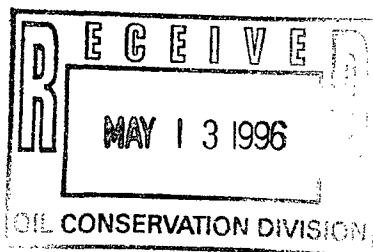




May 8, 1996



ΔHC 6/3/96
Southern

Rockies

Business

Unit

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505

1269

Application for Exception to Rule 303-C - Downhole Commingling
Michener #2 Well
Unit P Section 33-T28N-R9W
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 Haefele
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
Michener

2

Address
P-33-28N-9W

San Juan

Lease

Well No.

Unit Ltr. - Sec Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 000869 API NO. 3004511614 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)	5272' - 5393'		7320' - 7550'
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) 543 PSI (EST) b. (Original) 1218 PSI (EST)	a. b.	a. 617 PSI (EST) b. 2396 PSI
6. Oil Gravity (° API) or Gas BTU Content	1336 BTU / 49 DEG API		1201 BTU / 59 DEG API
7. Producing or Shut-In?	NEW		PRODUCING
Production Marginal? (yes or 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 • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	YES Date: Rates: (EST) 33 MCFD 0.75 BCPD 0 BWPD	 Date: Rates: Date: Rates:	YES Date: Rates: 4/96 83 MCFD 2.5 BCPD 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 23 % Gas 28 %	Oil: % Gas %	Oil: 77 % Gas 72 %

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 SF-077107 COM AGREEMENT SW-337 FOR DAKOTA

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. SEE ATTACHED
- * 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 5/6/96

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

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 1-1-1
Superseded 1-1-78
Effective 1-1-78

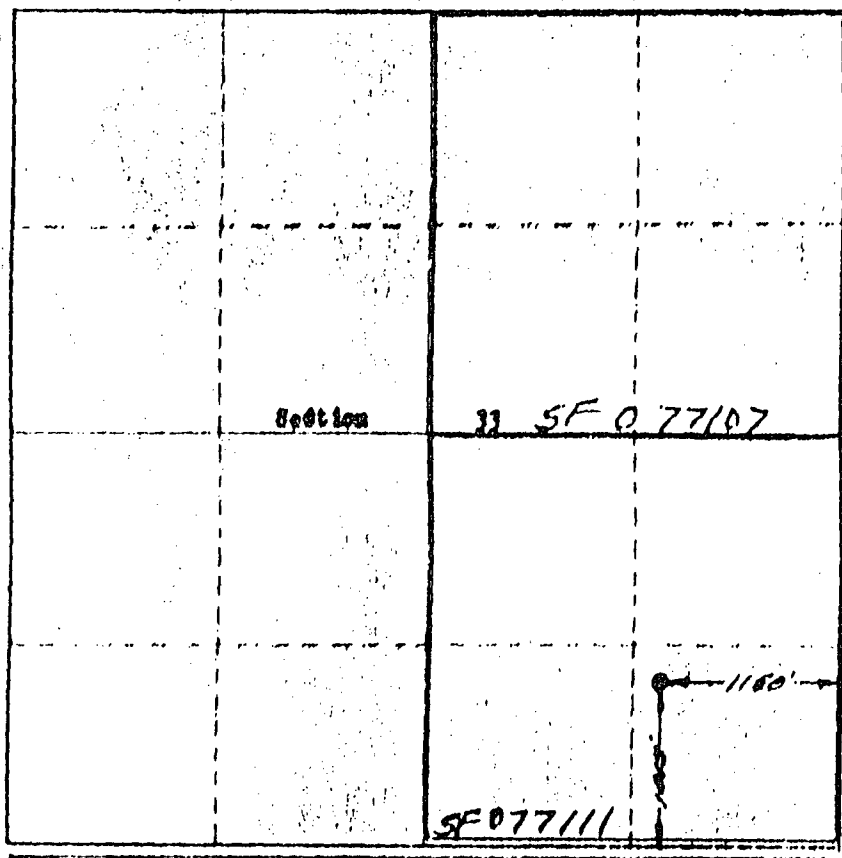
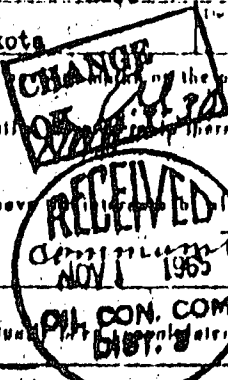
TENNECO OIL COMPANY		WICHITA		San Juan	
P	39	39 North	9 West	San Juan	1
1015	South	1150	East		
6883' ungraded	Basin Dakota	Basin Dakota			

1. Outline the acreage dedicated to the subject well by colored pencil or ink on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the same (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the owners been consolidated by communitization, unitization, forced-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 well 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.

