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|-------------------|---------------------|----------------|--------------|----------------------|
| DATE IN 8/2/99 | SUSPENSE 8/23/99 | ENGINEER DC | LOGGED WV | TYPE AMEND DHC |
|-------------------|---------------------|----------------|--------------|----------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

AMENDED

NEW MEXICO OIL CONSERVATION DIVISION

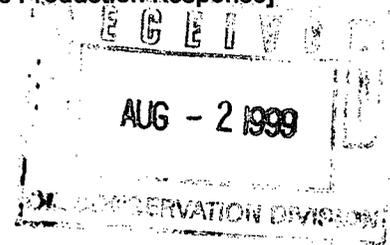
- Engineering Bureau -

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]



[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
 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] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] 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

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**

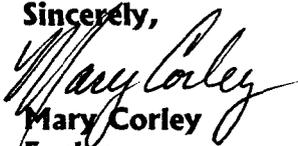
Attached please find an amended Form C-107-A for the subject well. This amendment is necessary to correct the testing data submitted on the original form and request amendment to the allocation formula given for Administrative Order DHC - 2386 dated July 6, 1999.

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
Enclosures**

Blanco Com 1 001A

| | | | |
|----|------|----|------|
| 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

$$(6800 + 6911) / 2 = \underline{6856} \text{ Mid Perf}$$

$$6855.5 \times 0.08 = \underline{548}$$

$$548 + 290 = \underline{838} \text{ Bottom Hole Pressure}$$

Initial Bottom Hole Pressure = 2992 est.

WELL NAME: Blanco Com 1 001A

FORMATION: MV

SURFACE PRESS: 264

PERFS TOP: 4325

BOTTOM: 4816

$$(4325 + 4816) / 2 = \underline{4571} \text{ Mid Perf}$$

$$4570.5 \times 0.07 = \underline{320}$$

$$320 + 264 = \underline{584} \text{ Bottom Hole Pressure}$$

Initial Bottom Hole Pressure = 1263 est.

ALLOCATION

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

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

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 000320 API NO. 30-045-25444 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) | 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 (^o 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 | Date: Rates: | Date: Rates: | Date: Rates: |
| 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: 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 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 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

Blanco Com 1 001A

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WELL NAME: Blanco Com 1 001A

FORMATION: MV

SURFACE PRESS: 264

PERFS TOP: 4325

BOTTOM: 4816

$$(4325 + 4816) / 2 = 4571 \text{ Mid Perf}$$

$$4570.5 \times 0.07 = 320$$

$$320 + 264 = 584 \text{ Bottom Hole Pressure}$$

Initial Bottom Hole Pressure = 1263 est.

ALLOCATION

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