

May 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
Anderson Gas Com #1 Well
Unit C Section 28-T29N-R10W
Aztec Pictured Cliffs 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. 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

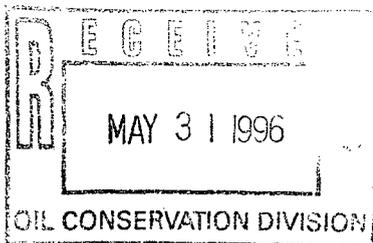
Enclosures

- cc: Steve Webb
- Gail Jefferson
- Wellfile
- Proration File

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

DHC

6/20/96



Southern

Rockies

Business

Unit

May 28, 1996

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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
Anderson Gas Com #1 Well
Unit C Section 28-T29N-R10W
Aztec Pictured Cliffs and Blanco Mesaverde Pools
San Juan County, New Mexico**

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

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 Anderson Gas Com 1 Address C-28-29N-10W San Juan
Lease Well No. Unit Ltr. - Sec Twp - Rge County
Spacing Unit Lease Types: (check 1 or more)
OGRID NO. 000778 Property Code 000266 API NO. 3004524954 Federal State (and/or) Fee x

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	AZTEC PICTURED CLIFFS 71280		OTERO CHACRA 82329
2. Top and Bottom of Pay Section (Perforations)	1768 - 1826'		2764' - 2870'
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) 313 PSI	a.	a. 510 PSI
	b. (Original) 705 PSI	b.	b. 1187 PSI
6. Oil Gravity (° API) or Gas BTU Content	1000 BTU		1163 BTU
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		YES
• 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)	Date: Rates:	Date: Rates:	Date: Rates:
	5/96 65 MCFD 0 BCPD 0 BWPD	Date: Rates:	5/96 45 MCFD 0 BCPD 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 59 %	Oil: % Gas %	Oil: 0 % Gas 41 %

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 NO FED OR STATE LANDS
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 5/24/96
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

WF

Form C-107
Revised 10-1-78

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

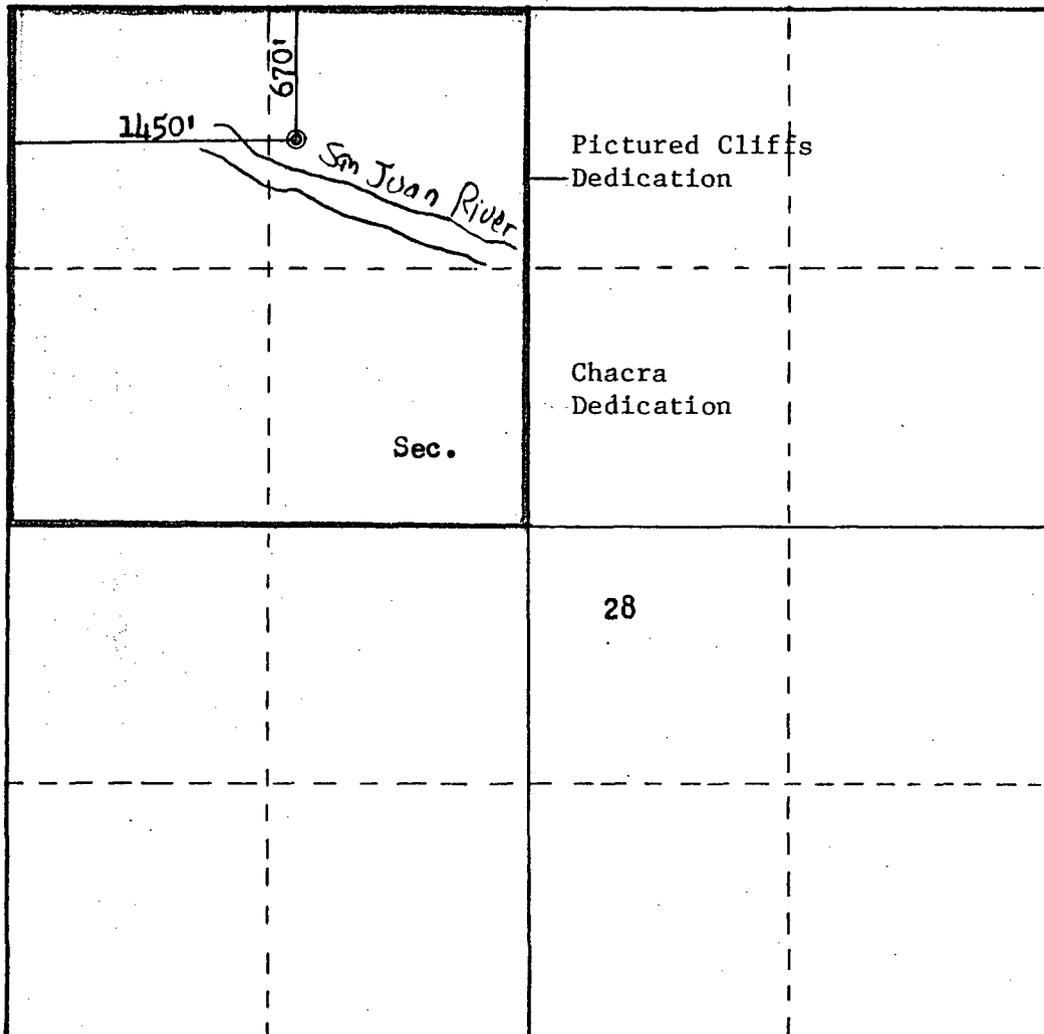
Operator AMOCO PRODUCTION COMPANY		Lease ANDERSON GAS COM "A"		Well No. 1
Unit Letter C	Section 28	Township 29N	Range 10W	County San Juan
Actual Footage Location of Well: 670 feet from the North line and 1450 feet from the West line				
Ground Level Elev. 5474	Producing Formation Pictured Cliffs/Chacra	Pool Aztec Pictured Cliffs/ Bloomfield Chacra	Dedicated Acreage: 160/160 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 Communitization

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.

