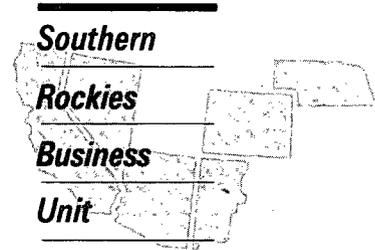




OIL CONSERVATION DIVISION  
RECEIVED

1994 JUN 1 8 50



June 1, 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  
To Downhole Commingle Production  
M.N. Galt B No. 1R  
SW/4 Section 6, T27N-R10W  
Fulcher Kutz Pictured Cliffs Pool  
Basin Fruitland Coal Pool  
San Juan County, New Mexico**

Amoco Production Company hereby requests administrative approval to downhole commingle production from the Fulcher Kutz Pictured Cliffs Pool and the Basin Fruitland Coal Pool in the M.N. Galt B No. 1R well. The well is proposed to be drilled at a legal location 1740' FSL and 1240' FWL of Section 6 T27N-R10W. The well will be drilled to the Basin Dakota Pool and be completed as a dual well with the Dakota formation producing up one string of tubing and the Basin Fruitland Coal and Pictured Cliffs formations downhole commingled in separate string of tubing.

The proposed well will reestablish Basin Dakota production and Fulcher Kutz Pictured Cliffs production in the SW/4 of Section 6, T27N-R10W. The original Dakota well, M.N. Galt J No. 1, produced from 1960 to 1968 and was plugged due to casing failure. The M.N. Galt B No. 1 produced from the Fulcher Kutz Pictured Cliffs formation from 1950 to 1991. The well was plugged back to the Basin Fruitland Coal but damaged during completion operations and never produced. Downhole commingling is necessary to produce the Basin Fruitland Coal Pool reserves and remaining Fulcher Kutz Pictured Cliffs reserves which can be recovered under compression and would not otherwise be economically producible.

The ownership of the two formations proposed for commingling is common (WI, RI, ORI).

Mr. William J. LeMay  
June 1, 1994  
Page 2

There will be no crossflow between the zones to be commingled. The SIBHP of the Pictured Cliffs is estimated to be 145 psi and is not less than 50 percent of the SIBHP of the Basin Fruitland Coal which is estimated to be 250 psi. The proposed commingled formations do not produce significant liquid volumes and should not result in any formation damage. The value of the commingled production will not be less than the sum of the values of the individual streams.

We plan to allocate production based on a production test of the Pictured Cliffs rate on compression as a fixed percentage of the commingled production rate on compression. The production test will be performed for one to two weeks on the Pictured Cliffs interval alone and then one to two weeks commingled with the Fruitland Coal.

The offset operators and the BLM will receive notification of this commingle application.

