

Ernie Busch

From: Ernie Busch
To: Ben Stone
Subject: AMOCO FLORANCE#64(DHC)
Date: Thursday, March 21, 1996 1:25PM
Priority: High

O-17-27N-08W
RECOMMEND: APPROVAL

		INJECTION			PRODUCTION					DISPOSITION OF OIL, GAS, AND WATER							
7	POOL NO. AND NAME	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
	PROPERTY NO. AND NAME	C			C	BBL'S OF	BBL'S OF	GAS	DAYS	C	POINT OF	GAS BTU	OIL ON	VOLUME	TRANS-	C	OIL ON
	WELL NO. AND U-L-S-T-R	D			O	OIL/COND-	WATER	PRODUCED	PRODUCED	D	DISPOS-	OR OIL	HAND AT	(BBL'S/MCF)	PORTER	D	AT END OF
	API NUMBER	E	VOLUME	PRESSURE	E	PRODUCED	PRODUCED	(MCF)	PRODUCED	E	TION	API GRAV	OF MONTH		ORCID	E	MONTH
80000	LARGO GALLUP (PROBATED GAS)									G				208		U	
005961	MILES FEDERAL									G				118		V	
001 LG	3-05-26N- 7N													38		O	
30-039-06759		T															
80990	MALAGA ATOKA (GAS)																
076382	MALAGA COM																
001 K-27-24S-28E																	
30-015-27451		F				10	9	5890	30	O	2805518		70	5890	017741		80
076383	PECOS VALLEY "7" FEDERAL COM									G	2805496	1051					
001 C-07-24S-29E										W	2805519			9		O	
30-015-26865		F				0	9	7268	21								
076383	PECOS VALLEY "7" FEDERAL COM									G	0762630	1019		7268	007057		
001 C-07-24S-29E										W	0762650			9		O	
30-015-26865																	
82329	OTERO CHACO (GAS)																
005948	BURNS FEDERAL																
002 CH 2-05-26N- 7N																	
30-039-22392		F				0	0	2108	28	G	1196530	1305		2093	025773		



Southern

Rockies

Business

Unit

March 7, 1996

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

RECEIVED
MAR 11 1996

OIL CON. DIV.
DIST. 3

Application for Exception to Rule 303-C

Downhole Commingling

Florance #64/Florance D10A Well

970 FSL & 2370' FEL, Unit O Section 17-T27N-R8W

Blanco Mesaverde (Pool IDN 72319) and Basin Dakota (Pool IDN 71599) Pools

San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval to downhole commingle production from the Blanco Mesaverde and Basin Dakota Pools in the Florance #64/Florance D10A well referenced above. The Florance #64 is currently completed in the Dakota formation. We plan to recompleate the well in the Mesaverde with both the Mesaverde and Dakota formations being downhole commingled in the wellbore. The two zones are expected to produce at a total commingled rate of about 260 MCFD with less than 1 BCPD. The ownership (WI, RI, ORI) of these pools is common in this wellbore. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights. Offset operators to this well will receive a copy of this application by certified mail.

The allocation method that we plan to use for this commingled well is as follows. The Dakota formation has been on production in this well for some time and the Mesaverde production has been well established in this area. We recommend that the Dakota formation gas and condensate be allocated based on current rates from the area while production for the Mesaverde be allocated from offset information. The Dakota is currently producing 35 MCFD with 0.48 BCPD while the Mesaverde offsets are averaging 68 MCFD with 0.39 BCPD. The recommended allocation percentages after downhole commingling would be set as a percentage of the total rate with the Mesaverde attributing 70% of gas production and 46 % of condensate production. The Dakota would be allocated at 30% of gas production and 53 % of condensate production. 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.

Attached to aid in your review are plats showing the location of the well and offset wells in the same formation, a historical production plot and a C-102 for each formation. This spacing unit is located on a federal lease (NM-03380) and we will send a copy of the application to the BLM as their notice.

Should you have questions concerning this matter, please contact me at (303) 830-5344.

Sincerely,



Pamela W. Staley

Enclosures

cc: Mark Rothenberg
Patty Haefele
Wellfile
Proration file

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 Exception to Rule 303: SEGREGATION OF PRODUCTION FROM POOLS

Requirements

- (1) Name and address of the operator:

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

- (2) Lease name, well number, well location, name of the pools to be commingled:

Lease Name: Florance

Well Number: #64

Well Location: 970' FSL & 2370' FEL
Unit O Section 17-T27N-R8W
San Juan County, New Mexico

Pools Commingled: Blanco Mesaverde Pool
Basin Dakota Pool

- (3) A plat of the area showing the acreage dedicated to the well and the ownership of all offsetting leases.

Attached

- (4) A current (within 30 days) 24-hour productivity test on Division Form C-116 showing the amount of oil, gas and water produced from each zone.

The Blanco Mesaverde offsets produced an average stabilized rate of 69 MCFD and 0.39 BCPD over the past 12 months. The Basin Dakota zone produced at an average rate of about 35 MCFD and 0.48 BCPD over the same period.

- (5) A production decline curve for both zones showing that for a period of at least one year a steady rate of decline has been established for each zone which will permit a reasonable allocation of the commingled production to each zone for statistical purposes.

Basin Dakota Completion:

Historical production curve attached.

Blanco Mesaverde Completion:

Offset production curves attached.

- (6) Estimated bottomhole pressure for each zone. A current (within 30 days) measured bottom hole pressure for each zone capable of flowing.

Bottomhole pressures were estimated from 7-day shut-in pressures for the Dakota and from post frac pressure buildup tests on offset Mesaverde wells for the Mesaverde. Estimated bottomhole pressure in the Dakota formation is 700 PSI while the estimated bottomhole pressure in the Mesaverde is 580 PSI.

- (7) A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the wellbore.

The two formations do not produce any fluids that are expected to prohibit commingling, or promote the creation of emulsions or scale.

- (8) A computation showing that the value of the commingled production will not be less than the sum of the values of the individual streams:

Since the BTU content of the produced gasses are very similar, we would expect the commingled production to have a similar value as the sum of the individual streams.

