



Southern

Rockies

Business

Unit

April 28, 1994

Mr. William J. LeMay
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

File: BRC-986.511

Application for Exception to Rule 303-A Surface Commingle Production
McCoy Gas Com C No. 1, NW/4 Section 28, T30N-R12W
Flora Vista Mesaverde Pool
McCoy Gas Com D No. 1, NW/4 Section 28, T30N-R12W
Basin Dakota Pool
San Juan County New Mexico

Amoco Production Company hereby requests administrative approval for an exception to Rule 303-A to permit surface commingling of the production from the Flora Vista Mesaverde Pool and Basin Dakota Pool for the McCoy Gas Com C No. 1 and McCoy Gas Com D No. 1 wells located in the NW/4 of section 28, T30N-R12W. The surface commingling of the production from these two wells will allow the use of a single train of production equipment to reduce operating costs and a single compressor to increase production from both formations. 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.

The leases and ownership (WI, RI, ORRI) are common for the pools which are proposed for surface commingling. The Mesaverde formation produces no liquid hydrocarbons and the Dakota formation produces very small amounts of liquid hydrocarbon (condensate) at rates less than one barrel per day. The condensate has a gravity ranging from 55° - 60° API. We plan to allocate the production on the basis of annual production tests.

Attached to aid in your review of this application are:

1. Plat showing location of the wells proposed for surface commingling and other wells in the vicinity
2. C-128 Acreage Dedication Plat for the wells

Mr. William J. LeMay

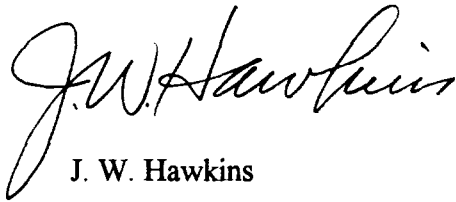
April 28, 1994

Page 2

3. Schematic of the proposed installation
4. Historical Production Curves and Volumes

The 320 acre spacing units for these wells are in the N/2 Section 28, T30N-R12W. This includes a 40 acre federal lease NM-048575. A copy of this application will be sent to the Bureau of Land Management requesting their consent for the surface commingling.

If additional information is required, please contact me at (303) 830-5072.



J. W. Hawkins

cc:

L. A. Arnold - AB 1232

S. B. Smethie - AB 1286

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

Bureau of Land Management
Attention: Duane Spencer
1235 La Plata Highway
Farmington, NM 87401

Well Location and Acreage Dedication Plat

Section A.

Date March 20, 1962

Operator PAN AMERICAN PETROLEUM CORPORATION Lease MCCOY GAS UNIT "C"
 Well No. 1 Unit Letter A Section 28 Township 30 NORTH Range 12 WEST, NMPM
 Located 880 Feet From the NORTH Line, 790 Feet From the EAST Line
 County SAN JUAN G. L. Elevation To report later Dedicated Acreage 320 Acres
 Name of Producing Formation Mesaverde Pool Flora Vista Mesaverde

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?

Yes _____ No X2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No X. If answer is "yes", Type of Consolidation. See note below.

3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner

Land Description

Note: Communitization and operating agreements are being prepared for a N/2 unit and the proposed well is to be drilled on a lease basis pending approval of these instruments. The owners in the unit are Redfern and Herd, Inc. (all of the railroad lands in NE/4 and S/2 NW/4, Texas Eastern Transmission Corporation (NW/4 NE/4 and SE/4 NW/4), Aztec Oil and Gas Company (SW/4 NW/4), and Pan American Petroleum Corporation (NE/4 and NE/4 NW/4), with ownership in the latter tracts not including the railroad lands.

Section B.

Note: All distances must be from outer boundaries of section.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Pan American Petroleum Corp.

