

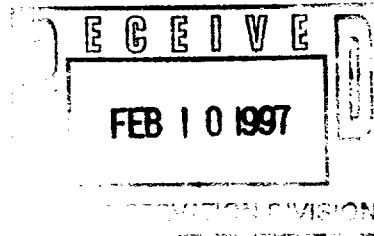


7-5791

Amoco Production Company

501 WestLake Park Boulevard
Post Office Box 3092
Houston, Texas 77253-3092

February 7, 1997



Bureau of Land Management
Roswell District Office
2909 West 2nd Street
Roswell, NM 88201

Application for Surface Commingling
Off Lease Storage and Measurement Approval
Empire South Deep Unit
Empire South - Morrow Pool - GAS 76450
Bear Grass Draw - Atoka Pool - GAS 71687
West Bear Grass Draw - Atoka Pool GAS 71688
Eddy County, New Mexico

Gentlemen,

Amoco Production Company, as operator of the subject wells, requests administrative approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the attached list of formations and wells.

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at NE 1/4, Sec 18, T-17-S, R-29-E, on lease No. 12486, Eddy County, New Mexico. The BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:

Amoco shall use eight day charts to allocate production

We have mailed a complete copy of this application to all royalty and working interest owners for both of these leases. Additionally, we have forwarded a separate copy of this application to the NMOCD in Santa Fe for their review.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

We also understand that additional wells require additional commingling approvals.

If supplemental information is required, contact me in Houston at (281) 366-7337.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Tullos". The signature is fluid and cursive, with the first name "Tom" and last name "Tullos" clearly distinguishable.

Tom G. Tullos
Sr. Business Analyst
Permian Basin Business Unit

Attachments

CC: New Mexico Oil Conservation Division
Attn: David Catnek
2040 South Pacheco
Santa Fe, NM 87505

75191

**Surface Commingling Application
Information Sheet
Amoco Production Company - OGRID 000778**

Empire South Deep Unit Well No. 1

Location - Letter F, 1830 FNL x 1639 FWL, Section 6, T-18-S, R-29-E, Eddy, NM
API No. - 30-015-20492
Production - 3 BOPD - 620 MCFD Gas
Empire, South - Morrow - Gas Pool
Morrow Formation

Empire South Deep Unit Well No. 2

Location - Letter K, 1980 FSL x 1900 FWL, Section 6, T-18-S, R-29-E, Eddy, NM
API No. - 30-015-20584
Production - 5 BOPD - 600 MCFD Gas
Empire, South - Morrow - Gas Pool
Morrow Formation

Empire South Deep Unit Well No. 3

B 4958AS3

Location - Letter N, 660 FSL x 1980 FWL, Section 31, T-17-S, R-29-E, Eddy, NM
API No. - 30-015-20685
Production - 0 BOPD - 55 MCFD Gas
Empire, South - Morrow - Gas Pool
Morrow Formation

Empire South Deep Unit Well No. 5

Location - Letter G, 1980 FNL x 2180 FEL, Section 31, T-17-S, R-29-E, Eddy, NM
API No. - 30-015-21279
Production - 0 BOPD - 4 MCFD Gas
Empire, South - Morrow - Gas Pool
Morrow Formation

Empire South Deep Unit Well No. 6

Location - Letter P, 1315 FSL x 1315 FEL, Section 1, T-18-S, R-28-E, Eddy, NM
API No. - 30-015-21562
Production - 0 BOPD - 30 MCFD Gas
West Bear Grass Draw - Atoka - Gas Pool
Atoka Formation

Empire South Deep Unit Well No. 12

Location - Letter K, 1980 FSL x 2120 FWL, Section 5, T-18-S, R-29-E, Eddy, NM
API No. - 30-015-21947
Production - 0 BOPD - 25 MCFD Gas
Bear Grass Draw - Atoka - Gas Pool
Atoka Formation

