

O'L CONSERVE CON DIVISION RECEIVED

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June 1, 1994

Mr. William J. LeMay New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, NM 87504

File: BRC-986.511

Application for Exception to Rule 303-A To Downhole Commingle Production M.N. Galt B No. 1R SW/4 Section 6, T27N-R10W Fulcher Kutz Pictured Cliffs Pool Basin Fruitland Coal Pool San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval to downhole commingle production from the Fulcher Kutz Pictured Cliffs Pool and the Basin Fruitland Coal Pool in the M.N. Galt B No. 1R well. The well is proposed to be drilled at a legal location 1740' FSL and 1240' FWL of Section 6 T27N-R10W. The well will be drilled to the Basin Dakota Pool and be completed as a dual well with the Dakota formation producing up one string of tubing and the Basin Fruitland Coal and Pictured Cliffs formations downhole commingled in separate string of tubing.

The proposed well will reestablish Basin Dakota production and Fulcher Kutz Pictured Cliffs production in the SW/4 of Section 6, T27N-R10W. The original Dakota well, M.N. Galt J No. 1, produced from 1960 to 1968 and was plugged due to casing failure. The M.N. Galt B No. 1 produced from the Fulcher Kutz Pictured Cliffs formation from 1950 to 1991. The well was plugged back to the Basin Fruitland Coal but damaged during completion operations and never produced. Downhole commingling is necessary to produce the Basin Fruitland Coal Pool reserves and remaining Fulcher Kutz Pictured Cliffs reserves which can be recovered under compression and would not otherwise be economically producible.

The ownership of the two formations proposed for commingling is common (WI, RI, ORI).

Mr. William J. LeMay June 1, 1994 Page 2

There will be no crossflow between the zones to be commingled. The SIBHP of the Pictured Cliffs is estimated to be 145 psi and is not less than 50 percent of the SIBHP of the Basin Fruitland Coal which is estimated to be 250 psi. The proposed commingled formations do not produce significant liquid volumes and should not result in any formation damage. The value of the commingled production will not be less than the sum of the values of the individual streams.

We plan to allocate production based on a production test of the Pictured Cliffs rate on compression as a fixed percentage of the commingled production rate on compression. The production test will be performed for one to two weeks on the Pictured Cliffs interval alone and then one to two weeks commingled with the Fruitland Coal.

The offset operators and the BLM will receive notification of this commingle application.

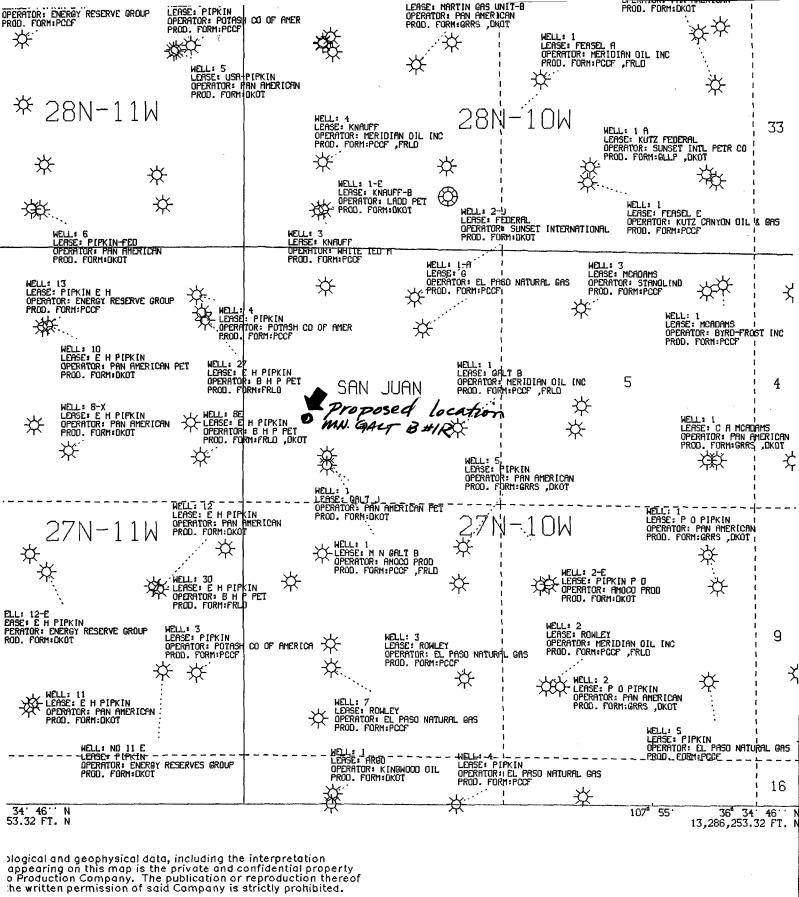
If any additional information is required, please contact me at (303) 830-5072.

