AMOCO

Southern Rockies Business Unit

August 30, 1994

Mr. Benjamin E. Stone
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87504

Additional Data for Downhole Commingle Application
M. N. Galt "B" Well # 1R
1740'FSL, 1240' FWL, Sec. 6, T27N-R10W
Basin Fruitland Coal Pool/ Fulcher Kutz Pictured Cilffs Pool
San Juan County, New Mexico

Your letter of August 25, 1994 requested additional data regarding the SIBHP for the formations to be commingled. The M. N. Galt "B" #1 well originally produced from the Pictured Cliffs formation in the same quarter section from 1950 to 1991 (historical production curve is attached). The well was shut-in for approximately 10 months prior to recompletion work. Attached is a copy of the daily report of 11/26/91 when the rig moved on the well to abandon the Pictured Cliff formation. The report shows a SITP of 130 psi. Assuming a gas gradient of 0.008 psi/ft and using midperf depth of 1850 feet, the estimated SIBHP of the Pictured Cliffs formation would be **130 + 0.008(1850) = 145psi**.

The well was then recompleted to the Fruitland Coal formation through perfs from 1656' to 1822' (gross interval).This interval was perforated twice and fracture stimulated but was damaged during completion. Attached is a copy of the daily report of 6/26/92 prior to rig release. The SITP is 160 psi. after 12 hrs of shut-in. The well swabbed 1/2 bbl. of water to a dry wellbore and failed to flow. Assuming a gas gradient of 0.008 psi/ft. and using midperf depth of 1740 feet, the estimated SIBHP of the Fruitland Coal formation would be **160 + 0.008(1740) = 174 psi**.

Also attached for your file is preliminary approval from the BLM for this commingling application.

Sincerely,

J. W. Hawkins

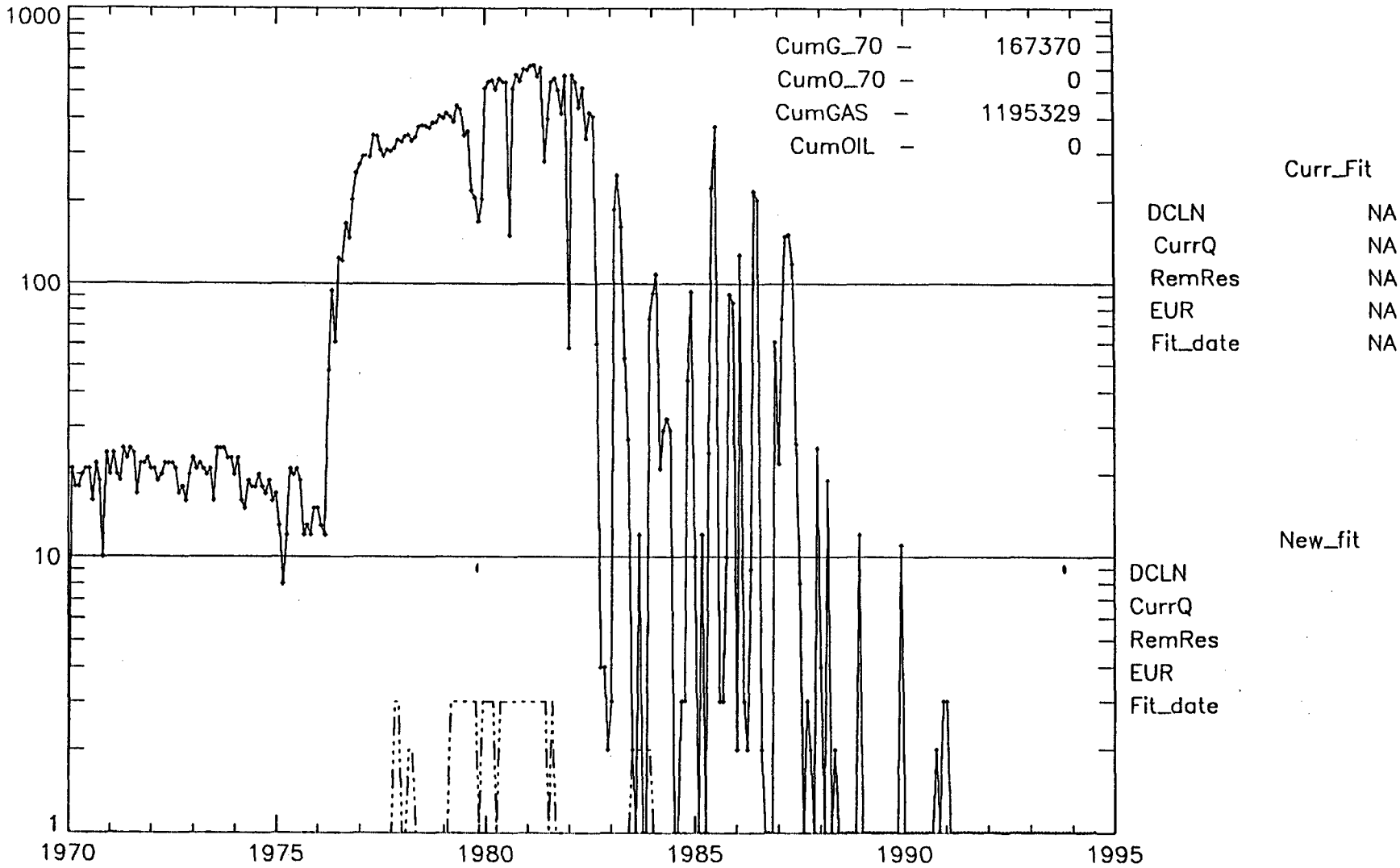
cc: Duane Spencer
Bureau of Land Management
1235 La Plata Hwy
Farmington, NM 87401