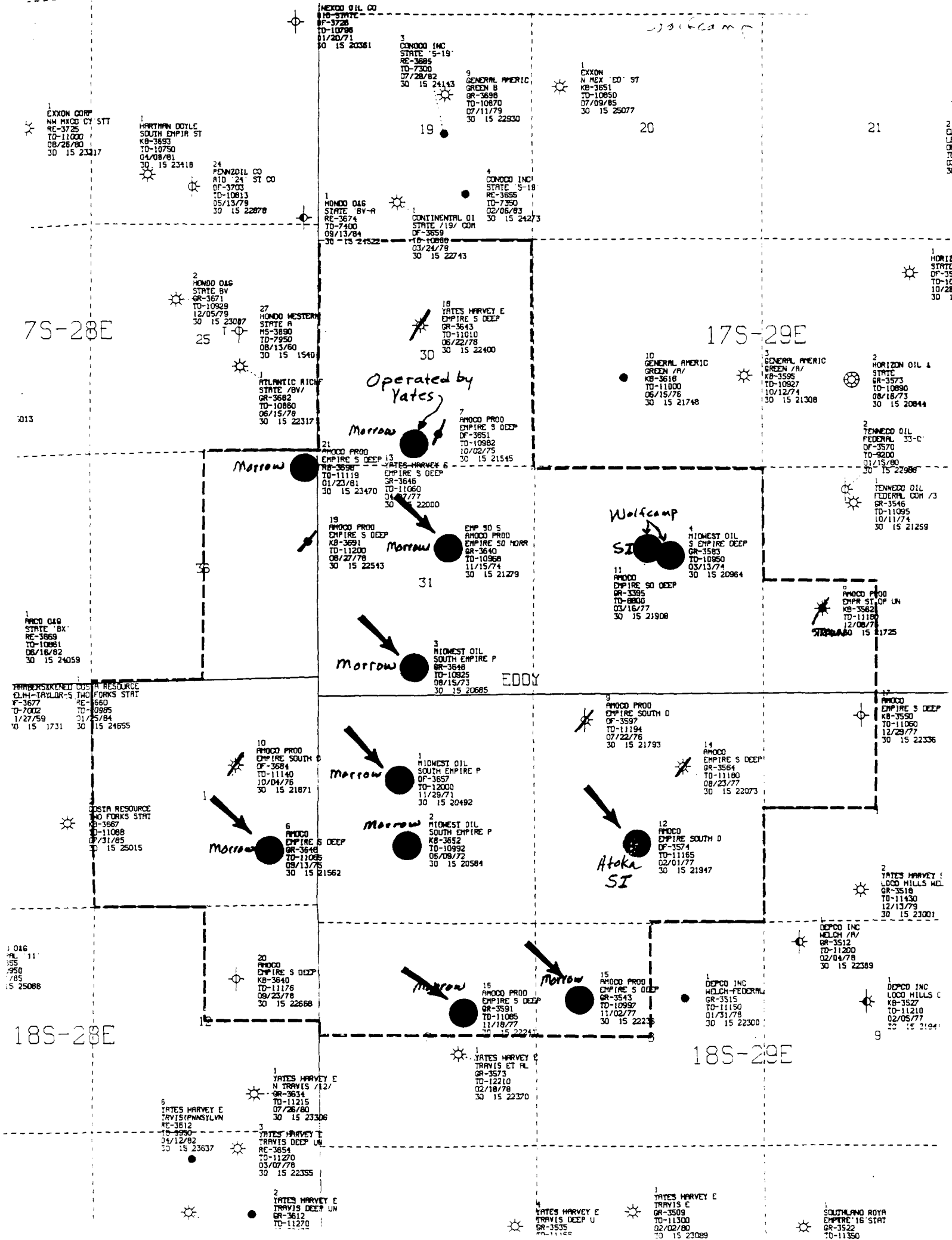
Empire South Deep Unit Well No. 15

Location - Letter E, 1980 FNL x 660 FWL, Section 8, T-18-S, R-29-E, Eddy, NM

API No. - 30-015-22236
Production - 0 BOPD - 18 MCFD Gas
Empire, South - Morrow - Gas Pool
Morrow Formation

Empire South Deep Unit Well No. 16

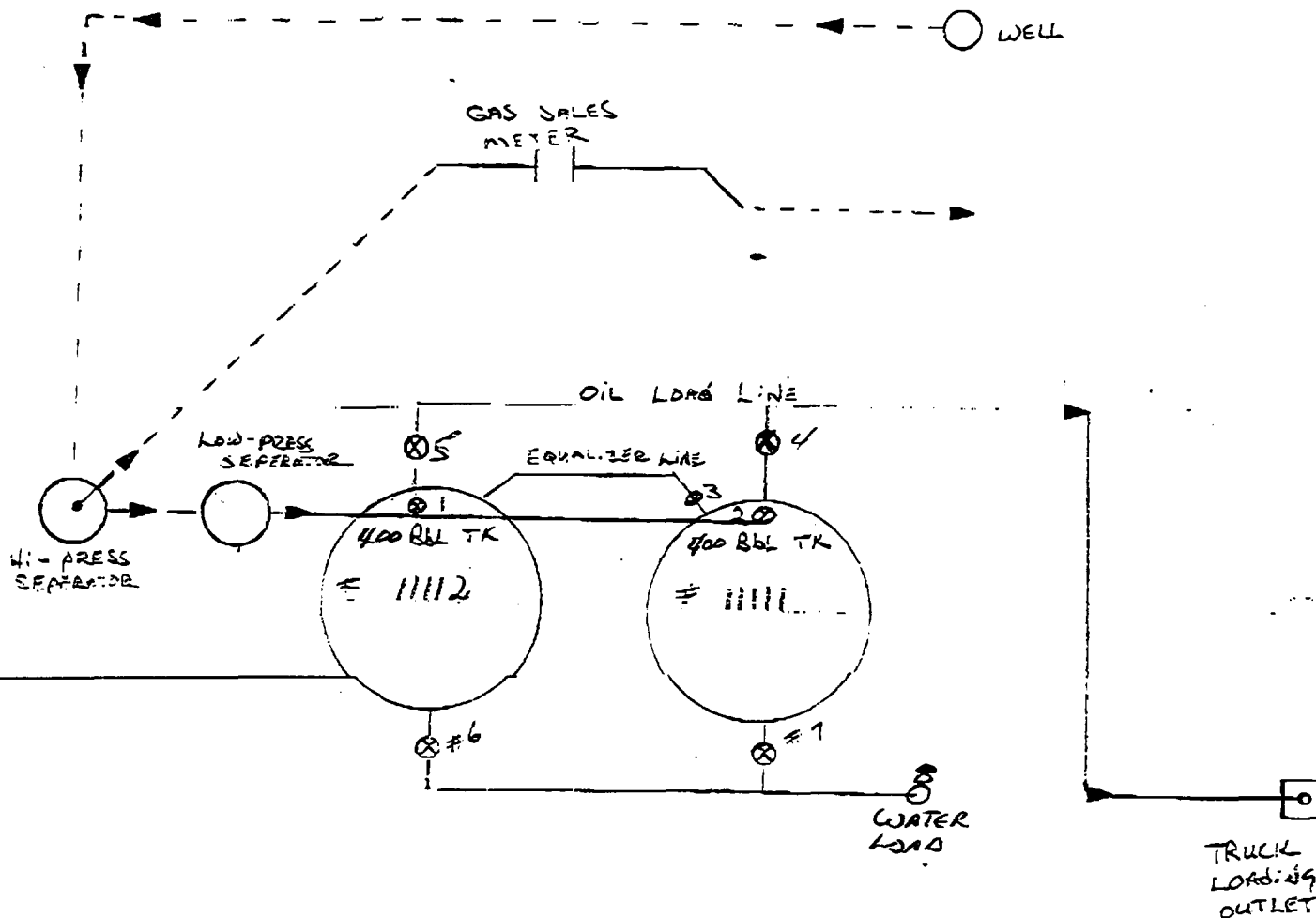
Location - Letter G, 1980 FNL x 1980 FEL , Section 7, T-18-S, R-29-E, Eddy, NM
API No. - 30-015-22241
Production - 0 BOPD - 130 MCFD Gas
Empire, South - Morrow - Gas Pool
Morrow Formation





