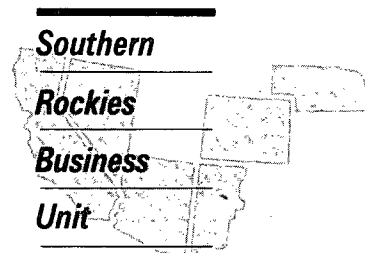




OIL CONSERVATION DIVISION
RECEIVED

1994 JUN 1 8 50



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

PROD. FORM: DKOT

33

WELL: 1
LEASE: C A MCADAMS
OPERATOR: PAN AMERICAN
PROD. FORM: GARS ,OKOT

WELL: 5
LEASE: PIPKIN
OPERATOR: EL PASO NATURAL GAS
PROD. FORM: PCCF

107° 55' 36" 34' 46" N
13,286,253.32 FT. N

SPALF 1 IN - 2 000 FT MAY 22 1964

- 6

Amoco Production Company

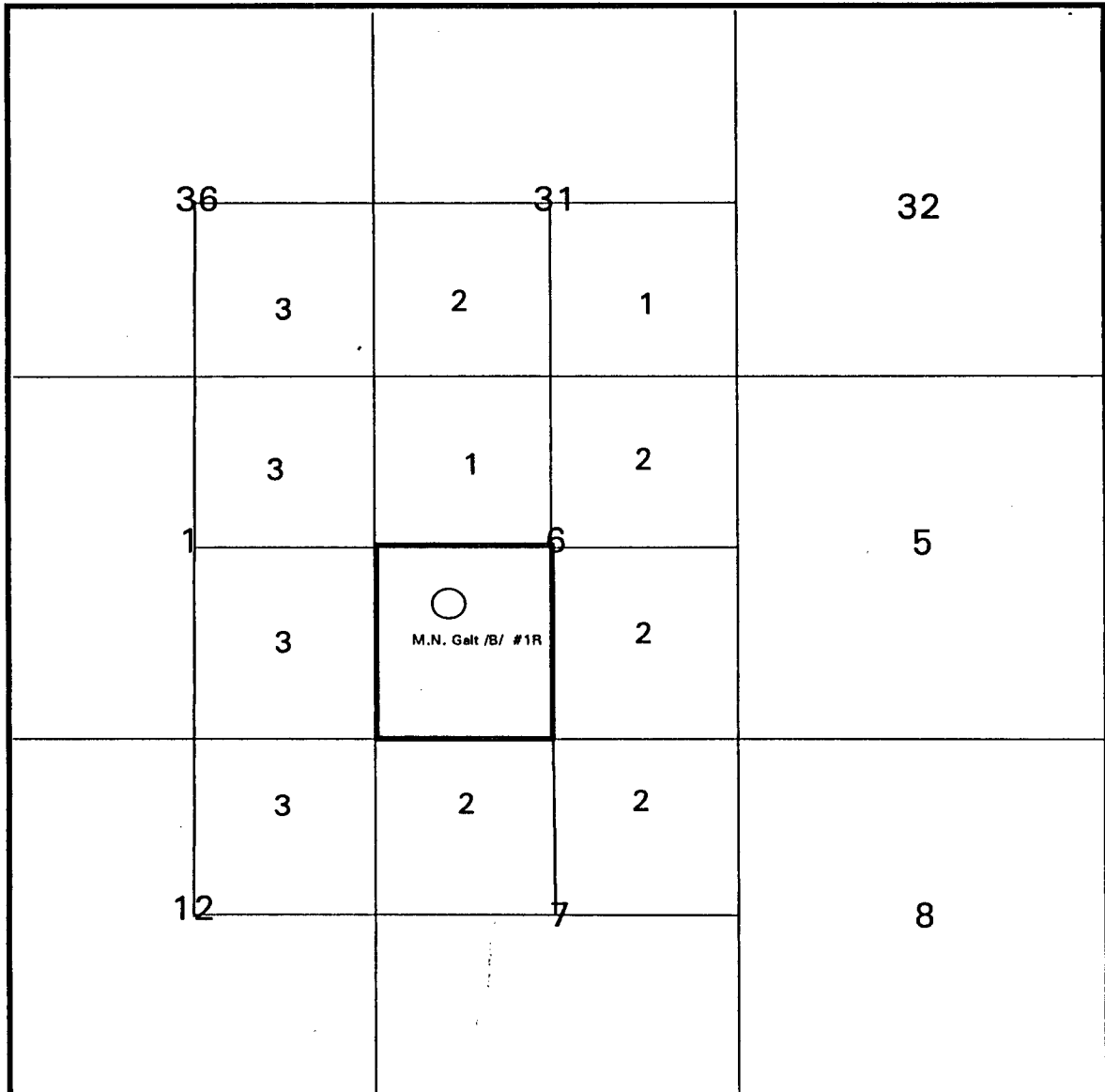
Offset Operator Plat

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

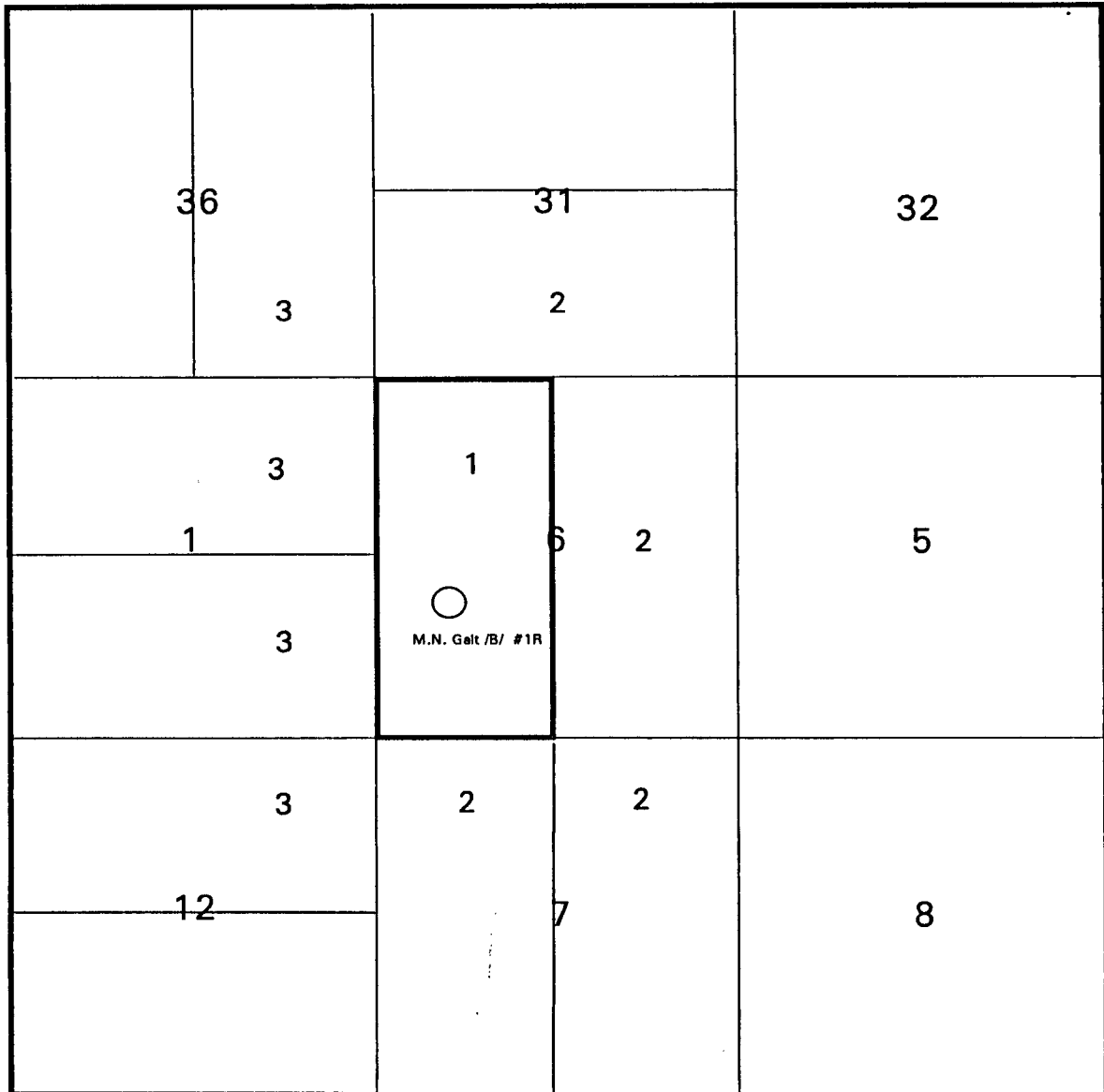
Offset Operator Plat

M. N. Galt /B/ #1R

Township 27North - Range 10West

Section 6

Fruitland Formation



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