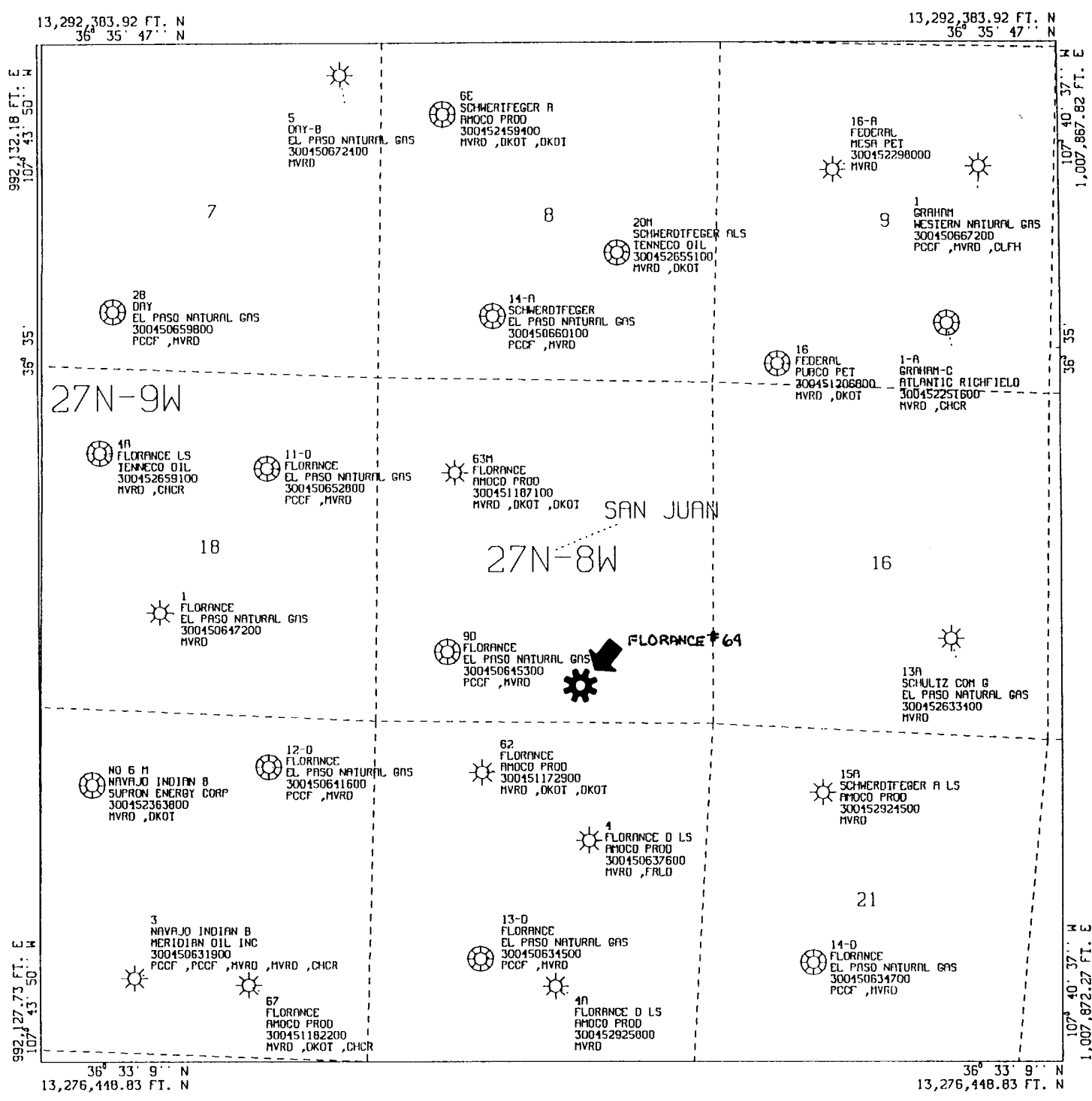
- (9) A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula:

The allocation method that we plan to use for this commingled well is as follows. The Dakota formation has been on production in this well for some time and the Mesaverde production has been well established in this area. We recommend that the Dakota formation gas and condensate be allocated based on current rates from the area while production for the Mesaverde be allocated from offset information. The Dakota is currently producing 35 MCFD with 0.48 BCPD while the Mesaverde offsets are averaging 68 MCFD with 0.39 BCPD. The recommended allocation percentages after downhole commingling would be set as a percentage of the total rate with the Mesaverde attributing 70% of gas production and 46 % of condensate production. The Dakota would be allocated at 30% of gas production and 53 % of condensate production. 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.

- (10) A statement that all offset operators and, in the case of a well on federal land, the United States Bureau of Land Management, have been notified in writing of the proposed commingling.

BLM will receive a copy of this application by certified mail. The offsetting operators listed on the attached sheet will receive a copy of this application by certified mail.

12.45.30 TUES 19 DEC, 1995 JOB-P1123202, ISSCO DISSEPLR 10.0



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
Florance #64
Mesaverde
SCALE 1 IN. - 2,000 FT. DEC 19, 1995

POLYCONIC CENTRAL MERIDIAN - 107° 42' 13" W LON
SPHEROID - 6

--RUN--95353123649

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator TENNECO OIL COMPANY			Lease FLORANCE		Well No. 64
Unit Letter 0	Section 17	Township 27 North	Range 8 West	County San Juan	

Actual Footage Location of Well:
970 feet from the **South** line and **2370** feet from the **East** line
 Ground Level Elev. **6771' ungraded** Producing Formation **Basin Dakota** Pool **Basin Dakota** Dedicated Average: **8/2** **320** Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 _____

If answer is "no," list the owners and tract descriptions which have actually 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.

Harold C. Nichols
Name

Harold C. Nichols

Position

Senior Production Clerk

Company

Tenneco Oil Company

Date

June 28, 1966

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.