J. W. Hawkins

cc: G. M. Kutas - AB 1204

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

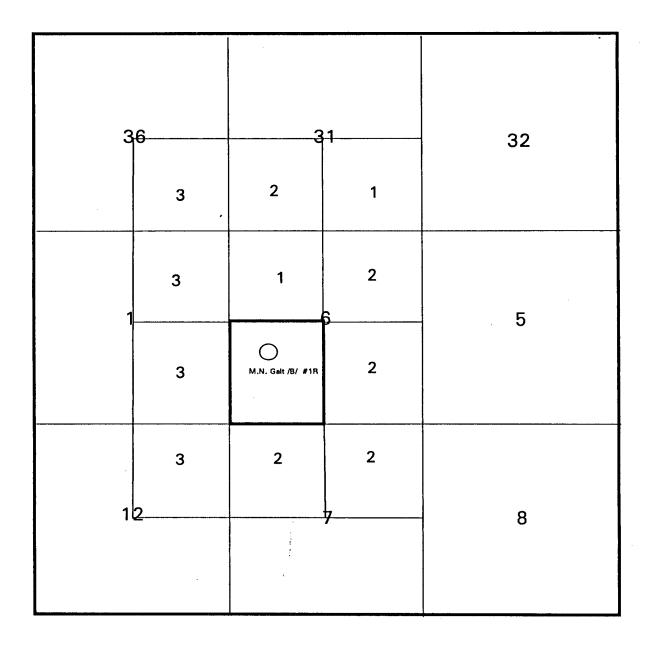
- Bureau of Land Management
   Attention: Duane Spencer
   1235 La Plata Highway
   Farmington, NM 87401
- Meridian Oil Production, Inc.
   P.O. Box 4289
   Farmington, NM 87401
- BHP Petroleum (Americas), Inc. P.O. Box 977 Farmington, NM 87401



CENTRAL MERIDIAN - 107" 56' 9'' W LON

PRODUCTION COMPANY AMOCO PLAT MAP M.N. GALT B #1R JUAN COUNTY SAN NEW MEXICO SCAL F TN 1

Amoco Production Company Offset Operator Plat M. N. Galt /B/ #1R Township 27North - Range 10West Section 6 Pictured Cliffs Formation

