



February 16, 1996

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P.O. Box 6429
Santa Fe, NM 87505

Southern

Rockies

Business

Unit

Application for Exception to Rule 303-A

Surface Commingling

Keys Gas Com C#1 Well

990' FSL & 1650' FWL, Unit N Section 29-T29N-R10W

Aztec Pictured Cliffs (Pool IDN 71280) and Aztec Fruitland Sand (Pool IDN 71200) Pools
San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval to surface commingle production from the Aztec Pictured Cliffs and Aztec Fruitland Sand in the Keys Gas Com C#1 well referenced above. This well is producing as a dual completion and we plan to complete the well with the two zones commingled at the surface. This well is anticipated to have marginal production and surface commingling will offer an economical method of production using a single train of production equipment. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each of the common sources of supply.

The ownership (WI, RI, ORRI) of these pools is identical in this wellbore. Currently, the Pictured Cliffs is producing 20 MCFD and the Fruitland Sand is producing 20 MCFD resulting in an expected rate of 40 MCFD. The recommended allocation would be based on historical production attributing 50% to the Pictured Cliffs and 50% to the Fruitland Sand. The Fruitland sand has not historically produced liquids so all condensate production would be 100% allocated to the Pictured Cliffs.

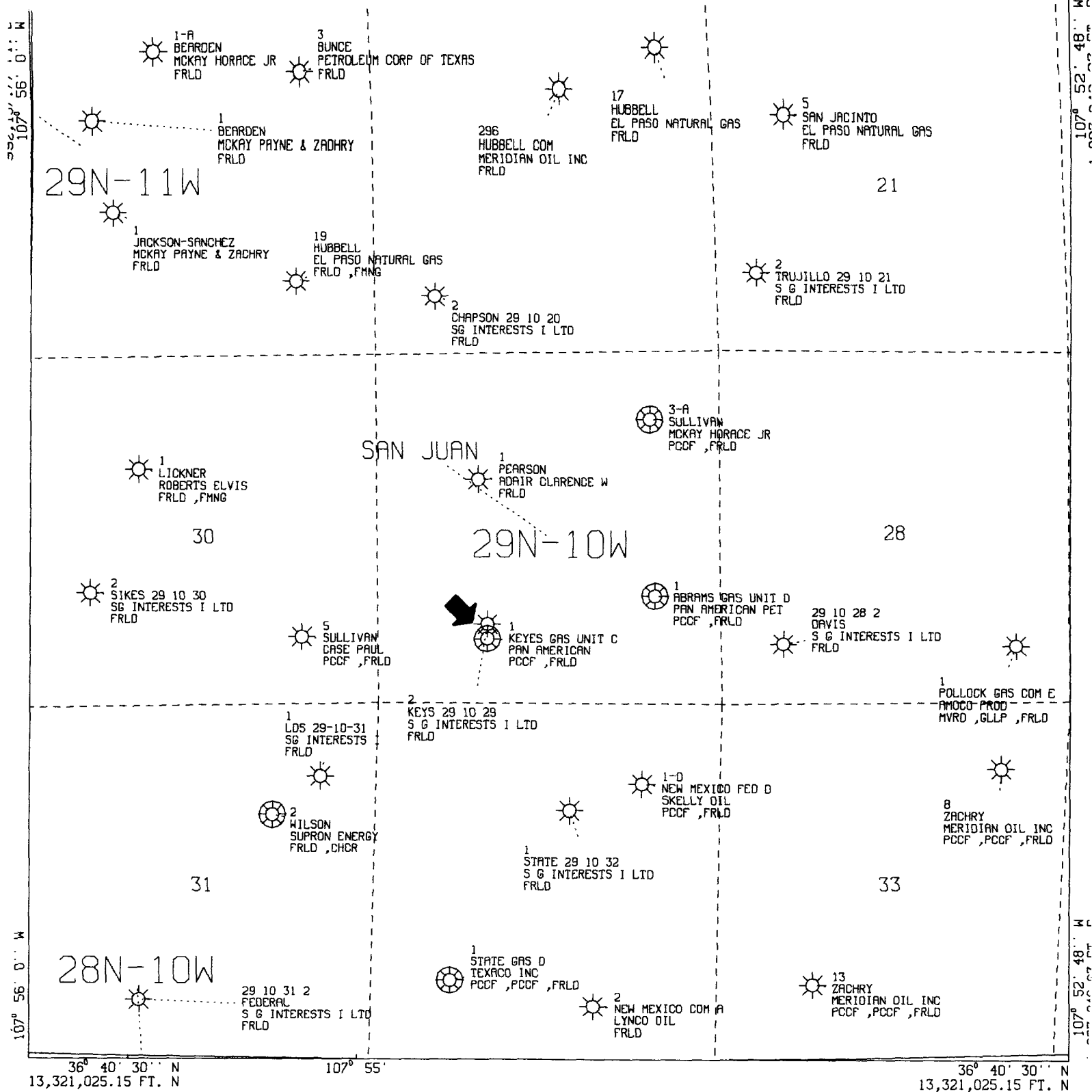
Attached to aid in your review are plats showing the location and acreage dedicated to the well, a historical production plot for each formation and a schematic of the proposed commingling installation. This spacing unit does not involve any State or Federal lands.

