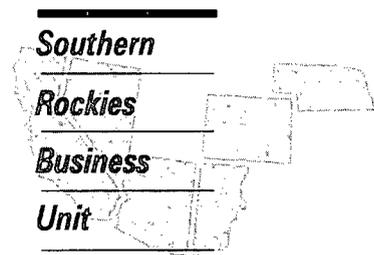
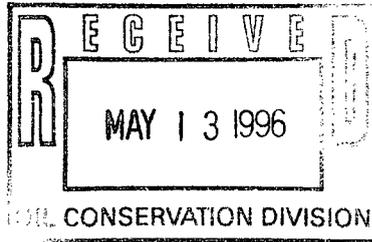


SUBTRACTION

DHC

6/3/96



May 7, 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**  
**Bolack B #5 Well**  
**Unit J Section 31-T27N-R8W**  
**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

NEED SUPPORTING  
DATA (PRODUCTION)  
ON OFFSET WELLS.  
  
7-15-96

Enclosures  
cc: Mark Rothenberg  
Patty Haeefe  
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

**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: Bolack B Well No. 5 Address: J-31-27-08 County: San Juan  
Lease: Unit Ltr. - Sec Twp - Rge

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 000325 API NO. 3004511823 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)	4257' - 4362'		6418' - 6606'
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) 610 PSI (EST)	a.	a. 718 PSI
	b. (Original) 1230 PSI (EST)	b.	b. 2459 PSI
6. Oil Gravity (° API) or Gas BTU Content	1190 BTU / 49 DEG API (EST)		1225 BTU / 59 DEG API
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:
	(EST) Date: Rates: 44 MCFD 2.5 BCPD 0 BWPD	Date: Rates:	4/96 Date: Rates: 21 MCFD 0.2 BCPD 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 90 % Gas 68 %	Oil: % Gas %	Oil: 10 % Gas 32 %

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-079232

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 5/7/96  
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. ( 303 ) 830-5344

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator <b>TENNECO OIL COMPANY</b>		Lease <b>BOLACK "B"</b>			Well No. <b>5</b>
Unit Letter <b>J</b>	Section <b>31</b>	Township <b>27 North</b>	Range <b>8 West</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1850</b> feet from the <b>South</b> line and <b>1625</b> feet from the <b>East</b> line					
Ground Level Elev. <b>6105 ungraded</b>	Producing Formation <b>Basin Dakota</b>		Pool <b>Basin Dakota</b>	Dedicated Acreage: <b>E/2</b> <b>320</b> 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 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.

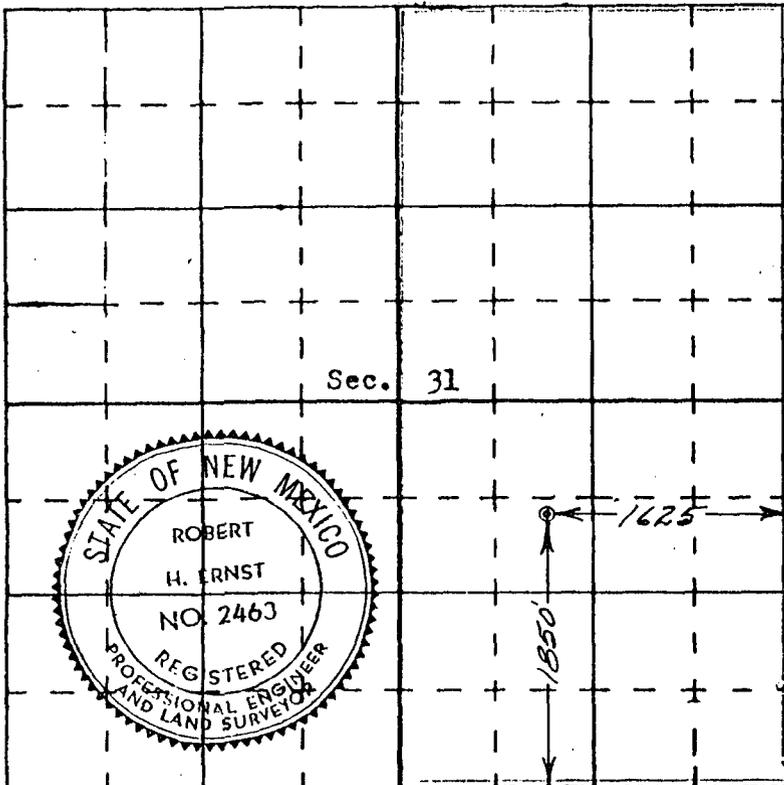
*Harold C. Nichols*  
 Name  
**Harold C. Nichols**  
 Position  
**Senior Production Clerk**  
 Company  
**Tenneco Oil Company**  
 Date  
**July 20, 1966**

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.

