

Southern

Rockies

Business

Unit

May 1, 1996

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

Downhole Commingling Application - Change of Allocation Method
Gerk Gas Com B #1M Well
Unit N Section 19-T29N-R9W
Blanco Mesaverde (Pool IDN 72319) and Basin Dakota (Pool IDN 71599) Pools
San Juan County, New Mexico

I am sending this letter per our recent telephone conversation on how to handle differing allocation methods approved by the NMOCD and the BLM. Amoco Production Company filed an application with you on March 20, 1996 recommending a percentage based allocation method which we thought to be acceptable for the subject well. Since filing that application, the United States Bureau of Land Management has recently approved our application, however a condition of their approval is that we must allocate this production by the subtraction method. The BLM has stipulated that we must extrapolate the production for the current producing horizon (Dakota) through the life of the well and attribute that production to the Dakota. Any production in excess of that curve would be attributed to the Mesaverde formation. Attached you will find a tabulated gas production forecast by month for the remaining life of the Dakota. The allocation for the condensate would be the same ratio used for the gas once that was determined from the production each month.

We are simultaneously transmitting this future production schedule to Ray Hager at the BLM for their files. Should you have questions, please do not hesitate to call me at 303-830-5344.

Sincerely,

Pamela W. Staley

Attachment

cc: Steve Webb - Denver
Don Wall - Farmington
Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Road
Aztec, NM 87410

Ray Hager
Bureau of Land Management
1235 La Plata Hwy.
Farmington, NM 87401

wellname	Date	Avg Monthly
GERK GAS COM B 1M	7/1/95	30
GERK GAS COM B 1M	8/1/95	29
GERK GAS COM B 1M	9/1/95	28
GERK GAS COM B 1M	10/1/95	27
GERK GAS COM B 1M	11/1/95	26
GERK GAS COM B 1M	12/1/95	25
GERK GAS COM B 1M	1/1/96	24
GERK GAS COM B 1M	2/1/96	23
GERK GAS COM B 1M	3/1/96	22
GERK GAS COM B 1M	4/1/96	22
GERK GAS COM B 1M	5/1/96	21
GERK GAS COM B 1M	6/1/96	20
GERK GAS COM B 1M	7/1/96	19
GERK GAS COM B 1M	8/1/96	19
GERK GAS COM B 1M	9/1/96	18
GERK GAS COM B 1M	10/1/96	17
GERK GAS COM B 1M	11/1/96	17
GERK GAS COM B 1M	12/1/96	16
GERK GAS COM B 1M	1/1/97	16
GERK GAS COM B 1M	2/1/97	15
GERK GAS COM B 1M	3/1/97	14
GERK GAS COM B 1M	4/1/97	14
GERK GAS COM B 1M	5/1/97	13
GERK GAS COM B 1M	6/1/97	13
GERK GAS COM B 1M	7/1/97	12
GERK GAS COM B 1M	8/1/97	12
GERK GAS COM B 1M	9/1/97	12
GERK GAS COM B 1M	10/1/97	11
GERK GAS COM B 1M	11/1/97	11
GERK GAS COM B 1M	12/1/97	10
GERK GAS COM B 1M	1/1/98	10
GERK GAS COM B 1M	2/1/98	10
GERK GAS COM B 1M	3/1/98	9
GERK GAS COM B 1M	4/1/98	9
GERK GAS COM B 1M	5/1/98	9
GERK GAS COM B 1M	6/1/98	8
GERK GAS COM B 1M	7/1/98	8
GERK GAS COM B 1M	8/1/98	8



OAC 4.29.96

REC'D 4-8-96

Southern

Rockies

Business

Unit

1272

March 20, 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
Gerk Gas Com B#1M Well
Unit N Section 19-T29N-R9W
Blanco Mesaverde (Pool IDN 72319) and Basin Dakota (Pool IDN 71599) Pools
San Juan County, New Mexico

Enclosed please find an administrative application form (Form C-107-A) and attachments for downhole commingling for the captioned well.

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

Sincerely,

Pamela W. Staley

Enclosures

cc: Steve Webb
Gail Jefferson

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 87410-1893

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
☒ YES ☐ NO

Amoco Production Company

P.O. Box 800 Denver, CO 80201

Operator
Gerk Gas Com B
Lease

#1M
Well No.

