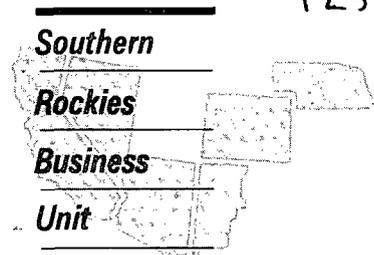


DHC 5-1-96
1259



April 10, 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
Jicarilla C #2E Well
Unit I Section 14-T26N-R5W
Basin Dakota and Blanco Mesaverde Pools
Rio Arriba County, New Mexico**

Enclosed please find an administrative application form (C-107-A) and attachments for downhole commingling for the captioned well. Interests are common, and Amoco is the only offset operator in these formations so no notice is being given.

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

Sincerely,

Pamela W. Staley

Enclosures

- cc: Steve Smethie
- Patty Haeefe
- Wellfile
- Proration file

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

Robert Kent
Bureau of Land Management
435 Montano NE
Albuquerque, NM 87107

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
 Jicarilla /C/ 2E Unit I Section 14-T26N-R5W Rio Arriba
 Lease Well No. Unit Ltr. - Sec Twp - Rge County
 Spacing Unit Lease Types: (check 1 or more)
 OGRID NO. 000778 Property Code 000734 API NO. 3003922314 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	BLANCO MESAVERDE 72319		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	4974' - 5295'		7484' - 7684'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated or Measured Original	a. (Current) 499 PSI	a.	a. 886 PSI
	b. (Original) 1323 PSI	b.	b. 3056 PSI
6. Oil Gravity (° API) or Gas BTU Content	1214 BTU		1205 BTU
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		NO
• If Shut-in, give data and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: Rates:
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 2/96 Rates: 92 MCFD 0.01 BCPD 0.25 BWPD	Date: Rates:	Date: 2/96 Rates: 105 MCFD 0.53 BCPD 0.01 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 2 % Gas 47 %	Oil: % Gas %	Oil: 98 % Gas 53 %

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 JICARILLA C (JICARILLA 108 LEASE)
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 4/9/96
 TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

All distances must be from the outer boundaries of the Section

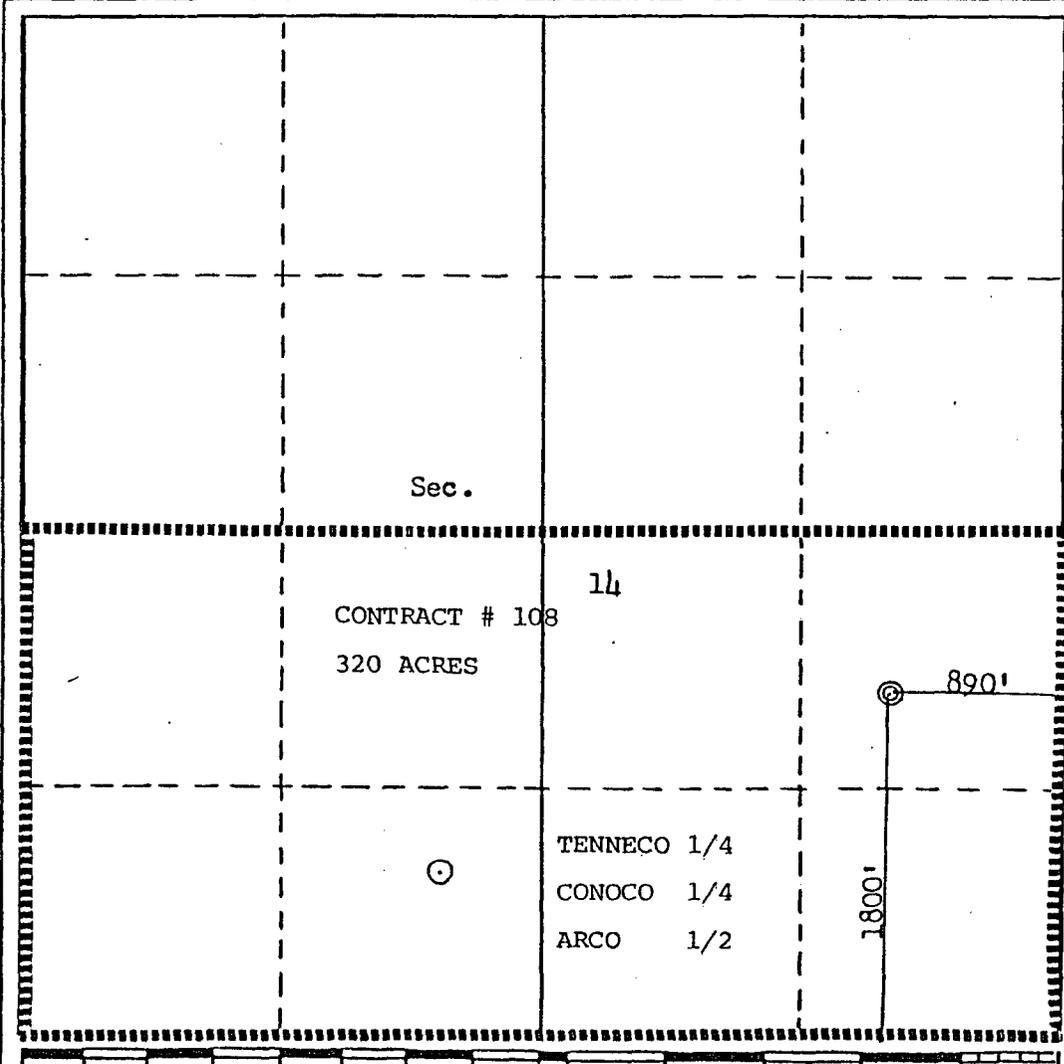
Operator TENNECO OIL COMPANY		Lease JICARILLA "C"		Well No. 2 E	
Unit Letter I	Section 14	Township 26N	Range 5W	County Rio Arriba	
Actual Footage Location of Well: 1800 feet from the South line and 890 feet from the East line					
Ground Level Elev. 6713	Producing Formation Dakota /Mesa Verde		Pool Basin Dakota/Blanco Mesa Verde	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 _____

