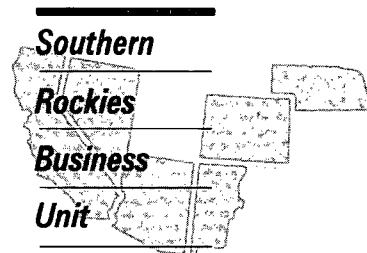


DHC-1123



OIL CONSERVATION DIVISION
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'95 APR 3 PM 8 52



March 28, 1995

Mr. David Catanach
Engineering Bureau
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505

Application for Exception to Rule 303-A
Downhole Commingling
Dawson A #1-M Well
890' FNL & 1060' FWL, Section 4-T27N-R8W
Blanco Mesaverde and Basin Dakota Pools
San Juan County, New Mexico

Confirming our conversation of today, it is understood between the parties that Amoco Production Company hereby has received verbal temporary administrative approval to downhole commingle production from the Blanco Mesaverde and Basin Dakota Pools in the Dawson A #1-M well referenced above on a temporary basis until all offset operators have been notified and are not in protest of this action and the application is approved by the State. We further understand that should a protest be raised on this application that the State will have the responsibility to inform Amoco as to how to proceed from that point.

I sincerely appreciate your rapid response and handling of this application on such short notice in order to reduce possible damage to the Mesaverde. Should you have questions or a difference in the understanding represented above, do not hesitate to contact me at (303) 830-5344.

Again, thank you for your assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pamela W. Staley".

Pamela W. Staley
Enclosures

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

Lara Kwartin, Amoco
Sheri Bradshaw, Amoco
Gail Jefferson, Amoco

Memo

From
DAVID CATANACH
Petroleum Engineer

To

Gave them approval to
temporarily double count
pending approval of
app

3/28/85
Pam Staley



MAR 28 '95 09:21AM AMOCO
Facsimile Transmission
16-717-G (6-90)

12TH FLOOR 3038304777
DAVID CATANACH

FROM

Pam Staley

P.1/1

NMOCO

AMOCO

Mail Code

SANTA FE, NM

DENVER, CO

FAX Number

FAX Telephone Number

505-827-8177

303-830-4777

FAX Operator's Number for Confirmation

Voice Telephone Number

This transmission
consists of:

1

pages

RIANNAI



Southern

Rockies

Business

Unit

March 27, 1995

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87504

Application for Exception to Rule 303-A
Downhole Commingling
Dawson A #1-M Well
890' FNL & 1060' FWL, Section 4-T27N-R8W
Blanco Mesaverde and Basin Dakota Pools
San Juan County, New Mexico

Referencing a conversation today with Dave Catanach of your office, Amoco Production Company hereby requests administrative approval to downhole commingle production from the Blanco Mesaverde and Basin Dakota Pools in the Dawson A #1-M well referenced above. The Dawson A #1-M well was originally dually completed in the Dakota and Mesaverde formations. Amoco entered the well today to repair what we expected to be a hole in the tubing. We found that the problem was that the packer was leaking and while having the rig on location we would like to remove the damaged packer and all tubing, thus commingling the two zones downhole.

It has been our experience that the Mesaverde is sensitive to being shut in this area for any period of time. We have observed this problem during annual deliverability tests for allocation where the Mesaverde has trouble coming back on production after the 7 day test. As such, we hereby request verbal approval to downhole commingle the two zones on a temporary basis until all offset operators have been notified and are not in protest of this action. A certified copy of this application is being sent concurrently to each offset operator to this well.

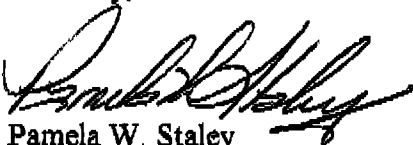
The two zones are expected to produce at a total commingled rate of about 250 MCFD. The ownership (WI, RI, ORRI) of these pools is identical in this wellbore. Pressure data taken during the annual deliverability tests show that the Mesaverde has a pressure of 220 psi while the Dakota is at 300 psi. We anticipate no crossflow based on these pressures. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights.