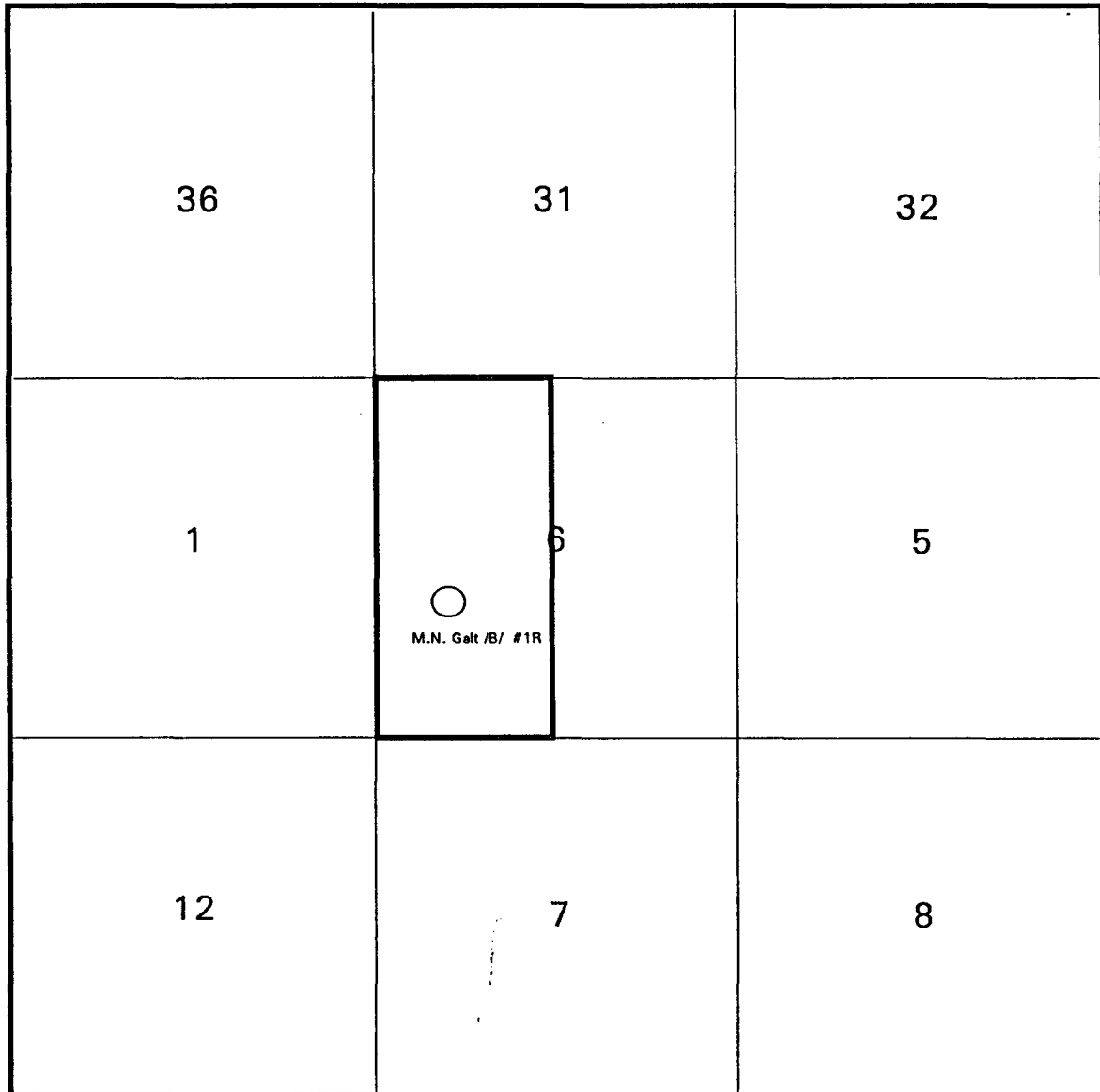
Amoco Production Company

M. N. Galt /B/ #1R

Township 27North - Range 10West

Section 6

Fruitland/Pictured Cliffs Formations



WIO

Amoco 100%

RI Owner

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator AMOCO PRODUCTION COMPANY			Lease M.N. Galt /B		Well No. #1R
Unit Letter L	Section 6	Township 27 NORTH	Range 10 WEST	County NMPM SAN JUAN	
Actual Footage Location of Well: 1740 feet from the SOUTH line and 1240 feet from the WEST line					
Ground level Elev. 5965	Producing Formation Fruitland Coal		Pool BASIN Fruitland Coal	Dedicated Acreage: 330 w/2 Acres	

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 interest of all owners been consolidated by communalization, unitization, force-pooling, etc.?

