pc N/R 9/4

AMOCO

155 M 24 14 3 52

Southern

Rockies

Business

Unit

July 18, 1995

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- Surface Commingling Schwerdtfeger A LS 15A Well
915' FNL & 1770' FWL, Unit C Section 21-T27N-R8W
Blanco Mesaverde Pool
Schwerdtfeger A LS 16 Well
950' FNL & 1782' FWL, Unit D Section 21-T27N-R8W
South Blanco Pictured Cliffs Pool
San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval to surface commingle production from the Schwerdtfeger A LS 15A well completed in the Mesaverde formation and the Schwerdtfeger A LS 16 well completed in the Pictured Cliffs formation. The Schwerdtfeger A LS 15A well is currently producing while the Schwerdtfeger A LS 16 well has just been drilled. If the two wells were surface commingled they could easily share common facilities. The ownership (WI, RI ORRI) of these pools is identical. Surface commingling will offer an economical method of production using a single train of production equipment to produce from both wells. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each of the common sources of supply.

The Schwerdtfeger A LS 15A well (Mesaverde) is currently producing approximately 31 MCFD while the Schwerdtfeger A LS 16 Pictured Cliffs well is anticipated to produce about 320 MCFD. Since the Schwerdtfeger A LS 16 is a new well we will need to do testing to determine a stabilized rate from the Pictured Cliffs formation before commingling. We propose to test the well and use the total rate from the two wells minus the stabilized rate from the Schwerdtfeger A LS 16 well to determine the allocation percentages attributable to each formation. Once we have determined these allocations we will report them to the Aztec District office. The Pictured Cliffs formation has not historically produced condensate in this area, and as such we propose to allocate liquid production 100% to the Mesaverde. This fluid has historically exhibited an API gravity of approximately 49 degrees.

Attached to aid in your review are plats showing the location and acreage dedicated to the well by formation, historical production and recent testing information, and a schematic of the

proposed commingling installation. This spacing unit is on a federal lease SF-079319. A copy of the application will be sent to the BLM requesting their consent for the surface commingling.

Sincerely,

Pamela W. Staley

cc: Mark Rothenberg

Patty Haefle

Frank Chavez, Supervisor NMOCD District III

1000 Rio Brazos Road Aztec, NM 87410 Duane Spencer

Bureau of Land Man

Bureau of Land Management

1235 La Plata Hwy Farmington, NM 87401

All geological and geophysical data, including the interpretation thereof, appearing on this map is the private and confidential property of Amoco Production Company. The publication or reproduction thereof without the written permission of said Company is strictly prohibited.

POLYCONIC CENTRAL MERIDIAN - 107° 41' 12'' W LON SPHEROID - 6

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AMOCO PRODUCTION COMPANY
PLAT MAP
Schwerdtfeger ALS 15 **A**9 - Section Plat

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Yes X No	Ţ.					
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agreement or otherwise? Yes						
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. If the answer to question two is "no", l	ist all the owners	and their respectiv	ve interests bel	ow:		
Owner		Lan	d Description			
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ection B.	27777		on outer bounda	ries of section.		
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Section A above is true and complete the best of my knowledge and belief.	N	_ ું બં	J		.]	
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El Paso Natural GasCompany	7	0	N			
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(Representative)	SF079	סדג	J			
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Farmington, New Mexico	N-	SECTIO	21			
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This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my Supervision and that the same are true and correct to the best of my knowledge and belief.

(Seal,

Farmington, New Mexico

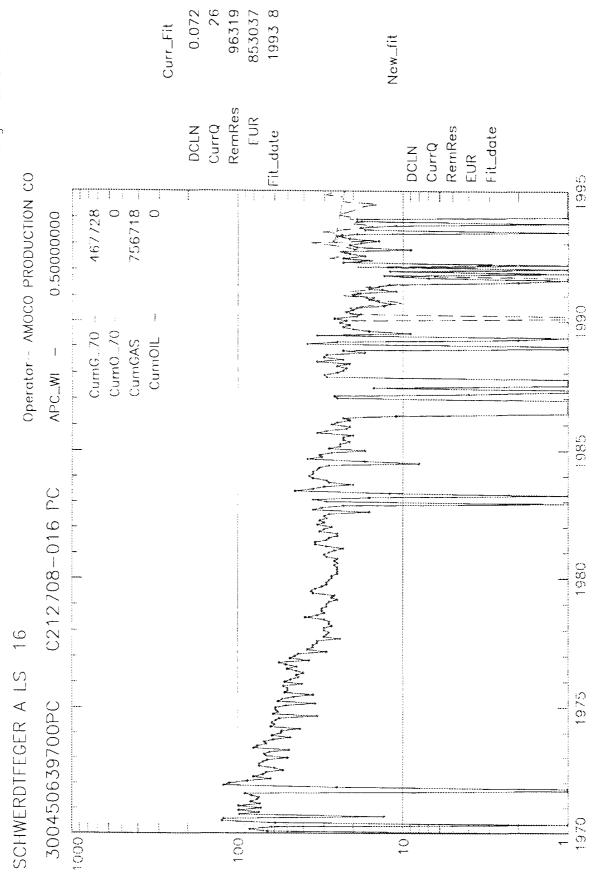
District I PO Box 1980, Hubbs, NM 28241-1980 District II PO Drawer DD, Artesia, NM 28211-0719 District III 1000 Rio Brazos Rd., Aziec, NM 27410 District IV PO Box 2088, Santa Fe, NM 27504-2082 State of New Mexico
Energy, Minerals & Natural Resolution Department