The allocation method that we plan to use for this commingled well is as follows. Since the well has been dually completed since 1981, we have production curves (see attached) which establish the decline for each formation. The Dakota is currently producing 57 MCFD and the Mesaverde is

producing 199 MCFD. Combined we anticipate that 20 percent of the production should be allocated to the Dakota zone and 80 percent of the production should be attributed to the Mesaverde.

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

Sincerely,



Pamela W. Staley

Enclosures

cc: Lara Kwartin
Gail Jefferson

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

LIST OF ADDRESSES FOR INTEREST OWNERS
(Numbers referenced to attached plats)

Blanco Mesaverde Plat

- 1 Amoco Production Company
- 2 Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705
- 3 Great Lakes Chemical Corporation
P.O. Box 2200
West Lafayette, Indiana 47906
- 4 Meridian Oil Inc.
Box 4298
Farmington, NM 87401

Basin Dakota Plat

- 1 Amoco Production Company
- 2 Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705
- 3 Meridian Oil Inc.
Box 4298
Farmington, NM 87401
- 4 M&G Drilling Co.
Box 9560
Palm Springs, California 92663
- 5 Mildred T. Russell
1775 Broadway
New York, New York 10019

Amoco Production Company
 Offset Operator Plat
 Dawson A 1M
 T 27N - R 8W, Sec. 4
 8901 FNL & 10601 FNL
 Blanco Mesavende

	32			
	①		①	
			93	
			①	
				34
	5			3
	④		③	
		Dawson A 1M		
	8		9	
	①		②	
				10

- ① Amoco Production Company
- ② Conoco Inc
- ③ Great Lakes Chemical Corp.
- ④ Meridian Oil Inc

ATTACHMENTS

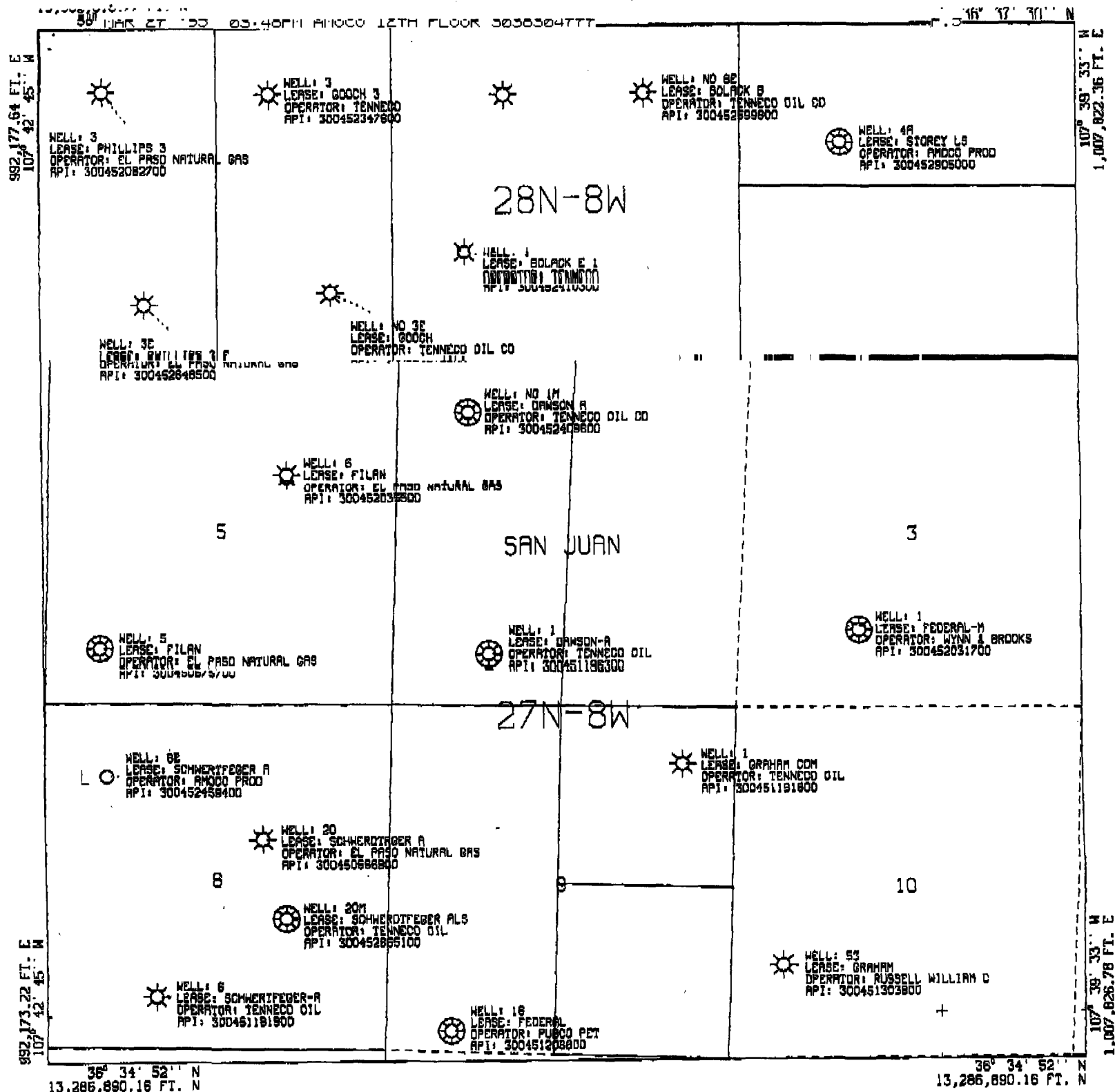
- 1 List of offset operators and their addresses**
- 2 Plat of offset operators for Blanco Mesaverde**
- 3 Plat of offset operators for Basin Dakota**
- 4 9 section plat for Blanco Mesaverde showing offset wells**
- 5 9 section plat for Basin Dakota showing offset wells**
- 6 Original Form C-102 for the Basin Dakota and Blanco Mesaverde formations**
- 7 Production Curve for Blanco Mesaverde**
- 8 Production Curve for Basin Dakota**