Arnold Nichols
Title

Position
Senior Production Clerk

Company
Tenneco Oil Company

Date
October 20, 1965

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
21 October 1965

Registration
Professional Engineer

Robert H. Ernst
ROBERT H. ERNST

North arrow
N. Mex. PR & LS 2463

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

96 FEB -9 PM 1:03 ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-11614		Pool Code 72319	Pool Name Blanco Mesaverde
Property Code 869	Property Name Michener Com		Well Number 2
OCRID No. 000778	Operator Name Amoco Production Company		Elevation 6883'

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
8 P	33	28N	8W		1015	South	1150	East	San Juan

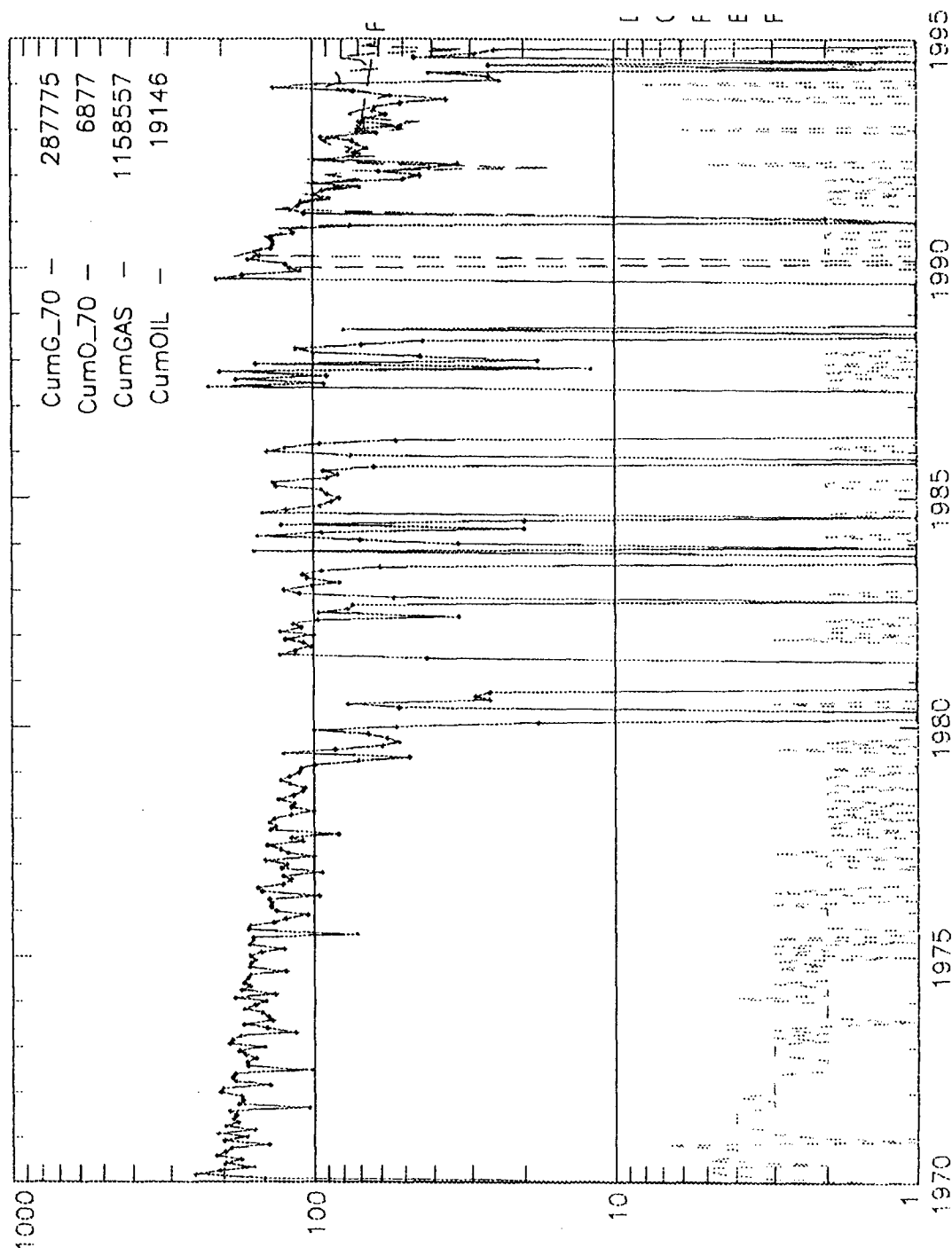
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 353.03		Joint or Infill		Consolidation Code		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					1150'	1015'	1150'
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>2/8/96</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>10/21/65</u> Date of Survey Signature and Seal of Professional Surveyor: on file 2463 Certificate Number							

