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OIL CONSERVATION DIV.

Southern

DNC 5.7.96

Rockies

Business

Unit

April 10, 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 Lackey B LS #8 Well
Unit M Section 20-T28N-R9W
Aztec Pictured Cliffs and Blanco Mesaverde 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:

Steve Webb Gail Jefferson

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

State of New Mexico Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

<u>DISTRICT II</u> 811 South First St., Artesia , NM 88210-2835

2040 S. Pacheco Santa Fe, New Mexico 87505-6429 X Administrative __ Hearing

DISTRICT III

1000 Rio Brazos Rd. Aztec, NM 87410-1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE $_{\underline{\mathsf{X}}}\,\mathsf{YES}\,\,\underline{\hspace{1em}}\,\mathsf{NO}$

Amoco Production Company		P.O. Box 800 Denver, CO 8020	01				
Operator Lackey B LS	8	M-20-28N-9W	San Juan				
Lease	Well No.	Unit Ltr Sec Twp - Rge	County cing Unit Lease Types: (check 1 or more)				
OGRID NO. 000778 Property Code	000784 API NO. 300451:	·	-				
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone				
	AZTEC PICTURED CLIFFS		BLANCO MESAVERDE				
Pool Name and Pool Code	71280		72319				
Top and Bottom of Pay Section (Perforations)	2040' - 2082'		4288' - 4424'				
Type of production (Oil or Gas)	GAS		GAS				
Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING				
Bottomhole Pressure Oil Zones - Artificial Lift:	(Current) 242 PSI	a.	a. 409 PSI				
Estimated Current Gas & Oil - Flowing: Measured Current	(Original) 1258 PSI	b.	b. 1249 PSI				
All Gas Zones: Estimated or Measured Original	b. 1258 PS1) o.	b. 1249 PSI				
			<u> </u>				
6. Oil Gravity (° API) or Gas BTU Content	1117 BTU		1288 BTU				
7. Producing or Shut-In?	PRODUCING		PRODUCING				
Production Marginal? (yes or no)	YES		YES				
If Shut-In, give data and oil/gas/water	Date:	Date	Date				
rates of last production Note: For new zones with no production history, applicant	Rates:	Rates:	Rates:				
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)	3/96 Date: 80 MCFD Rates: 0 BCPD 0 BWPD	Date: Rates:	3/96 Date: 30 MCFD Rates: 0.77 BCPD 0 BWPD				
Fixed Percentage Allocation Formula -% for each zone	Oil: 0 Gas 73 %	Oil: Gas %: %	Oil: 100 %: Gas 27 %				
 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? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling? X_Yes No							
11. Will cross-flow occur? Yes _X_ 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 reliableYes No (If No, attach explanation)							
12. Are all produced fluids from all commingled zones compatible with each other?X_Yes No							
13. Will the value of production be decreased by commingling?Yes _X_ 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. _X_Yes No SF-077106							
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S)							
* 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 Saufsi	Mybley	TITLE REGULATORY AFFAIRS F	REP DATE 4/11/96				
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344							

OIL CONSERVATION COMMISSION



WELL LOCATION AND/OR GAS PRORATION PLAT

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supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed	DECEMBER 17.	1956
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(O, C)	Vral	Real
Registered Profess	ional Engineer and	Jon Land Comme

2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage.

