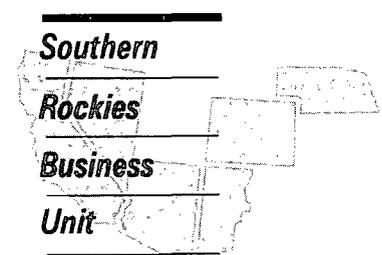


DHC 1387 10/15/96



OIL CONSERVATION DIVISION
RECEIVED
SEP 17 11 52



September 17, 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-A- Downhole Commingling
Tapp LS #4 Well
Unit M Section 16-T28N-R8W
Aztec Pictured Cliffs and Blanco Mesaverde 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: 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 TAPP LS	Address M-16-28N-8W
Lease	County San Juan
Well No. 4	Unit Ltr. - Sec Twp - Rge
Spacing Unit Lease Types: (check 1 or more)	
OGRID NO. <u>000778</u> Property Code <u>001161</u> API NO. <u>3004507412</u> 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	AZTEC PICTURED CLIFFS 71280		BLANCO MESAVERDE 72319
2. Top and Bottom of Pay Section (Perforations)	2182' - 2256'		3826' - 4554'
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) 460 PSI	a.	a. 610 PSI
	b. (Original) 990 PSI	b.	b. 1160 PSI
6. Oil Gravity (° API) or Gas BTU Content	1155 BTU		1233 BTU / 49 DEG API
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		NO
• If Shut-In, give data and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: Rates:	Date: Rates:	Date: Rates:
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: 9/2 11 MCFD 0 BCPD 0 BWPD	Date: Rates:	Date: Rates: 9/2 92 MCFD 0 BCPD 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 10 %	Oil: % Gas %	Oil: 100 % Gas 90 %

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-078499
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 ENGR DATE 9/16/96
 TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Section A.

Date **JANUARY 31, 1958**

Operator **EL PASO NATURAL GAS COMPANY** Lease **TAPP** SF **078499**
Well No. **4 (PM)** Unit Letter **L** Section **16** Township **28 N** Range **8 W** NMPM
Located **800** Feet From **SOUTH** Line **840** Feet From **WEST** Line
County **SAN JUAN** G. L. Elevation **5768** Dedicated Acreage **320 & 160** Acres
Name of Producing Formation **MESA VERDE & PICTURED CLIFF** Pool **BLANCO MV AND AZTEC FC EXT.**

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
Yes No
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No If answer is "yes", Type of Consolidation.
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner Land Description

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MAR 4 1958

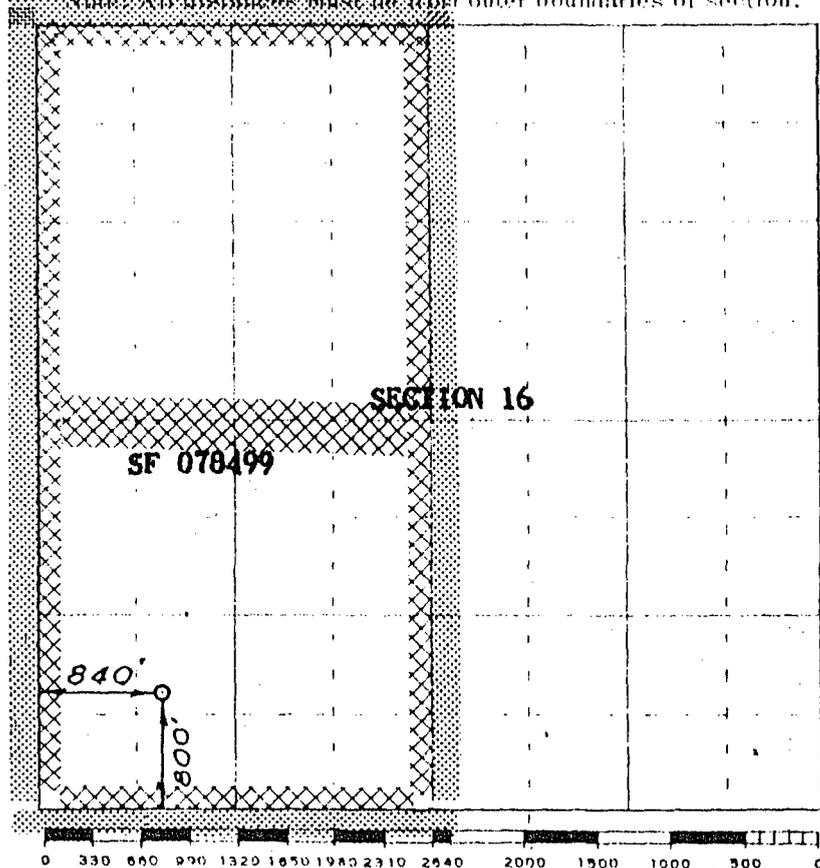
U. S. GEOLOGICAL SURVEY
FARMINGTON, NEW MEXICO

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

El Paso Natural Gas Company
(Operator)
ORIGINAL SIGNED H.E. McANALLY
(Representative)
Box 997
(Address)
Farmington, New Mexico

Note: All distances must be from outer boundaries of section.