(Operator)

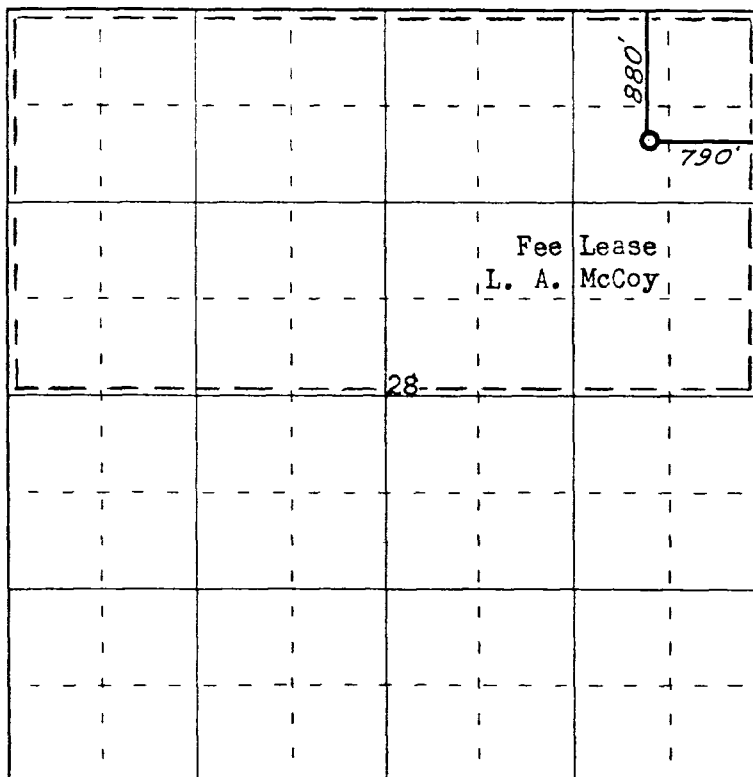
R. M. Bauer, Jr. *RMBauer*

(Representative)

Box 480, Farmington, New Mexico

(Address)

Ref: GLO plat dated 7 April 1881



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Scale 4 inches equal 1 mile

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed 17 FEBRUARY 1962

James P. Lease
 Registered Professional Engineer and/or Land Surveyor

Farmington, New Mexico

Well Location and Acreage Dedication Plat

Section A.

Date JUNE 28, 1965

Operator PAN AMERICAN PETROLEUM CORPORATION Lease McCOY GAS UNIT D
 Well No. 1 Unit Letter H Section 28 Township 30 NORTH, Range 12 WEST, NMPM
 Located 1745 Feet From THE NORTH Line, 790 Feet From THE EAST Line
 County SAN JUAN G. L. Elevation REPORT LATER Dedicated Acreage 320 Acres
 Name of Producing Formation DAKOTA Pool BASIN DAKOTA

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes _____ No X
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____. If answer is "yes", Type of Consolidation.
Unit Agreements circulating for signature.
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner

Land Description

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.

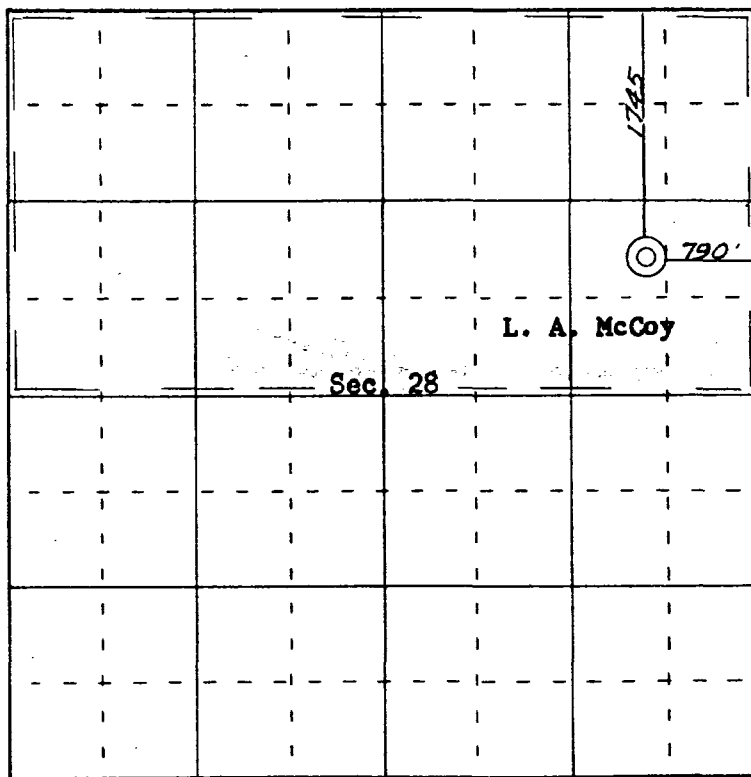
F. H. Hollingsworth (Operator)F. H. Hollingsworth
(Representative)

