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OIL CONSERVATION DIV.
SANTA FE

DHC 5.7.96
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Southern

Rockies

Business

Unit

April 10, 1996

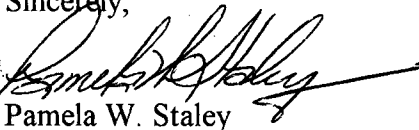
Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505

Application for Exception to Rule 303-C - Downhole Commingling
J.C. Gordon D#2E Well
Unit M Section 22-T27N-R10W
Angels Peak Gallup (Pool IDN 2170) and Basin Dakota (Pool IDN 71599) 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. Amoco is the only offset operator in both formations and interests are common, so no notice to offsets or interest owners is required other than the BLM. 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

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

X Administrative ___ Hearing

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

EXISTING WELLBORE
X YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Amoco Production Company

P.O. Box 800 Denver, CO 80201

Operator
J.C. GORDON D

2E

Address
M-22-27N-10W

San Juan

Lease

Well No.

Unit Ltr. - Sec Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 000613 API NO. 3004524100 Federal x 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	ANGELS PEAK GALLUP 2170		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	5511 - 5797'		6346' - 6517'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	a. (Current) 579 PSI b. (Original) 1431 PSI	a. b.	a. 633 PSI b. 2294 PSI
6. Oil Gravity (° API) or Gas BTU Content	1267 BTU		1260 BTU
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		YES
• 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	Date: Rates:	Date: Rates:	Date: Rates:
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	2/96 50 MCFD 0.81 BCPD 0 BWPD	Date: Rates:	2/96 170 MCFD 2.31 BCPD 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 23 % Gas 23 %	Oil: % Gas %	Oil: 77 % Gas 77 %

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? ___X___ 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? ___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 reliable. ___ Yes ___ 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)

15. 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-077952

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 4/10/96
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

All distances must be from the outer boundaries of the Section

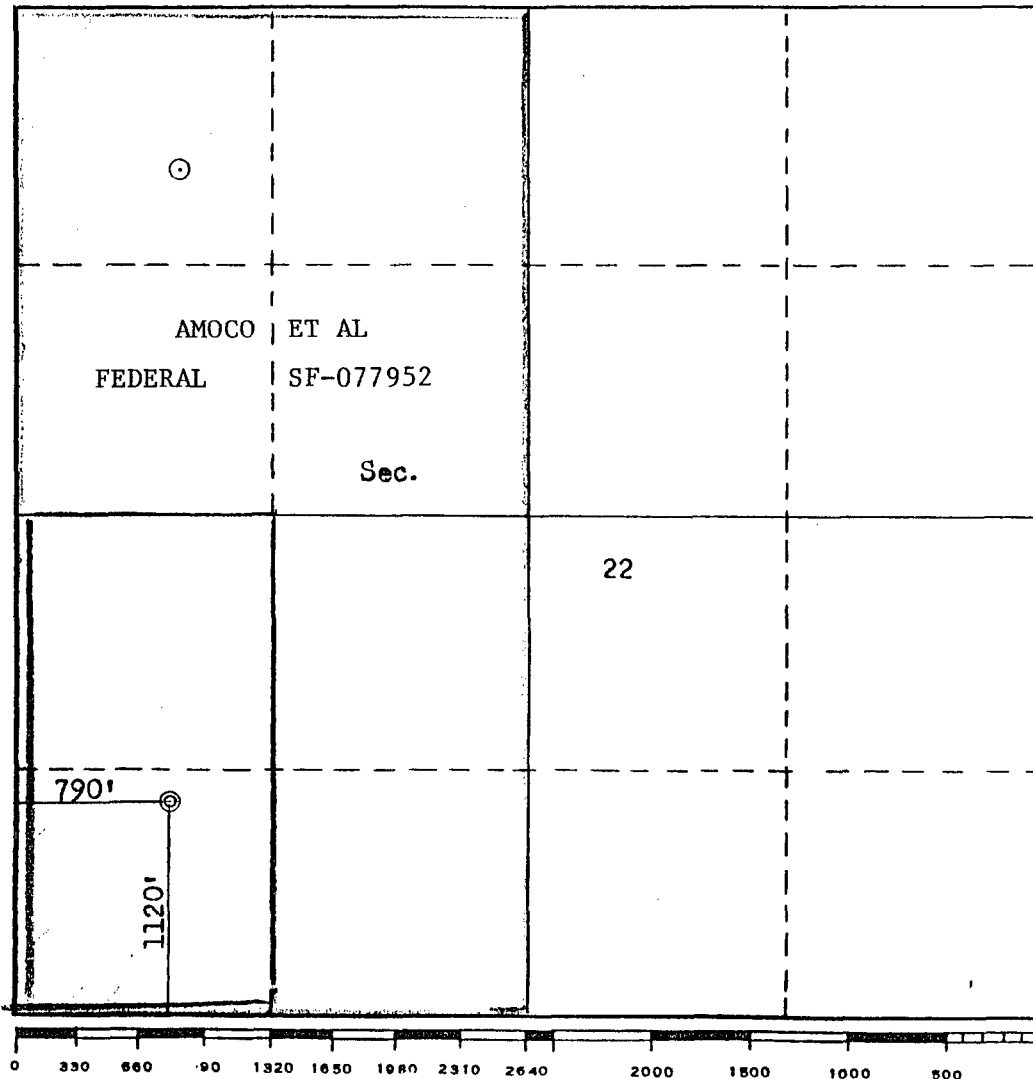
Operator AMOCO PRODUCTION COMPANY			Lease J. C. GORDON "D"		Well No. 2-E
Unit Letter M	Section 22	Township 27N	Range 10W	County San Juan	
Actual Footage Location of Well: 1120 feet from the South line and 790 feet from the West line					
Ground Level Elev. 6132	Producing Formation Dakota/Gallup		Pool Basin Dakota/Angels Peak Gallup		Dedicated Acreage: 320/80 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 Communitization

