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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER DHC-1045

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

Attention: J.W. Hawkins

RECEIVED
SEP 21 1994
OIL CON. DIV.
DIST. 3

*M.N. Galt "B" Well No. 1-R
Unit L, Section 6, Township 27 North, Range 10 West, NMPM,
San Juan County, New Mexico.
Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs Pools*

Dear Mr. Hawkins:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 20 barrels per day, and total water production shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

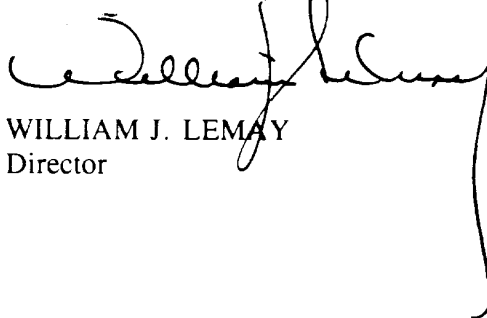
In accordance with the provisions of Rule 303-C, the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 13th day ptember, 1994.

ST. OF NEW MEXICO
OIL NSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/BES/amg

cc: Oil Conservation Division - Aztec
 US Bureau of Land Management - Farmington



Southern

Rockies

Business

Unit

June 1, 1994

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

File: BRC-986.511

**Application for Exception to Rule 303-A
To Downhole Commingle Production
M.N. Galt B No. 1R
SW/4 Section 6, T27N-R10W
Fulcher Kutz Pictured Cliffs Pool
Basin Fruitland Coal Pool
San Juan County, New Mexico**

RECEIVED
JUN - 6 1994
OIL CON. DIV.
DIST. 3

Amoco Production Company hereby requests administrative approval to downhole commingle production from the Fulcher Kutz Pictured Cliffs Pool and the Basin Fruitland Coal Pool in the M.N. Galt B No. 1R well. The well is proposed to be drilled at a legal location 1740' FSL and 1240' FWL of Section 6 T27N-R10W. The well will be drilled to the Basin Dakota Pool and be completed as a dual well with the Dakota formation producing up one string of tubing and the Basin Fruitland Coal and Pictured Cliffs formations downhole commingled in separate string of tubing.

The proposed well will reestablish Basin Dakota production and Fulcher Kutz Pictured Cliffs production in the SW/4 of Section 6, T27N-R10W. The original Dakota well, M.N. Galt J No. 1, produced from 1960 to 1968 and was plugged due to casing failure. The M.N. Galt B No. 1 produced from the Fulcher Kutz Pictured Cliffs formation from 1950 to 1991. The well was plugged back to the Basin Fruitland Coal but damaged during completion operations and never produced. Downhole commingling is necessary to produce the Basin Fruitland Coal Pool reserves and remaining Fulcher Kutz Pictured Cliffs reserves which can be recovered under compression and would not otherwise be economically producible.

The ownership of the two formations proposed for commingling is common (WI, RI, ORI).

Mr. William J. LeMay

June 1, 1994

Page 2

There will be no crossflow between the zones to be commingled. The SIBHP of the Pictured Cliffs is estimated to be 145 psi and is not less than 50 percent of the SIBHP of the Basin Fruitland Coal which is estimated to be 250 psi. The proposed commingled formations do not produce significant liquid volumes and should not result in any formation damage. The value of the commingled production will not be less than the sum of the values of the individual streams.

We plan to allocate production based on a production test of the Pictured Cliffs rate on compression as a fixed percentage of the commingled production rate on compression. The production test will be performed for one to two weeks on the Pictured Cliffs interval alone and then one to two weeks commingled with the Fruitland Coal.

The offset operators and the BLM will receive notification of this commingle application.

If any additional information is required, please contact me at (303) 830-5072.