Address
N-SEC 19-T29N-R9W
Unit Ltr. - Sec Twp - Rge

San Juan
County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 000594 API NO. 3004524953 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	BLANCO MESAERDE 72319		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	3584' - 4326'		6295' - 6368'
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) 961 PSI	a.	a. 770 PSI
	b. (Original) 1239 PSI	b.	b. 2379 PSI
6. Oil Gravity (° API) or Gas BTU Content	1279 BTU / 49 DEG API		1168 BTU / 59.4 DEG API
7. Producing or Shut-In?	SHUT-IN		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 • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 11/93 Rates: 2 MCFD 0 BCPD 3 BWPD	Date: Rates:	Date: Rates:
	Date: Rates:	Date: Rates:	Date: 1/96 Rates: 80 MCFD 0 BCPD 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 2 %	Oil: % Gas %	Oil: 0 % Gas 98 %

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 SF-078306 NM-048657

15. NMOCD 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 3/20/96
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

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

Form C-102
Supersedes C-121
Effective 1-1-65

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

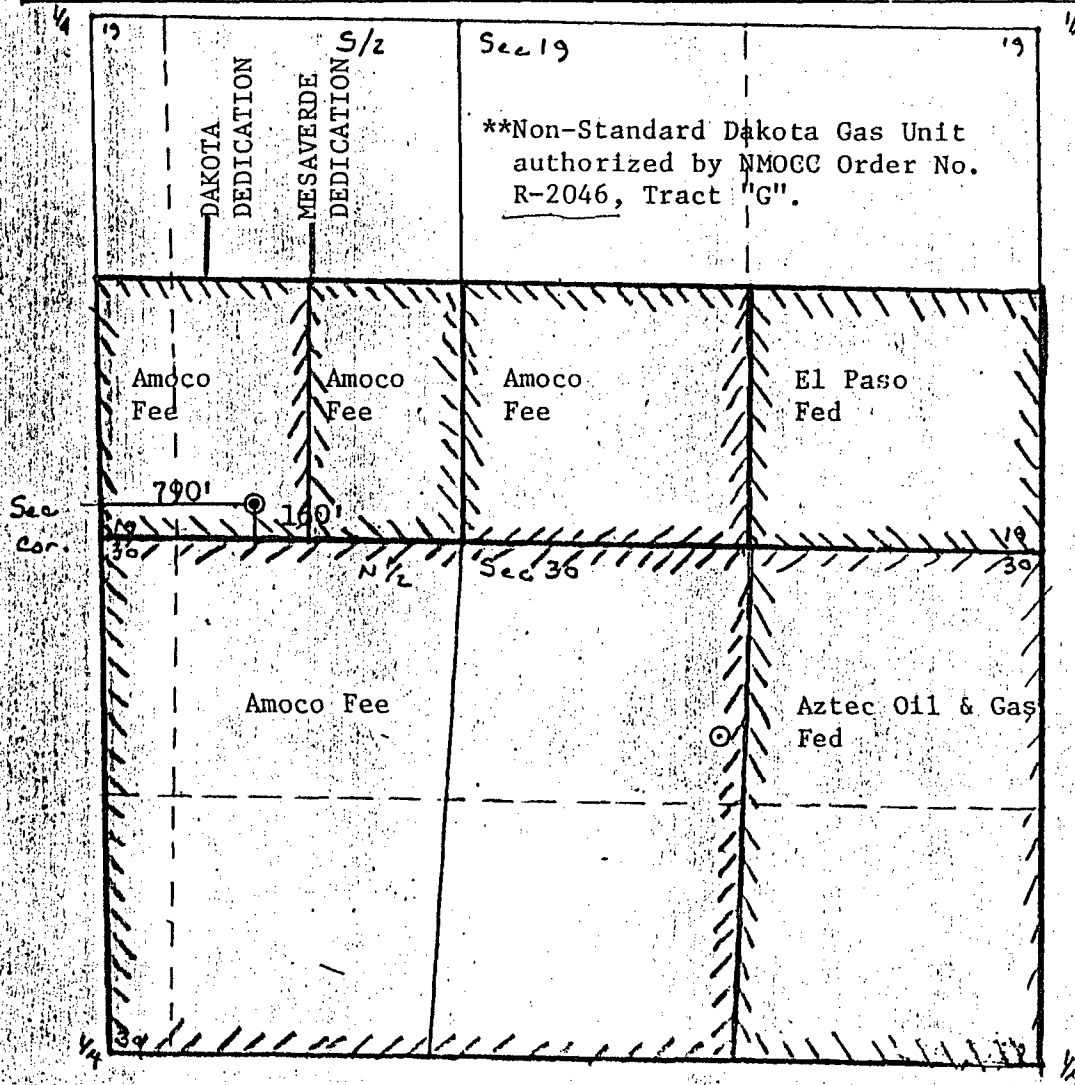
Operator AMOCO PRODUCTION COMPANY			Lease GERK GAS COM "B"		Well No. 1 M
Unit Letter N	Section 19	Township 29N	Range 9W	County San Juan	
Actual Footage Location of Well: 160 feet from the South line and 790 feet from the West line					
Ground Level Elev: 5552	Producing Formation Dakota / Mesaverde		Pool Basin Dakota/Blanco Mesaverde	Dedicated Acreage: 407.56/407.56 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
W. L. PETERSON
Position
DISTRICT ENGINEER
Company
AMOCO PRODUCTION COMPANY

