



**Application of Amoco Production Company
for Downhole Commingling
L. C. Kelly #3E Well, Section 4-T30N-R12W
San Juan County, New Mexico**

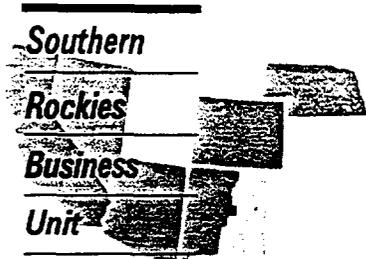
**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Case No. 11096 Exhibit No. 1

Submitted by: Amoco Production Company

Hearing Date: October 27, 1994

Amoco Production Company



August 23, 1994

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87501

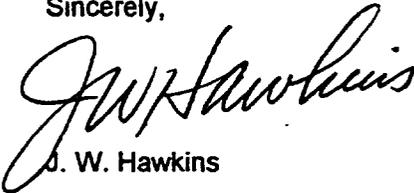
**Application of Amoco Production Company
For Downhole Commingling
L.C. Kelly #3E Well, Section 4, T30N-R12W
San Juan County, New Mexico**

AMOCO PRODUCTION COMPANY ("Amoco") hereby makes application for exception to NMOCD general rule 303 (c) to downhole commingle Dakota and Gallup production in the L.C. Kelly #3E well. The well is located 1710' FNL and 880' FEL, Section 4, T30N-R12W, San Juan County, New Mexico. In support of this application, Amoco states the following:

1. Amoco is the operator of the Gallup formation, Flora Vista Gallup Pool underlying the NE/4 Section 4, T30N-R12W, San Juan County, New Mexico, currently dedicated to the L.C. Kelly #3E well.
2. Amoco is the operator of the Dakota formation, Basin Dakota Pool underlying the N/2 Section 4, T30N-R12W currently dedicated to the L. C. Kelly #3E well.
3. The ownership of the Dakota Formation and Gallup formation which are proposed for commingling are not common.
4. The L. C. Kelly #3E well has been dually completed but because of mechanical conditions downhole commingling is necessary to economically produce liquid hydrocarbons from the Gallup formation.
5. Downhole commingling will allow the use of a single compressor to improve recovery from both the Dakota and Gallup formations.
6. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Amoco Production Company requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on September 15, 1994. A copy of this application will be sent to each of the operators of spacing units offsetting the well and to each of the owners in the well (working interest, royalty interest and overriding royalty interest) by certified mail, return receipt requested.

Sincerely,


J. W. Hawkins

AMOCO PRODUCTION COMPANY
OFFSET OPERATOR PLAT
 L. C. Kelly #3E
 Section 4-T30N-R12W
 1710' FNL x 880' FEL
 DAKOTA FORMATION

32		33		34	
<u>1</u>		<u>2</u>	<u>2</u>	<u>2</u>	
5	<u>1</u>	4		<u>1</u>	3
8		<u>1</u>		10	
8		9		10	

1 **AMOCO PRODUCTION COMPANY**
 P. O. Box 800
 Denver, CO 80201

2 **Southland Royalty Company**
 P. O. Box 4289
 Farmington, NM 87499

AMOCO PRODUCTION COMPANY

OFFSET OPERATOR PLAT

L. C. Kelly #3E

Section 4-T30N-R12W

1710' FNL x 880' FEL

GALLUP FORMATION

32	33		34
	<u>2</u>	<u>2</u>	<u>2</u>
5	<u>1</u>	x	<u>1</u>
	<u>1</u>	<u>1</u>	<u>1</u>
8	9	10	

1 AMOCO PRODUCTION COMPANY

P. O. Box 800
Denver, CO 80201

2 SOUTHLAND ROYALTY COMPANY

P. O. Box 4289
Farmington, NM 87499

L.C. KELLY #3E
INTEREST OWNERS
GALLUP FORAMATION T30N-R12W NE/4 SECTION 4
DAKOTA FORAMATION T30N-R12W N/2 SECTION 4

WORKING INTEREST OWNERS

Gallup Formation

Amoco Production Company
P. O. Box 800
Denver, Colorado 80201

100%

Dakota Formation

Amoco Production Company
P. O. Box 800
Denver, CO 80201

93%

San Juan Partnership
c/o True Oil
P. O. Drawer 2360
Casper, WY 82602-2360

7%

ROYALTY INTEREST OWNERS

Bureau of Land Management
Minerals Management Service
Royalty Management Program
P. O. Box 5810 TA
Denver, CO 80217-5810