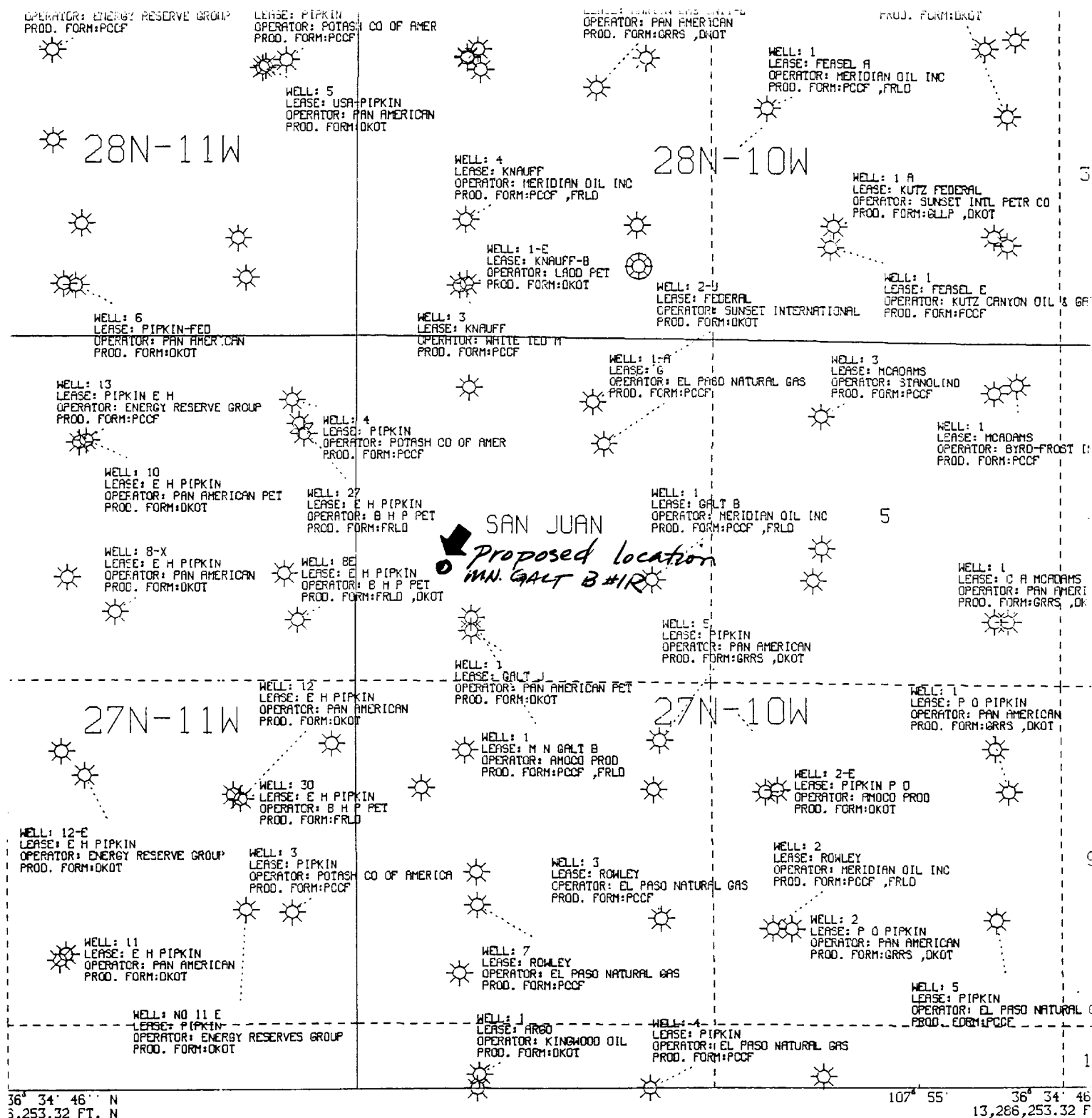
J. W. Hawkins

cc:

G. M. Kutas - AB 1204

✓ NMOCD District III
Attention: Frank Chavez
1000 Rio Brazos Road
Aztec, NM 87410

- Bureau of Land Management
Attention: Duane Spencer
1235 La Plata Highway
Farmington, NM 87401
 - Meridian Oil Production, Inc.
P.O. Box 4289
Farmington, NM 87401
 - BHP Petroleum (Americas), Inc.
P.O. Box 977
Farmington, NM 87401
-



geological and geophysical data, including the interpretation of, 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