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



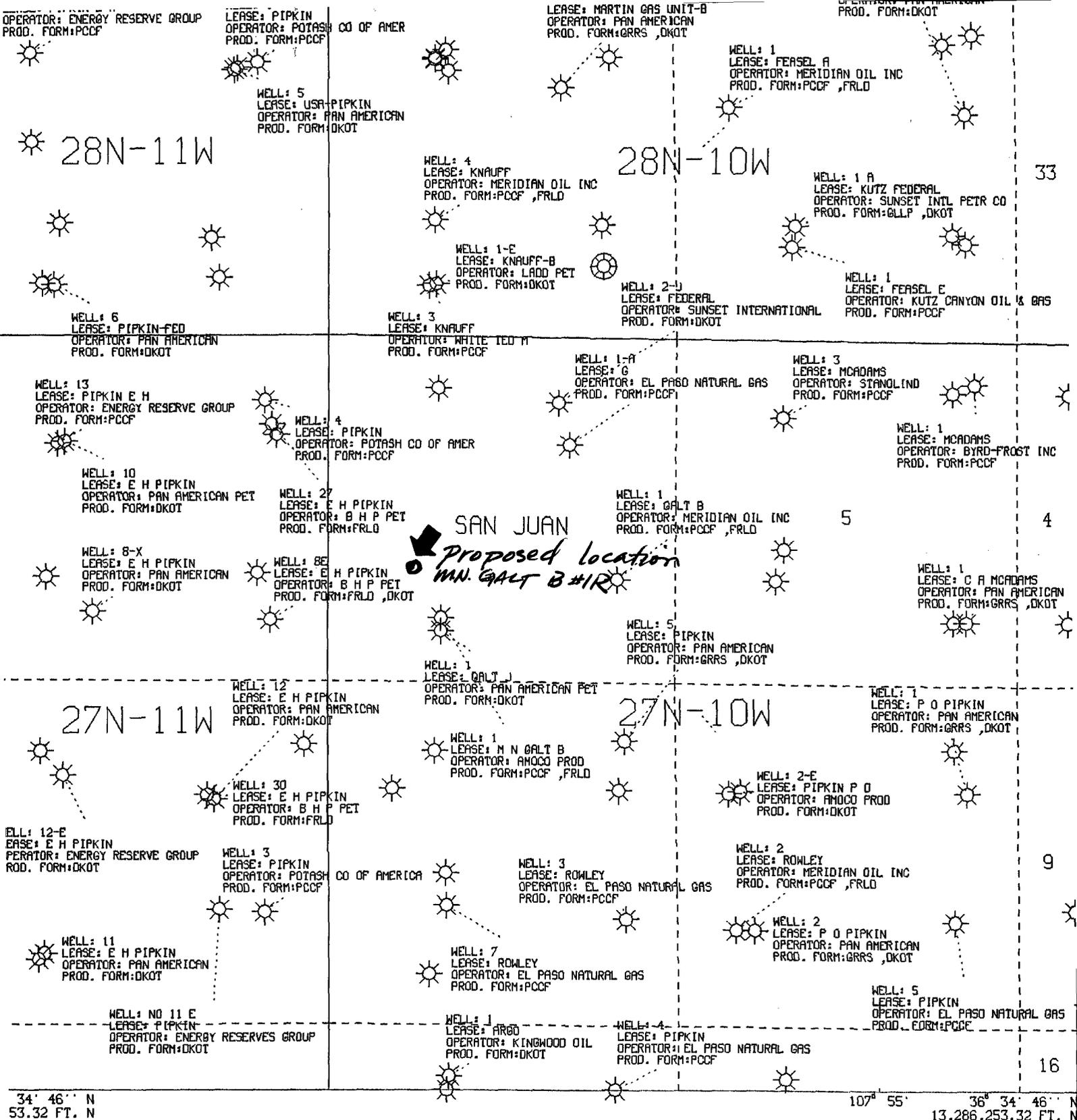
J. W. Hawkins

cc:

G. M. Kutas - AB 1204

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
- Meridian Oil Production, Inc.  
P.O. Box 4289  
Farmington, NM 87401
- BHP Petroleum (Americas), Inc.  
P.O. Box 977  
Farmington, NM 87401



**SAN JUAN**  
 Proposed location  
 M.N. GALT B #1R

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

AMOCO PRODUCTION COMPANY  
 PLAT MAP

M.N. GALT B #1R  
 SAN JUAN COUNTY NEW MEXICO

SCALE 1 IN. = 2,000 FT.