Amoco Production Company
 Offset Operator Plat
 Dawson AIM
 T27N-R8W SEC. 4
 8901 ENL 1060' FWL

Basin Dakota

	32 ①	① 33 ①	34
	5 ③	① Dawson AIM	4 ④ ⑤
8 ①	②	①	10

- ① Amoco Production Company
- ② Conoco Inc.
- ③ Meridian Oil Inc.
- ④ M&G Drilling Co.
- ⑤ Mildred T. Russell

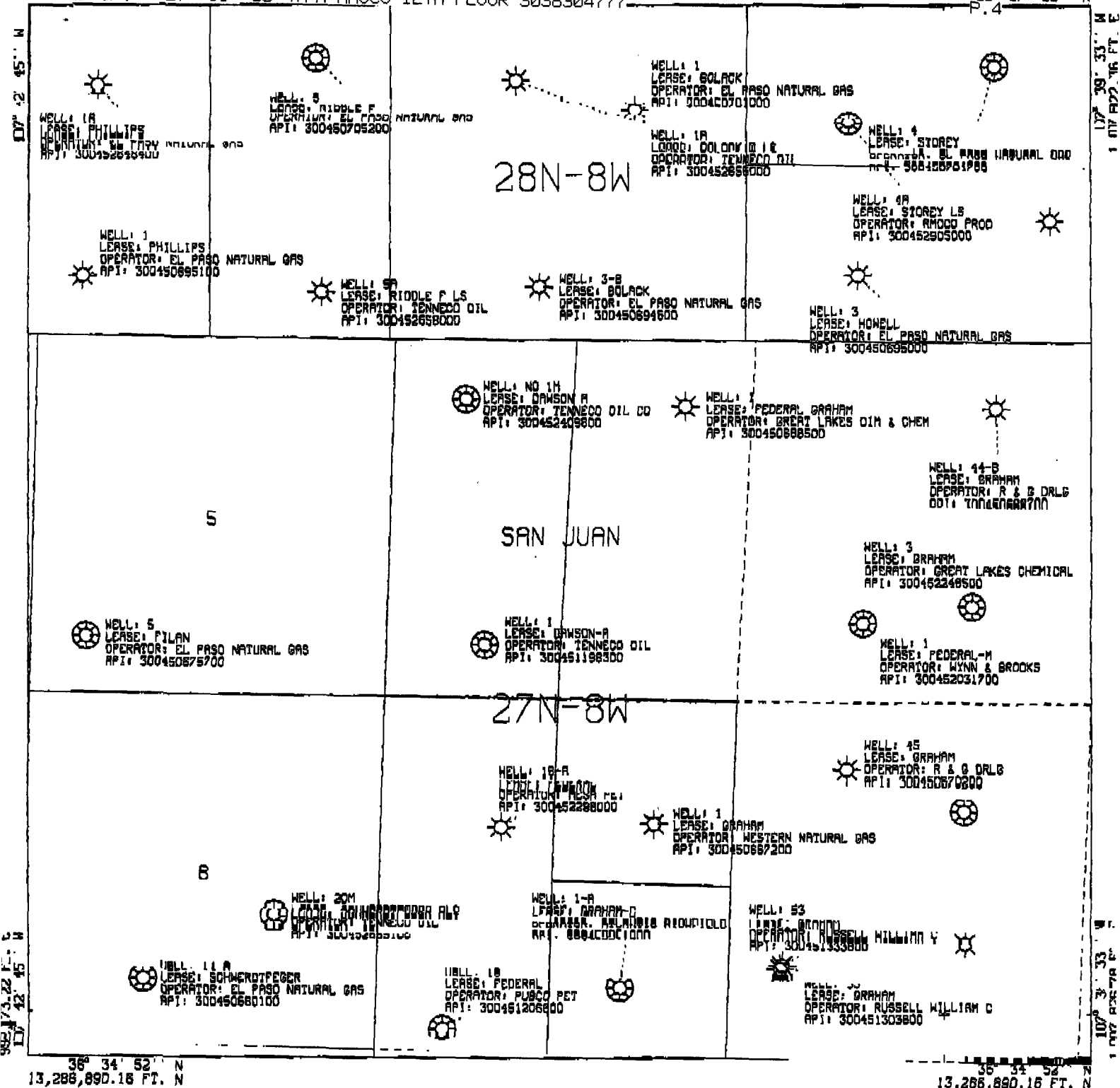


All geological and geophysical data, including the interpretation thereof, appearing on this map is the private and confidential property of Amoco Production Company. The publication or reproduction thereof without the written permission of said Company is strictly prohibited.

AMOCO PRODUCTION COMPANY PLAT MAP

BRI YONNIE CENTRAL MARTINIAN = 107° 41' 9" W LONG
SPHEROID - 6

DAWSON A 1M
WITH DK OFFSETS
SCALE 1 IN. - 2,000 FT. DEC 11, 1991



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
DAWSON A 1M
WITH MV OFFSETS
SCALE 1 IN. = 2,000 FT. DEC 14, 1994
3038304777 P.04

POLYCONIC CENTRAL MERIDIAN - 107° 41' 0" W LON
SPHEROID - 6

All distances must be from the outer boundaries of the Section.

