



AMOCO OIL CONSERVATION DIVISION
RECEIVED

SEP 27 1995

PC N/R
921

Southern

Rockies

Business

Unit

September 27, 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
Gallegos #8 Well
933' FSL, 880' FWL, Unit M Section 34-T26N-R11W
Basin Dakota and Basin Fruitland Coal
San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval to surface commingle production from the Basin Dakota and Basin Fruitland Coal in the Gallegos #8 well referenced above. This well has been producing from the Dakota and we plan to recomplete to the Fruitland Coal with the two zones commingled at the surface. This well is anticipated to have marginal production and surface commingling will offer an economical method of production using a single train of production equipment and a single compressor to improve production from both zones. 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 ownership (WI, RI, ORRI) of these pools is identical in this wellbore. Currently, the Dakota is producing 75 MCFD and the Fruitland Coal is expected to produce 125 MCFD resulting in an expected rate of 200 MCFD. The Dakota does not produce condensate in this well nor do we anticipate any condensate production from the Fruitland Coal. After the recompletion to the Fruitland is made, we recommend testing the well for three months to establish stabilized gas production rates for both formations on compression. Once those rates are established we would submit our proposed allocation to your Aztec District for approval.

Attached to aid in your review are plats showing the location and acreage dedicated to the well, a historical production plot for the Dakota and a schematic of the proposed commingling

installation. This spacing unit is on Indian lease NOO-C-14-20-4321. A copy of the application will be sent to the BLM requesting their consent for the surface commingling.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pamela W. Staley', written over a horizontal line.

Pamela W. Staley

cc: Mark Yamasaki
Patty Haeefe

Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Road
Aztec, NM 87410

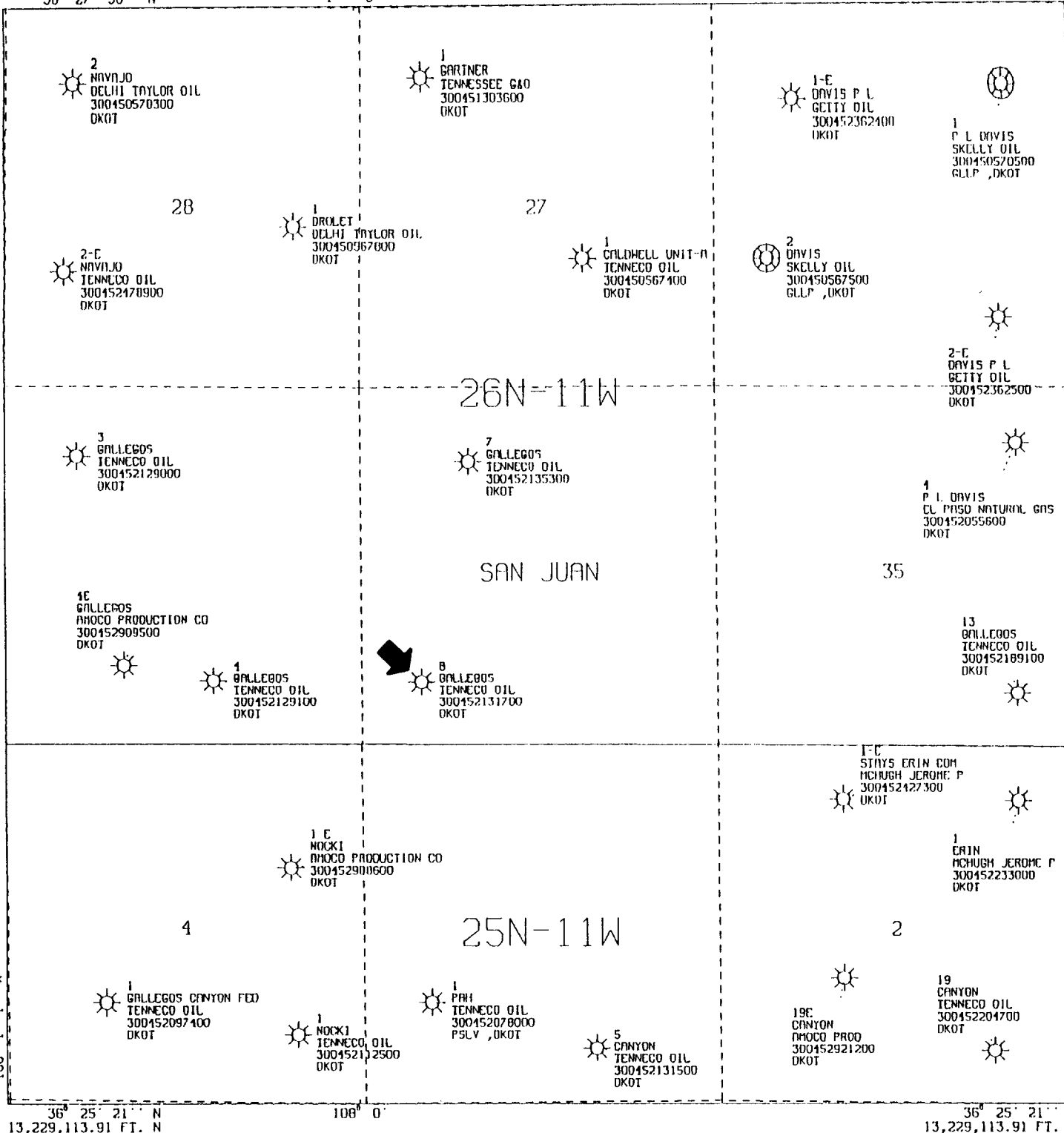
Duane Spencer
Bureau of Land Management
1235 La Plata Hwy
Farmington, NM 87401

