



OIL CONSERVATION DIVISION
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1257
Southern

Rockies

Business

Unit

April 4, 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
Jack Frost B#2E Well
Unit H Section 27-T27N-R10W
Angels Peak Gallup (Pool IDN 2170) and Basin Dakota (Pool IDN 71599) Pools
San Juan County, New Mexico

Enclosed please find an administrative application form (Form C-107-A) and attachments for downhole commingling for the captioned well. No offset operators are being noticed as Amoco is the only offset operator.

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

Sincerely,


Pamela W. Staley

Enclosures

cc: Steve Webb
Gail Jefferson
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

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 Jack Frost B	2E	Address H-27-27N-10W	San Juan
Lease	Well No.	Unit Ltr. - Sec Twp - Rge	County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 000563 API NO. 3004524100 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	ANGELS PEAK GALLUP 2170		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	5598 - 5895'		6441' - 6638'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure	a. (Current) 980 PSI	a.	a. 864 PSI
Oil Zones - Artificial Lift: Estimated Current			
Gas & Oil - Flowing: Measured Current	b. (Original) 1110 PSI	b.	b. 2304 PSI
All Gas Zones: Estimated or Measured Original			
6. Oil Gravity (° API) or Gas BTU Content	1190 BTU		1267 BTU /53.5 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: 1/96 Rates: 29 MCFD 2.27 BCPD 0 BWPD	Date: Rates:	Date: 1/96 Rates: 61 MCFD 0.6 BCPD 3 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 79 % Gas 32 %	Oil: % Gas %	Oil: 21 % Gas 68 %

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)

15. 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-077951-A

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 4/4/96
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

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

RECEIVED

AUG 31 1981

Operator AMOCO PRODUCTION COMPANY		Lease JACK FROST "B"		Well No. SURVEY 28
Unit Letter H	Section 27	Township 27N	Range 10W	County San Juan

U. S. GEOLOGICAL SURVEY
WASHINGTON, D. C.

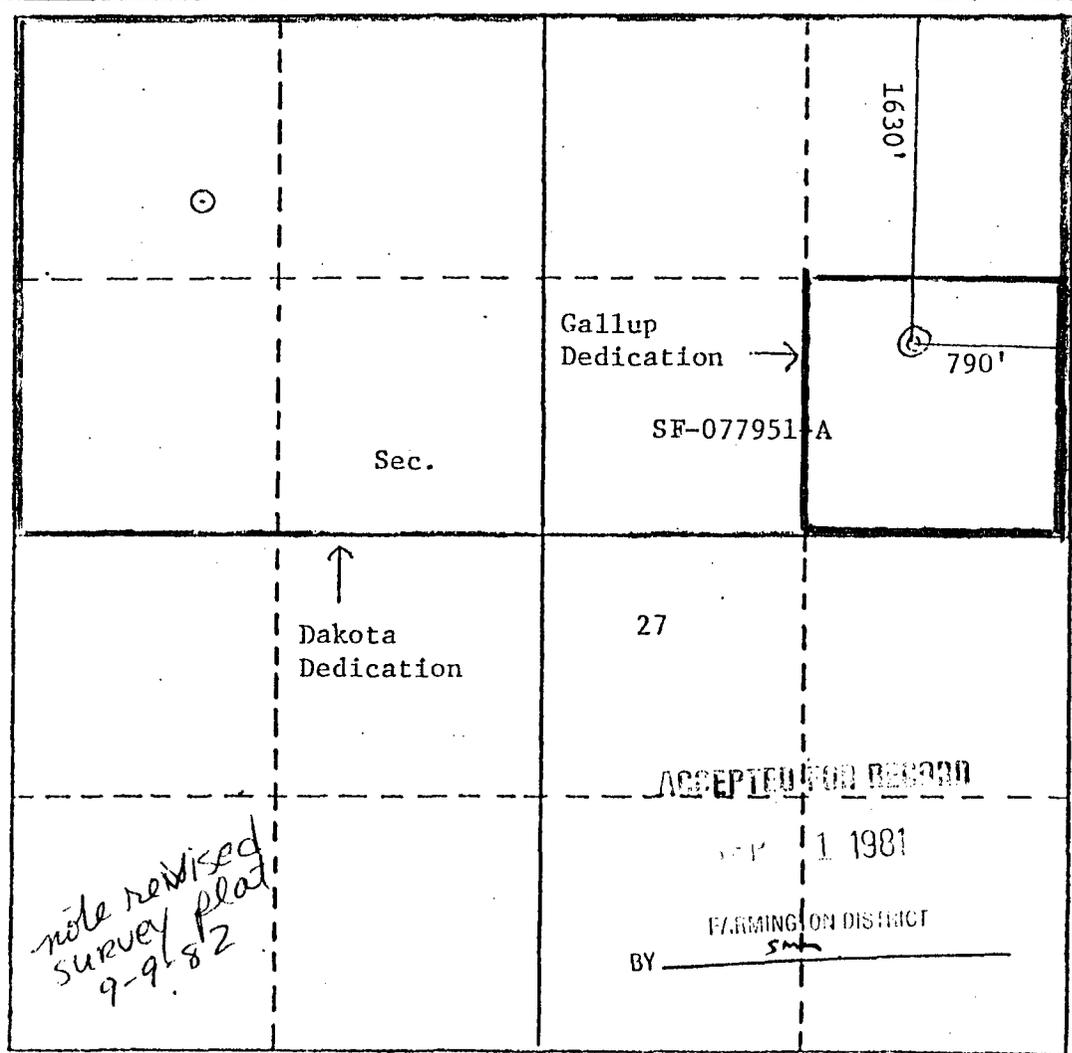
Actual Footage Location of Well:
1630 feet from the **North** line and **790** feet from the **East** line
 Ground Level Elev. **6220' G.L.** Producing Formation **Gallup/Dakota** Pool **Angels Peak Gallup/Basin Dakota** Dedicated Acreage: **40/320** Acres