# Amoco Production Company

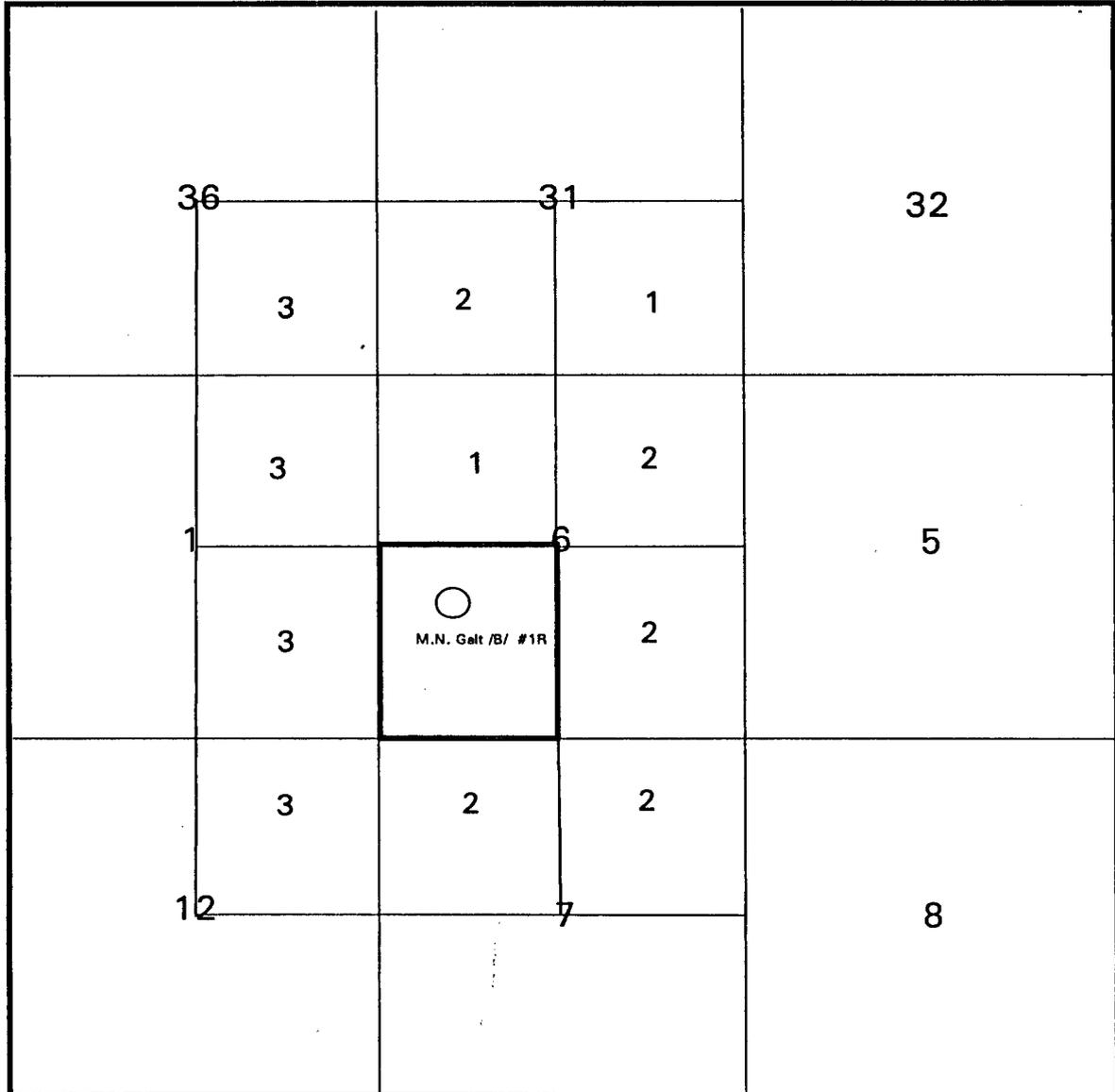
## Offset Operator Plat

M. N. Galt /B/ #1R

Township 27North - Range 10West

Section 6

Pictured Cliffs Formation



1. Amoco Production Company, P.O. Box 800, Denver, Co. 80201
2. Meridian Oil Prod. Inc., P.O. Box 4289, Farmington, N.M. 87401
3. BHP Petroleum (Americas Inc.), P.O. Box 977, Farmington, N.M. 87499