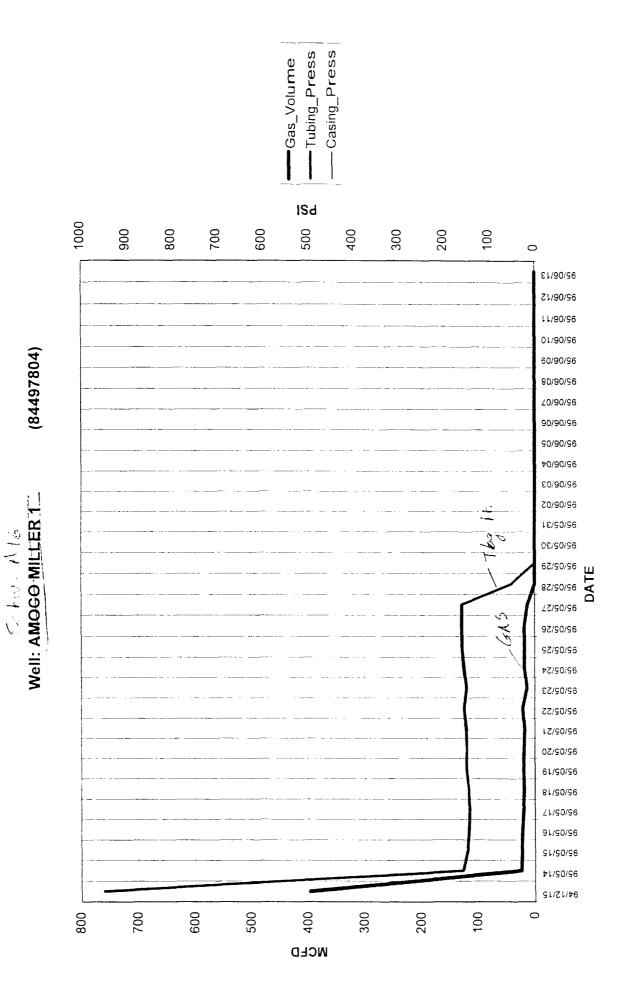
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number				¹ Pool Cod	e		³ Pool N	ame		
' Property Code			DRANCE	CE DLS Schwerdtfeger A 1			A 15 A	15 A Well Number # 14 A		Well Number # 14 A
OGRID (OGRID No.			O PRODUCTION COMPANY				Elevation 6256		
					10 Surface	Location			<u> </u>	
UL or lot no.	Section 2.1	Township	_	Lot Ida	Feet from the	North/South line	Feet from the	East/Wes		County
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12 Dedicated Acr	es 13 Joint	or Infill 14	Consolidatio	a Code 14 C	Order No.		1			-1
NO ALLOV	VABLE '	WILL BE	ASSIGNE	D TO TH	IS COMPLET	ION UNTIL ALL	INTERESTS H	AVE BE	EN CO	NSOLIDATED
				ANDARD	UNIT HAS B	EEN APPROVED	BY THE DIV	ISION		
16 /290.13' /290.14			0.14'				17 OPERATOR CERTIFIC			ì
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							Date of Sur	March 9, 1995 Date of Survey Signature and Soil of Processional Approver. MEXIC		
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							Centicate	De POFF	140123	\ <u>`</u>





Page 1

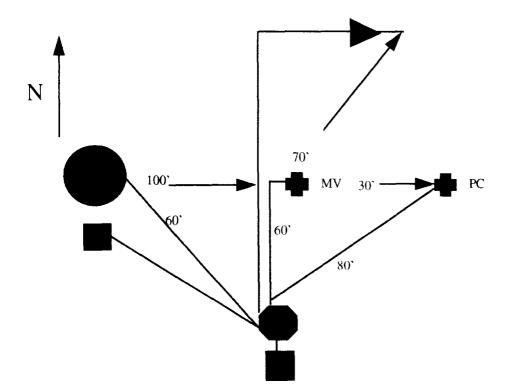
AMOCO PRODUCTION COMPANY SAN JUAN OPERATIONS CENTER FARMINGTON, NM

ONSHORE FEDERAL AND INDIAN SITE FACILITY DIAGRAM

LEASE NAME & W	ELL NUMBI	ER_ Schwere	itfeger A16 a	ndA15A Comingle			
LEASE NUMBER			COMMUN	ITIZATION NUMBER	·		
LOCATION	SEC	Τ	R				
This diagram subject to site security plan for NewMexico							

Sealed valves are normally closed during production phase. Drain line valve to pit open to draw off water and load line valve open to sell condensate.

Date__7/14/95___



Compressor
Wellhead
Production Unit
Storage Tank and Number
Dehydrator
Meter Run and Number
Pit
Sealed valves