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 Jointly owned acreage - all owners approved drilling of well.

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 Division.



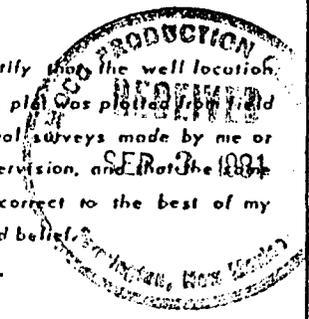
CERTIFICATION

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

Original Signed By

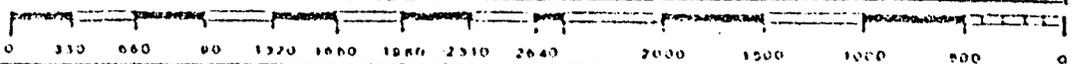
Name	W. L. Peterson
Position	DISTRICT ENGINEER
Company	AMOCO PRODUCTION COMPANY
Date	AUGUST 28, 1981

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 location is true and correct to the best of my knowledge and belief.



Date Surveyed	February 21, 1980
Registered Professional Engineer and/or Land Surveyor	Original Signed By: Fred B. Kerr, Jr.
Certificate No.	3950

OPERATOR



OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 7088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section

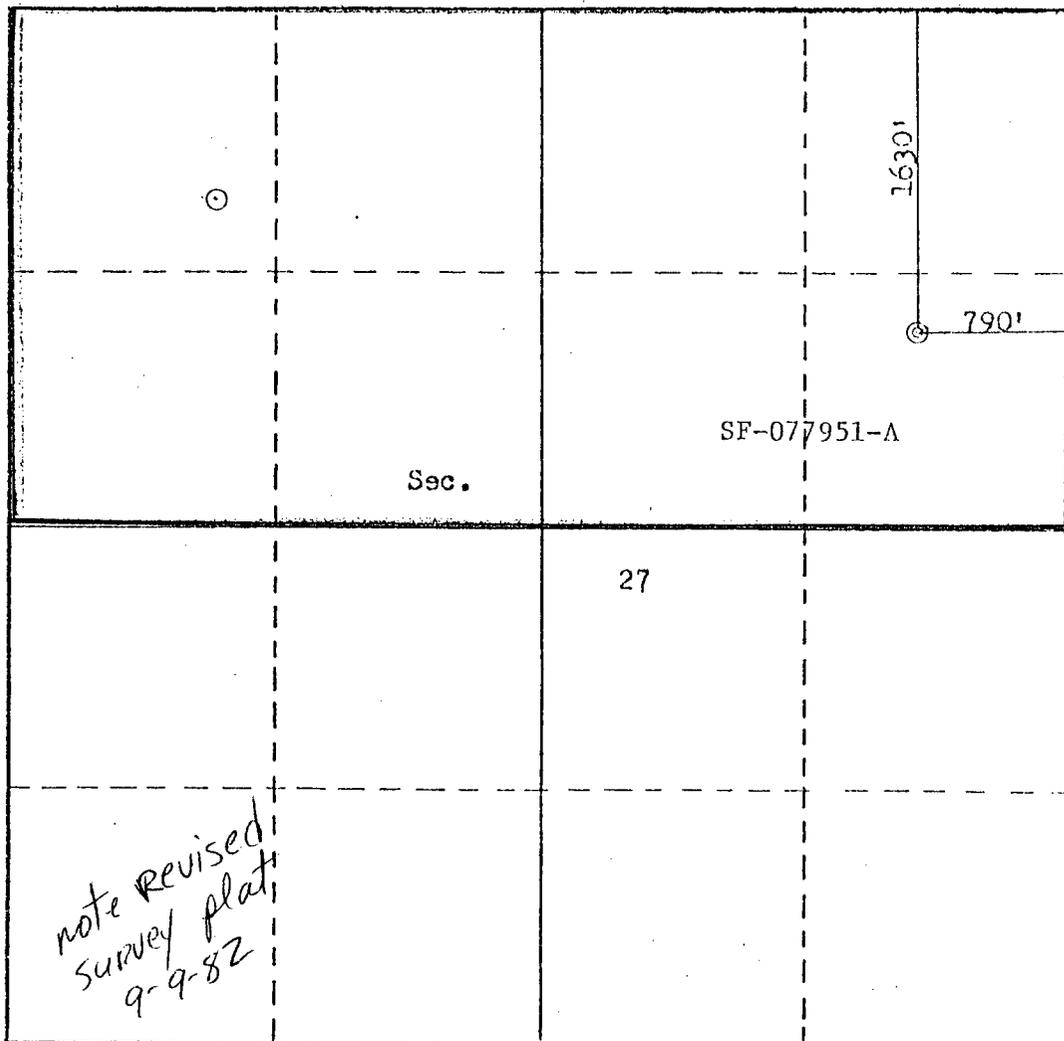
Operator AMOCO PRODUCTION COMPANY			Lease JACK FROST "B"		Well No. 2-E
Unit Letter H	Section 27	Township 27N	Range 10W	County San Juan	
Actual Postage Location of Well: 1630 feet from the North line and 790 feet from the East line					
Ground Level Elev. 6220	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: 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 Jointly owned acreage - all owners approve drilling of well.

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

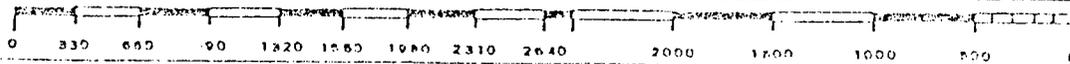
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

R. E. Fackrell

Name R. E. FACKRELL
Position DISTRICT ENGINEER
Company AMOCO PRODUCTION COMPANY
Date FEBRUARY 26, 1980