**13 July 1966**  
 Date Surveyed  
*Robert H. Ernst*  
 Registered Professional Engineer  
 and/or Land Surveyor

**Robert H. Ernst**  
**Reg. PE & LS N. Mex. 2463**

Certificate No. \_\_\_\_\_



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

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

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

RECEIVED  
MAIL ROOM  
96 JAN 10 PM 12:38

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-11823		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 325		5 Property Name Bolack B			6 Well Number 5
7 OGRID No. 000778		8 Operator Name Amoco Production Company			9 Elevation 6105'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	31	27N	8W		1850	South	1625	East	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

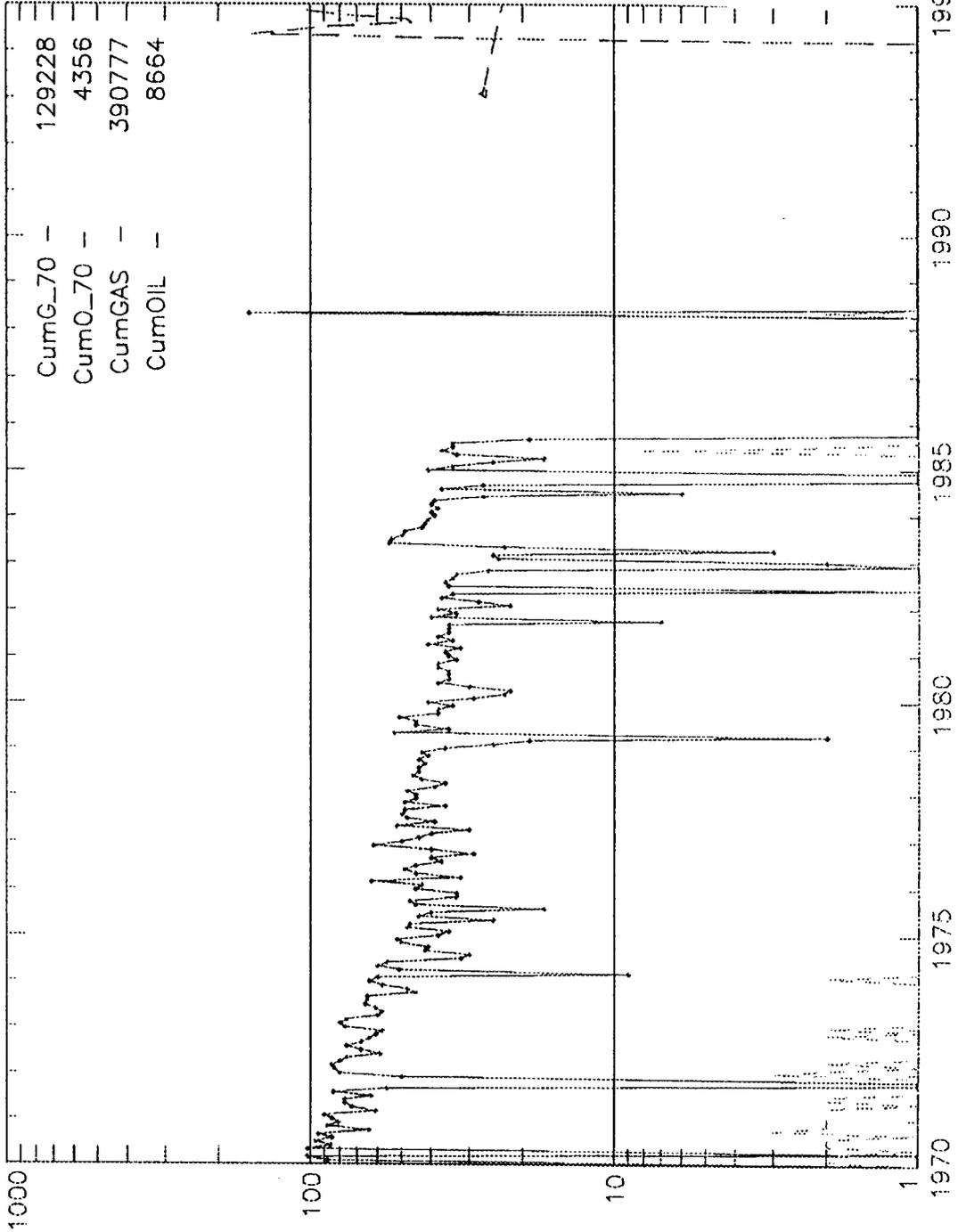
12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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					17 OPERATOR CERTIFICATION
					<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
					Signature: <u>Patty Haeefe</u> Printed Name: Patty Haeefe Title: Staff Assistant Date: 1/9/96
					18 SURVEYOR CERTIFICATION
					<i>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.</i>
					Date of Survey: 8/13/66 Signature and Seal of Professional Surveyer:
					Certificate Number: 2463

Engr: zrar06

BOLACK B 5  
300451182300DK J312708-005 DK  
Operator- AMOCO PRODUCTION CO  
APC\_WI - 0.50000000



CumG\_70 - 129228  
CumO\_70 - 4356  
CumGAS - 390777  
CumOIL - 8664

**OFFSET WELLS USED TO ESTIMATE PRODUCTION ALLOCATIONS**

**MESAVERDE OFFSETS**

Bolack C LS 9	H-31-27-8	48 MCFD	2.5 BOPD
Navajo Indian 6	E-06-26-8	40 MCFD	2.5 BOPD
	Average	44 MCFD	2.5 BOPD

**OFFSET OPERATORS**  
**Bolack B #5**

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

Snyder Oil Corp.  
1625 Broadway  
Denver, Co. 80202

Kukui Operating Company  
7880 San Felipe, Suite 207  
Houston, Texas 77063