12.5% in Gallup and Dakota formations

PRODUCTION PAYMENT/OVERRIDING ROYALTY INTEREST OWNERS

Irma Nell Beale 906 Maple Gladewater, TX 75647-4804	Ione Edna Bishop 107 Ranch Road 620 #102 Austin, TX 78734-3901	Rose M. Blount Trust Rita Y. Sheehan, Trustee P. O. Box 159 Mattawan, MI 49071-0159	Maurine Joy Gipson 906 West Maple Gladewater, TX 75647-4804
Frederic Owen Hawkins 205 Austin Drive Atherton, CA 94027-4005	Virgil L. Hurley c/o State of Texas Fiduciary for Unclaimed Funds P. O. Box 12019 Austin, TX 78711-2019	Virgil S. Hurley 5068 Arbor Glen Road Colony, TX 75056-2526	Frederick Earl Johnson 8311 Castlecreek Drive San Antonio, TX 78218-2411
Nellie Juanita Johnson 1619 Bowling Green Conroe, TX 77385-8308	Wendy Dale Johnson 1619 Bowling Green Conroe, TX 77385-8308	Gregory Louis Kelly 3526 Bayberry Lane Malibu, CA 90265-4707	Laurence Bever Kelly 839 Summit Road Montecito Santa Barbara, CA 93108
Nellie Juanita Johnson, Jr. 1619 Bowling Green Conroe, TX 77385-8308	Laurence Corbett Kelly Test Trust, Robert Lorenzo Kelly Successor Trustee c/o Britticks & Company 3660 Wilshire Blvd, Suite 944 Los Angeles, CA 90010-2759	Robert Lorenzo Kelly Col 6560 Scottsdale Rd. Suite G218 Scottsdale, AZ 85253-4432	Francis Haynes Lindley, Jr. P. O. Box 1404 Ross, CA 94957-1404
Walter Lindley 1000 Rock Creek Road Williams, OR 97544-9712	Jeanne E. McKim Indiv and Tr of Harry McKim Estate 6050 Ridgecrest Road Apt 108 Dallas, TX 75231-6714	Robert Duncan Miller 40551 Vista Murricta Blvd. Murricta, CA 92562-5926	Lucille O. Quigley Trust Lucille O. Quigley, Trustee P. O. Box 1107 Salem, OR 97308-1107
Shriners Hospitals for Crippled Children P. O. Box 0050 Tampa, FL 33655-0050	Carol Edris Johnson Sibley 4101 Venada Trail Georgetown, TX 78628-1521	John C. Sterge 49 Pleasant Park Drive Mashpee, MA 02649-3000	Miriam L. Washburn 6550 No. 47th Ave., #117 Glendale, AZ 85301-4148