Engr: zgmk04

M N GALT B 1

Operator– AMOCO PRODUCTION CO

300450691100PC N062710–001 PC APC_WI – 1.0000000



Amoco Production Company

DRODB

Completion or Repair Report

Denver Region

REC — Item Required for Input of that Line

0 Identification: Date 11-26-91 | FLAC Well | Hsn Sub | Check Digit | Rig Status Code | API Well | Sfge Trk

M.N. Galt B#1 — Lease Name and Well No. | FLINT 2061 — Contractor Name and Rig No.

Days from CRDD ____ Days Operated 1 Auth. TD ____ Last Csg Size 3 1/2" Depth 1904'

1 Operations: Total Depth 1904 | PBTD - | Present Operations: SCRAPER RUN / SQUEEZE PC | Formation: PICTURE CLIFF | Progress

2 Pertinent Data: D.C. Date | Rig Move On Date | CRDD Date | Rig Released Date | Dri Flag | Suspended Date | Resumed Date | Ind Susp Flag | Stage of Production Readiness Date

7 Costs: Daily Mud Cost | Cumulative Mud Cost | Daily Well Cost 3740 | Cumulative Well Cost 3740.00 | Latest Est Well Cost

14	Hours	Operation	Description	14	Hours	Operation	Description
14				14			
14				14			
14				14			
14				14			

51 Horizon Description: Hsn Sub | Top of Pay | Base of Pay | Horizon Code | Zone Name Code | Strat Mnemonic

Completion Horizon Class: 0 - Exploratory; D - Development; S - Service

Type Gun: 1 Expendable; 2 Non Expendable; 3 Oriented; 4 Slot; 8 Other

Type Fluid: 1 Water; 2 Tri Water; 3 Brine; 4 Mud; 5 Oil; 6 Oil Mud; 7 Air or Gas; 8 Acid; 9 Other

52 Pertinent Completion Horizon Information (Line 51 Req'd): Original Completion Date | Completion Hz Class | Allowable Rate | Allowable Units | BHP | Init. BHP Depth | Init. BHP Date | Reservoir Limits Test Flag | H2S Flag

53 Perforations: Date | Depth Top | Depth Btm | Type O=Open C=Closed | Shots/Foot | Perf Size | Total No. Shots | Type Gun | Gun Size O.D. | Gun Phasing (Degrees) | Type Fluid | Fluid Density | Fluid Level | Continuous Flag

53														
53														Y
53														Y
53														Y
53														Y

10 Remarks: Code | TF | ELW | ELWTR | ENW | ELO | ELOTR | ENO

RD FLINT Rig 2061 FROM VANDERWART B-3 LOC.
MOVED to MN GALT LOC & R.U. SI-TP 130 psi SI-CP 130 psi
BRADEN HEAD 0 psi. BLED tbg DN to steel pit. PUMPED
20 bbls OF FRESH water DN tbg & KILLED well. N.D.
tbg HEAD & N.U. BOP's. UNSET DONUT & STRIPPED
(1/4" tbg out OF HOLE. SWI FOR NIGHT.

