



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1307

Amoco Production Company
P.O. Box 800
Denver, Colorado 80201-0800

Attention: Ms. Pamela Staley

*Hamner Well No.3E
Unit M, Section 29, Township 29 North, Range 9 West, NMPM,
San Juan County, New Mexico.
Otero Chacra (Gas - 82329) and
Basin Dakota (Gas - 71599) Pools*

Dear Ms. Staley:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Otero Chacra Pool	Oil 55%	Gas 36%
Basin Dakota Pool	Oil 45%	Gas 64%

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Administrative Order DHC-1307

Amoco Production Company

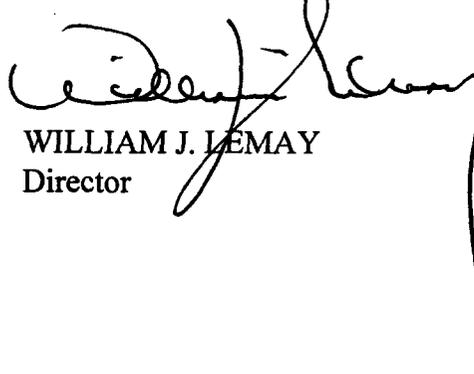
July 29, 1996

Page 2

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 29th day of July, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington

DHC-1307



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

RECEIVED
OIL CONSERVATION DIVISION
1996 JUN 24 AM 8 52

June 20, 1996

IN REPLY REFER TO:
SF-080245
3162.3-2 (07327)

Pamela W. Staley
Amoco Production Company
P.O. Box 800 1670 Broadway
Denver, Colorado 80201

Dear Ms. Staley:

We have reviewed your application to commingle production downhole from the Otero Chacra and the Basin Dakota Pools in the following well located on Federal lease No. SF-080245:

Hammer #3E
970' FSL, 870' FWL, Section 29, T-29N, R-9W
San Juan County, New Mexico

Production profiles from both formations were analyzed to determine if future allocation based on percentages would be equitable. Both formations have been declining at similar rates for the past year. Your Application and allocation method, are hereby approved as submitted, effective the date that actual commingling of the pools occurs. Approved allocation factors are:

Formation	Gas	Condensate
Otero Chacra	36%	55%
Basin Dakota	64%	45%

If you have any questions regarding this correspondence, please contact Ray Hager at (505) 599-6366.

Sincerely,
/s/ Duane Spencer
Duane Spencer
Team Lead, Petroleum Management

bcc:
New Mexico Oil Conservation Division, Santa Fe
New Mexico Oil Conservation Division, Aztec
AIRS
DOM Reader
07327:RHager: 06/20/96 :x366:Hammer3E.ltr
Well File (SF-080245, Hammer #3E, 970 FSL, 870 FWL, Section 29, T-29N, R-9W) W/Application