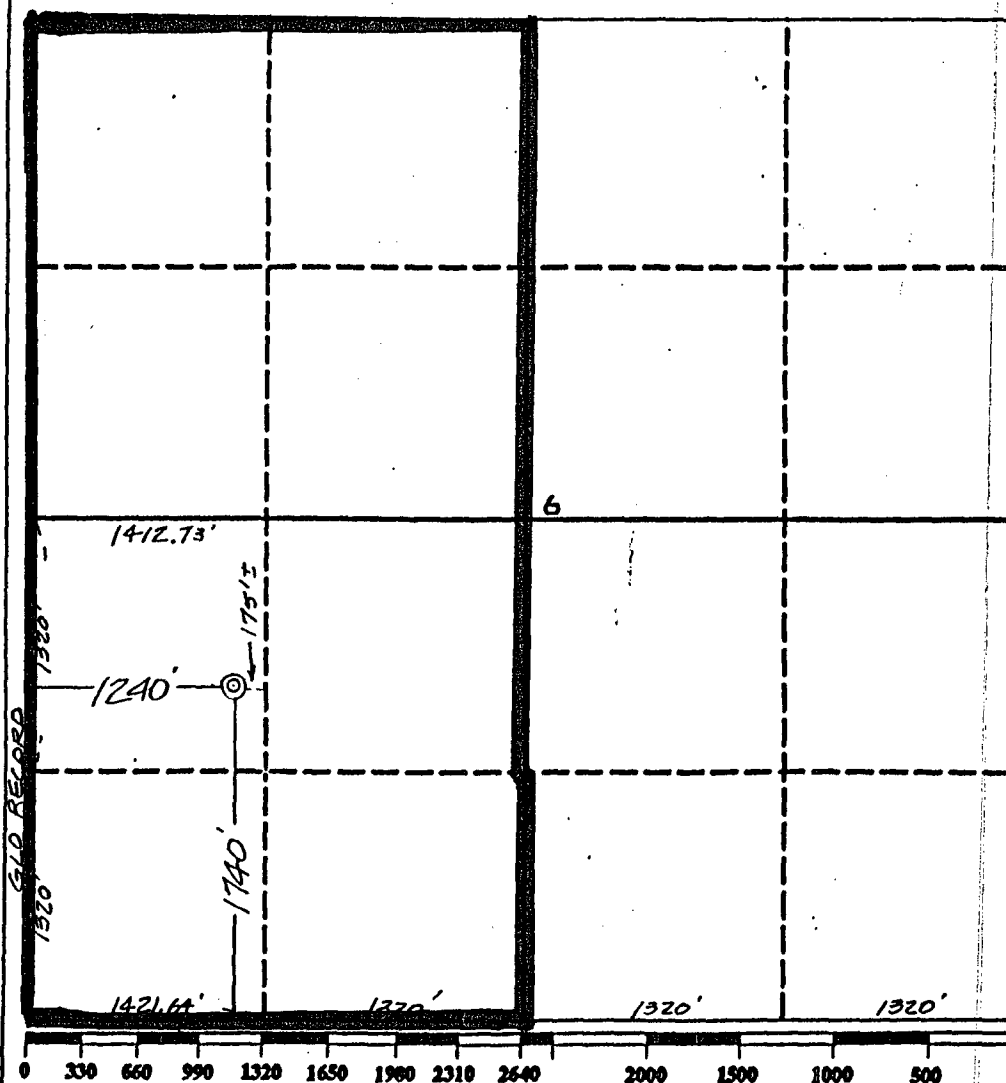
☐ Yes

☐ 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 communalization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



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

Julie L. Acevedo

Position

Senior Staff Assistant

Company

Amoco Production Company

Date

April 19, 1994

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 knowledge and belief.

Date Surveyed

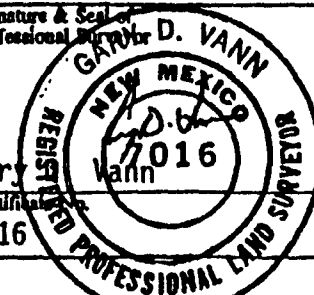
April 7, 1994

Signature & Seal of Professional Surveyor

Gary

Certified

7016



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

State of New Mexico
Energy, Minerals and Natural Resources Department

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Operator AMOCO PRODUCTION COMPANY			Lease M.N. Galt /B		Well No. #1R
Unit Letter L	Section 6	Township 27 NORTH	Range 10 WEST	County NMPM SAN JUAN	
Actual Footage Location of Well: 1740 feet from the SOUTH line and 1240 feet from the WEST line					
Ground level Elev. 5965	Producing Formation Pictured Cliffs		Pool Fulcher Kutz Pictured Cliffs		Dedicated Acreage: 165.89 Acres

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 interest of all owners been consolidated by communization, 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.)

