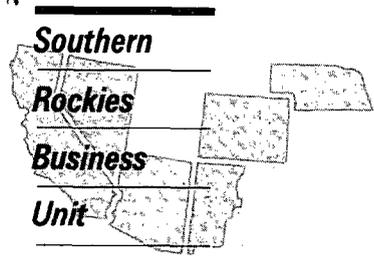


4-23-95

OIL CONSERVATION DIVISION
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'95 APR 23 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
Florance #67 Well
1135' FSL, 1850' FEL, Section 19-T27N-R8W
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 Florance #67 well referenced above. The Florance #67 well was originally completed in the Dakota formation. We plan to recomplate 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 415 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 10% of the production to the Dakota formation, 36% of the production to the Chacra formation and 54% 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 NM-03380. 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

LIST OF ATTACHMENTS

Florance #67

- 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
Florance #67

- 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 890391
Dallas, Texas 75389-0391
- 4 Southland Royalty Company
P.O. Box 840656
Dallas, Texas 75284
- 5 Turner Production Co.
4925 Greenville Ave.
One Energy Square Suite 852
Dallas, Texas 75206-4008

District I
 1930, 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 APT Number 30045 11822		2 Pool Code 72319		3 Pool Name Blanco Mesa Verde	
4 Property Code		5 Property Name Florance			6 Well Number # 67
7 OGRID No. 000778		8 Operator Name Amoco Production Company			9 Elevation 6078

10 Surface Location

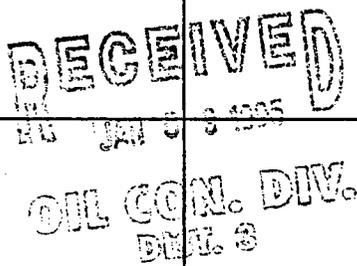
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	19	27 N	8 W	0	1135	South	1850	East	San Juan

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.
---------------------------	--------------------	-----------------------	--------------

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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Lois Raeburn Printed Name Business Assistant Title 12-14-94 Date	
					18 SURVEYOR CERTIFICATION <i>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.</i> 14 July 1966 Date of Survey Signature and Seal of Professional Surveyor: On File 2463 Certificate Number

**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. 67
Unit Letter 0	Section 19	Township 27 North	Range-- 8 W. st	County San Juan
Actual Footage Location of Well: 1135 feet from the South line and 1850 feet from the East line				
Ground Level Elev. 6078' ungraded	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: E/2 320 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 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.

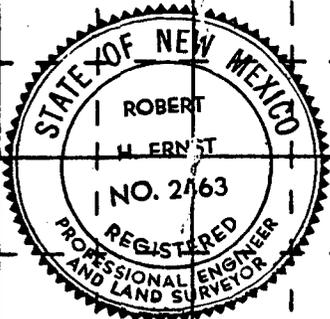
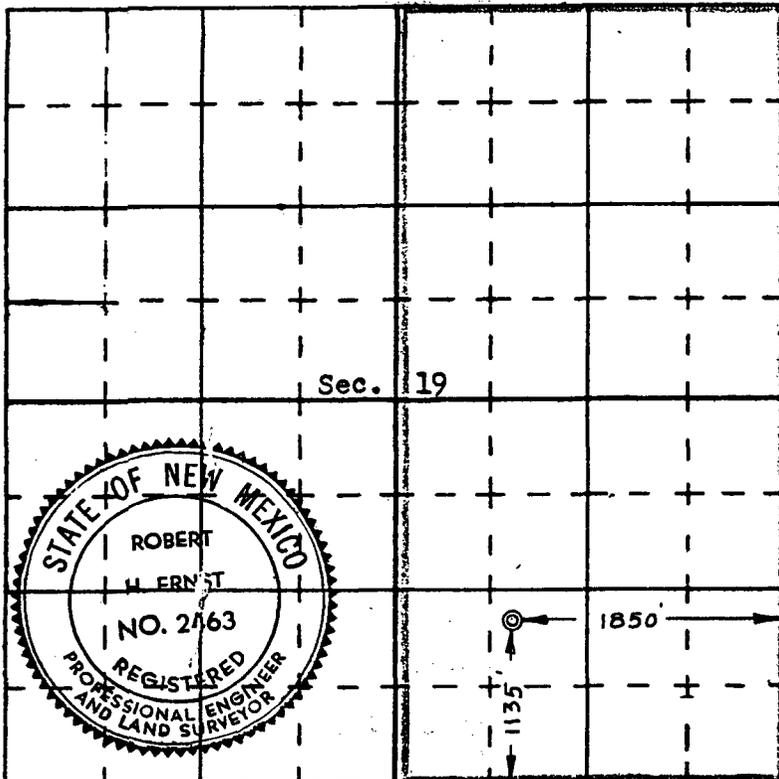
Harold C. Nichols

Name Harold C. Nichols
 Position Senior Production Clerk
 Company Tenneco Oil Company
 Date August 25, 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.

