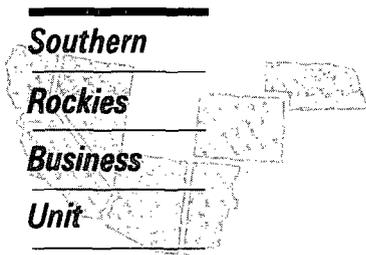


5/27/96  
DHC-1251



April 30, 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 66 Well  
Unit O Section 18-T27N-R8W  
Otero Chacra, Blanco Mesaverde, and Basin Dakota Pools  
San Juan County, New Mexico**

Enclosed please find an administrative application form (C-107-A) and attachments for downhole commingling for the captioned well. By copy of this application by certified mail, return receipt requested, Amoco is notifying all offset operators in the formations captioned above as well as all affected interest owners if the ownership of those formations is not common. The Division Director may approve the proposed downhole commingling in the absence of a valid objection from any offset operator or any interest owner in those instances where ownership is not common in the zones to be commingled within 20 days after the receipt of the application if, in his opinion, waste will not result thereby, and correlative rights will not be violated.

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

Sincerely,

Pamela W. Staley

Enclosures

cc: Mark Rothenberg  
Patty Haeefe  
Wellfile  
Proration File  
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

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 <b>Florange</b>	Address <b>O-18-27N-8W</b>
Lease <b>66</b>	County <b>San Juan</b>
Well No.	Unit Ltr. - Sec Twp - Rge

OGRID NO. 000778 Property Code 000518 API NO. 3004511829 Federal  State  (and/or) Fee

Spacing Unit Lease Types: (check 1 or more)

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	BLANCO MESAVERDE 72319	BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	3270' - 3310'	4628' - 4798'	6770' - 6964'
3. Type of production (Oil or Gas)	GAS	GAS	GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING	FLOWING	FLOWING
5. Bottomhole Pressure <small>Oil Zones - Artificial Lift: Estimated Current Gas &amp; Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original</small>	(Current) a. 566 PSI (EST)	a. 609 PSI (EST)	a. 727 PSI
	(Original) b. 1165 PSI (EST)	b. 1252 PSI (EST)	b. 2477 PSI
6. Oil Gravity (° API) or Gas BTU Content	1148 BTU	1190 BTU	1258 BTU
7. Producing or Shut-In?	PRODUCING	PRODUCING	PRODUCING
Production Marginal? (yes or no)	YES	YES	YES
<ul style="list-style-type: none"> <li>• If Shut-In, give data and oil/gas/water rates of last production</li> </ul> <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: Rates:	Date: Rates:	Date: Rates:
	(EST) Date: Rates: 17 MCFD 0 BCPD 0 BWPD	(EST) Date: Rates: 68 MCFD 1.03 BCPD 0 BWPD	2/96 Date: Rates: 13 MCFD 2.5 BCPD 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 18 %	Oil: 29 % Gas 69 %	Oil: 71 % Gas 13 %

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 NM-03380

15. NMOC 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. Stakey* TITLE REGULATORY AFFAIRS REP DATE 4/25/96  
TYPE OR PRINT NAME PAMELA W. STAKEY TELEPHONE NO. ( 303 ) 830-5344

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator <b>TENNECO OIL COMPANY</b>			Lease <b>FLORANCE</b>		Well No. <b>66</b>
Unit Letter <b>0</b>	Section <b>18</b>	Township <b>27 North</b>	Range <b>8 West</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1060</b> feet from the <b>South</b> line and <b>1710</b> feet from the <b>East</b> line					
Ground Level Elev. <b>6279' ungraded</b>	Producing Formation <b>Basin Dakota</b>		Pool <b>Basin Dakota</b>	Dedicated Acreage: <b>E/2 320</b> 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 .....

If answer is "no," list the owners and tract descriptions which have actually 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.