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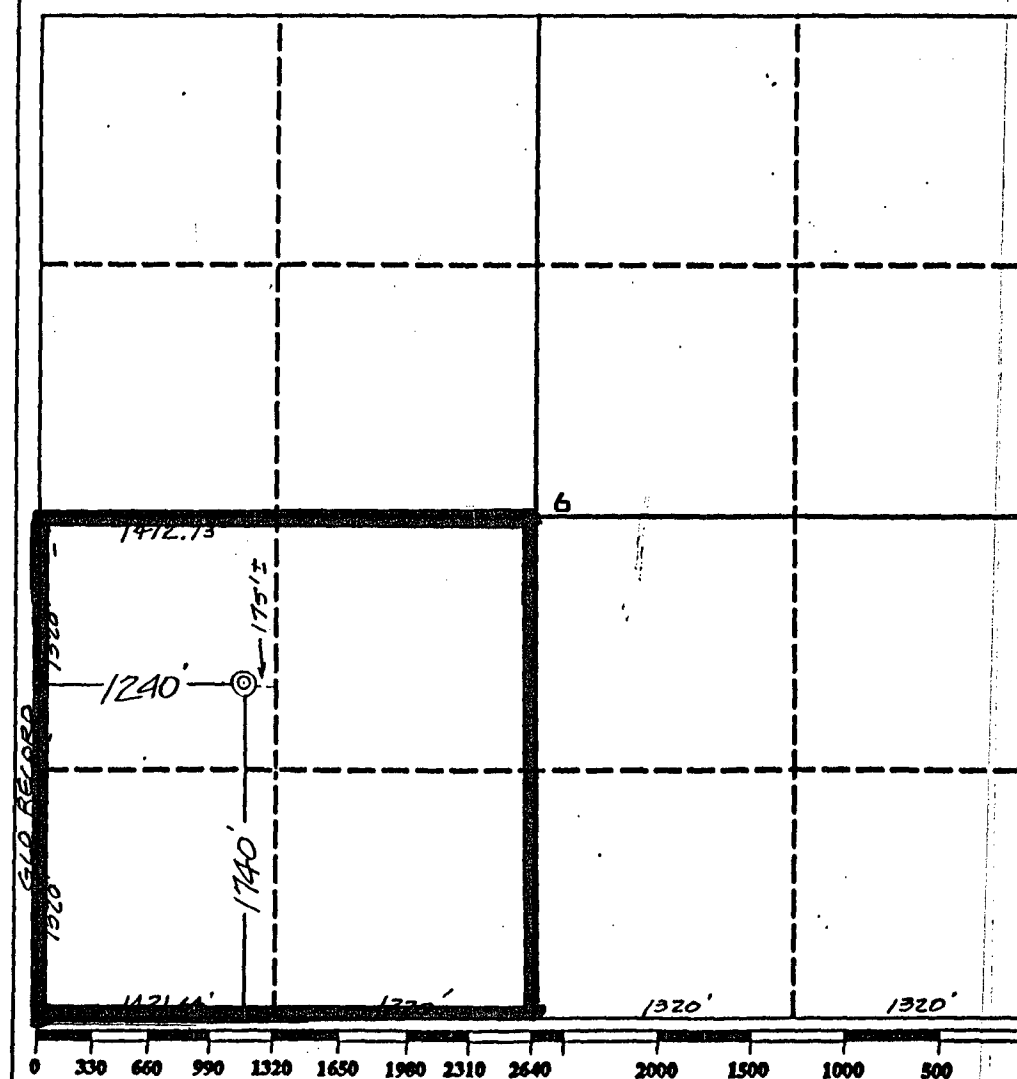
Signature
Julie L. Acevedo
Printed Name
Julie L. Acevedo
Position
Senior Staff Assistant
Company
Amoco Production Company
Date
April 19, 1994

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Date Surveyed
April 7, 1994

Signature & Seal of
Professional Surveyor
GARY D. VANN
7016
Gary
Certification
7016



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State of New Mexico
Energy, Minerals and Natural Resources Department

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DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator AMOCO PRODUCTION COMPANY			Lease M.N. Galt /B		Well No. #1P
Unit Letter L	Section 6	Township 27 NORTH	Range 10 WEST	County NMPM SAN JUAN	
Actual Footage Location of Well: 1740 feet from the SOUTH line and 1240 feet from the WEST line					
Ground level Elev. 5965	Producing Formation Basin Dakota		Pool Basin Dakota	Dedicated Acreage: 320 w/2 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

