

DHC

6/27/96
1311

Southern
Rockies
Business
Unit

June 3, 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
Storey C #4 Well
Unit P Section 15-T28N-R9W
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: Stan Kolodzie
- 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

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
 YES NO

Amoco Production Company	P.O. Box 800 Denver, CO 80201
Operator Storey C	Address P-15-28N-9W
Lease 4	Unit Ltr. - Sec Twp - Rge San Juan
Well No.	County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 001140 API NO. 3004523971 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 MESAVERDE 72319		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	4354' - 4942'		6796' - 6976'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure <small>Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original</small>	a. (Current) 543 PSI (EST)	a.	a. 617 PSI (EST)
	b. (Original) 1218 PSI	b.	b. 2396 PSI
6. Oil Gravity (° API) or Gas BTU Content	1336 BTU / 49 DEG API		1201 BTU / 59 DEG API
7. Producing or Shut-In?	NEW		PRODUCING
Production Marginal? (yes or no)	NO		YES
<ul style="list-style-type: none"> • If Shut-In, give data and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: Rates:	Date: Rates:	Date: Rates:
	(EST) 450 MCFD 0.9 BCPD 1.35 BWPD	Date: Rates:	4/96 40 MCFD 0.0015 BCPD 0.02 BWPD
<ul style="list-style-type: none"> • If Producing, give date and oil/gas/water rates of recent test (within 60 days) 	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone	Oil: Gas %	Oil: Gas %	Oil: Gas %

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. SEE ATTACHED
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-077111 NM-04208 COM AGRMNT SRM-1568 DK I-SEC#942 MV
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. SEE ATTACHED
 - * 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 6/3/96
 TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. (303) 830-5344

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

EXHIBIT I Form C-107
Revised 10-1-78

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

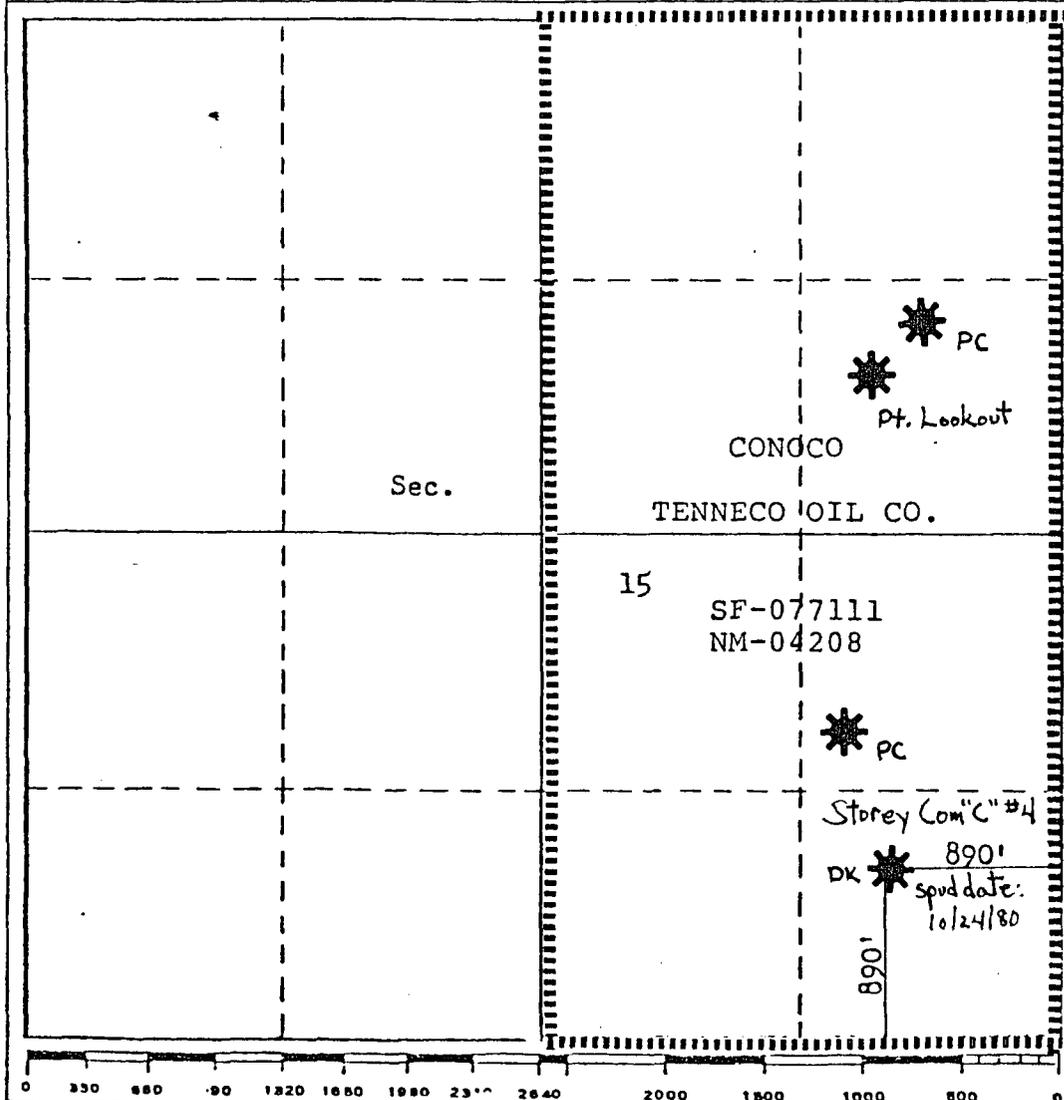
Operator TENNECO OIL COMPANY		Lease STOREY COM "C"		Well No. 4
Unit Letter P	Section 15	Township 28N	Range 9W	County San Juan
Actual Footage Location of Well: 890 feet from the South line and 890 feet from the East line				
Ground Level Elev. 6142	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 320 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 in progress.

