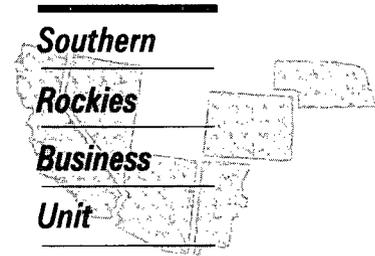




OIL CONSERVATION DIVISION
RECEIVED

FEB 23 4 00 AM '96



DHC 3-25-96

February 23, 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
Romero Gas Com A#1A Well
1240' FSL & 700' FEL, Unit P Section 27-T29N-R10W
Otero Chacra (Pool IDN 82329) and Blanco Mesaverde (Pool IDN 72319) Pools
San Juan County, New Mexico**

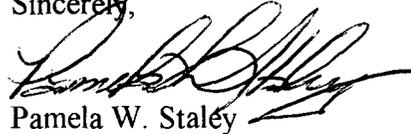
Amoco Production Company hereby requests administrative approval to downhole commingle production from the Blanco Mesaverde and Otero Chacra Pools in the Romero Gas Com A#1A well referenced above. The Romero Gas Com A#1A is currently a dual completion in the Mesaverde and Chacra formations. We plan to complete the well with both the Mesaverde and Chacra formations being downhole commingled in the wellbore. The two zones are expected to produce at a total commingled rate of about 140 MCFD with approximately 8 BCPD. Downhole commingling should improve productivity of the well as the dual equipment tends to restrict the Mesaverde production due to liquid loading. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights. The ownership (WI, RI, ORI) of these pools is not common in this wellbore. Offset operators to this well and all interest owners in the well will receive a copy of this application by certified mail.

The allocation method that we plan to use for this commingled well is as follows. Both formations have been producing at stabilized rates for some time. We recommend that the Mesaverde and Chacra formations gas and condensate be allocated based on current rates. The Mesaverde is currently producing 80 MCFD with 8 BCPD while the Chacra is currently producing 60 MCFD with no condensate. The recommended allocation percentages after downhole commingling would be set as a percentage of the total rate with the Mesaverde attributing 57% of gas production and 100 % of condensate production. The Chacra would be allocated at 43% of gas production and no condensate production. 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.

Attached to aid in your review are plats showing the location of the well and offset wells in the same formation, a historical and recent production plot and a C-102 for each formation. This spacing unit does not include state or federal acreage.

Should you have questions concerning this matter, please contact me at (303) 830-5344.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pamela W. Staley', written over the printed name.

Pamela W. Staley

Enclosures

cc: Steve Webb
Gail Jefferson

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

Application for Exception to Rule 303: SEGREGATION OF PRODUCTION FROM POOLS

Requirements

- (1) Name and address of the operator:

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

- (2) Lease name, well number, well location, name of the pools to be commingled:

Lease Name: Romero Gas Com

Well Number: A#1A
Well Location: 1240' FSL & 700' FEL
Unit P Section 27-T29N-R10W
San Juan County, New Mexico

Pools Commingled: Blanco Mesaverde Pool (Pool IDN 72319)
Otero Chacra Pool (Pool IDN 82329)

- (3) A plat of the area showing the acreage dedicated to the well and the ownership of all offsetting leases.

Attached

- (4) A current (within 30 days) 24-hour productivity test on Division Form C-116 showing the amount of oil, gas and water produced from each zone.

The Mesaverde produced an average stabilized rate of 80 MCFD and 8 BCPD. The Chacra zone produced at an average rate of about 60 MCFD and 0 BCPD.

- (5) A production decline curve for both zones showing that for a period of at least one year a steady rate of decline has been established for each zone which will permit a reasonable allocation of the commingled production to each zone for statistical purposes.

Otero Chacra Completion: Historical production curve attached.
Blanco Mesaverde Completion: Historical production curve attached.

- (6) Estimated bottomhole pressure for each zone. A current (within 30 days) measured bottom hole pressure for each zone capable of flowing.

Bottomhole pressures were estimated from 72 hour shut-in pressures taken in January 1996 for the well. Estimated bottomhole pressure in the Chacra formation is 416 PSI while the estimated bottomhole pressure in the Mesaverde is 394 PSI.

