



February 7, 1996

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
2040 S. Pacheco Street  
P.O. Box 6429  
Santa Fe, NM 87505

**Southern**

**Rockies**

**Business**

**Unit**

PC N/R  
934

**Application for Exception to Rule 303-A Surface Commingling**  
**Storey LS #8 - South Blanco Pictured Cliffs Pool**  
**1840' FNL & 900' FWL, Unit E Section 27-T28N-R8W**  
**Storey LS #1A - Blanco Mesaverde Pool**  
**1850' FSL & 920' FWL, Unit E Section 27-T28N-R8W**  
**San Juan County, New Mexico**

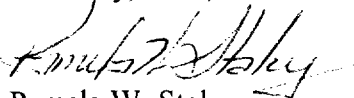
Amoco Production Company hereby requests administrative approval to surface commingle production from the South Blanco Pictured Cliffs Pool for the Storey LS #8 well and the Blanco Mesaverde Pool for the Storey LS #1A well. These wells are located in Unit E of Section 27-T28N-R8W, San Juan County, New Mexico. In support of this application, Amoco states the following:

1. Amoco is the operator of the South Blanco Pictured Cliffs Pool underlying the northwest quarter of Section 27-T28N-R8W, San Juan County, New Mexico currently dedicated to the Storey LS #8 well.
2. Amoco is the operator of the Blanco Mesaverde Pool underlying the north half of Section 27-T28N-R8W, San Juan County, New Mexico currently dedicated to the Storey LS #1A well.
3. The ownership (WI, RI, ORRI) is common for the pools which are proposed for surface commingling.
4. The surface commingling will offer an economical method of production using a single train of production equipment. Current production from the Pictured Cliffs is 42 MCFD with no condensate production. The Storey LS #1A is a newly drilled well and expected to produce 155 MCFD with 0.7 BCPD. We recommend allocating production based on annual well testing for the Pictured Cliffs. Since the Mesaverde is a new well, we recommend quarterly well testing during the first year followed by annual well testing thereafter. Allocations would be percentages of total production based on the current well test for that formation.
5. 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.

6. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

Attached to aid in your review is a plat showing the location and acreage dedicated to the wells, a historical production plot for the Pictured Cliffs and a schematic of the proposed commingling installation. This spacing unit involves federal lease SF-078566 and a copy of the application will be sent to the Bureau of Land Management.