SITE FACILITY DIAGRAM
AMOCO PRODUCTION COMPANY (USA) - OPERATOR
MORRIS, NEW MEXICO DISTRICT

LEASE NAME: EMPIRE SOUTH DEPT UNIT WELL #16 Lease or Comm. No. LC-028717(d)
LOCATION: UNIT G SEC 7, T-18-S, R-29-E, TCHY County
SITE SECURITY PLAN I.D.: AMOCO FEDERAL PROPERTIES - BLM ROSWELL DISTRICT
TYPE SYSTEM: OPEN (-) OR CLOSED ()
METERING METHOD: OIL TANK GAUGES GAS DRIFTE METER WATER TANK GAUGES
SPECIAL COMMENTS:



Normal Position Valve Sealed

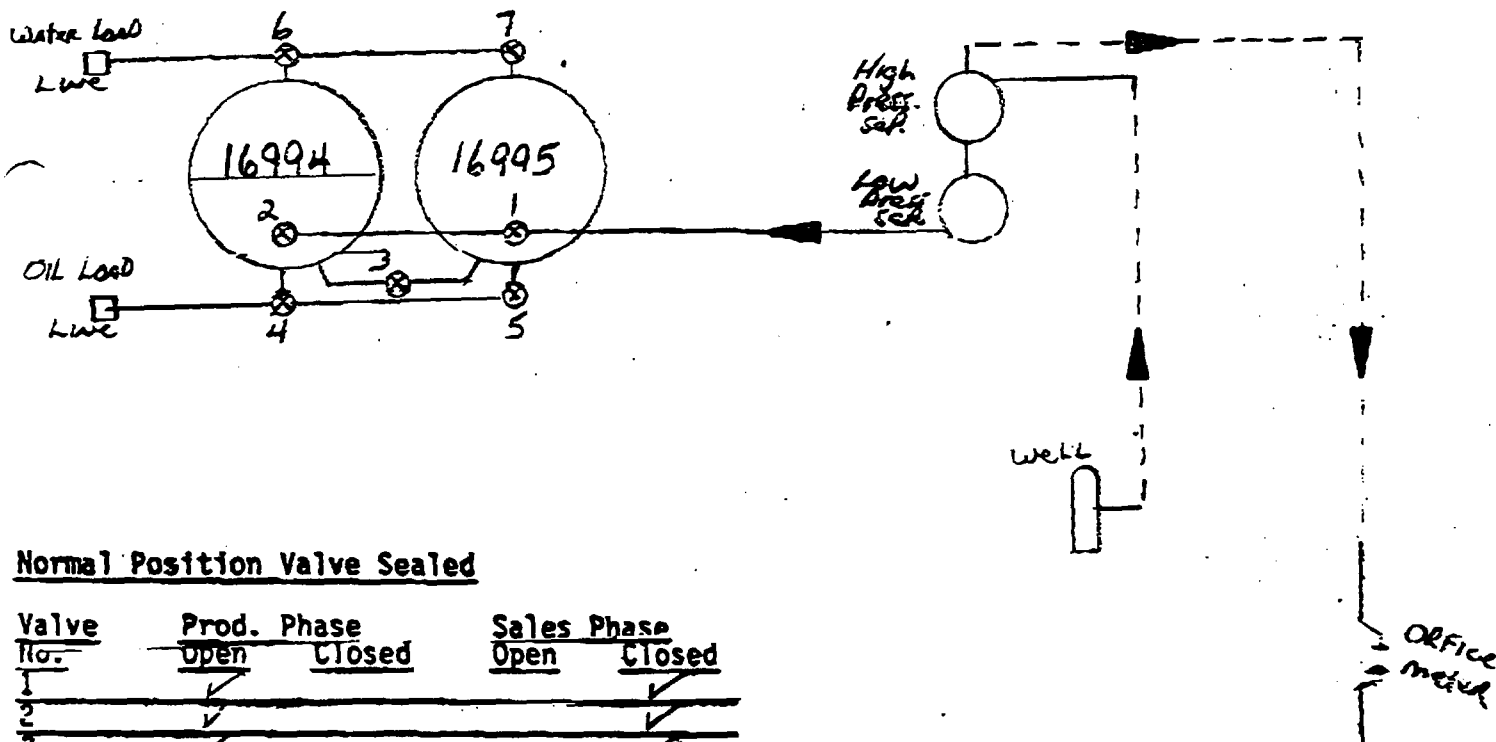
Valve No.	Prod. Phase		Sales Phase	
	Open	Closed	Open	Closed
1	✓			✓
2	✓			✓
3	✓			✓
4		✓	✓	
5		✓	✓	
6		✓		✓
7		✓		✓
8				
9				
10				

