

DHC

1289

6/24/96

Southern

Rockies

Business

Unit

May 29, 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
State BP #1 and State AX #2 Well
Unit G Section 32-T29N-R9W
Otero Chacra 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: Steve Webb
Gail Jefferson
Wellfile
Proration File

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
X YES ___ NO

Amoco Production Company

P.O. Box 800 Denver, CO 80201

Operator
State Gas Com BP

#1

Address
G-32-29N-9W

San Juan

Lease

Unit Ltr. - Sec Twp - Rge

County

NOTE: AKA STATE AX #2

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 001078 API NO. 3004524881 Federal ___ State X (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		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	3468' - 3602'		6957' - 7144'
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: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated or Measured Original	a. (Current) 616 PSI b. (Original) 1200 PSI	a. b.	a. 1103 PSI b. 2415 PSI
6. Oil Gravity (° API) or Gas BTU Content	1240 BTU		1261 BTU / 59.3 DEG API
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		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	Date: Rates:	Date: Rates:	Date: Rates:
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 5/96 Rates: 20 MCFD 0 BCPD 0 BWPD	Date: Rates:	Date: 5/96 Rates: 120 MCFD .019 BCPD <1 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 14 %	Oil: % Gas %	Oil: 100 % Gas 86 %

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 ___ X 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? ___ X 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. ___ X 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)
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
STATE LEASE #E-2738-1 & E-6513 COM RECORDED 4/27/82 BK 930 PG 294
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 5/23/96
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

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

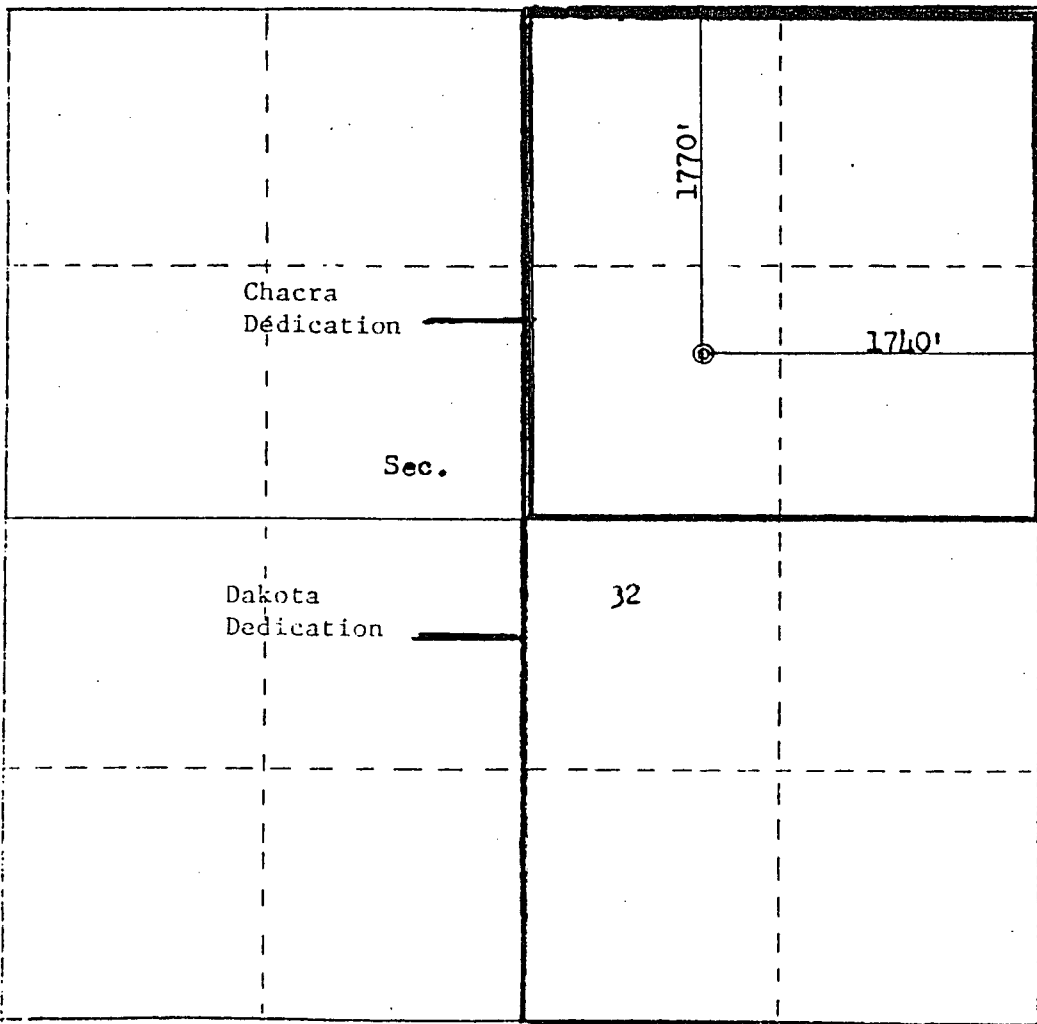
Operator AMOCO PRODUCTION COMPANY			Lease STATE GAS COM "BP"		Well No. 1
Unit Letter G	Section 32	Township 29N	Range 9W	County San Juan	
Actual Footage Location of Well: 1770 feet from the North line and 1740 feet from the East line					
Ground Level Elev: 6150	Producing Formation Dakota/Chacra		Pool Basin Dakota/Otero Chacra		Dedicated Acreage: 320/160 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 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.



