease <b>Hamner</b>		Well No. <b>3E</b>
Unit Letter <b>M</b>	Section <b>29</b>	Township <b>29N</b>	Range <b>9W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>970</b> feet from the <b>South</b> line and <b>870</b> feet from the <b>West</b> line					
Ground Level Elev. <b>5761</b>	Producing Formation <b>Dakota/Chacra</b>		Pool <b>Dakota/Chacra</b>		Dedicated Acreage: <b>160</b> 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 communitization, unitization, force-pooling, etc?

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

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.

*[Signature]*

Name

Production Analyst

Position

Tenneco Oil Company

Company

8/3/81

Date

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

Registered Professional Engineer  
and/or Land Surveyor

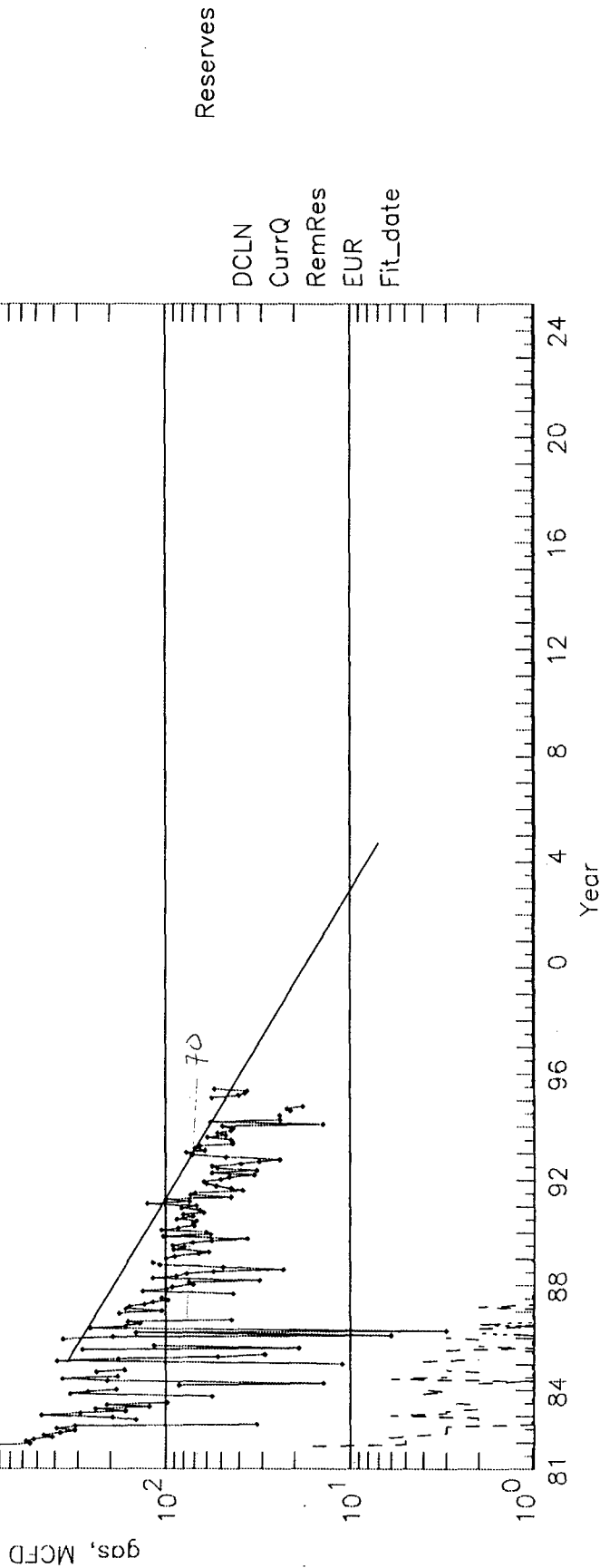
Certificate No.