- (7) A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the wellbore.

The two formations do not produce any fluids that are expected to prohibit commingling, or promote the creation of emulsions or scale.

- (8) A computation showing that the value of the commingled production will not be less than the sum of the values of the individual streams:

Since the BTU content of the produced gasses are very similar, we would expect the commingled production to have a similar value as the sum of the individual streams.

- (9) A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula:

The allocation method that we plan to use for this commingled well is as follows. Both formations have been producing at stabilized rates for some time. We recommend that the Mesaverde and Chacra formations gas and condensate be allocated based on current rates. The Mesaverde is currently producing 80 MCFD with 8 BCPD while the Chacra is currently producing 60 MCFD with no condensate. The recommended allocation percentages after downhole commingling would be set as a percentage of the total rate with the Mesaverde attributing 57% of gas production and 100 % of condensate production. The Chacra would be allocated at 43% of gas production and no condensate production. 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.

- (10) A statement that all offset operators and, in the case of a well on federal land, the United States Bureau of Land Management, have been notified in writing of the proposed commingling.

The offsetting operators listed on the attached sheet will receive a copy of this application by certified mail.

- (11) Referencing NMOCD Order No. 10470 Rule 303 (D) (11): In a case where there is diversity of ownership between the zones to be commingled (including working royalty, or overriding royalty interest), the applicant shall submit a statement that all such interest owners have been notified in writing of the proposed commingling.

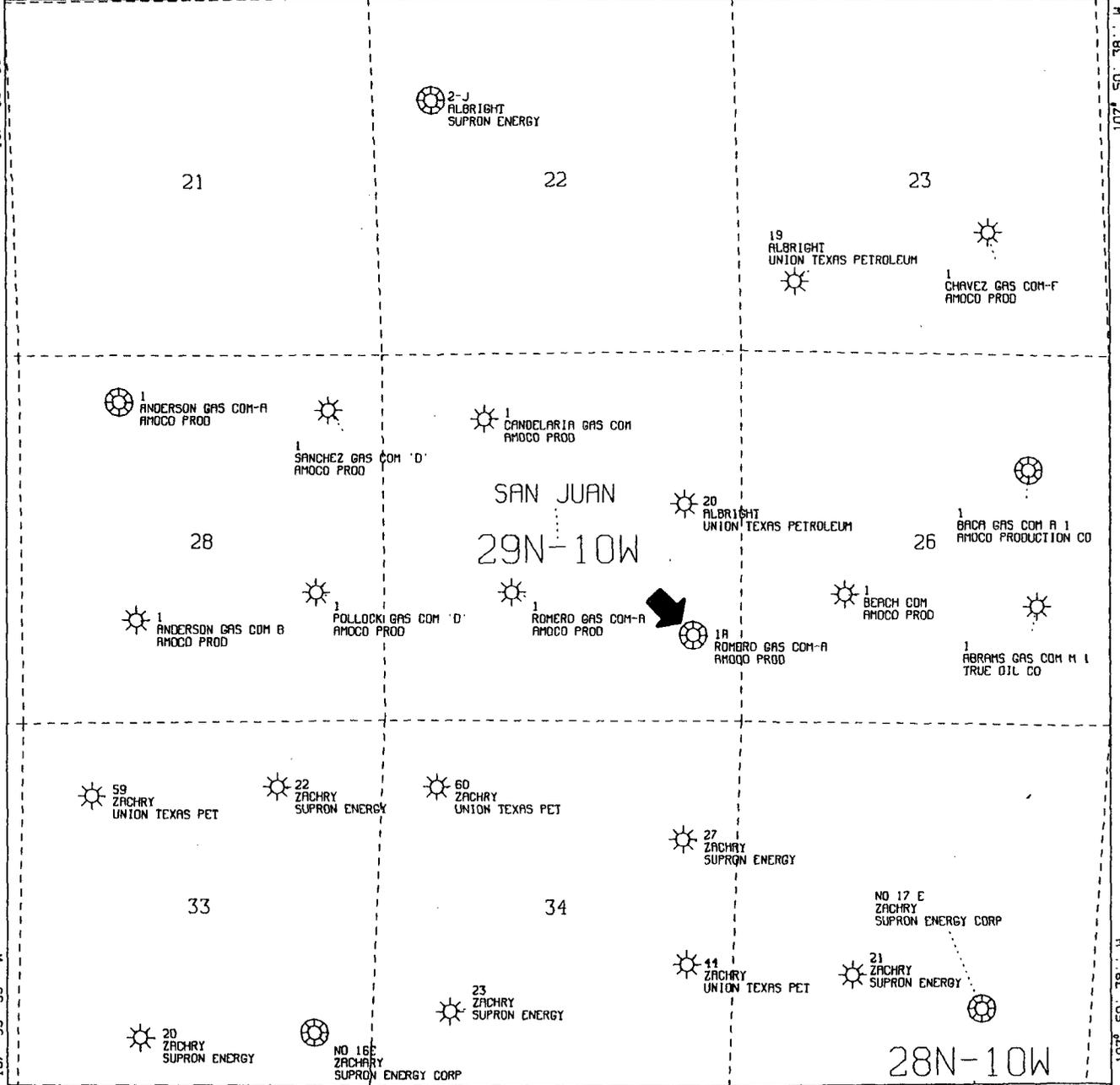
All interest owners in the two formations will receive a copy of this application by certified mail.