4 June 1966

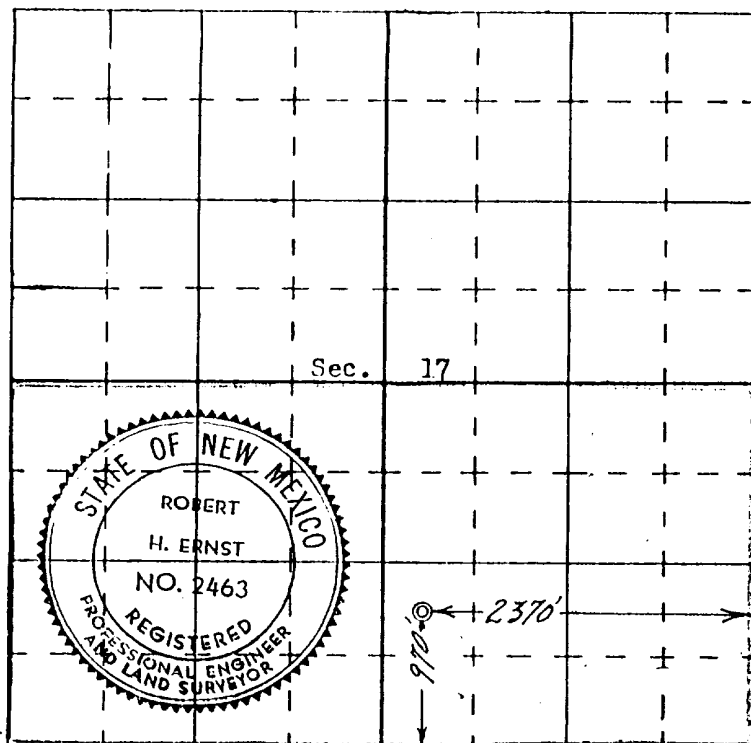
Date Surveyed

Robert H. Ernst
Registered Professional Engineer
and/or Land Surveyor

Robert H. Ernst

N. Mex. P.E. & L.S. 2463

Certificate No.



ERNST ENGINEERING CO.
DURANGO, COLORADO

NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources DepartmentForm C-102
Revised October 18, 1994

Artesia, NM 88210

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

96 JAN 10 PM 12:39

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 AM Number 30-045-11872		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 518		5 Property Name Florance			6 Well Number 64
7 OGRID No. 000778		8 Operator Name Amoco Production Company			9 Elevation 6771' GR

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
0	17	27N	8W		970	South	2370	East	San Juan

11 Bottom Hole Location If Different From Surface

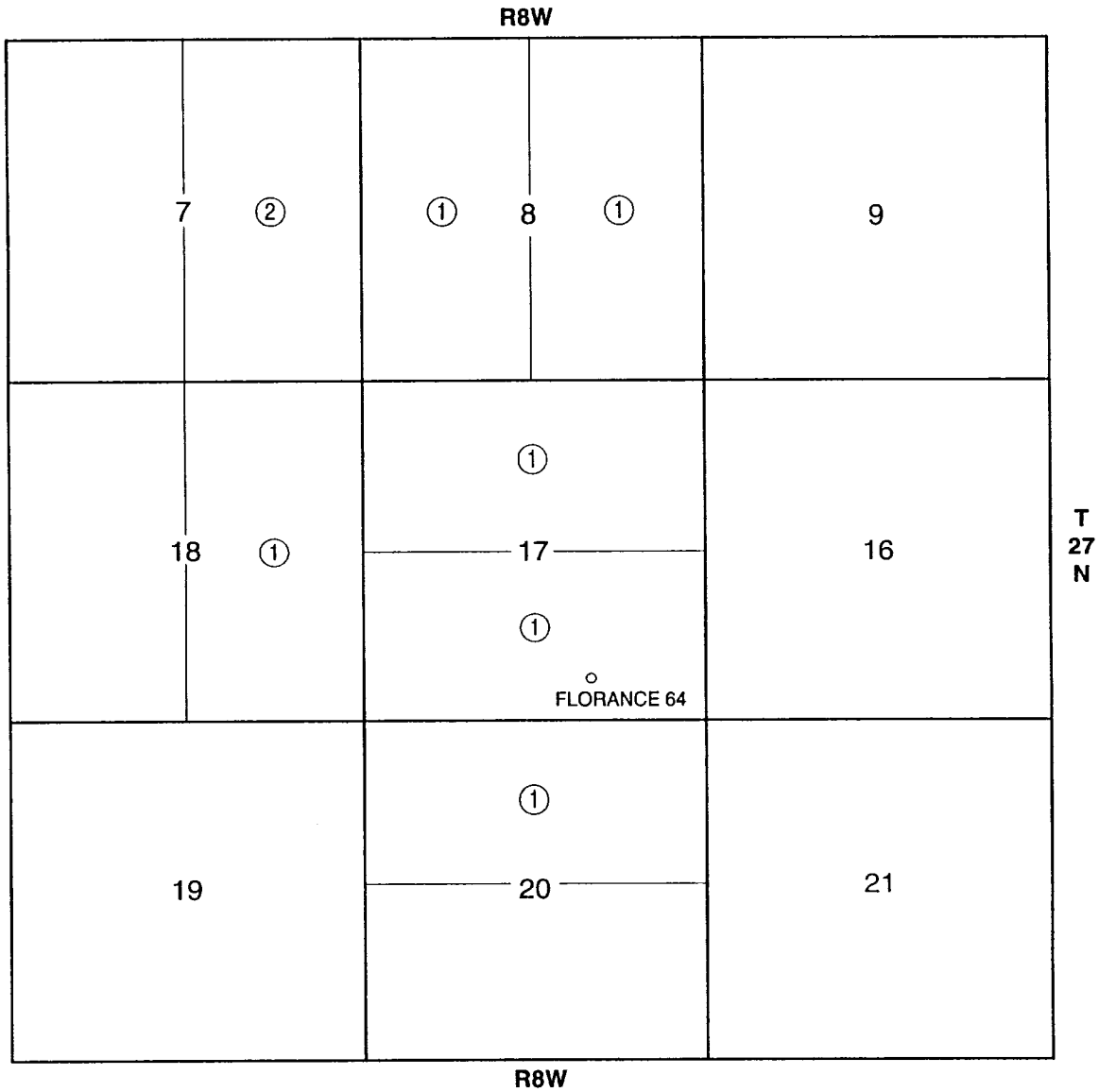
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 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

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Patty Haeefe</u> Printed Name <u>Patty Haeefe</u> Title <u>Staff Assistant</u> Date <u>12/19/95</u> Date
					18 SURVEYOR CERTIFICATION 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. <u>6/4/66</u> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number <u>2463</u>

Amoco Production Company
Offset Operator Plat
Florance 64
T27N-R8W Sec. 17
Dakota Formation



- ① Amoco Production Company
② Meridian Oil Production Inc.