NOTE: THIS PLAT IS RE-ISSUED TO SHOW CORRECTED ELEVATION. 2 2 58

NOTE: THIS PLAT IS RE-ISSUED TO SHOW NEW LOCATION. 2 26 58

(Seal)

Farmington, New Mexico

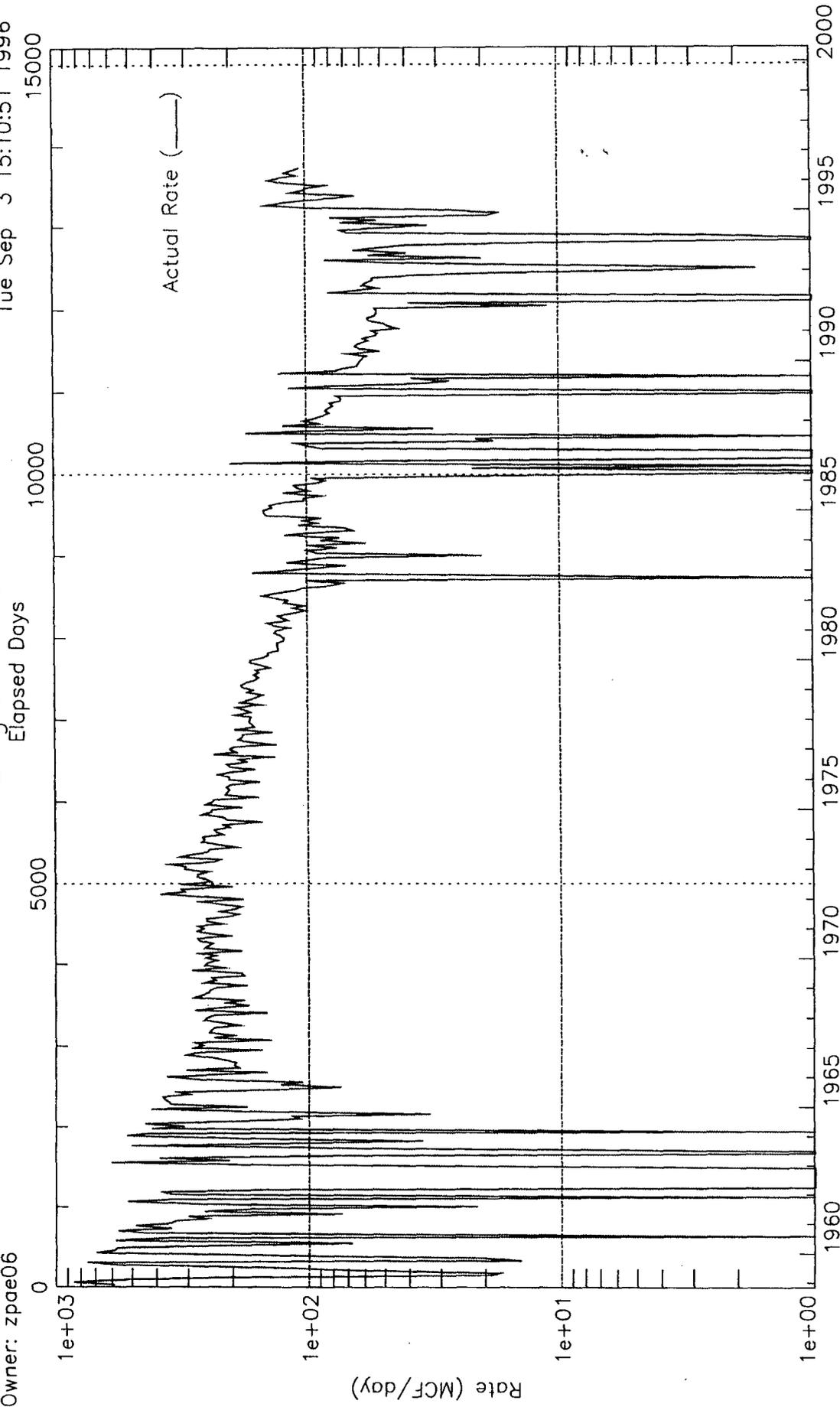
Date Surveyed **SEPTEMBER 22, 1957**

David O. Kilmer
Registered Professional Engineer and/or Land Surveyor

User: zmdr16
Owner: zpa06

Single Well Gas3D

Tapp LS 4 T28N R08W sec
Tue Sep 3 15:10:51 1996



MV

Cum Gas= 2233.90 MMCF

Well ID: 300450741200 (604MVRD)

