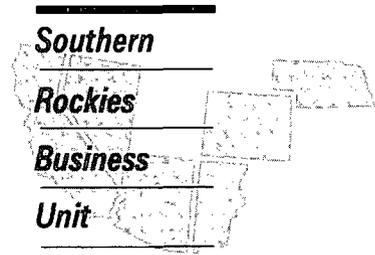




OIL CONSERVATION DIVISION
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April 11, 1996

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 Contract 148 #26 Well
Unit H Section 14-T25N-R5W
Otero Chacra and South Blanco Pictured Cliffs 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. 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: Steve Smethie
Patty Haefele
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 87410-1993

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
 YES NO

Amoco Production Company P.O. Box 800 Denver, CO 80201
 Operator Address
 Jicarilla Contract #148 26 Unit H Section 14-T25N-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 000740 API NO. 3003922566 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	SOUTH BLANCO PICTURED CLIFFS 72439		OTERO CHACRA 82329
2. Top and Bottom of Pay Section (Perforations)	3186' - 3214'		4072' - 4092'
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	a. (Current) 350 PSI	a.	a. 792 PSI
	b. (Original) 1022 PSI	b.	b. 1022 PSI
6. Oil Gravity (° API) or Gas BTU Content	1020 BTU		1230 BTU
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	NO		YES
• If Shut-In, give data and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small> • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: 3/96 116 MCFD 0 BCPD 0.25 BWPD	Date: Rates:	Date: Rates: 3/96 20 MCFD 0.01 BCPD 0.00 BWPD
	Oil: 0 % Gas 85 %	Oil: % Gas %	Oil: 100 % Gas 15 %

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 CONTRACT #148
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 3/25/96
 TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

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

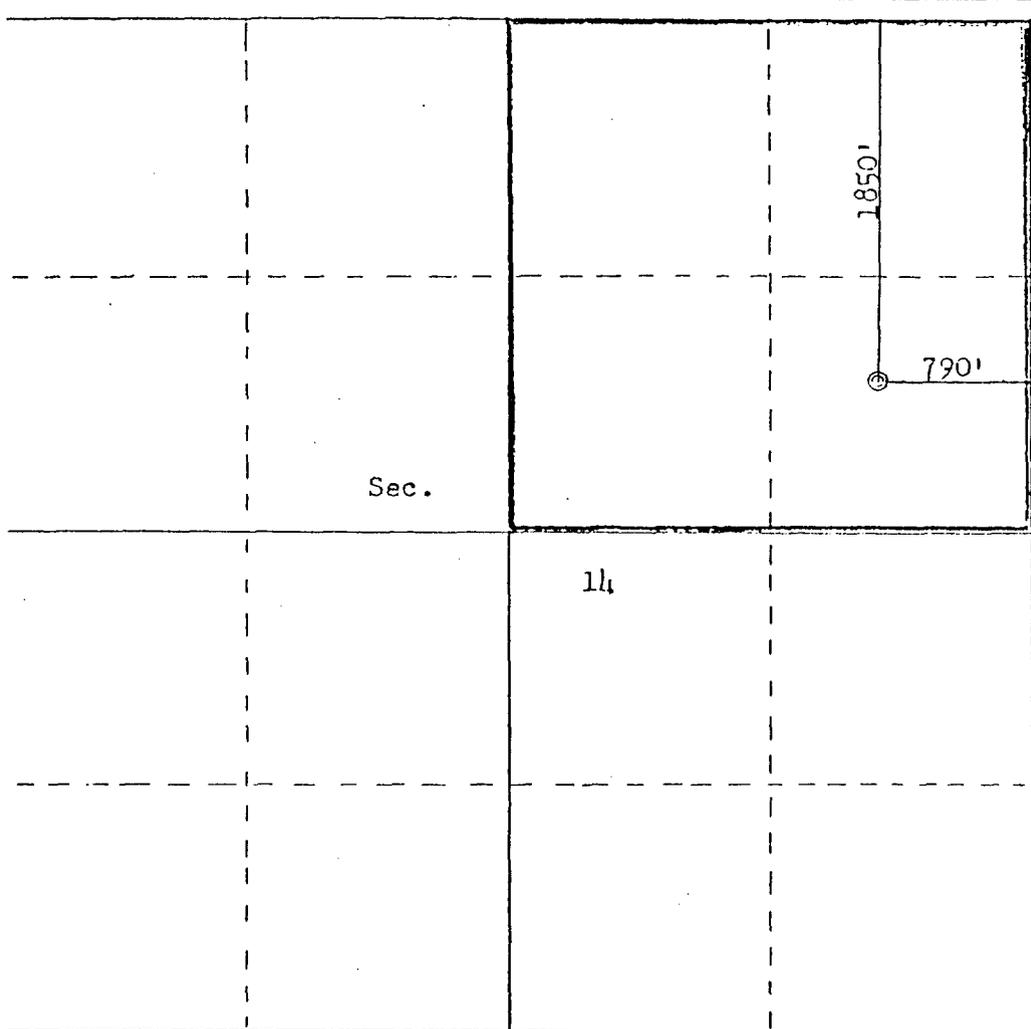
Lessor AMOCO PRODUCTION COMPANY		Lease JICARILLA CONTRACT 148		Well No. 26
Initial Letter H	Section 14	Township 25N	Range 5W	County Rio Arriba
Actual Footage Location of Well:				
1850	feet from the North	line and	790	feet from the East line
Ground Level Elev: 6930	Producing Formation Pictured Cliffs/Chacra	Pool So. Blanco Pictured Cliffs/ Otero Chacra		Dedicated Acreage: 160 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.