14 July 1966
 Date Surveyed
Robert H. Ernst
 Registered Professional Engineer
 and/or Land Surveyor
Robert H. Ernst
N. Mex. PE & LS 2463

Certificate No. _____



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

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 11822		2 Pool Code 82329		3 Pool Name Otero Chacra	
4 Property Code		5 Property Name FLORANCE			6 Well Number 67
7 OGRID No. 000778		8 Operator Name AMOCO PRODUCTION COMPANY			9 Elevation 6078

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
0	19	27 N	8W	0	1135	South	1850	East	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

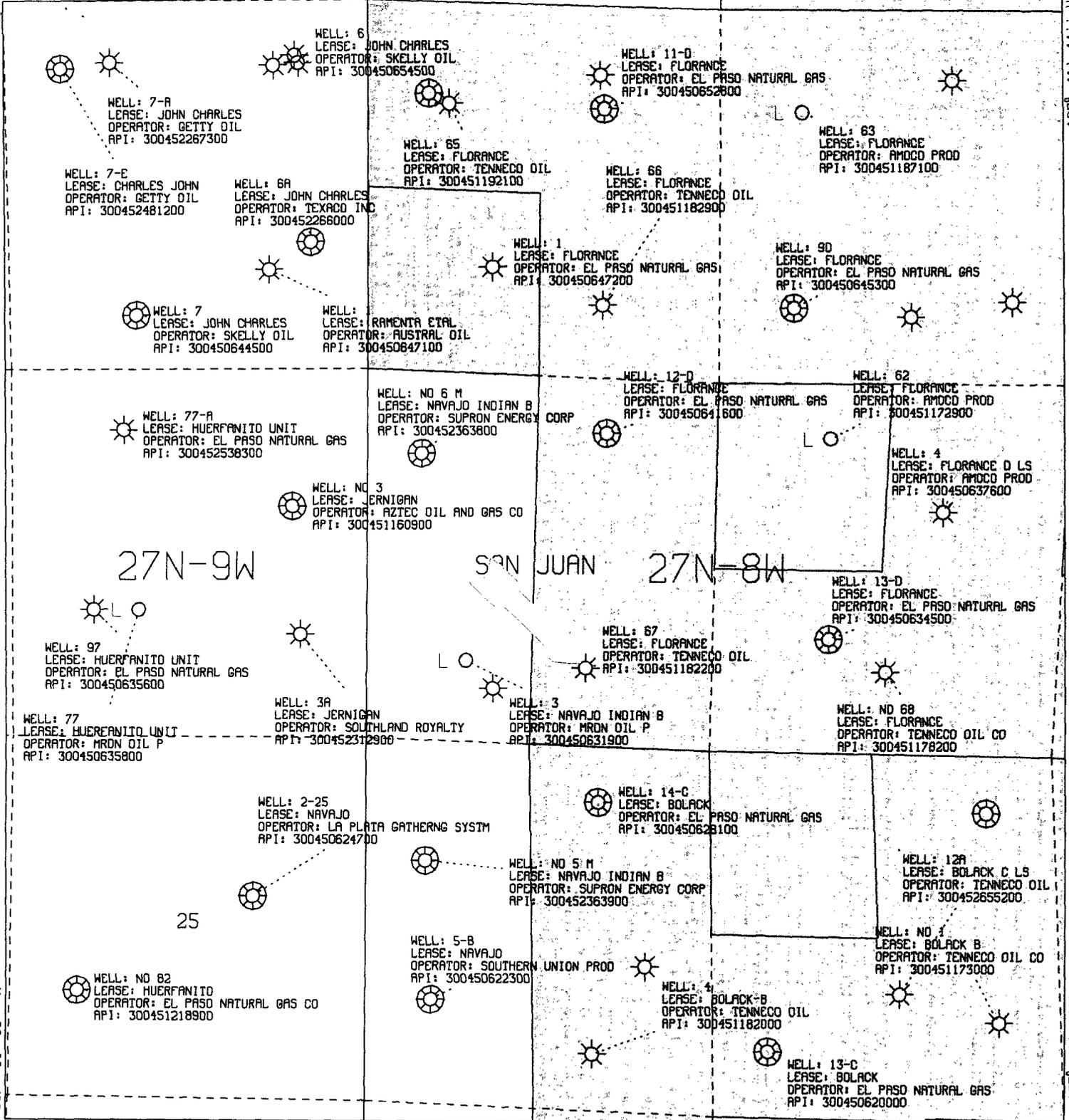
16				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>	
				Signature Lois Raeburn Printed Name Business Assistant Title 2 / 08 / 95 Date	
				18 SURVEYOR CERTIFICATION <i>I hereby certify that the well 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.</i>	
				Date of Survey 14 July 1966 Signature and Seal of Professional Surveyor: ON FILE 2463 Certificate Number	

