



**Application of Amoco Production Company
for Downhole Commingling
L. C. Kelly #3E Well, Section 4-T30N-R12W
San Juan County, New Mexico**

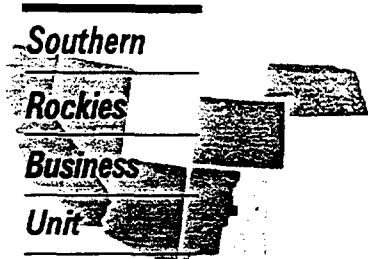
**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Case No. 11096 Exhibit No. 1

Submitted by: Amoco Production Company

Hearing Date: October 27, 1994

Amoco Production Company



August 23, 1994

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87501

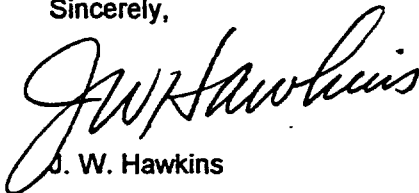
**Application of Amoco Production Company
For Downhole Commingling
L.C. Kelly #3E Well, Section 4, T30N-R12W
San Juan County, New Mexico**

AMOCO PRODUCTION COMPANY ("Amoco") hereby makes application for exception to NMOCD general rule 303 (c) to downhole commingle Dakota and Gallup production in the L.C. Kelly #3E well. The well is located 1710' FNL and 880' FEL, Section 4, T30N-R12W, San Juan County, New Mexico. In support of this application, Amoco states the following:

1. Amoco is the operator of the Gallup formation, Flora Vista Gallup Pool underlying the NE/4 Section 4, T30N-R12W, San Juan County, New Mexico, currently dedicated to the L.C. Kelly #3E well.
2. Amoco is the operator of the Dakota formation, Basin Dakota Pool underlying the N/2 Section 4, T30N-R12W currently dedicated to the L. C. Kelly #3E well.
3. The ownership of the Dakota Formation and Gallup formation which are proposed for commingling are not common.
4. The L. C. Kelly #3E well has been dually completed but because of mechanical conditions downhole commingling is necessary to economically produce liquid hydrocarbons from the Gallup formation.
5. Downhold commingling will allow the use of a single compressor to improve recovery from both teh Dakota and Gallup formations.
6. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Amoco Production Company requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on September 15, 1994. A copy of this application will be sent to each of the operators of spacing units offsetting the well and to each of the owners in the well (working interest, royalty interest and overriding royalty interest) by certified mail, return receipt requested.

Sincerely,


J. W. Hawkins

AMOCO PRODUCTION COMPANY
OFFSET OPERATOR PLAT
 L. C. Kelly #3E
 Section 4-T30N-R12W
 1710' FNL x 880' FEL
 DAKOTA FORMATION

32		33		34	
<u>1</u>		<u>2</u>	<u>2</u>	<u>2</u>	
	5 <u>1</u>	4		<u>1</u>	3
		<u>1</u>			
8		9		10	

1 **AMOCO PRODUCTION COMPANY**
P. O. Box 800
Denver, CO 80201

2 **Southland Royalty Company**
P. O. Box 4289
Farmington, NM 87499

AMOCO PRODUCTION COMPANY

OFFSET OPERATOR PLAT

L. C. Kelly #3E

Section 4-T30N-R12W

1710' FNL x 880' FEL

GALLUP FORMATION

32	33		34
	<u>2</u>	<u>2</u>	<u>2</u>
5	<u>1</u>	x	<u>1</u>
	<u>1</u>	<u>1</u>	<u>1</u>
8	9		10