NIC CENTRAL MERIDIAN - 107° 56' 9" W LONG
ID - 6

M.N. GALT B #1R
SAN JUAN COUNTY NEW MEXICO
SCALE 1 IN. = 2,000 FT. MAY 20, 1990

Amoco Production Company

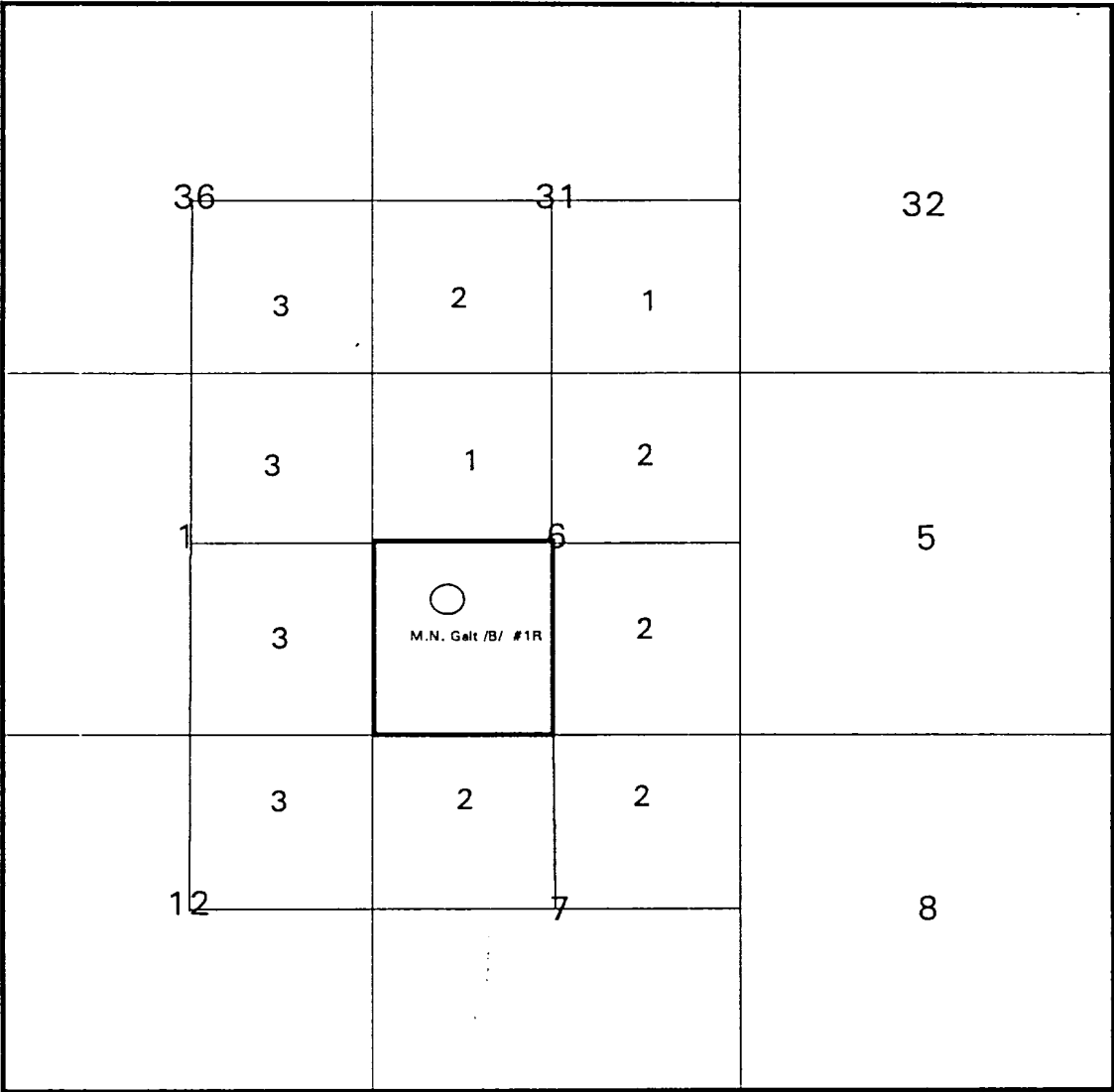
Offset Operator Plat

M. N. Galt /B/ #1R

Township 27North - Range 10West

Section 6

Pictured Cliffs Formation



1. Amoco Production Company, P.O. Box 800, Denver, Co. 80201
2. Meridian Oil Prod. Inc., P.O. Box 4289, Farmington, N.M. 87401
3. BHP Petroleum (Americas Inc.), P.O. Box 977, Farmington, N.M. 87499

