



OIL CONSERVATION DIVISION
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Southern

Rockies

Business

Unit

March 20, 1996

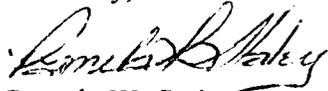
Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505

**Application for Exception to Rule 303-C
Downhole Commingling
Florance #124 E Well
1030' FSL & 1190' FWL, Unit M Section 27-T29N-R9W
Otero Chacra (Pool IDN 82329) and Basin Dakota (Pool IDN 71599) Pools
San Juan County, New Mexico**

Enclosed please find an administrative application form (NMOCD form C-107-A) and attachments to support downhole commingling in the captioned well.

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

Sincerely,


Pamela W. Staley

Enclosures

cc: Stan Kolodzie
Gail Jefferson

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

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

DISTRICT I
P.O. Box 1980, Hobbs NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

DISTRICT II
811 South First St., Artesia, NM 88210-2835

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Administrative Hearing

DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410-1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
 YES NO

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

Operator Address
Florance 124 E M-27-29N-9W San Juan

Lease Well No. Unit Ltr. - Sec Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 000518 API NO. 3004524688 Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	OTERO CHACRA 82329		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	3102' - 3234'		6490' - 6664'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure	a. (Current) 398 PSI	a.	a. 489 PSI
Oil Zones - Artificial Lift: Estimated Current			
Gas & Oil - Flowing: Measured Current	b. (Original) 1168 PSI	b.	b. 2681 PSI
All Gas Zones: Estimated or Measured Original			
6. Oil Gravity (* API) or Gas BTU Content	1293 BTU / 51 DEG API		1172 BTU / 58 DEG API
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		YES
• If Shut-In, give data and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 2/96 Rates: 46 MCFD 0.10 BCPD <1 BWPD	Date: Rates:	Date: 1/96 Rates: 59 MCFD 1 BCPD <1 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 9 % Gas 44 %	Oil: % Gas %	Oil: 91 % Gas 56 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No

11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? Yes No

13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No SF-080246

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE *Pamela W. Staley* TITLE REGULATORY AFFAIRS REP DATE 3/20/96

TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-77

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

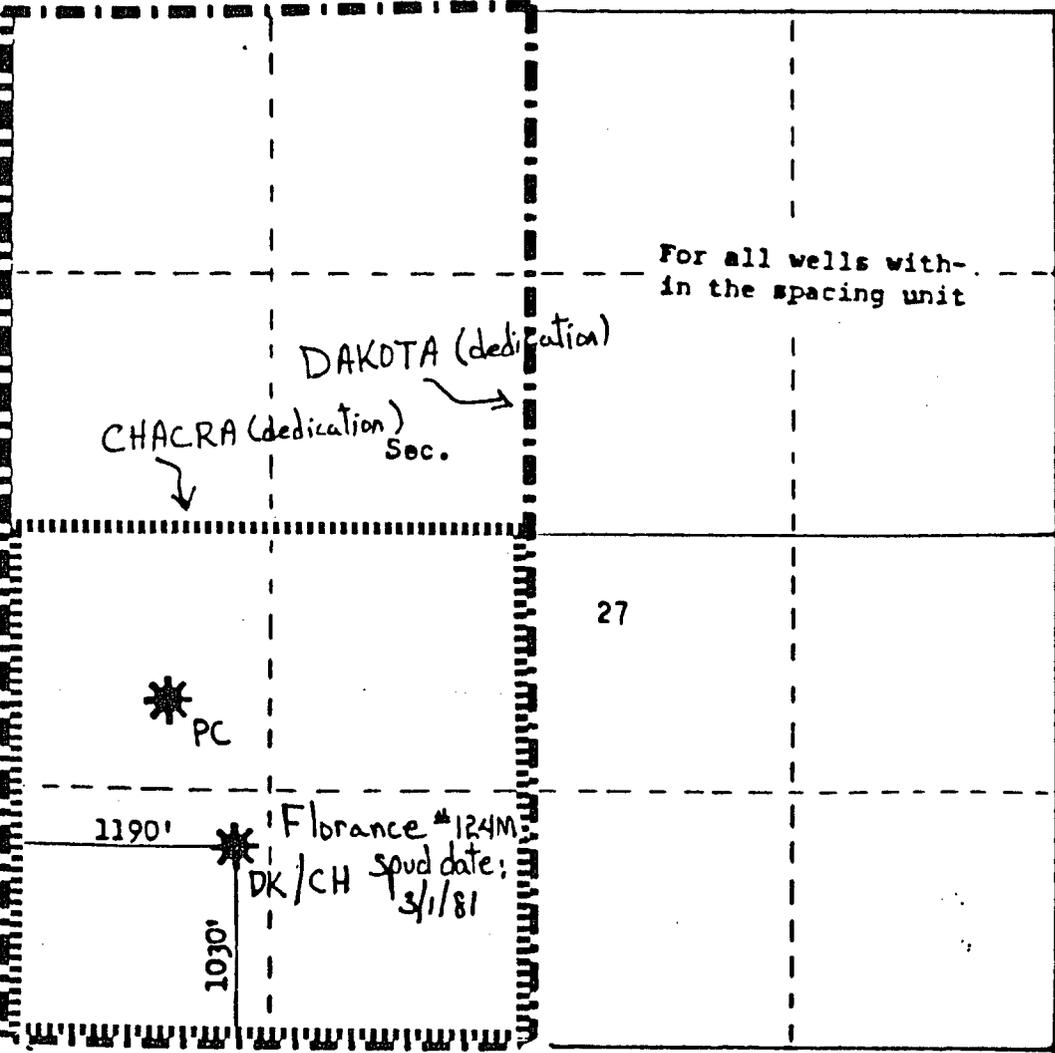
Operator TENNECO OIL COMPANY		Lease FLORENCE			Well No. 124E
Unit Letter M	Section 27	Township 29N	Range 9W	County San Juan	
Actual Footage Location of Well: 1030 feet from the South line and 1190 feet from the West line					
Ground Level Elev. 5717	Producing Formation Dakota	Pool Basin Dakota / CHACRA		Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 _____