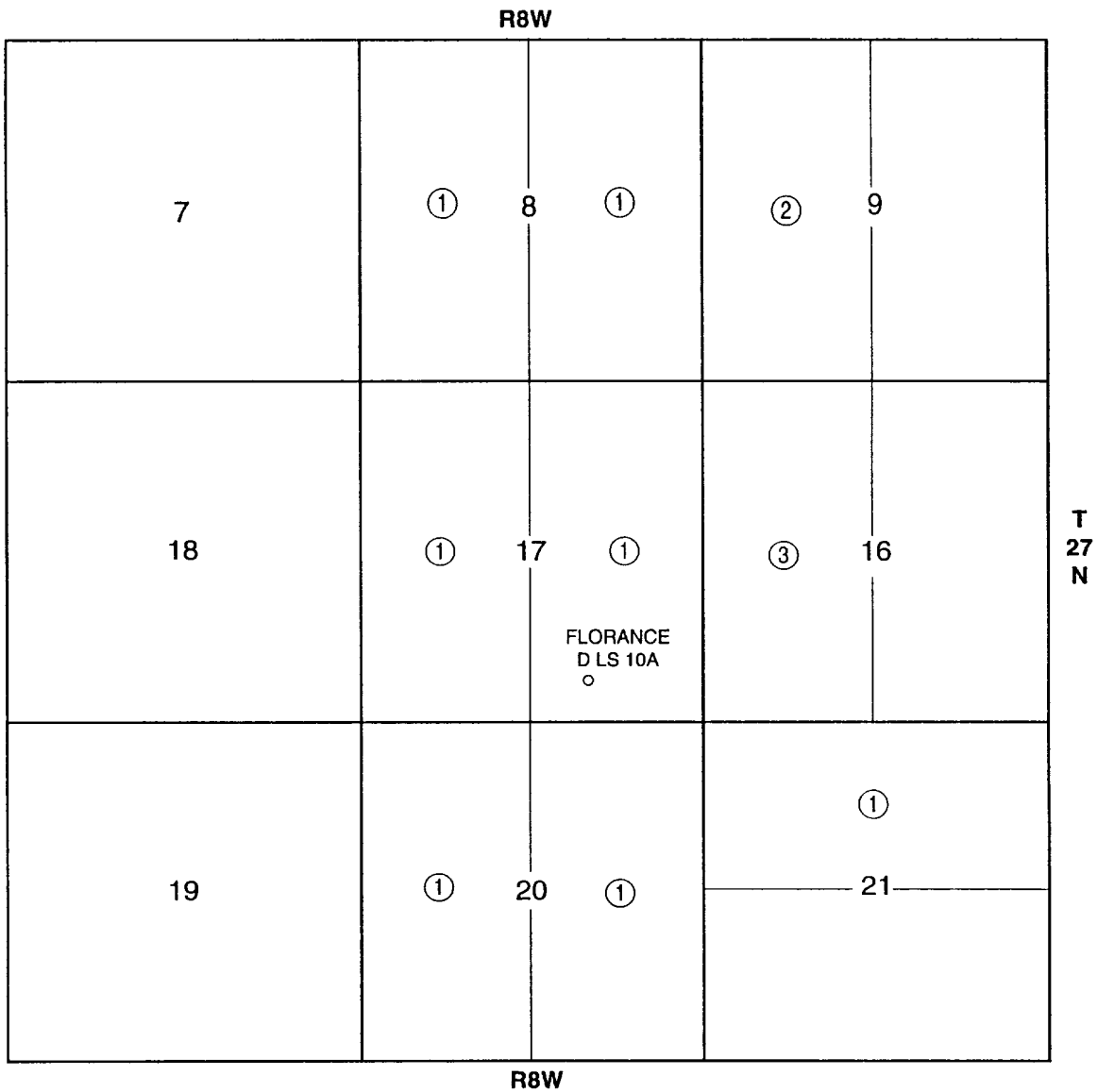
Amoco Production Company

Offset Operator Plat

Florance D LS 10A

T27N-R8W Sec. 17

Mesaverde Formation



- ① Amoco Production Company
- ② Conoco Inc.
- ③ Meridian Oil Production Inc.

LIST OF ADDRESSES FOR OFFSET OPERATORS

Florance #64/Florance D 10A

1 Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499

2 Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705

Current Production and Estimated Production Based on Offsets

<u>WELLNAME</u>	<u>LOCATION</u>	<u>CURRENT MCFD</u>	<u>LAST 12MO AVE MCFD</u>	<u>12 MO BOPD</u>
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DAKOTA

FLORANCE 64	017-27-08	35	32	0.48
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OFFSETS IN MESAVERDE