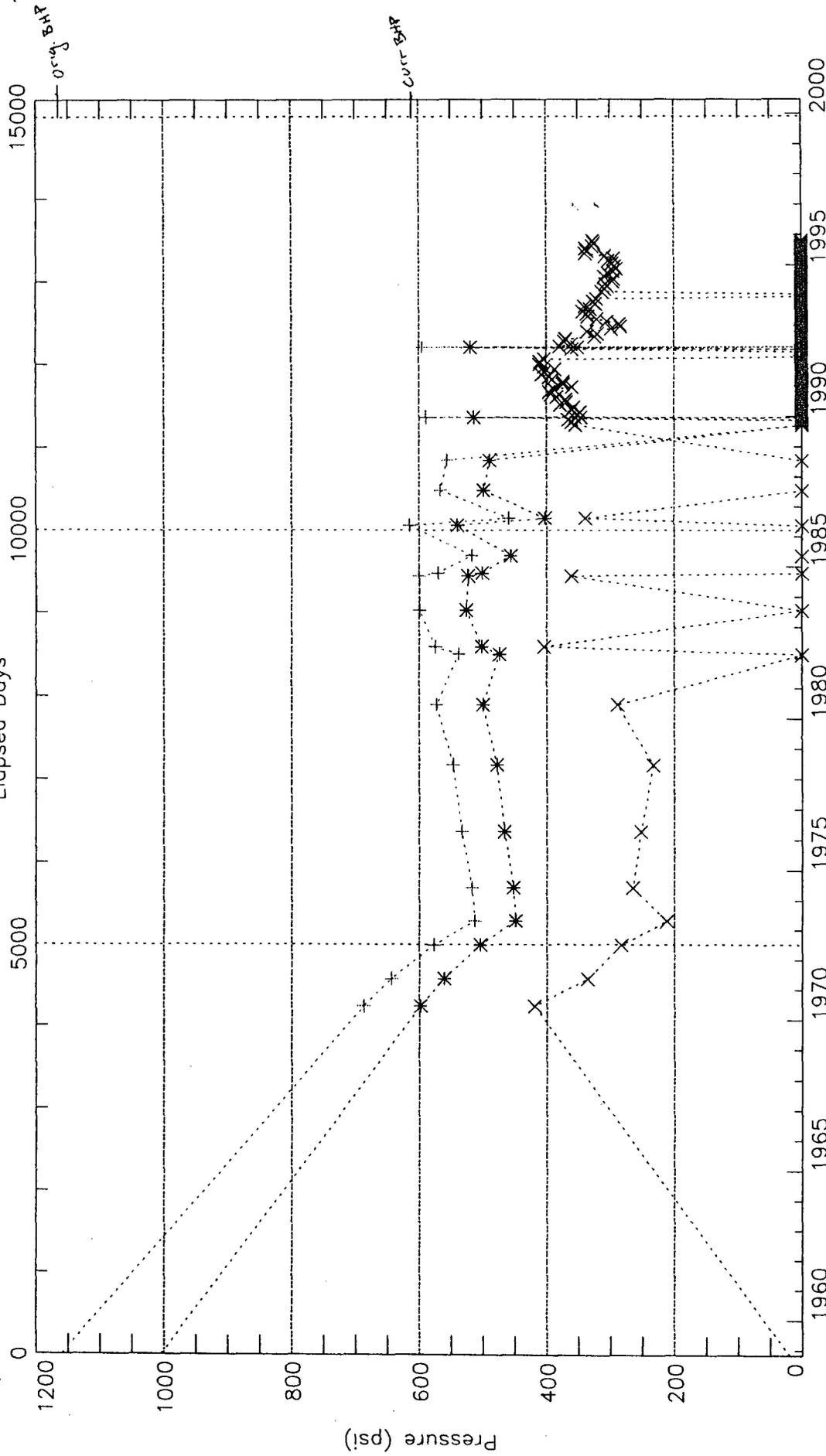
Well Name: TAPP LS 1,3,4,1A,3A,4A 004M16