1 AMOCO PRODUCTION COMPANY

P. O. Box 800

Denver, CO 80201

2 SOUTHLAND ROYALTY COMPANY

P. O. Box 4289

Farmington, NM 87499

L.C. KELLY #3E
INTEREST OWNERS
GALLUP FORAMATION T30N-R12W NE/4 SECTION 4
DAKOTA FORAMATION T30N-R12W N/2 SECTION 4

WORKING INTEREST OWNERS

Gallup Formation

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

100%

Dakota Formation

Amoco Production Company
P. O. Box 800
Denver, CO 80201

93%

San Juan Partnership
c/o True Oil
P. O. Drawer 2360
Casper, WY 82602-2360

7%

ROYALTY INTEREST OWNERS

Bureau of Land Management
Minerals Management Service
Royalty Management Program
P. O. Box 5810 TA
Denver, CO 80217-5810

12.5% in Gallup and Dakota formations

PRODUCTION PAYMENT/OVERRIDING ROYALTY INTEREST OWNERS

Irma Nell Beale 906 Maple Gladewater, TX 75647-4804	Ione Edna Bishop 107 Ranch Road 620 #102 Austin, TX 78734-3901	Rose M. Blount Trust Rita Y. Sheehan, Trustee P. O. Box 159 Mattawan, MI 49071-0159	Maurine Joy Gipson 906 West Maple Gladewater, TX 75647-4804
Frederic Owen Hawkins 205 Austin Drive Atherton, CA 94027-4005	Virgil L. Hurley c/o State of Texas Fiduciary for Unclaimed Funds P. O. Box 12019 Austin, TX 78711-2019	Virgil S. Hurley 5068 Arbor Glen Road Colony, TX 75056-2526	Frederick Earl Johnson 8311 Castlecreek Drive San Antonio, TX 78218-2411
Nellie Juanita Johnson 1619 Bowling Green Conroe, TX 77385-8308	Wendy Dale Johnson 1619 Bowling Green Conroe, TX 77385-8308	Gregory Louis Kelly 3526 Bayberry Lane Malibu, CA 90265-4707	Laurence Bever Kelly 839 Summit Road Montecito Santa Barbara, CA 93108
Nellie Juanita Johnson, Jr. 1619 Bowling Green Conroe, TX 77385-8308	Laurence Corbett Kelly Test Trust, Robert Lorenzo Kelly Successor Trustee c/o Britticks & Company 3660 Wilshire Blvd, Suite 944 Los Angeles, CA 90010-2759	Robert Lorenzo Kelly Col 6560 Scottsdale Rd. Suite G218 Scottsdale, AZ 85253-4432	Francis Haynes Lindley, Jr. P. O. Box 1404 Ross, CA 94957-1404
Walter Lindley 1000 Rock Creek Road Williams, OR 97544-9712	Jeanne E. McKim Indiv and Tr of Harry McKim Estate 6050 Ridgcrest Road Apt 108 Dallas, TX 75231-6714	Robert Duncan Miller 40551 Vista Murrieta Blvd. Murrieta, CA 92562-5926	Lucille O. Quigley Trust Lucille O. Quigley, Trustee P. O. Box 1107 Salem, OR 97308-1107
Shriners Hospitals for Crippled Children P. O. Box 0050 Tampa, FL 33655-0050	Carol Edris Johnson Sibley 4101 Venada Trail Georgetown, TX 78628-1521	John C. Sterge 49 Pleasant Park Drive Mashpee, MA 02649-3000	Miriam L. Washburn 6550 No. 47th Ave., #117 Glendale, AZ 85301-4148