13,336,884.16 FT. N
36° 43' 7" N

13,336,884.16 FT. N
36° 43' 7" N

991,987.79 FT. E
107° 53' 55" W

1,008,012.21 FT. E
107° 50' 38" W



36° 40' 31" N
13,321,159.90 FT. N

36° 40' 31" N
13,321,159.90 FT. N

991,983.30 FT. E
107° 53' 55" W

1,008,016.70 FT. E
107° 50' 38" W

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
 ROMERO GAS COM A 1A
 Surrounding Chacra Formation Wells
 SCALE 1 IN. = 2,000 FT. FEB 19, 1996

POLYCONIC CENTRAL MERIDIAN - 107° 52' 17" W LON
SPHEROID - 6

HORIZONTAL DATUM NAD27

PLOT 1 12.16.47 MON 19 FEB, 1996 JOB-P1049302, ISSCO DISPLAY 10.0

DMS10493--RUN#96050120441

13,336,884.16 FT. N
36° 43' 7" N

13,336,884.16 FT. N
36° 43' 7" N

991,987.79 FT. E
107° 53' 55" W

1,008,012.21 FT. E
107° 50' 38" W

21

22

23

1
GARCIA GAS COM B
AMOCO PROD

18-A
ALBRIGHT
UNION TEXAS PET

18
ALBRIGHT
UNION TEXAS PET

19-E
HARE
SOUTHLAND ROYALTY

1
TRUJILLO GAS COM-A
AMOCO PROD

1
SANCHEZ GAS COM-C
AMOCO PROD

1E
ARMENTA GAS COM C
AMOCO PROD

7-E
ALBRIGHT 7E
UNION, TEXAS PETROLEUM

1
MOSS GC 1A
AMOCO PRODUCTION CO

28

SAN JUAN
29N-10W

26

1A
BACA GAS COM A NO 1A
AMOCO PRODUCTION CO

1
BACA GAS COM A 1
AMOCO PRODUCTION CO

1
ROMERO GAS COM-A
AMOCO PROD

1A
ROMERO GAS COM-A
AMOCO PROD

1
ABRAMS-K
AMOCO PROD

1
POLLOCK GAS COM E
AMOCO PROD

1
ABRAMS-L
AMOCO PROD

3
PIERCE A
MERIDIAN OIL INC

4
PIERCE A
MERIDIAN OIL PROD

50
ZACHRY
MERIDIAN OIL INC

33

34

28N-10W

45
ZACHRY
MERIDIAN OIL INC

51
ZACHRY
UNION TEXAS PET

43
ZACHRY
UNION TEXAS PET

36° 40' 31" N
13,321,159.90 FT. N

36° 40' 31" N
13,321,159.90 FT. N

PLOT 1 12.19.26 MON 19 FEB, 1996 JOB-P1050202, TSSCO 0155PLR 10.0

991,983.30 FT. E
107° 53' 55" W

1,008,016.70 FT. E
107° 50' 38" W

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POLYCONIC CENTRAL MERIDIAN - 107° 52' 17" W LON
SPHEROID - 6

AMOCO PRODUCTION COMPANY
PLAT MAP
ROMERO GAS COM A 1A
Surrounding Mesaverde Formation Wells
SCALE 1 IN. = 2,000 FT. FEB 19, 1996