MICHENER 2
 300451161400DK P332809-002 DK Operator-- AMOCO PRODUCTION CO
 APC_WI - 0.50000000



OFFSET WELLS USED TO ESTIMATE PRODUCTION ALLOCATIONS

MESAVERDE OFFSETS

Storey C LS 9	L-34-28-9	58 MCFD	0.5 BOPD
Storey C LS 8	K-33-28-9	24 MCFD	1.5 BOPD
Michener A #7	B-33-28-9	18 MCFD	0.25 BOPD
Average		33 MCFD	0.75 BOPD

69834300 00001
617000 00
AMOCO PRODUCTION COMPANY
P O BOX 591
TULSA

ZJAM63

OK 74102-0591

69834300 00001
942456 00
LINDA BUSH
P O BOX 164135
AUSTIN

ZJAM63

TX 78716-4135

69834300 00001
684722 00
JERRY J ANDREW
408 LONGWOODS
HOUSTON

ZJAM63

TX 77024-5617

69834300 00001
124570 00
CHASE OIL CORPORATION
P O BOX 1767
ARTESIA

ZJAM63

NM 88211-1767

69834300 00001
146802 00
PAMELA GRAY BALDWIN
TEXAS COMMERCE BK AGENT AND ATY-N-FACT
TRUST MINERALS SECTION 1049313
P O BOX 200555
HOUSTON

ZJAM63

TX 77216-0555

CONOCO INC
10 DESTA DRIVE SUITE 100W
MIDLAND TX 79705-4500

69834300 00001
682516 00
R E BEAMON III
SUITE 470
THREE RIVERWAY
HOUSTON

ZJAM63

TX 77056-1942

69834300 00001
378966 00
JEREMY S DAVIS
7539 BROMPTON BLVD
HOUSTON

ZJAM63

TX 77025-2267

69834300 00001
923293 00
HARRY B BOTTS
12426 KIMBERLEY LANE
HOUSTON

ZJAM63

TX 77024-4115

69834300 00001
918304 00
WATERS S DAVIS III
TEXAS COMMERCE BK AGENT AND ATY-N-FACT
TRUST MINERALS SECTION 1049308
P O BOX 200555
HOUSTON