For: zalc14  
Engr: zr06

HAMNER 3E Operator- AMOCO PRODUCTION CO

300452480000DK M292909-003EDK APC\_WI - 0.50000000

CumG_70	-	0
CumO_70	-	0
CumGAS	-	551405
CumOIL	-	4326



Last Op. Forecast by zr06 in 07/1995

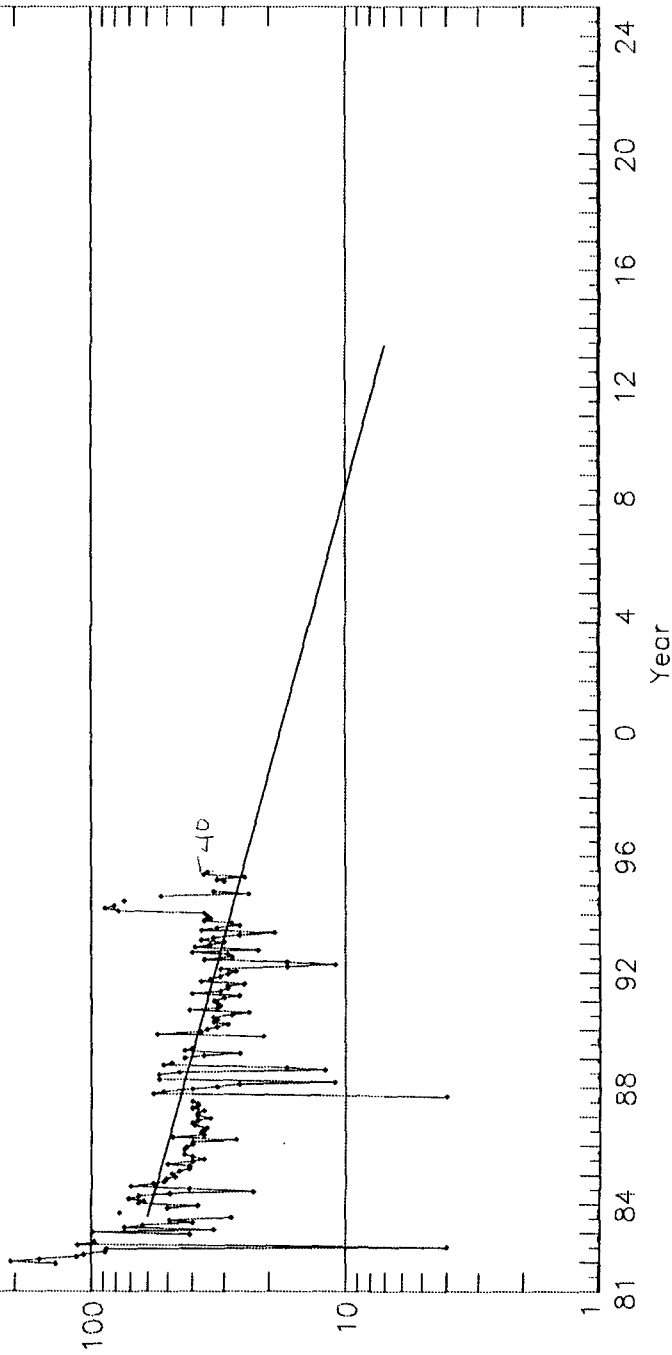
For: zalc14  
Engr: zr06

HAMNER 3E Operator-- AMOCO PRODUCTION CO

300452480000CK M292909--003ECK APC\_WI -- 0.50000000

CumG_70	--	0
CumO_70	--	0
CumGAS	--	194516
CumOIL	--	57

gas, MCFD



Reserves

DCLN  
CurrQ  
RemRes  
EUR  
Fit\_date

Last Op. Forecast by zr06 in 07/1995

**OFFSET OPERATORS**

**Hamner #3E**

Conoco, Inc.  
10 Desta Drive West  
Midland, Texas 79705

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

Lively Exploration Co.  
1300 Post Oak #1900  
Houston, Texas 77056

D.J. Simmons Co., Ltd.  
P.O. Box 1469  
Farmington, NM 87499