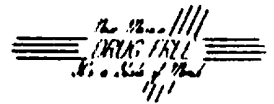




STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DIVISION
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6174

Date: _____

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: Proposed MC _____
Proposed NSL _____
Proposed WFX _____
Proposed NSP _____

Proposed DHC _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 12/27/95

for the Amoco CA McAdams B #1 LE
OPERATOR LEASE & WELL NO.

W-28-27N-10W and my recommendations are as follows:
UL-S-T-R

Agree

Yours truly,
S. J. [Signature]



Southern

Rockies

Business

Unit

December 22, 1994

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

RECEIVED
DEC 27 1994

OIL CON. DIV.
DIST. 3

**Application for Exception to Rule 303-A
Downhole Commingling
C. A. McAdams B #1E Well
1670' FSL, 790' FWL, Section 28-T27N-R10W
Angels Peak Gallup Ext., Basin Dakota Pools
San Juan County, New Mexico**

Amoco Production Company hereby requests administrative approval to downhole commingle production from the Angels Peak Gallup Ext. and Basin Dakota Pools in the C. A. McAdams B #1E Well referenced above. The ownership (WI, RI ORRI) of these pools is identical in this wellbore. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserve and violation of correlative rights. A copy of this application will be sent to the offset operators and the BLM (Fed. Ls. SF-077941-A).

Sincerely,

J. W. Hawkins
J. W. Hawkins

Enclosures

cc: Mike Kutas

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

Meridian Oil Inc./
El Paso Nat. Gas
P.O. Box 4289
Farmington, NM 87499

Dugan Production Corp.
PO Box 420
Farmington NM 87499-0420

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

Jerry Hoover
Conoco Inc.
10 Desta Dr., Ste. 100W
Midland, TX 79705-4500

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: C. A. McAdams B
Well Number: 1E
Well Location: 1670' FSL & 790' FWL
Section 28, T27N-R10W
San Juan County, New Mexico
Pools Commingled: Angels Peak Gallup Ext.
Basin Dakota

(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 Dakota has produced since 1986 and is currently averaging about 100 mcf/d. The Gallup is completed but has never produced.

(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. (This requirement may be dispensed within the case of a newly completed or recently completed well which has little or no production history. However, a complete resume of the well's completion history including description of treating, testing, etc., of each zone, and a prognostication of future production from each zone shall be permitted.)

Dakota Completion: Historical production curve attached.

Gallup Completion: Completed as a dual but never been first delivered.

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

	BH Pressure	SI Tubing Press.	Fluid Level
Gallup Completion:	882 psi	392 psi	0
Basin Dakota Completion	780psi	294 psi	0'

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

The fluids have no abnormal components that would prohibit commingling, or promote the creation of emulsions or scale. These horizons are currently being downhole commingled in several offset wells in the immediate area.

- (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 fluids are very similar, we would expect the commingled production to have the same 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:

We propose a fixed percentage allocation using the recent average Dakota rate as a percentage of the commingled rate.

- (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.

All offsetting operators and the BLM will receive a copy of this application by certified mail. The offsetting operators are:

Meridian, P.O. Box 4289, Farmington, NM 87499
Conoco Inc., 10 Desta Dr. Ste. 100W, Midland TX 79705
Dugan Production Corp, PO Box 420, Farmington NM 87499-0420