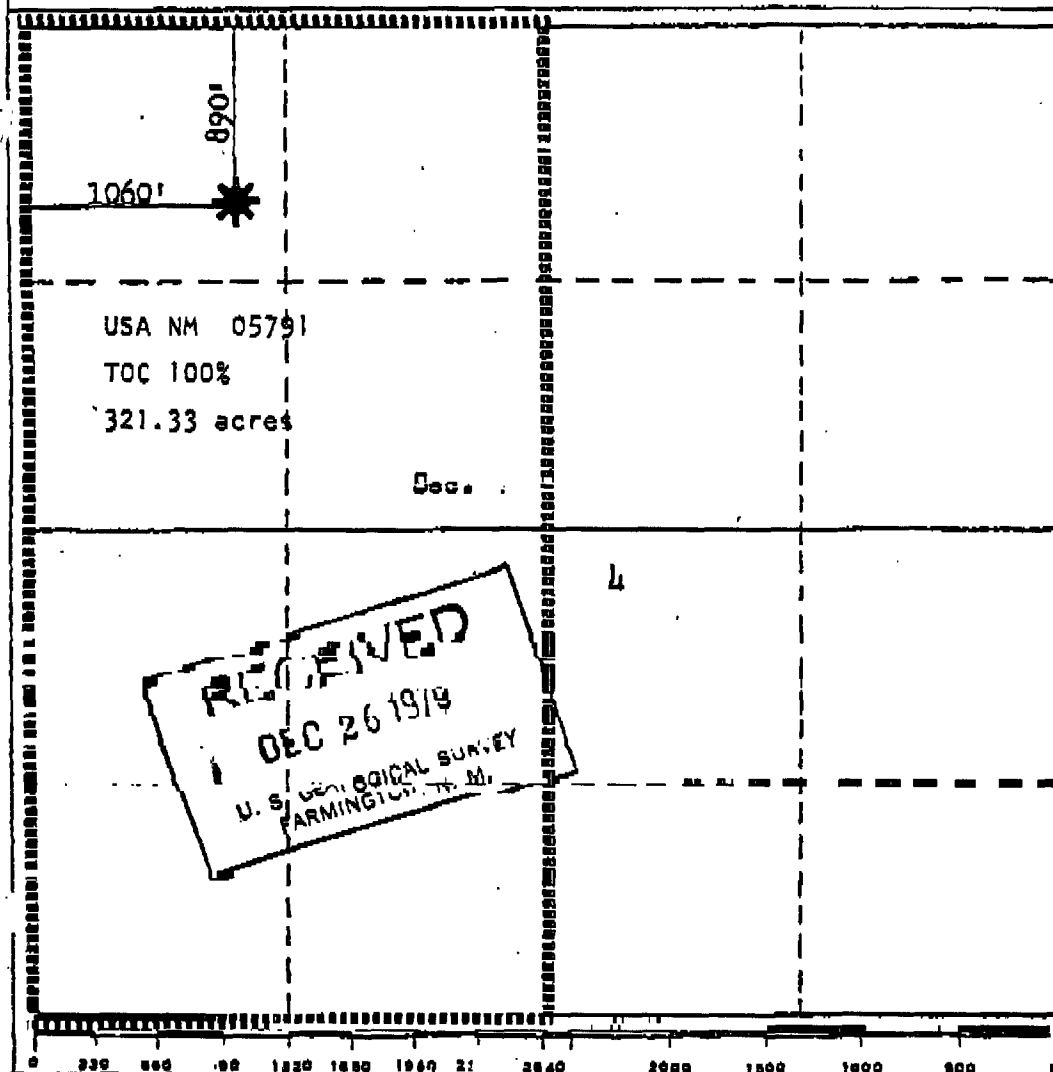
Operator TENNECO OIL COMPANY			Lease DAWSON "A"		Well No. 1M
Unit Letter D	Section 4	Township 27N	Range 8W	County San Juan	
Actual Footage Location of Well: 890 feet from the North line and 1060 feet from the West line					
Ground Level Elev. 5918	Producing Formation Mesa Verde/Dakota		Pool Blanco Mesa Verde Basin Dakota		Dedicated Acreage 321.33 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 interests of all owners been consolidated by communitization, unitization, forced-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 (list 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.

Name

M. L. Freeman

Position

Staff Production Analyst

Company

Tenneco Oil Company

Date

December 19, 1979

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

November 21, 1979

Registered Professional Engineer and/or Land Surveyor

Frederic B. Hend Jr.