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.

R. A. Mishler

Name	R. A. Mishler
Position	Sr. Production Analyst
Company	Tenneco Oil Company
Date	October 20, 1980

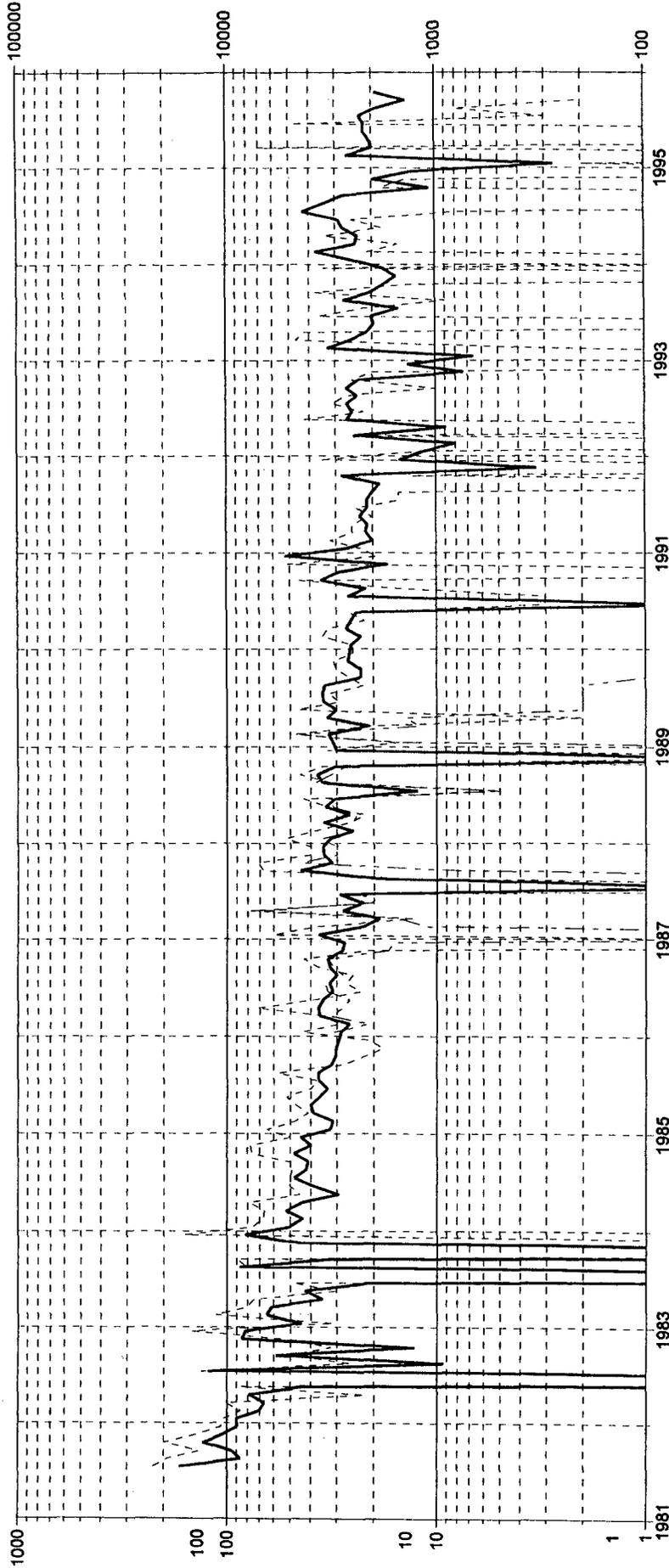
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed P.D. 12:	October 9, 1980
Registered Professional Engineer and Land Surveyor	<i>Fred B. Kert Jr.</i>
Certificate No. KERT. 17	3950