Sincerely,



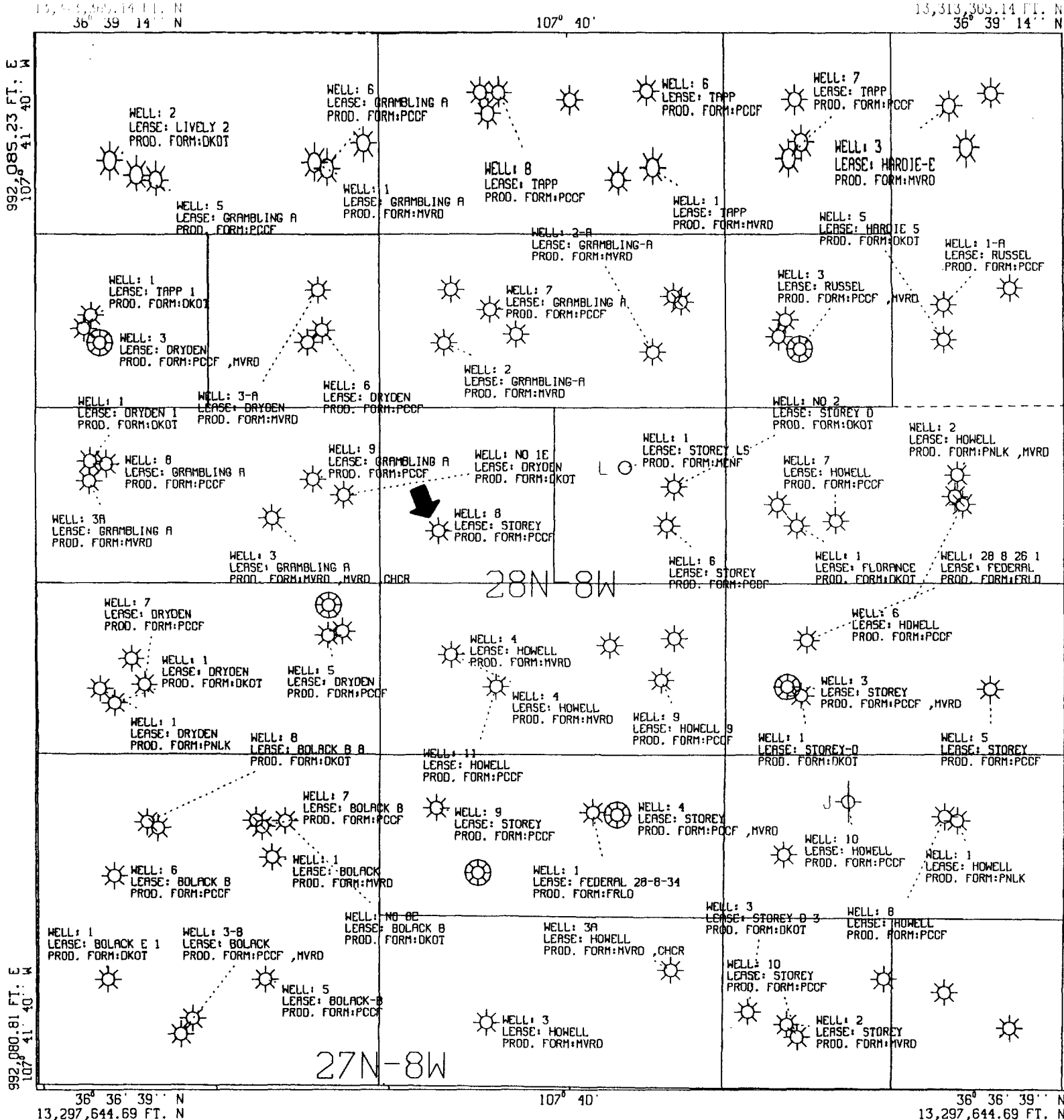
Pamela W. Staley

Attachments

cc: Mark Rothenberg  
Patty Haefele  
Wellfile  
Proration files

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



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° 40' 3" W LON  
SPHEROID - 6

AMOCO PRODUCTION COMPANY  
PLAT MAP  
Storey LS 1A  
9 - Section Plat

SCALE 1 IN. = 2,000 FT. MAR. 21. 1995

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 7-162  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