P. O. Box 480

(Address)

Farmington, New Mexico

Note: All distances must be from outer boundaries of section.



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Scale 4 inches equal 1 mile

Ref. GLO plat dated 7 April, 1881



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

(Seal)

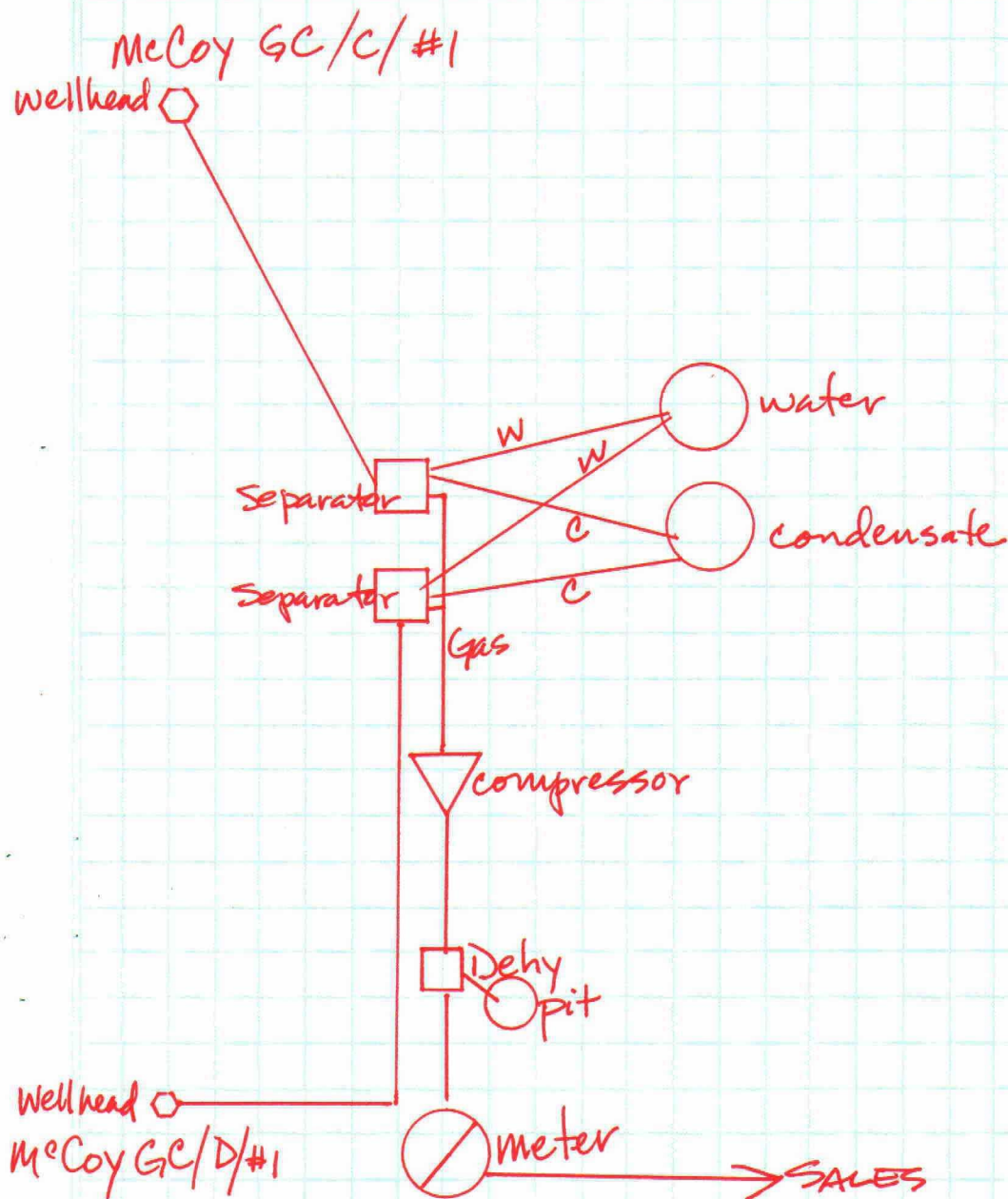
Date Surveyed May 15, 1965

