



Southern

Rockies

Business

Unit

March 18, 1996

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

RECEIVED
APR - 1 1996
OIL CON. DIV.
DIST. 3

Application for Exception to Rule 303-C
Downhole Commingling
Gerk Gas Com B#1 Well
1450' FNL & 1720' FEL, Unit G Section 30-T29N-R9W
Otero Chacra (Pool IDN 82329) and Basin Dakota (Pool IDN 71599) Pools
San Juan County, New Mexico

Enclosed please find an administrative application form (Form C-107-A) and attachments for downhole commingling for the captioned well.

Should you have questions concerning this matter, please contact me at (303) 830-5344.

Sincerely,

Pamela W. Staley

Enclosures

cc: Steve Webb
Gail Jefferson

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

DISTRICT I
P.O. Box 1980, Hobbs NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

DISTRICT II
811 South First St., Artesia, NM 88210-2835

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410-1893

APPLICATION FOR DOWNHOLE COMMINGLING

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

Amoco Production Company		P.O. Box 800 Denver, CO 80201	
Operator		Address	
Gerk Gas Com "B"	1	G 30-T29N-R9W	San Juan
Lease	Well No.	Unit Ltr. - Sec Twp - Rge	County
Spacing Unit Lease Types: (check 1 or more)			
OGRID NO. 000778	Property Code 000594	API NO. 3004507886	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	OTERO CHACRA 82329		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	3180' - 3204' PROPOSED	RECEIVED APR - 1 1996 OIL CON. DIV. DIST. 3	6431' - 6580'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	NEW		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated or Measured Original	a. (Current) 863 PSI (EST) b. (Original) 1250 PSI (EST)	a. b.	a. 756 PSI b. 2367 PSI
6. Oil Gravity (* API) or Gas BTU Content	1168 BTU (EST)		1211 BTU
7. Producing or Shut-In?	NEW		PRODUCING
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 Date: Rates: (EST) SEE ATTACHED	Date: Rates: Date: Rates:	Date: Rates: 1/96 14 MCFD 0 BCPD 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: % Gas %	Oil: % Gas %	Oil: % Gas %

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. SEE ATTACHMENT
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-080781
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 REP DATE 3/20/96
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

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

1 API Number 3004507886		2 Pool Code 82329		3 Pool Name Otero Chacra EXT		
4 Property Code 000594		5 Property Name Gerk Gas Com B			6 Well Number #1	
7 OGRID No. 000778		8 Operator Name Amcco Production Company			9 Elevation 5727'	

10 Surface Location

UL or lot no. G	Section 30	Township 29N	Range 9W	Lot Idn	Feet from the 1450	North/South line North	Feet from the 1720	East/West line East	County San Juan
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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
12 Dedicated Acres 171.77		13 Joint or Infill		14 Consolidation Code		15 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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature <u>Gail M. Jefferson</u> Gail M. Jefferson Printed Name Sr. Admin. Staff Asst. Title 09-27-1995 Date			
				18 SURVEYOR CERTIFICATION <i>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.</i> February 19, 1965 Date of Survey Signature and Seal of Professional Surveyer: 1463 Certificate Number			

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Section A.

Date MARCH 15, 1965

Operator PAN AMERICAN PETROLEUM CORPORATION Lease GERK GAS UNIT "B"
Well No. 1 Unit Letter G Section 30 Township 29 NORTH Range 9 WEST NMPM
Located 1450 Feet From the NORTH Line, 1720 Feet From the EAST Line
County SAN JUAN G. L. Elevation REPORT LATER Dedicated Acreage 407.56 Acres
Name of Producing Formation DAKOTA Pool BASIN DAKOTA

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
Yes No ☒ X
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes ☒ X No ☐ If answer is "yes", Type of Communitization and Operating Agreements circulating for signature---all parties have agreed to join in the drilling of the well.
3. If the answer to question two is "no" list all the owners and their respective interests below:

Owner

Land Description

Non-standard Dakota gas unit authorized by MIOCC Order No. C-2046, Tract "G".