HORIZONTAL DATUM NAD27

DMS10502--RUN#96050120443

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

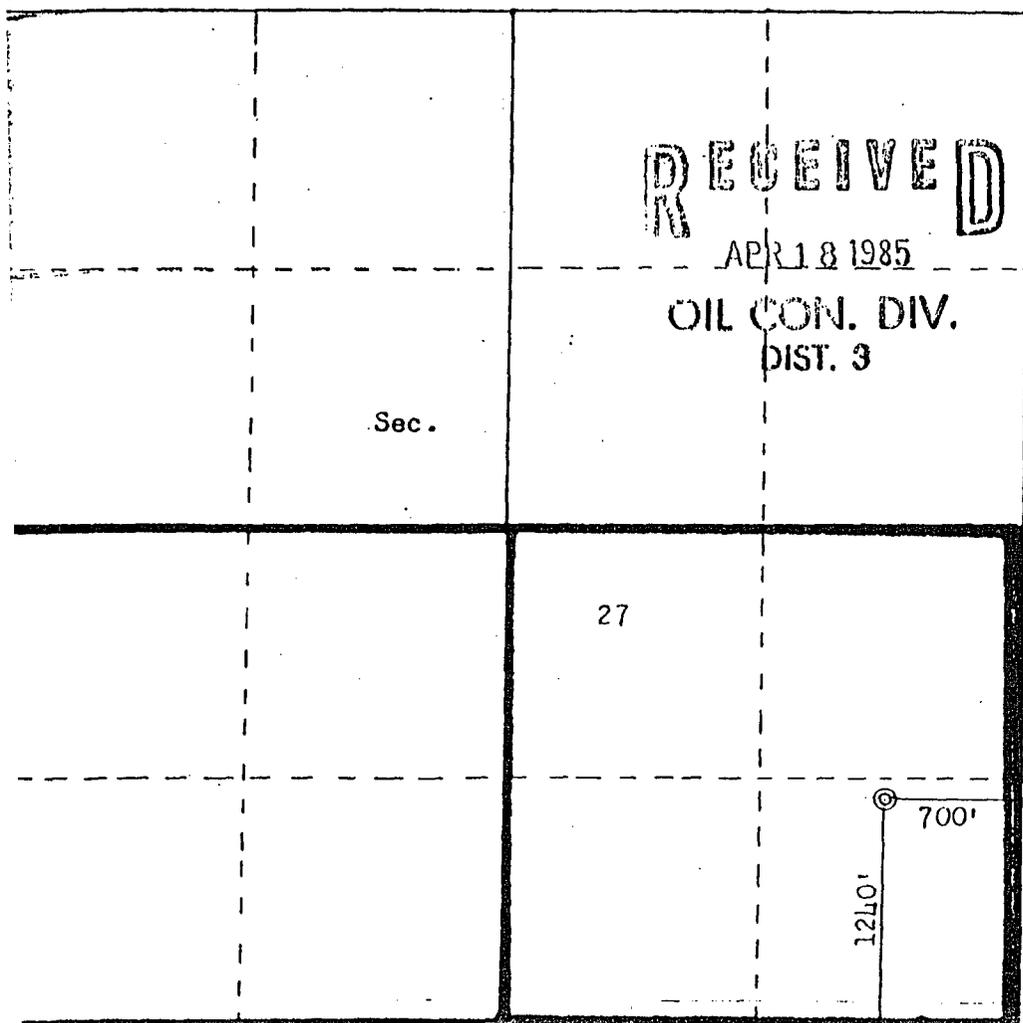
Operator AMOCO PRODUCTION COMPANY		Lessee ROMERO GAS CO. "A"		Well No. 1A
Unit Letter P	Section 27	Township 29N	Range 10W	County San Juan
Actual Footage Location of Well: 1240 feet from the South line and 700 feet from the East line				
Ground Level Elev: 5525	Producing Formation Chacra/Mesaverde	Pool Otero Chacra/ Blanco MV	Dedicated Acreage: 160/320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 communitized

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.