Amoco Production Company

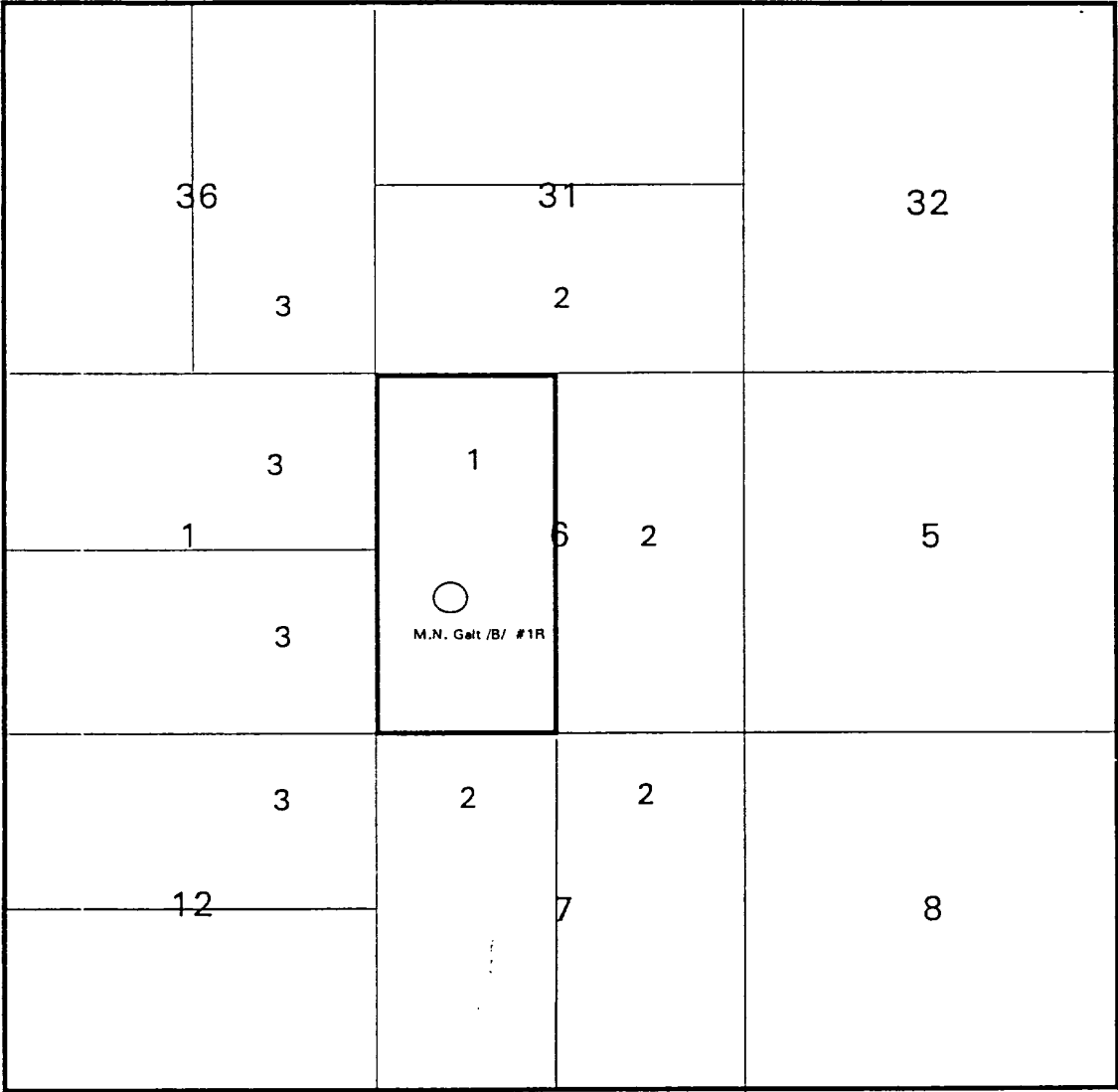
Offset Operator Plat

M. N. Galt /B/ #1R

Township 27North - Range 10West

Section 6

Fruitland Formation



- 1. Amoco Production Company, P.O. Box 800, Denver, Co. 80201
- 2. Meridian Oil Prod. Inc., P.O. Box 4289, Farmington, N.M. 87401
- 3. BHP Petroleum (Americas Inc.), P.O. Box 977, Farmington, N.M. 87499