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.	
<i>J. D. Traywick</i>	
(Name) J. D. Traywick	
Administration Supervisor	
Position	
Tenneco Oil Company	
Company	
October 23, 1979	
Date	
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 September 23, 1979	
Registered Professional Engineer and/or Land Surveyor	
<i>Fred B. Kerr</i>	
Certificate No. 3950	

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 3004523971		* Pool Code 72319	* Pool Name Blanco Mesaverde
* Property Code 001140	* Property Name Storey Com C		* Well Number #4
* OGRID No. 000778	* Operator Name Amoco Production Company		* Elevation 6142 GL

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
P	15	28N	9W		890	South	890	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 320.00	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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>
					Signature
					Printed Name Sr. Admin. Staff Asst. Title 3/5/96 Date
					¹⁸ SURVEYOR CERTIFICATION <i>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.</i>
					Date of Survey September 21, 1979 Signature and Seal of Professional Surveyer:
					3950 Certificate Number

Dwights

Lease: STOREY COM C 000004

Retrieval Code: 251,045,28N09W15P00DK

05/13/96

10³
10³

10²
10²

10
10

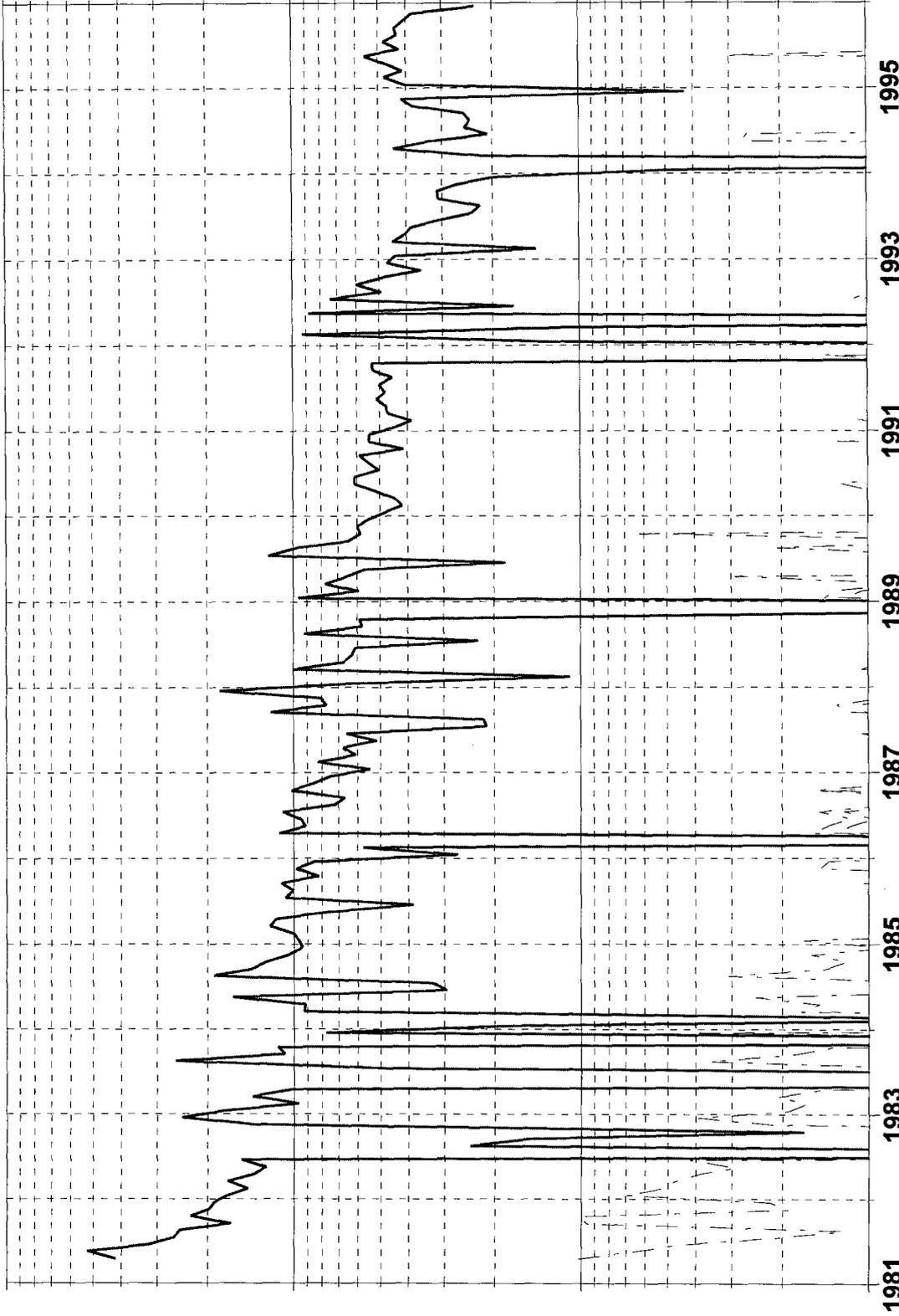
1
1

10³

10²

10

1



Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

F.P. Date: 04/81

County: SAN JUAN, NM

Oil Cum: 6112 bbl

Field: BASIN (DAKOTA) DK

Gas Cum: 400.3 mmcf

Reservoir: DAKOTA

Location: 15P 28N 9W

Operator: AMOCO PRODUCTION CO

RECOMMENDED ALLOCATION METHOD

To determine allocations for the Mesaverde and Dakota we plan to flow test the zones after frac to determine their producing contributions to the commingled production stream. The Dakota zone has a long producing history which it will most likely continue to exhibit after reperforating and we have several new Mesaverde completions in the area which we plan to compare to the early results of this completion. We will submit the allocation recommendation after the work and testing are completed.

OFFSET OPERATORS
Storey C #4

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

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