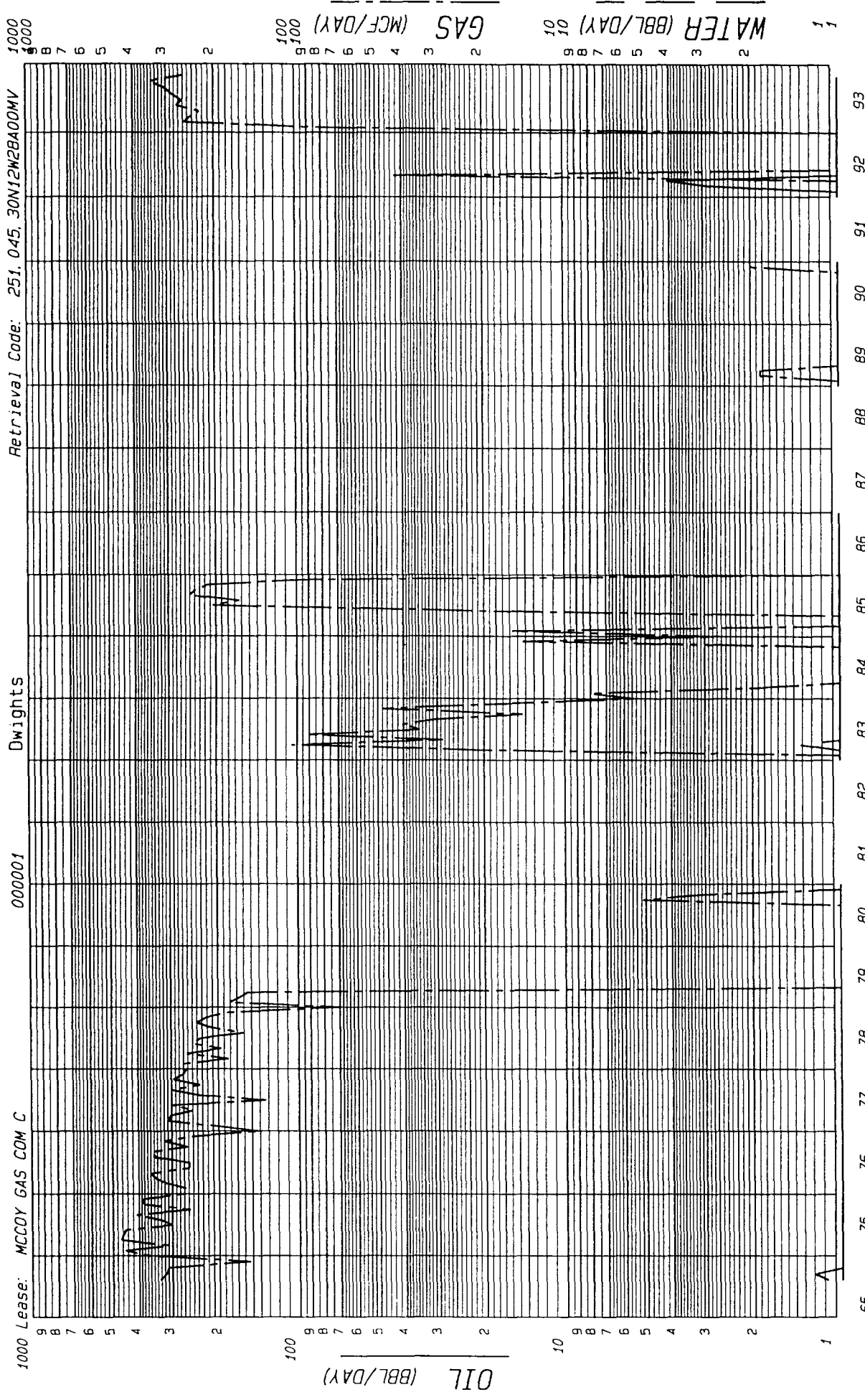
Farmington, New Mexico

James D. Jett
 Registered Professional Engineer and/or Land Surveyor
 JAMES D. JETT N. Mex. Reg. No. 1463

ENGINEERING CHART

SUBJECT Commingle Schematic





County: SAN JUAN
 Field: FLORA VISTA (MESAVERDE) MV
 Reservoir: MESAVERDE
 Operator: AMOCO PRODUCTION CO
 Oil Cum: 13398
 Gas Cum: 3156394
 Location: 28A 30N 12W