# Amoco Production Company

Offset Operator Plat

M. N. Galt /B/ #1R

Township 27North - Range 10West

Section 6

Fruitland Formation

36		31	32
	3	2	
	3	1	
1		6	2
	3	 M.N. Galt /B/ #1R	5
	3	2	
		2	
12		7	8

1. Amoco Production Company, P.O. Box 800, Denver, Co. 80201

2. Meridian Oil Prod. Inc., P.O. Box 4289, Farmington, N.M. 87401

3. BHP Petroleum (Americas Inc.), P.O. Box 977, Farmington, N.M. 87499

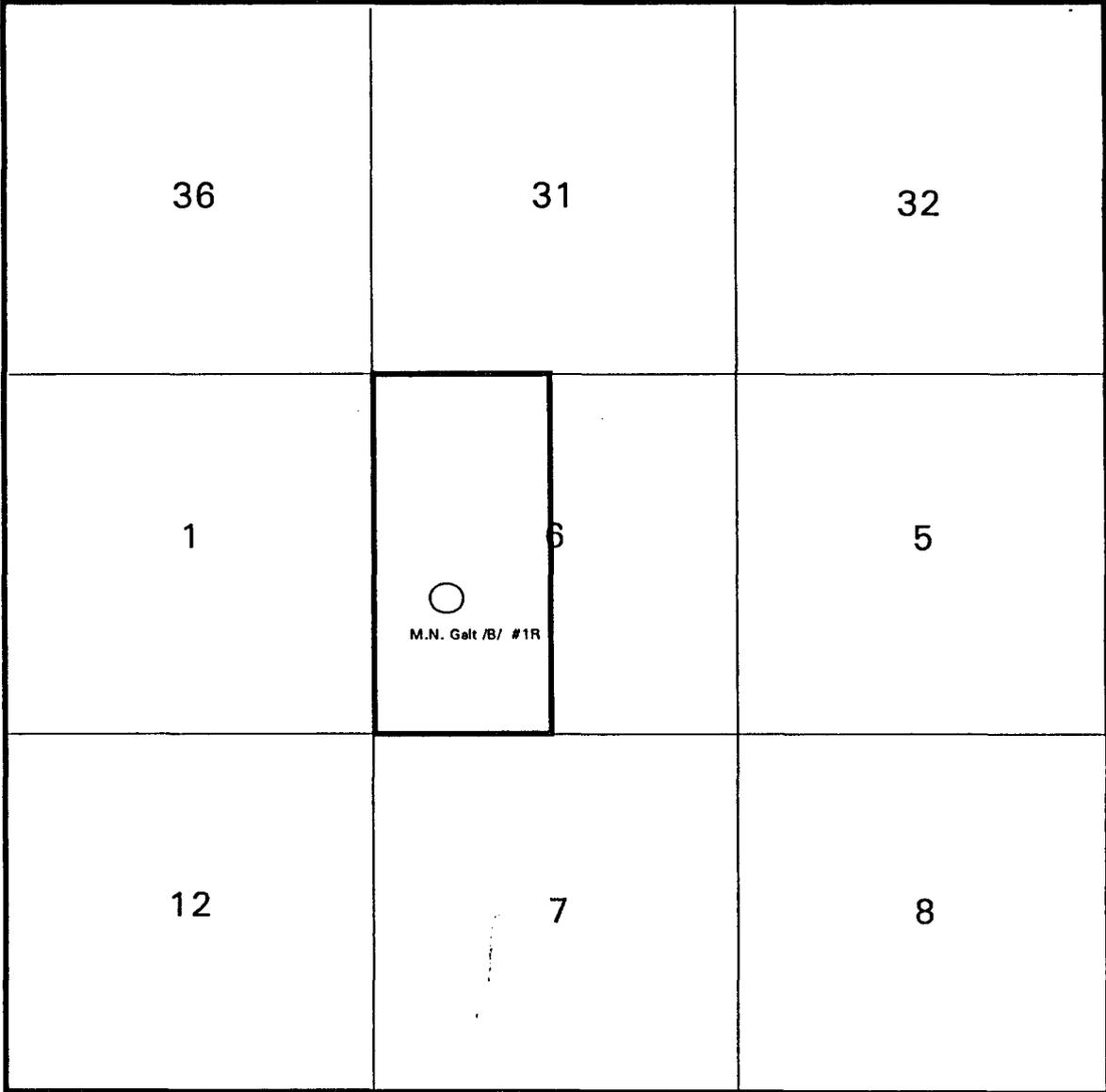
# Amoco Production Company

M. N. Galt /B/ #1R

Township 27North - Range 10West

Section 6

Fruitland/Pictured Cliffs Formations



WIO

Amoco 100%

RI Owner

MMS .125000

ORRI Owners

- Madeline Moore
- Rodman G. Griscom III
- BBL LTD
- Petco Limited
- Tom Galt
- Fullerton Trust A & B

Submit to Appropriate District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
 P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