Legend
⊗ Valve
— Line on Surface
--- Buried Line



SITE FACILITY DIAGRAM
AMOCO PRODUCTION COMPANY (USA) - OPERATOR
HOBBS, NEW MEXICO DISTRICT

LEASE NAME: Empire South Deep Unit Well #15 Lse or Comm No. LC-061702
LOCATION: 12.1 E Sec. 8 T-18-S. R-29-E Eddy County N.M.
SECURITY PLAN I.D.: Amoco Federal Properties - Elgin Roswell District
TYPE SYSTEM: OPEN (✓) OR CLOSED ()
METERING METHOD: OIL TANK GUAGES GAS ORFICE meter WATER TANK GUAGES
SPECIAL COMMENTS: _____



Normal Position Valve Sealed

Valve No.	Prod. Phase		Sales Phase	
	Open	Closed	Open	Closed
1	✓			✓
2	✓			✓
3	✓			✓
4		✓	✓	
5		✓	✓	
6		✓		✓
7		✓		✓
8				
9				

Legend

- ⊗ Valve
- Line on Surface
- Buried Line



SITE FACILITY DIAGRAM
AMOCO PRODUCTION COMPANY (USA) - OPERATOR
HOBBS, NEW MEXICO DISTRICT

LEASE NAME: EMPIRE SOUTH DEEP UNIT #121

Lse or Comm No. FEE LSE

LOCATION: NE/SW SEC 5, T-18S, R-29-E Edm Co, N.M.

STATE SECURITY PLAN I.D.:

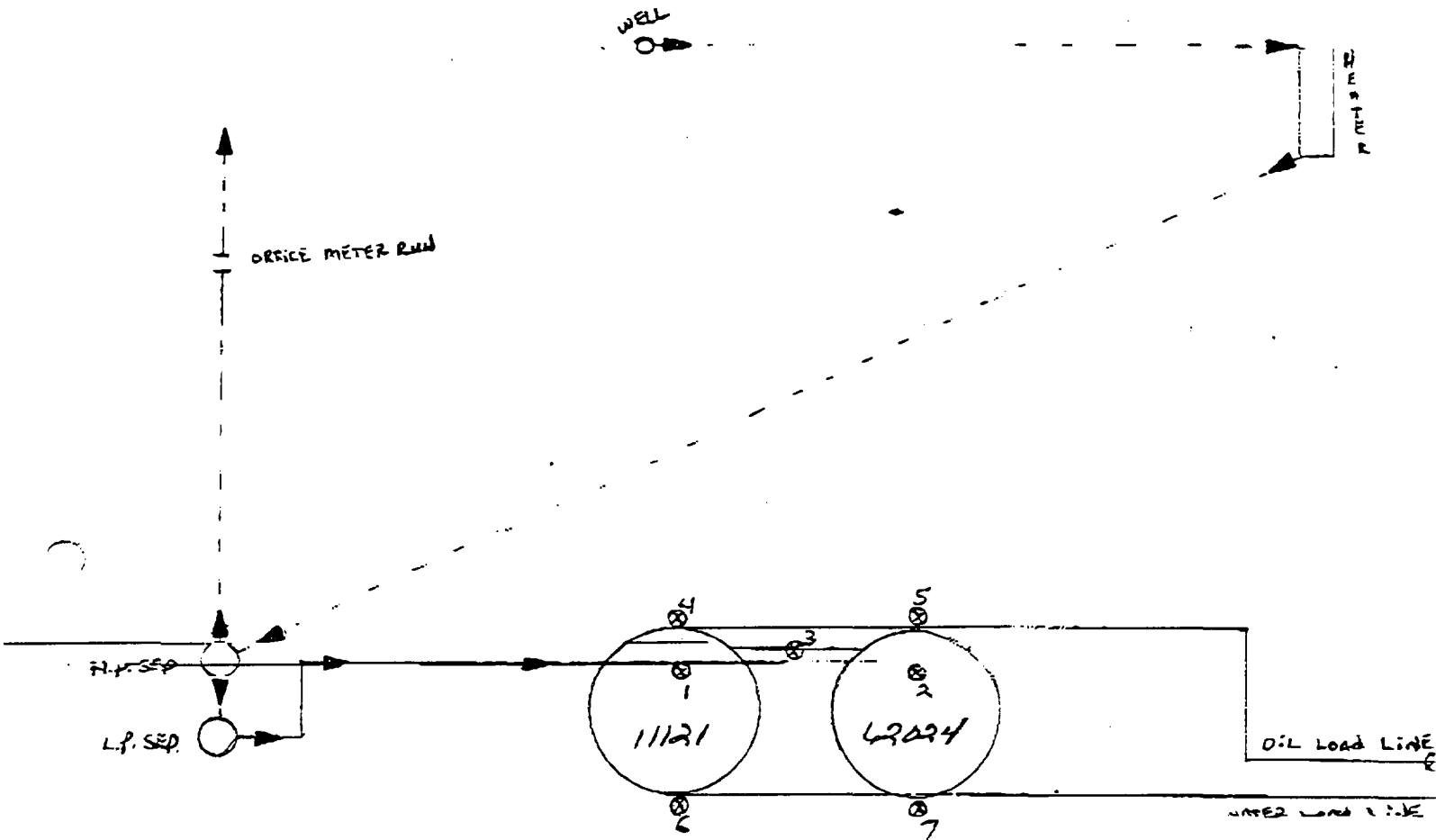
TYPE SYSTEM: OPEN () OR CLOSED ()