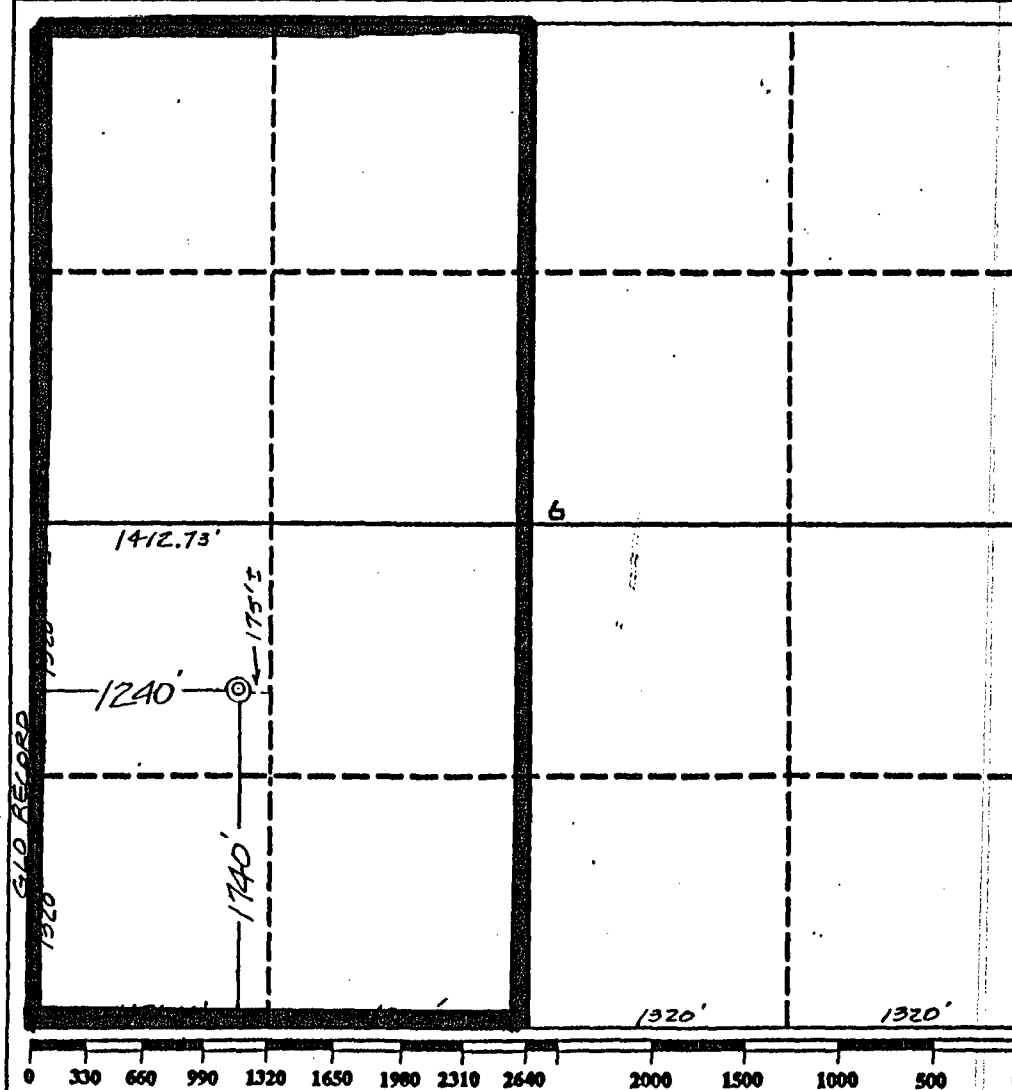
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Signature
Julie L. Acevedo