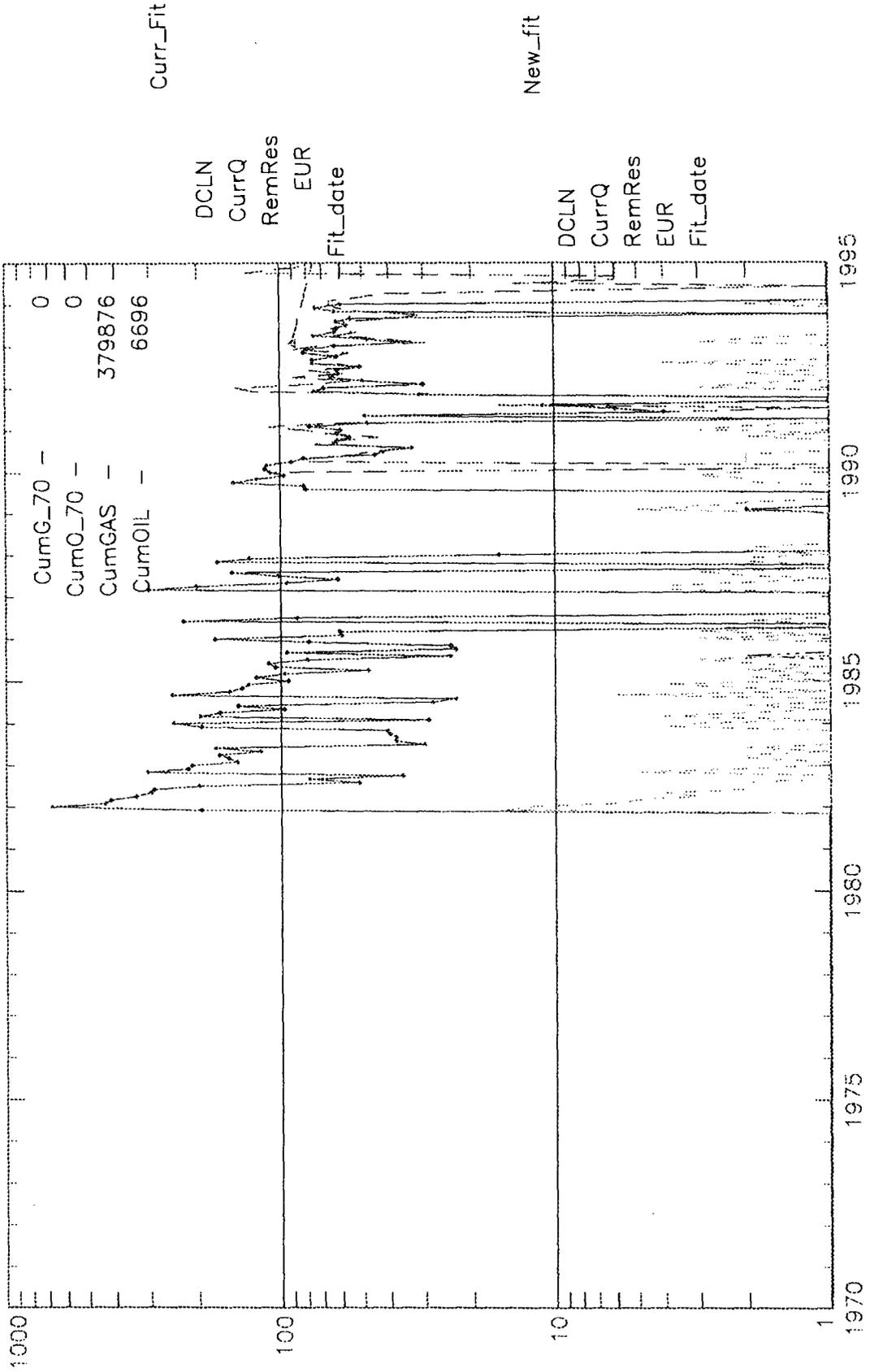
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed February 21, 1980
Registered Professional Engineer and/or Land Surveyor <i>[Signature]</i>
Certificate No. 3250