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.

PAN AMERICAN PETROLEUM CORP.

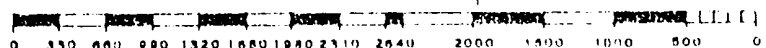
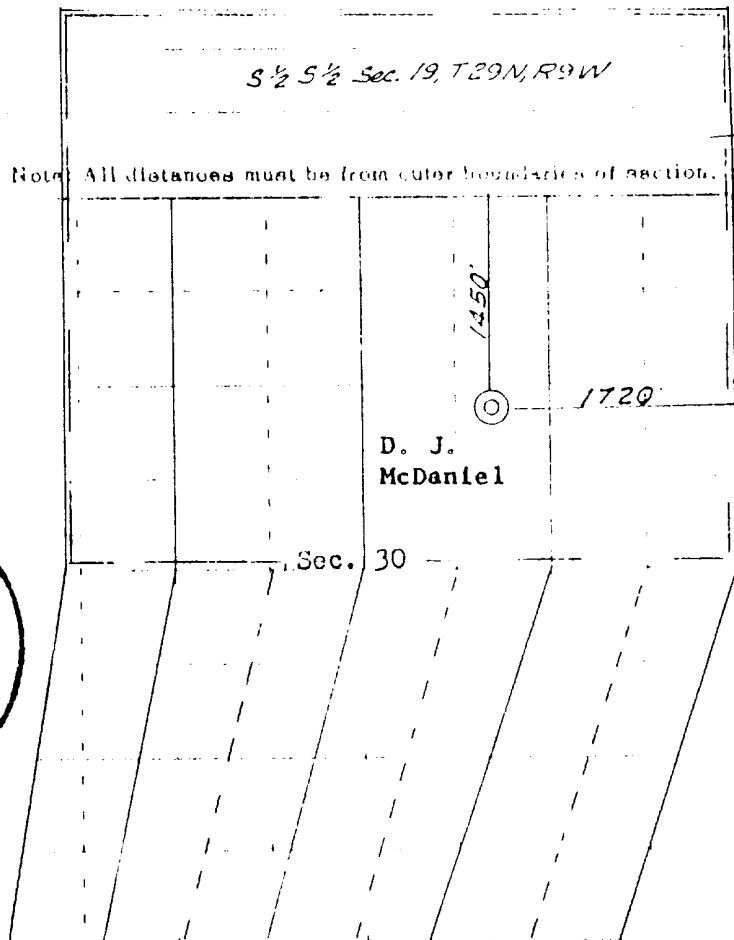
F. H. Hollingsworth (Operator)
F. H. Hollingsworth
(Representative)

P. O. Box 480
(Farmington)

Farmington, New Mexico



Ref: GLO plat dated 2 July 1952



Scale 1 inch equals 1 mile

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.

Date Surveyed February 19, 1965

James P. Leese
Registered Professional Engineer and/or Land Surveyor
James P. Leese, N. Mex. Reg. No. 1463
San Juan Engineering Company