B. D. Shaw

Name	B. D. Shaw
Position	Adm. Supervisor
Company	Amoco Production Co.
Date	4/12/85

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: **March 20, 1985**

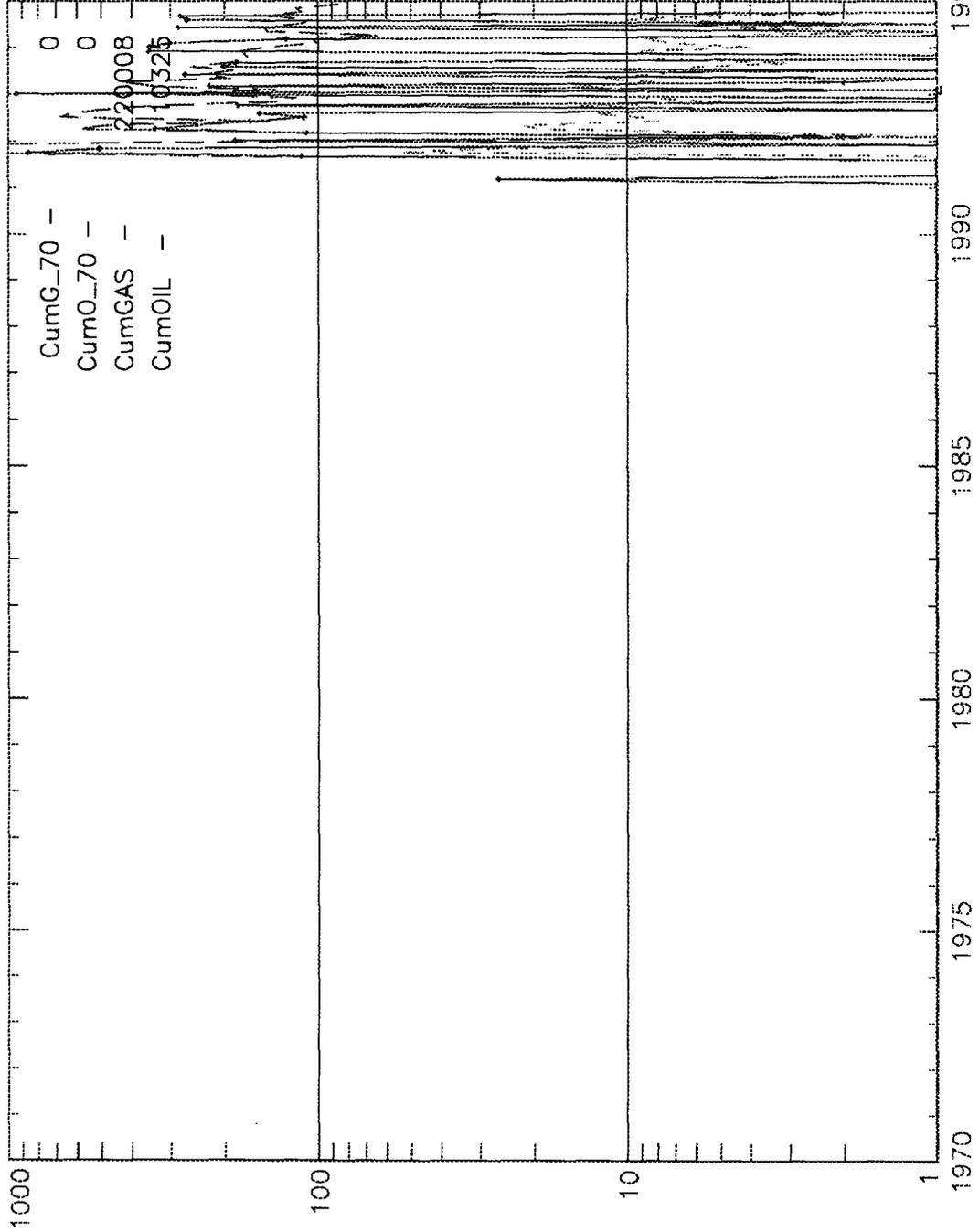
Registered Professional Engineer and Land Surveyor

Fred S. Kerr Jr.
Fred S. Kerr Jr.

