

DHC

6/27/96  
1311

Southern

Rockies

Business

Unit

June 3, 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**  
**Storey C #4 Well**  
**Unit P Section 15-T28N-R9W**  
**Blanco Mesaverde 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: Stan Kolodzie  
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

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

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

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

☒ Administrative ☐ Hearing

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

EXISTING WELLBORE  
☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Amoco Production Company		P.O. Box 800 Denver, CO 80201	
Operator	4	Address	San Juan
Storey C		P-15-28N-9W	
Lease	Well No.	Unit Ltr. - Sec Twp - Rge	County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 001140 API NO. 3004523971 Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	BLANCO MESAVERDE 72319		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	4354' - 4942'		6796' - 6976'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure	a. (Current) 543 PSI (EST)	a.	a. 617 PSI (EST)
Oil Zones - Artificial Lift: Estimated Current			
Gas & Oil - Flowing: Measured Current	b. (Original) 1218 PSI	b.	b. 2396 PSI
All Gas Zones: Estimated or Measured Original			
6. Oil Gravity (° API) or Gas BTU Content	1336 BTU / 49 DEG API		1201 BTU / 59 DEG API
7. Producing or Shut-In?	NEW		PRODUCING
Production Marginal? (yes or no)	NO		YES
• If Shut-In, give data and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: (EST) 450 MCFD 0.9 BCPD 1.35 BWPD	Date: Rates:	Date: Rates: 4/96 40 MCFD 0.0015 BCPD 0.02 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: % Gas %	Oil: % Gas %	Oil: % Gas %

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. SEE ATTACHED

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 communited 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-077111 NM-04208 COM AGRMNT SRM-1568 DK I-SEC#942 MV

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. SEE ATTACHED
- \* 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 6/3/96  
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. ( 303 ) 830-5344

## OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

EXHIBIT I Form C-107  
Revised 10-1-78

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

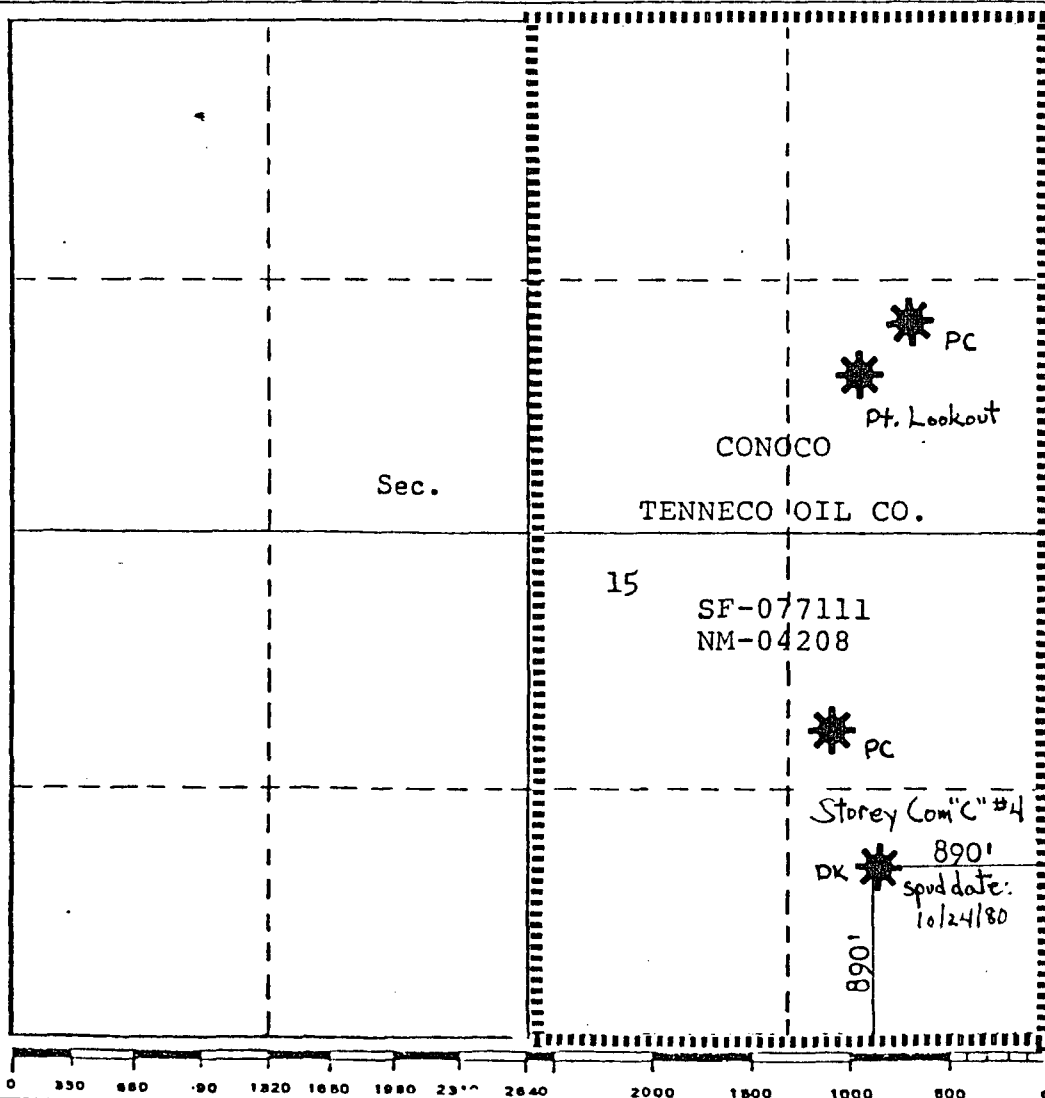
Operator <b>TENNECO OIL COMPANY</b>			Lease <b>STOREY COM "C"</b>		Well No. <b>4</b>
Unit Letter <b>P</b>	Section <b>15</b>	Township <b>28N</b>	Range <b>9W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>890</b> feet from the <b>South</b> line and <b>890</b> feet from the <b>East</b> line					
Ground Level Elev. <b>6142</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin Dakota</b>		Dedicated Acreage: <b>320</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 Communitization 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 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.