13,287,356.15 FT. N
36° 34' 57" N

13,287,356.15 FT. N
36° 34' 57" N

992,240.88 FT. E
107° 44' 55" W

107° 41' 44" W
1,007,759.12 FT. E



992,236.41 FT. E
107° 44' 55" W

107° 41' 44" W
1,007,763.59 FT. E

36° 32' 16" N
13,271,071.60 FT. N

36° 32' 16" N
13,271,071.60 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

FLORANCE 67
DK MV CK WELLS

SCALE 1 IN. = 2,000 FT. JAN 11, 1995

POLYCONIC CENTRAL MERIDIAN - 107° 43' 20" W LON
SPHEROID - 6

OFFSET WELL PRESSURES AND API GRAVITY INFORMATION

Florance #67

<u>WELLNAME</u>	<u>DAKOTA</u>	<u>PRESSURE (PSI)</u>		<u>API GRAVITY</u>
		<u>MESAVERDE</u>	<u>CHACRA</u>	
FLORANCE 67	320	----	----	51.0
FLORANCE D LS 13	----	383	----	59.5
FLORANCE D LS 9	----	242	----	60.0
FLORANCE D LS 17	----	----	390	----
BOLACK C LS 14A	----	----	439	51.2

Engr: zrar06

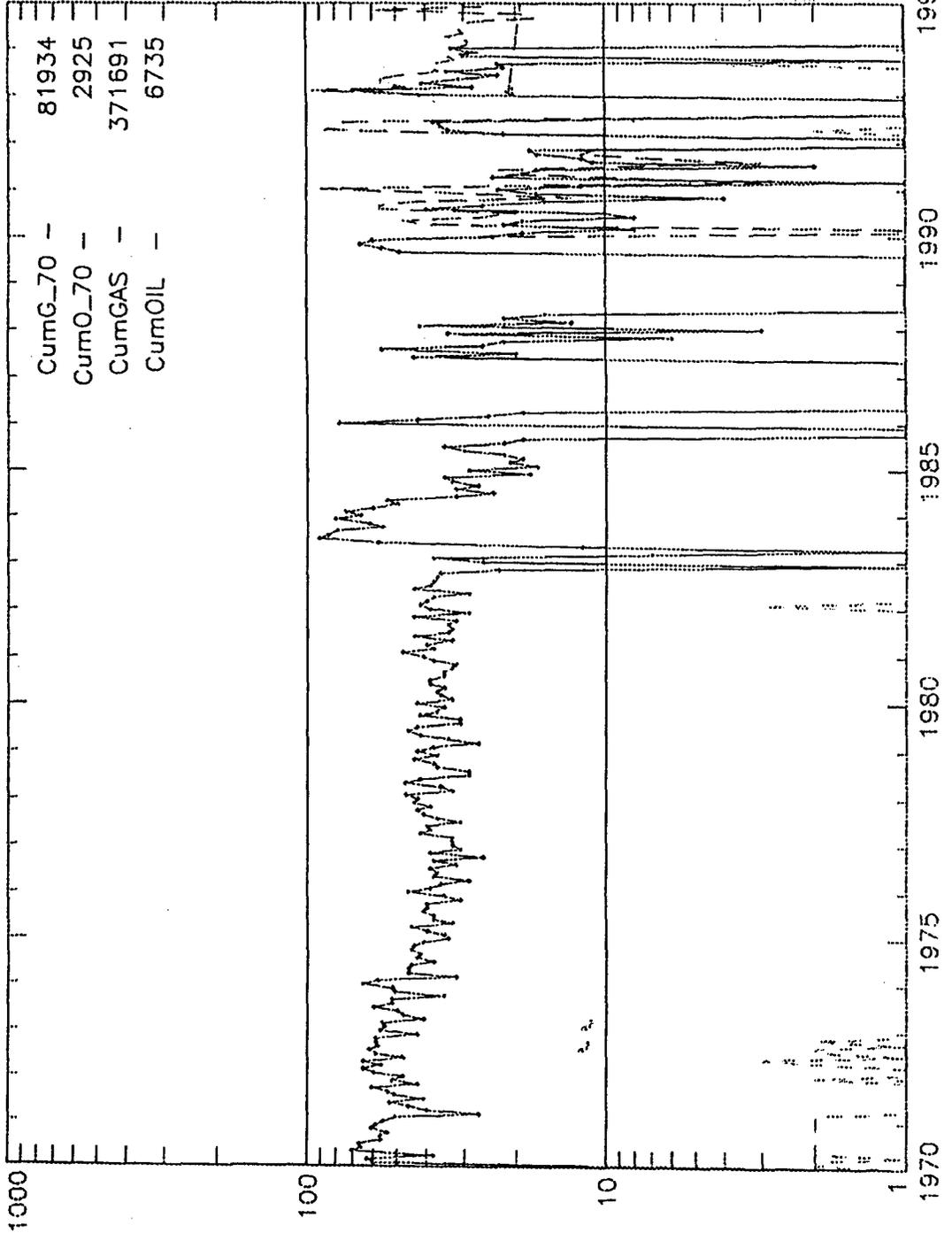
FLORANCE 67

Operator- AMOCO PRODUCTION CO

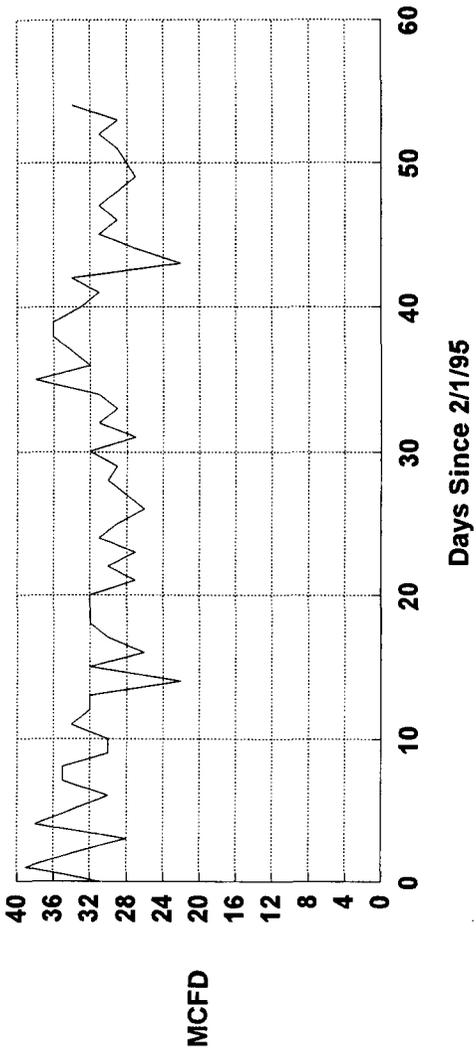
300451182200DK 0192708-067 DK

APC_WI - 0.50000000

CumG_70 -	81934
CumO_70 -	2925
CumGAS -	371691
CumOIL -	6735



San Juan O.C.
WELL: FLORANCE 067-DK (97900801)
(Downtime excluded)





STATE OF NEW MEXICO

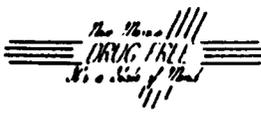
ENERGY, MINERALS and NATURAL RESOURCES DIVISION

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

DHC-1129

OIL CONSERVATION DIVISION
RECEIVED

APR 11 PM 8 52



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Date: 4/10/95

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

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

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

Gentlemen:

I have examined the application received on 4/3/95
for the Amos Slavane #67
OPERATOR LEASE & WELL NO.

0-19-27N-8W and my recommendations are as follows:
UL-S-T-R

Approve after review of bottom hole pressures.
Allocation should be made on the basis of
production.

Yours truly
[Signature]