Date
3/23/81

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
March 19, 1981
Registered Professional Engineer and Land Surveyor
Fred B. Kirk Jr.
Fred B. Kirk Jr.

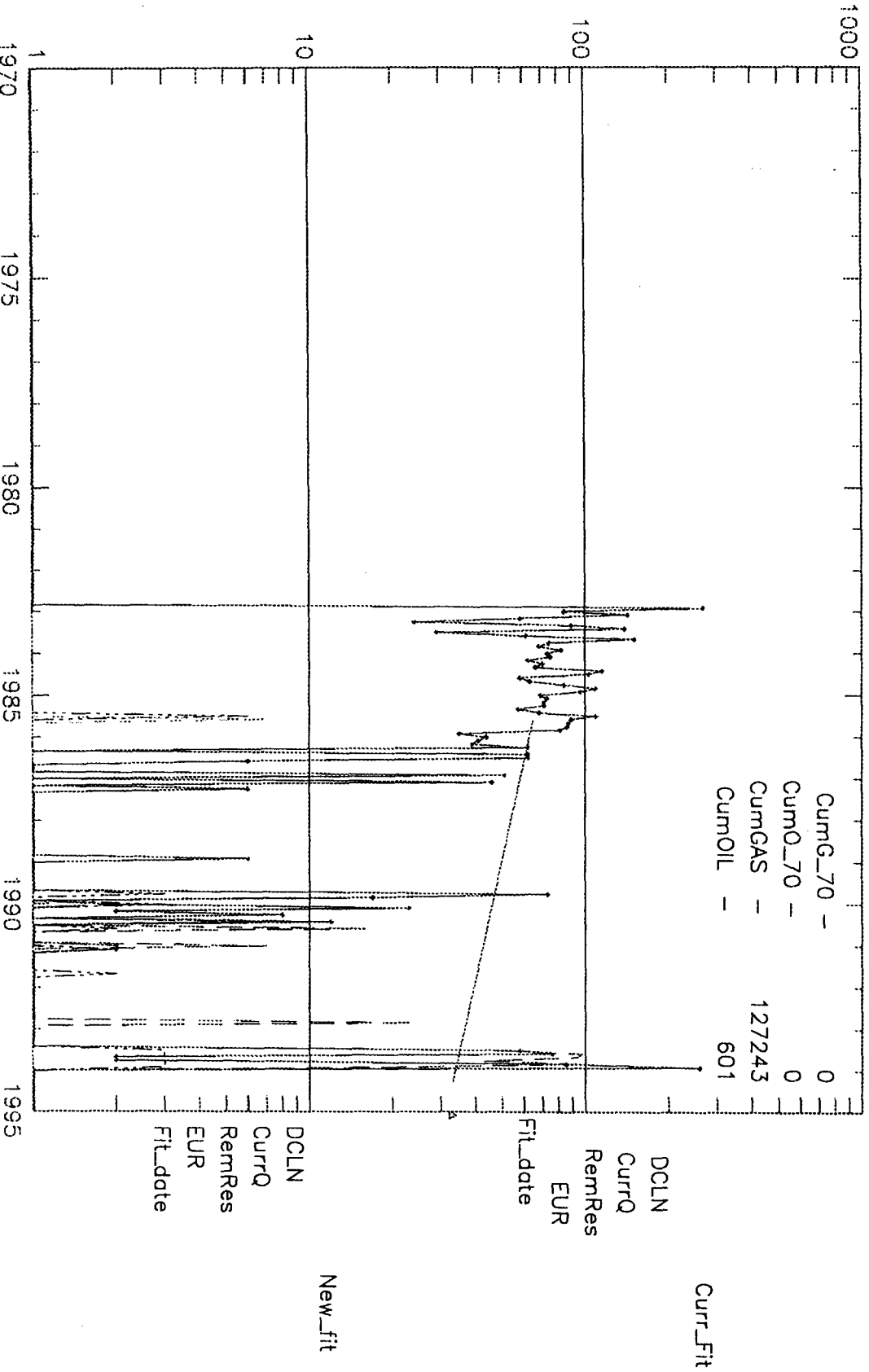
Certificate No.
3950

GERK GAS COM 1M

Operator- AMOCO PRODUCTION CO

300452495300MV N192909-001MMV

APC_WI - 0.71862000