*J. D. Traywick*  
(Name) J. D. Traywick  
Administration Supervisor  
Position  
Tenneco Oil Company  
Company  
October 23, 1979  
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  
September 21, 1979  
Registered Professional Engineer  
and/or Land Surveyor  
*Fred B. Kerr*  
Fred B. Kerr  
Certificate No.  
3950

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3004523971		Pool Code 72319	Pool Name Blanco Mesaverde
Property Code 001140	Property Name Storey Com C		Well Number #4
OGRID No. 000778	Operator Name Amoco Production Company		Elevation 6142 GL

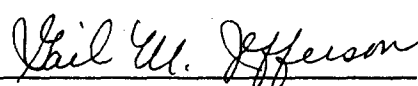
<sup>10</sup> Surface Location

UL or lot no. P	Section 15	Township 28N	Range 9W	Lot Idn	Feet from the 890	North/South line South	Feet from the 890	East/West line East	County San Juan
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320.00		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>   Signature Gail M. Jefferson Printed Name Sr. Admin. Staff Asst. Title 3/5/96 Date
					18 SURVEYOR CERTIFICATION <i>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 belief.</i>  September 21, 1979 Date of Survey Signature and Seal of Professional Surveyer:  3950 Certificate Number

890'

1068'

# Dwights

Lease: STOREY COM C 000004

Retrieval Code: 251,045,28N09W15P00DK

05/13/96

10<sup>3</sup>  
10<sup>3</sup>  
10<sup>3</sup>

10<sup>2</sup>  
10<sup>2</sup>  
10<sup>2</sup>

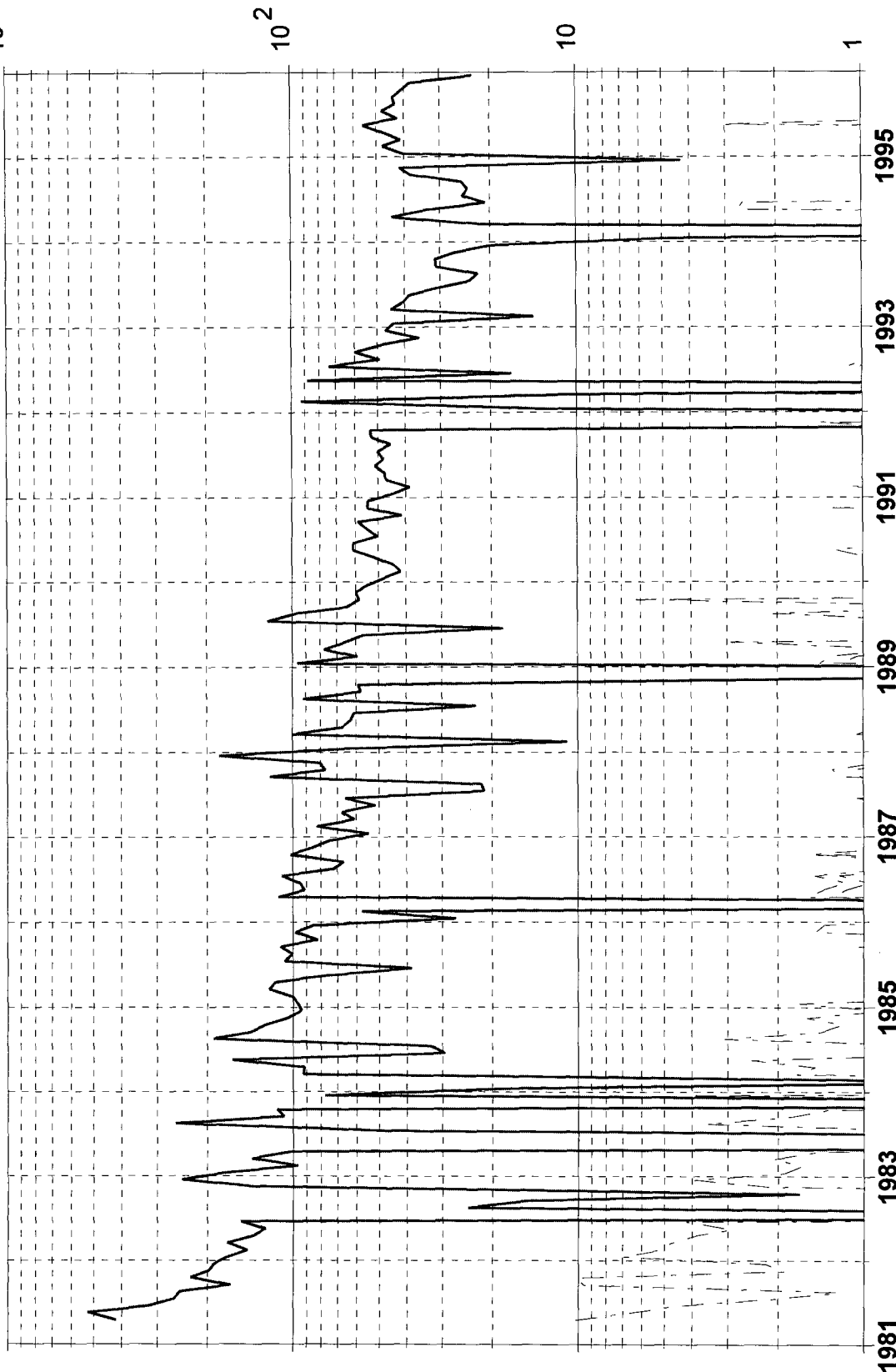
10  
10  
10

1  
1  
1

Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)



County: SAN JUAN, NM	F.P. Date: 04/81
Field: BASIN (DAKOTA) DK	Oil Cum: 6112 bbl
Reservoir: DAKOTA	Gas Cum: 400.3 mmcf
Operator: AMOCO PRODUCTION CO	Location: 15P 28N 9W

### **RECOMMENDED ALLOCATION METHOD**

To determine allocations for the Mesaverde and Dakota we plan to flow test the zones after frac to determine their producing contributions to the commingled production stream. The Dakota zone has a long producing history which it will most likely continue to exhibit after reperforating and we have several new Mesaverde completions in the area which we plan to compare to the early results of this completion. We will submit the allocation recommendation after the work and testing are completed.

**OFFSET OPERATORS**  
**Storey C #4**

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

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