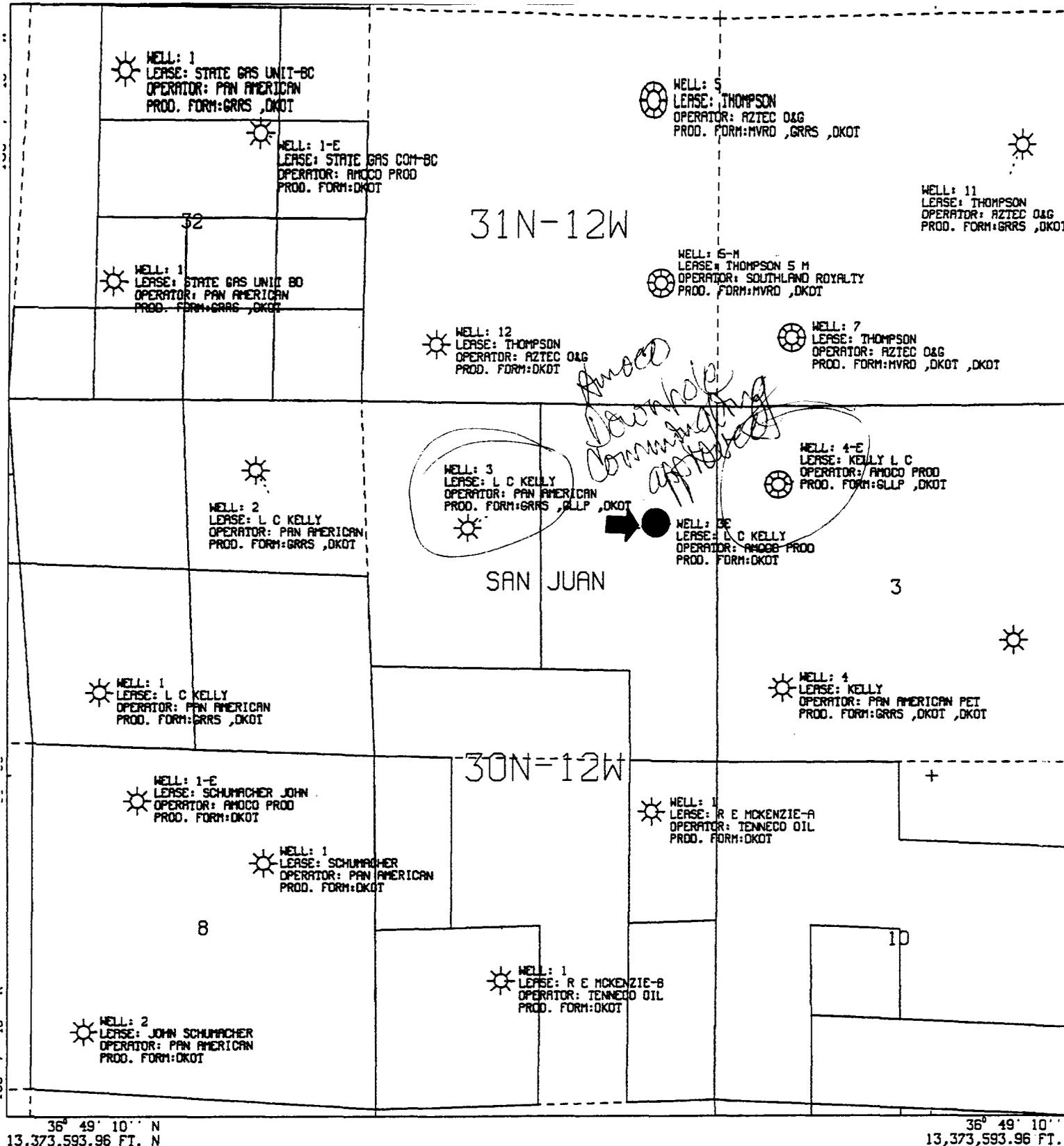
PRODUCTION PAYMENT/OVERRIDING ROYALTY INTEREST OWNERS (CONT)

Westervelt Family Trust
Ann L. Sheridan, Trustee
447 E. Lilac
Tempe, AZ 85281-1415

Westervelt Family Trust
Ann L. Shreidan, Trustee
447 E. Lilac
Tempe, AZ 85281-1415

William T. White
3217 Cedarcroft
Dallas, TX 75233-2515

All of the above Production Payment/Overriding Royalty Interest Owners own identical interests in the Gallup and Dakota Formations.



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.