Sincerely,

Pamela W. Staley

cc: Steve Webb
Gail Jefferson

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

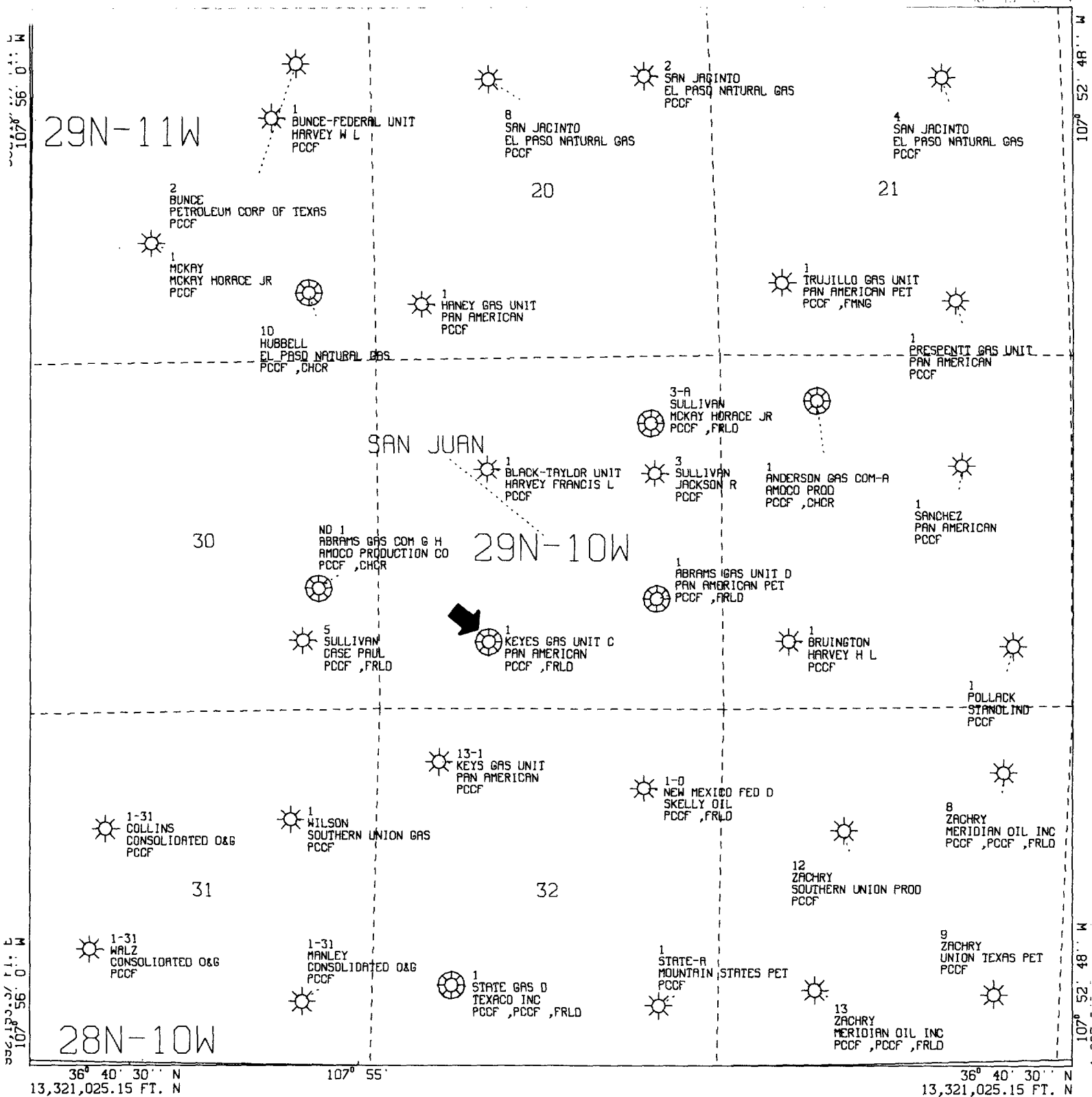


All geological and geophysical data, including the interpretation thereof, appearing on this map is the private and confidential property of Amoco Production Company. The publication or reproduction thereof without the written permission of said Company is strictly prohibited.

POLYCONIC CENTRAL MERIDIAN - 107° 54' 24\" W LON
SPHEROID - 6

AMOCO PRODUCTION COMPANY
PLAT MAP
Keys Gas Com C 1
Fruitland Formation

SCALE 1 IN. = 2,000 FT. OCT 6, 1995



All geological and geophysical data, including the interpretation thereof, appearing on this map is the private and confidential property of Amoco Production Company. The publication or reproduction thereof without the written permission of said Company is strictly prohibited.

