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				USA-S Koch	F-013642 100%		I hereby certificate of surverse and correct to Sept.  Date of Surversignature and On	ly that the we com field notes my supervision to the best of m cember 2. Soal of Profe	il location of actual in. and the try belief.	shown on this plas surveys made by the same is true	

Correct it Go placed & set up the allocation

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7121

AD (L)

**CORRECTED** ADMINISTRATIVE ORDER DHC-1370

Koch Exploration Company P.O. Box 2256 Wichita, Kansas 67201-2256

Attention: Mr. Michael Scates

DECEIVED DEC 1 1 1996

OIL CON. DIV.

Blancett Com Well No.1 (API No.30-045-25575)
Unit G, Section 27, Township 32 North, Range 9 West, NMPM, San Juan County, New Mexico.
Blanco Pictured Cliffs (Gas - 72359) and
Blanco Mesaverde (Prorated Gas - 72319) Pools

Dear Mr. Scates:

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 multiple 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 subject zones is hereby placed in abeyance.

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.

Production from the subject well shall be allocated as follows:

Gas production from the Blanco Mesaverde Pool shall be determined utilizing the monthly production forecast submitted by the applicant as an attachment to the downhole commingling application. Gas production from the Blanco Pictured Cliffs Pool shall be determined by subtracting Blanco Mesaverde Pool production from the well's total monthly gas production.

Condensate production shall be allocated 100% to the Blanco Mesaverde Pool.

The allocation method established herein may be altered at some time subsequent to initiating downhole commingling operations upon request by the operator and for good cause shown.

## KKOCH

## KOCH EXPLORATION COMPANY

August 26, 1996

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505



OIL CON. DIV.

Re:

Federal Blancett Com #1

1,820 FNL, 1,740 FEL Sec. 27-T32N-R9W; San Juan County, NM

API# 30-045-25575

Dear Mr. LeMay:

Administrative approval is requested for downhole commingling the Blanco Mesaverde and the Blanco Pictured Cliffs pools in the subject well. The Federal Blancett Com #1 is currently producing from the Blanco Mesaverde over the interval 5,460' - 5,886.. Koch proposes to add Pictured Cliffs production over the interval 3,471 - 3,482.

The Pictured Cliffs zone in the Blancett Com #1 well was completed during December 1995. It was originally Koch's intent to complete the well as a dual Mesaverde/Pictured Cliffs well and produce the zones separately. However, because of the marginal nature of the Mesaverde zone Koch requests permission to commingle the Mesaverde and the Pictured Cliffs in this well. A plot of the production history from the Mesaverde is attached.

Ownership under the East half (E/2) is not common in that NM-013642 covering the NE/4NE/4, and the SE/4 is owned Koch 87.5% and BLM 12.5% and the fee lease covering the W/2NE/4, SE/4NE/4 has fourteen (14) owners under the royaly and overriding royalty interests, and the working interest is owned by Koch and Amoco Production Company. All owners have been notified by certified mail as to this application.

All offset operators, Meridian Oil, Inc. and Phillips Petroleum Company have received written notice of this application.

To comply with the New Mexico Oil Conservation Division rules, Koch is submitting the following attachments for your approval.

- 1. Form C-107-A, Application for Downhole Commingling.
- 2. Forms C-102 for each zone showing its spacing unit and acreage dedication.
- 3. A production curve showing the Blancett Com #1 Blanco Mesaverde production.