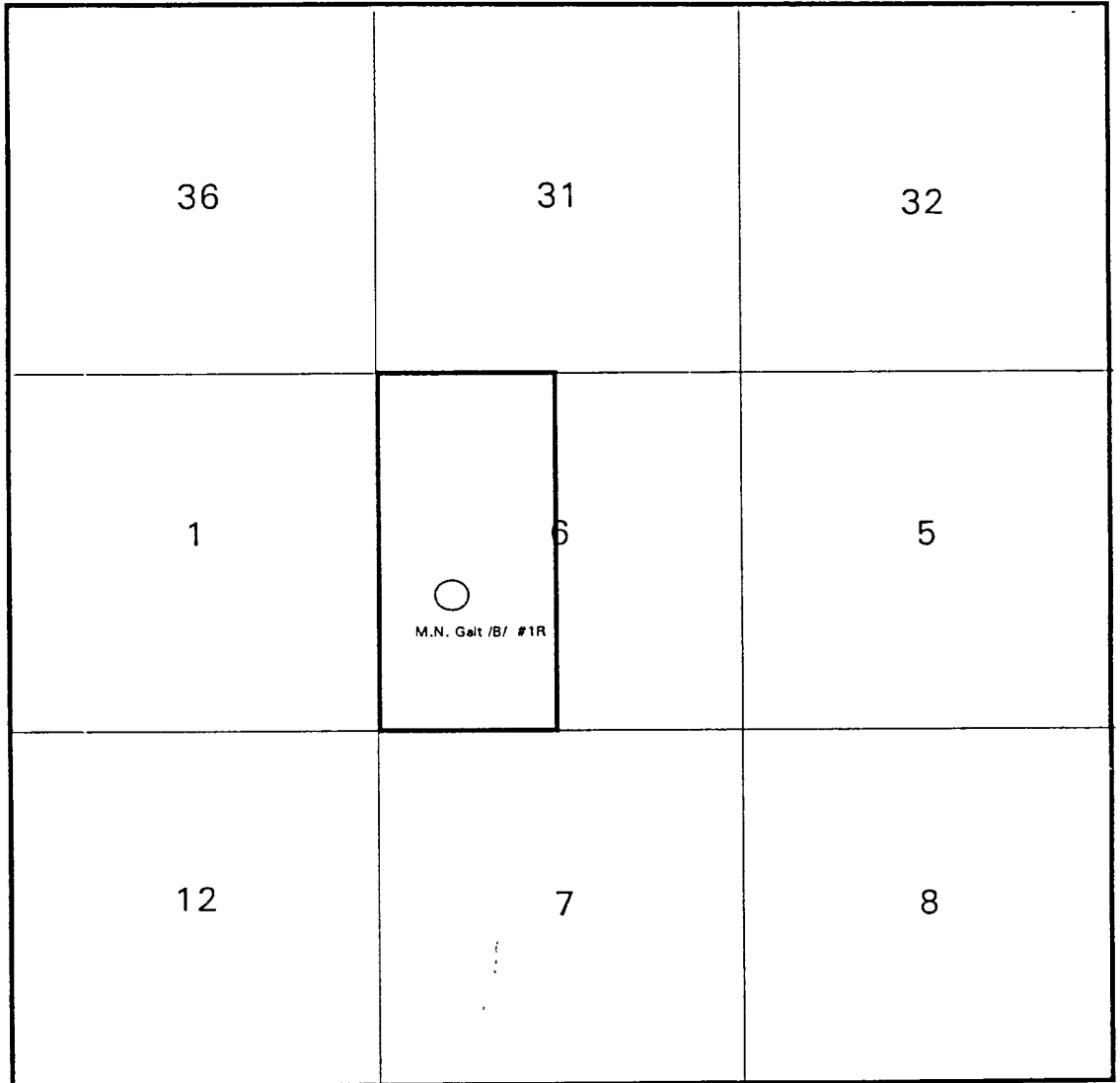
Amoco Production Company

M. N. Galt /B/ #1R

Township 27North - Range 10West

Section 6

Fruitland/Pictured Cliffs Formations



WIO

Amoco 100%

RI Owner

MMS .125000

ORRI Owners

Madeline Moore

Rodman G. Griscom III

BBL LTD

Petco Limited

Tom Galt

Fullerton Trust A & B

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240


DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator AMOCO PRODUCTION COMPANY			Lease M.N. Galt /B		Well No. #1P
Unit Letter L	Section 6	Township 27 NORTH	Range 10 WEST	County NMPM	SAN JUAN
Actual Footage Location of Well: 1740 feet from the SOUTH line and 1240 feet from the WEST line					
Ground level Elev. 5765	Producing Formation Fruitland Coal		Pool BASIN Fruitland Coal		Dedicated Acreage: 320 w/2 Acres 331.42 w/2
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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 interest, has been approved by the Division.</p>					