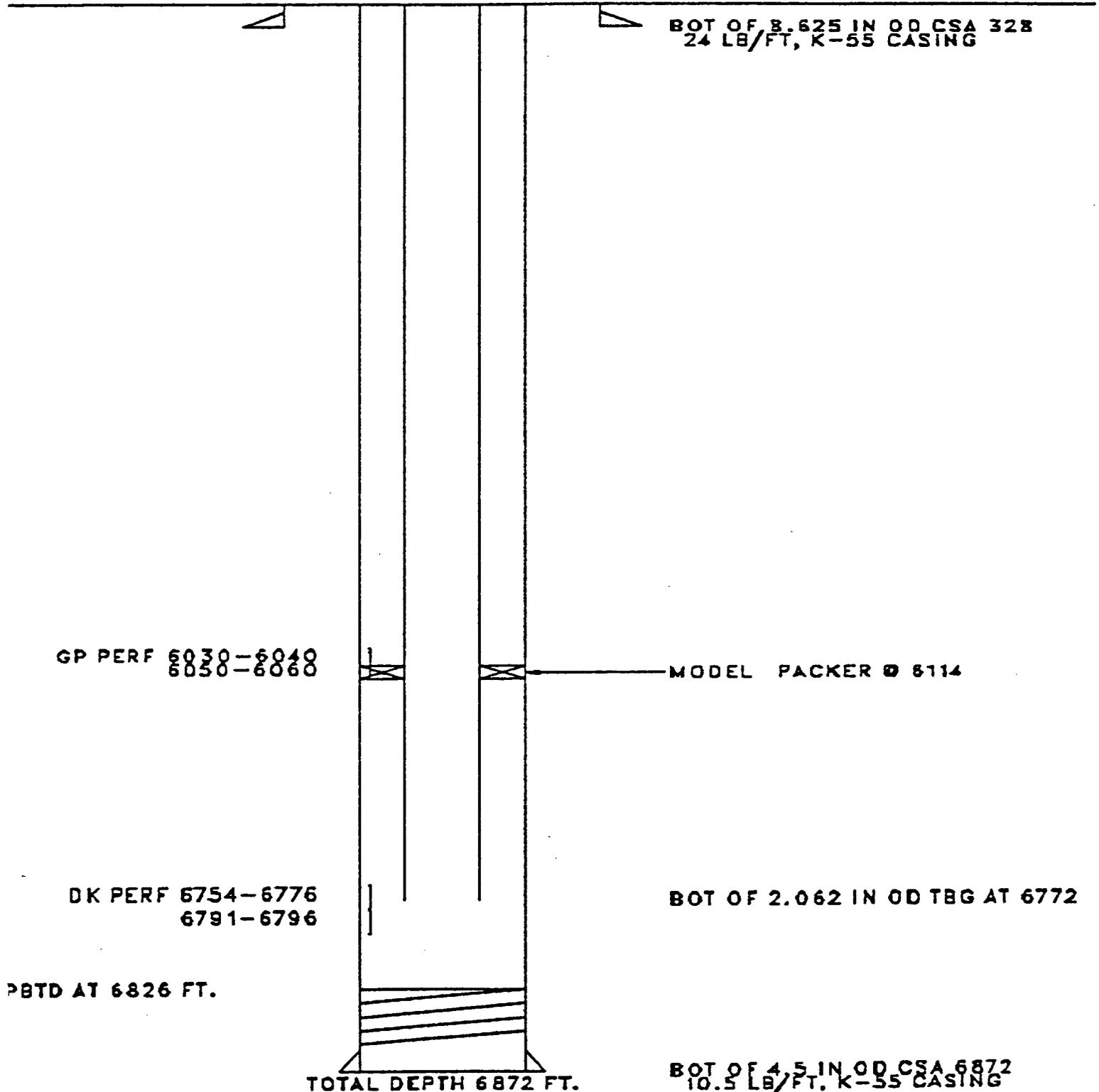
AMOCO PRODUCTION COMPANY
PLAT MAP

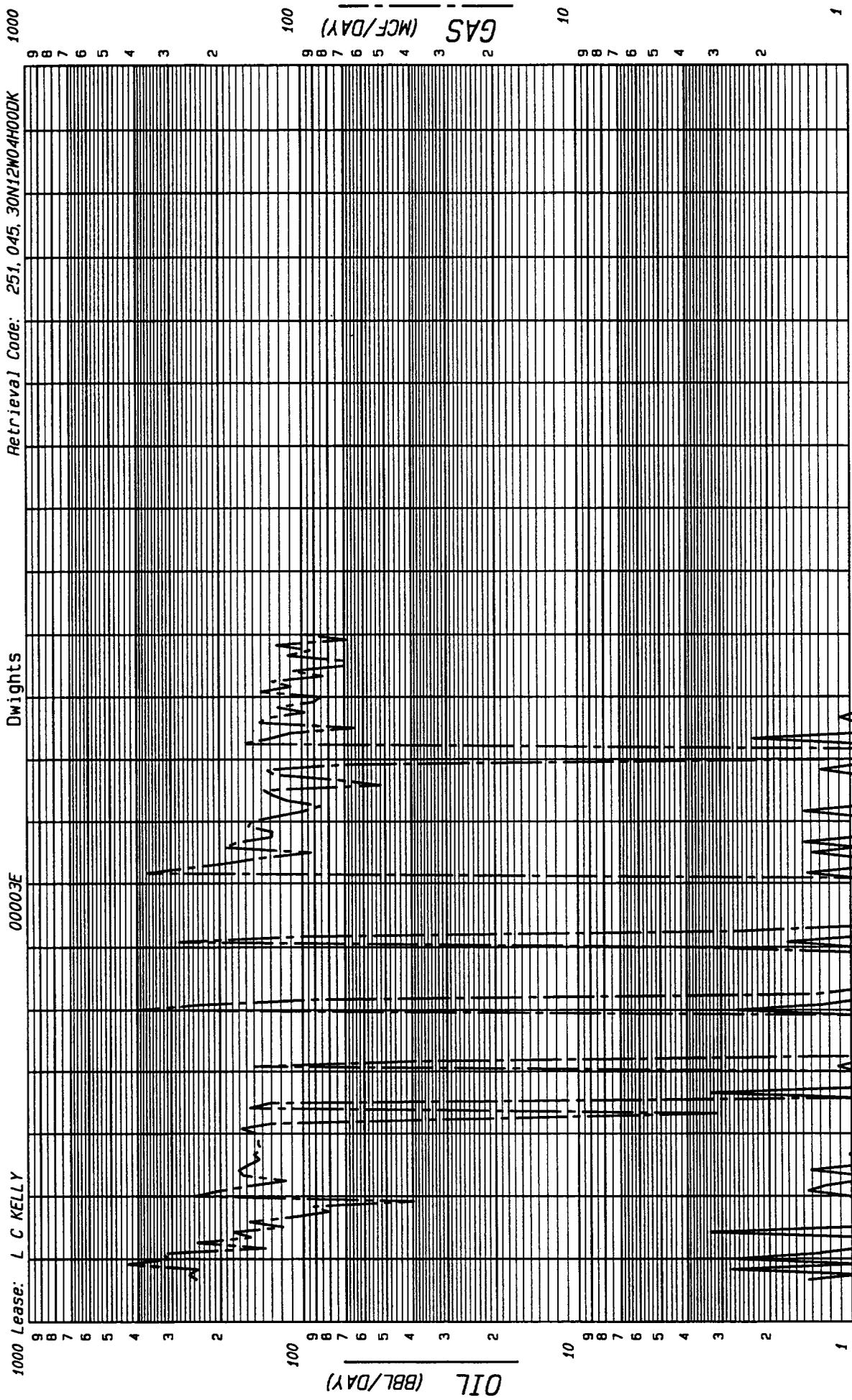
L C KELLY 3E
SEC. 4-T30N-R12W

SCALE 1 IN. = 2,000 FT. SEP 10, 1994

POLYCONIC CENTRAL MERIDIAN - 106° 6' 10" W LON
SPHEROID - 6

L.C. KELLY #3E
LOCATION 04-30N-12W
COMPLETION 7/94
DUAL DK GP





1000 Lease: L C KELLY

00003E

Retrieval Code: 251.045.30N12W04H00DK

1000

OIL (BBL/DAY)

GAS (MCF/DAY)

