DATE IN	SUSPENSE	ENGINEER	LOGGED	TYPE
8/2/99	8/23/99	DC	MW	AMEND DHC

ABOVE THIS LINE FOR DIVISION USE ONLY

AMENDED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

RECEIVED
AUG - 2 1999
OIL CONSERVATION DIVISION

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

_ NSL _ NSP _ DD _ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

X DHC _ CTB _ PLC _ PC _ OLS _ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

_ WFX _ PMX _ SWD _ IPI _ EOR _ PPR

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or _ Does Not Apply

[A] X Working, Royalty or Overriding Royalty Interest Owners

[B] X Offset Operators, Leaseholders or Surface Owner

[C] _ Application is One Which Requires Published Legal Notice

[D] X Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] _ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] _ Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Mary Corley Mary Corley Sr. Business Analyst 7/21/99

Amoco Exploration & Production
501 Westlake Park Blvd.
Post Office Box 3092
Houston, TX 77079

July 21, 1999

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505

Request to Amend Allocation Formula
Administrative Order DHC - 2386
Blanco Com 1 #1A
Unit P Section 2-T30N-R11W
Blanco Mesaverde and Basin Dakota Pools
San Juan County, New Mexico

Attached please find an amended Form C-107-A for the subject well. This amendment is necessary to correct the testing data submitted on the original form and request amendment to the allocation formula given for Administrative Order DHC - 2386 dated July 6, 1999.

The test volumes were reported in error as 96 MCFD of production from the Blanco Mesaverde Pool and 33 MCFD from the Basin Dakota Pool. This resulted in the approval of an allocation formula of 75% to the Blanco Mesaverde and 25% to the Basin Dakota. The correct test volumes should have been 76 MCFD from the Blanco Mesaverde and 35 MCFD from the Basin Dakota, an allocation of 62% and 38%. Please note that this percentage - 62 and 38 - were originally indicated in item 8 on the form submitted on June 9, 1999. Additionally, the percentage given in item 8 matches the allocation percentage given on our attachment submitted with original application which stated the formation pressures and the formation allocation. A copy of this report is also attached for you information.

Original application which was submitted via certified mail, return receipt requested, to all offset operators and affected interest owners, reflected the allocation of the production from the Blanco Mesaverde at 62% and from the Basin Dakota at 38%. No objection was received to our original application.

Your attention to this matter is greatly appreciated. Should you have questions regarding this application, do not hesitate to call me at 281-366-4491.

Sincerely,

Mary Corley

Mary Corley
Enclosures

DK	0.08	PC	0.04
MV	0.07	FT	0.04
		CK	0.04

WELL NAME: Blanco Com 1 001A
FORMATION: DK
SURFACE PRESS: 290
PERFS TOP: 6800
BOTTOM: 6911

(6800 + 6911)/ 2 = 6856 Mid Perf
6855.5 x 0.08 = 548
548 + 290 = 838 **Bottom Hole Pressure**

Initial Bottom Hole Pressure= 2992 est.

WELL NAME: Blanco Com 1 001A
FORMATION: MV

SURFACE PRESS: 264
PERFS TOP: 4325
BOTTOM: 4816

(4325 + 4816)/ 2 = 4571 Mid Perf
4570.5 x 0.07 = 320
320 + 264 = 584 **Bottom Hole Pressure**

Initial Bottom Hole Pressure = 1263 est.

ALLOCATION

FM	BBL	%	GAS	%
DK	120	100%	15045	38%
MV	0	0%	24962	62%

DISTRICT I
P.O. Box 1980, Hobbs NM 88241-1980

DISTRICT II
811 South First St., Artesia, NM 88210-2835

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

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

APPROVAL PROCESS:
x_ Administrative __ Hearing

EXISTING WELLBORE
_x_ YES __ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Amoco Production Company		PO Box 3092 Houston, TX 77253-3092	
Operator		Address	
BLANCO COM 1	1A	P 2-30N-11W	San Juan
Lease	Well No.	Unit Ltr. - Sec Twp - Rge	County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 000320 API NO. 30-045-25444 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	Blanco Mesaverde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4325' - 4816'		6800' - 6911'
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) 584 psig	a.	a. 838 psig
	b. (Original) 2085 psig (est)	b.	b. 2992 psig (est)
6. Oil Gravity (° API) or Gas BTU Content	1263 BTU		1237 BTU
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or 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: 4/25/99 Rates: 76 MCFD 0 BCPD 0 BWPD	Date: Rates:	Date: 4/25/99 Rates: 35 MCFD 0.3 BCPD 0.2 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 %: Gas 62 %	Oil: %: Gas %	Oil: 100 %: Gas 38 %

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? _x_ 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. _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 Untied States Bureau of Land Management has been notified in writing of this application. _x_ Yes ___ No NO FEDERAL OR STATE LANDS

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 Mary Corley TITLE Senior Business Analyst DATE 7/21/99

TYPE OR PRINT NAME Mary Corley TELEPHONE NO. (281) 366-4491

DK	0.08	PC	0.04
MV	0.07	FT	0.04
		CK	0.04

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