Operator: AMOCO PRODUCTION COMPANY

User: zmdr16
Owner: zpae06

Single Well Gas3D

Tapp LS 4 T28N R08W sec
Tue Sep 3 15:10:48 1996



Date (Years)

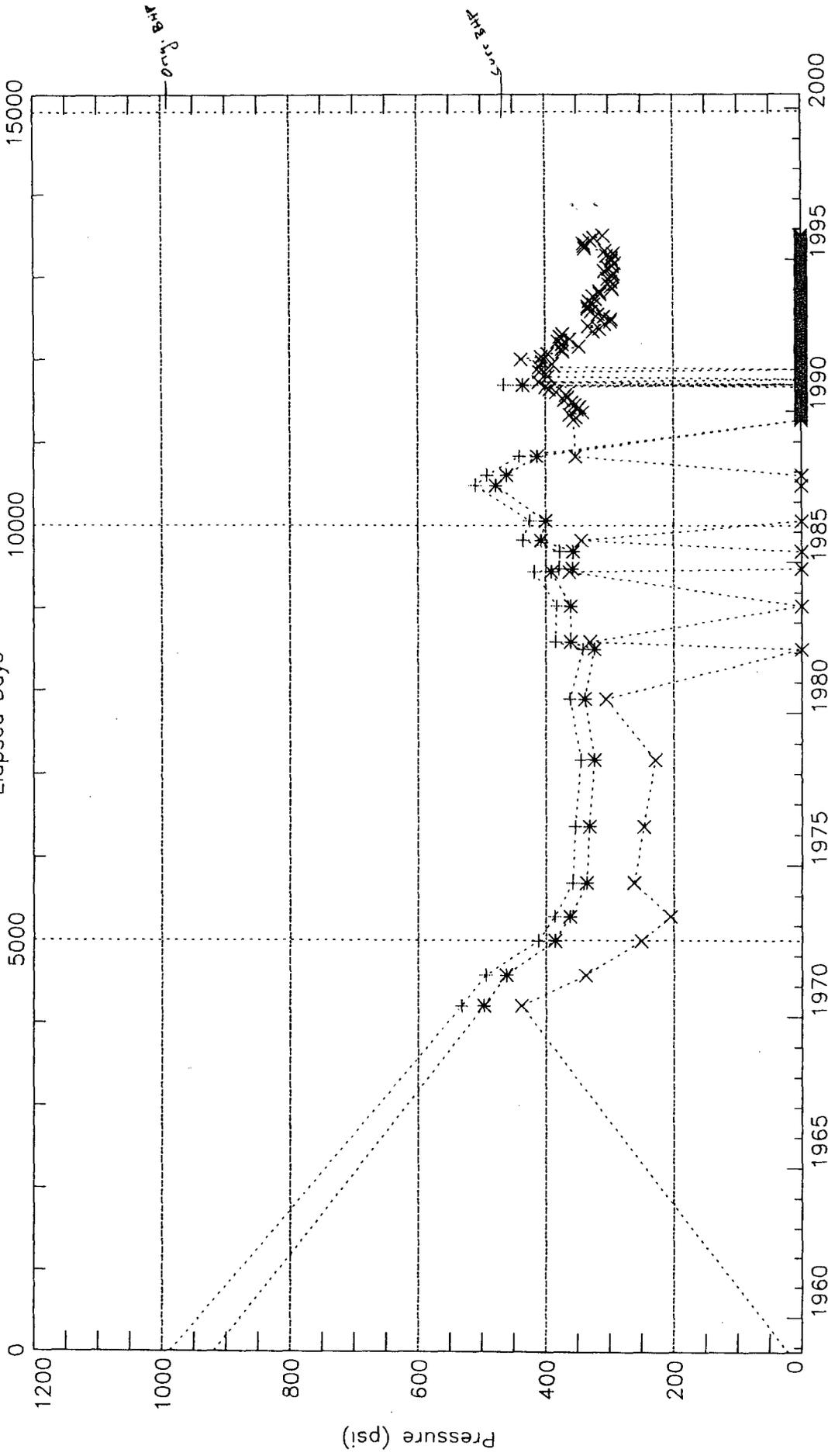
WH_SIP (*)
BHP (+)
WH_FTP (x)

Well ID: 300450741200 604MVRD
Well Name: TAPP LS 1,3,4,1A,3A,4A 004M16
Operator: AMOCO PRODUCTION COMPANY

User: zmdr16
Owner: zbjj02

Single Well Gas3D

Prediction
Tue Sep 3 15:10:02 1996



PC

Date (Years)

