



DHC 4-29-96

RC'D 4-8-96

Southern
Rockies
Business
Unit

1271

March 28, 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
Dryden LS 1A Well
Unit I Section 28-T28N-R8W
Blanco Mesaverde and Otero Chacra 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.

Should you have 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

N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-12
Effective 1-1-65

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

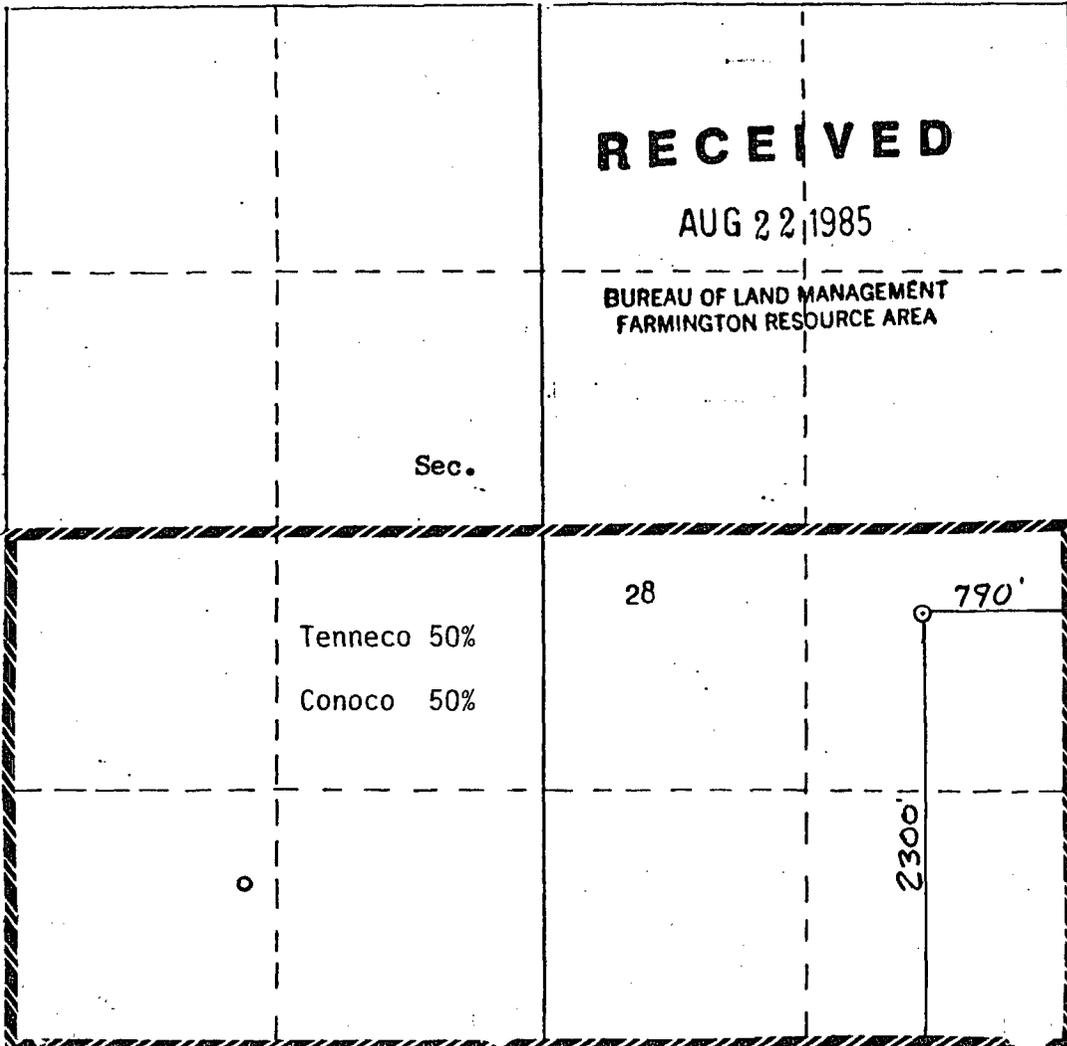
Operator TENNECO OIL COMPANY		Lease DRYDEN LS		Well No. 1A
Unit Letter I	Section 28	Township 28N	Range 8W	County San Juan
Actual Footage Location of Well: 2300 feet from the South line and 790 feet from the East line				
Ground Level Elev: 5834	Producing Formation Chacra/Mesaverde	Pool Undes. Chacra/Blanco Mesaverde	Dedicated Acreage: 160/320 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.