FLORANCE LS 4A	D18-27-08	40	53	0.56
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FLORANCE DLS 11	G18-27-08	75	79	0.78
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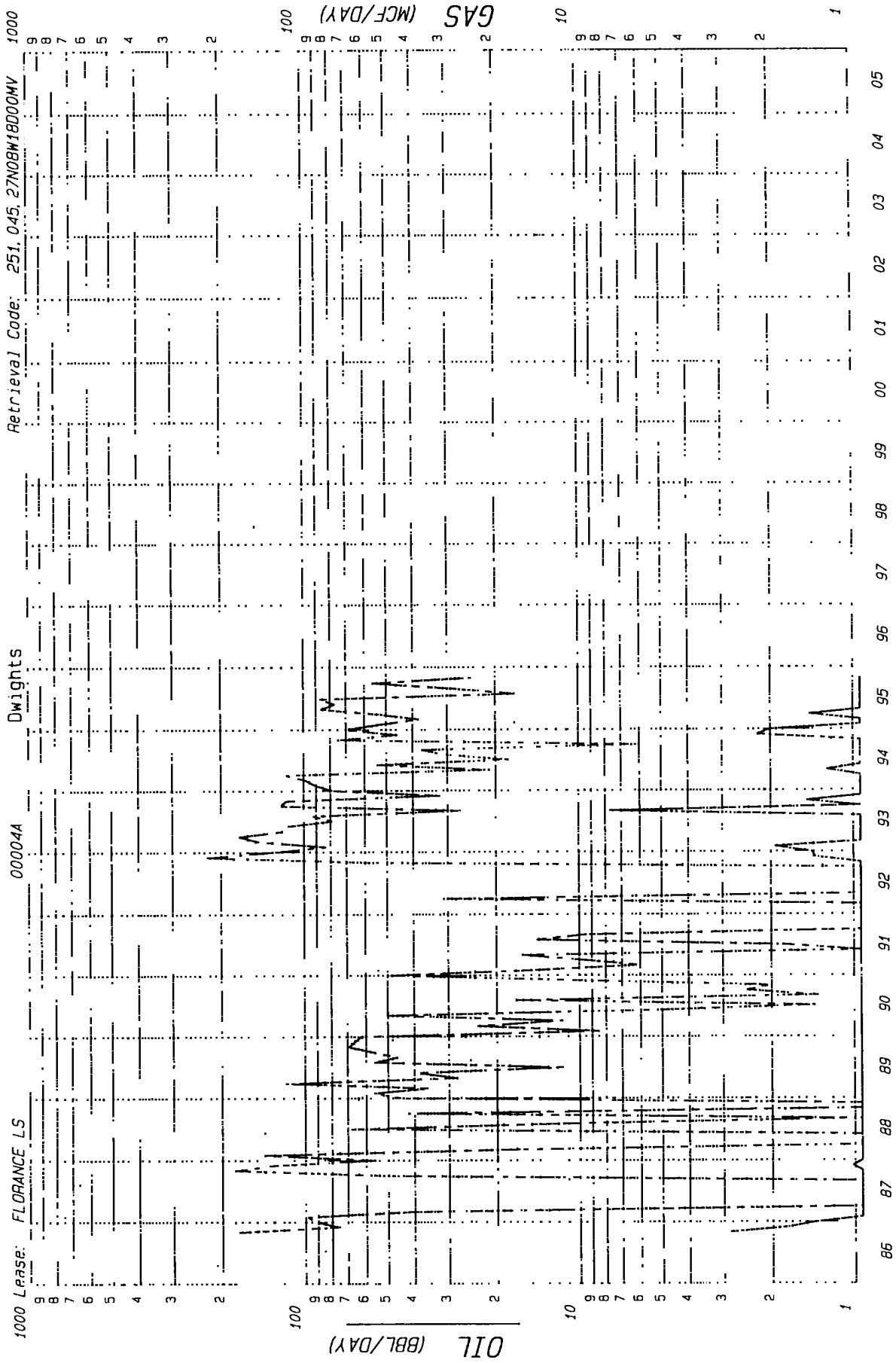
FLORANCE LS 4	K18-27-08	40	82	0.50
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MARRON 42A	C22-27-08	66	77	0.23
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FEDERAL D#1	G 22-27-08	39	48	0.03
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MARRON #42	M22-27-08	61	69	0.26
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AVERAGE		53	68	0.39
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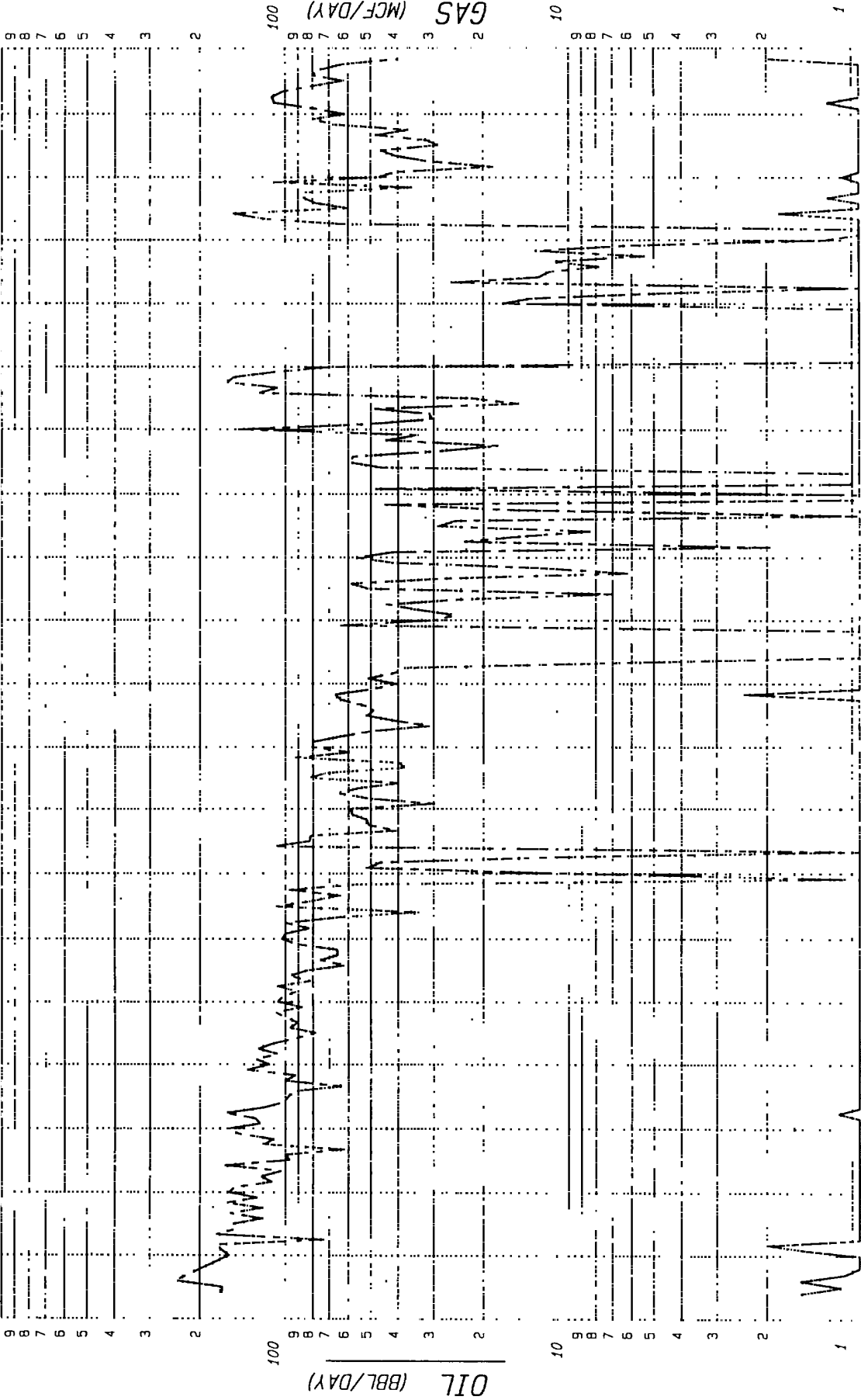
County: SAN JUAN
 Field: BLANCO (MESAVEDE) MV
 Reservoir: MESAVEDE
 Operator: AMOCO PRODUCTION CO
 Oil Cum: 1102
 Gas Cum: 149984
 Location: 80, 27N 8W