ZJAM63

TX 77216-0001

69834300 00001
762567 00
HAZEL ASHLEY BRACKEN
101 WESTCOTT RD 403
HOUSTON

ZJAM63

TX 77007-7030

69834300 00001
297950 00
BARBARA REESE DINGES
6510 SHADOW CREST
HOUSTON

ZJAM63

TX 77074-6818

69834300 00001
129567 00
BETSY BRYANT
2201 BROOKHOLLOW
ABILENE

ZJAM63

TX 79605-5507

69834300 00001
114754 01
LOUIS DREYFUS NATURAL GAS CORP.
REMITTANCE ADDRESS
P O BOX 850163
OKLAHOMA CITY

ZJAM63

OK 73185-0163

69834300 00001
924261 00
HARRIET BUCHENAU
P O BOX 867585
PLANO

ZJAM63

TX 75086-7585

69834300 00001
129569 00
MITZI EASLEY
3900 DOMINION COVE
AUSTIN

ZJAM63

TX 78759-7300

69834300 00001 127453 00 ENCAP INVESTMENTS L C 4600 GREENVILLE AVENUE, SUITE 160 DALLAS TX 75206-5036	ZJAM63	69834300 00001 923289 00 ELIZABETH T STOREY HUTCHINGS 11309 CLOVERCREST DRIVE S W TACOMA WA 98499-1222	ZJAM63
69834300 00001 923324 00 M E FAGAN ROUTE 1 BOX 103 INEZ TX 77968-9802	ZJAM63	69834300 00001 637894 00 EULA MAY JOHNSTON TST NATIONSBANK OF TEXAS NA TRUST DEPARTMENT #03 661 P O DRAWER 840738 DALLAS TX 75284-0738	ZJAM63
69834300 00001 923217 00 ALBERT E FAGAN 505 HADLEY STREET HOUSTON TX 77002-8617	ZJAM63	69834300 00001 684723 00 JAMES J JOHNSTON P O BOX 570007 HOUSTON TX 77257-0007	ZJAM63
69834300 00001 146798 00 DAVID H GRAY TEXAS COMMERCE BK AGENT AND ATY-N-FACT TRUST MINERALS SECTION 1049309 P O BOX 200555 HOUSTON TX 77216-0555	ZJAM63	69834300 00001 509925 00 V A JOHNSTON FAMILY TRUST KATHERINE PREWITT AND MICHAEL A CHESSER CO-TRUSTEES P O BOX 925 RALLS TX 79357-0925	ZJAM63
69834300 00001 146799 00 JOHN L GRAY TEXAS COMMERCE BK AGENT AND ATY-N-FACT TRUST MINERALS SECTION 1049310 P O BOX 200555 HOUSTON TX 77216-0555	ZJAM63	69834300 00001 680325 00 PATTIE BEAMON LUNDELL 1616 SOUTH VOSS #870 HOUSTON TX 77057-2626	ZJAM63
69834300 00001 149220 00 DAVID HENDERSON 9411 WINDING RIDGE DRIVE DALLAS TX 75238-1449	ZJAM63	69834300 00001 268550 29 MARATHON OIL COMPANY P O BOX 890882 DALLAS TX 75389-0882	ZJAM63
69834300 00001 923202 00 W H HODGES 2724 UNIVERSITY BOULEVARD HOUSTON TX 77005-3440	ZJAM63	69834300 00001 146800 00 CYNTHIA GRAY MILANI TEXAS COMMERCE BK AGENT AND ATY-N-FACT TRUST MINERALS SECTION 1049313 P O BOX 200555 HOUSTON TX 77216-0555	ZJAM63
69834300 00001 105640 00 MARY ANNE AND ROBERT L HOWARD JOINT TENANTS 438 FOX BRIAR SUGARLAND TX 77478-3717	ZJAM63	69834300 00001 926364 00 SARAH S MIMS TRUST WILLIAM L MADSEN AND SARAH S MIMS COTRUSTEES P O BOX 111846 CARROLLTON TX 75011-1846	ZJAM63

