

AMEND DHC 12/2/96

CONSERVATION DIVISION
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KOCH

KOCH EXPLORATION COMPANY

November 6, 1996

Bureau of Land Management
Farmington District Office
ATTN: Mr. Brian Davis
1235 La Plata Highway
Farmington, NM 87401

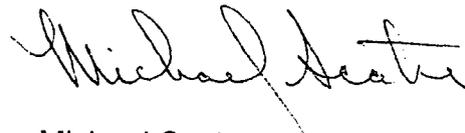
Re: **Administrative Order DHC-1370 dated October 9, 1996**
Federal Blancett Com Well No. 1 (API No. 30-045-28277)
Unit G, Section 27, Township 32 North, Range 9 West, NMPM
San Juan County, NM
Blanco Pictured Cliffs (Gas - 72359) and
Blanco Mesaverde (Prorated Gas - 72319) Pools

Dear Mr. Davis:

Attached is an updated Application for Downhole Commingling Form C-107-A with actual Bottomhole Pressures from the Pictured Cliffs and Mesaverde zones as requested. The BHP on the Mesaverde zone was taken during the packer test and the Pictured Cliffs BHP was taken during a 48 hour shut-in. Let me know if you need any additional information for approval. Koch would like to begin this work about November 20, 1996.

If you have any questions, please call me at (316) 828-5595.

Sincerely,



Michael Scates
Administrative Manager

CC: ~~Ben Stone, OCD - Santa Fe, NM~~
OCD - Aztec, NM
Don Johnson, KXC-Aztec, NM
Well File

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 South First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Koch Exploration Company PO Box 2256 Wichita, KS 67201
Blancett Com 1 Sec. 27-T32N-R9W San Juan
Lease Well No. Unit Ltr. - Sec - Twp - Rge County
OGRID NO. 012897 Property Code 03 API NO. 30-045-28277 Spacing Unit Lease Types: (check 1 or more)
Federal State Land/or Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Pictured Cliffs 72359		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	3471-3482 KB		5460-5886 KB
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 652 psia (48 hr SI)	a.	a. 523 psia on packer test
	b. (Original) 1025 psia	b.	b. 6183 1034 psia
6. Oil Gravity (°API) or Gas BTU Content			46% API 1030 BTU/cf
7. Producing or Shut-In?	Shut-In		Shut-In
Production Marginal? (yes or no)	No		Yes
* If Shut-In, give date 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	Date: 12/23/95 Rates: (15 hr. Comp. Test) 1342 mcf/d	Date: Rates:	Date: 11/95 Rates: .5 BC/d 85 mcf/d
	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)			
8. Fixed Percentage Allocation Formula -% for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

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

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 Michael Scates TITLE Administrative Mgr DATE 11/05/96

TYPE OR PRINT NAME Michael Scates TELEPHONE NO. (316) 828-5595