Farmington, New Mexico

Engr: zdws22

GERK GAS COM B 1

Operator-- AMOCO PRODUCTION CO

300450788600DK G302909-001 DK

APC_WI - 0.64067000

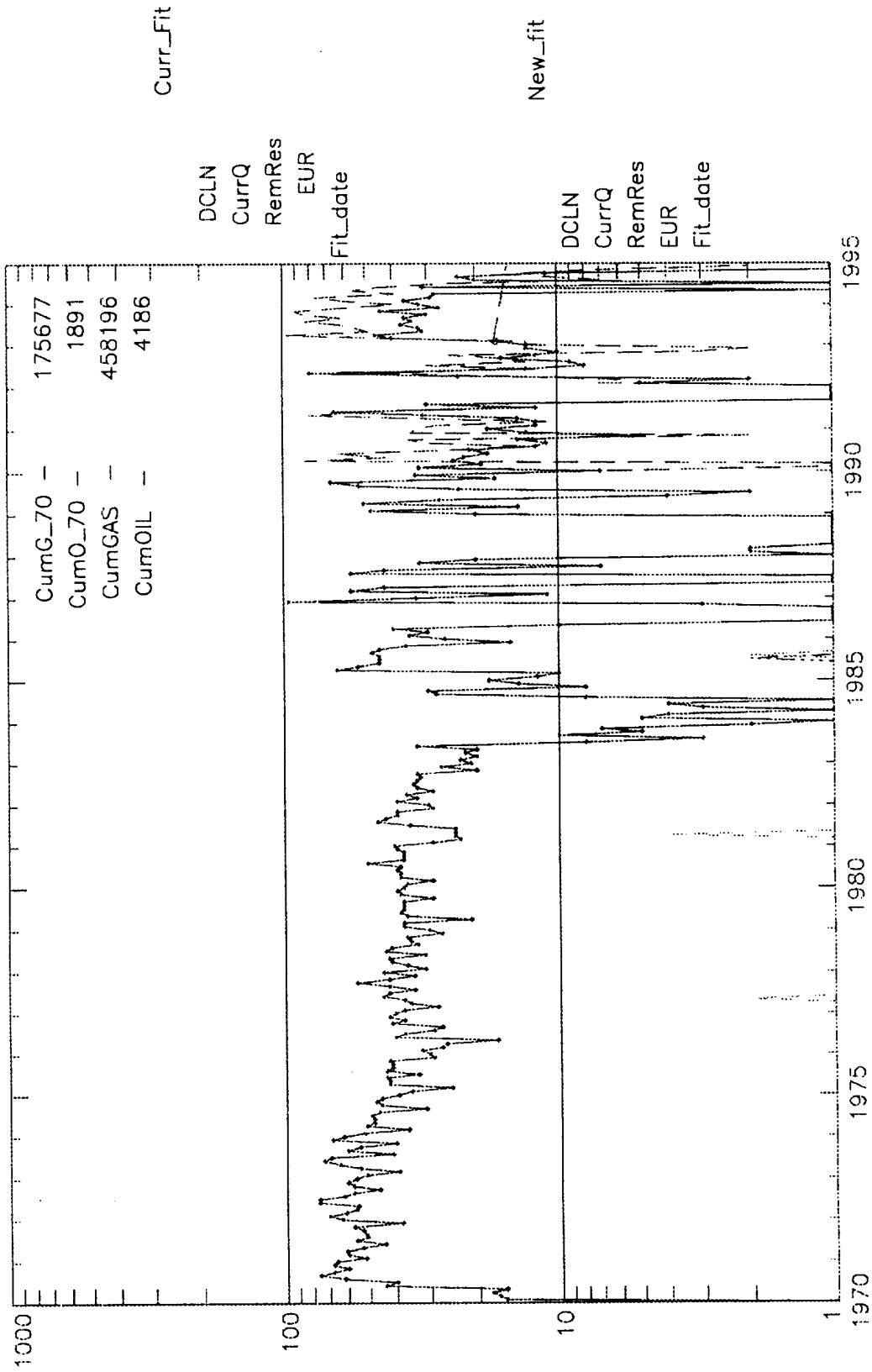
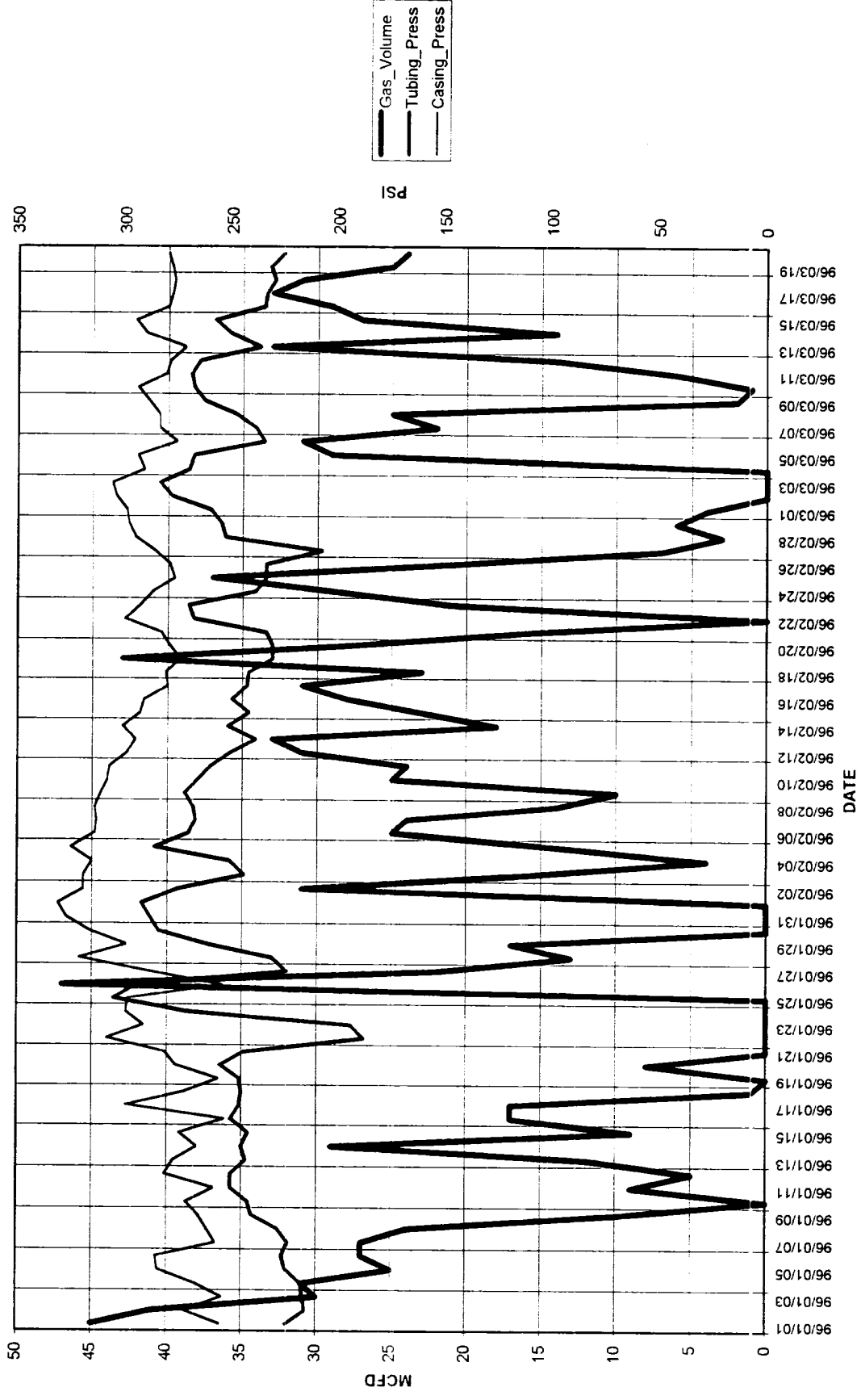