13,244,964.91 FT. N
36° 27' 58" N

13,244,964.91 FT. N
36° 27' 58" N

992,075.33 FT. E
108° 1' 4" E

107° 57' 50" E
1,007,923.67 FT. E



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.

AMOCO PRODUCTION COMPANY
PLAT MAP
Gallegos #8
Basin Dakota

SCALE 1 IN. = 2,000 FT. SEP 25, 1995

POLYCONIC CENTRAL MERIDIAN - 107° 59' 27" W LON
SPHEROID - 6

16.31.37 MON 25 SEP, 1995

13,244,964.91 FT. N
36° 27' 58" N

13,244,964.91 FT. N
36° 27' 58" N

992,075.33 FT. E
108° 1' 4" E

1,007,923.67 FT. E
107° 57' 50" E

28

27

26

1
BUENA SUERTE 28N CO
GIANT EXPL & PROD
300452895000
FRLO

26N-11W

1
BUENA SUERTE 33B
GIANT EXPL & PROD
300452910000
FRLO

SAN JUAN

35

1
BUENA SUERTE 33L CO
GIANT EXPL & PROD
300452007900
FRLO



GALLEGOS #8
Fruitland Coal

1
BUENA SUERTE 4B COM
GIANT EXPL & PROD
300452850600
FRLO

4

1
BUENA SUERTE 3B COM
GIANT EXPL & PROD
300452861600
FRLO

2

1
BUENA SUERTE 4L COM
GIANT EXPL & PROD
300452807700
FRLO

25N-11W

1
BUENA SUERTE 3L
GIANT EXPL & PROD
300452819300
FRLO

36° 25' 21" N
13,229,113.91 FT. N

100° 0'

36° 25' 21" N
13,229,113.91 FT. N

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AMOCO PRODUCTION COMPANY
PLAT MAP
Gallegos #8
Fruitland Coal

POLYCONIC CENTRAL MERIDIAN - 107° 59' 27" W LONG
SPHEROID - 6

SCALE 1 IN. = 2,000 FT. SEP 25, 1995

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

RECEIVED

All distances must be from the outer boundaries of the Section

Operator TENNECO OIL COMPANY			Lease GALLEGOS		Well No. 8
Unit Letter M	Section 34	Township 26 NORTH	Range 11 WEST	County SAN JUAN	
Actual Footage Location of Well: 933 feet from the SOUTH line and 880 feet from the WEST line					
Ground Level Elev. 6268.0	Producing Formation Dakota "B"		Pool Basin Dakota	Dedicated Acreage 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 communitization in progress
- If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)
- No allowance 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.

