



DHC 4.29.96

PCO 4-8-96

Southern

Rockies

Business

Unit

DHC-1268

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
Jicarilla /B/ 8M Well
Unit C Section 15-T26N-R5W
Blanco Mesaverde and Basin Dakota 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.

Should you have 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

Jic 148 26
JIC B 3
Jic C 2E
Staley D 1M

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

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

2040 S. Pacheco
Santa Fe, New Mexico 87505-8429

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 /B/ 8M Unit C Section 15-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 000733 API NO. 3003922300 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) | 4930' - 5441' | | 7396' - 7604' |
| 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) 996 PSI b. (Original) 1452 PSI | a. b. | a. 1340 PSI b. 3400 PSI |
| 6. Oil Gravity (° API) or Gas BTU Content | 1241 BTU | | 1196 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: 40 MCFD 0.05 BCPD 0.01 BWPD | Date: Rates: | Date: 2/96 Rates: 60 MCFD 0.25 BCPD 0.11 BWPD |
| 8. Fixed Percentage Allocation Formula -% for each zone | Oil: 17 % Gas 40 % | Oil: % Gas % | Oil: 83 % Gas 60 % |

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 B (JICARILLA 109 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 4/3/96
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

JICARILLA B 8M

Operator - AMOCO PRODUCTION CO

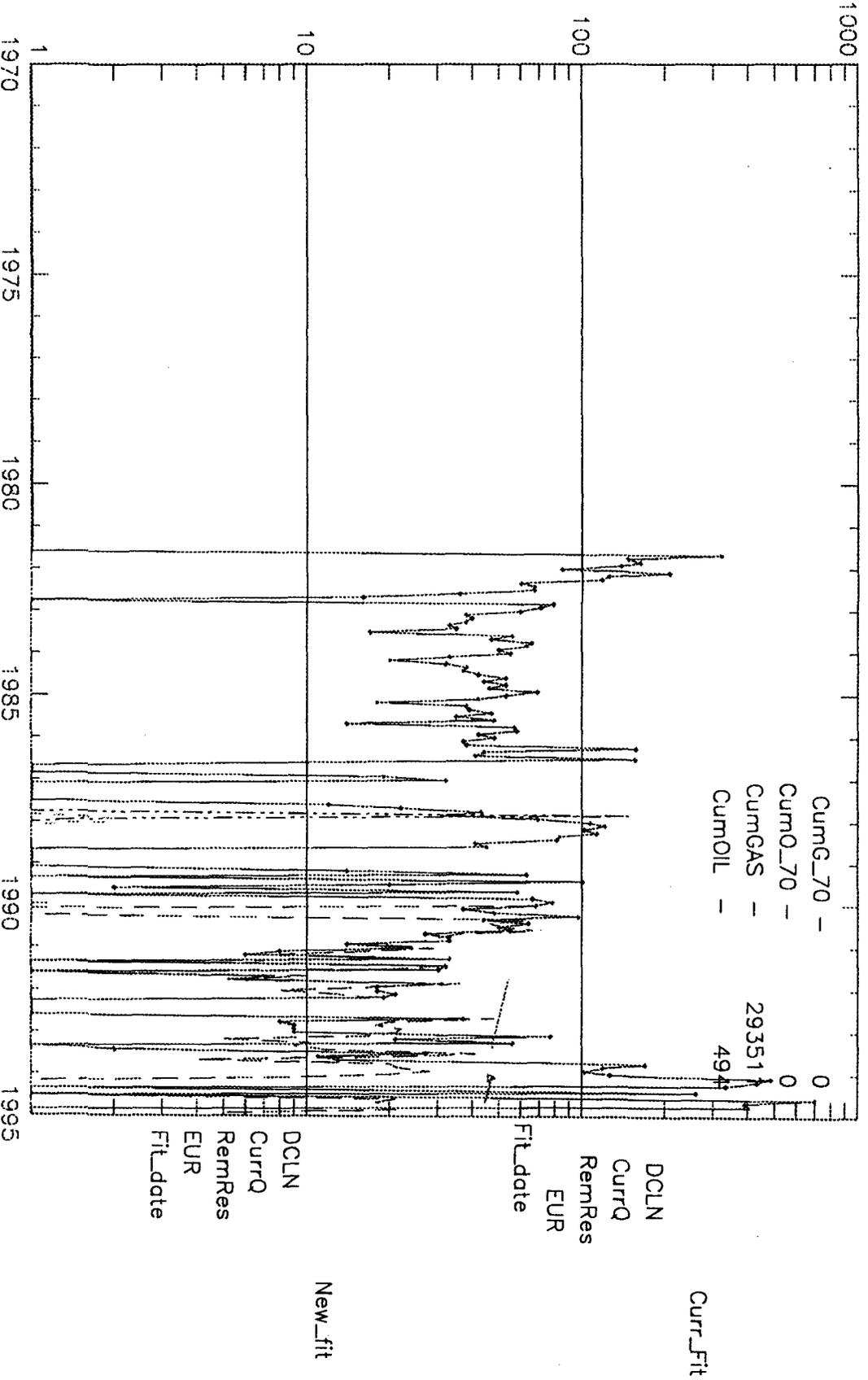
Engr: zhab0b

300392230000MV

C152605-008MMV

APC_WI -

0.75000000



Engr: zhab0b

JICARILLA B 8M

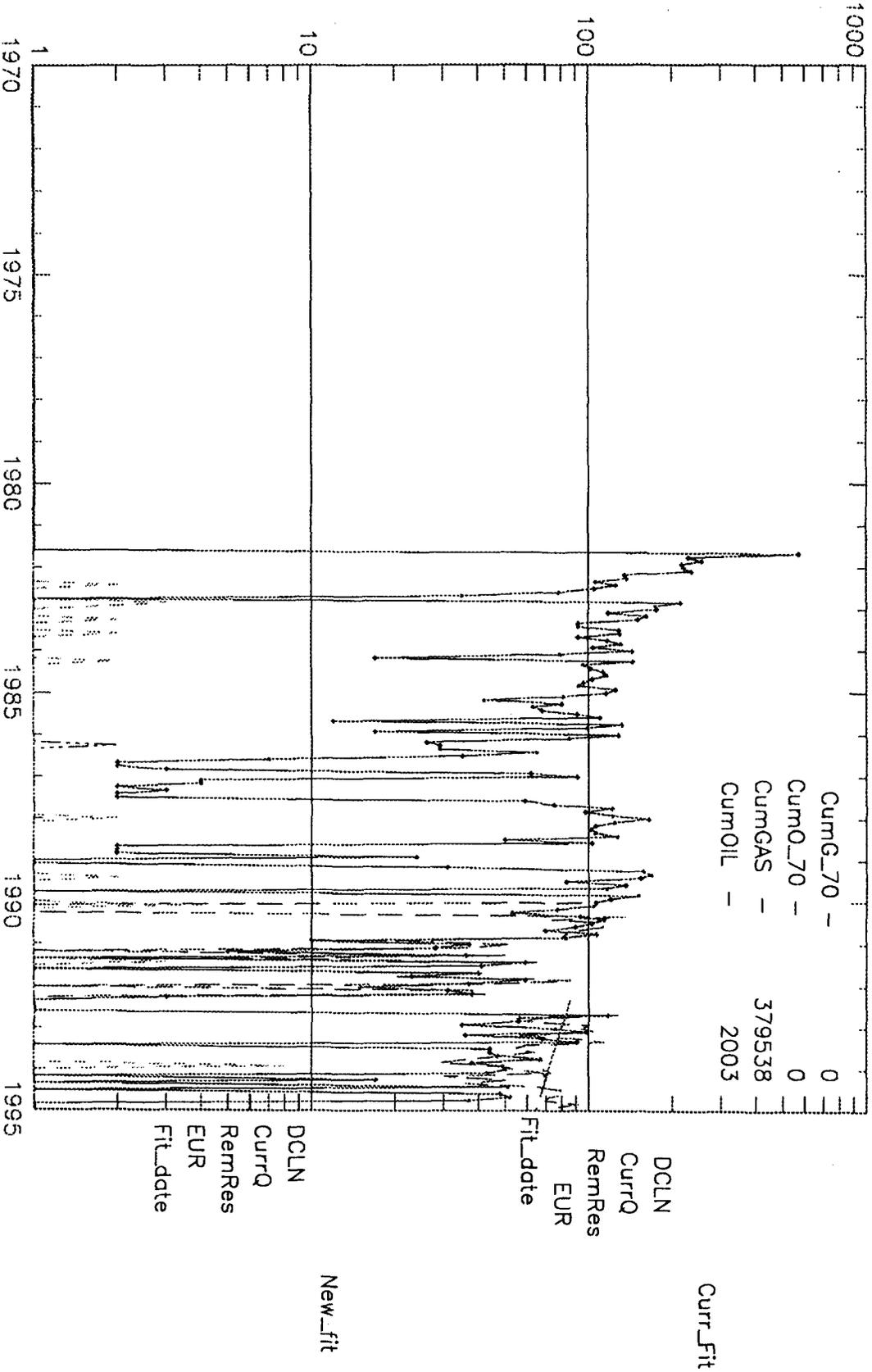
Operator - AMOCO PRODUCTION CO

300392230000DK

C152605-008MDK

APC_WI -

0.75000000



LIST OF OFFSET OPERATORS

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

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

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

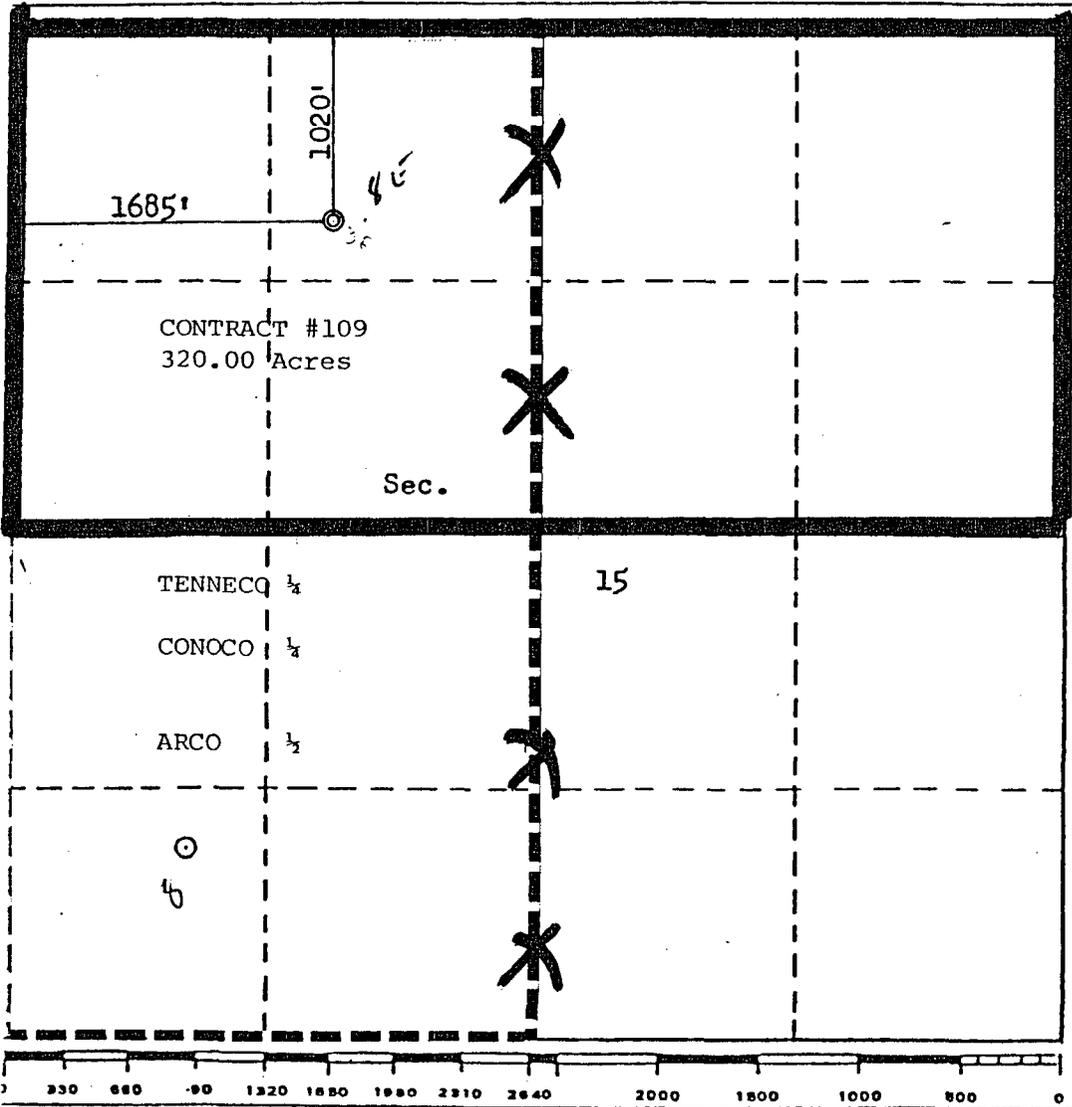
| | | | | | |
|-------------------------------------------------|--------------------------------------|--------------------------------------------|-------------------------------------------|-----------------------------|-----------------------|
| Operator TENNECO OIL COMPANY | | | Lease JICARILLA "B" | | Well No. 85 |
| Well Letter C | Section 15 | Township 26N | Range 5W | County Rio Arriba | |
| Actual Footage Location of Well: | | | | | |
| 1020 feet from the North line and | | 1685 feet from the West line | | | |
| Ground Level Elev. 6632 | Producing Formation Dakota | Pool Blanco M ✓ Basin Dakota | Dedicated Acreage: 320.00 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**
 Staff Production Analyst
 Position
Tenneco Oil Company
 Company
December 27, 1979
 Date
 Date
October 27, 1979
 Registered Professional Engineer
 and/or Land Surveyor
Fred B. Kerr, Jr.
 Fred B. Kerr, Jr.
 Certificate No. **3950**

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.