Chart1

Well: GERK GC B 001-DK (93517001)



**LIST OF ADDRESSES FOR OFFSET OPERATORS
GERK GAS COM B#1**

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

Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705

**ALLOCATION RECOMMENDATION
GERK GAS COM B #1**

The Gerk Gas Com B#1 has been producing from the Dakota for some time. After the recompletion to the Chacra, the Dakota is expected to produce 45 MCFD and 4.8 BCPD with no water. The Chacra formation will be a new formation in this wellbore and we propose to test the formation after fracture stimulation and clean-up to establish the initial rate for the Chacra. Once that testing is completed, the allocation for the Chacra formation would be set at the total combined rate minus the Dakota rates. These final allocation rates will be provided to the Aztec District of the NMOCD.

29029900 00001 393080 00 MOZELL GOODELL ALLEN P O BOX 776 LA PORTE	ZJAM63 TX 77572-0776	29029900 00001 251542 00 PATRICIA LYNN CARLSON 48 LOS COYOTES POMONA	ZJAM63 CA 91766-4710
29029900 00001 617000 00 AMOCO PRODUCTION COMPANY P O BOX 591 TULSA	ZJAM63 OK 74102-0591	29029900 00001 124570 00 CHASE OIL CORPORATION P O BOX 1767 ARTESIA	ZJAM63 NM 88211-1767
29029900 00001 684722 00 JERRY J ANDREW 408 LONGWOODS HOUSTON	ZJAM63 TX 77024-5617	29029900 00001 521740 00 STANLEY E COHEN 5401 OVERTON RIDGE BLVD #1204 FT WORTH	ZJAM63 TX 76132-3408
29029900 00001 682516 00 R E BEAMON III SUITE 470 THREE RIVERWAY HOUSTON	ZJAM63 TX 77056-1942	29029900 00001 521741 00 MACK S COHN 3851 BLACK CANYON RD FORT WORTH	ZJAM63 TX 76109-3215
29029900 00001 451847 00 GENIE H BENTLEY 4224 CARUTH DALLAS	ZJAM63 TX 75225-6625	29029900 00001 434106 00 LINDA LEE EGGER CRAIG HC 33 BOX 258C LAS VEGAS	ZJAM63 NM 87701-9506
29029900 00001 762567 00 HAZEL ASHLEY BRACKEN 101 WESTCOTT NO 403 HOUSTON	ZJAM63 TX 77007-7030	29029900 00001 297950 00 BARBARA REESE DINGES 6510 SHADOW CREST HOUSTON	ZJAM63 TX 77074-6818
29029900 00001 676348 00 ANNA GABRIEL BROCK 400 PHETT AVENUE S W HUNTSVILLE	ZJAM63 AL 35801-5215	29029900 00001 434265 00 BARBARA JO EGGER DOBBINS P O BOX 43 WATROUS	ZJAM63 NM 87753-0043
29029900 00001 251540 00 JAMES B CAIN P O BOX 29 ATHENS	ZJAM63 TX 75751-0029	29029900 00001 114754 01 LOUIS DREYFUS NATURAL GAS CORP REMITTANCE ADDRESS P O BOX 850163 OKLAHOMA CITY	ZJAM63 OK 73185-0163