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

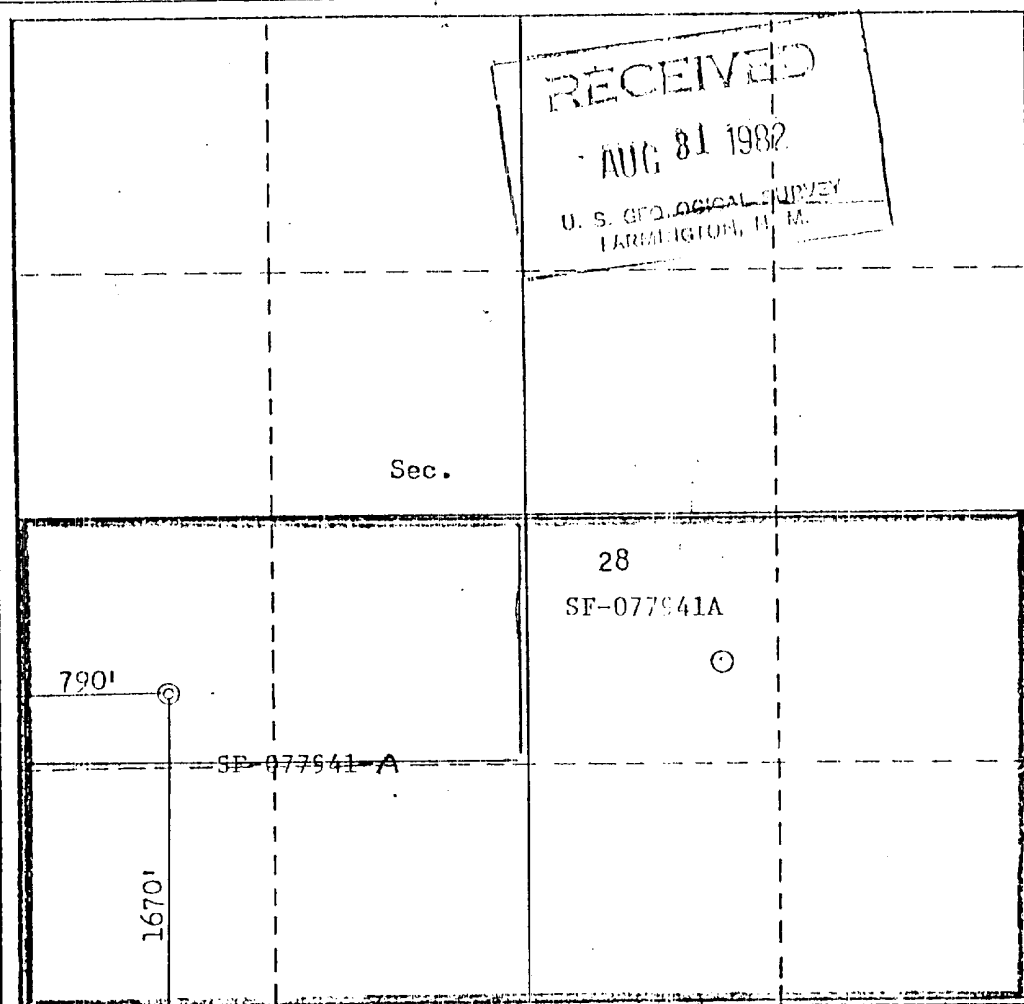
Operator AMOCO PRODUCTION COMPANY			Lease C. A. McADAMS "B"		Well No. 1E
Unit Letter L	Section 28	Township 27N	Range 10W	County San Juan	
Actual Footage Location of Well:					
1670 feet from the South line and		790 feet from the West line			
Ground Level Elev. 6061	Producing Formation Dakota/Gallup	Pool Angels Peak Gallup Ext. Basin Dakota	Dedicated Acreage: 320/80 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 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.