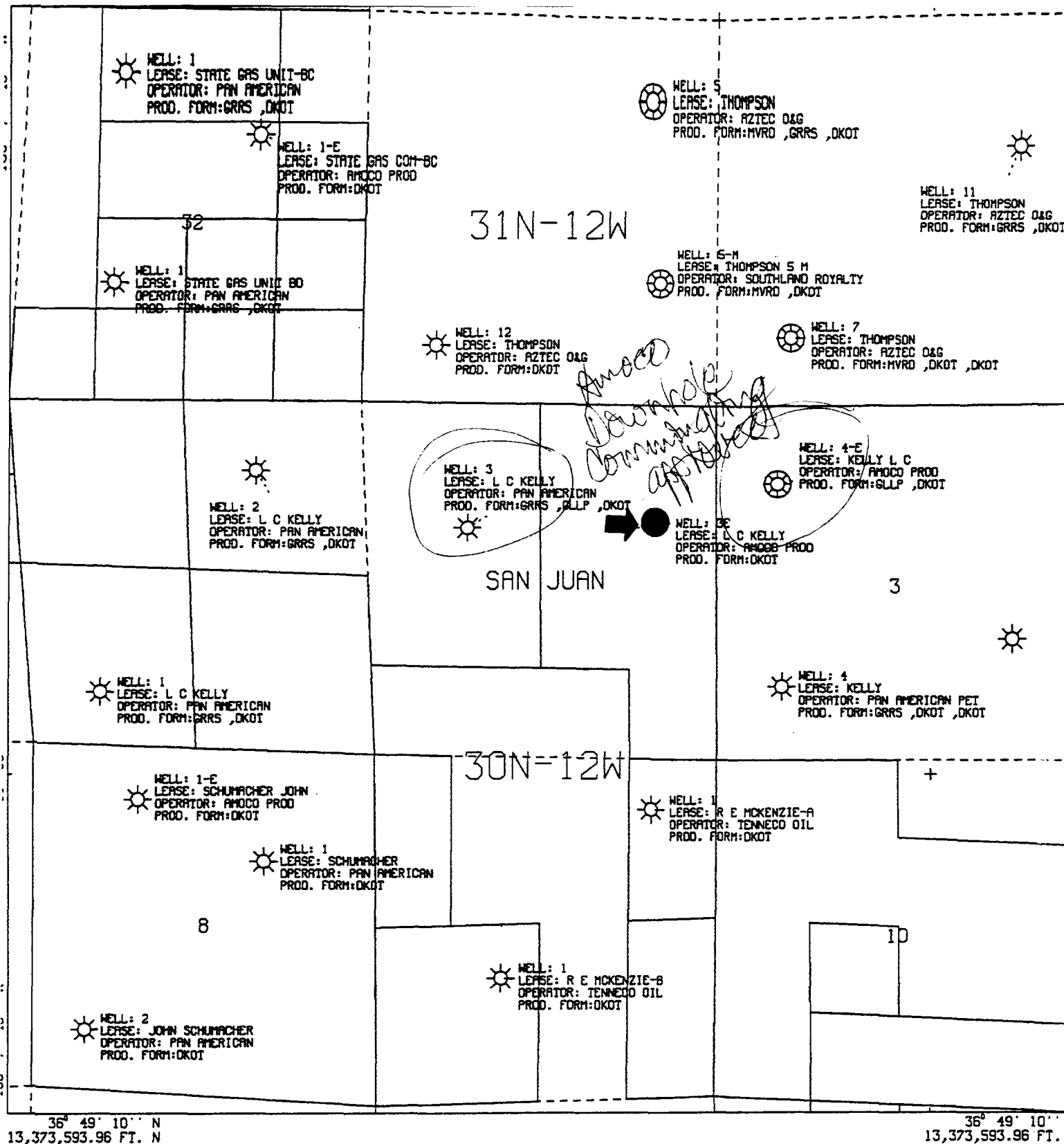
PRODUCTION PAYMENT/OVERRIDING ROYALTY INTEREST OWNERS (CON'T)

Westervelt Family Trust
Ann L. Sheridan, Trustee
447 E. Lilac
Tempe, AZ 85281-1415

Westervelt Family Trust
Ann L. Shreidan, Trustee
447 E. Lilac
Tempe, AZ 85281-1415

William T. White
3217 Cedarcroft
Dallas, TX 75233-2515

All of the above Production Payment/Overriding Royalty Interest Owners own identical interests in the Gallup and Dakota Formations.