AMOCO PRODUCTION COMPANY
PLAT MAP
Keys Gas Com C 1
Pictured Cliff Formation

POLYCONIC CENTRAL MERIDIAN - 107° 54' 24'' W LON
SPHEROID - 6

SCALE 1 IN. = 2,000 FT. OCT 6, 1995

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

SECTION A

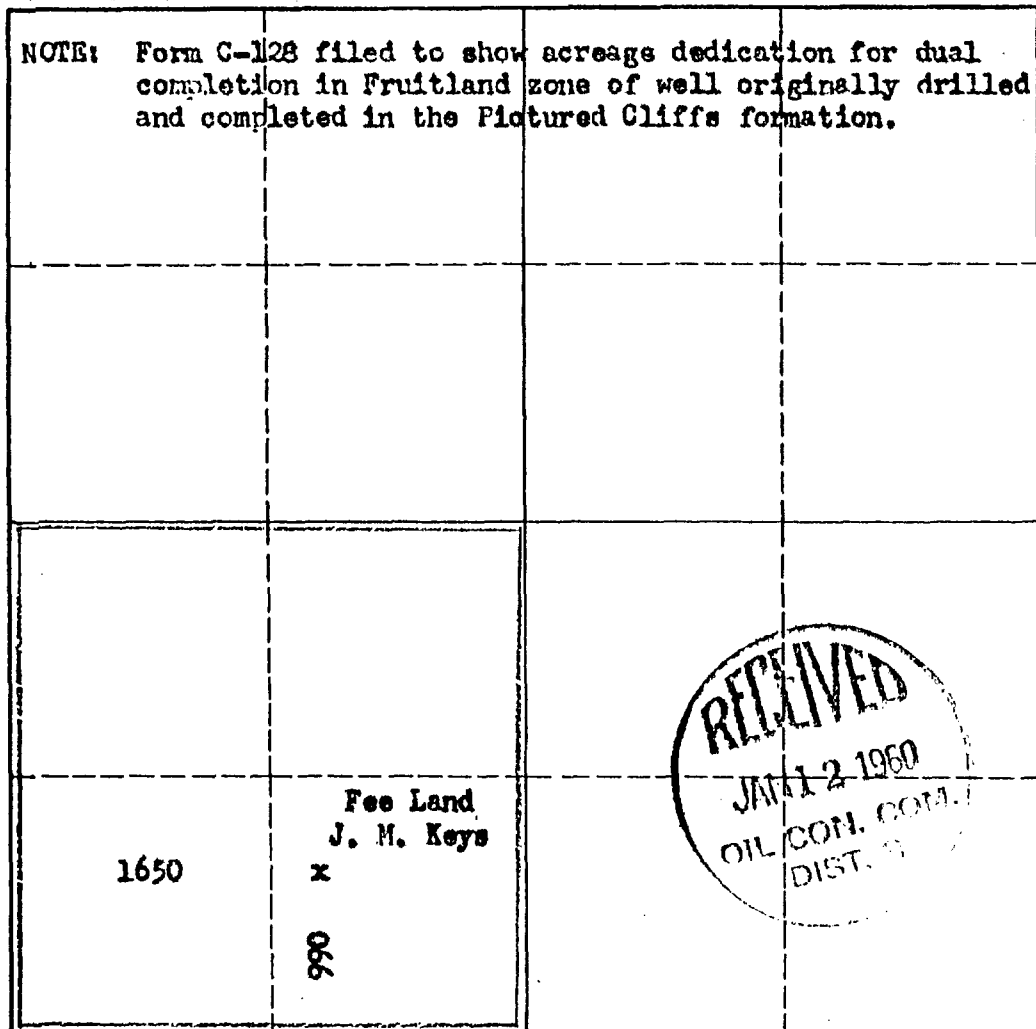
Operator Pan American Petroleum Corporation			Lease Keys Gas Unit "C"			Well No. 100-100		
Unit Letter N	Section 29	Township 29 North	Range 10 West	County San Juan				
Actual Footage Location of Well: 990 feet from the South line and 1650 feet from the West line								
Ground Level Elev. 5548		Producing Formation Fruitland		Pool Aztec Fruitland		Dedicated Acreage: 160 Acres		