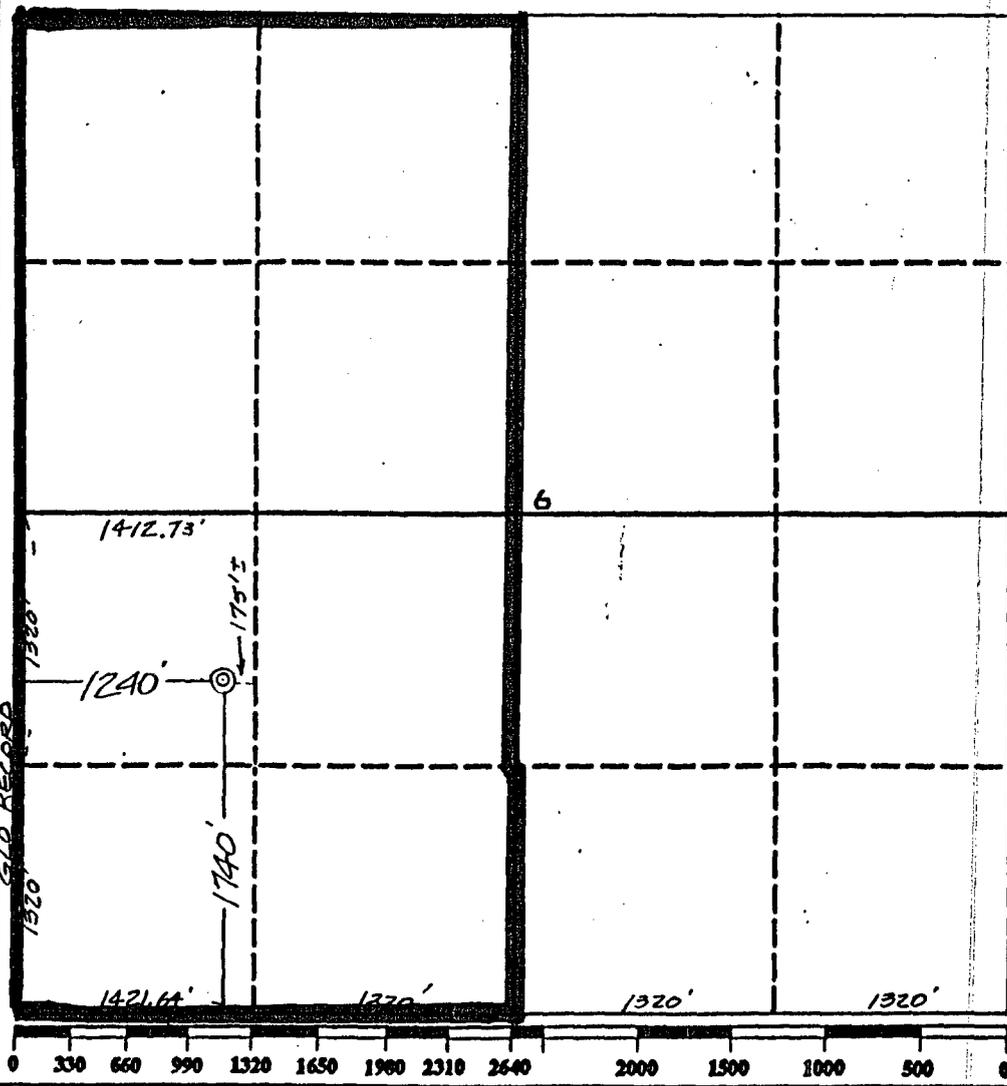
Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease M.N. Galt /B		Well No. #1R
Unit Letter L	Section 6	Township 27 NORTH	Range 10 WEST	County NMPM SAN JUAN	
Actual Footage Location of Well: 1740 feet from the SOUTH line and 1240 feet from the WEST line					
Ground level Elev. 5965	Producing Formation Fruitland Coal		Pool BASIN Fruitland Coal	Dedicated Acreage: 300 w/2 Acres 331.42 w/2	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Julie L. Acevedo*

Printed Name: Julie L. Acevedo

Position: Senior Staff Assistant

Company: Amoco Production Company

Date: April 19, 1994

**SURVEYOR CERTIFICATION**

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: April 7, 1994

Signature & Seal of Professional Surveyor: *Gary D. Vann*

Gary D. Vann  
 Registered Professional Land Surveyor  
 7016

Submit to Appropriate District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