State: NM

Date: 03-01-96

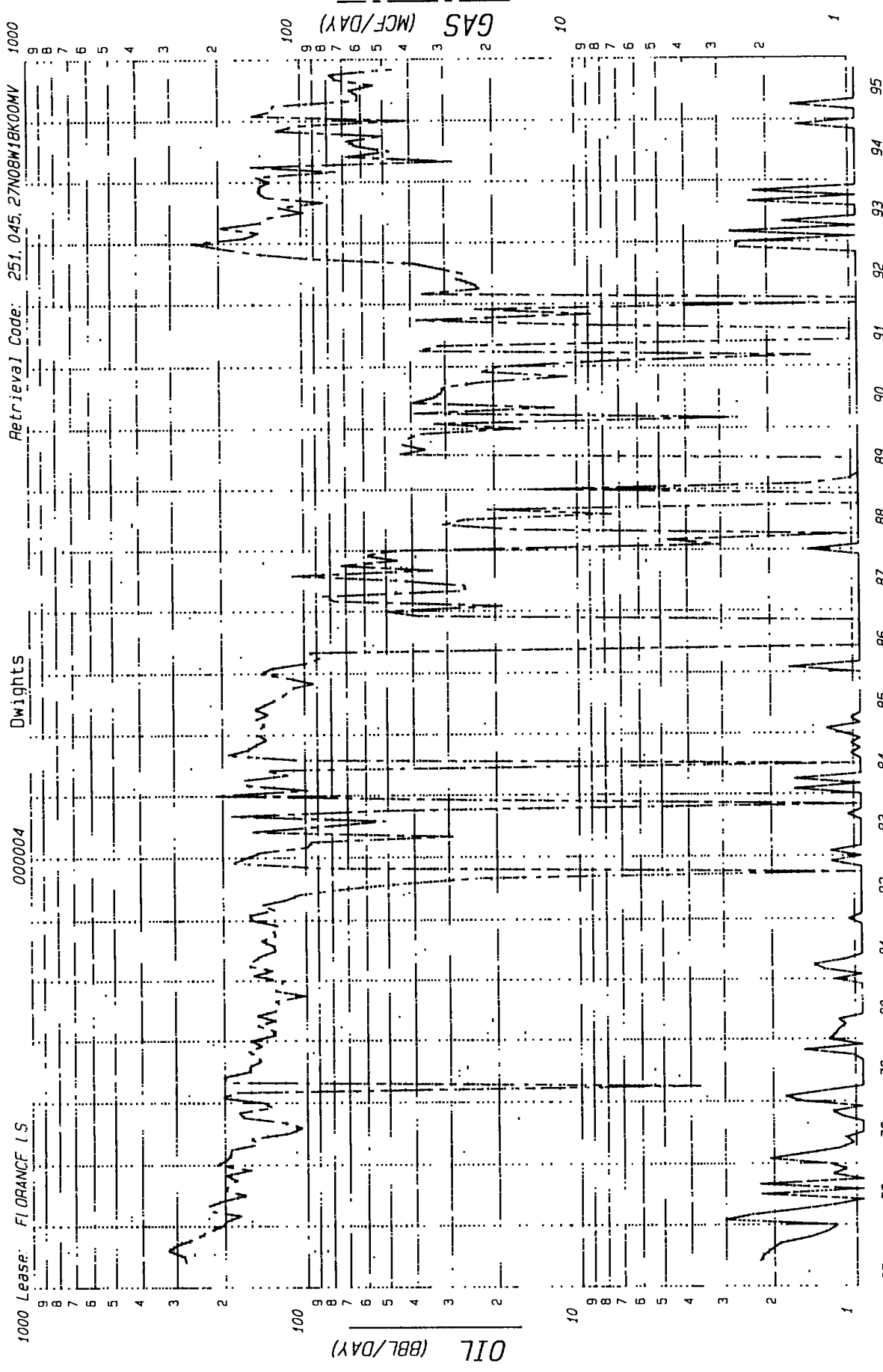
F.P. Date 10-86

1000 Lease: FLORANCE D LS 000011 Dwights Retrieval Code: 251, 045, 27N08W18600MV 1000



F.P. Date 07-58

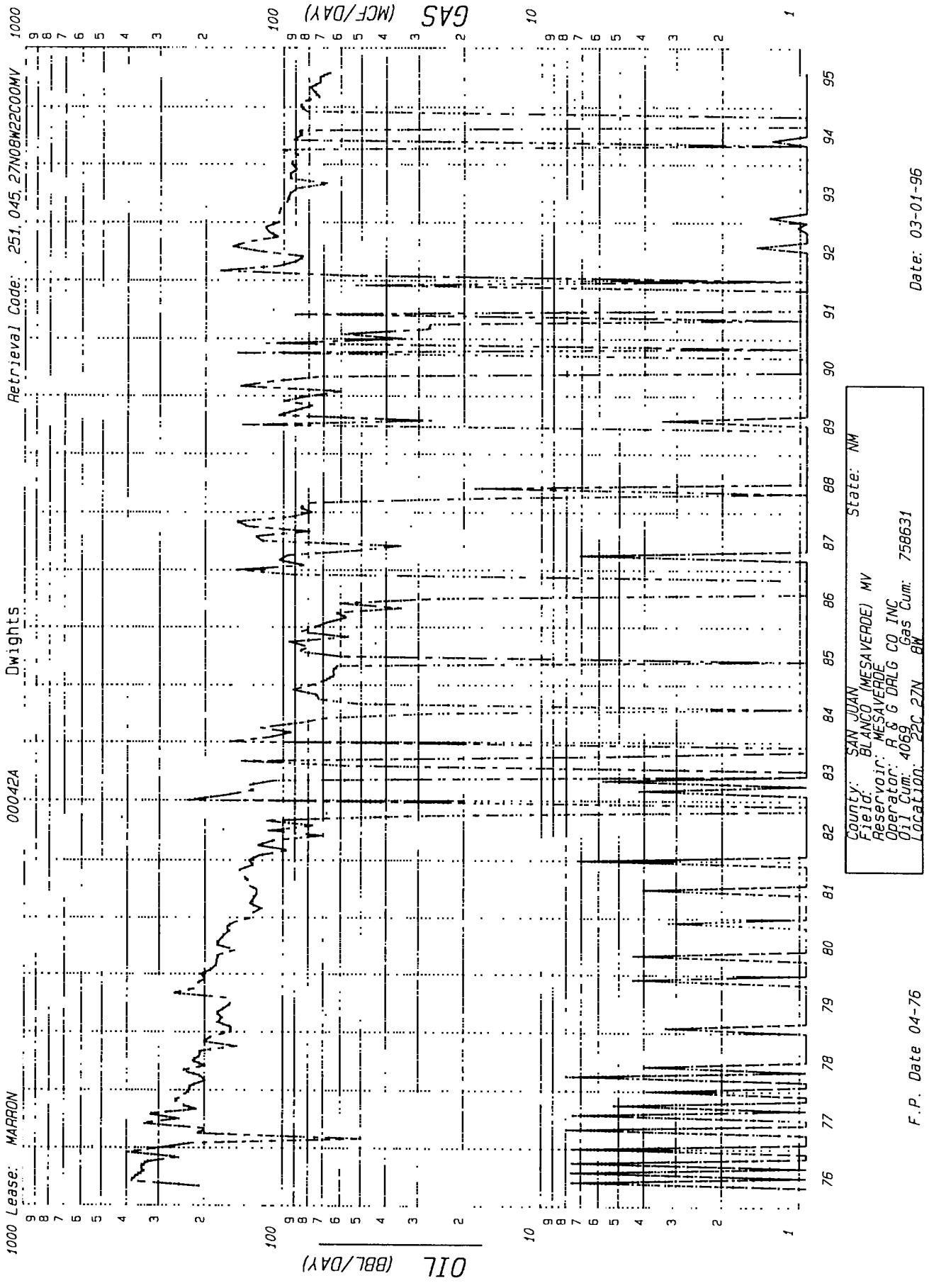
Date: 03-01-96

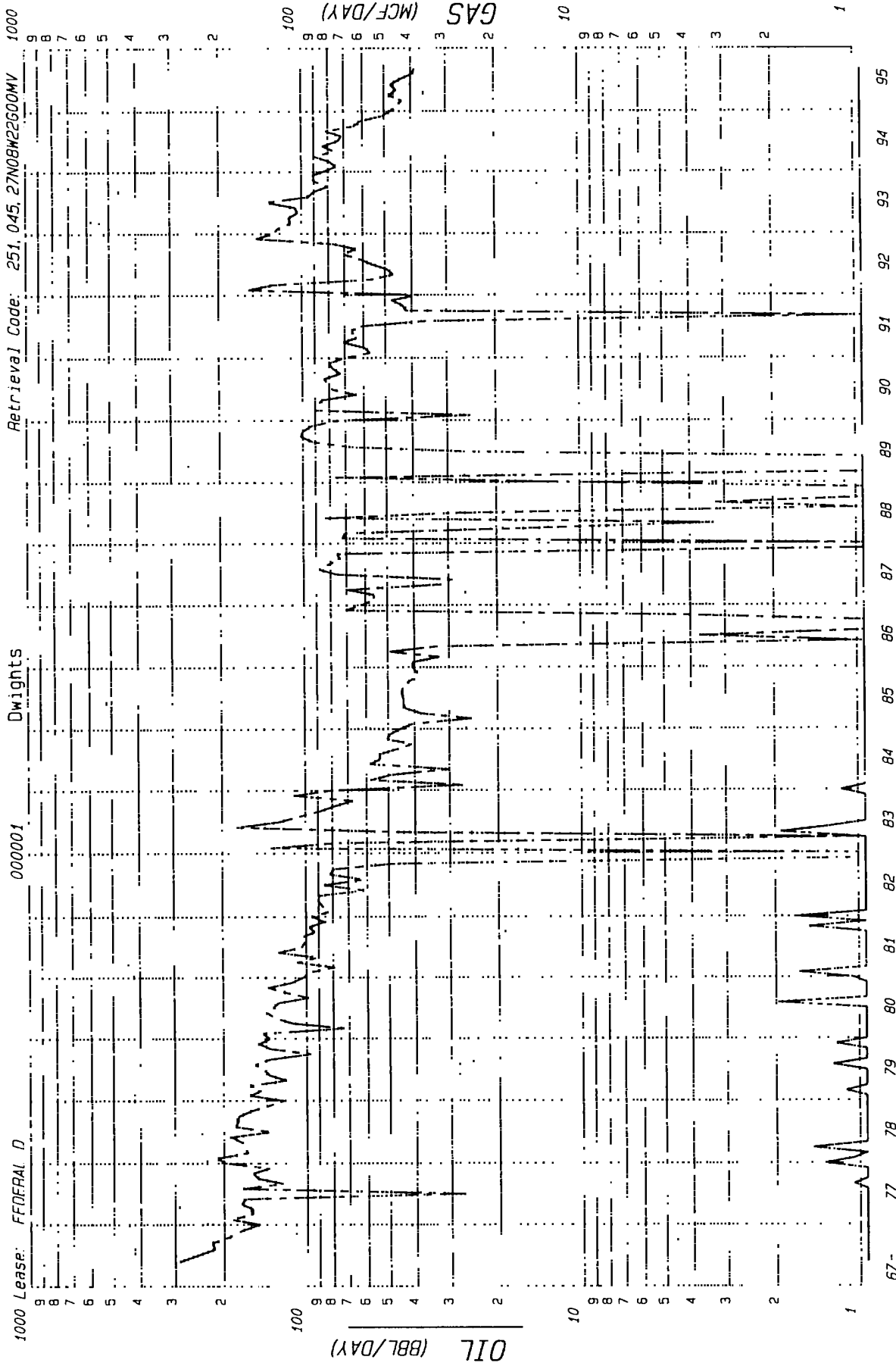


County: SAN JUAN
 Field: BLANCO (MESAVEDE) MV
 Reservoir: MESAVEDE
