

5/27/96
DHC-1251

Southern
Rockies
Business
Unit

April 30, 1996

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

Application for Exception to Rule 303-C - Downhole Commingling
Florance 66 Well
Unit O Section 18-T27N-R8W
Otero Chacra, Blanco Mesaverde, and Basin Dakota Pools
San Juan County, New Mexico

Enclosed please find an administrative application form (C-107-A) and attachments for downhole commingling for the captioned well. By copy of this application by certified mail, return receipt requested, Amoco is notifying all offset operators in the formations captioned above as well as all affected interest owners if the ownership of those formations is not common. The Division Director may approve the proposed downhole commingling in the absence of a valid objection from any offset operator or any interest owner in those instances where ownership is not common in the zones to be commingled within 20 days after the receipt of the application if, in his opinion, waste will not result thereby, and correlative rights will not be violated.

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

Sincerely,

Pamela W. Staley

Enclosures

cc: Mark Rothenberg
Patty Haeefe
Wellfile
Proration File
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

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

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

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

☒ Administrative ☐ Hearing

DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410-1693

EXISTING WELLBORE
☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Amoco Production Company		P.O. Box 800 Denver, CO 80201	
Operator Flourance	66	Address O-18-27N-8W	San Juan
Lease	Well No.	Unit Ltr. - Sec Twp - Rge	County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 000518 API NO. 3004511829 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	BLANCO MESAVERDE 72319	BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	3270' - 3310'	4628' - 4798'	6770' - 6964'
3. Type of production (Oil or Gas)	GAS	GAS	GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING	FLOWING	FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated or Measured Original	a. (Current) 566 PSI (EST) b. (Original) 1165 PSI (EST)	a. 609 PSI (EST) b. 1252 PSI (EST)	a. 727 PSI b. 2477 PSI
6. Oil Gravity (° API) or Gas BTU Content	1148 BTU	1190 BTU	1258 BTU
7. Producing or Shut-In?	PRODUCING	PRODUCING	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)	YES Date: Rates: (EST) 17 MCFD 0 BCPD 0 BWPD	YES Date: Rates: (EST) 68 MCFD 1.03 BCPD 0 BWPD	YES Date: Rates: 2/96 13 MCFD 2.5 BCPD 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 18 %	Oil: 29 % Gas 69 %	Oil: 71 % Gas 13 %

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.

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 NM-03380

15. NMOC 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 4/25/96
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator TENNECO OIL COMPANY			Lease FLORANCE		Well No. 66
Unit Letter 0	Section 18	Township 27 North	Range 8 West	County San Juan	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 1060 feet from the South line and 1710 feet from the East line </div>					
Ground Level Elev. 6279' ungraded	Producing Formation Basin Dakota	Pool Basin Dakota	Dedicated Acreage: E/2 320 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, 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 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.

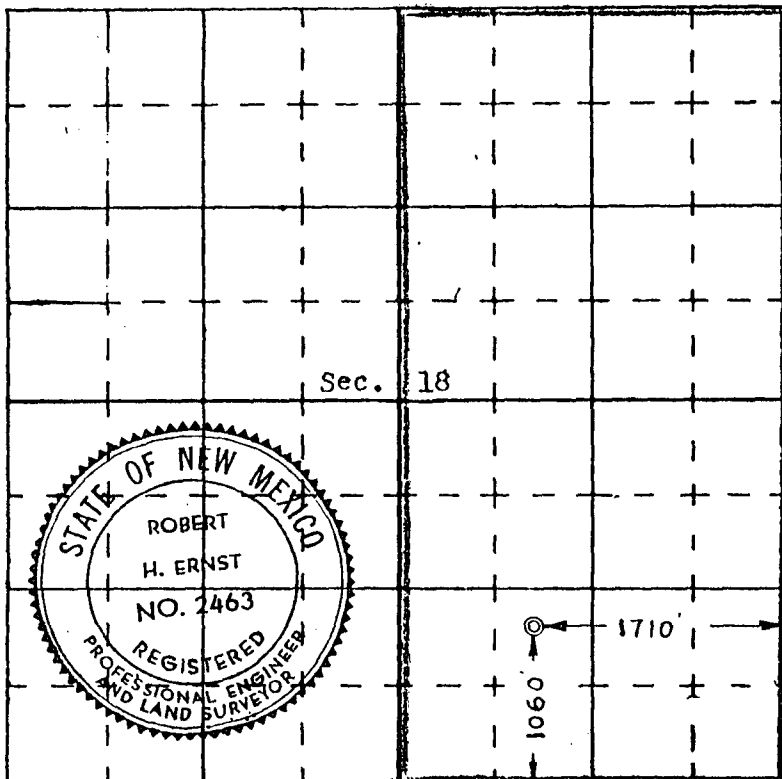
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Harold C. Nichols
 Name
Harold C. Nichols
 Position
Senior Production Clerk
 Company
Tenneco Oil Company
 Date
September 1, 1966

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.

14 July 1966
 Date Surveyed
Robert H. Ernst
 Registered Professional Engineer
 and/or Land Surveyor
Robert H. Ernst
N. Mex. PE & LS 2463
 Certificate No.