NOTE: NOTIFIED BLM AT 1500 hrs 11-25-91 OF
CMT WORK TO BE DONE ON 11-26-91

WIMS DAILY COMPLETION WORKOVER REPORT
AMOCO PRODUCTION COMPANY

WELL: GALT, MADELINE N, /B/ 001 DAY: 6 DATE:06/26/92
CONTRACTOR: AZTEC WELL SER RIG NO: 89 TD: 1904.00 PBD: 1828.00

SUPERVISOR 1: AJ MARTINEZ SUPERVISOR 2: GREG GROTKE	DAILY HOURS: CUMULATIVE HOURS:	10.00 57.00	DAILY COST: CUMULATIVE COST:	1370.00 13699.00	TEMPERATURE: CONDITIONS:		

POOL: FRUITLAND COAL	ZONE:	INTERVALS: 1656 - 1822

JOB STATUS: RIG REL

24 HOUR SUMMARY: SIC 150. SIT 160.2 SWAB RUNS REC 20 GAL WAT.SI 3 HR.
3 RH SIC 150 SIT 160.FLOW 3 HR ON .5" CHOKE.FFCP 75.
FFTP 8.REC (0) BBL OF WAT ON 3 HR FLOW. DRY WELL BORE.

SWAB:	N
LOG:	N
PERF:	N
CEMENT:	N
TEST:	N
STIM:	N

FLUID BALANCE

	HAULED IN DAY	HAULED IN CUM	INTO WELLBORE DAY	INTO WELLBORE CUM	RECOVERED DAY	RECOVERED CUM	HAULED OFF CUM	TO BATTERY CUM	LEFT TO RECOVER CALC	LEFT TO RECOVER ACTUAL	SURFACE TANKS CALC	SURFACE TANKS ACTUAL
OIL:												
H2O:												
OTH:												

J.S. CHECK:	N	BOP DRILL:	N	GOVT INSPEC:	N	COMP. INSPEC:	N	INCIDENT:	N	H2S:	
J.S. EVAL:		LAST DRILL:	/ /	INSP RESULT:		LAST INSPEC.:	/ /	INC. FREE DAYS:	7		

KB:	CASING SIZE:	3.500	TUBING SIZE:	1.250	LINER SIZE:	PACKER TYPE:	
CF:	CASING DEPTH:	1904.00	TUBING DEPTH:	1794.00	LINER TOP:	SET DEPTH:	

FROM	TO	HRS	STEP	CODE		OPERATIONS
06:00	16:00	10.00		RSRV	N	SAFETY MEETING.12 HR.SI.SIC 150.SIT 160. MADE 2 SWAB RUNS REC 20 gal WAT.3 HR SI. SIC 150.SIT 160.FLOW WELL 3 HR ON .5" CHOKE . FFCP 75. FFTP 8. ON 3 HR FLOW REC (0) BBL OF WAT.(DRY WELL BORE.) (SIC 150.SIT 160.)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:
SF-077941 (WC)
3162.7-3 (07327)

JUL 22 1994

Mr. J.W. Hawakins
Amoco Production Company
P. O. Box 800
Denver, CO 80201

Re: Federal Lease SF-077941
Downhole Commingling Application
No. 1R M.N. Galt B
1740' FSL and 1240' FWL
Sec. 6, T. 27 N., R. 10 W.
San Juan County, New Mexico

Dear Mr Hawkins:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated June 1, 1994, for downhole commingling of the Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal Formations in the above referenced well.

We foresee no problems in the approval process for this proposed well. Once the well has been drilled and an allocation formula determined, please submit this data to this office for approval. A copy what you submit to the New Mexico Oil Conservation Department will be adequate. Any downhole commingling on Federal leases does required BLM approval.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

Duane W. Spencer
Chief, Branch of Reservoir Management

1 Enclosure
1 - Stipulation of Approval (1 p)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

TAKE PRIDE IN AMERICA

IN REPLY REFER TO:

Stipulation of Approval

This approval is for operational activities only.

Your proposed allocation factors for downhole commingling must be submitted to the Authorized Officer for approval.

Supporting technical data used to determine the allocation factors. Examples are:

Wellbore Diagram

Production Tests

Gas Analyses

Pressure Data corrected to a common datum

Etc.

A copy of the same application submitted to NMOCD is acceptable.