Printed Name
Julie L. Acevedo

Position
Senior Staff Assistant

Company
Amoco Production Company

Date
April 19, 1994

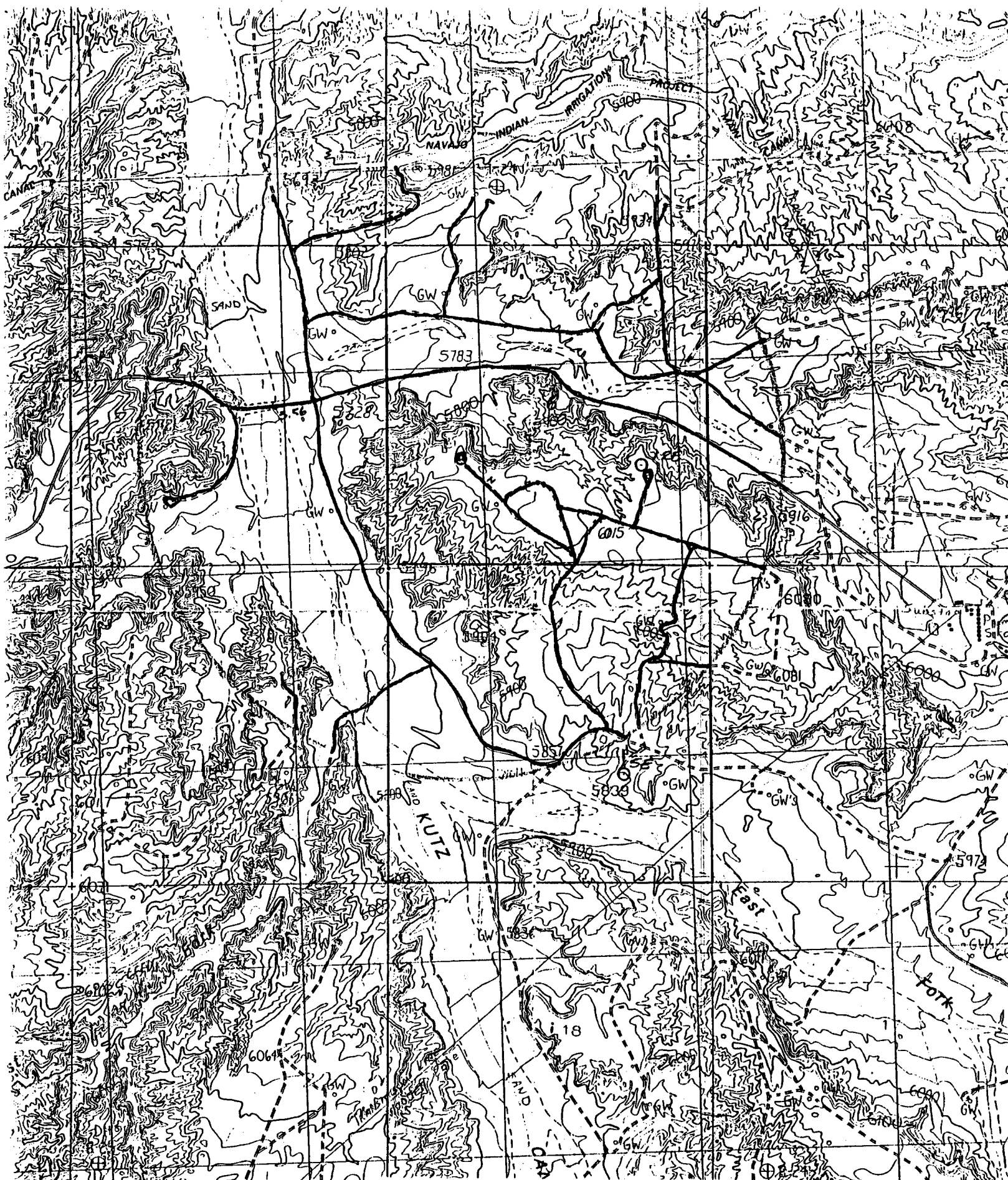
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Date Surveyed
April 7, 1994

Signature & Seal of Professional Surveyor
GARY D. VANN

GARY D. VANN
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
7016



AMOCO PRODUCTION COMPANY
REF. # 50014
1740' F/SL 1240' F/WL
SEC. 6, T27N, R10W, NMPM
SAN JUAN COUNTY NEW MEXICO