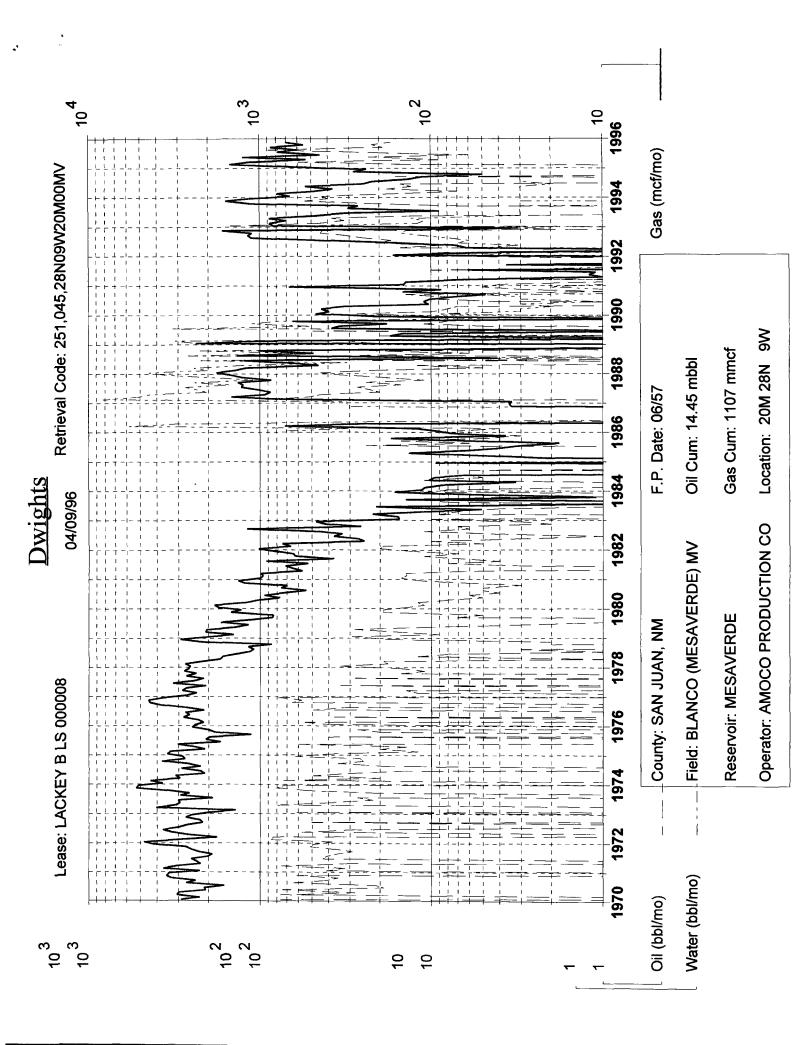
OR G NAL SIGNED F. S. OBERLY

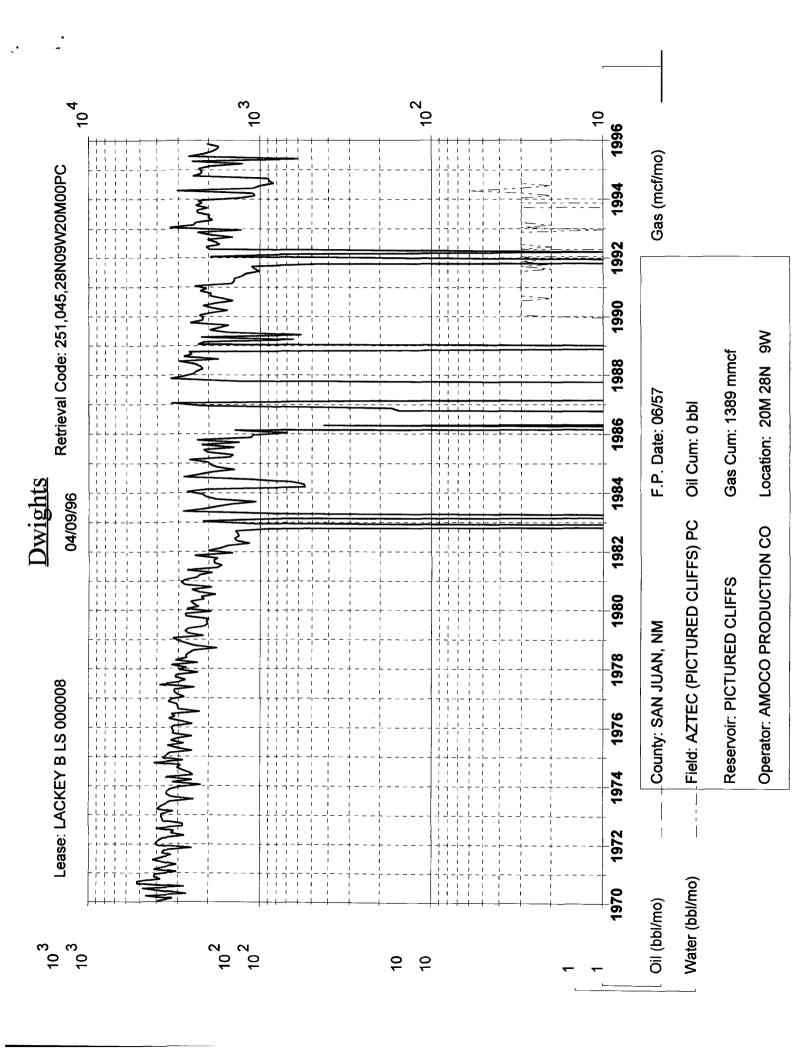
Position Petroleum Engineer

Representing El Paso Natural Gas Co.

Address Box 997, Farmington, N.M.

Farmington, New Mexi





OFFSET OPERATORS Lackey B LS #8

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