Dwights

1000 Lease: FLORANCE 00124E

Retrieval Code: 251,045,29N09W27M00D



County: SAN JUAN

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: AMOCO PRODUCTION CO

State: NM

Oil Cum: 6534 bbl

Gas Cum: 571959 mcf

Location: 27M 29N 9W

F. P. Date: 07/81

Water (bbl/mo)

Oil (bbl/mo)

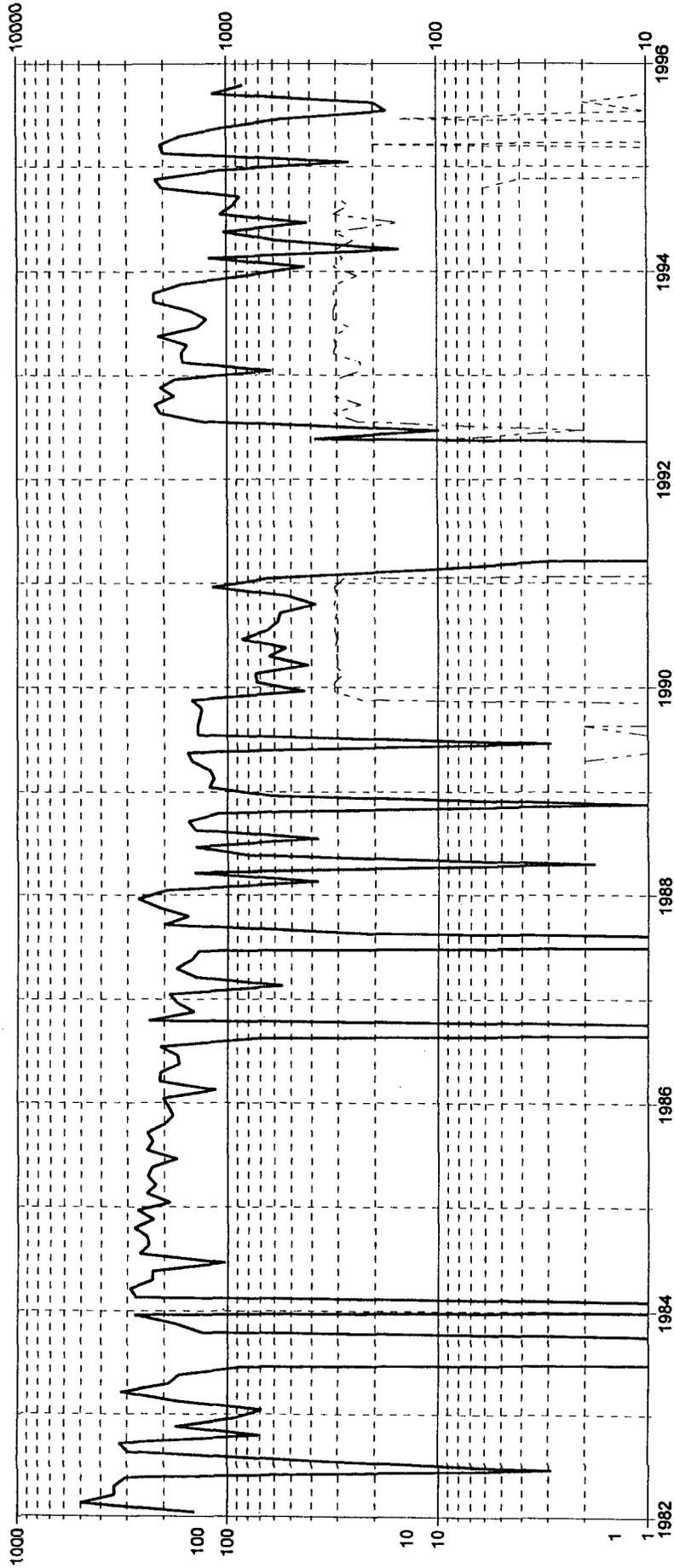
Date: 03/22/96

Gas (mcf/mo)