W. L. Peterson

Name
W. L. PETERSON
Position
DISTRICT ENGINEER
Company
AMOCO PRODUCTION COMPANY

Date
3/12/81

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
March 4, 1981
Registered Professional Engineer and Land Surveyor

Fred B. Kery
Certificate No. **3950**

For: zalc14
Engr: zrar06

ANDERSON GAS COM A 1 Operator— AMOCO PRODUCTION CO

300452495400CK C282910-001 CK APC_WI - 0.87500000

CumG_70 - 0
CumO_70 - 0
CumGAS - 109436
CumOIL - 0

gas, MCFD

Reserves

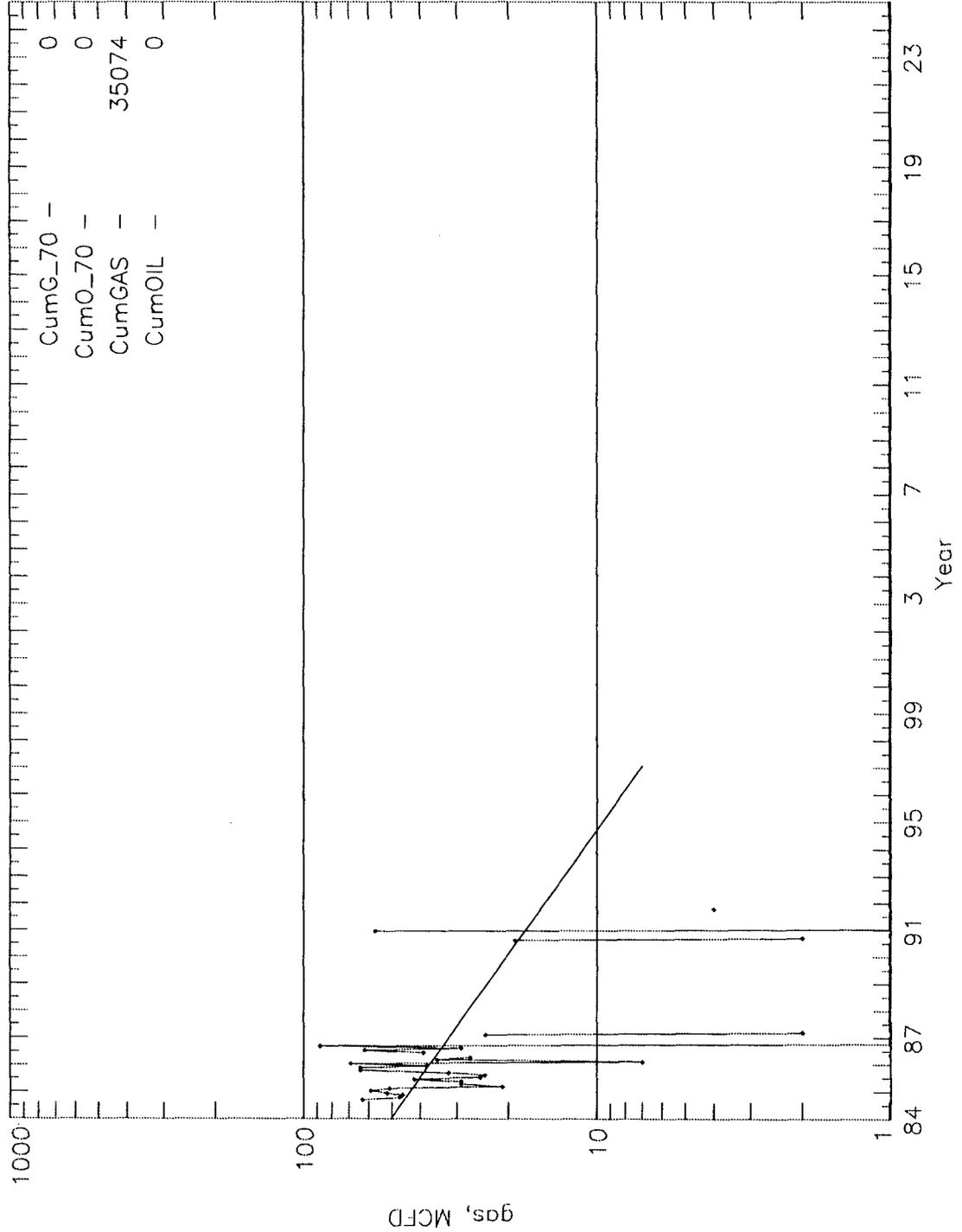
DCLN
CurrQ
RemRes
EUR
Fit_date

10000
1000
100
10
1
85 88 92 96 0 4 8 12 16 20 24
Year

Last Op. Forecast by zrar06 in 07/1995

For: zalc14
 Engr: zalc14

ANDERSON GAS COM A 1
 300452495400PC C282910-001 PC
 Operator- AMOCO PRODUCTION CO
 APC_WI - 0.87500000



Last Op. Forecast by zalc14 in 02/1996

OFFSET OPERATORS
Anderson Gas Com #1

Horace F. McKay, Jr.
P.O. Box 14738
Albuquerque, NM 87191

Norman Lee Gilbreath
P.O. Box 208
Aztec, NM 87410