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES _____ NO ☒ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☒ NO _____. If answer is "yes," Type of Consolidation **Communitized acreage**
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B

NOTE: Form C-128 filed to show acreage dedication for dual completion in Fruitland zone of well originally drilled and completed in the Pictured Cliffs formation.



CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name **R. M. Bauer, Jr.**
Position **Area Engineer**
Company **Pan American Petroleum Corp.**
Date **January 11, 1960**

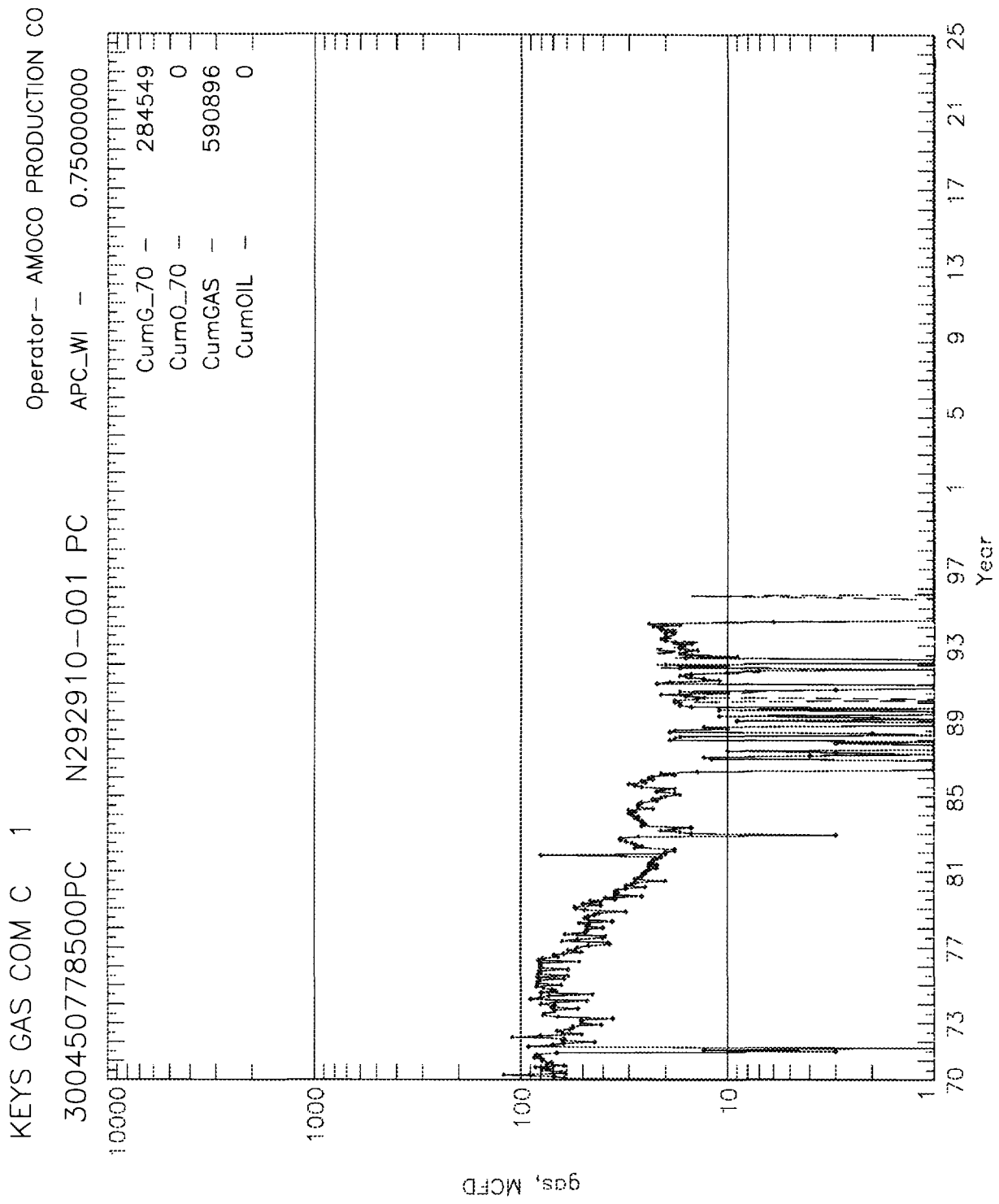
I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **November 1, 1957**
Registered Professional Engineer and/or Land Surveyor
Original
/s/ James P. Leese