Certificate No. **4222**

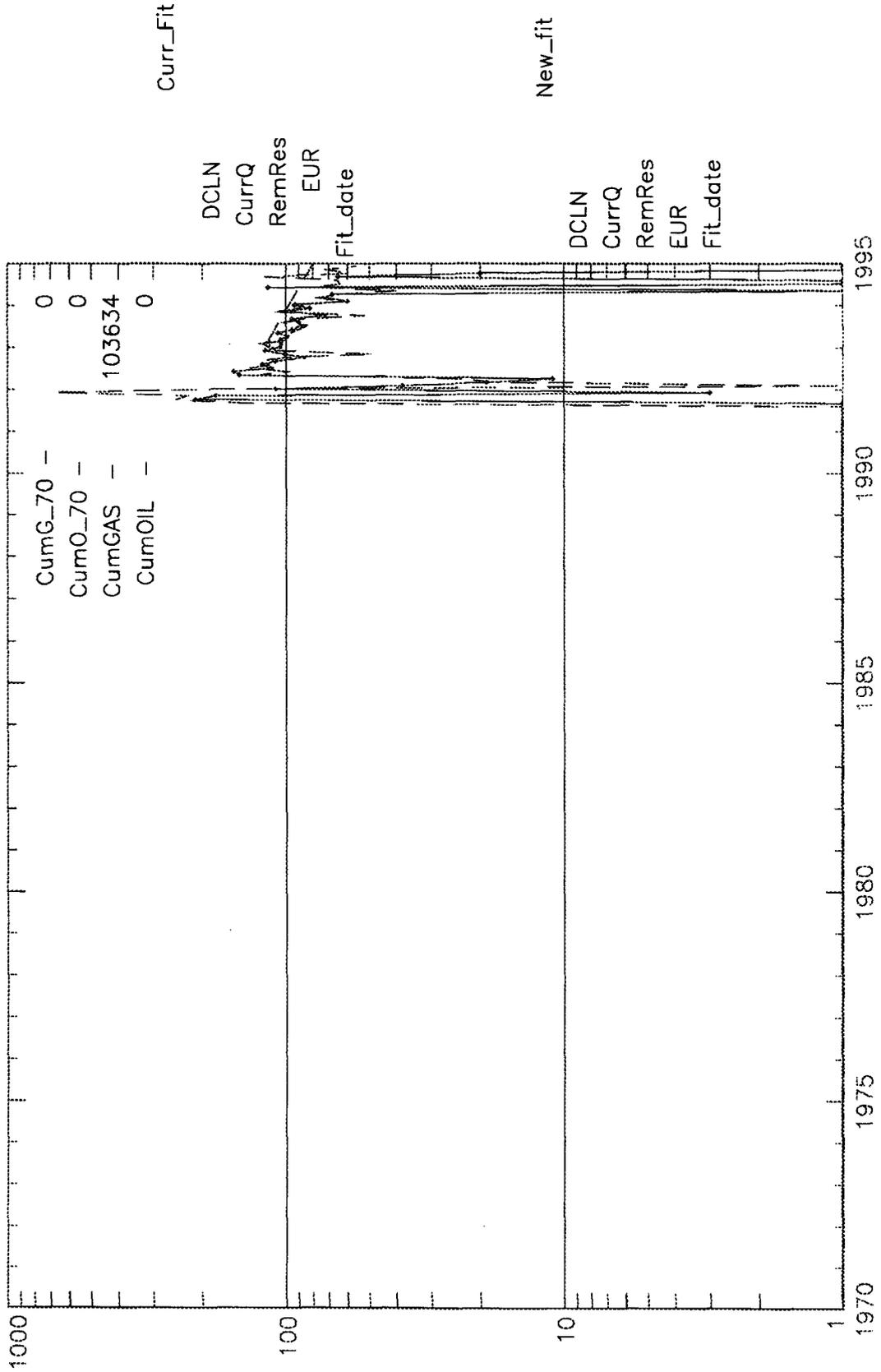
Engr: zdws22

ROMERO GAS COM A 1A Operator— AMOCO PRODUCTION CO
300452621300MV P272910—001AMV APC_WI — 1.0000000



Engr: zdws22

ROMERO GAS COM A 1A Operator— AMOCO PRODUCTION CO
300452621300CK P272910—001ACK APC_WI — 1.00000000



OFFSET OPERATOR LIST

ROMERO GAS COM A#1A CHACRA

NW/4 SEC 35 T29N-R10W - AMOCO PRODUCTION COMPANY
NW/4 SEC 34 T29N-R10W - MERIDIAN OIL INC.
NE/4 SEC 34 T29N-R10W - MERIDIAN OIL INC.
NW/4 SEC 27 T29N-R10W - AMOCO PRODUCTION COMPANY
NE/4 SEC 27 T29N-R10W - MERIDIAN OIL INC.
SW/4 SEC 27 T29N-R10W - AMOCO PRODUCTION COMPANY
NW/4 SEC 26 T29N-R10W - AMOCO PRODUCTION COMPANY
SW/4 SEC 26 T29N-R10W - AMOCO PRODUCTION COMPANY
NW/4 SEC 35 T29N-R10W - NO DESIGNATED OPERATOR

ROMERO GAS COM A#1A MESAVERDE

E/2 SEC 28 T29N-R10W - MERIDIAN OIL INC.
N/2 SEC 27 T29N-R10W - AMOCO PRODUCTION COMPANY
N/2 SEC 26 T29N-R10W - AMOCO PRODUCTION COMPANY
S/2 SEC 26 T29N-R10W - AMOCO PRODUCTION COMPANY
E/2 SEC 33 T29N-R10W - MERIDIAN OIL INC.
N/2 SEC 34 T29N-R10W - MERIDIAN OIL INC.
W/2 SEC 34 T29N-R10W - MERIDIAN OIL INC.

ADDRESSES:

1 Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499
Attn.: Mr. Alan Alexander

**ROMERO GAS COM A
OWNERSHIP LISTING**

William H. Aitken
4901 E. Sunrise Dr.
Apartment 1602
Tucson, AZ 85718-4559

Robert Alston
205 Wilder
Hooks, TX 75561-5052

Fred Gilbert Armenta
766 Road 4990
Bloomfield, NM 87413

Joe R. Armenta Estate
Raymond Armenta and Hellen Luther
c/o Pers Rep
205 W. Gladden
