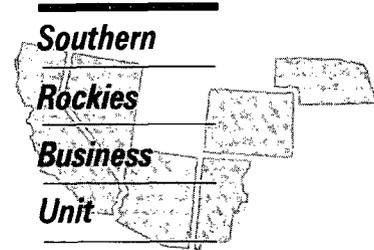


4-23-95



OIL CONSERVATION DIVISION
RECEIVED

'95 APR 3 PM 8 52



March 31, 1995

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

Application for Exception to Rule 303-A
Downhole Commingling
Storey "C" #2M Well
1890' FNL, 655' FWL, Section 35-T28N-R9W
Blanco Mesaverde and Basin Dakota and Otero Chacra Pools
San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval to downhole commingle production from the Blanco Mesaverde, Basin Dakota and Otero Chacra Pools in the Storey "C" #2M well referenced above. The Storey "C" #2M well was originally completed in the Dakota formation. We plan to recomplete the well to the Mesaverde and Chacra with all three zones open in the wellbore. The three zones are expected to produce at a total commingled rate of about 430 MCFD. 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 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. We plan to determine the stabilized rate from the Dakota formation prior to the recompletion of the Mesaverde and Chacra formations. To estimate the contribution from the Mesaverde and Chacra formations we have studied the surrounding initial producing rates and sustained production rates in all three formations in nearby wells. Based on those findings, we propose to allocate 20% of the production to the Dakota formation, 45% of the production to the Chacra formation and 35% of the production to the Mesaverde formation. 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 on a federal lease SF-077111. A copy of the application will be sent to the BLM requesting their consent.

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

Sincerely,



Pamela W. Staley

Enclosures

cc: Lara Kwartin
Gail Jefferson

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

Datota - 7322-7387

LIST OF ATTACHMENTS

Storey "C" #2M

- 1 List of offset operators and their addresses
- 2 9 section plat showing Dakota, Mesaverde, Chacra offset wells
- 3 Form C-102 for the Blanco Mesaverde formation
- 4 Form C-102 for the Basin Dakota formation
- 5 Form C-102 for the Otero Chacra formation
- 6 Pressure information for all three horizons
- 7 Historical production Curve for the Dakota formation
- 8 Recent production Curve for the Dakota formation

LIST OF ADDRESSES FOR OFFSET OPERATORS
Storey "C" #2M

- 1 Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87401

- 2 Texaco E&P, Inc.
P.O. Box 2100
Denver, CO 80201

- 3 Mobil Production Texas and New Mexico, Inc.
P.O. Box 2080
Dallas, Texas 75221-2080

- 4 Northwest Pipeline Corporation
P.O. Box 58900
Salt Lake, City, UT 84158-0900

- 5 El Paso Natural Gas
614 Reilly
P.O. Box 4990
Farmington, NM 87401

- 6 Conoco, Inc.
10 Desta Drive
Midland, TX 79705

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

1 API Number 30045 25322		2 Pool Code 72319		3 Pool Name Blanco MesaVerde	
4 Property Code 001138		5 Property Name Storey "C"			6 Well Number 2 M
7 OGRID No. 000778		8 Operator Name Amoco Production Company			9 Elevation 6778' GL

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
E	35	28 N	9 W	E	1890	North	655	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

12 Dedicated Acres 380	13 Joint or Infill thread to fill this	14 Consolidation Code at all times	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 1890' 655' 	RECEIVED JAN 11 1995 OIL CON. DIV. DIST. 3		17 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 Lois Raeburn Business Assistant	
			Title Business Assistant		Date 12 13 94	
			Date of Survey Aug. 13, 1981		Signature and Seal of Professional Surveyor: On File	
				Certificate Number 3950		

CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

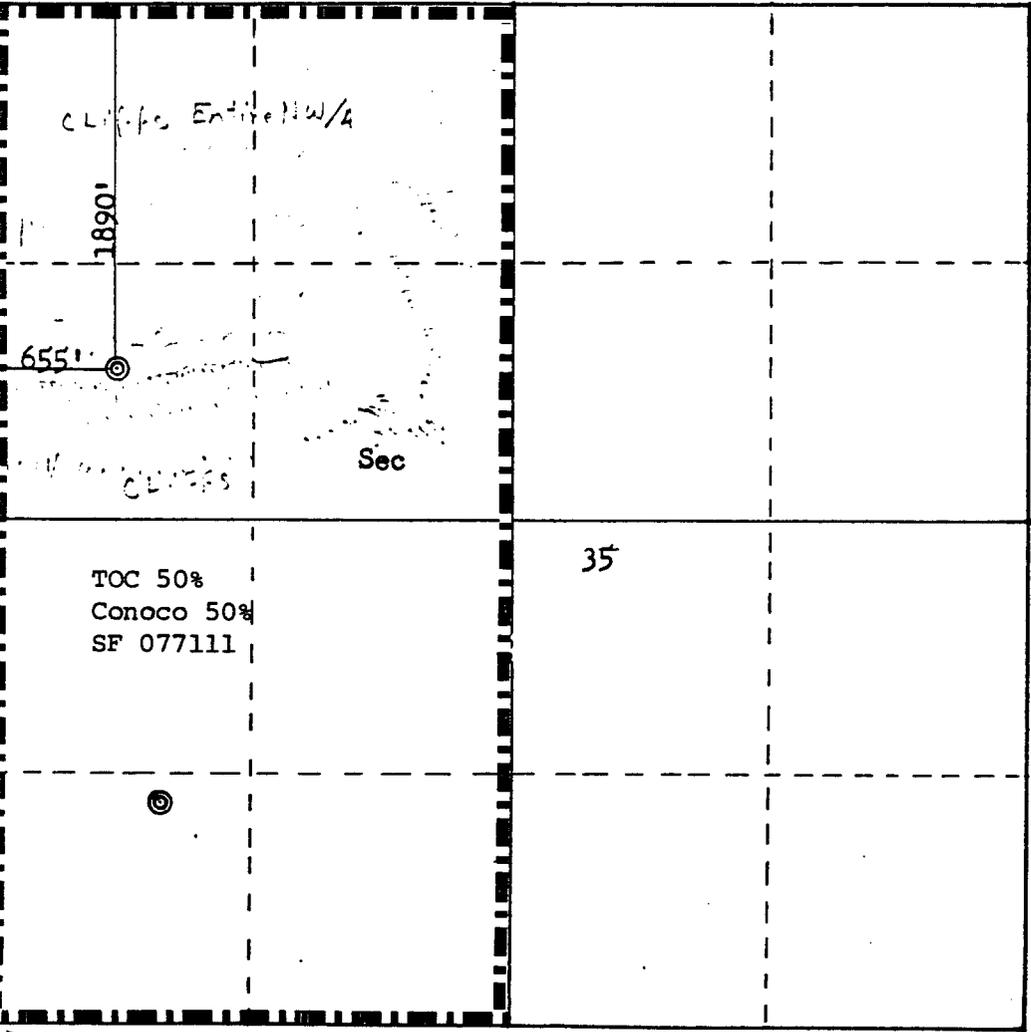
Operator Tenneco Oil Company		Lease Storey C		Well No. 2E
Unit Letter E	Section 35	Township 28N	Range 9W	County San Juan
Actual Footage Location of Well: 1890' feet from the North line and 655' feet from the West line				
Ground Level Elev. 6778	Producing Formation Dakota	Pool Basin Dakota	Dedicated 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 _____

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.

Don H. Morrison

Name	Don H. Morrison
Position	Production Analyst
Company	Tenneco Oil Company
Date	August 26, 1981

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	August 13, 1981
Registered Professional Engineer and Land Surveyor	<i>Fred B. Kerr Jr.</i> Fred B. Kerr Jr.
Certificate No.	3950

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer D10, 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

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 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
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30045 25322		2 Pool Code 82329		3 Pool Name Otero Chacra	
4 Property Code 001138		5 Property Name Storey "C"			6 Well Number 2 M
7 OGRID No. 000778		8 Operator Name AMOCO PRODUCTION COMPANY			9 Elevation 6778' GL

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
E	35	28 N	9 W	E	1890'	North	655'	West	San Juan

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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 1890' 655'						17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
						Signature <i>Lois Raeburn</i> Lois Raeburn Printed Name Business Assistant Title 2 / 08 / 95 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.
						Aug 13, 1981 Date of Survey Signature and Seal of Professional Surveyor: ON FILE 3950 Certificate Number