Scott McKinney
Name

Scott McKinney
Position

Sr. Regulatory Analyst
Company

Tenneco Oil Company
Date

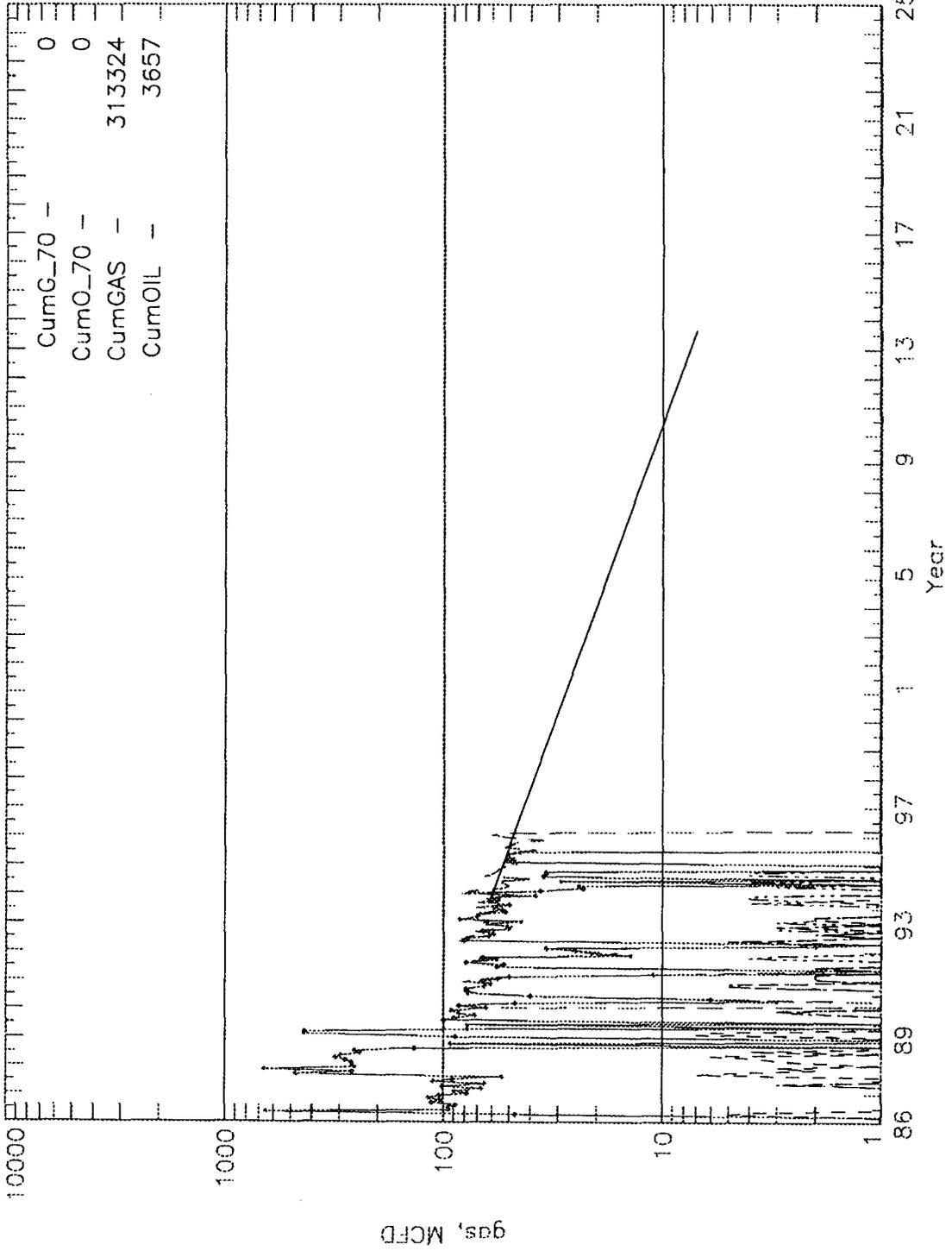
June 18, 1985

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 _____
Registered Professional Engineer and Land Surveyor
WILLIAM E. MAHNKE II
NEW MEXICO
#8466
REGISTERED PROFESSIONAL LAND SURVEYOR
Certificate No. _____