METERING METHOD: OIL

GAS

WATER

SPECIAL COMMENTS:



Normal Position Valve Sealed

Valve No.	Prod. Phase		Sales Phase	
	Open	Closed	Open	Closed
1	✓			✓
2	✓			✓
3	✓			✓
4		✓	✓	
5		✓	✓	
6		✓		✓
7		✓		✓
8				
9				

Legend

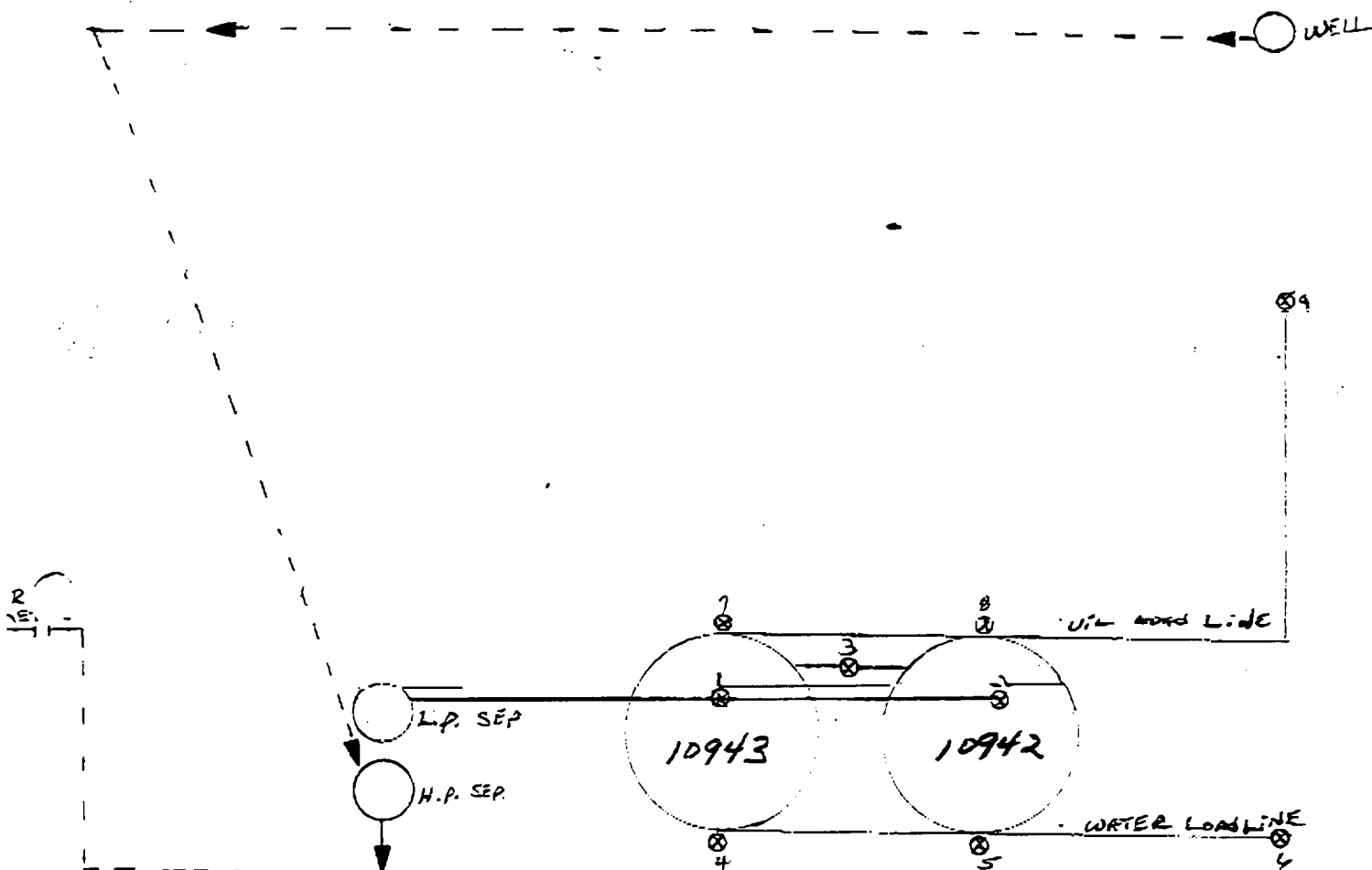
- ⊗ Valve
- Line on Surface
- Buried Line