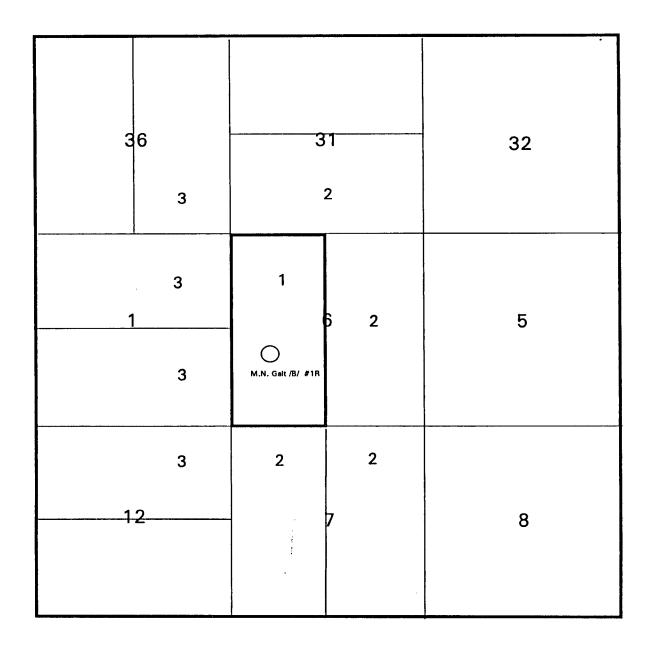


1. Amoco Production Company, P.O. Box 800, Denver, Co. 80201

2. Meridian Oil Prod. Inc., P.O. Box 4289, Farmington, N.M. 87401

3. BHP Petroleum (Americas Inc.), P.O. Box 977, Farmington, N.M. 87499

# Amoco Production Company Offset Operator Plat M. N. Galt /B/ #1R Township 27North - Range 10West Section 6 Fruitland Formation



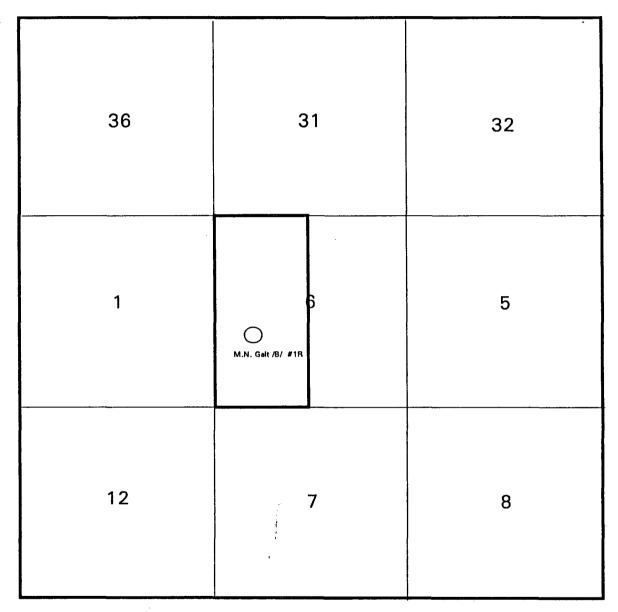
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3. BHP Petroleum (Americas Inc.), P.O. Box 977, Farmington, N.M. 87499

# **Amoco Production Company**

M. N. Galt /B/ #1R Township 27North - Range 10West Section 6 Fruitland/Pictured Cliffs Formations



WIO Amoco 100%

<u>RI Owner</u> MMS .125000

## **ORRI Owners**

Madeline Moore Rodman G. Griscom III BBL LTD Petco Limited Tom Galt Fullerton Trust A & B Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

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

#### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

### **OIL CONSERVATION DIVISION** P.O. Box 2088

Santa Fe, New Mexico 87504-2088

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

DISTRICT 1 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Anesia, NM \$8210

DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410

#### State of New Mexico Energy, Minerals and Natural Resources Department

# **OIL CONSERVATION DIVISION**

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

WELL	LOCATION	AND	ACREAGE	DEDIC	ATION	PLAT

All Distances must be from the outer boundaries of the section

Operator	· · · · · · · · · · · · · · · · · · ·		Lease	•••••	1	Well No.
AMDCD	PRODUCTIC	IN COMPANY	M.N.	Galt /B		#1R .
Unit Letter	Section	Township	Range		:	County
L	6	27 NORTH	10	WEST	NMPM	SAN JUAN
Actual Footage Loc	ation of Well:		·····		H H	
1740	feet from the	SOUTH line	and	1240	feet from t	he WEST line
Ground level Elev.	Producin	g Formation	Pool Fre	cher Kut		Dedicated Acreage:
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Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

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#### State of New Mexico Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION** 

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	· · · ·	- <del>-</del>			Loase					Well No.
		UCTION		NY	M.N.	Galt /B			Contractor	#1P.
Unit Letter	Section		Township 27 N	IORTH	Range	WEST	'		County	SAN JUAN
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Form C-102 Revised 1-1-89 1