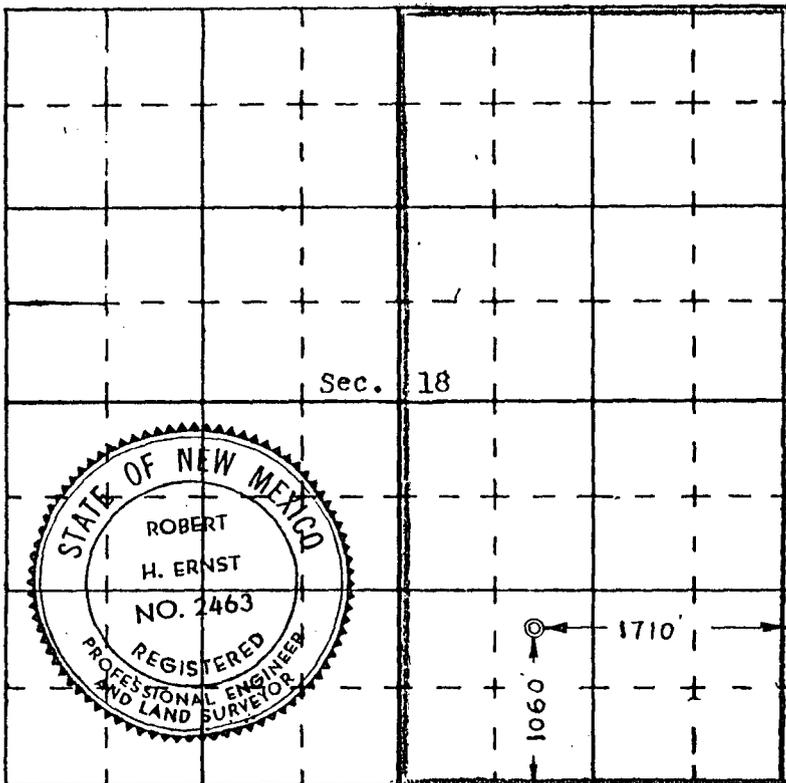
**CERTIFICATION**

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

*Harold C. Nichols*  
Name  
Harold C. Nichols  
Position  
Senior Production Clerk  
Company  
Tenneco Oil Company  
Date  
September 1, 1966

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.

14 July 1966  
Date Surveyed  
*Robert H. Ernst*  
Registered Professional Engineer  
and/or Land Surveyor  
**Robert H. Ernst**  
**N. Mex. PE & LS 2463**  
Certificate No. \_\_\_\_\_



Ernst Engineering Co.  
Durango, Colorado

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

96 FEB 20 PM 1:17

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-11829		2 Pool Code 82329		3 Pool Name Otero Chacra	
4 Property Code 518		4 Property Name Florance			4 Well Number 66
5 OGRID No. 000778		5 Operator Name Amoco Production Company			5 Elevation 6279'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	27N	8W		1060	South	1710	East	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
					Signature <i>Patty Haefele</i> Patty Haefele	
					Printed Name Staff Assistant	
				Title Staff Assistant		
				Date 2/18/96		
				Date		
				18 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 belief.		
				Date of Survey 7/14/66		
				Signature and Seal of Professional Surveyor:		
				ACCEPTED FOR RECORD on file MAR 06 1996 2463		
				Certificate No. 2463		
				FARMINGTON DISTRICT OFFICE		
				BY <i>[Signature]</i>		

OPERATOR

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
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OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

RECEIVED  
 MAIL ROOM  
 96 JAN 10 PM 12:38

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number 30-045-11829		' Pool Code 72319		' Pool Name Blanco Mesaverde	
' Property Code 518		' Property Name Florance			' Well Number 66
' OGRID No. 000778		' Operator Name Amoco Production Company			' Elevation 6279'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	27N	8W		1060	South	1710	East	San Juan