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 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.

Wayne L. Peterson
Name
Wayne L. Peterson

Position
DISTRICT ENGINEER

Company
AMOCO PRODUCTION COMPANY

Date
February 9, 1982

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 12, 1979

Registered Professional Engineer and/or Land Surveyor

Fred B. Kerr, Jr.
Fred B. Kerr, Jr.
Certificate No. **3950**
R. KERR, JR.

Dwights

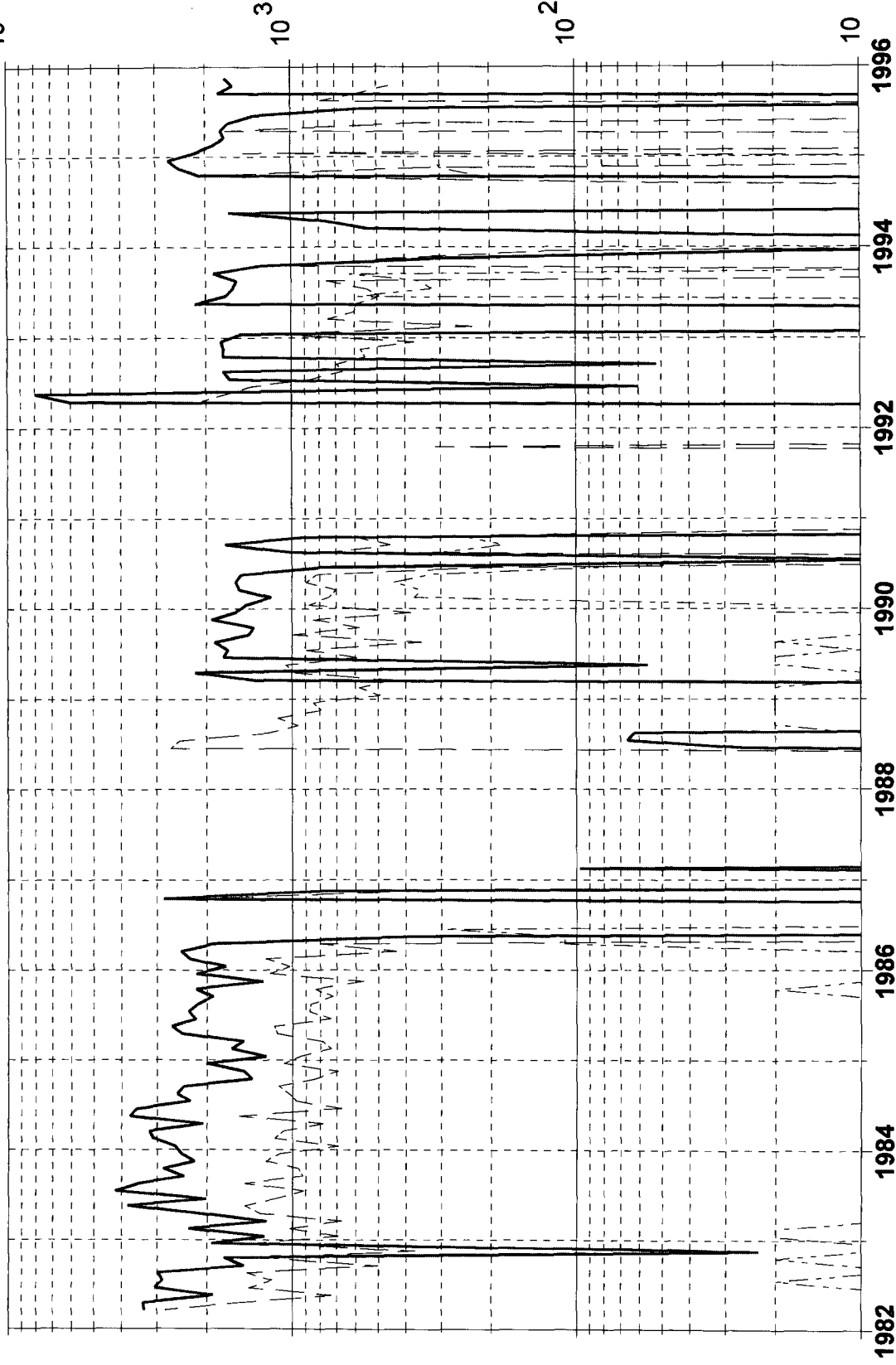
Lease: J C GORDON D 00002E

Retrieval Code: 151,045,27N10W22M00GP

04/09/96

10³
10³
10³

10⁴



Oil (bbl/mo)