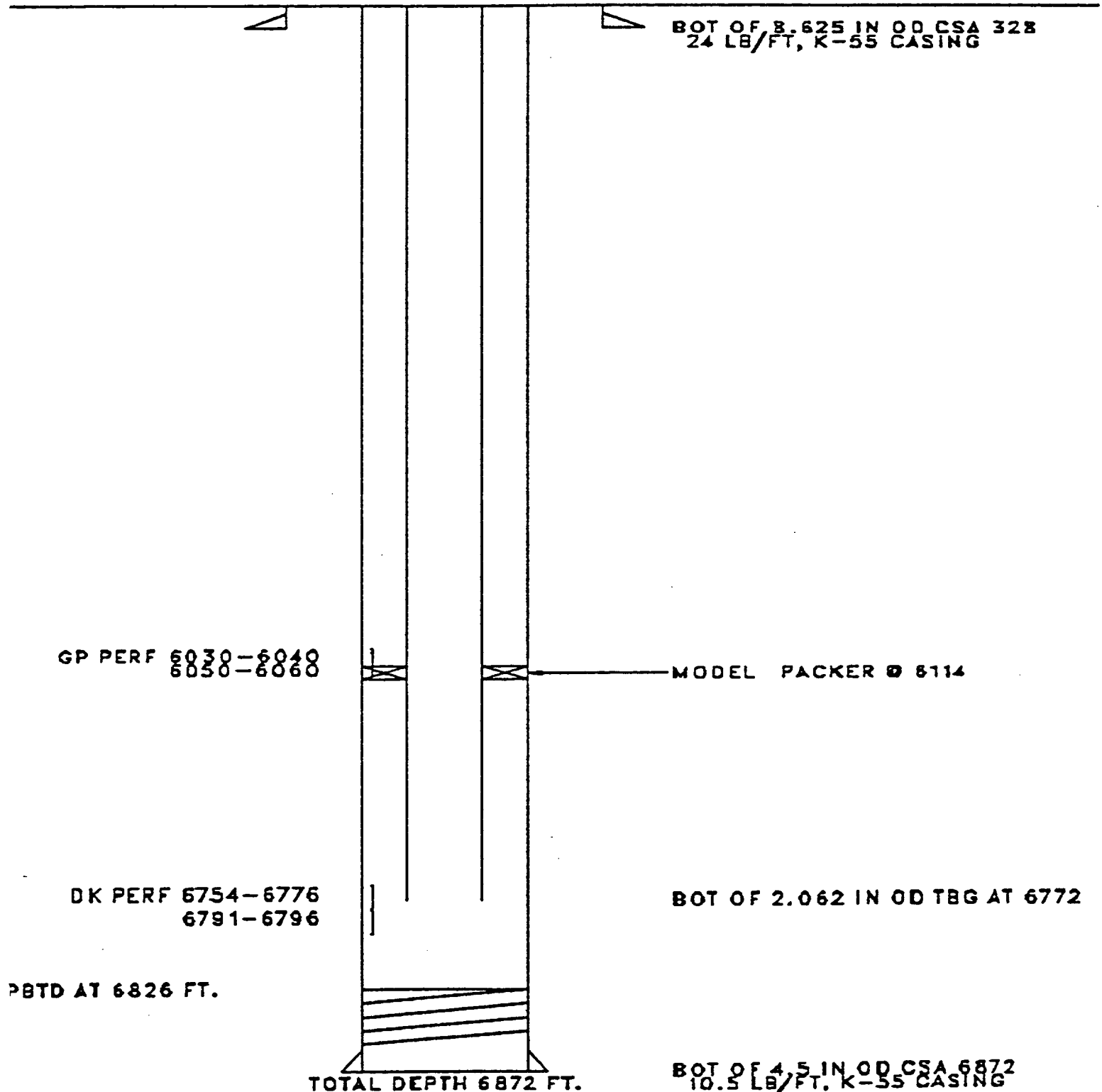
All geological and geophysical data, including the interpretation thereof, appearing on this map is the private and confidential property of Amoco Production Company. The publication or reproduction thereof without the written permission of said Company is strictly prohibited.