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

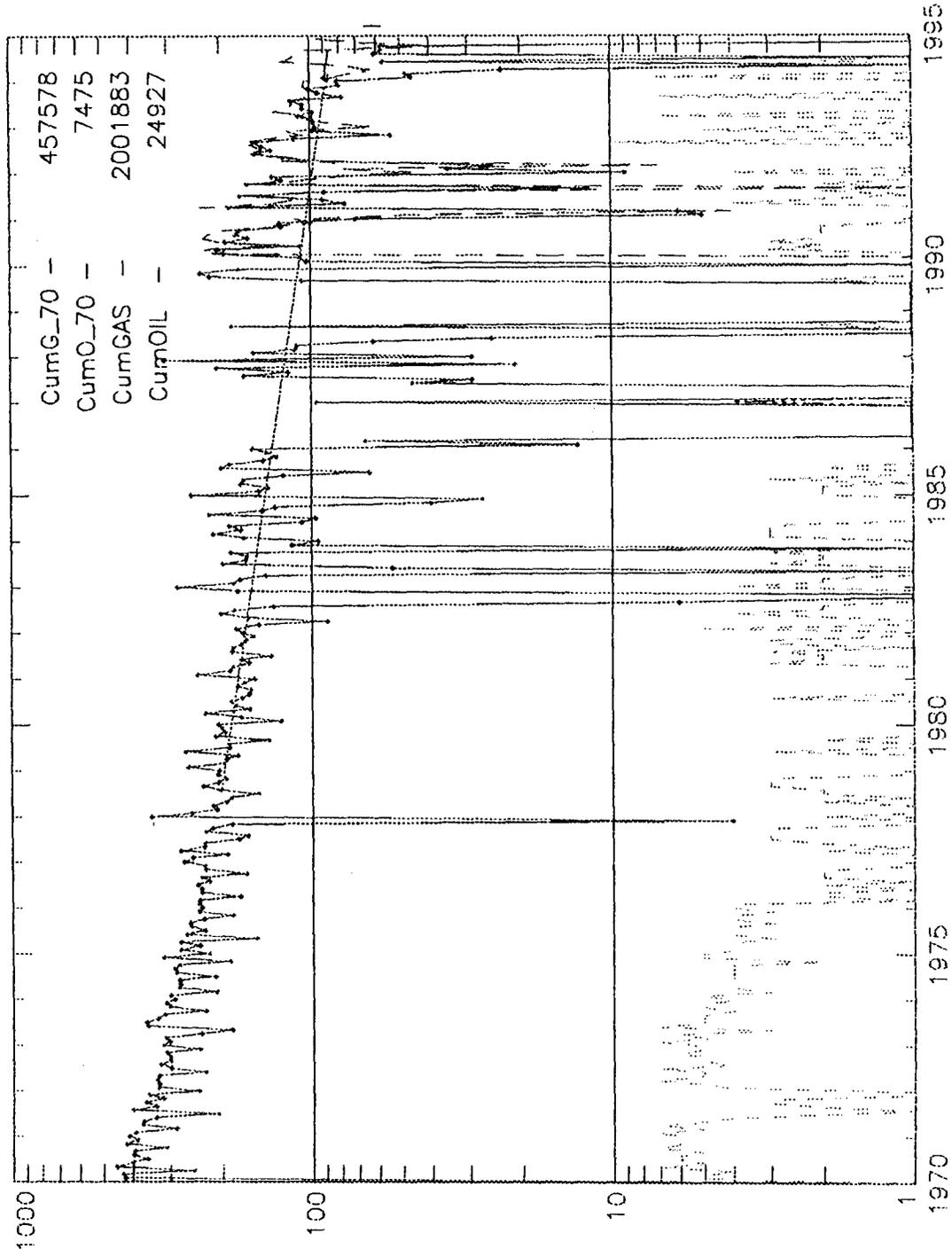
' Dedicated Acres 320	' Joint or Infill	' Consolidation Code	' Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature <u>Patty Haefele</u> Printed Name <u>Patty Haefele</u> Title <u>Staff Assistant</u> Date <u>1/9/96</u>
				18 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 belief.  <u>7/14/66</u> Date of Survey Signature and Seal of Professional Surveyer:  Certificate Number <u>2463</u>

Engr: zrar06

FLORANCE 66  
300451182900DK 0182708-066 DK Operator- AMCCO PRODUCTION CO  
APC\_WI - 1.00000000



**OFFSET WELLS USED TO ESTIMATE PRODUCTION ALLOCATIONS**

**MESAVERDE OFFSETS**

Florance D LS 12	B-19-27-8	73 MCFD	0.8 BOPD
Florance LS 4	K-18-27-8	64 MCFD	0.6 BOPD
Florance D LS 11	G-18-27-8	66 MCFD	1.7 BOPD
	Average	68 MCFD	1.03 BOPD

**CHACRA OFFSETS**

John Charles	I-13-27-9	11 MCFD	0.0 BOPD
Florance LS 4A	D-18-27-8	22 MCFD	0.0 BOPD
	Average	17 MCFD	0.0 BOPD

**OFFSET OPERATORS**

**Florance 66**

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