For: zcsw10
Engr: zijk06

DRYDEN LS 1A
300452655600CK 1282808-001ACK
Operator-- AMOCO PRODUCTION CO
APC_WI -- 1.00000000

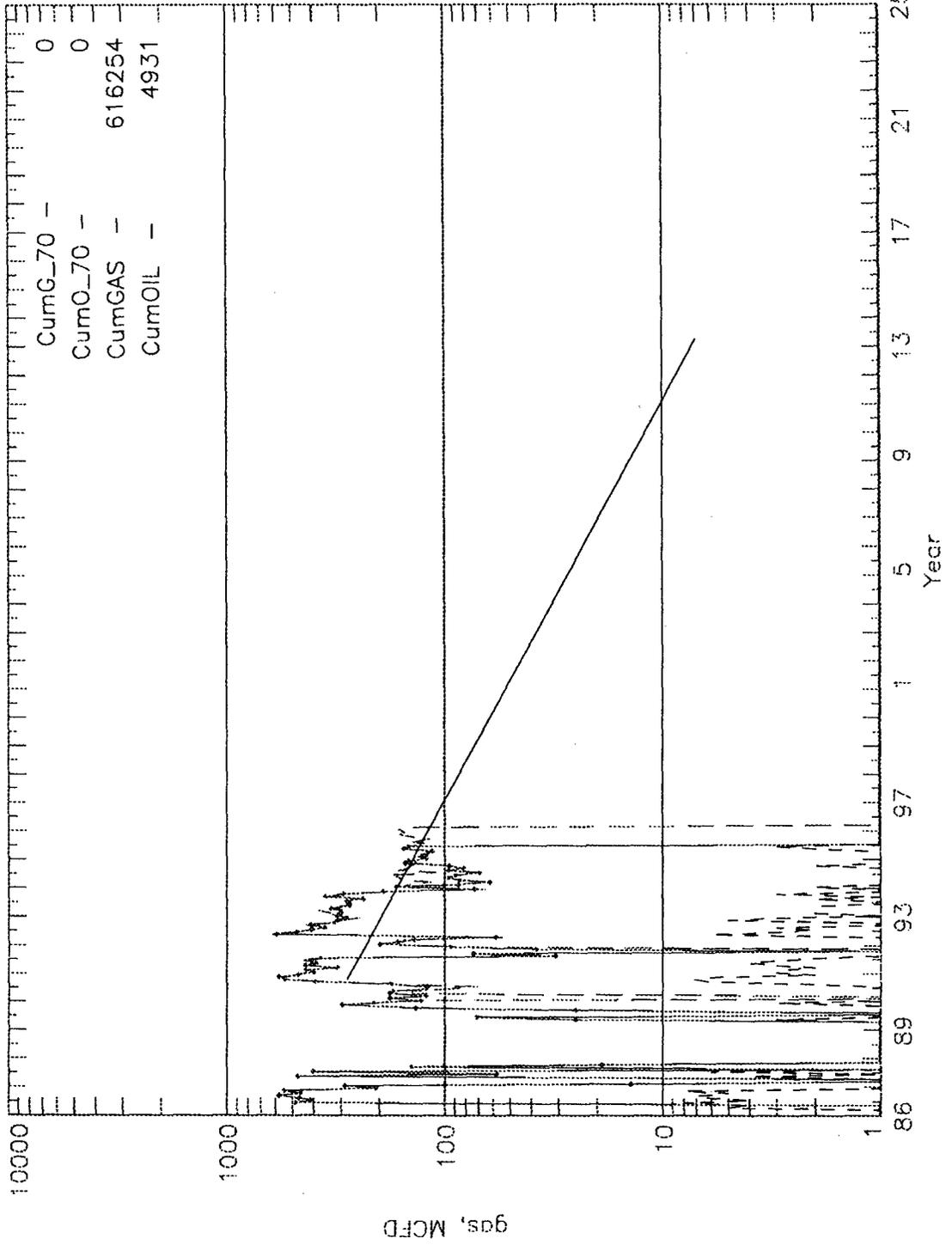


Last Op. Forecast by zijk06 in 06/1994

For: zcsw10
Engr: zrar06

DRYDEN LS 1A Operator- AMOCO PRODUCTION CO

300452655600MV 1282808-001AMV APC_WI -- 1.00000000



Last Op. Forecast by zrar06 in 08/1995

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 Dryden LS	Well No. 1A	Address I-28-28N-R8W	County San Juan
Lease		Unit Ltr. - Sec Twp - Rge	
Spacing Unit Lease Types: (check 1 or more)			
OGRID NO. 000778	Property Code 000432	API NO. 3004526556	Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> (and/or) Fee <input type="checkbox"/>

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	OTERO CHACRA 82329		BLANCO MESAVERDE 72319
2. Top and Bottom of Pay Section (Perforations)	3165' - 3176'		3880' - 4454'
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) 654 PSI (EST)	a.	a. 833 PSI
	b. (Original) 956 PSI (EST)	b.	b. 1278 PSI
6. Oil Gravity (° API) or Gas BTU Content	1162 BTU		1255 BTU / 49.9 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)	NO		YES
	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Rates: 1/96 54 MCFD 0 BCPD 0 BWPD	Date: Rates: 1/96 153 MCFD 0.84 BCPD 0 BWPD	Date: Rates: 1/96 153 MCFD 0.84 BCPD 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 26 %	Oil: % Gas %	Oil: 100 % Gas 74 %

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 NM-012200

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

LIST OF OFFSET OPERATORS

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