OFFSET WELL PRESSURES AND API GRAVITY INFORMATION

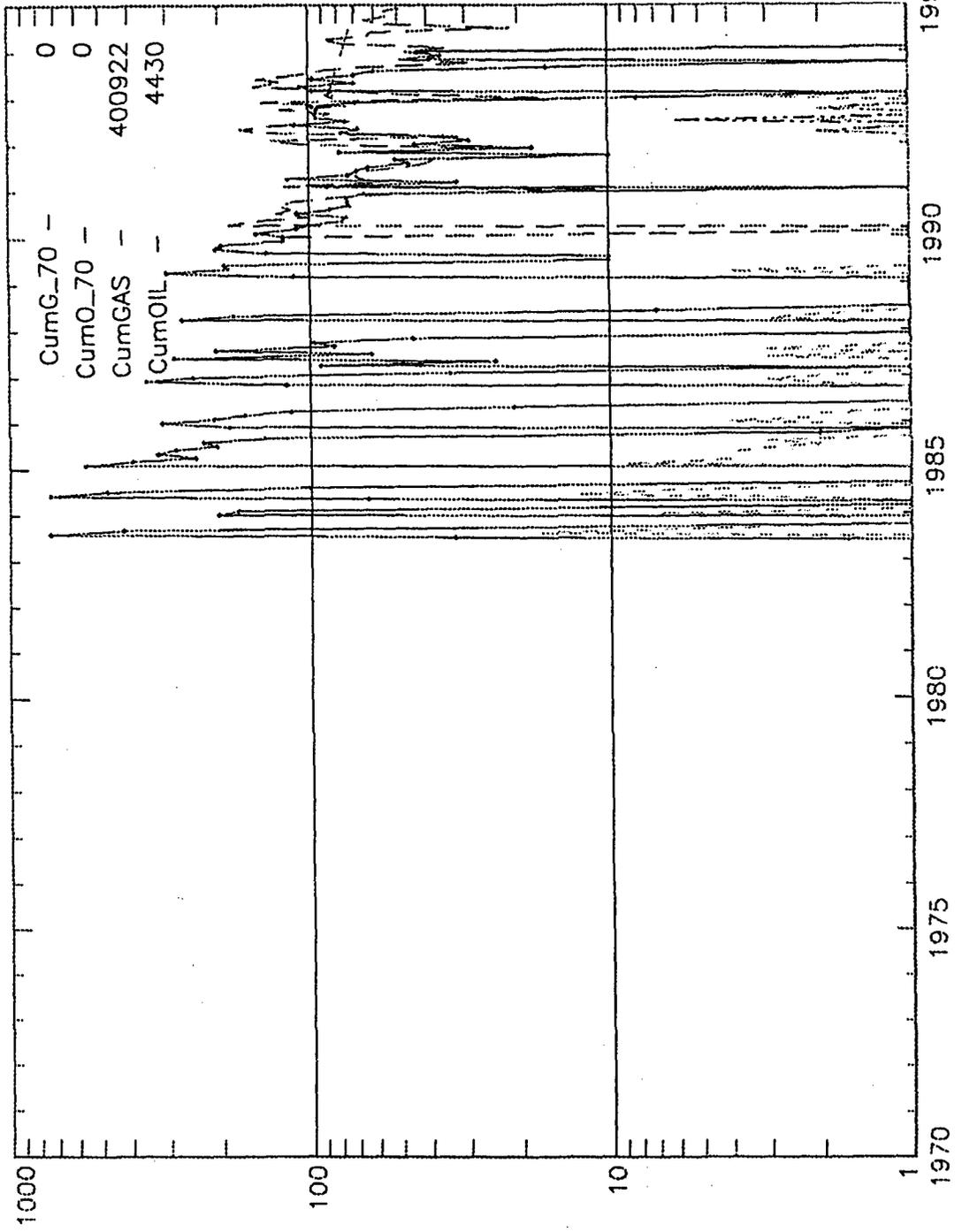
Storey "C" #2M

<u>WELLNAME</u>	<u>DAKOTA</u>	<u>PRESSURE (PSI)</u>			<u>API GRAVITY</u>
		<u>MESAVERDE</u>	<u>CHACRA</u>		
STOREY C 2E	320	----	----	51.0	
SCHWERDTFEGER A LS 11	----	267	----	57.0	
FLORANCE D LS 17	----	----	390	----	
BOLACK C LS 14A	----	----	439	51.2	

Engr: zr06

STOREY C 2E Operator-- AMOCO PRODUCTION (

300452532200DK E352809-002EDK APC_WI - 0.50000000



San Juan O.C.

WELL: STOREY C 002E-DK (97978001)
(Downtime excluded)