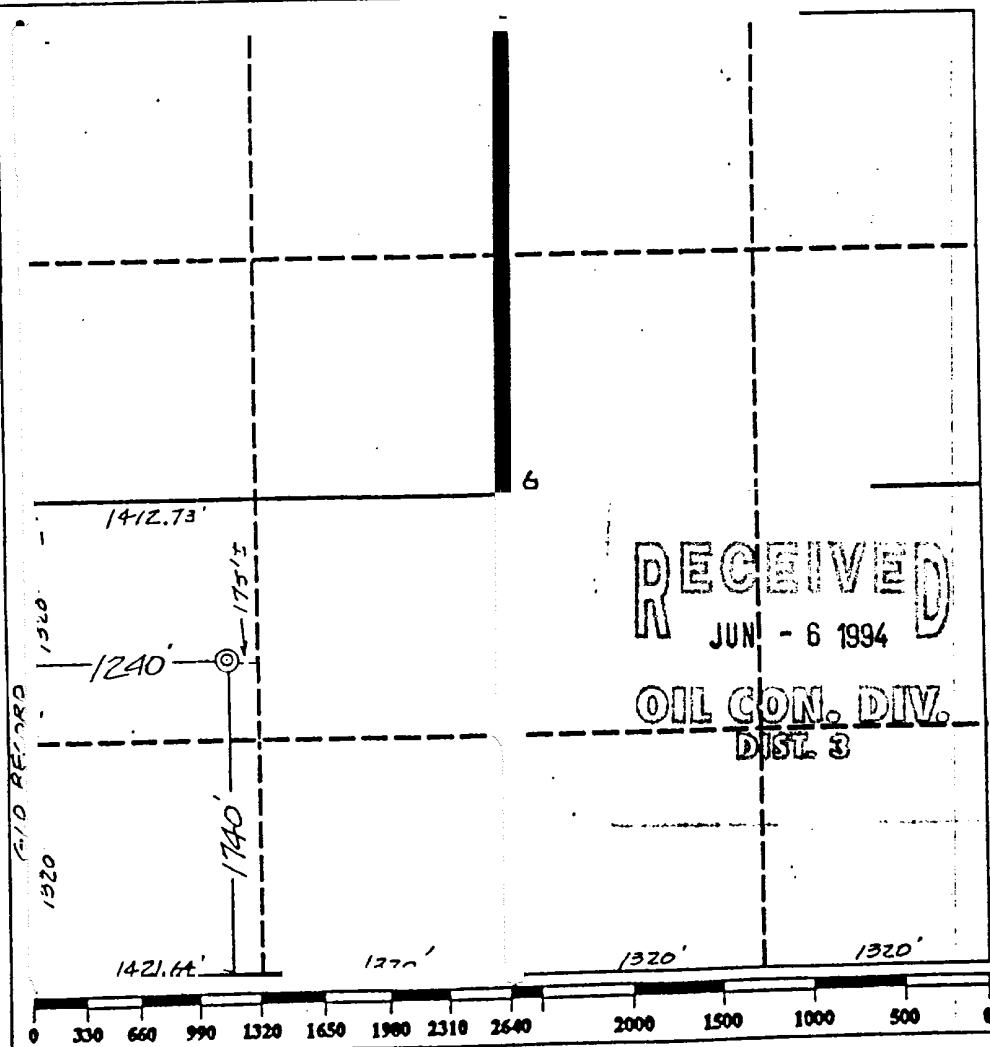
OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	
Printed Name	Julie L. Acevedo
Position	Senior Staff Assistant
Company	Comcast Production Company
Date	April 19, 1994