Farmington, NM 87401-6019

Susie Armenta Living Trust
Susie M. Armenta Trustee U/A 3/15/91
P. O. Box 1593
Tahlequah, OK 74465-1593

Catherine Ann Avery
Box 391
Shell Rock, IA 50670-0391

Susan Woods Basile
27 Juniper Drive
Freehold, NJ 07728-2853

Elizabeth R. Bauer
224 West Fulton Street
Butler, PA 16001-6816

Rose Warner Benton
3020 West Elm Street
Phoenix, AZ 85017-3437

Judy Carmichael
602 East 36th Street
Farmington, NM 87401-2302

Louis Dreyfus Natural Gas Corp.
P. O. Box 850163
Oklahoma City, OK 73185-0163

Egbert Embree
P.O. Box 2782
Durango, CO 81302-2782

Samuel Embree Family Trust A
Jean Embree Trustee
1305 South Meeker
West Covina, CA 91790-2526

Alvin W. Fink Trust
U/A Dated Dec. 22, 1981
Alvin W. Fink and Elinor R. Fink TRS
Box 25
Downs, KS 67437-0025

Elinor R. Fink Trust
U/A Dated Dec. 22, 1981
Elinor R. Fink and Alvin W. Fink TRS
Box 25
Downs, KS 67437-0025

Marguerite Sullivan Frame Estate
Paula Jakubanis Conservator
c/o Sandy Elliot
Hutchison, Higin and Frederick
P.O. Box 2250
Durango, CO 81302-2250

Glover Survivors Trust
Marilyn S. Glover Trustee
801 Morris Way
Sacramento, CA 95864-6120

William E. Glover Trust B
Mary E and Thomas S Glover, Trustees
348 Alexander Palm Road
Boca Raton, FL 33432-7909

Peggy Hill
950 Norman Street
Weatherly, PA 18255-1215

Eloise Cooper Howard
4410 Pine Ridge Drive
Stevens Point, WI 54481-5019

Romero Gas Com A
Ownership Listing
Page 2

Goldie Warner Jobe
Marion E and Geraldine L Keely
Attorney-in-Fact
804 Sherwood Forest Drive
Granite Shoals, TX 78654-2320