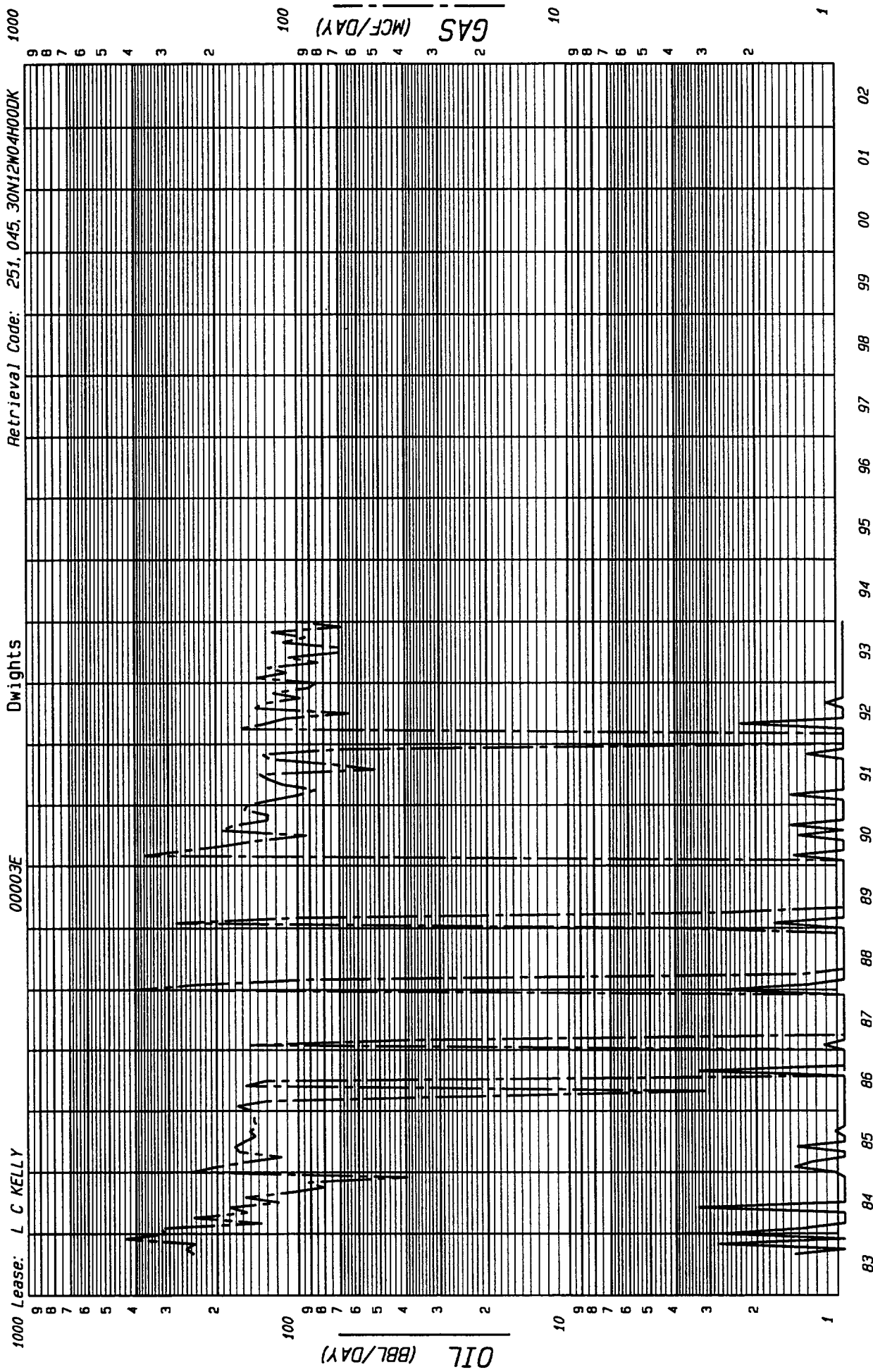
AMOCO PRODUCTION COMPANY PLAT MAP

POLYCONIC CENTRAL MERIDIAN - 108° 6' 10'' W LON
SPHEROID - 6

L C KELLY 3E
SEC.4-T30N-R12W
SCALE 1 IN. = 2,000 FT. SEP 10, 1994

L.C. KELLY #3E
LOCATION 04-30N-12W
COMPLETION 7/94
DUAL DK GP





1000 Lease: L C KELLY

00003E

Dwights

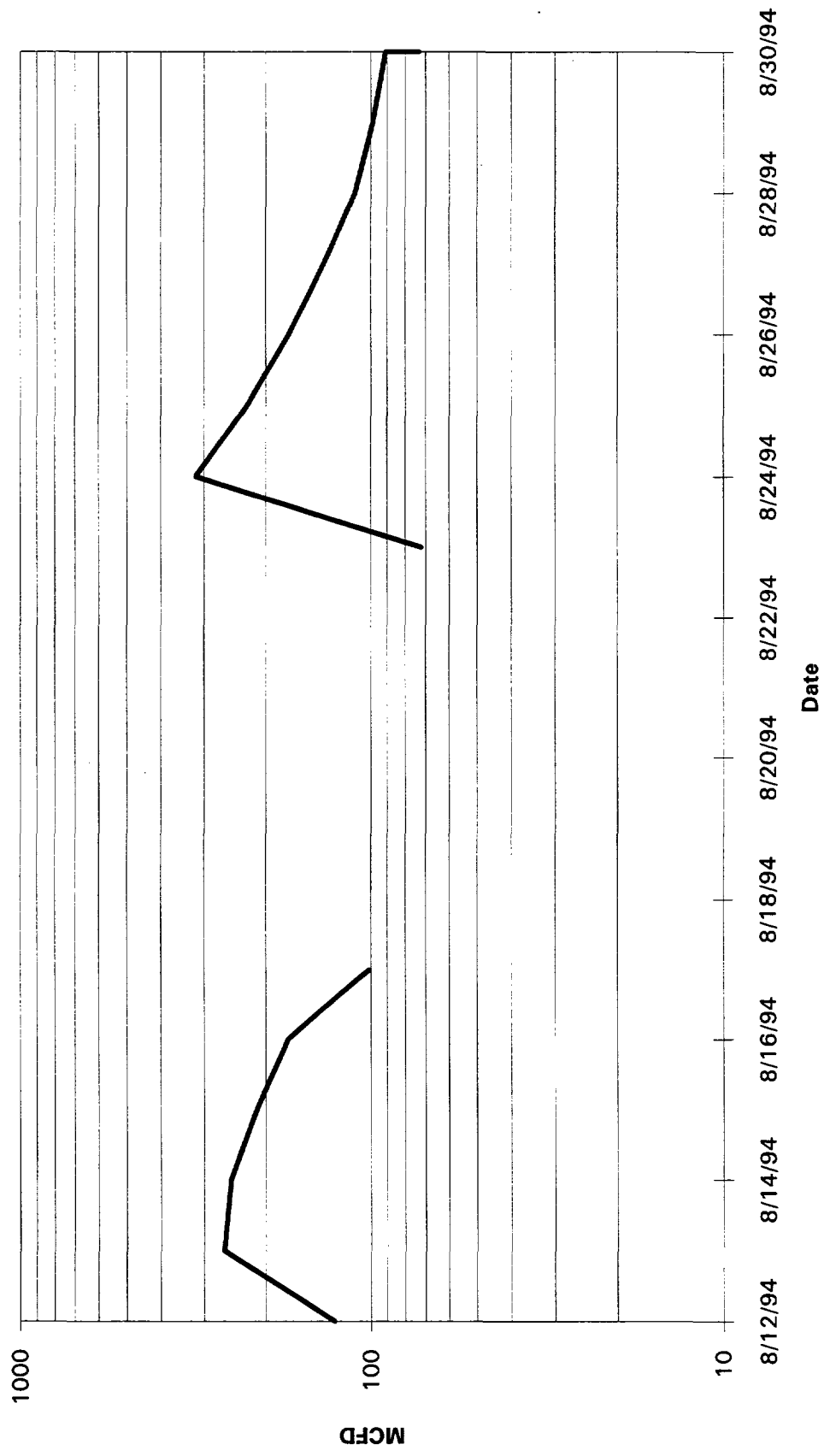
Retrieval Code: 251. 045. 30N12W04H00DK

County: SAN JUAN
 Field: BASIN (DAKOTA) DK
 Reservoir: DAKOTA
 Operator: AMOCO PRODUCTION CO
 Oil Cum: 2054
 Location: 4H 30N 12W
 State: NM

F.P. Date 08-83

Date: 09-20-94

LC Kelly #3E
Gallup Test



NAME AND ADDRESS OF SENDER
1670 Broadway
Denver CO 80219

Indicate type of mail:
☐ Registered
☐ Insured
☐ COD
☒ Certified

Check appropriate block for Registered Mail:
☐ With Postal Insurance
☐ Without Postal Insurance

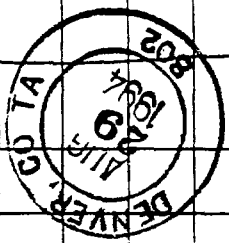
Affix stamp here if issued as certificate of mailing or for additional copies of this bill.