ILLEGIBLE

Sec. 34	
TENNECO - 100% WI Royalty - 1/6 BIA.	TENNECO - 100% WI Royalty - 1/6 BIA.
880	
933	

SCALE - 4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY FARMINGTON, N. M.

CERTIFICATION

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

Name James W. Lee
 Position Production Clerk
 Company Tenneco Oil Company
 Date 8/8/73

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.

19 JUL 1973
 Date Surveyed
 Registered Professional Engineer
 and/or Land Surveyor
 1463
 JAMES P. LEE
 STATE OF NEW MEXICO

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 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 3004521317		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 568	Property Name Gallegos		Well Number 8
OGRID No. 000778	Operator Name Amoco Production Company		Elevation 6268'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	26N	11W		933'	South	880	West	San Juan

11 Bottom Hole Location If Different From Surface

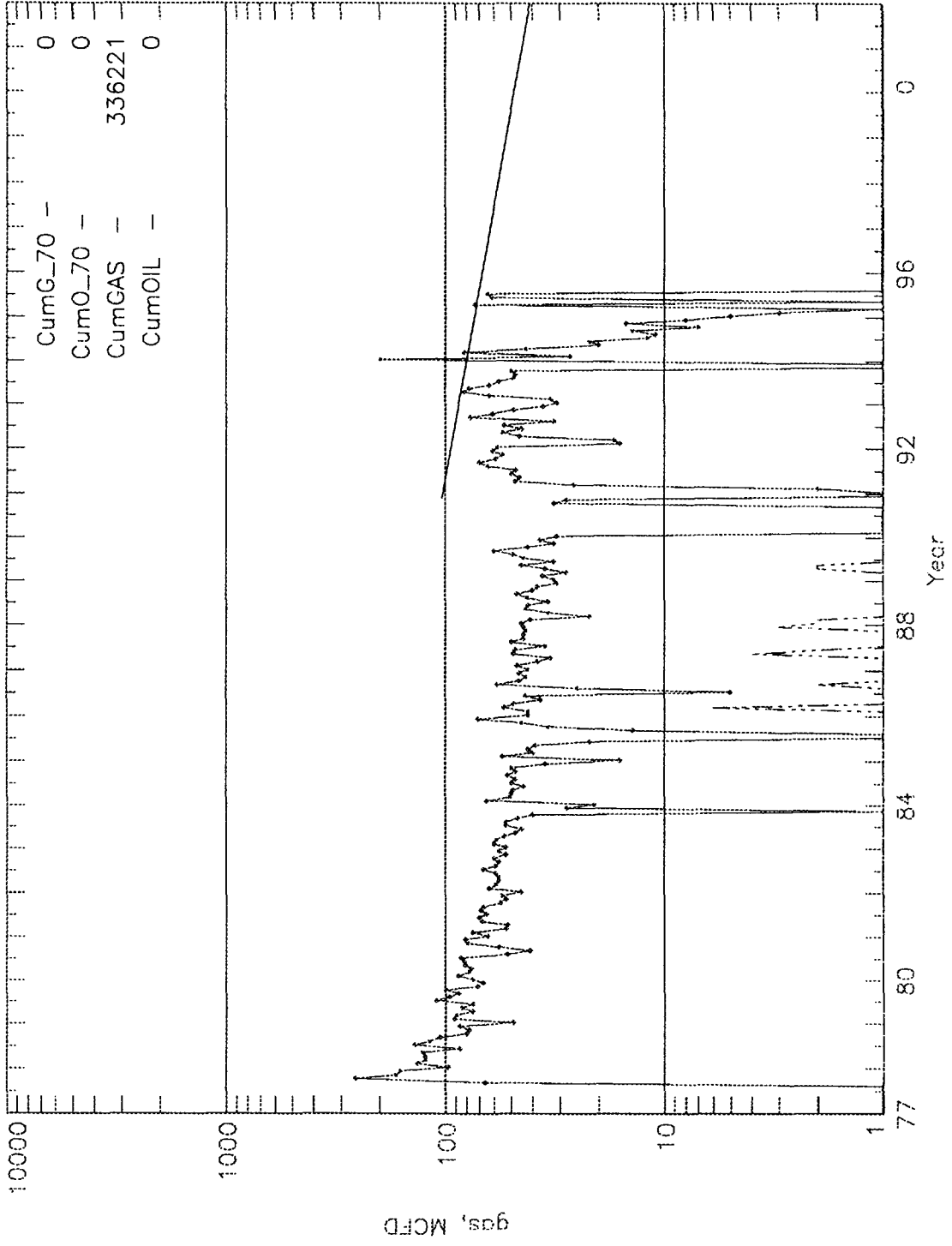
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Patty Haeefe</u> Patty Haeefe Printed Name Staff Assistant Title Date <u>9/26/95</u>
880'	933'				18 SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