Sub Com B#1

29029900 00001 378618 00 SKEET R EGGER BOX 22 WATROUS	ZJAM63 NM 87753-0022	29029900 00001 149220 00 DAVID HENDERSON 9411 WINDING RIDGE DRIVE DALLAS	ZJAM63 TX 75238-1449
29029900 00001 926370 00 EL PASO PRODUCTION COMPANY P O BOX 840656 DALLAS	ZJAM63 TX 75284-0656	29029900 00001 451848 00 J LANHAM HIGGINBOTHAM III 4204 E PURDUE DALLAS	ZJAM63 TX 75225-6703
29029900 00001 127453 00 ENCAP INVESTMENTS L C 4600 GREENVILLE AVENUE, SUITE 160 DALLAS	ZJAM63 TX 75206-5036	29029900 00001 769903 00 J LANHAM HIGGINBOTHAM JR TRUST J LANHAM HIGGINBOTHAM JR AND GLENN PLATT HIGGINBOTHAM TRS P O BOX 720579 DALLAS	ZJAM63 TX 75372-0579
29029900 00001 127257 00 JAMES L FASHING IRREVOCABLE TRUST DAVID A ROGERS TRUSTEE 4855 N MESA ST SUITE 122 EL PASO	ZJAM63 TX 79912-5989	29029900 00001 149969 00 RUFUS T HIGGINBOTHAM JR 3883 TURTLE CREEK BLVD, SUITE 1402-21 DALLAS	ZJAM63 TX 75219-4430
29029900 00001 251541 01 MICHAEL GALBREATH A/W INTERNAL REVENUE SERVICE ACCT NO 557-23-1302 P O BOX 149047 AUSTIN	ZJAM63 TX 78714-9047	29029900 00001 251544 00 LAURA A HILL TRUST BOATMEN'S FIRST NATIONAL BANK TRUSTEE TRUST DEPT P O BOX 1331 AMARILLO	ZJAM63 TX 79180-0001
29029900 00001 251543 00 SHARON GALBREATH 8655 N ROUNDTREE RD FLAGSTAFF	ZJAM63 AZ 86001-7812	29029900 00001 251545 00 HILLSON MINERAL TRUST BOATMEN'S FIRST NATIONAL BANK TRUSTEE P O BOX 1331 AMARILLO	ZJAM63 TX 79180-0001
29029900 00001 438525 00 RICHARD GRIFFITH 2704 20TH STREET LUBBOCK	ZJAM63 TX 79410-1511	29029900 00001 686364 00 MARY DOLL INGRAM 7600 BURGUYNE #153 HOUSTON	ZJAM63 TX 77063-3103
29029900 00001 121879 00 BETTY HARRIS 2804 CALLE CAMPEON SANTA FE	ZJAM63 NM 87505-6419	29029900 00001 251539 00 BILLY JOE JACKSON P O BOX 284 JEMEZ SPRINGS	ZJAM63 NM 87025-0284

Serb Com B#1

29029900 00001 251538 00 BOBBY WARD JACKSON 5926 LOS HERMANOS NE ALBUQUERQUE	ZJAM63 NM 87111-1357	29029900 00001 287367 00 CARL MCDANIEL 3360 RED UNION CIR COLORADO SPRINGS	ZJAM63 CO 80918-1853
29029900 00001 637894 00 EULA MAY JOHNSTON TST NATIONSBANK OF TEXAS NA TRUST DEPARTMENT #03 661 P O DRAWER 840738 DALLAS	ZJAM63 TX 75284-0738	29029900 00001 149977 00 ELIZABETH HIGGINBOTHAM MCKEE 3844 NORTH VERSAILLES AVENUE DALLAS	ZJAM63 TX 75209-5926
29029900 00001 684723 00 JAMES J JOHNSTON P O BOX 570007 HOUSTON	ZJAM63 TX 77257-0007	29029900 00001 710000 01 MINERALS MANAGEMENT SERVICE ROYALTY MANAGEMENT PROGRAM PO BOX 5810 TA DENVER	ZJAM63 CO 80217-5810
29029900 00001 509925 00 V A JOHNSTON FAMILY TRUST KATHERINE PREWITT AND MICHAEL A CHESSER CO-TRUSTEES P O BOX 925 RALLS	ZJAM63 TX 79357-0925	29029900 00001 127258 00 MICHELLE D MINICA IRREVOCABLE TRUST DAVID A ROGERS TRUSTEE 4855 N MESA ST SUITE 122 EL PASO	ZJAM63 TX 79912-5989
29029900 00001 670034 00 DANIEL G KUTZ JR MARIE BROADBENT JOHN D KUTZ SR ESTATE AND BARBARA SATTEFIELD DANIEL SATTEFIELD TRUSTEE 927 WEST RIVERWALK DRIVE RIVERTON	ZJAM63 UT 84065-7877	29029900 00001 451846 00 CYNTHIA H SCOFIELD 2111 DEL MONTE HOUSTON	ZJAM63 TX 77019-3517
29029900 00001 769904 00 LINDA CAROLYN JONES LATHAM TRUST J LANHAM HIGGINBOTHAM JR AND GLEN PLATT HIGGINBOTHAM TRS P O BOX 720579 DALLAS	ZJAM63 TX 75372-0579	29029900 00001 297951 00 DAVID ELBERT REESE 2203 N BELMONT RICHMOND	ZJAM63 TX 77469-5501
29029900 00001 680325 00 PATTIE BEAMON LUNDELL 1616 SOUTH VOSS #870 HOUSTON	ZJAM63 TX 77057-2626	29029900 00001 297953 00 ELIZABETH GOODWIN REESE 7800 NAIRN HOUSTON	ZJAM63 TX 77074-5321
29029900 00001 268550 29 MARATHON OIL COMPANY P O BOX 890882 DALLAS	ZJAM63 TX 75389-0882	29029900 00001 748996 00 ROGERS GIBBARD TRUST ORVILLE C ROGERS, SUSAN EVELAND AND ELAINE GIBBARD ALLMAN TRUSTEES 6804 LA COSTA TYLER	ZJAM63 TX 75703-5750