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
April 7, 1994

Signature & Seal of
Professional Surveyor

GARY D. VANN
NEW MEXICO
REGISTERED
7016
Vann
GARY
Certified
7016
PROFESSIONAL LAND SURVEYOR



Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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Unit Letter L	Section 6	Township 27 NORTH	Range 10 WEST	County NMPM SAN JUAN	
Actual Footage Location of Well: 1740 feet from the SOUTH line and 1240 feet from the WEST line					
Ground level Elev. 5965	Producing Formation Pictured Cliffs		Pool Fulcher Kutz Pictured Cliffs		Dedicated Acreage: 160 SW/4 Acres 165.89
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____ 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>					

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

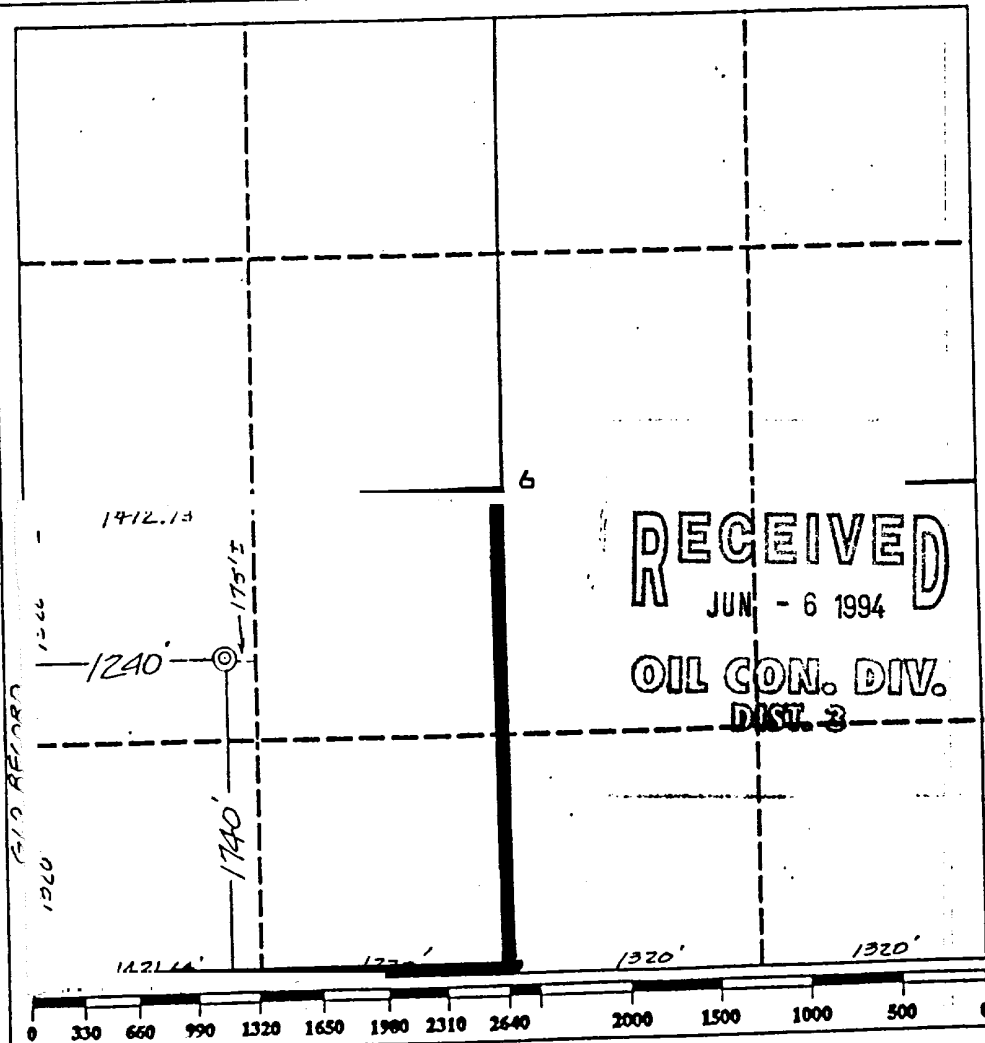
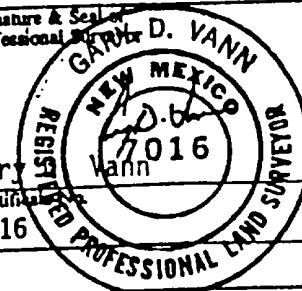
Signature *Julie L. Acevedo*
Printed Name **Julie L. Acevedo**
Position **Senior Staff Assistant**
Company **Amoco Production Company**
Date **April 19, 1994**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes or 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
April 7, 1994