65-
 Annual
 Date

F.P. Date

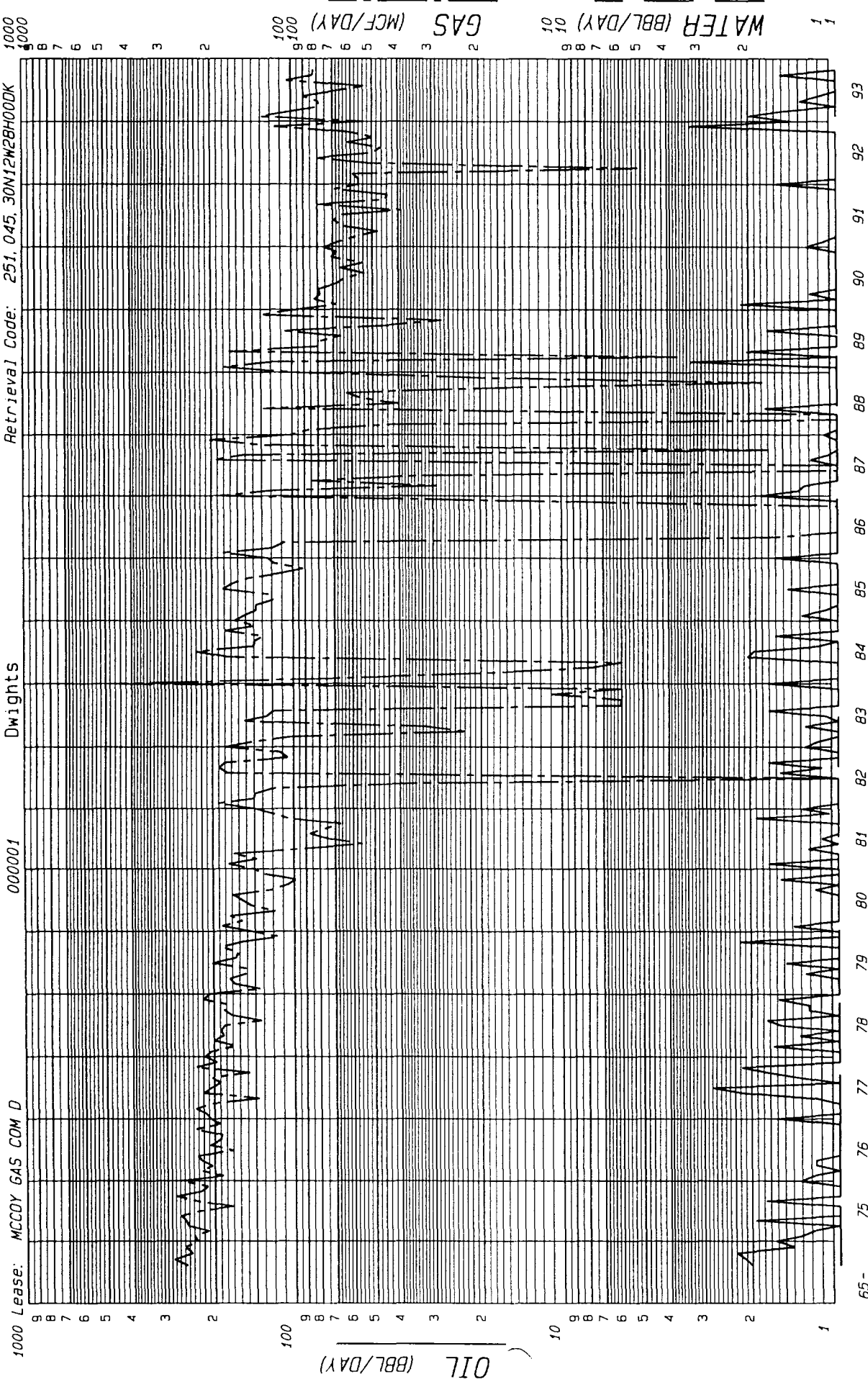
Date: 04-06-94

DWIGHTS ENERGYDATA, INC.
AMOC PRODUCTION CO
MCCOY GAS COM C

RUN DATE: 04/06/94
Published 12/93
(#251,045,30N12W28A00MV)

*** ANNUAL PRODUCTION HISTORY ***

YEAR	GAS/MCF	COND/BBLs	WATER/BBLs
1970	121433	389	0
1971	115050	436	0
1972	112967	88	0
1973	55943	164	0
1974	133908	28	0
1975	135788	7	0
1976	105576	1	0
1977	94059	0	13
1978	75355	0	72
1979	15300	0	0
1980	262	0	0
1983	13301	0	81
1984	819	0	46
1985	36794	0	89
1986	0	0	27
1989	112	0	0
1990	120	0	0
1992	1295	209	89
1993	77177	0	84



County: SAN JUAN State: NM
Field: BASIN (DAKOTA) DK
Reservoir: DAKOTA
Operator: AMOCO PRODUCTION CO
Oil Cum: 15022 Gas Cum: 1872330
Location: 28H 30N 12W

Date: 04-06-94

F.P. Date 11-65

DWIGHTS ENERGYDATA, INC.
AMOCO PRODUCTION CO
MCCOY GAS COM D

RUN DATE: 04/06/94
Published 12/93
(#251,045,30N12W28H00DK)

*** ANNUAL PRODUCTION HISTORY ***

YEAR	GAS/MCF	COND/BBLs	WATER/BBLs
1970	92959	730	0
1971	104026	771	0
1972	88941	836	0
1973	94511	509	0
1974	84914	595	0
1975	86494	332	0
1976	74823	315	0
1977	73159	442	30
1978	67492	441	120
1979	57984	279	112
1980	51646	293	101
1981	39371	350	123
1982	47680	305	62
1983	36088	211	26
1984	42544	316	83
1985	49117	305	41
1986	18379	133	18
1987	32095	197	22
1988	16874	124	13
1989	33654	257	1
1990	25133	291	0
1991	21403	203	0
1992	20931	246	0
1993	26378	319	0