B. E. Fackrell

Name
B. E. FACKRELL

Position
DISTRICT ENGINEER

Company
AMOCO PRODUCTION COMPANY

Date
MAY 21, 1980

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

May 13, 1980

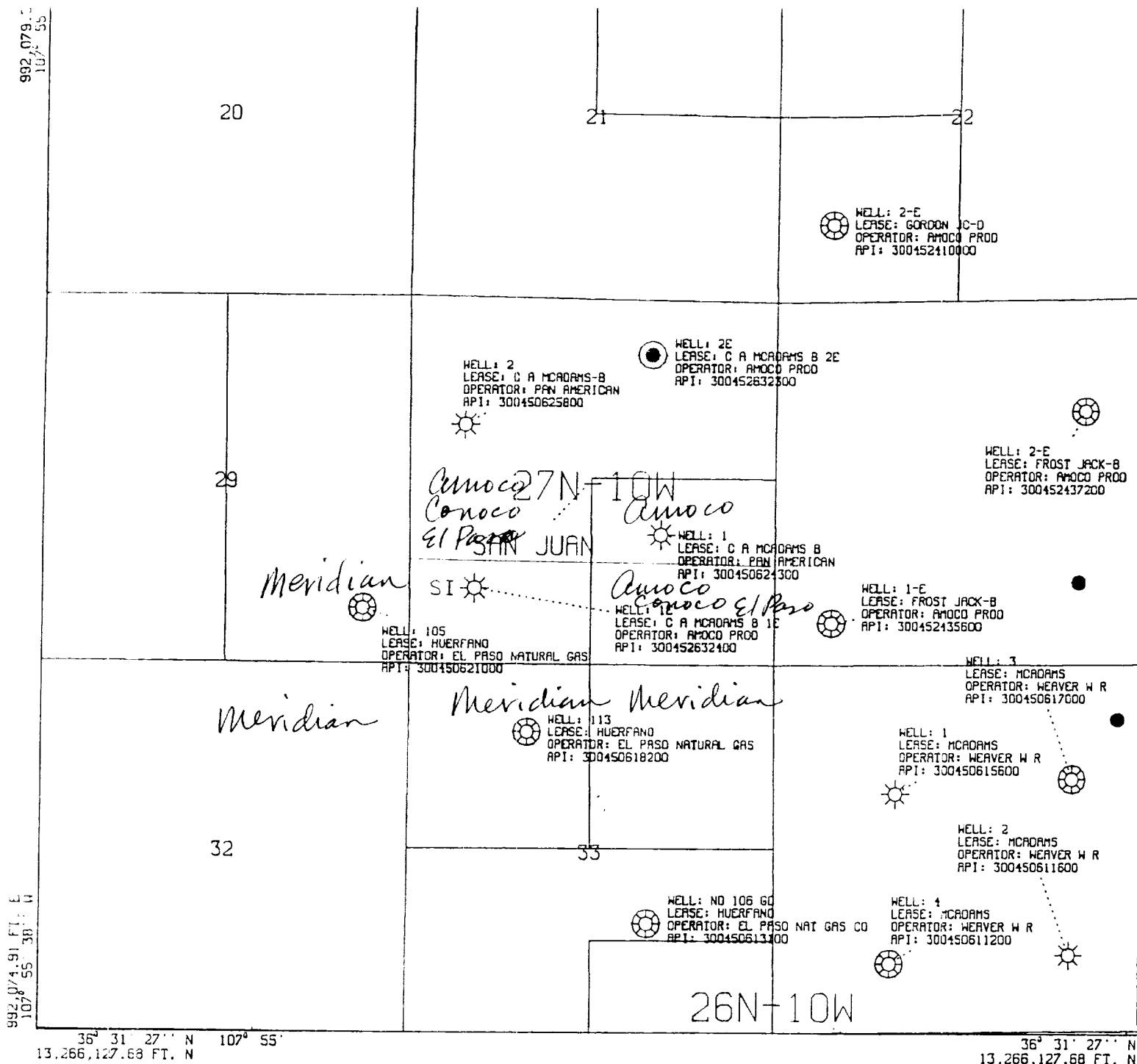
Registered Professional Engineer and/or Land Surveyor

Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certificate No.

3950

FRED B. KERR, JR.



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.