3950

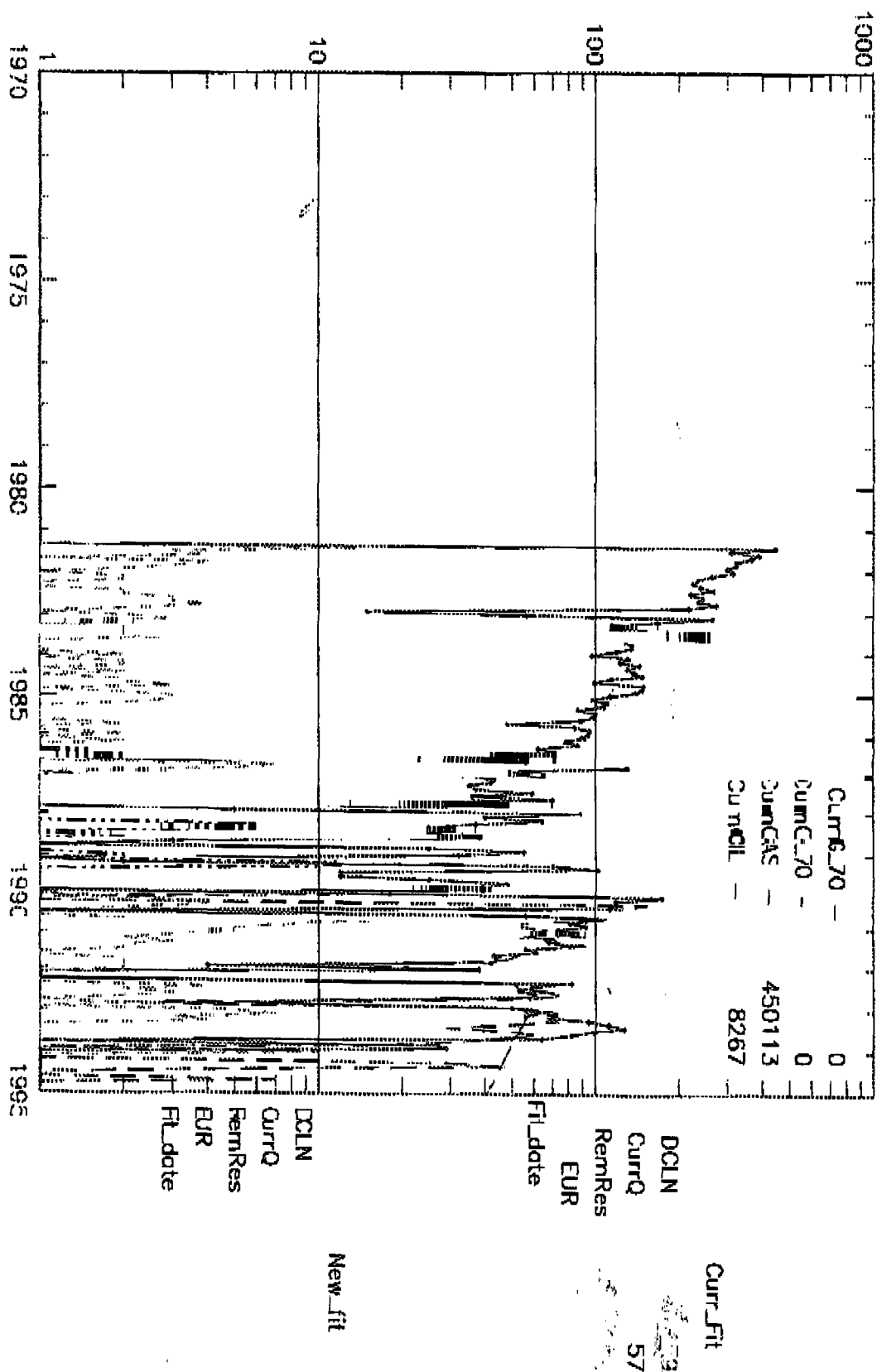
DAWSON A 1M

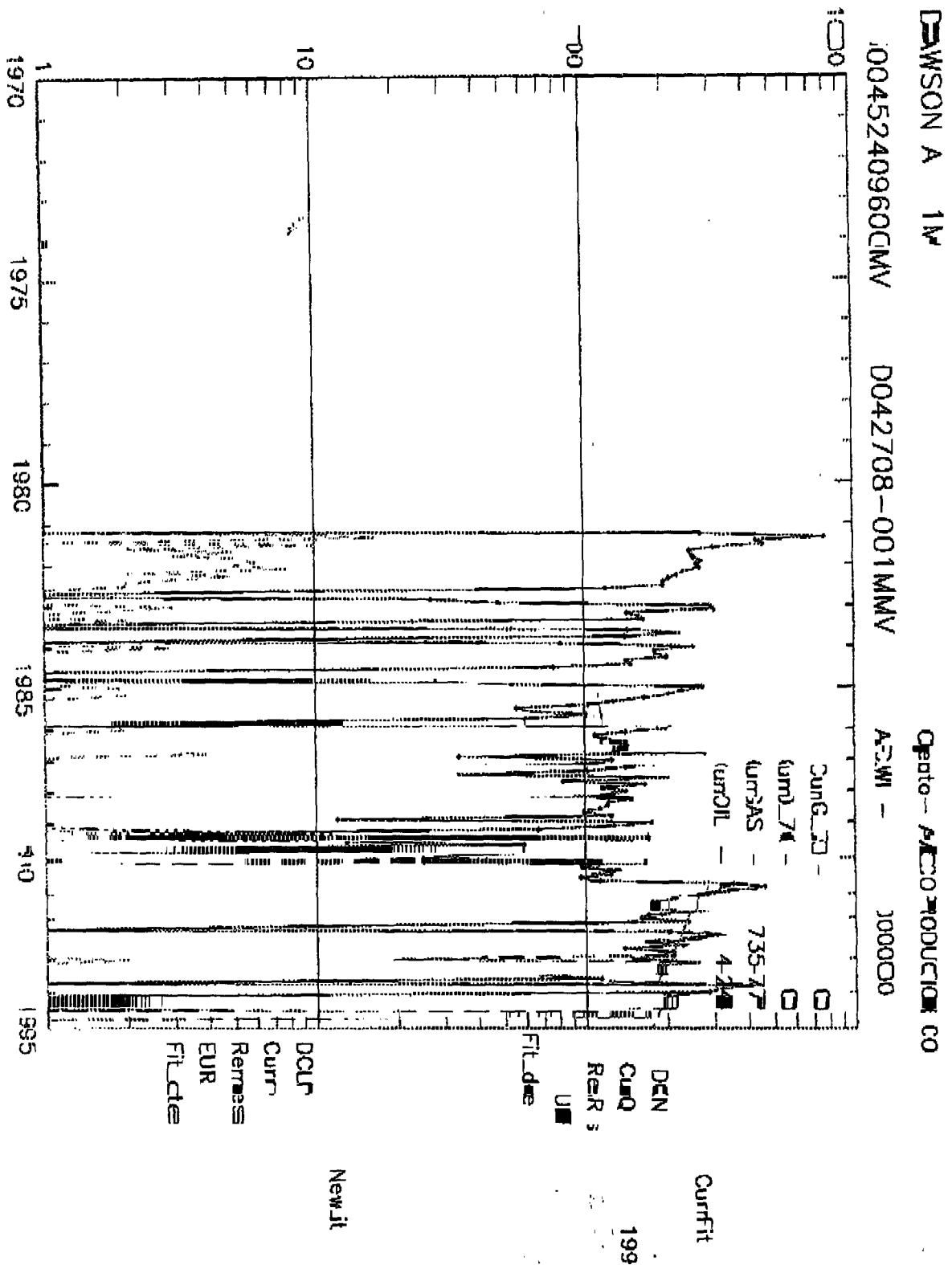
30045240960CDK

D042708-001MDH

Operator- AMOCO PRODUCTION CO
APCAL - 1.0000000

Engr: zrar06



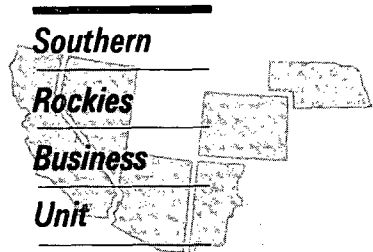


nc: zrr0E



OIL CONSERVATION DIVISION
RECEIVED

'95 APR 28 AM 8 52



April 26, 1995

Mr. David Catanach
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505

Additional Information
Application for Exception to Rule 303-A
Downhole Commingling
Dawson A #1-M Well
890' FNL & 1060' FWL, Section 4-T27N-R8W
Blanco Mesaverde and Basin Dakota Pools
San Juan County, New Mexico

Referencing our conversation yesterday concerning the allocation split for liquid production from the subject well. This well was surface commingled immediately prior to our application to downhole commingle and we would like to base our downhole commingling allocation for liquids on a well test from October 31, 1993. The split at that time was 92% of liquids being produced from the Mesaverde formation and 8% liquid production from the Dakota formation. Amoco Production Company hereby requests approval to use this allocation for liquids production from this well.

The allocation method that we plan to use for gas production in this commingled well is as follows. Based on the historical dual completion production since 1981, the production curves have well established production declines for each formation. The Dakota is currently producing 57 MCFD and the Mesaverde is producing 199 MCFD. Combined we anticipate that 20 percent of the production should be allocated to the Dakota zone and 80 percent of the production should be attributed to the Mesaverde.

I am sending a copy of this information to Frank Chavez as you requested. Should you have questions concerning this matter, please contact me at (303) 830-5344.

Sincerely,

Pamela W. Staley

cc: Lara Kwartin
Gail Jefferson

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