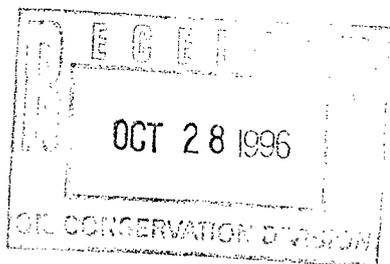
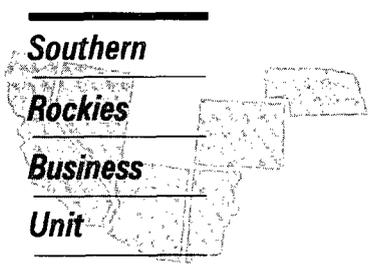


DHC 11/18/96



1410



October 23, 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
Kutz Deep Test C #2
Unit F Section 27-T28N-R10W
Kutz Fruitland Sand and Fulcher Kutz Pictured Cliffs 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
- Pat Archuleta
- 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

Operator Kutz Deep Test C	Well No. #2	Address F27, T28N-R10W	County San Juan
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OGRID NO. 000778 Property Code 000781 API NO. 3004521055 Spacing Unit Lease Types: (check 1 or more)
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	Kutz Fruitland Sand 79600		Fulcher Kutz Pictured Cliffs 77200
2. Top and Bottom of Pay Section (Perforations)	1760-1782'		2004-2042'
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) 270 PSI	a.	a. 330 PSI
	b. (Original) 579 PSI	b.	b. 506 PSI
6. Oil Gravity (° API) or Gas BTU Content	1000 BTU		1000 BTU
7. Producing or Shut-In?	Shut In		Shut In
Production Marginal? (yes or no) • 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)	No		No
	Date: 8/23/95 Rates: 40 mcf/d	Date: Rates:	Date: 10/03/95 Rates: 60 mcf/d
	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 40 %	Oil: % Gas %	Oil: 100 % Gas 60 %

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-077383-A

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 Engineer DATE 10/23/96
TYPE OR PRINT NAME Pamela W. Staley TELEPHONE NO. (303) 830-5344

NEW MICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

Operator AMOCO PRODUCTION COMPANY			Lease Kutz Deep Test "C"		Well No. 2
Unit Letter F	Section 27	Township 28N	Range 10W	County San Juan	
Actual Footage Location of Well: 1500 feet from the North line and 1750 feet from the West line					
Ground Level Elev: 5960' ungr.	Producing Formation Fruitland		Pool Kutz Fruitland Sand	Dedicated Acreage: 160 Acres	