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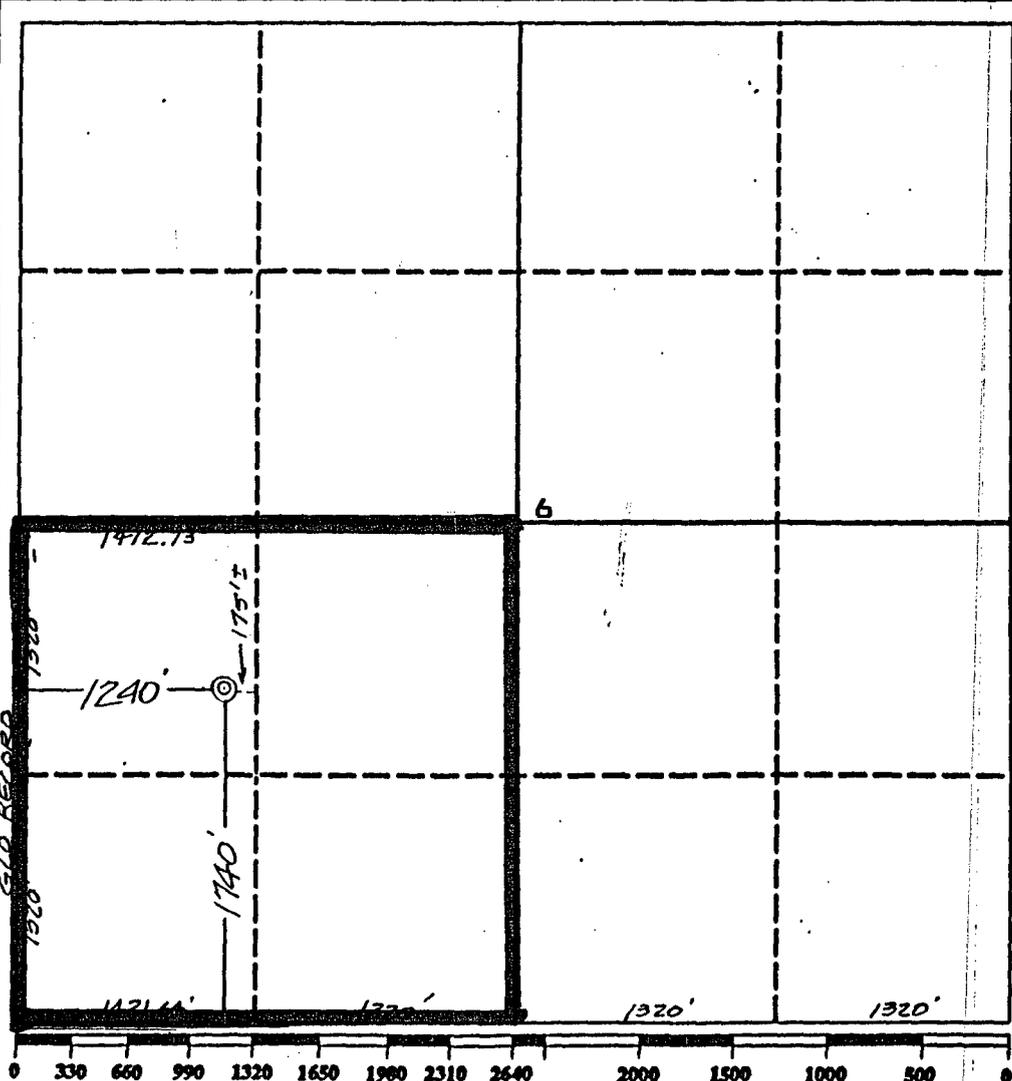
**DISTRICT II**  
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 1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease M.N. Galt /B		Well No. #1R
Unit Letter L	Section 6	Township 27 NORTH	Range 10 WEST	County NMPM SAN JUAN	
Actual Footage Location of Well: 1740 feet from the SOUTH line and 1240 feet from the WEST line					
Ground level Elev. 5965	Producing Formation Pictured Cliffs		Pool Fulcher Kutz Pictured Cliffs	Dedicated Acreage: 160.54/4 Acres 165.89	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  <input type="checkbox"/> Yes <input type="checkbox"/> 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 interest, has been approved by the Division.</p>					



**OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Julie L. Acevedo*  
 Printed Name: Julie L. Acevedo  
 Position: Senior Staff Assistant  
 Company: Amoco Production Company  
 Date: April 19, 1994