John G. Johnston
10253 Las Casitas Court NE
Albuquerque, NM 87111-1295

Myrna L. Likins
217 Park Avenue
Aztec, NM 87410-2149

Marathon Oil Company
P.O. Box 890882
Dallas, TX 75389-0882

Pauline Warner Miller
P.O. Box 269
Lordsburg, NM 88045-0269

Helen Romero Morgan
2967 Heather Pl
Harrisburg, PA 17104-1525

Susan Pierce Nelson
4901 Crestwood Drive
Farmington, NM 87402-4863

Beverly Parmenter Newton
P.O. Box 658
Bloomfield, NM 87413-0658

Nigh Revocable Trust
Robert T D Nigh Trustee
7080 Dean Road
Indianapolis, IN 46220-3812

Robert Darrel Parmenter
P.O. Box 8021
Durango, CO 81301-0201

Robert W. Parmenter
65 Ocotillo Drive
Florence, AZ 85232-8785

David A. Pierce
Citizens Bank Agent
P.O. Box 4140
Farmington, NM 87499-4140

John B. Pierce
P. O. Box 1006
Fruitland, NM 87416-1006

Michael C. Pollock Trust
F/B/O Edwin F. Pollock
Edwin Pollock and Judd Pollock, Co-Tst
c/o John Levin and Company
One Rockefeller Plaza - 25th Floor
New York, NY 10020-2001

Leila F. Pollock Trust
F/B/O Judd L. Pollock, Co-Tst
c/o John Levin and Company
One Rockefeller Plaza - 25th Floor
New York, NY 10020-2001

Michael C. Pollock Trust
F/B/O Judd L. Pollock
Edwin Pollock and Judd Pollock, Co-Tst
c/o John Levin and Co.
One Rockefeller Plaza - 25th Floor
New York, NY 10020-2001

Leila F. Pollock Trust
F/B/O Edwin F. Pollock
Edwin Pollock & Judd Pollock Co-Tst
c/o John Levin and Company
One Rockefeller Plaza - 25th Floor
New York, NY 10020-2001

Dirk Reemtsma
Citizens Bank Agent
Trust Department
P.O. Box 4140
Farmington, NM 87499-4140

Romero Gas Com A
Ownership Listing
Page 3

Lance Reemtsma
57A Edgcroft Road
Kensington, CA 94707-1412

Eileen Robinson
224-31 3/10 Road
Grand Junction, CO 81503

Romero Family Childrens Trust
John B. Romero Jr. Trustee
996 Calle Feliz
Santa Fe, NM 87505-5004

Louisa C. Romero
996 Calle Feliz
Santa Fe, NM 87505-5004

Susan Saffran
9424 SW 53rd
Portland, OR 97219-5044

Margie Armenta Serrano
P.O. Box 5901
Farmington, NM 87499-5901

Kay A. Sherman
P.O. Box 2199
Durango, CO 81302-2199

Richard Shiershke
505 Vaquero Road
Arcadia, CA 91007-6045

Frank L. Smith
912 Fairground Road SP 67
Farmington, NM 87401-7386

Joan Helen Smith
c/o Seafirst Bank
Lynden Office P.O. Box 553
Lynden, WA 98264-0553

Ella Ann Spargo
523 Aztec Blvd NE
Aztec, NM 87410-1704

Opal H. Sullivan
Mary Helene Sullivan Sikes
Attorney-in-Fact
P.O. Box 400
Bloomfield, NM 87413-0400

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106 High Street
Garwin, IA 50632-9716

Albert H. Vogler
P. O. Box 720796
Pinon Hills, Ca 92372-0796

Allen D. Walker
210 E 9th Street #15
Coralville, IA 52241-2233

Lee Warner
140 South Dolliver Space #18
Pismo Beach, CA 93449

Nancy Jeanne Woods
304 Northwest 30 Court #208
Pompano Beach, FL 33064-3122

Robert W. Woods
157 Town Line road
East Northport, NY 11731-3915

Carol A. Zahara
14926-81 B Avenue
Surrey, BC, CANADA V3s 7V6