Scale: 1"=1000'

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
2-17-81

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 Surveyed
February 13, 1981

Registered Professional Engineer and
and Land Surveyor

Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certificate No.

3950

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

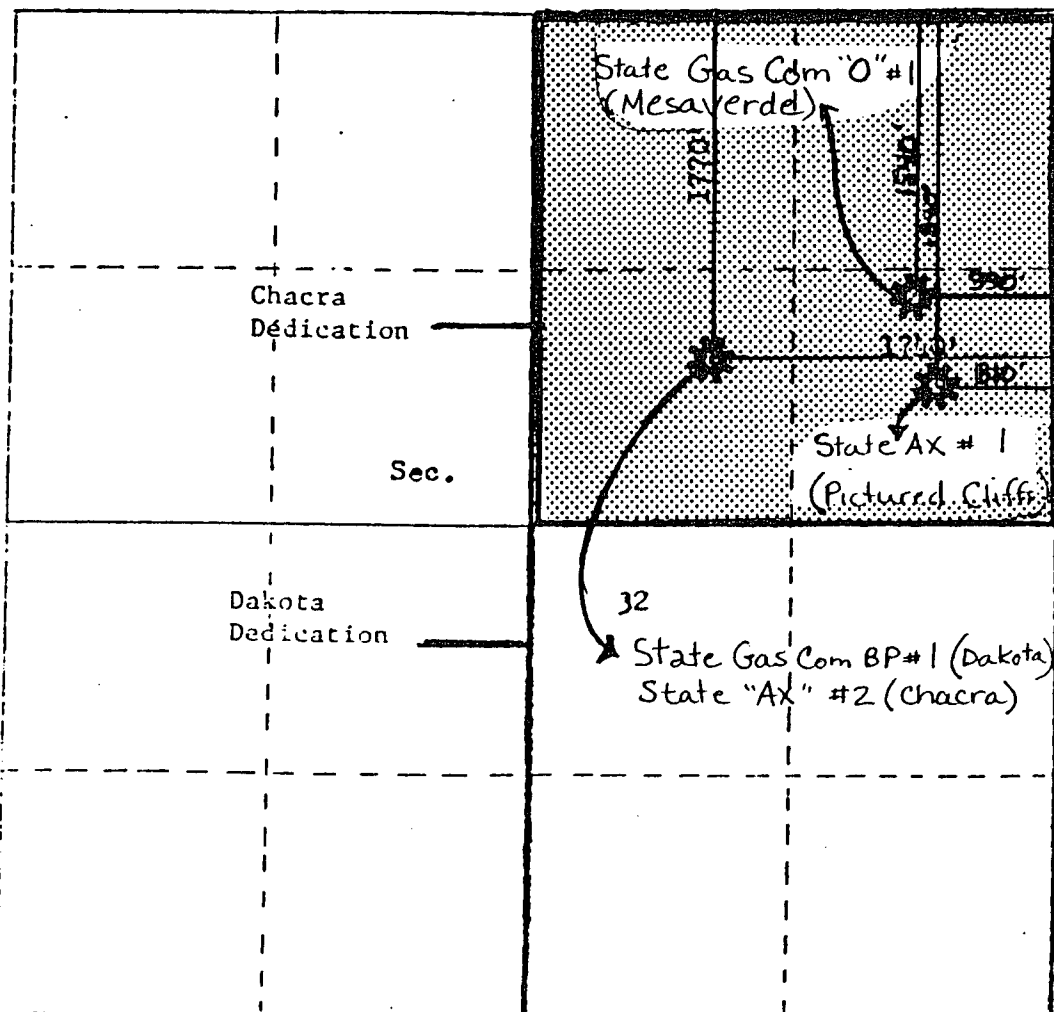
Operator AMOCO PRODUCTION COMPANY			Lease State "AX" STATE GAS COM "BP"		Well No. 3
Unit Letter 0	Section 32	Township 29N	Range 9N	County San Juan	
Actual Acreage Dedication of well: 1770 feet from the North line and 1750 feet from the East line					
Ground Level Elev: 6150	Producing Formation Dakota/Chacra	Pool: Basin Dakota/Otero Chacra		Dedicated Acreage: 320/160 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?

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February 13, 1981

Registered Professional Engineer
and Land Surveyor
Fred B. Kern Jr.
Fred B. Kern Jr.