Certificate No. **1463**

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

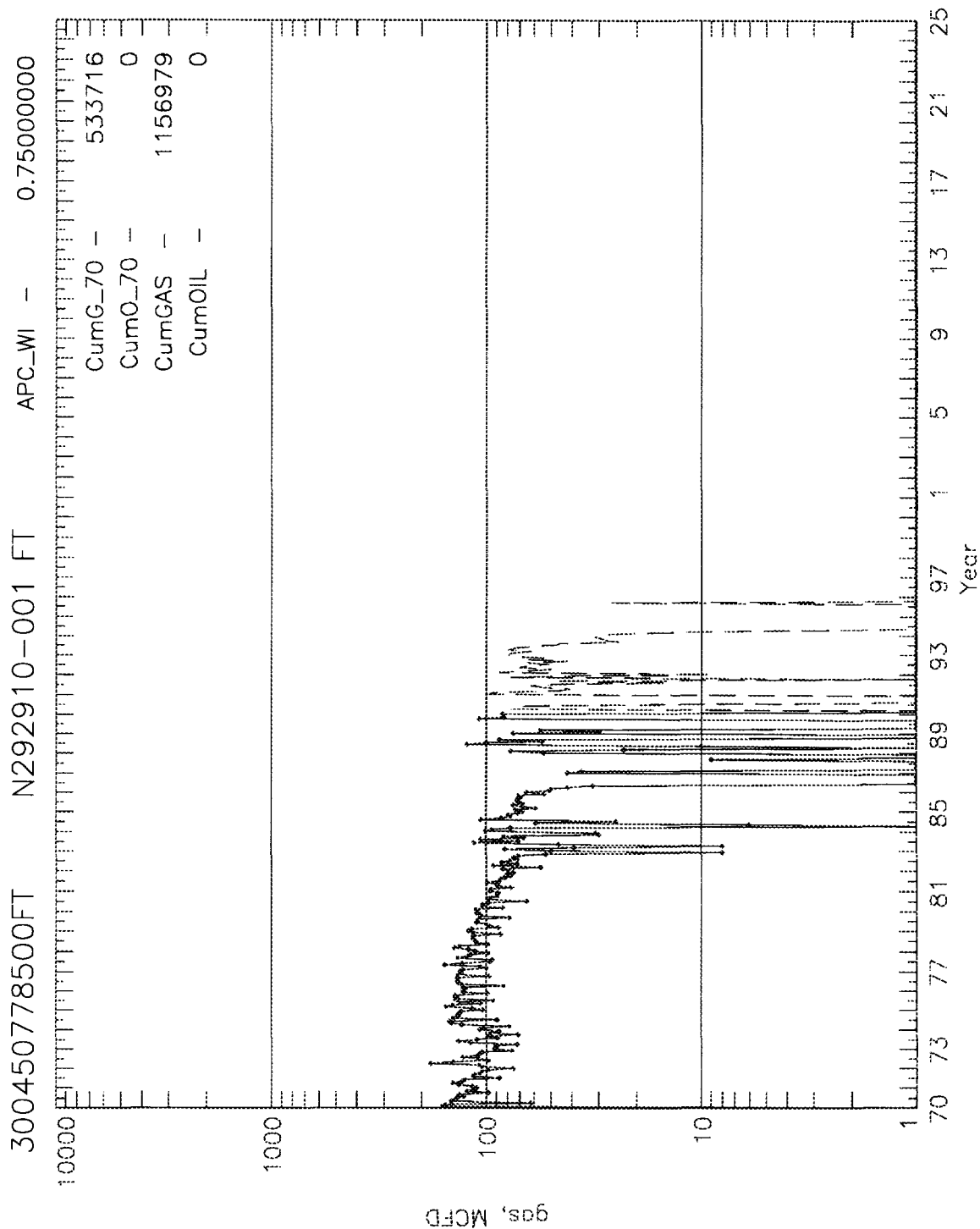
For: zdws22
Engr: zdws22



Last Op. Forecast by None in None

For: zdws22
Engr: zdws22

KEYS GAS COM C 1 Operator-- AMOCO PRODUCTION CO



Last Op. Forecast by None in None

AMOCO PRODUCTION COMPANY
FARMINGTON DISTRICT

ONSHORE FEDERAL AND INDIAN
SITE FACILITY DIAGRAM

LEASE NAME & WELL NUMBER KEYS G.C. "C" Well No[#] 1. FT SAND/PC DUAL

LEASE NUMBER (Run 27)