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.

M. L. Freeman
Name

M. L. FREEMAN
Position

Staff Production Analyst

Tenneco Oil Company
Company

February 1, 1980
Date

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
October 28, 1979

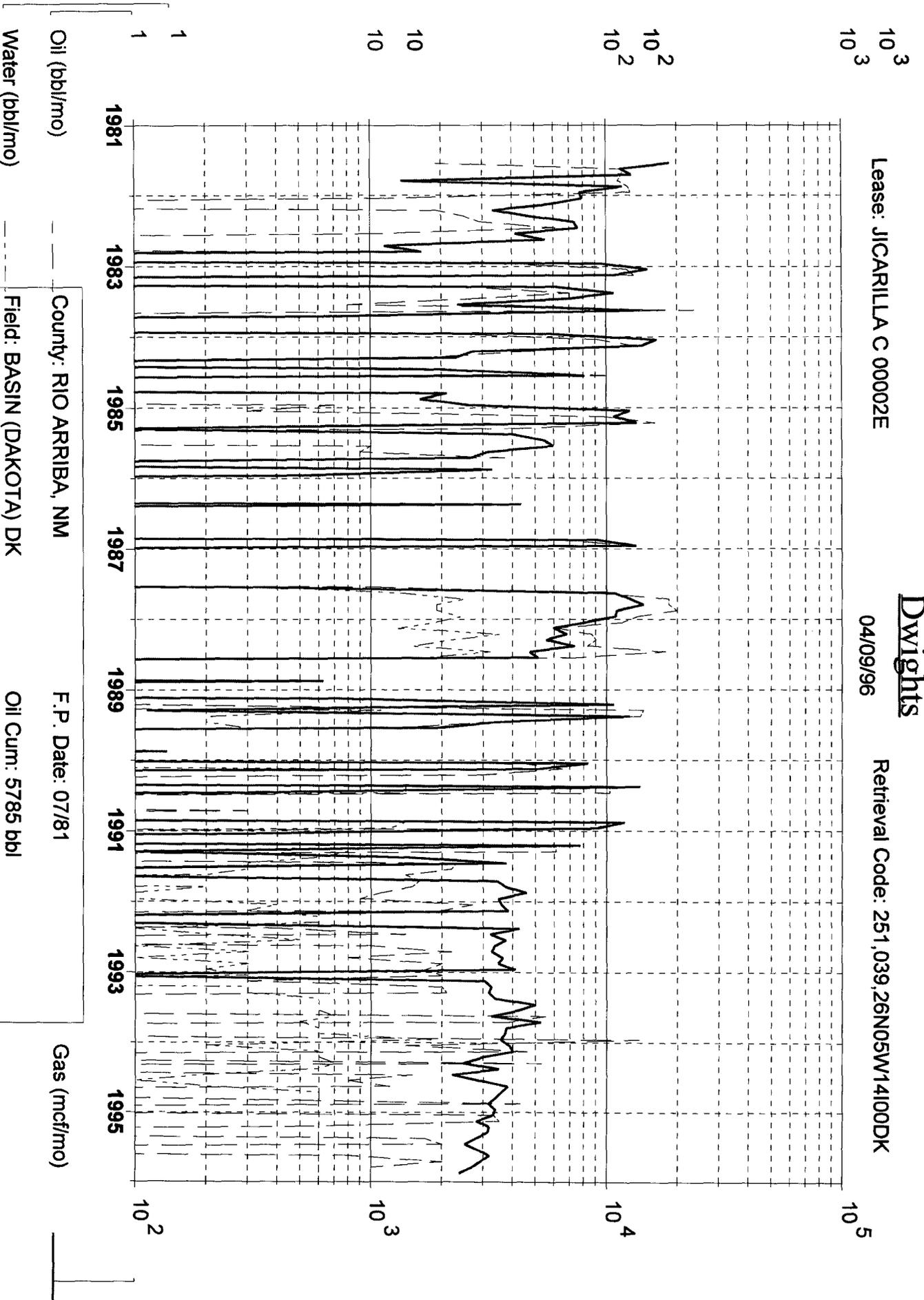
Registered Professional Engineer
and/or Land Surveyor
Frederick B. ...
Frederick B. ...
Certification No. ...