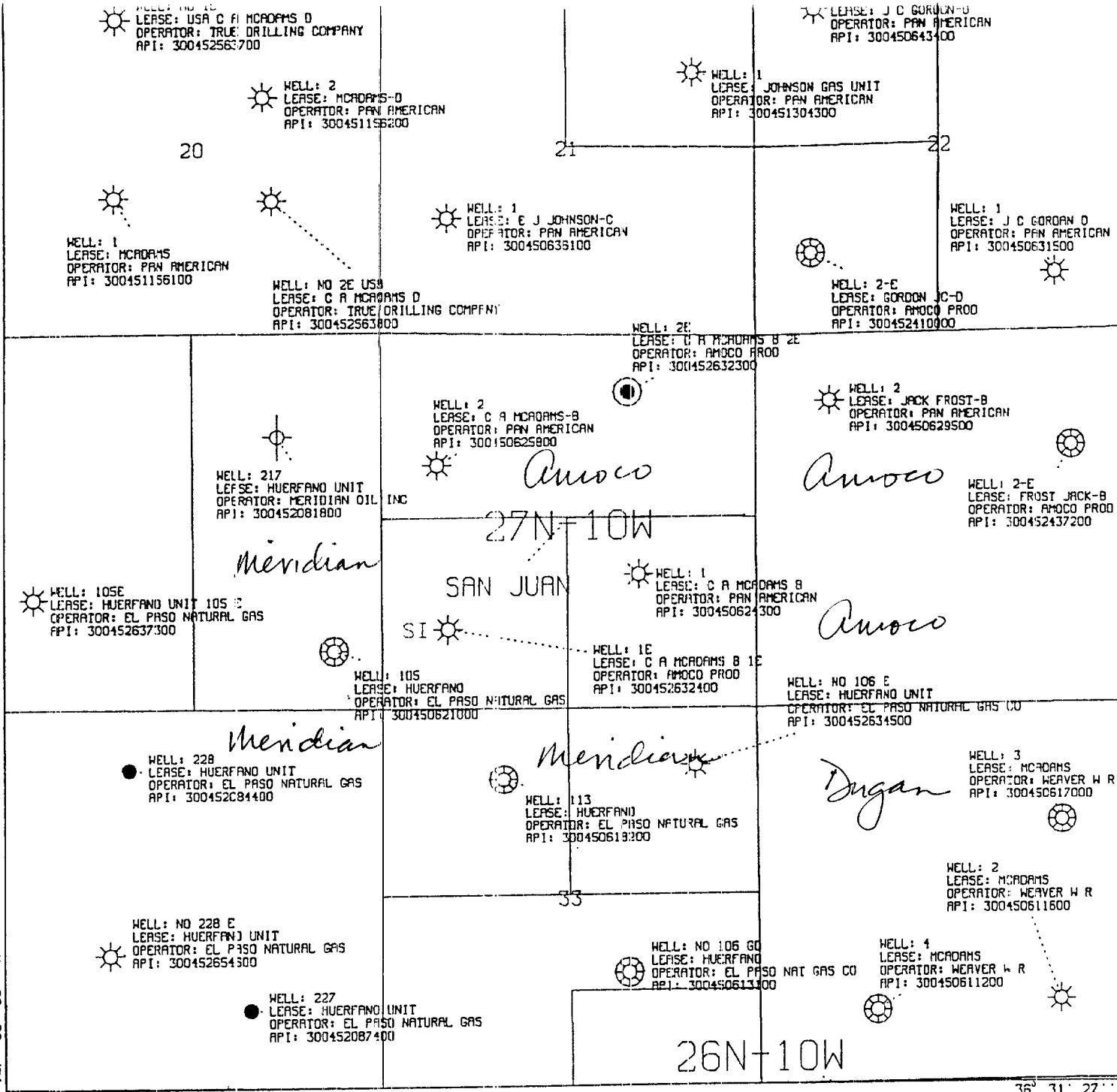
POLYCONIC CENTRAL MERIDIAN - 107° 54' 1" W LONG
SPHEROID - 8

AMOCO PRODUCTION COMPANY
PLAT MAP

GALLUP WELLS
SEC 28-T27N-R10W
SCALE 1 IN. = 2,000 FT. DEC 5, 1994

992,079.34 FT. E
107° 55' 38"

992,074.91 FT. E
107° 55' 38"