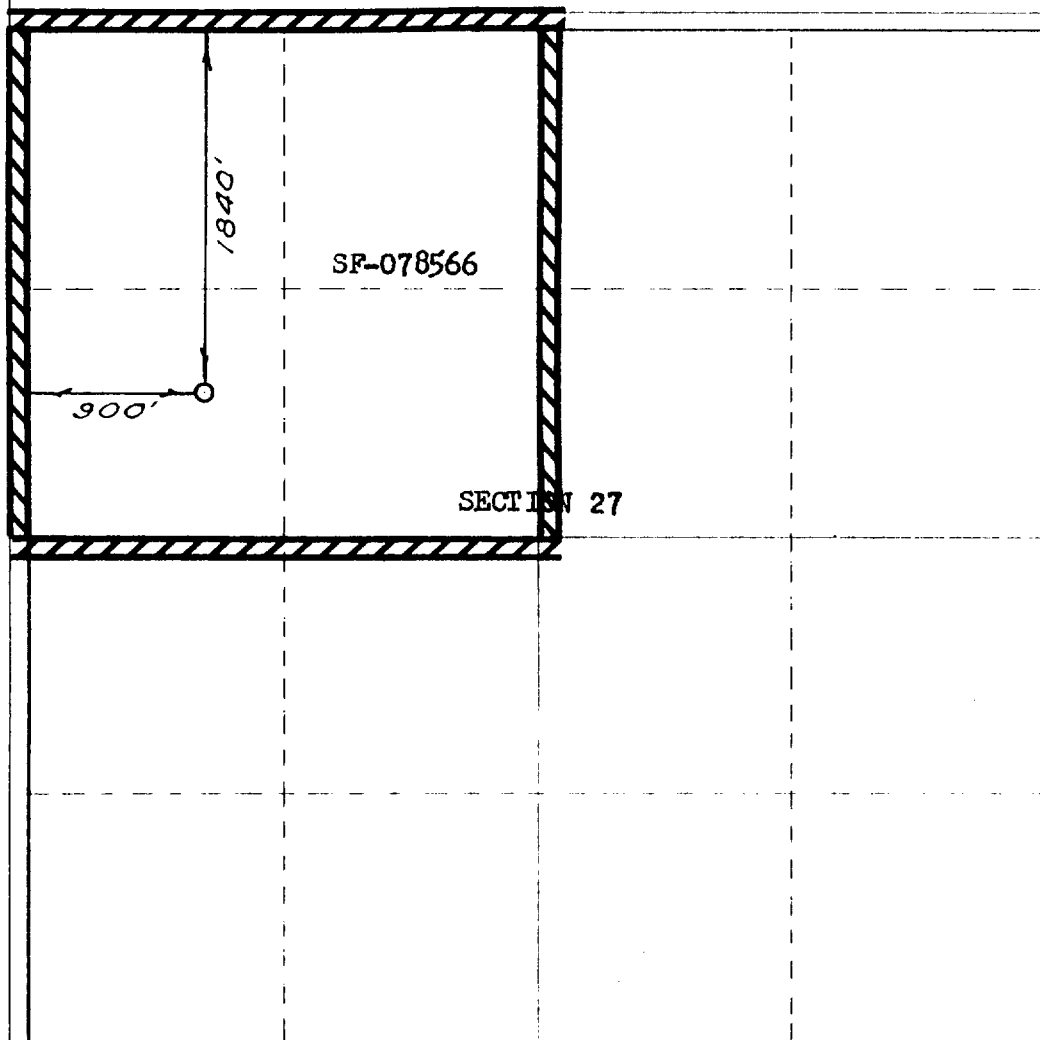
Operator <b>EL PASO NATURAL GAS COMPANY</b>		Lessee <b>STOREY (SF-078566)</b>		Well No. <b>8</b>
Unit Letter <b>E</b>	Section <b>27</b>	Township <b>28-N</b>	Range <b>8-W</b>	County <b>SAN JUAN</b>
Actual True Location of Well:				
<b>1840</b>	feet from the <b>NORTH</b>	line and	<b>900</b>	feet from the <b>WEST</b>
Ground Level Elev. <b>6111</b>	Production Formation <b>PICTURED CLIFFS</b>	Foot	Estimated Spacing <b>160.00</b>	

1. 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 \_\_\_\_\_

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.*

Original Signed By:  
**L. O. Van Ryan**

**Petroleum Engineer**

**El Paso Natural Gas Company**

**October 12, 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.*

**SEPTEMBER 21, 1972**

*David Wilmer*  
**1760**

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Kilo Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources 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		Pool Code		Pool Name	
Property Code		Property Name STOREY LS			Well Number # 1 A
OGRID No.		Operator Name AMOCO PRODUCTION COMPANY			Elevation 6145

10 Surface Location

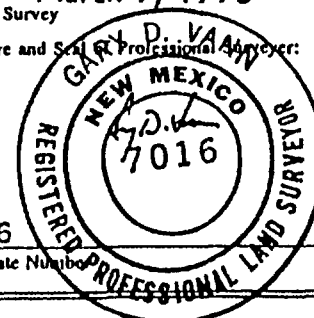
UL or lot no. E	Section 27	Township 28 N	Range 8 W	Lot Ida	Feet from the 1850	North/South line NORTH	Feet from the 920	East/West line WEST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		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 1321.81' 1320' 1320' 920'	1321.82'			17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature _____ Printed Name _____ Title _____ Date _____
				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 Surveyor: March 9, 1995 7016 Certificate Number