Dwights

1000 Lease: FLORANCE 00124E

Retrieval Code: 251,045,29N09W27M00C



County: SAN JUAN

State: NM

F. P. Date: 01/82

Date: 03/22/96

Field: OTERO (CHACRA) CK

Oil Cum: 50 bbl

Reservoir: CHACRA

Gas Cum: 215862 mcf

Water (bbl/mo)

Operator: AMOCO PRODUCTION CO

Location: 27M 29N 9W

Oil (bbl/mo)

Gas (mcf/mo)

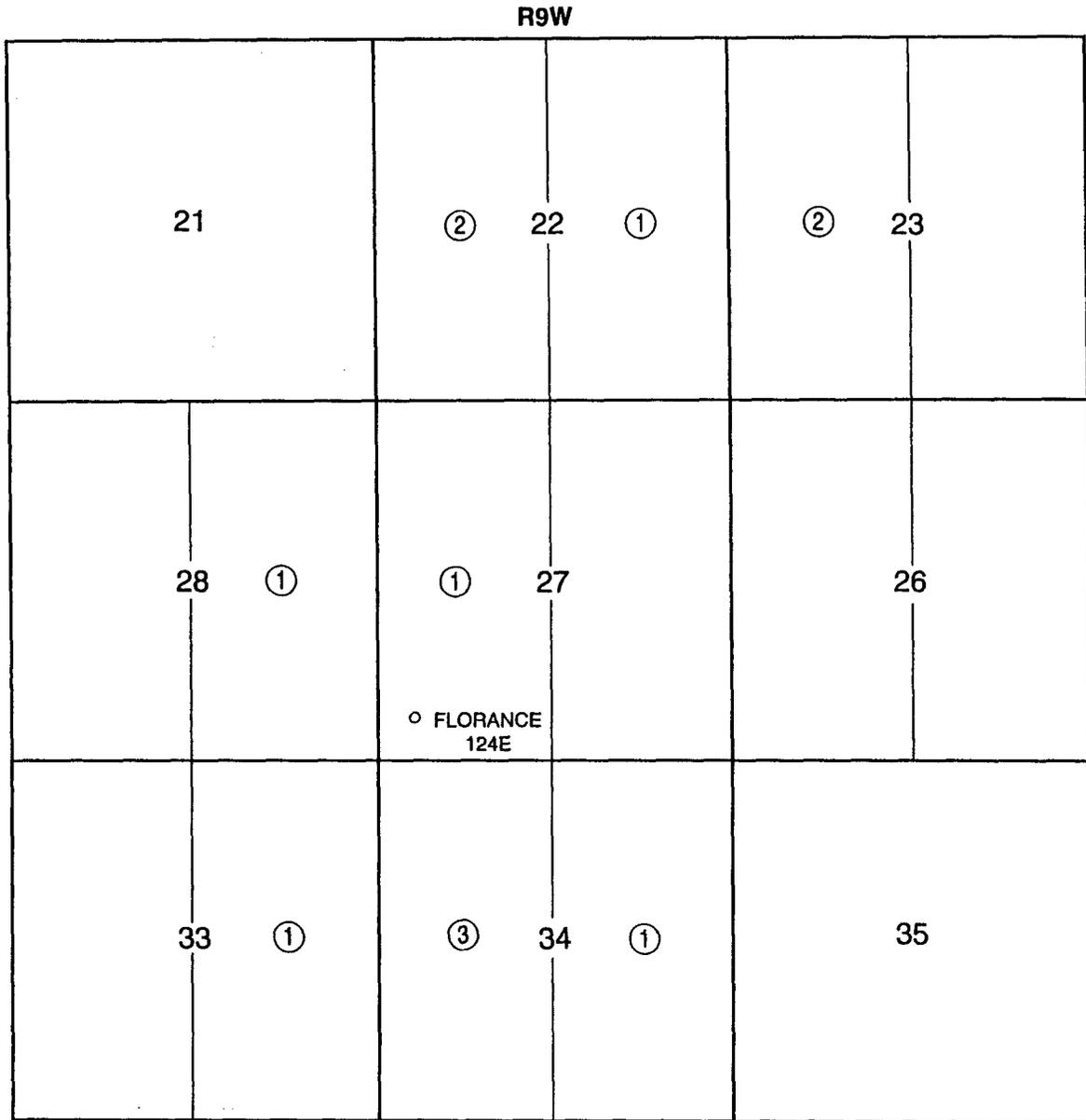
Amoco Production Company

Offset Operator Plat

Florance 124E

T29N-R9W Sec. 27

Dakota Formation



- ① Amoco Production Company
- ② Southland Royalty Company
- ③ Meridian Oil Production Inc.