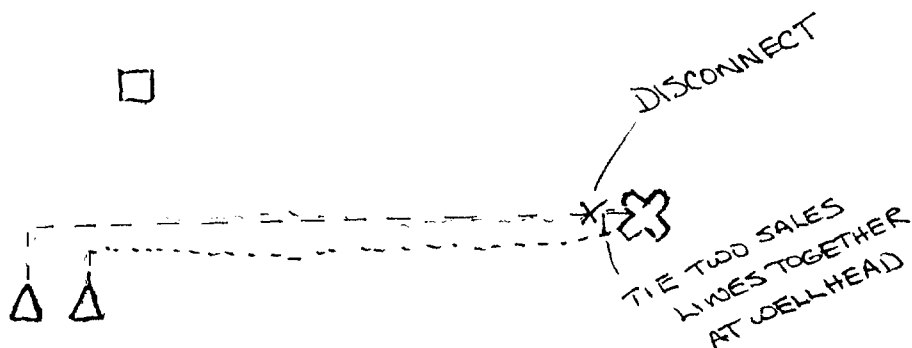
COMMUNITIZATION NUMBER _____

LOCATION KEYS C-1 SEC. - 29 ~~7 SW~~ T 29N R 10W
S.F.C

This diagram subject to site security plan For New Mexico

Sealed valves are normally closed during production phase. Drain line valve to pit open to draw off water and load line valve open to sell condensate.

N
↑



Valve #1 - Sales
Valve #2 - Drain

- X Wellhead
- Production Unit
- Storage Tank
- ⬡ Dehydrator
- △ Meter Run
- Pit
- X SEALED VALVES