36° 31' 27" N 107° 55' 38" E
13,265,127.68 FT. N

36° 31' 27" N
13,266,127.68 FT. N

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

DAKOTA WELLS
SEC 28-T27N-R10W
SCALE 1 IN. = 2,000 FT. DEC 5, 1994

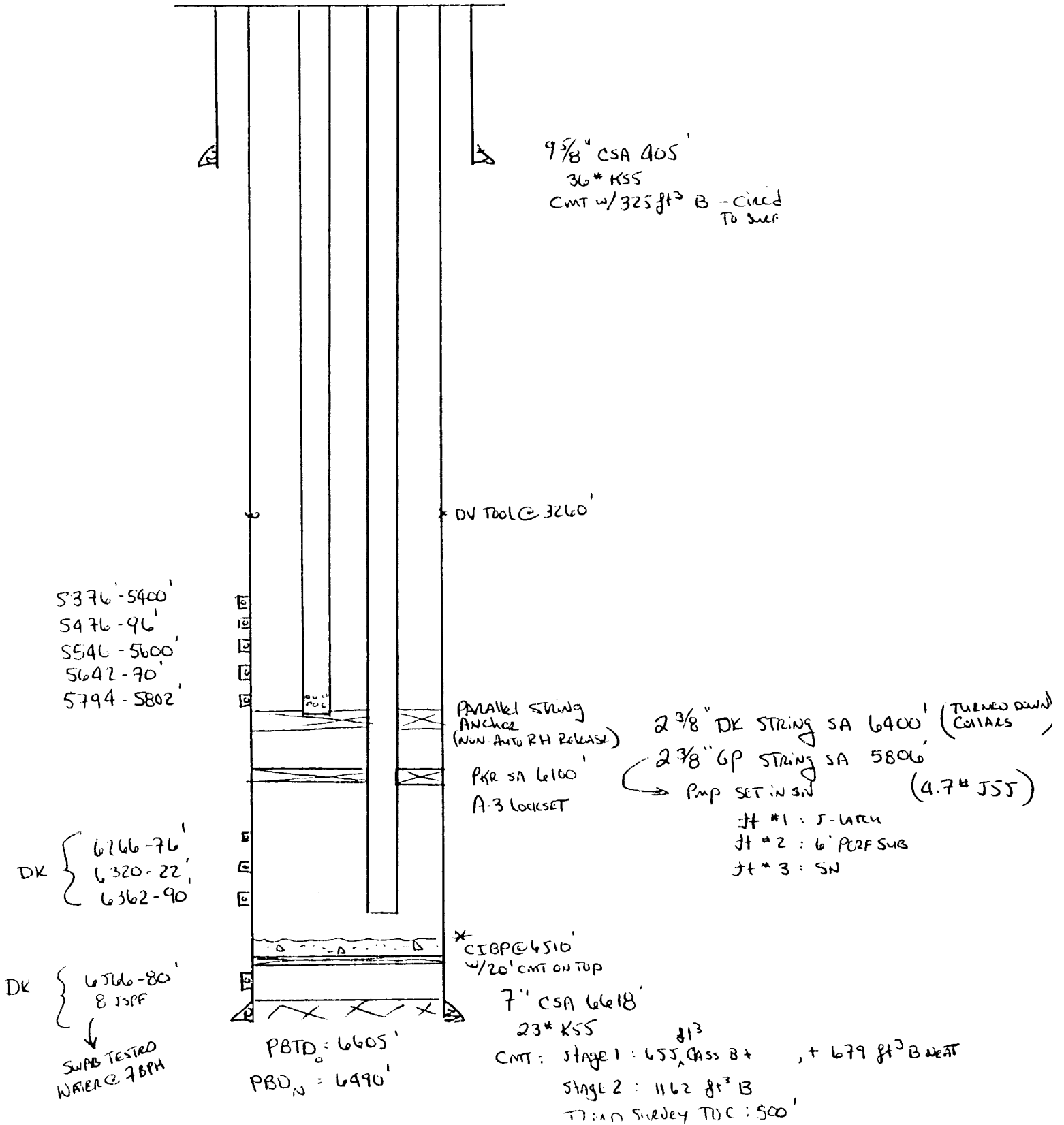
POLYCONIC CENTRAL MERIDIAN - 107° 54' 1" W LONG
SPHEROID - 6

Amoco Production Company

ENGINEERING CHART

Sheet No _____ Of _____
 File _____
 App'd _____
 Date 10-3-94
 By Gmk

SUBJECT C.A. McAdams B 1E



San Juan O.C.
WELL: MCADAMS C A B #1E-DK (84226902)

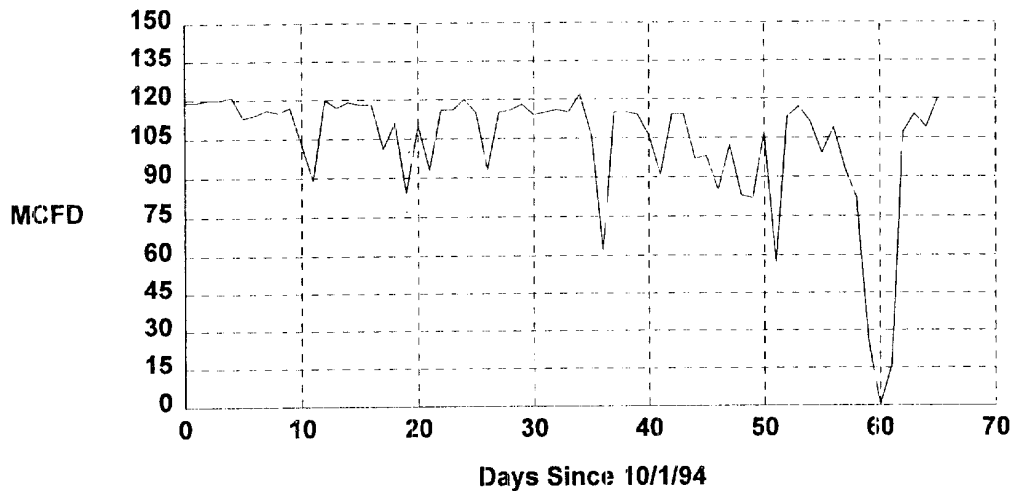


Table 1: Summary of Data	
Category	Value
Category A	10
Category B	20
Category C	30
Category D	40
Category E	50
Category F	60
Category G	70
Category H	80
Category I	90
Category J	100

Table 2: Detailed Data

Category	Value
Category A	10
Category B	20
Category C	30
Category D	40
Category E	50
Category F	60
Category G	70
Category H	80
Category I	90
Category J	100