SITE FACILITY DIAGRAM
AMOCO PRODUCTION COMPANY (USA) - OPERATOR
HODDS, NEW MEXICO DISTRICT

E-1284-3

LEASE NAME: EMPIRE SOUTH DEED UNIT # 6 Use or Comm No. STATE USE NO. E-1284-3
LOCATION: NW 1/4 SEC 4, T-18S, R-28-E FORD CO, N.M.
SITE SECURITY PLAN I.D.: _____
TYPE SYSTEM: OPEN (☒) OR CLOSED (☐)
METERING METHOD: OIL TANK GAUGES GAS VENTIL METER WATER TANK GAUGES
SPECIAL COMMENTS: _____



Normal Position Valve Sealed

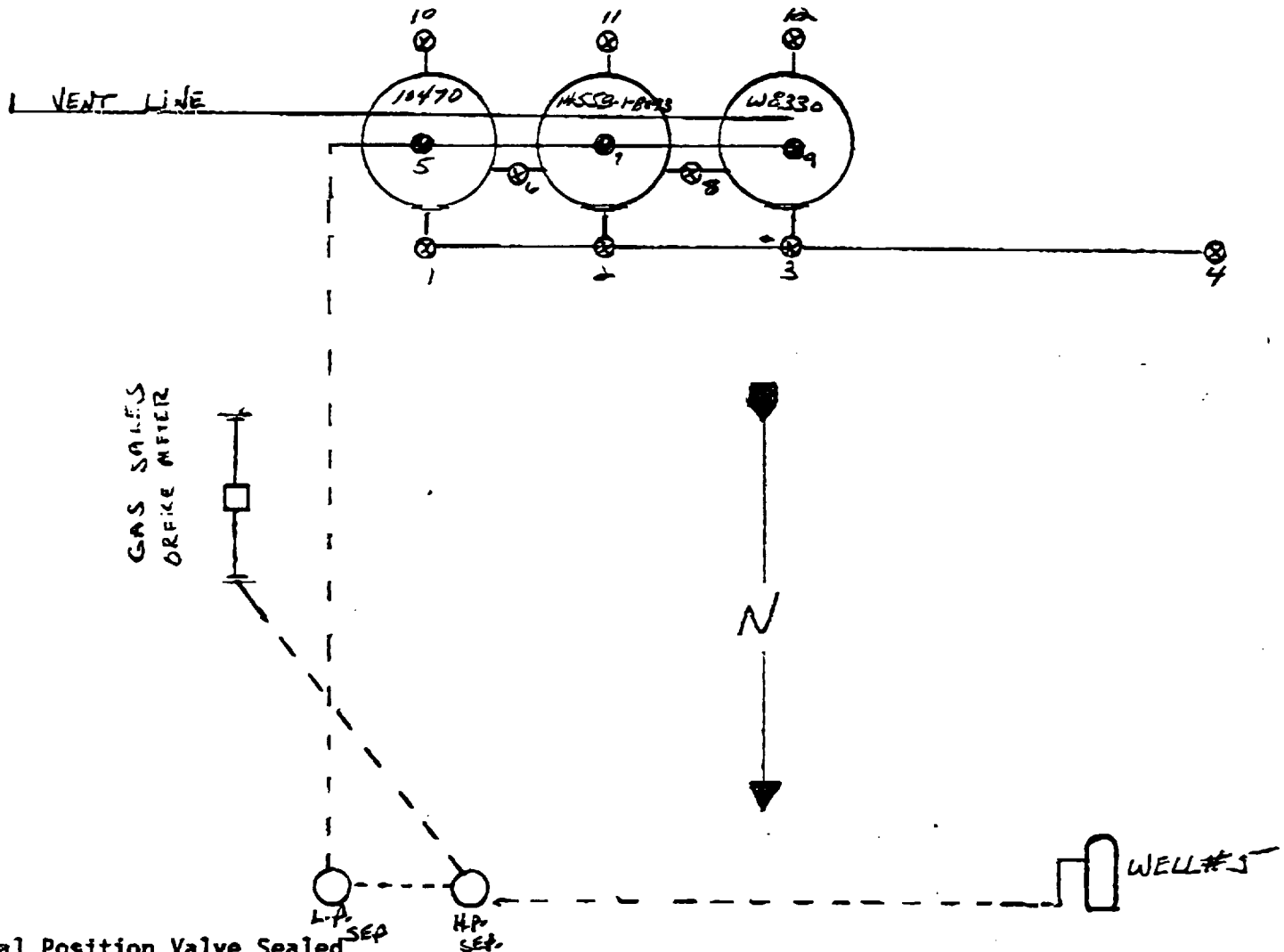
Valve No.	Prod. Phase		Sales Phase	
	Open	Closed	Open	Closed
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2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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8	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Legend
⊗ Valve
— Line on Surface
---- Buried Line