Engr: zmhy01

GALLEGOS 8
300452131700DK M342611-008 DK
Operator- AMOCO PRODUCTION CO
APC_WI - 1.00000000



**AMOCO PRODUCTION COMPANY
SAN JUAN OPERATIONS CENTER
FARMINGTON, NM**

**ONSHORE FEDERAL AND INDIAN
SITE SECURITY DIAGRAM**

LEASE NAME & WELL NUMBER : Gallegos # 8

LEASE NUMBER :

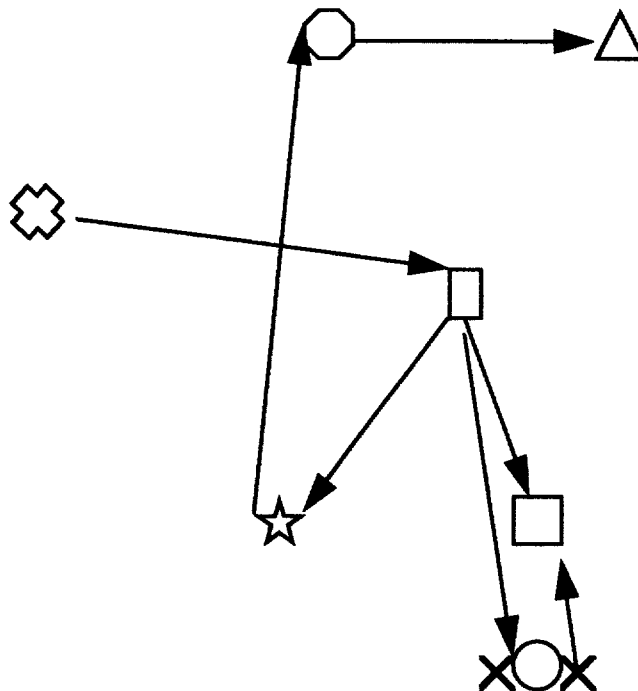
COMMUNITIZATION NUMBER :

LOCATION : M SECTION : 34 TOWNSHIP : 26 RANGE : 11

This diagram subject to site security plan for New Mexico.

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

Date : 9/7/95



-  **Compressor**
-  **Well head**
-  **Production Unit**
-  **Storage Tank**
-  **Dehydrator**
-  **Meter Run**
-  **Pit**
-  **Sealed Valve**



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:

July 26, 1996

SW-I-4285 (CA)
NOO-C-14-20-3623 (WF)
3162.7-3 (07327)

Ms. Pamela W. Staley
Amoco Production Company
P.O. Box 800
Denver, CO 80201

RE: Indian Allotment NOO-C-14-20-3623 and NOO-C-14-20-4321
Communitization Agreement SW-I-4285(DK)
Surface Commingling Application
Basin Fruitland Coal and Basin Dakota Formations
No. 8 Gallegos Canyon
933' FSL and 880' FWL
Section 34, T. 26 N., R. 11 W.
San Juan County, New Mexico

Dear Ms. Staley:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated July 11, 1996, for allocation factors in the above referenced well. The following allocation factors have been accepted for record.

FORMATION	GAS ALLOCATION
Fruitland Coal	73%
Dakota	27%

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

/s/ Brian W. Davis

FOR Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOC, Santa Fe
BIA, Navajo Office