

William J. CAREY
% COMERICA BANK
North Park
DALLAS, TX 75225-0206



November 7, 1994

Mr. William J. LeMay
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

Case 11155

Southern

Rockies

Business

Unit

**Application for Exception to Rule 303-A
To Downhole Commingle Production
Ruth #1 Well, Section 8, T31N-R10W
Blanco Pictured Cliffs Pool, Basin Fruitland Coal Pool
San Juan County, New Mexico**

Amoco Production Company hereby makes application for exception to NMOCDC general rule 303(A) to downhole commingle production from the Blanco Pictured Cliffs Pool and the Basin Fruitland Coal Pool in the Ruth #1 well. The well is proposed to be drilled at a legal location 940' FNL and 790' FEL of Section 8, T31N-R10W, San Juan County, New Mexico. In support of this application, Amoco states the following:

1. Amoco is the operator of the Blanco Pictured Cliffs Pool underlying the NE/4 Section 8, T31N-R10W, San Juan County, New Mexico which will be dedicated to the Ruth #1 well.
2. Amoco is the operator of the Basin Fruitland Coal Pool underlying the N/2 Section 8, T31N-R10W, San Juan County, New Mexico which will be dedicated to the Ruth #1 well.
3. The ownership of the formations proposed for commingling is not common (WI, RI, ORI).
4. Development of the Blanco Pictured Cliffs Pool and the Basin Fruitland Coal Pool with separate wells for each pool would be uneconomic and downhole commingling is necessary to economically produce the two formations.
5. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Amoco requests that this application be set for examiner hearing of the Oil Conservation Division on December 1, 1994. A copy of this application will be sent to offset operators and to owners in the well(WI, RI, ORI) by certified mail, return receipt requested.

Sincerely,

J.W. Hawkins

Approved

WILLIAM J. CAREY

11/14/94