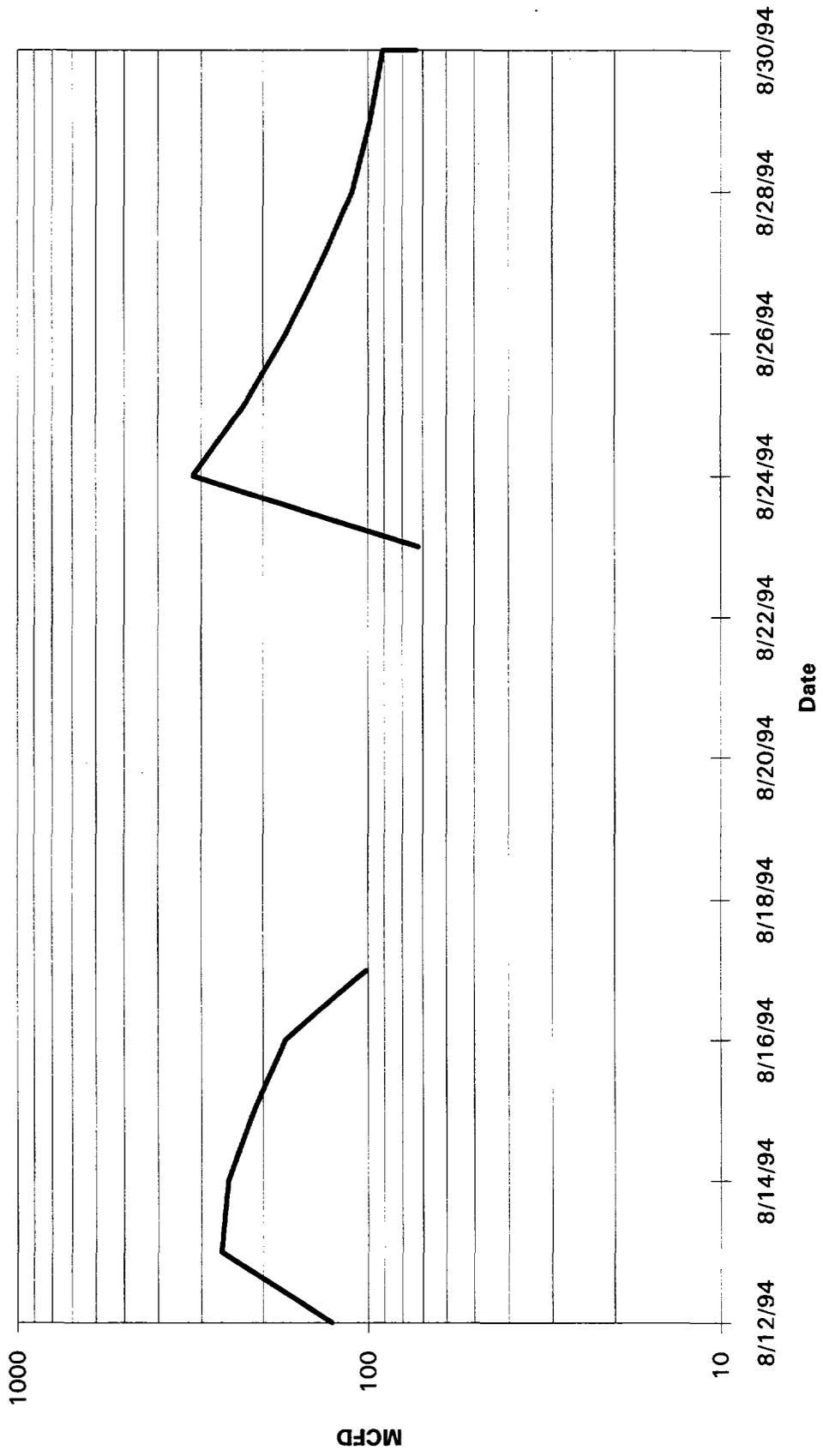
83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02

County: SAN JUAN
 Field: BASIN (DAKOTA) DK
 Reservoir: DAKOTA
 Operator: AMOCO PRODUCTION CO
 Oil Cum: 2054
 Location: 4H 30N 12W
 State: NM

F.P. Date 08-83

Date: 09-20-94

**LC Kelly #3E
Gallup Test**



NAME AND ADDRESS OF SENDER

Amoco
1670 Broadway
Denver Co 80215

Line	Number of Article	Name of Addressee, Street, and Post-Office Address	Indicate type of mail: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> COD <input checked="" type="checkbox"/> Certified	Return Receipt For Merchandise <input type="checkbox"/> Return Receipt For Merchandise <input type="checkbox"/> Express Mail	Postage Fee	Handling Charge	Act. Value (if Regis.)	Insured Value	Due Sender If C.O.D.	R. R. Fee	S. D. Fee	S. H. Fee	Rest. Del. Fee	Remarks
1	2051802764	Amoco Production Company P.O. Box 591 Tulsa, OK 74162-0591			27	1.00				1.35				2.64
2	2051802767	Minerals Management Services Royalty Management Program P.O. Box 5810 TA Denver, CO 80217-8110												
3	2051802768	Robert Duncan, William Hossli Vista Muebles Bud Murgueta CA 92562-5924												
4	2051802769	Wendy Dale Johnson 1619 Bowling Green Conroe, TX 77385-8308												
5	2051802770	Gregory L Kelly 3524 Bayberry Lane Malibu, CA 90265-4707												
6	2051802771	Lawrence B Kelly 839 Summit Road Montecito Santa Barbara CA 93108-0232												
7	2051802772	Auenece Kelly Trust Robert L Kelly Successor Trustee c/o Beatticks Company 3660 Loishine Blvd Suite 444 Los Angeles CA 90010-2757												
8	2051802773	Robert L Kelly Col 6560 Southdale Rd Suite 6218 Scottsdale AZ 85253-4432												
9	2051802774	Francis H. Lindley Jr P.O. Box 1404 Bass CA 94957-1404												
10	2051802775	Walter Lindley 1000 Rock Creek Road Williams, OR 97544-9712												
11	2051802776	Leanne E McKim Indus and Tr of HARVEY McKIM STATE WASH RAYCEST ROAD Apt 108 DALLAS TX 75231 06714												
12	2051902777	Nellie J Johnson Jr. 1419 Bowling Green Conroe, TX 77385-8308												
13	2051802778	Nellie Juanita Johnson 1617 Bowling Green Conroe, TX 77385-8308												
14	2051802779	Frederick EARL Johnson 8311 Castle Creek Drive San Antonio TX 78218-2411												
15	2051802780	Sam L. FRANCES J DAZZO Sam Dazzo Sr. Trustee 901 Outlands SE Albuquerque NM 87108 3-3471												