SITE FACILITY DIAGRAM
AMOCO PRODUCTION COMPANY (USA) - OPERATOR
HOBBS, NEW MEXICO DISTRICT

PHASE NAME: EMPIRE SOUTH DEED UNIT WELL #5 Lse or Comm No. NM-0555569
 LOCATION: SE 31 T-17-S, R-29-E Eddy Co, N.M.
 SITE SECURITY PLAN I.D.: _____
 TYPE SYSTEM: OPEN () OR CLOSED (✓)
 METERING METHOD: OIL TANK GAUGE GAS OR FILE METER WATER TANK GAUGE
 SPECIAL COMMENTS: _____



Normal Position Valve Sealed

Valve No.	Prod. Phase		Sales Phase	
	Open	Closed	Open	Closed
1		✓	✓	
2		✓	✓	
3		✓	✓	
4		✓	✓	
5	✓			✓
6	✓			✓
7	✓			✓
8	✓			✓
9	✓			✓
10		✓		✓
11		✓		✓
12		✓		✓

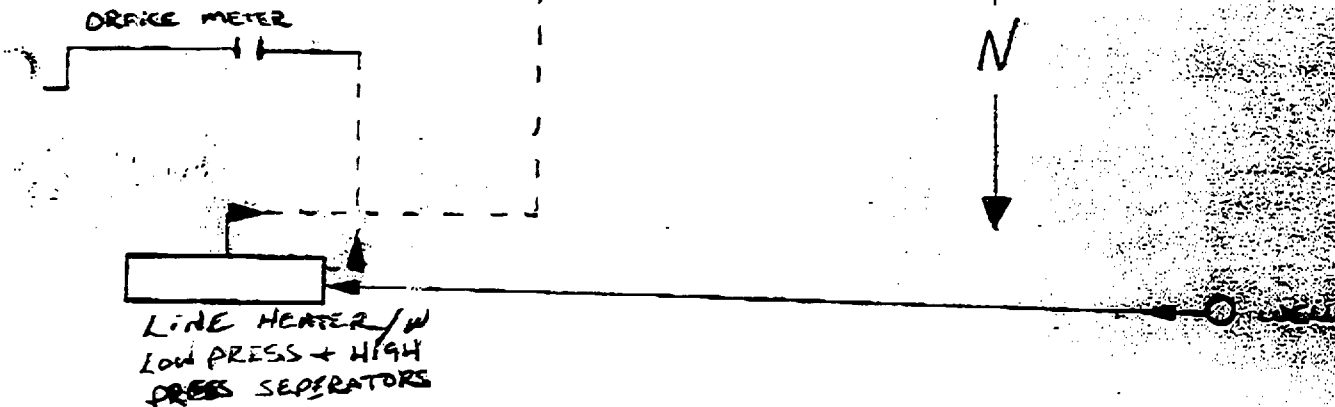
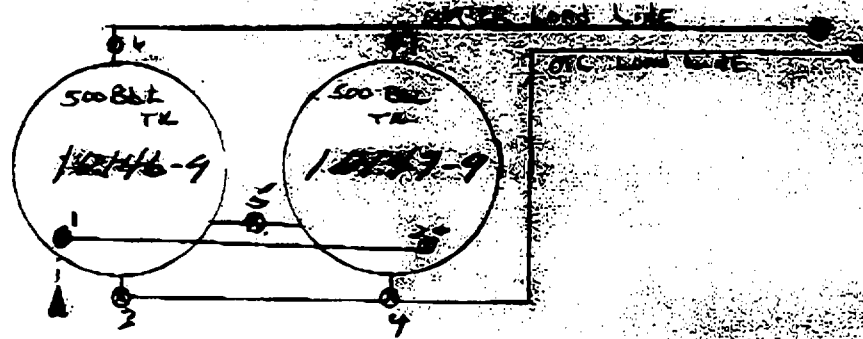
Legend

- ⊗ Valve
- Line on Surface
- Buried Line



AMOCO PRODUCTION COMPANY (USA) - OPERATOR
ROSES, NEW MEXICO DISTRICT

LEASE NAME: SMALL SOUTH HILL UNIT #3 LSE OF COMB NO. 84158-33
LOCATION: NEW MEXICO, TULSA, E-31E, R-31E, S-31E, T-31E
SITE SECURITY PLAN: LED
TYPE SYSTEM: OPEN (☒) OR CLOSED (☐)
METERING METHOD: OIL TANK METER GAS ORifice Meter WATER TANK METER
SPECIAL COMMENTS:



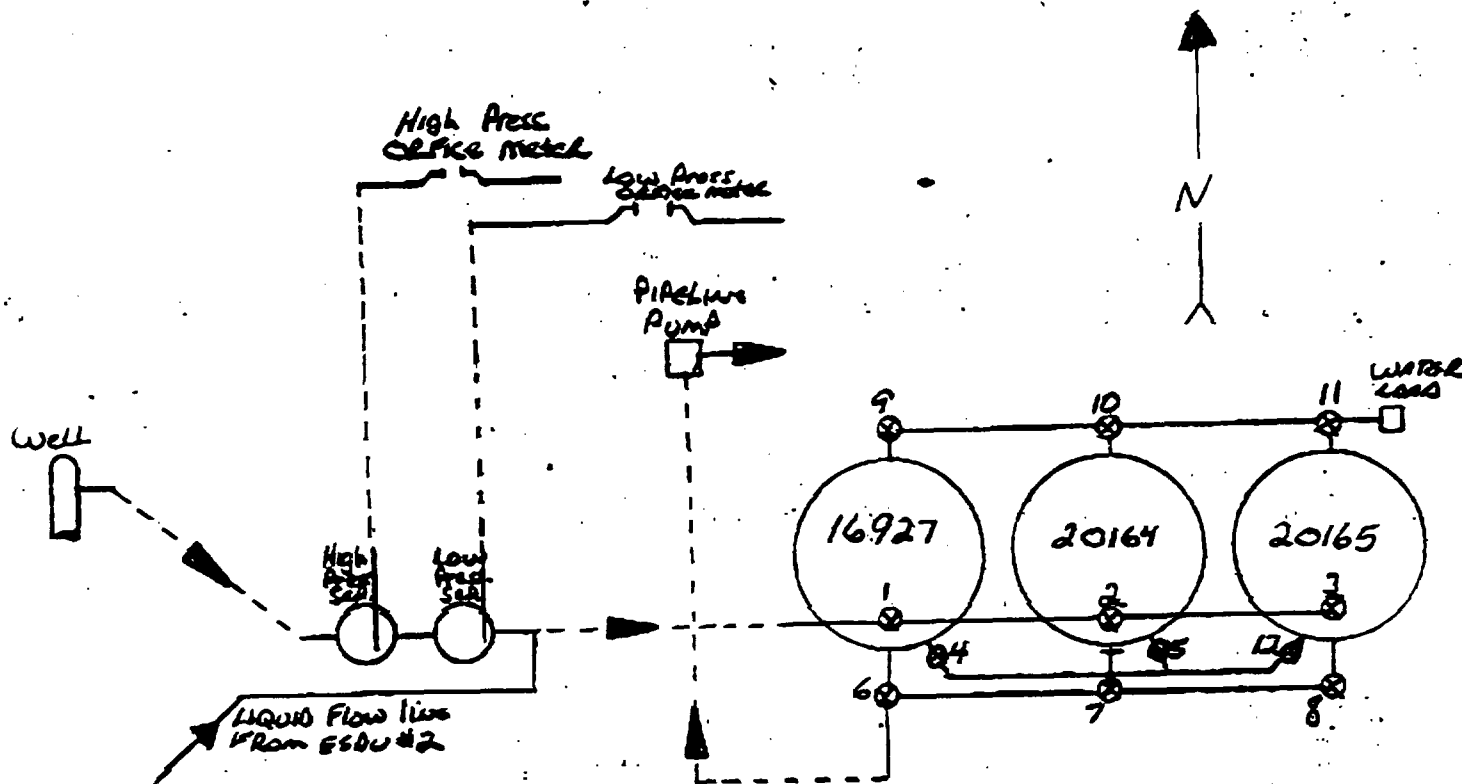
Normal Position Valve Sealed

Valve No.	Prod. Phase		Sales Phase	
	Open	Closed	Open	Closed
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Legend
 ⊗ Valve
 — Line on Surface
 --- Buried Line

AMOCO PRODUCTION COMPANY (USA) - OPERATOR
HOBBS, NEW MEXICO DISTRICT

CASE NAME: Empire South Geop Unit Wells 1 & 2 Use or Comm No. UM-056041
 LOCATION: Unit F Sec. 6 T-18-S R-29-E Eddy County N.M.
 TITLE SECURITY PLAN I.D.: Amoco Federal Properties - BLM, Roswell District
 PIPE SYSTEM: OPEN (✓) OR CLOSED ()
 METERING METHOD: OIL Tank Gauges GAS ORifice meter WATER Tank Gauge
 SPECIAL COMMENTS: Gas Sales From well #2 at location



Normal Position Valve Sealed

Valve No.	Prod. Phase		Sales Phase	
	Open	Closed	Open	Closed
1	✓			✓
2	✓			✓
3	✓			✓
4	✓			✓
5	✓			✓
6		✓	✓	
7		✓	✓	
8		✓	✓	
9		✓		✓
10		✓		✓
11		✓		✓

Legend

- ⊗ Valve
- Line on Surface
- Buried Line

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Amoco Production Company

3. Address and Telephone No. Attn: T G Tullos, m/c 17.166 (281) 366-7337
P O Box 4891, Houston, TX 77210

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

See Attachment

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No

Empire South Deep Unit

9. API Well No

10. Field and Pool, or Exploratory Area

11. County or Parish, State

Eddy, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Request for surface
commingling

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

See attachments

14. I hereby certify that the foregoing is true and correct

Signed Tom G. Tullos Title Sr. Business Analyst Date 01/30/97

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE