



February 17, 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

11-196

Application for Exception to Rule 303-A Surface Commingling
Bolack A#1E Well- Basin Dakota Pool
1700' FNL, 1520' FWL, Unit E Section 2-T27N-R11W
Bolack F#1 Well - Fulcher Kutz Pictured Cliffs Gas Pool
1570' FNL & 1510' FWL, Unit F Section 2-T27N-R11W
San Juan County, New Mexico

Amoco Production Company hereby makes application for exception to NMOCD general rule 303(A) to permit surface commingling of production from the Basin Dakota Pool for the Bolack A#1E well and the Fulcher Kutz Pictured Cliffs Gas Pool for the Bolack F#1 well. These wells are located in Unit F Section 2-T27N-R11W, San Juan County, New Mexico. In support of this application, Amoco states the following:

1. Amoco is the operator of the Basin Dakota Pool underlying the north half of Section 2-T27N-R11W, San Juan County, New Mexico currently dedicated to the Bolack A#1E well.
2. Amoco is the operator of the Fulcher Kutz Pictured Cliffs Gas Pool underlying the northwest quarter of Section 2-T27N-R11W, San Juan County, New Mexico currently dedicated to the Bolack F#1 well.
3. The ownership (WI, RI, ORRI) is not common for the pools which are proposed for surface commingling.
4. The Bolack F#1 is a newly drilled well. The surface commingling will offer an economical method of production using a single train of production equipment.
5. 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.
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 requests that this application be set for examiner hearing of the Oil Conservation Division on March 21, 1996. A copy of this application will be sent to offset operators and to owners in the well (WI, RI, ORRI) by certified mail, return receipt requested. These wells are on lands involving federal leases (SF078306-A, SF-078306, NM-048567) and a copy of the application will be sent to the Bureau of Land Management. **We request the NMOCD publish this case with the comment that in the absence of objection, this case will be taken under advisement.**

Sincerely,



Pamela W. Staley

Attachments

cc: Steve Webb
Gail Jefferson
wellfile
Proration files

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

Duane Spencer
Bureau of Land Management
1235 La Plata Hwy.
Farmington, NM 87401

Application for Surface Commingling
Bolack A #1E
Bolack F #1
List of Attachments

- C-102 for Bolack A #1E
- C-102 for Bolack F#1
- List of Offset Operators - Pictured Cliffs
- List of Offset Operators - Dakota
- List of Interest Owners for each formation
- 9-Section Plat showing surrounding wells for each formation
- Production Curve for Bolack A #1E
- Proposed Allocation Method
- Surface Schematic

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-77

All distances must be from the outer boundaries of the Section.

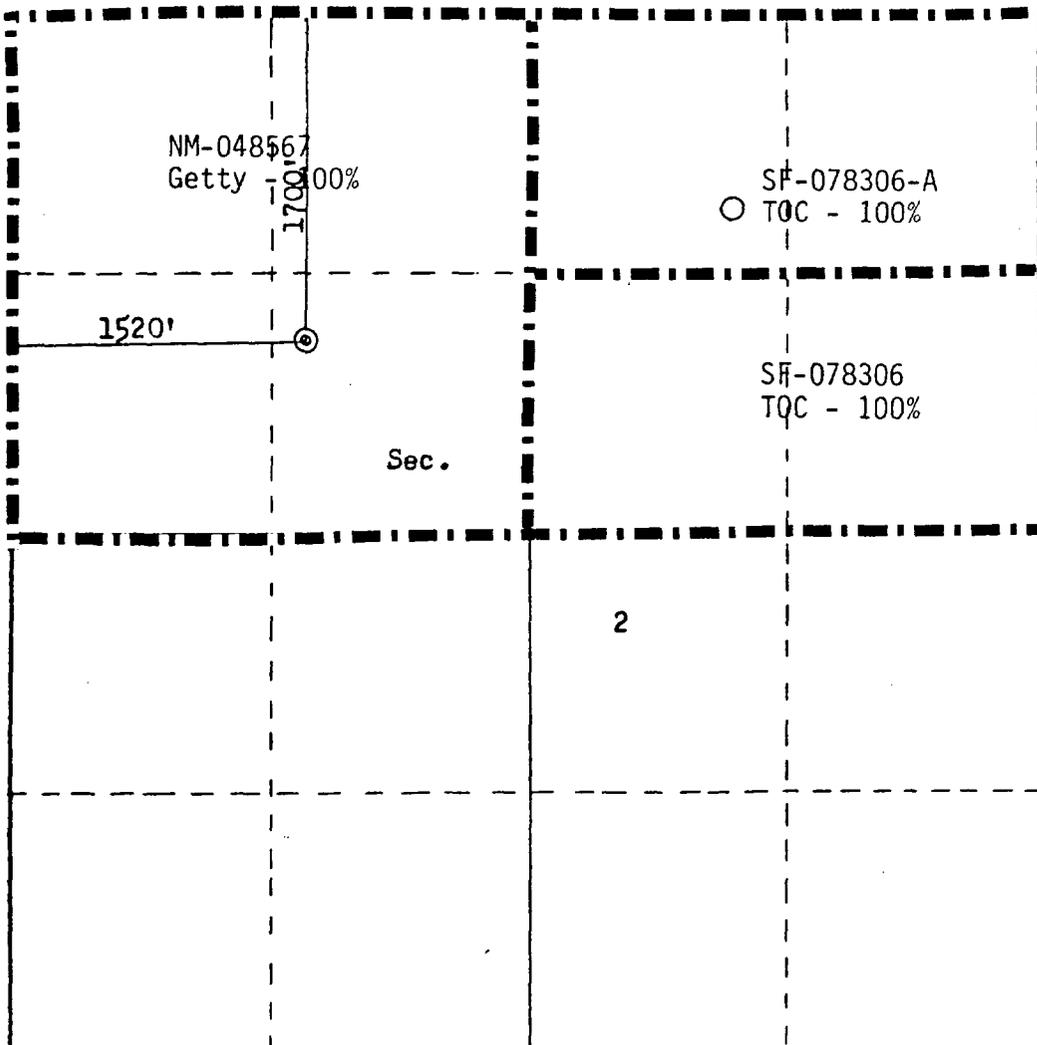
Operator TENNECO OIL COMPANY		Lease BOLACK "A"		Well No. 1E
Unit Letter E	Section 2	Township 27N	Range 11W	County San Juan
Actual Footage Location of Well: 1700 feet from the North line and 1520 feet from the West line				
Ground Level Elev: 5983	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Denise Wilson

Name
Denise Wilson

Position
Production Analyst

Company
Tenneco Oil Company

Date
April 28, 1983

I hereby certify that the well location shown on this plat 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
March 10, 1983

Registered Professional Engineer and Land Surveyor
Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certificate No. _____

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number		' Pool Code		' Pool Name Pictured Cliffs	
' Property Code		' Property Name Bolack F			' Well Number # 1
' OGRID No. 00778		' Operator Name AMOCO PRODUCTION COMPANY			' Elevation 5994

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	27 N	11 W		1570	NORTH	1510	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

' Dedicated Acres 161.53	' Joint or Infill	' Consolidation Code	' Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Julie L. Acevedo</i> Signature Julie L. Acevedo Printed Name Sr. Staff Assistant Title 12/6/94 Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat 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 belief.</p> <p>October 12, 1994 Date of Survey Signature and Seal of Professional Surveyor 7016 Certificate Number</p>

OFFSET OPERATOR LIST

BOLACK A#1E DAKOTA

W/2 SEC 35 T28N-R11W - BHP PETROLEUM AMERICAS, INC.
E/2 SEC 35 T28N-R11W - BHP PETROLEUM AMERICAS, INC.
W/2 SEC 36 T28N-R11W - BHP PETROLEUM AMERICAS, INC.
E/2 SEC 34 T28N-R11W - CONOCO, INC.
E/2 SEC 3 T27N-R11W - CONOCO, INC.
N/2 SEC 2 T27N-R11W - AMOCO PRODUCTION COMPANY
S/2 SEC 2 T27N-R11W - MERIDIAN OIL INC.
N/2 SEC 1 T27N-R11W - BHP PETROLEUM AMERICAS, INC.
S/2 SEC 1 T27N-R11W - BHP PETROLEUM AMERICAS, INC.

BOLACK F#1 PICTURED CLIFFS

SW/4 SEC 35 T28N-R11W - BHP PETROLEUM AMERICAS, INC.
NO WELLS IN OTHER SURROUNDING QUARTERS THEREFORE NO DESIGNATED
OPERATOR

ADDRESSES:

- 1** Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705
Attn.: Mr. Jerry Hoover
- 2** Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499
Attn.: Mr. Alan Alexander
- 3** BHP Petroleum Americas, Inc.
1360 Post Oak, Suite 500
Houston, Texas 77056-3020
Attn.: Mr. Dwight Pickle

69853900 00001 ZJAM63
269798 00
AMERICAN EXPLORATION COMPANY
P O BOX 297166
HOUSTON TX 77297-0166

69853900 00001 ZJAM63
409190 27
TEXACO EXPLORATION AND PRODUCTION INC
C/O TEXAS COMMERCE BANK
P O BOX 200778
HOUSTON TX 77216-0778

69853900 00001 ZJAM63
617000 00
AMOCO PRODUCTION COMPANY
P O BOX 591
TULSA OK 74102-0591

69853900 00001 ZJAM63
710000 01
MINERALS MANAGEMENT SERVICE
ROYALTY MANAGEMENT PROGRAM
PO BOX 5810 TA
DENVER CO 80217-5810

69853900 00001 ZJAM63
726301 04
UNIVERSAL RESOURCES CORPORATION
MAIL STOP EB704
P O BOX 11070
SALT LAKE CITY UT 84147-0070

Bolack A#1E
Bolack F#1

Bolack A #1E (Pictured Cliff Wells)

<p style="text-align: center;">+</p> <p style="text-align: center;">+</p>	<p style="text-align: center;">+ +</p>	<p style="text-align: center;">+</p>
<p>Schlosser 15 R+G DRILLING +</p> <p style="text-align: center; font-size: 2em;">34</p>	<p>E.H. PIPKIN 15 ENERGY RESERVES + GROUP</p> <p style="text-align: center; font-size: 2em;">35</p> <p>E.H. PIPKIN 14 ENERGY RESERVES + GROUP</p> <p>E.H. PIPKIN 21 ENERGY RESERVES + GROUP</p> <p>E.H. PIPKIN 22 + ENERGY RESERVES GROUP</p>	<p>E.H. PIPKIN 23 ENERGY RESERVES + GROUP</p> <p style="text-align: center; font-size: 2em;">36</p> <p>E.H. PIPKIN 25 ENERGY RESERVES + GROUP</p> <p>E.H. PIPKIN 24 ENERGY RESERVES + GROUP</p> <p style="text-align: right;">+ E.H. PIPKIN 1 PAN AM</p>
<p>28 27</p> <p style="text-align: center; font-size: 2em;">3</p>	<p style="text-align: center;">Bolack F#1 Amoco</p> <p style="text-align: center; font-size: 2em;">2</p> <p style="text-align: right;">Bolack Com 1 + Amoco</p>	<p style="text-align: center; font-size: 2em;">1</p> <p>E.H. PIPKIN 13 ENERGY RESERVES + GROUP</p> <p style="text-align: right;">E.H. PIPKIN 4 ENERGY RESERVES + GROUP</p> <p style="text-align: center;">+</p> <p>E.H. PIPKIN 17 ENERGY RESERVES GROUP</p> <p style="text-align: right;">+ E.H. PIPKIN 16 ENERGY RESERVES GROUP</p>
<p>Schlosser 12 R+G DRILLING +</p> <p style="text-align: center; font-size: 2em;">10</p> <p style="text-align: right;">Schlosser 20 R+G DRILLING +</p> <p>Schlosser 1 R+G DRILLING +</p> <p style="text-align: center;">+</p> <p style="text-align: right;">Schlosser 16 R+G DRILLING</p>	<p>Fullerton Fld Com 12 + GULF</p> <p style="text-align: center; font-size: 2em;">11</p> <p>Fullerton Fld Com 15 + GULF</p>	<p>E.H. PIPKIN 20 ENERGY RESERVES + GROUP</p> <p style="text-align: center; font-size: 2em;">12</p> <p>E.H. PIPKIN 18 ENERGY RESERVES + GROUP</p> <p style="text-align: right;">+ E.H. PIPKIN 3 ENERGY RESERVES GROUP</p>
<p style="text-align: center;">+</p> <p style="text-align: center;">+</p>	<p style="text-align: center;">+</p>	<p style="text-align: center;">+</p>

PROPOSED ALLOCATION METHOD

Anticipated production from the Bolack A#1E is 225 MCFD. This formation is currently on compression. The estimated production from the newly drilled Bolack F#1 is 190 MCFD and is based on recent well tests. Both formations will be on compression when the surface commingling commences.

We propose to test each well prior to commingling to establish the percentage contribution from each well. Based on the testing that we did on the Bolack F#1 we do not anticipate any flush production from the Pictured Cliffs formation. It is our opinion that this well will follow the relatively flat declines seen in this area (6-8%). After establishing original percentages, we envision testing each well annually in order to establish percentages for the next period. The proposed allocation percentages will be provided to your Aztec District office after testing.

Amoco Production Company

ENGINEERING CHART

SUBJECT Bolack F-1 Hook-up with
Bolack F-1E

DATE _____
BY _____
CHKD _____