Scale: 1"=1000'

CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	<i>R. A. Downey</i> R. A. DOWNEY
Position	DISTRICT ENGINEER
Company	AMOCO PRODUCTION COMPANY
Date	SEPTEMBER 11, 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	July 30, 1980
Registered Professional Engineer and Land Surveyor <i>Fred B. Keitt Jr.</i> Fred B. Keitt Jr.	
Certification No. 3950	

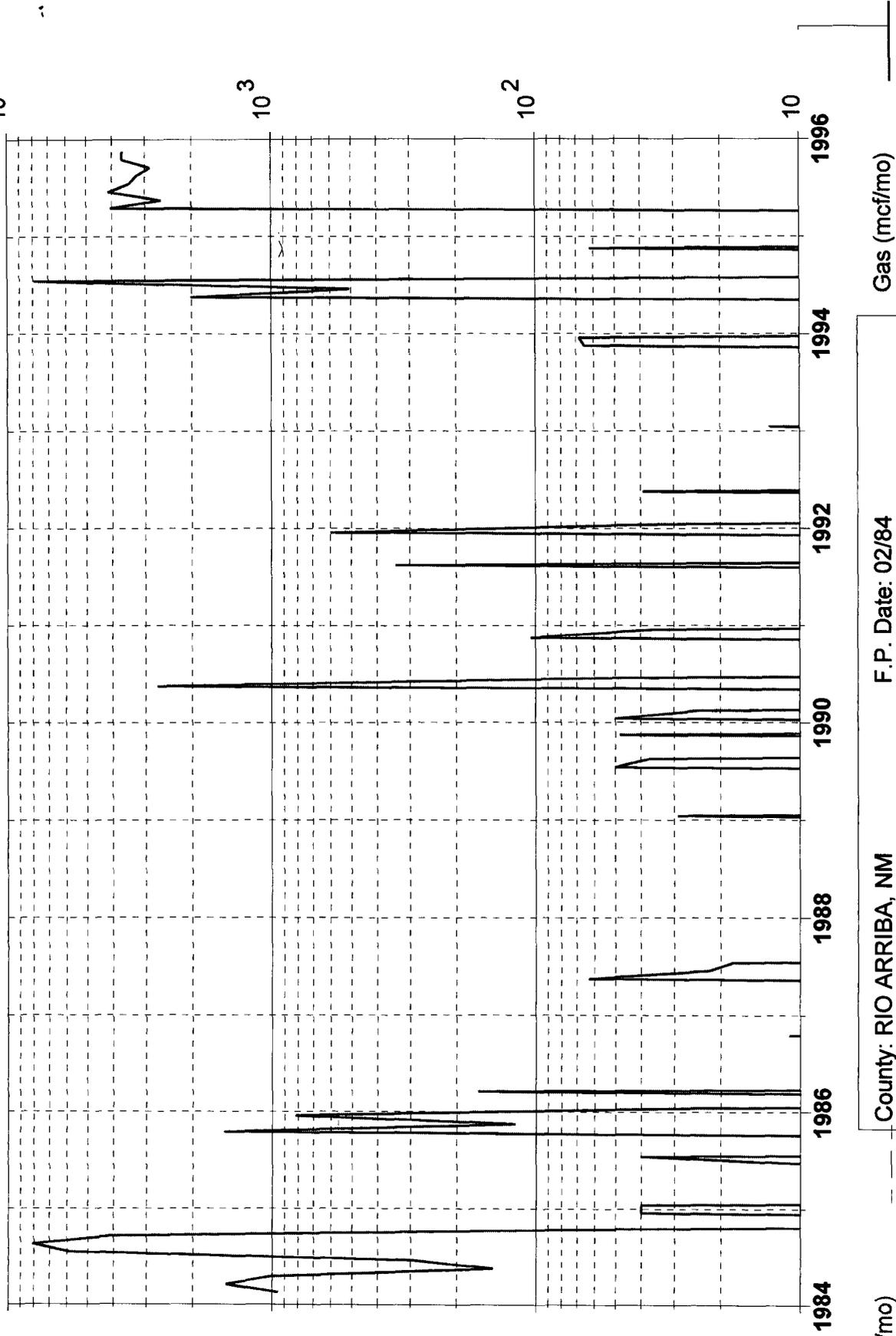
Dwights

Lease: JICARILLA CONTRACT 148 000026

Retrieval Code: 251,039,25N05W14H00PC

04/09/96

10^3
 10^3
 10^2
 10^2
10
10
1
1



Oil (bbl/mo) County: RIO ARRIBA, NM F.P. Date: 02/84
Water (bbl/mo) Field: BLANCO SOUTH (PICTURE CLIFF Oil Cum: 0 bbl
Gas (mcf/mo) Reservoir: PICTURE CLIFFS Gas Cum: 67.08 mmcf
Operator: AMOCO PRODUCTION CO Location: 14H 25N 5W

Dwights

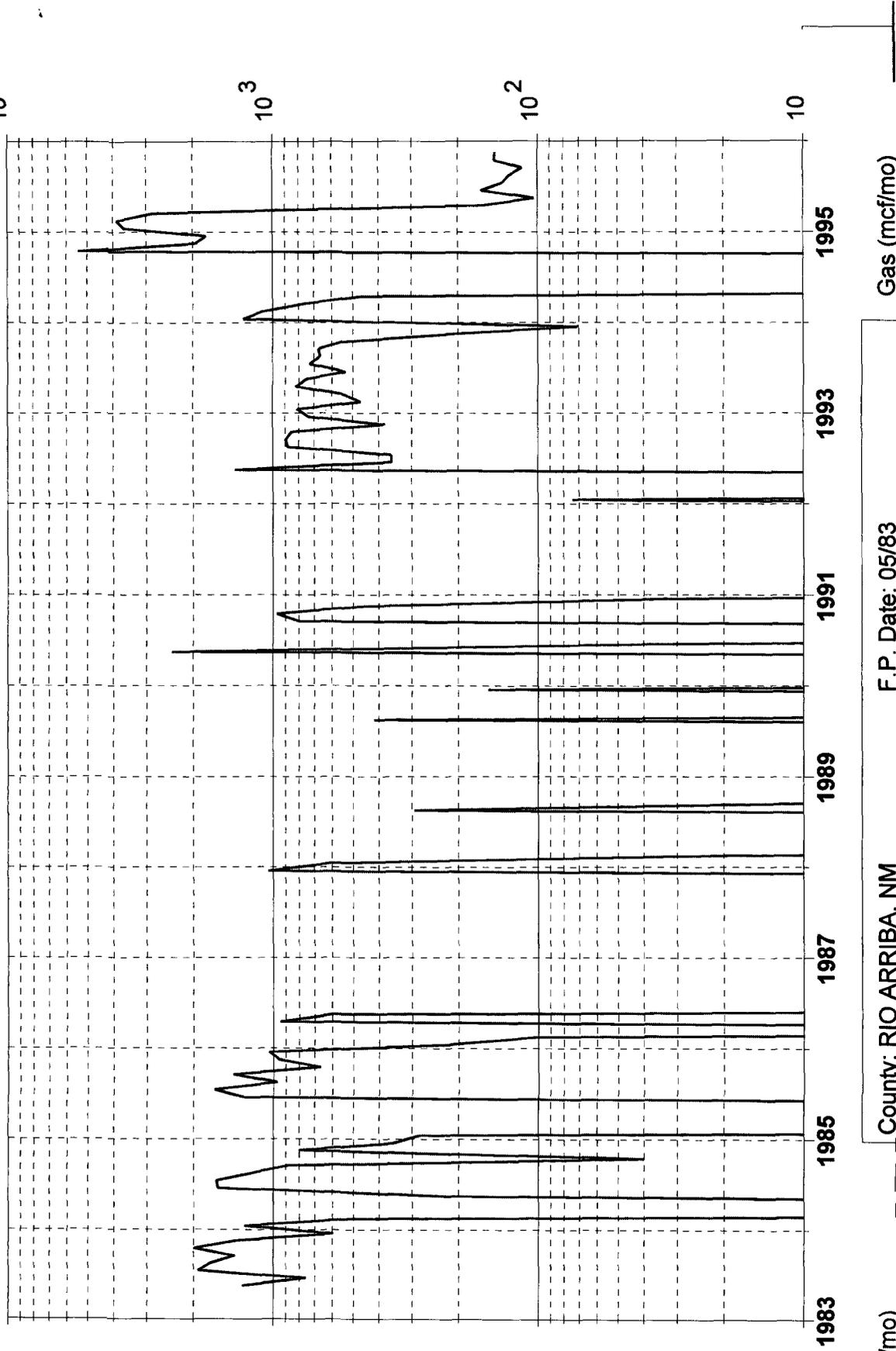
Lease: JICARILLA CONTRACT 148 000026

Retrieval Code: 251,039,25N05W14H00CK

04/09/96

10^3
 10^3

10^4



Oil (bbbl/mo)

Gas (mcf/mo)

Water (bbbl/mo)

County: RIO ARRIBA, NM

F.P. Date: 05/83

Field: OTERO (CHACRA) CK

Oil Cum: 0 bbl

Reservoir: CHACRA

Gas Cum: 73.69 mmcf

Operator: AMOCO PRODUCTION CO

Location: 14H 25N 5W

OFFSET OPERATORS
JICARILLA CONTRACT 148 #26

Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705

Amerada Hess Corp.
P.O. Box 2040
Tulsa, OK 74102

Texaco E&P Inc.
P.O. Box 2100
Denver, Colorado 90201

Merit Energy Corporation
12222 Merit Drive, Suite 1500
Dallas, Texas 75251