69834300 00001 710000 01 MINERALS MANAGEMENT SERVICE ROYALTY MANAGEMENT PROGRAM PO BOX 5810 TA DENVER	ZJAM63	69893900 00001 297953 00 ELIZABETH GOODWIN REESE 7800 NAIRN HOUSTON	ZJAM63 TX 77074-5321
69834300 00001 105639 00 LLOYD J AND RUTH R MONEY 1990 TRUST DATED 10-9-90 LLOYD J AND RUTH R MONEY TRUSTEES 904 21ST STREET HERMOSA BEACH	ZJAM63	69834300 00001 146801 00 CATHARINE GRAY REMENICK TEXAS COMMERCE BK AGENT AND ATY-N-FACT TRUST MINERALS SECTION 1049313 P O BOX 200555 HOUSTON	ZJAM63 TX 77216-0555
69834300 00001 776245 00 NORDAN TRUST LOUIS BELINSKY TRUSTEE 112 EAST PECAN SUITE 500 SAN ANTONIO	ZJAM63	69834300 00001 129568 00 SUSAN RITTER P O BOX 162606 AUSTIN	ZJAM63 TX 78716-2606
69834300 00001 173984 00 PEARL NEUGENT NORDAN ESTATE MARIAN NORDAN HARWELL FOREIGN PERSONAL REPRESENTATIVE 112 EAST PECAN SUITE 500 SAN ANTONIO	ZJAM63	69893900 00001 748996 00 ROGERS GIBBARD TRUST ORVILLE C ROGERS, SUSAN EVELAND AND ELAINE GIBBARD ALLMAN TRUSTEES 6804 LA COSTA TYLER	ZJAM63 TX 75703-5750
69834300 00001 942458 00 MARY ANN PAGEBRAUER 636 A VALLE VISTA AENUE OAKLAND	ZJAM63	69834300 00001 946788 00 SAN JUAN BASIN POOL LIMITED BOX 1237 PANHANDLE	ZJAM63 TX 79068-1237
69834300 00001 926372 00 HARRY D PORTER REVOCABLE TRUST NATIONSBANK OF TEXAS NA TRUSTEE NO 15-020-6401500 C/O TRUST OIL AND GAS P O BOX 840738 DALLAS	ZJAM63	69834300 00001 923219 00 J DOYLE SMITH 2339 SOUTHGATE BOULEVARD HOUSTON	ZJAM63 TX 77030-1137
69834300 00001 297951 00 DAVID ELBERT REESE 2203 N BELMONT RICHMOND	ZJAM63	69834300 00001 685984 00 MARY LOVE FERGUSON SANDERS 712 MEADOW DRIVE CORSICANA	ZJAM63 TX 75110-1111
		69834300 00001 323240 00 JACK D SCHAFER NOMINEE 11110 CANDLELIGHT LANE DALLAS	ZJAM63 TX 75229-3955

69834300 00001 ZJAM63
270025 00
LORENE RAYBOURN SMITH TESTAMENTARY
TRUST
CLAUD W AND JESSE S RAYBOURN
CO-TRUSTEES
207 WILSHIRE LANE
NEWARK DE 19711-2757

69834300 00001 ZJAM63
942457 00
RONALD ROGER STONE
27351 KUYKENDALL ROAD
TOMBALL TX 77375-2637

69834300 00001 ZJAM63
923318 00
G E THOMPSON
P O BOX 111
ROUND TOP TX 78954-0111

69834300 00001 ZJAM63
144321 00
DORTHY M TUCKER ESTATE
BRAD TUCKER EXECUTOR
P O BOX 2822
HOUSTON TX 77252-2822

69834300 00001 ZJAM63
615188 03
UNION OIL COMPANY OF CALIFORNIA
ATTN REVENUE ACCOUNTING
P O BOX 841055
DALLAS TX 75284-1055

69893900 00001 ZJAM63
923549 00
MARGARET HARDY VAN SANT
P O BOX 817
LEAGUE CITY TX 77574-0817

69834300 00001 ZJAM63
297952 00
REBECCA ANN REESE WARD
2210 CUSTER PARKWAY
RICHARDSON TX 75080-2502

69834300 00001 ZJAM63
753523 00
CAROL A ZAHARA
14926-81 B AVE
SURREY, BC, CAN, V3S 7V6

69834300 00001 ZJAM63
914070 00
GLADYS WATFORD TRUST
GLADYS WATFORD, TRUSTEE
P O BOX 571814
HOUSTON TX 77257-1814

F LOUIS TUCKER JR
6438 VANDERBILT
HOUSTON TX 77005

MARTHA M TUCKER
21 BRIAR HOLLOW #803
HOUSTON TX 77027

MARGARET H VAN SANT EST
ROBERT M HARDY JR
PERSONAL REPRESENTATIVE
333 CLAY STREET STE 3800
HOUSTON TX 77002-4102

JOSEPH FAURE JR ADMINIST OF
THE ESTATE OF PETER F DECD
375 NORTH E
PORTERVILLE CA 93257-3547

ROBERT E BEAMON C/O IRS
ATTN P ANTHONY 76011491
BOX 27 5114HAL
8701 S GESSNER
HOUSTON TX 77074

OFFSET OPERATORS

Michener 2

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

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