Line	Number of Article	Name of Addressee, Street, and Post-Office Address	Postage	Fee	Handling Charge	Act. Value (if Regis.)	Insured Value	Due Sender If C.O.D.	R. R. Fee	S. D. Fee	S. H. Fee	Rest. Del. Fee	Remarks
1	2051802766	Amoco Production Company P.O. Box 591 Tulsa, OK 74102-0591	29	1.00					1.35				2.64
2	2051802767	Minerals Management Services Royalty Management Program P.O. Box 5810 TA Denver, CO 80217-0810											
3	2051802768	Robert Duncan, William 40551 Vista Mueberta Blud Mueberta CA 92562-5926											
4	2051802769	Wendy Dale Johnson 1619 Bowling Green Conroe, TX 77385-8308											
5	2051802770	Gregory L Kelly 3526 Bayberry Lane Malibu, CA 90265-4707											
6	2051802771	Laurence B Kelly 839 Summit Road Montecito Santa Barbara CA 93108-0232											
7	2051802772	Laurence Kelly Trust Robert L Kelly Successor Trustee 400 Beltricks Company 3660 Lai Shine Blvd Suite 444 Los Angeles CA 90010-2757											
8	2051802773	Robert L Kelly Col 6560 Scottsdale Rd Suite 6218 Scottsdale AZ 85253-4432											
9	2051802774	Francis H. Lindley Jr P.O. Box 1404 Bass CA 94957-1404											
10	2051802775	Walter Lindley 1000 Rock Creek Road Williams, OR 97544-9712											
11	2051802776	Bayne E McKim Indum TR of HARVEY McKim ESTATE 6050 Kaycrest Road Apt 108 Dallas TX 75231-0614											
12	2051902777	Nellie J Johnson Jr. 1419 Bowlin Green Conroe, TX 77385-8308											
13	2051802778	Nellie Juanita Johnson 1619 Bowlin Green Conroe, TX 77385-8308											
14	2051802779	Frederick EARL Johnson 8311 Castle Creek Drive San Antonio TX 78218-2411											
15	2051802780	Sam L. Frances J Dazzo Sam Dazzo Sr. Trustee 901 Outland SE Albuquerque NM 87108-3347											
Total number of Pieces Listed by Sender			Total Number of Pieces Received at Post Office		POSTMASTER, PER Name of receiving employee)								