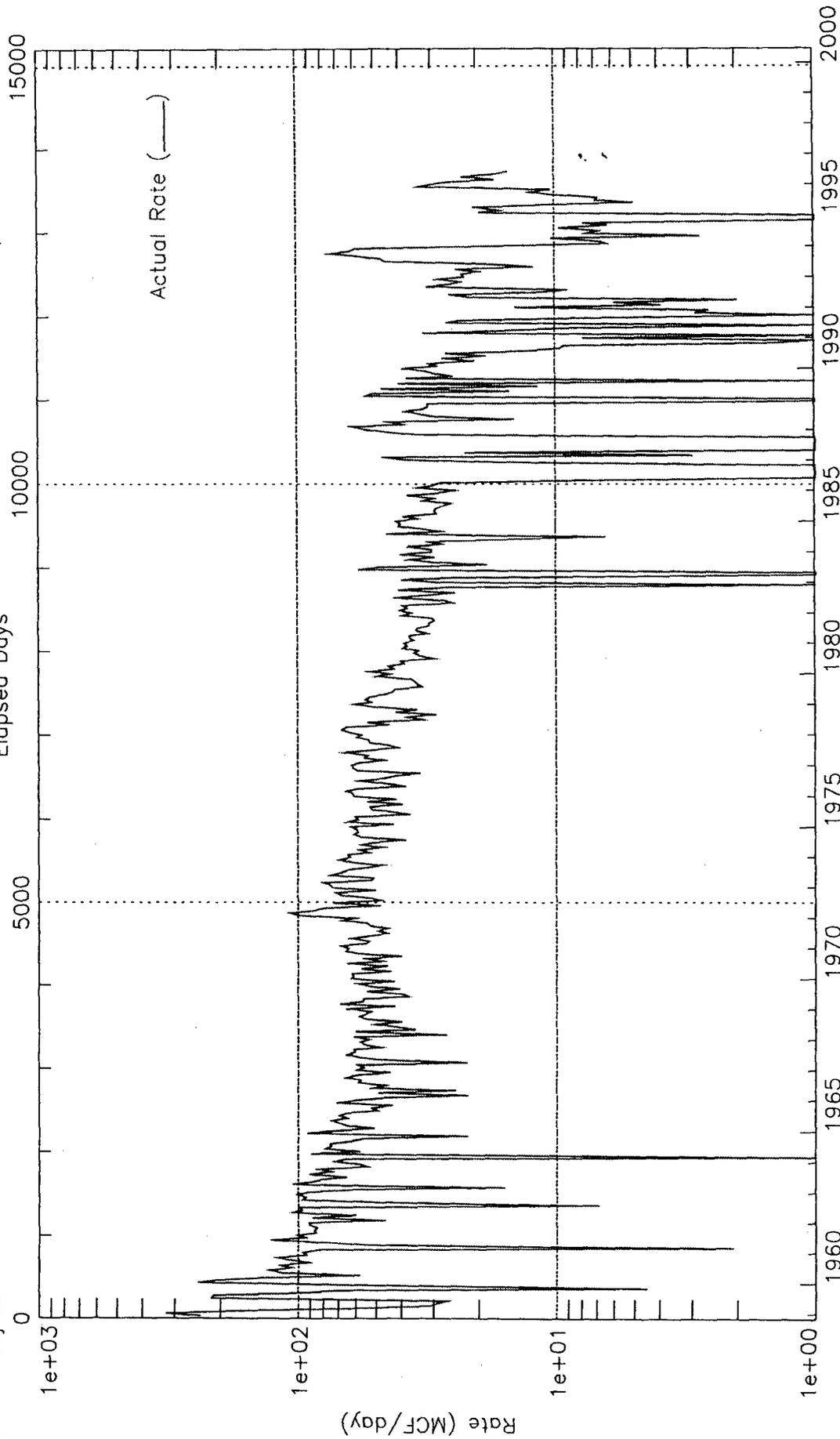
WH_SIP (*)
BHP (+)
WH_FTP (x)

Well ID: 300450741200(604PCCF)
Well Name: TAPP LS 3-10 /PC/ 004M16
Operator: AMOCO PRODUCTION COMPANY

User: zmdr16
Owner: zbj02

Single Well Gas3D

Prediction
Tue Sep 3 15:10:10 1996



PC

Cum Gas= 643.92 MMCF

Date (Years)

Well ID: 300450741200 (604PCCF)

Well Name: TAPP LS 3-10 /PC/ 004M16

Operator: AMOCO PRODUCTION COMPANY

OFFSET OPERATORS

Tapp LS #4

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