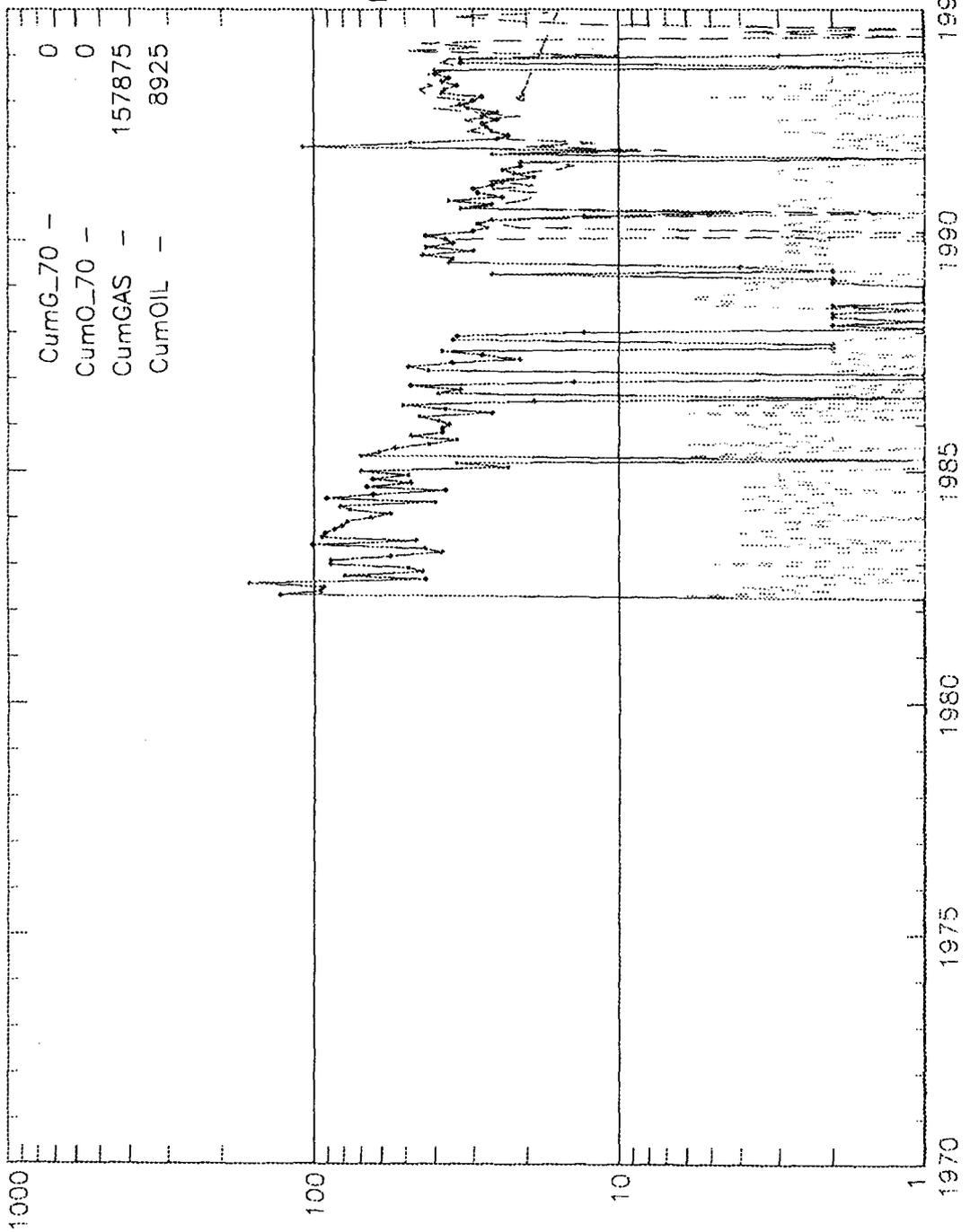
Engr: zdws22

JACK FROST B 2E
300452437200DK H272710-002EDK
Operator- AMOCO PRODUCTION CO
APC_WI - 0.62500000



Engr: zdws22

JACK FROST B 2E
300452437200GP H272710-002EGP
Operator- AMOCO PRODUCTION CO
APC_WI - 0.62500000





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

April 25, 1996

IN REPLY REFER TO:

SF-077951-A
3162.3-2 (07327)

Pamela W. Staley
Amoco Production Company
P.O. Box 800, 1670 Broadway
Denver, Colorado 80201

Dear Ms. Staley:

We have reviewed your application to commingle production downhole from the Angels Peak Gallup and the Basin Dakota Pools in the following well:

**Jack Frost "B" #2E
1630' FNL, 790' FEL, Section 27, T-27N, R-10W
San Juan County, New Mexico**

The acreage dedicated to this well contains portions of Federal Lease SF-077951-A. There are no Communitization Agreements for production from this well. Production profiles from both formations were analyzed to determine if future allocation based on percentages would be equitable. Both formations have been declining at similar rates for the past year. Your Application and allocation method, are hereby approved as submitted, effective the date that actual commingling occurs. Approved allocation factors are:

Formation	Gas	Condensate
Angels Peak Gallup	32%	79%
Basin Dakota	68%	21%

If you have any questions regarding this correspondence, please contact Ray Hager at (505) 599-6366.

Sincerely,

/s/ Duane Spencer

Duane Spencer
Team Lead, Petroleum Management

bcc:

New Mexico Oil Conservation Division, Santa Fe
New Mexico Oil Conservation Division, Aztec
07327:RHager: 04/25/96 :x366:frost.ltr

AIRS
DOM Reader

Well File (SF-077951-A, Frost "B" #2E, 1630 FSL, 790 FEL, Section 27, T-27N, R-10W) W/Application