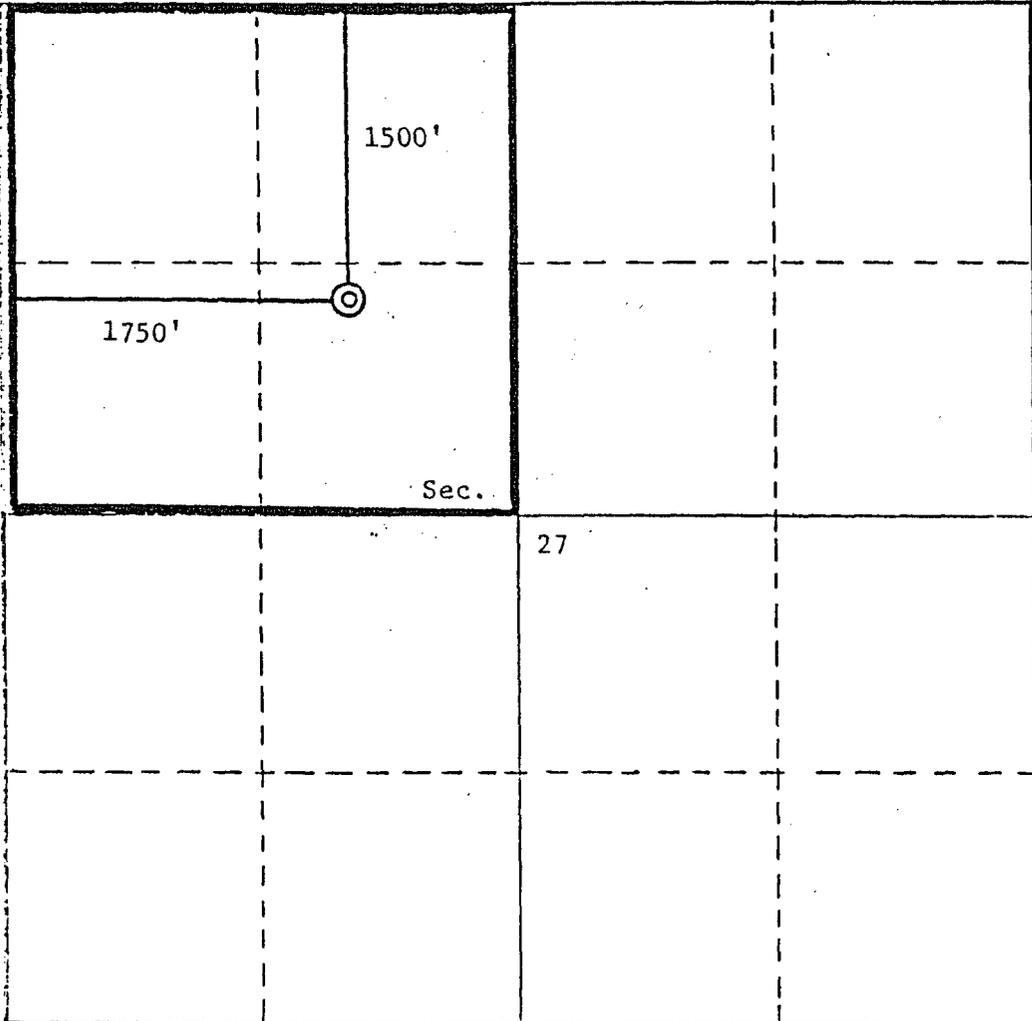
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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 _____



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.



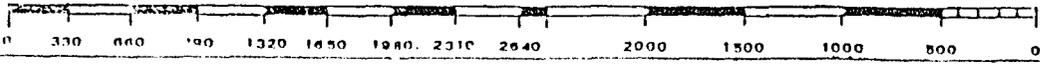
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

B. D. Shaw
Name
B. D. Shaw
Position
Adm. Supv.
Company
AMOCO PRODUCTION COMPANY
Date
12-20-88

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
September 23, 1972
Registered Professional Engineer and/or Land Surveyor
Original signed by:
Fred B. Kerr, Jr.
Certificate No.