Dwights

Lease: JICARILLA C 00002E

04/09/96

Retrieval Code: 251,039,26N05W14100DK



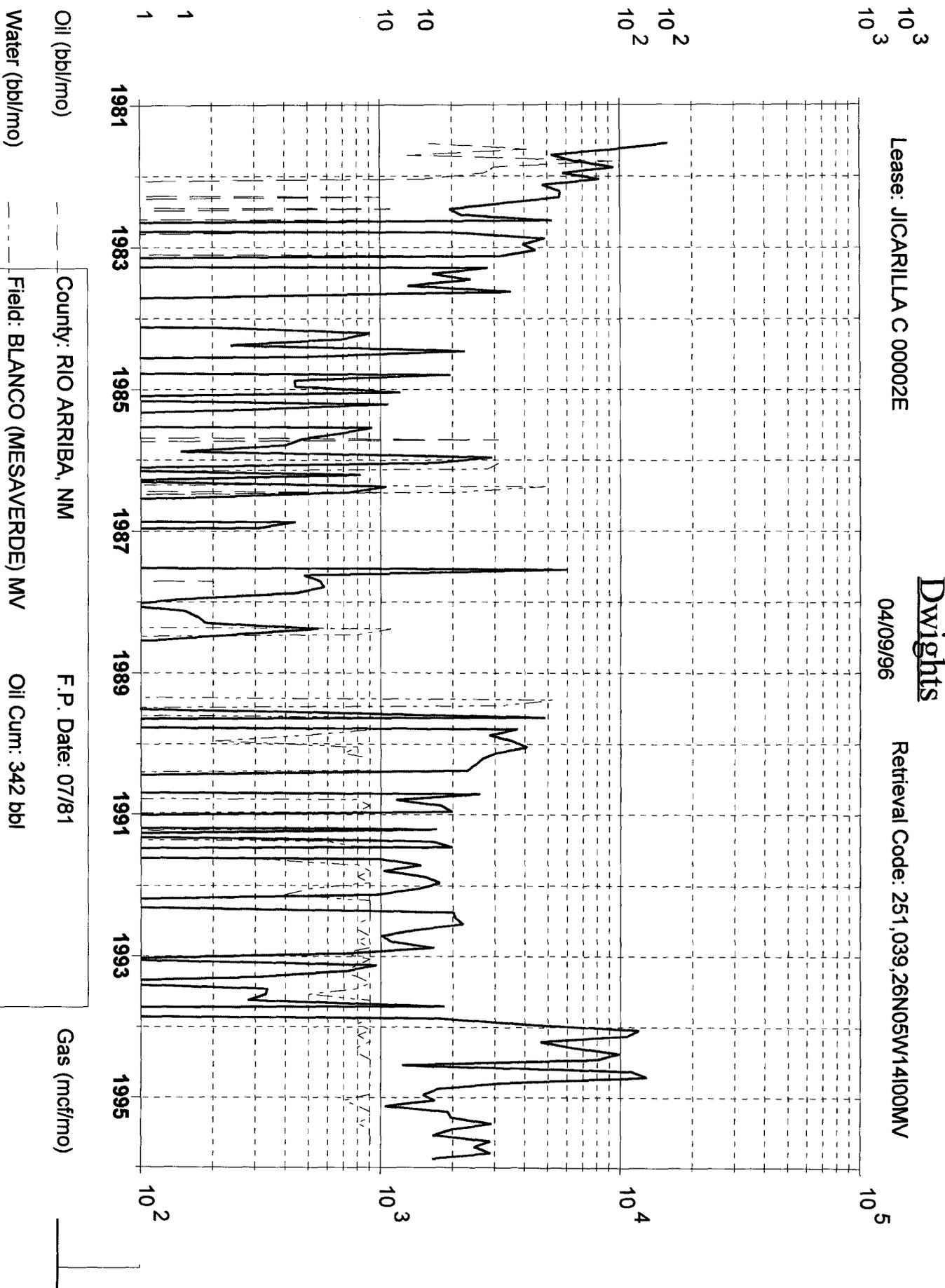
County: RIO ARRIBA, NM
Field: BASIN (DAKOTA) DK
Reservoir: DAKOTA
Operator: AMOCO PRODUCTION CO

F.P. Date: 07/81
Oil Cum: 5785 bbl
Gas Cum: 693.5 mmcf
Location: 141 26N 5W

Lease: JICARILLA C 00002E

Dwights
04/09/96

Retrieval Code: 251,039,26N05W14100MV



County: RIO ARRIBA, NM F.P. Date: 07/81
Field: BLANCO (MESAVERDE) MV Oil Cum: 342 bbl
Reservoir: MESAVERDE Gas Cum: 330.4 mmcf
Operator: AMOCO PRODUCTION CO Location: 141 26N 5W