 Operator: AMOCO PRODUCTION CO
 Oil Cum: 14244
 Gas Cum: 2338623
 Location: 18K 27N 8W
 State: NM

Date: 03-01-96

F.P. Date 01-61

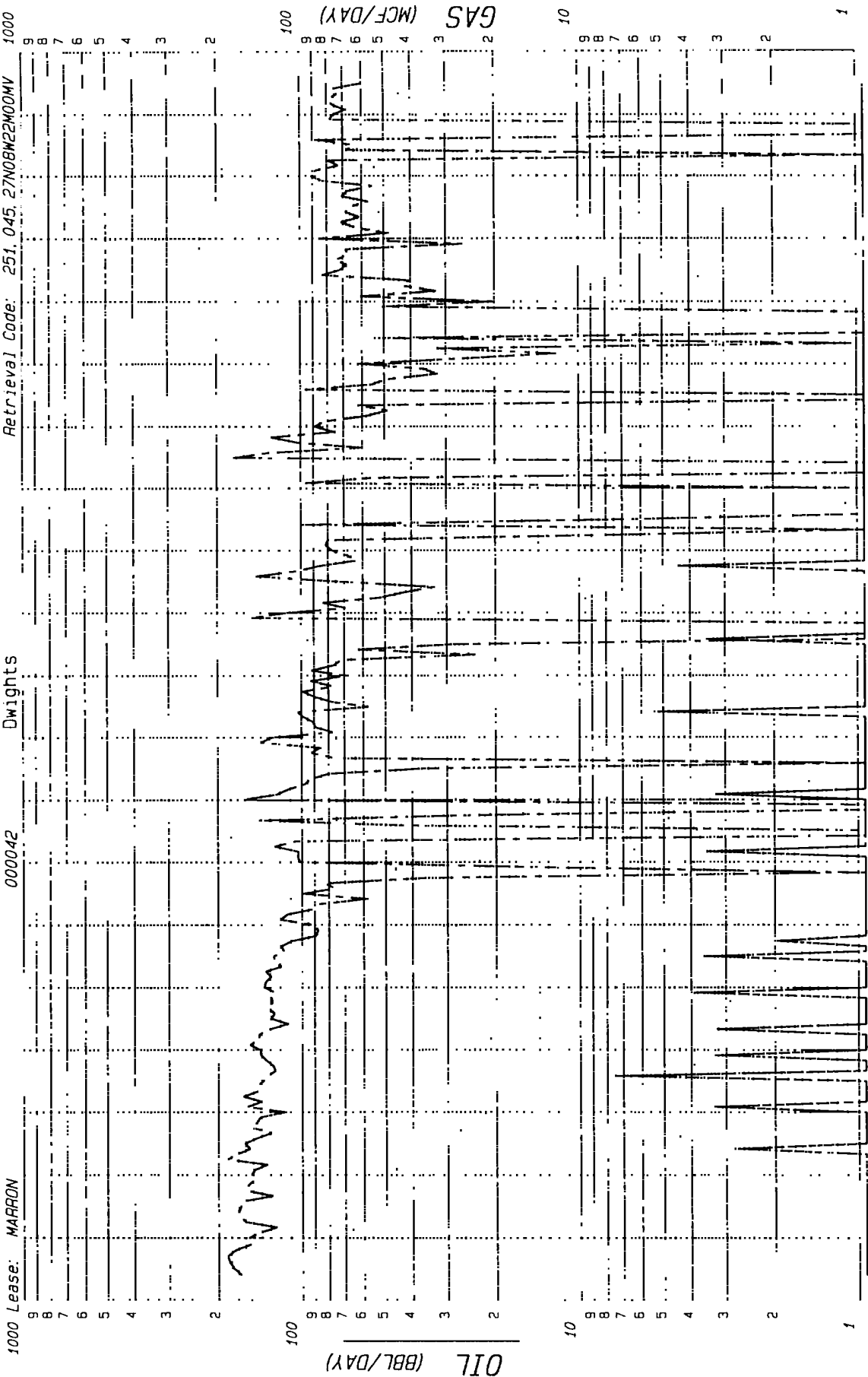




County: SAN JUAN State: NM
Field: BLANCO (MESAVERT) MV
Reservoir: MESAVERT
Operator: BLEDSOE PETROLEUM CORP
Oil Cum: 2097 Gas Cum: 1081710
Location: 22G 27N 8W

Date: 03-01-96

F.P. Date



Year	Oil (BBL/DAY)	Gas (MCF/DAY)
77	1	1
78	1	1
79	1	1
80	1	1
81	1	1
82	1	1
83	1	1
84	1	1
85	1	1
86	1	1
87	1	1
88	1	1
89	1	1
90	1	1
91	1	1
92	1	1
93	1	1
94	1	1
95	1	1

County: SAN JUAN
 Field: BLANCO (MESAVEDE) MV
 Reservoir: MESAVEDE
 Operator: R & G DRUG CO INC
 Oil Cum: 2956
 Gas Cum: 1596061
 Location: 27N 27W 8W

Date: 03-01-96

F.P. Date 03-52