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

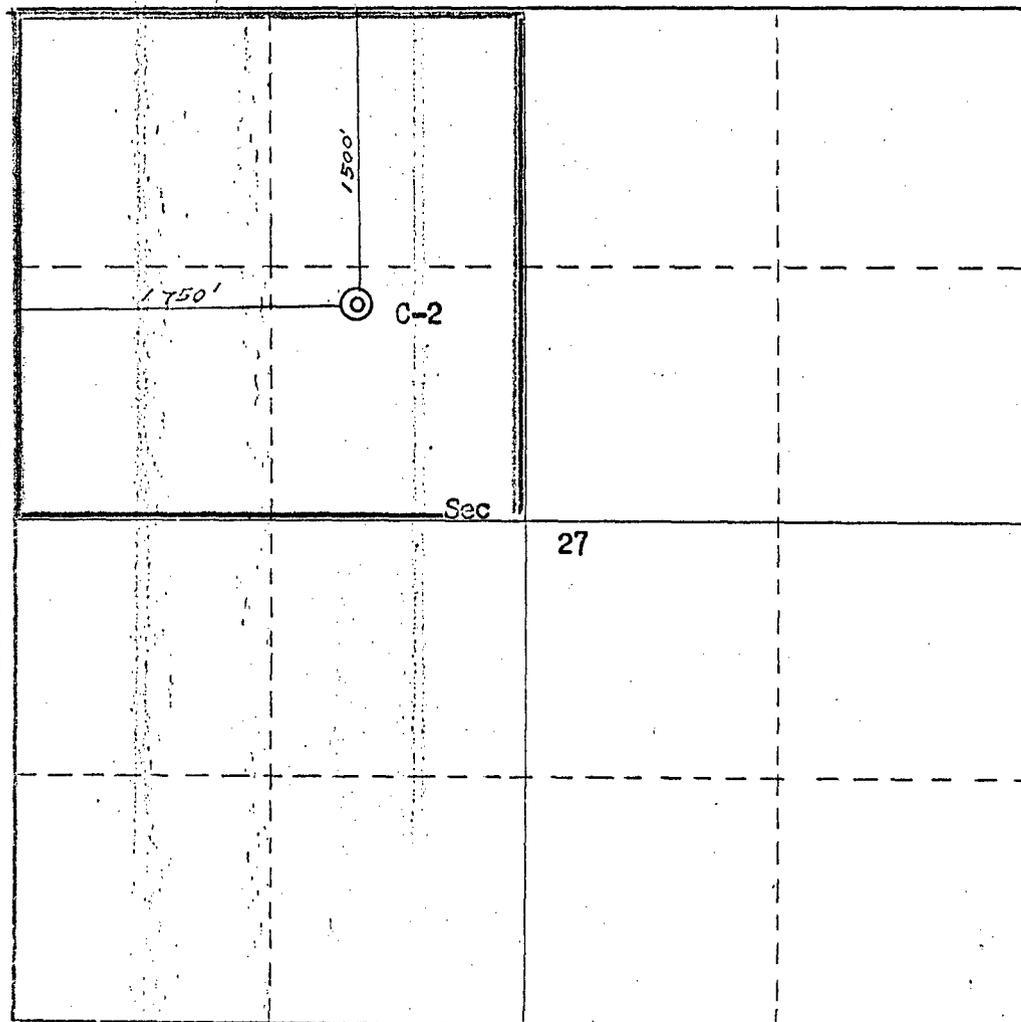
Operator Amoco Production Company			Lease Kutz Deep Test "C"		Well No. 2
Unit Letter F	Section 27	Township 28N	Range 10W	County San Juan	
Actual Footage Location of Well: 1500 feet from the North line and 1750 feet from the West line					
Ground Level Elev. 5960 ungr.	Producing Formation Pictured Cliffs		Pool Fulcher Kutz Pictured Cliffs		Dedicated Acreage: 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 _____

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.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

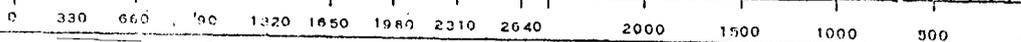
J. Arnold Snell

Name	J. Arnold Snell
Position	Area Engineer
Company	AMOCO PRODUCTION COMPANY
Date	September 27, 1972

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.

ADMN 024214

Date Surveyed	September 23, 1972
Registered Professional Engineer and/or Land Surveyor	<i>Fred B. Keay Jr.</i> Fred B. Keay Jr.
Certificate No.	3950