Ernst Engineering Co.
Durango, Colorado

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

96 FEB 20 PM 1:17

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-11829		2 Pool Code 82329		3 Pool Name Otero Chacra	
4 Property Code 518		4 Property Name Florance			5 Well Number 66
6 OGRID No. 000778		7 Operator Name Amoco Production Company			8 Elevation 6279'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	27N	8W		1060	South	1710	East	San Juan

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 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Patty Haefele</u> Patty Haefele Printed Name Staff Assistant Title 2/18/96 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. 7/14/66 Date of Survey Signature and Seal of Professional Surveyer: ACCEPTED FOR RECORD on file MAR 06 1996 2463 Certificate Number FARMINGTON DISTRICT OFFICE BY <u>227</u>

OPERATOR

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

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RECEIVED
96 JAN 10 PM 12:38

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-11829		Pool Code 72319	Pool Name Blanco Mesaverde
Property Code 518	Property Name Florance		Well Number 66
OGRID No. 000778	Operator Name Amoco Production Company		Elevation 6279'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	27N	8W		1060	South	1710	East	San Juan

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

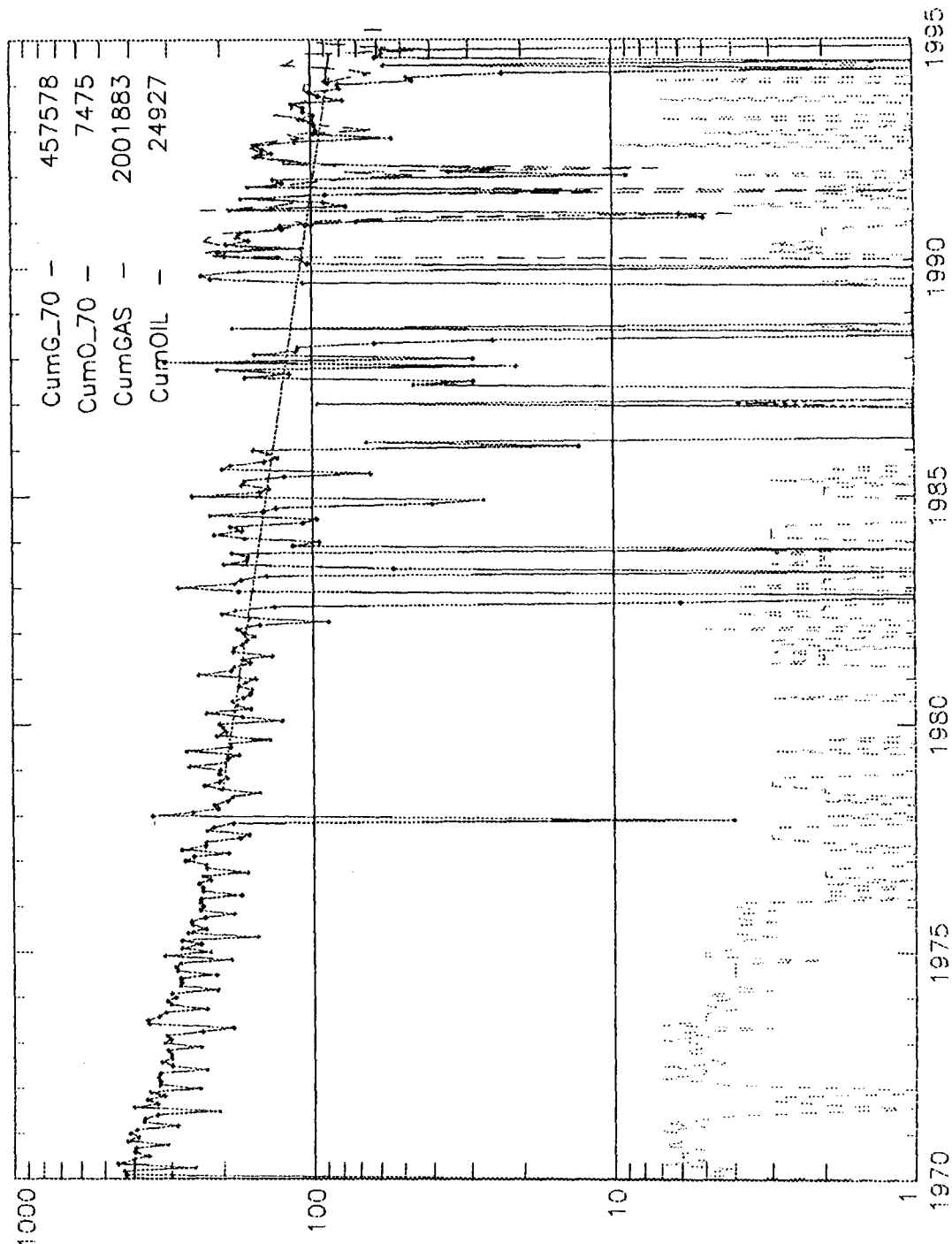
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature <u>Patty Haeefe</u> Patty Haeefe Printed Name Staff Assistant Title 1/9/96 Date</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>7/14/66 Date of Survey Signature and Seal of Professional Surveyer: 2463 Certificate Number</p>

Engr: zr06

FLORANCE 66
300451182900DK 0182708-066 DK Operator- AMOCO PRODUCTION CO
APC_WI - 1.00000000



OFFSET WELLS USED TO ESTIMATE PRODUCTION ALLOCATIONS

MESAVERDE OFFSETS

Florance D LS 12	B-19-27-8	73 MCFD	0.8 BOPD
Florance LS 4	K-18-27-8	64 MCFD	0.6 BOPD
Florance D LS 11	G-18-27-8	66 MCFD	1.7 BOPD
Average		68 MCFD	1.03 BOPD

CHACRA OFFSETS

John Charles	I-13-27-9	11 MCFD	0.0 BOPD
Florance LS 4A	D-18-27-8	22 MCFD	0.0 BOPD
Average		17 MCFD	0.0 BOPD

OFFSET OPERATORS

Florance 66

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