255-306

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11096 Exhibit No. 2
Submitted by: Amoco Production Company
Hearing Date: October 27, 1994



The full declaration of value is required on all domestic and international registered mail. The maximum indemnity payable for nonnegotiable documents under Express Mail document reconstruction insurance is \$50,000 per piece subject to a limit of \$500,000 per occurrence. The maximum indemnity payable for Registered Mail is \$500. The maximum indemnity payable is \$25,000 only.

FORM MUST BE COMPLETED BY TYPEWRITER, INK

NAME AND ADDRESS OF SENDER
Hueco Production Company
1670 Broadway
Denver, CO 80202

Line	Number of Article	Name of Addressee, Street, and Post-Office Address	Indicate type of mail		Check appropriate block for Registered Mail:		Affix stamp here if issued as certificate of mailing or for additional copies of this bill.							
			<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> COD <input checked="" type="checkbox"/> Certified	<input type="checkbox"/> Return Receipt For Merchandise <input type="checkbox"/> Express Mail	Handling Charge	Act. Value (If Regis.)	Insured Value	Due Sender If C.O.D.	R. R. Fee	S. D. Fee	S. H. Fee	Rest. Del. Fee	Remarks	
1	Z051802751	IRMA NELL BEALE 906 MAPLE GLADEWATER, TX 75647-4804				29	1.00				1.35			264
2	Z051802752	JONE EDNA Bishop 107 Ranch Road 620 #102 Austin, TX 78734-3901				29								
3	Z051802753	ROSE M BLUNT Trust Rita Y Sheehan Trustee P.O. Box 159 MATTAWAN, MI 48071-0159												
4	Z051802754	MAURINE JOY GIPSON 906 West Maple GLADEWATER, TX 75647-4804												
5	Z051802755	FREDERIC O. HAWKINS 205 Austin Ave Arlington, CA 94027-4005												
6	Z051802756	VERIL L. Hueley Estate of Texas Huey Bellevue, TX 78911-2019												
7	Z051802757	Virgil S. Hueley 5068 Harbor Glen Road Colony, TX 75056-2506												
8	Z051802758	Lucile O. Quigley Trust Lucile O Quigley, Trustee P.O. Box 1107 Salem, OR 97308-												
9	Z051802759	San Juan Partnership of Teaneck, NJ Denver 3360 Casper, WY 82602-2360												
10	Z051802760	Shriners Hospital For Crippled Children P.O. Box 0050 Tampa FL 33655-0050												
11	Z051802761	Carole E Johnson Sibley 4101 Denard Trail Georgetown, TX 78628-1521												
12	Z051802762	John C Steege 49 Pleasant Park Dr Mashpee, MA 02649-3000												
13	Z051802763	Miriam L Washburn 6550 N 47th Ave #117 Glendale, AZ 85301-4148												
14	Z051802764	Westview Family Trust Amy L Shoridan Trustee 447 E. L. LA 85281-1415												
15	Z051802765	William C White 3217 Cedarcrest DALLAS, TX 75233-2515												
Total number of Pieces Listed by Sender		Total Number of Pieces Received at Post Office		POSTMASTER, PER (Name of receiving employee)		The full declaration of value is required on all domestic and international registered mail. The maximum indemnity payable for nonnegotiable documents under Express Mail document reconstruction insurance is \$50,000 per piece subject to a limit of \$500,000 per occurrence. The maximum indemnity payable on Express Mail merchandise insurance is \$500. The maximum indemnity payable is \$25,000 for Registered Mail, \$500 for COD and \$500 for Insured Mail. Special handling charges apply only to Third- and Fourth-Class parcels.								

FORM MUST BE COMPLETED BY TYPEWRITER, INK OR BALL POINT PEN