For: zalc14

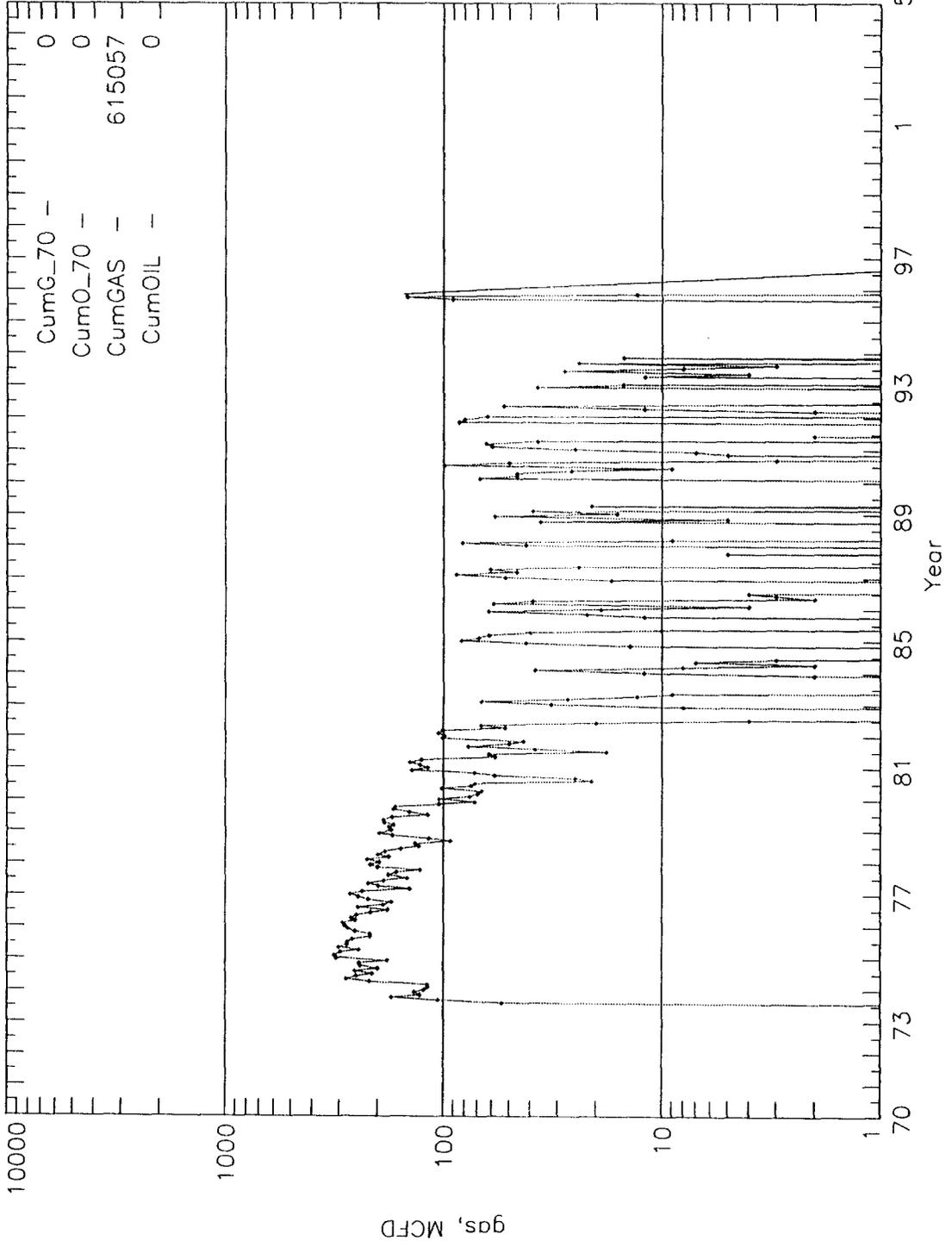
Engr: zalc14

Operator-- AMOCO PRODUCTION COMPANY

KUTZ DEEP TEST C 2

300452105500 604PCCF

APC_WI -- 1.00000000



ANGEL PEAK COMMINGLES

DOWNHOLE COMMINGLES:

WELLNAME	API	FM	METER	TWP	RNG	SEC	TBG/CSG	PRESSURES	DATE	PROPOSED ALLOCATION	TOP & BTM	OIL GRAVITY	COMMENTS
										MCF	FM PERFS	DATA/BTU	
KUTZ DEEP TEST C 2	300452105500	FT	32985	28N	10W	27	200		7/95	0%	1760-1782		Pressure from Compressor Test
KUTZ DEEP TEST C 2	300452105500	PC	32976	28N	10W	27	250		7/95	100%	2004-2042		Pressure from Dwight's P/Z versus cum. data

OFFSET OPERATORS
Kutz Deep Test C #2

Burlington Resources Oil and Gas Co.
P.O. Box 4289
Farmington, NM 87499

Breck Operating Corp.
P.O. Box 911
Breckenridge, TX 76024-0911