Berk Conn B #1

29029900 00001 127259 00 DAVID A ROGERS 4855 N MESA ST SUITE 122 EL PASO	ZJAM63 TX 79912-5989	29029900 00001 287368 00 ROSALIE STICKLER P O BOX 366 MONONA	ZJAM63 IA 52159-0366
29029900 00001 682514 00 SAN JUAN BASIN POOL PO BOX 1237 PANHANDLE	ZJAM63 TX 79068-1237	29029900 00001 684747 00 TRILON OIL COMPANY INC P O BOX 34287 LAS VEGAS	ZJAM63 NV 89133-4287
29029900 00001 149968 00 CAROLYN HIGGINBOTHAM SCHLEY P O BOX 5555 LAGUNA PARK	ZJAM63 TX 76634-5555	29029900 00001 615188 03 UNION OIL COMPANY OF CALIFORNIA ATTN REVENUE ACCOUNTING P O BOX 841055 DALLAS	ZJAM63 TX 75284-1055
29029900 00001 451845 00 LINDA J RAYES 4309 FAIRFAX DALLAS	ZJAM63 TX 75205-3026	29029900 00001 487086 00 J K AND SUSIE L WADLEY RESEARCH INSTITUTE AND BLOOD BANK OBA WADLEY INSTS OF MOLECULAR MEDICINE 9000 HARRY HINES BLVD DALLAS	ZJAM63 TX 75235-1730
29029900 00001 687022 00 RICHARD SHIERSHKE 505 VAQUERO ROAD ARCADIA	ZJAM63 CA 91007-6045	29029900 00001 297952 00 REBECCA ANN REESE WARD 2210 CUSTER PARKWAY RICHARDSON	ZJAM63 TX 75080-2502
29029900 00001 684744 00 FRED G SNYDER 727 E NORTHERN AVE PHOENIX	ZJAM63 AZ 85020-4154	29029900 00001 914070 00 GLADYS WATFORD TRUST GLADYS WATFORD, TRUSTEE P O BOX 571814 HOUSTON	ZJAM63 TX 77257-1814
29029900 00001 558820 00 JOSEPH LAWSON SOMERVILLE FLORENE SOMERVILLE ATTY IN FACT BOX 506 THROCKMORTON	ZJAM63 TX 76483-0506	29029900 00001 425246 00 FRANCES HOLMAN WEAVER 4855 NORTH MESA SUITE 122 EL PASO	ZJAM63 TX 79912-5939
29029900 00001 613779 00 SOUTH LAND ROYALTY COMPANY P O BOX 840656 DALLAS	ZJAM63 TX 75284-0656	29029900 00001 926371 00 L DORIS WILLIAMS ESTATE WILLIAM P TRAYLOR AND JOHN G HEARD CO-INDEPENDENT EXECUTORS PO BOX 8306 HOUSTON	ZJAM63 TX 77288-8306

Gerk Com B#1

29029900 00001

ZJAM63

753523 00

CAROL A ZAHARA

14926-81 B AVE

SURREY, BC, CAN, V3S 7V6