For: zalc14
Engr: zr06

State AX 2
Operator- AMOCO PRODUCTION CO

300452488100CK G322909-001 CK

APC_WI - 1.0000000

CumG_70 -	0
CumO_70 -	0
CumGAS -	101922
CumOIL -	0

gas, MCFD

Reserves

DCLN
CurrQ
RemRes
EUR
Fit_date

Year

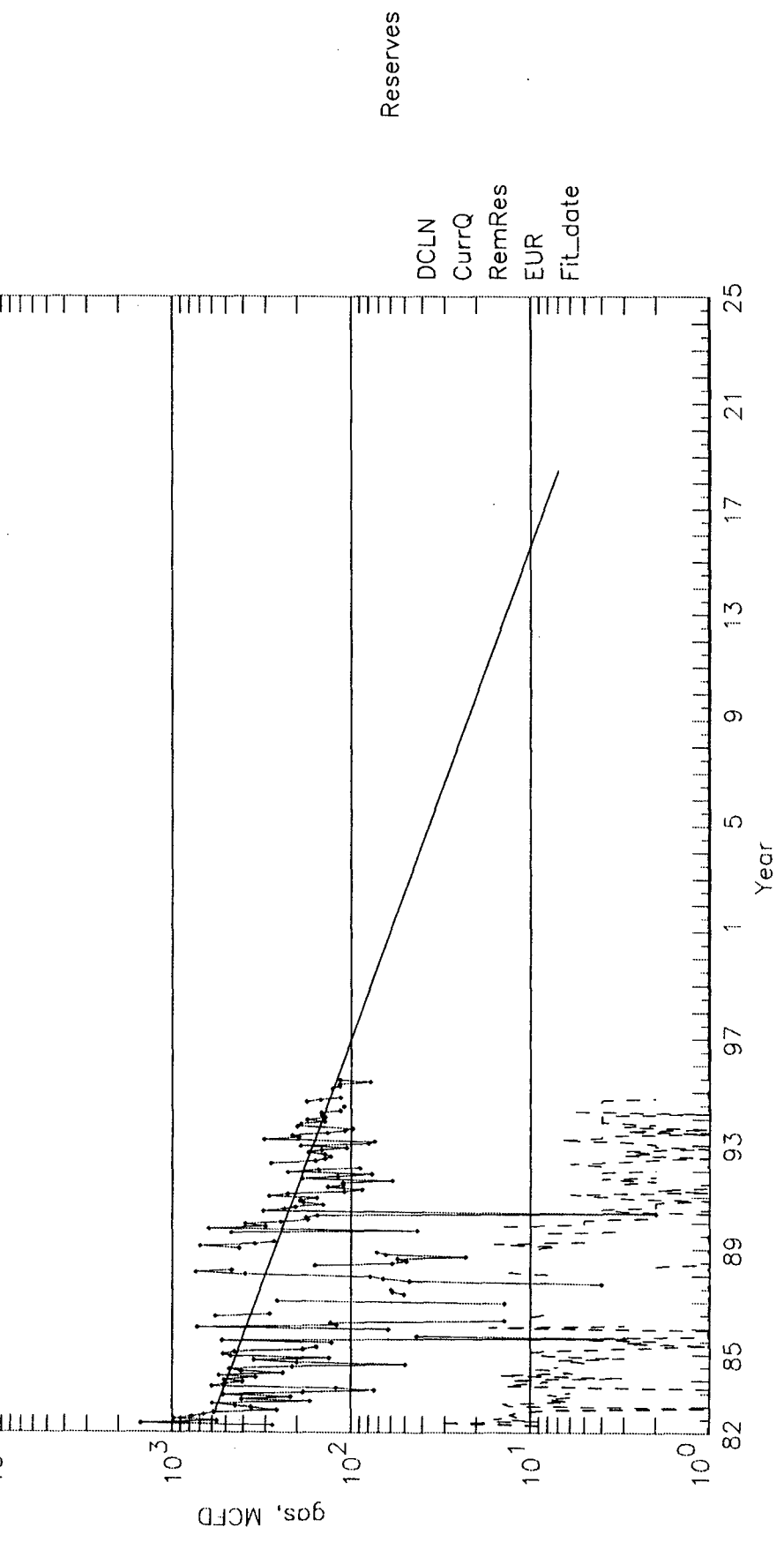
Last Op. Forecast by zr06 in 07/1995

For: zalc14
Engr: zrar06

STATE GAS COM BP 1 Operator- AMOCO PRODUCTION CO

300452488100DK G322909-001 DK APC_WI - 0.87500000

CumG_70	-	0
CumO_70	-	0
CumGAS	-	1015165
CumOIL	-	19769



Reserves
DCLN
CurrQ
RemRes
EUR
Fit_date

Last Op. Forecast by zrar06 in 07/1995

15566200 00001
617000 00
AMOCO PRODUCTION COMPANY
P O BOX 591
TULSA

ZJAM63

OK 74102-0591

15566200 00001
603416 25
CONOCO INC
P O BOX 951063
DALLAS

ZJAM63

TX 75395-1063

15566200 00001
610592 03
STATE OF NEW MEXICO
STATE LAND OFFICE
SANTA FE

ZJAM63

NM 87501

OFFSET OPERATORS
State BP #1 and State AX #2 Well

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

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