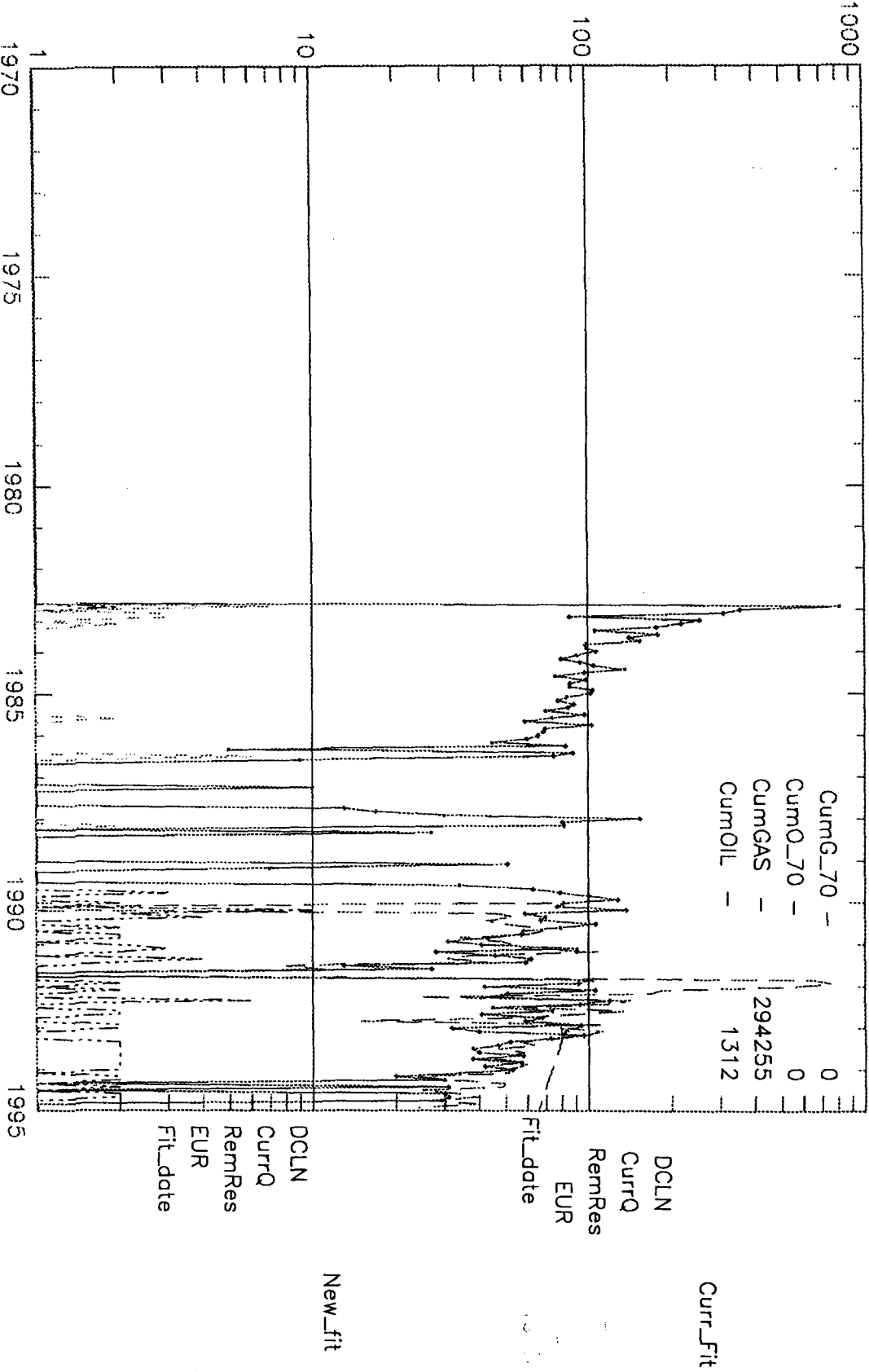


GERK GAS COM B 1M

Operator- AMOCO PRODUCTION CO

300452495300DK N192909-001MDK

APC_WI - 0.71862000



**LIST OF ADDRESSES FOR OFFSET OPERATORS
GERK GAS COM B #1M**

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

Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705