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 Gary D. Vann  
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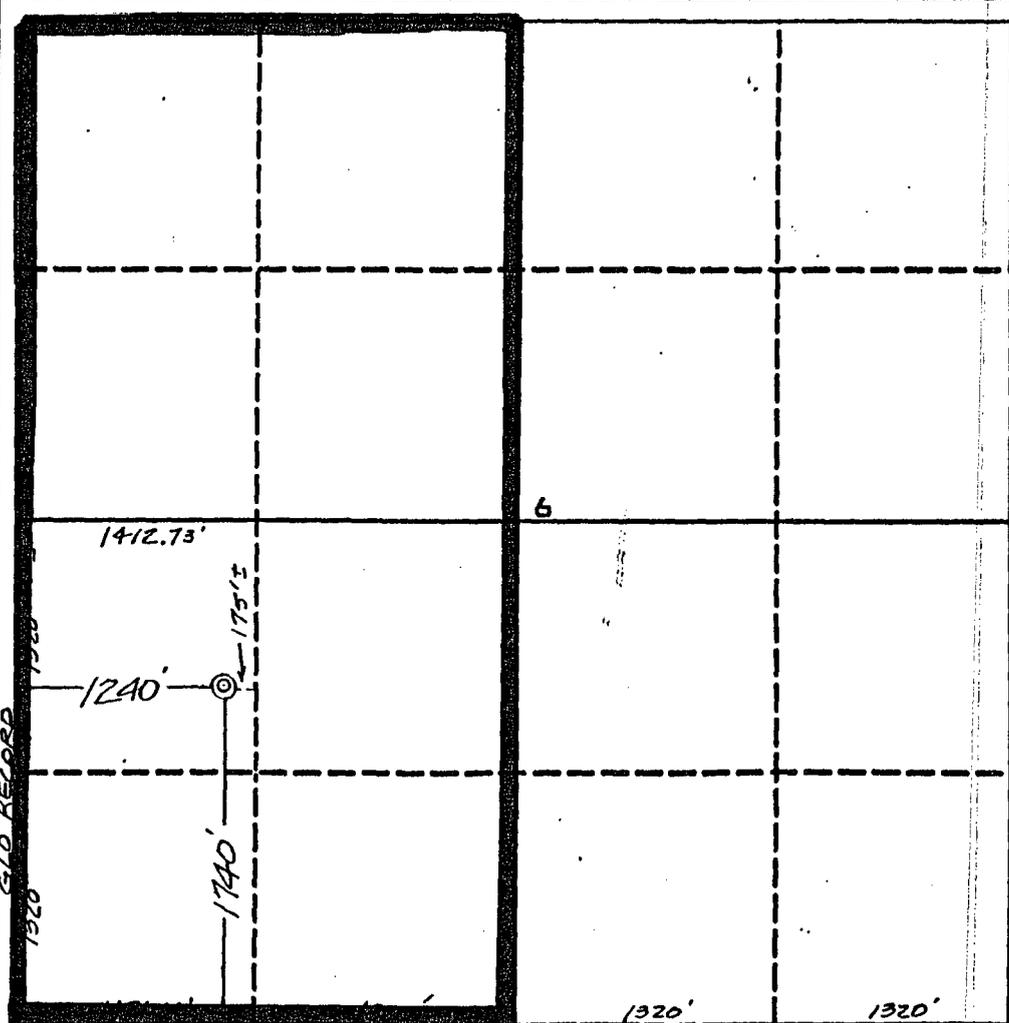
Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease M.N. Galt /B		Well No. #1P.
Unit Letter L	Section 6	Township 27 NORTH	Range 10 WEST	County NMPM SAN JUAN	
Actual Footage Location of Well: 1740 feet from the SOUTH line and 1240 feet from the WEST line					
Ground level Elev. 5965	Producing Formation Basin Dakota	Pool Basin Dakota	Dedicated Acreage: 320 w/2 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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Printed Name: Julie L. Acevedo

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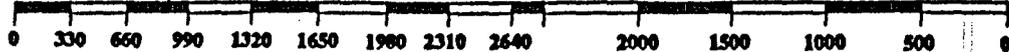
Date Surveyed: April 7, 1994

Signature & Seal of Professional Surveyor: Gary D. Wann

Gary D. Wann  
 7016

7016

REGISTERED PROFESSIONAL LAND SURVEYOR





NEW ROAD  
EXISTING ROADS

AMOCO PRODUCTION COMPANY  
REF. # 50014  
1740' F/SL 1240' F/WL  
SEC. 6, T27N, R10W, NMPM  
SAN JUAN COUNTY NEW MEXICO