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BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11096 Exhibit No. 2
Submitted by: Amoco Production Company
Hearing Date: October 27, 1994

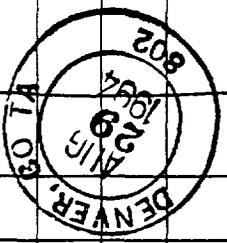
Total Number of Pieces Received at Post Office
19

POSTMASTER, PER Name of receiving employee)

FORM MUST BE COMPLETED BY TYPEWRITER, INK

NAME AND ADDRESS OF SENDER
Ameco Production Company
 1670 Broadway
 Denver, CO 80202

Line	Number of Article	Name of Addressee, Street, and Post-Office Address	Indicate type of mail		Check appropriate block for Registered Mail:		Affix stamp here if issued as certificate of mailing or for additional copies of this bill.			Due Sender If C.O.D.	R. R. Fee	S. D. Fee	S. H. Fee	Rest. Del. Fee	Remarks
			Registered	Insured	COD	Certified	With Postal Insurance	Without Postal Insurance	R. R. Fee						
1	Z051802751	IRMA NELL BEALE 906 MAPLE GLADEWATER, TX 75647-4804	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							264
2	Z051802752	JONE EDNA Bishop 107 Ranch Road 620 #102 Austin TX 78734-3901	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
3	Z051802753	Rose M Blount Trust Rita Y Sheehan Trustee P.O. Box 159 MATHAWAN, MI 48011-0159	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
4	Z051802754	MAURINE JOY GIPSON 906 WEST MAPLE GLADEWATER, TX 75647-4804	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
5	Z051802755	FREDERIC O. HAWKINS 205 AUSTIN AVE ATHLETON, CA 94027-4005	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
6	Z051802756	Virgil L. Hueley Estate of Texas Fiduciary for Unclaimed Funds P.O. Box 12019 Austin TX 78711-2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
7	Z051802757	Virgil S. Hueley 5068 Harbor Glen Road Colony TX 75056-2526	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
8	Z051802758	Lucile O. Quigley Trust Lucile O Quigley, Trustee P.O. Box 1107 Salem = OR 97308	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
9	Z051802759	San Juan Partnership of Teve Oil Company PO Denver 3360 Casper, WY 82602-2360	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
10	Z051802760	Shiners Hospital For Crippled Children P.O. Box 0050 Tampa FL 33655-0050	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
11	Z051802761	Carole E Johnson Sibley 4101 Denndia Trail Georgetown, TX 78628-1521	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
12	Z051802762	John C Stegale 79 Pleasant Park Dr Mashpee, MA 02649-3000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
13	Z051802763	Miriam L Washburn 6550 No 47th Ave #117 Glendale, AZ 85301-4148	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
14	Z051802764	Westview Family Trust Ann L Sheridan Trustee 477 E. L. LA SALLE Tempe AZ 85281-1415	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
15	Z051802765	William C White 3217 Cedarcrest DALLAS, TX 75233-2515	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Total number of Pieces Listed by Sender		Total Number of Pieces Received at Post Office		POSTMASTER, PER (Name of receiving employee)											



U.S. GOVERNMENT PRINTING OFFICE: 1980-255-306

FORM MUST BE COMPLETED BY TYPEWRITER, INK OR BALL POINT PEN

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