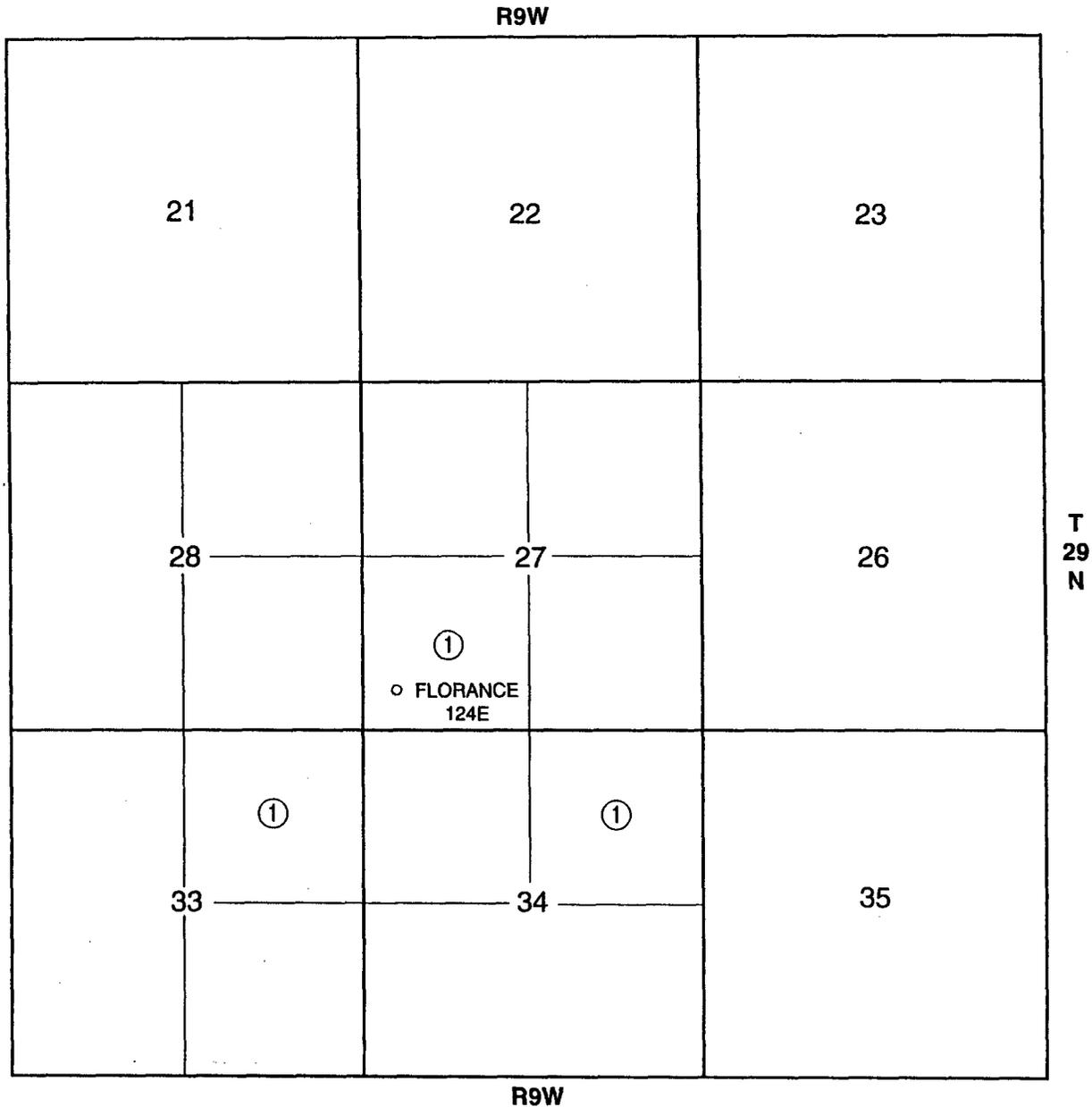
Amoco Production Company

Offset Operator Plat

Florance 124E

T29N-R9W Sec. 27

Otero Chacra Formation



① Amoco Production Company

LIST OF ADDRESSES FOR OFFSET OPERATORS
Florance #124E

I Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499