Water (bbl/mo)

Gas (mcf/mo)

F.P. Date: 03/82

County: SAN JUAN, NM

Field: ANGELS PEAK (GALLUP) GP

Oil Cum: 10.16 mbbl

Reservoir: GALLUP

Gas Cum: 207.1 mmcf

Operator: AMOCO PRODUCTION CO

Location: 22M 27N 10W

10⁴
10³

10³
10²

10²
10

10
1

Oil (bbl/mo)

Water (bbl/mo)

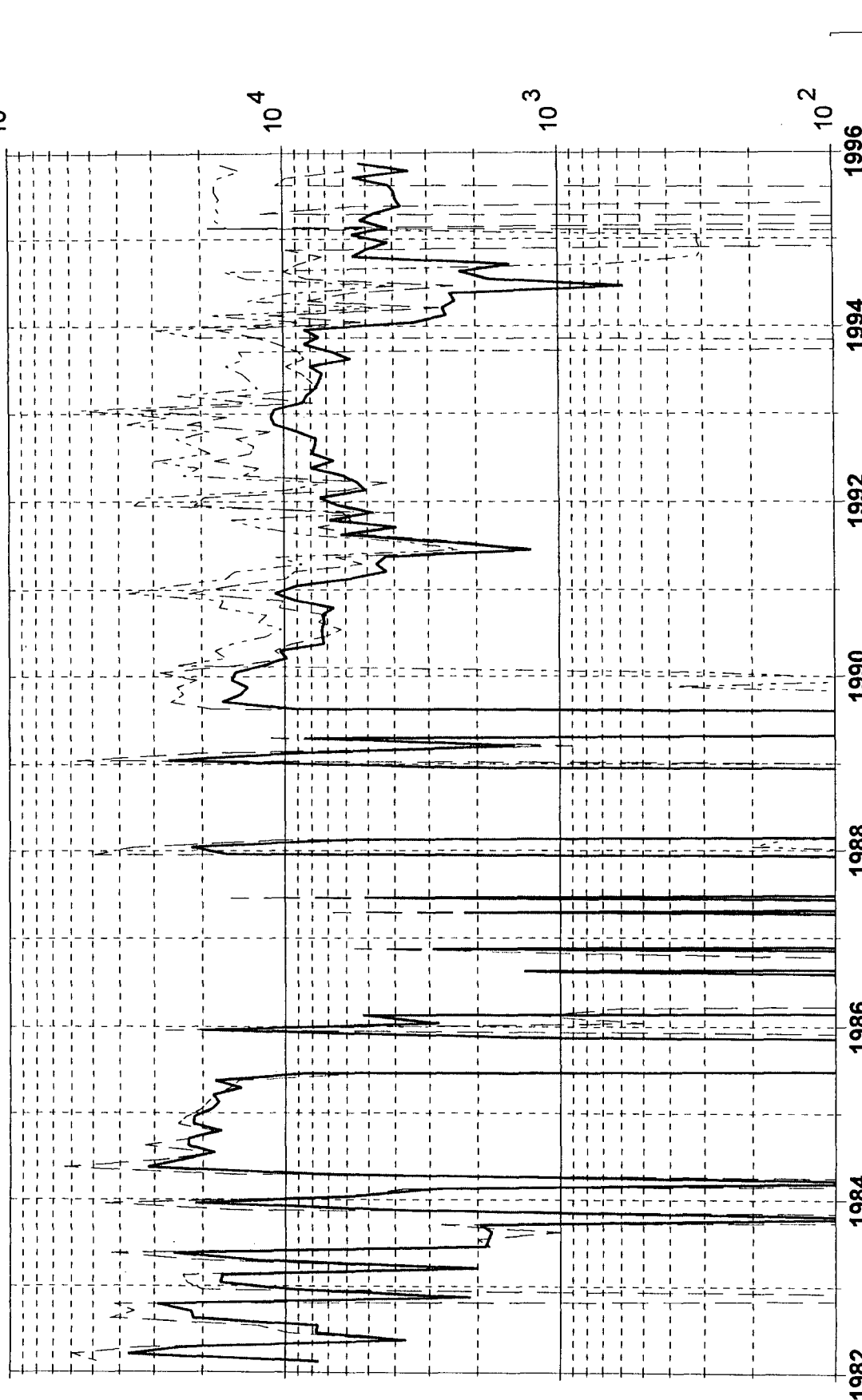
Gas (mcf/mo)

Dwights

Lease: J C GORDON D 00002E

Retrieval Code: 251,045,27N10W22M00DK

04/09/96



County: SAN JUAN, NM	F.P. Date: 02/82
Field: BASIN (DAKOTA) DK	Oil Cum: 18.82 mbbl
Reservoir: DAKOTA	Gas Cum: 1209 mmcf
Operator: AMOCO PRODUCTION CO	Location: 22M 27N 10W