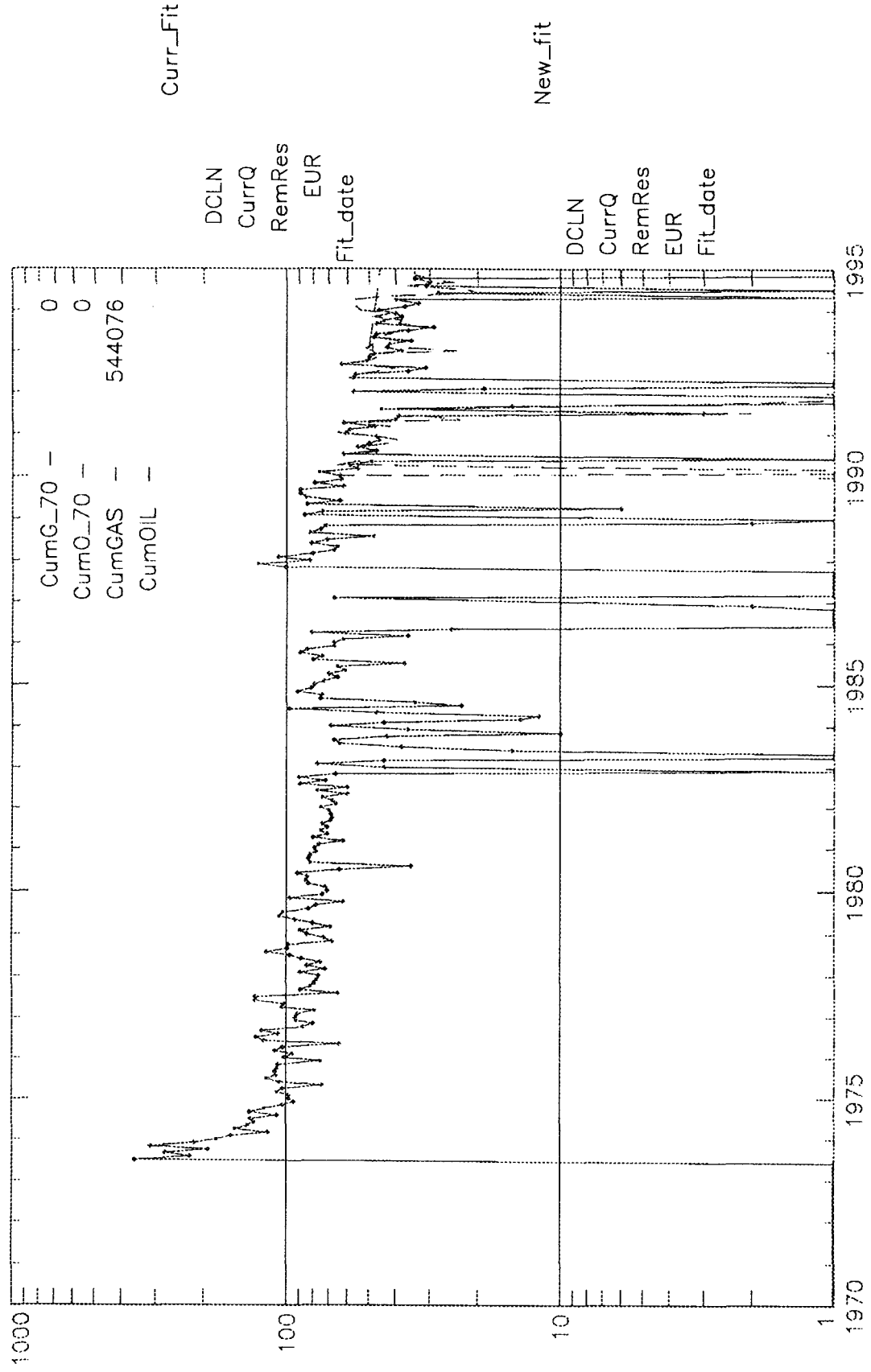
Engr: zrar06

STOREY LS 8

Operator- AMOCO PRODUCTION CO

300452107700PC E272808-008 PC

APC\_WI - 1.0000000



AMOCO PRODUCTION COMPANY  
SAN JUAN OPERATIONS CENTER  
FARMINGTON, NM

ONSHORE FEDERAL AND INDIAN  
SITE FACILITY DIAGRAM

LEASE NAME & WELL NUMBER \_\_\_\_ Story LS1A and LS 8 proposed commingle \_\_\_\_  
LEASE NUMBER \_\_\_\_ COMMUNITIZATION NUMBER \_\_\_\_  
LOCATION SEC T R  
This diagram subject to site security plan for NewMexico

Scaled 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 \_\_ 8/1/95 \_\_