Signature & Seal of Professional Surveyor
GARY D. VANN
7016
Gary
Certification
7016



Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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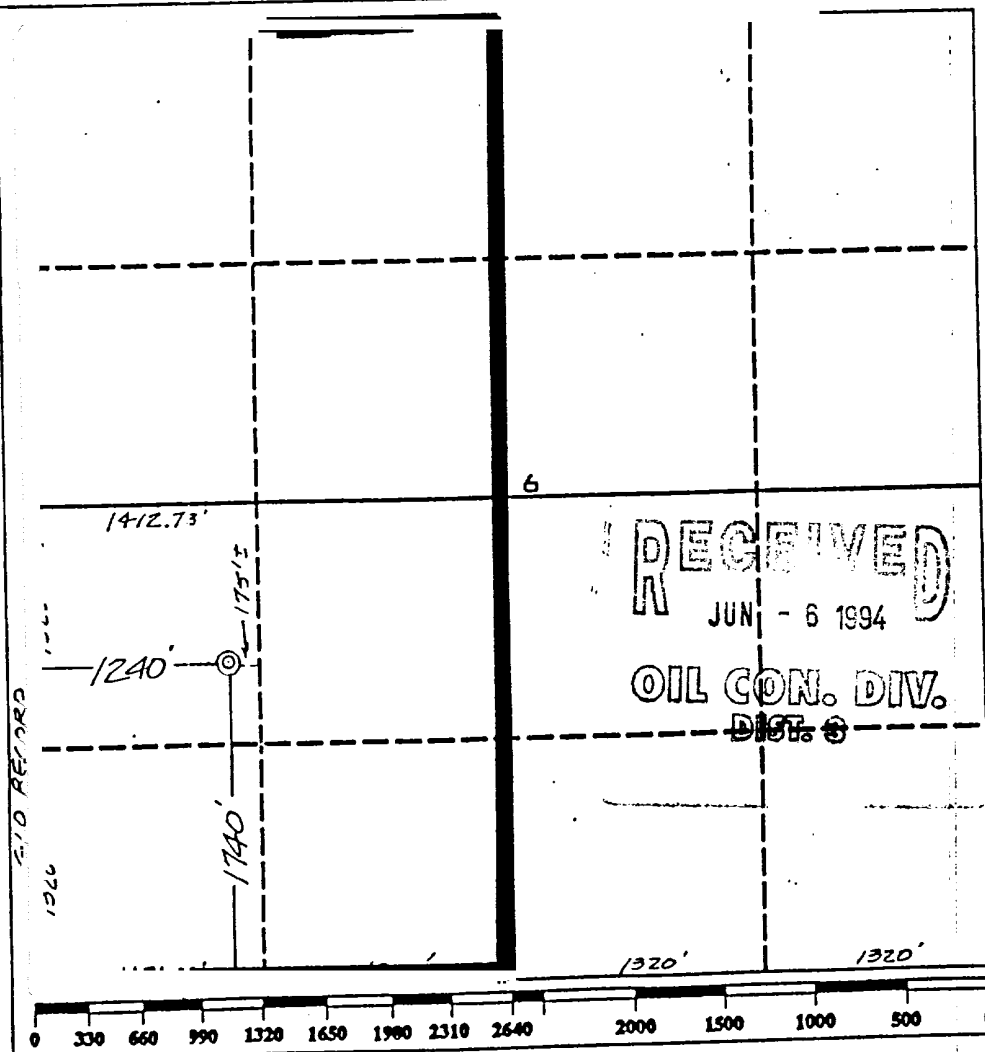
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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Actual Footage Location of Well: 1740 feet from the SOUTH line and 1240 feet from the WEST line					
Ground level Elev. 5965	Producing Formation Basin Dakota		Pool Basin Dakota		Dedicated Acreage: 320 w/2 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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☐ Yes ☐ No If answer is "yes" type of consolidation _____
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OPERATOR CERTIFICATION

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

Signature *Julie L. Acevedo*
Printed Name **Julie L. Acevedo**
Position **Senior Staff Assistant**
Company **Amoco Production Company**
Date **April 19, 1994**

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Gary Vann
Certified
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