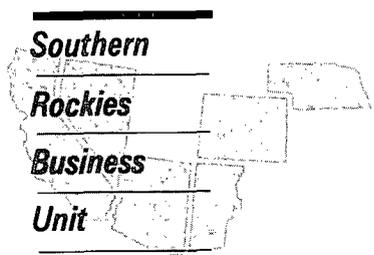


DHC

6/27/96  
1310



June 3, 1996

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

RECEIVED  
JUN - 7 1996  
Oil Conservation Division

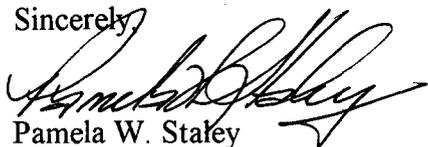
Casing Repair and Application for Exception to Rule 303-C  
Downhole Commingling  
Tapp LS #3 Well  
Unit L Section 15-T28N-R8W  
Blanco Mesaverde and South Blanco Pictured Cliffs Pools  
San Juan County, New Mexico

The captioned well has recently showed pressure during a routine bradenhead test and we suspect a casing leak. We would like to repair this suspected casing leak as soon as possible. In addition, we were planning to downhole commingle this well in the future and since we will need to move a rig on the well to do the necessary casing repairs, we would like to do the commingling work at the same time. We request temporary approval to produce this well as a commingled well following remedial work unless objection is filed or the well is found to not qualify under Rule 303. If those situations were to arise, we would immediately shut-in the well upon your request pending the resolution of the objection or disqualification.

Enclosed please find an administrative application form (C-107-A) and attachments for downhole commingling for the well. By copy of this application by certified mail, return receipt requested, Amoco is notifying all offset operators in the formations captioned above as well as all affected interest owners if the ownership of those formations is not common. The Division Director may approve the proposed downhole commingling in the absence of a valid objection from any offset operator or any interest owner in those instances where ownership is not common in the zones to be commingled within 20 days after the receipt of the application if, in his opinion, waste will not result thereby, and correlative rights will not be violated.

Please advise at your earliest convenience concerning this matter. I may be contacted at (303) 830-5344.

Sincerely,



Pamela W. Staley

Enclosures

cc: Mark Rothenberg  
Patty Haefele  
Wellfile  
Proration file

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

**OIL CONSERVATION DIVISION**

APPROVAL PROCESS:

DISTRICT II  
811 South First St., Artesia, NM 88210-2835

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

Administrative  Hearing

DISTRICT III  
1000 Rio Brazos Rd. Aztec, NM 87410-1693

**APPLICATION FOR DOWNHOLE COMMINGLING**

EXISTING WELLBORE  
 YES  NO

Amoco Production Company

P.O. Box 800 Denver, CO 80201

Operator  
Tapp LS

3

Address  
L-15-28N-8W

San Juan

Lease

Well No.

Unit Ltr. - Sec Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 0001161 API NO. 3004507425 Federal  State  (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	SOUTH BLANCO PICTURED CLIFFS 72439		BLANCO MESAVERDE 72319
2. Top and Bottom of Pay Section (Perforations)	2316 - 2406'		3976' - 4650'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure	(Current) 550 PSI	a.	a. 600 PSI
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current	(Original) 1150 PSI	b.	b. 1240 PSI
All Gas Zones: Estimated or Measured Original			
6. Oil Gravity (° API) or Gas BTU Content	1203 BTU		1225 BTU / 49 DEG API
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		NO
• If Shut-In, give data and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: 6/94* 30 MCFD 0 BCPD 0 BWPD	Date: Rates:	Date: Rates: 5/96 110 MCFD 1 BCPD 0.17 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 21 %	Oil: % Gas %	Oil: 100 % Gas 79 %

\* NOTE: THIS PRODUCTION RATE WAS USED AS WE BELIEVE IT TO BE THE MOST RELIABLE DATA ON WHICH TO BASE ALLOCATIONS PRIOR TO THE CASING LEAK.

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones?  Yes  No  
If not, have all working, overriding, and royalty interests been notified by certified mail?  Yes  No  
Have all offset operators been given written notice of the proposed downhole commingling?  Yes  No

11. Will cross-flow occur?  Yes  No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable.  Yes  No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other?  Yes  No

13. Will the value of production be decreased by commingling?  Yes  No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application.  Yes  No SF-078499

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) \_\_\_\_\_

16. ATTACHMENTS:

- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- \* Production curve for each zone for at least one year. (If not available, attach explanation.)
- \* For zones with no production history, estimated production rates and supporting data.
- \* Data to support allocation method or formula.
- \* Notification list of all offset operators.
- \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE *Pamela W. Staley* TITLE REGULATORY AFFAIRS REP DATE 5/30/96  
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. ( 303 ) 830-5344

Well Location and Acreage Dedication Plat

Date **JANUARY 31, 1958**

Section A.

Operator **EL PASO NATURAL GAS COMPANY** Lease **TAPP** SF **078499**  
 Well No. **3 (PM)** Unit Letter **L** Section **15** Township **28 N** Range **8 W** NMPM  
 Located **1650** Feet From **SOUTH** Line **990** Feet From **WEST** Line  
 County **SAN JUAN** G. L. Elevation **5839** Dedicated Acreage **320 & 160** Acres  
 Name of Producing Formation **MESA VERDE & PICTURED CLIFF** Pool **BLANCO MV - AZTEC PC EXT.**

1. Is the  Operator the only owner in the dedicated acreage outlined on the plat below?  
 Yes  No
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes  No . If answer is "yes", Type of Consolidation.
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner	Land Description
-------	------------------

**RECEIVED**  
 MAR 4 1958  
 U. S. OFFICE  
 FARMINGTON, NEW MEXICO

Section B.

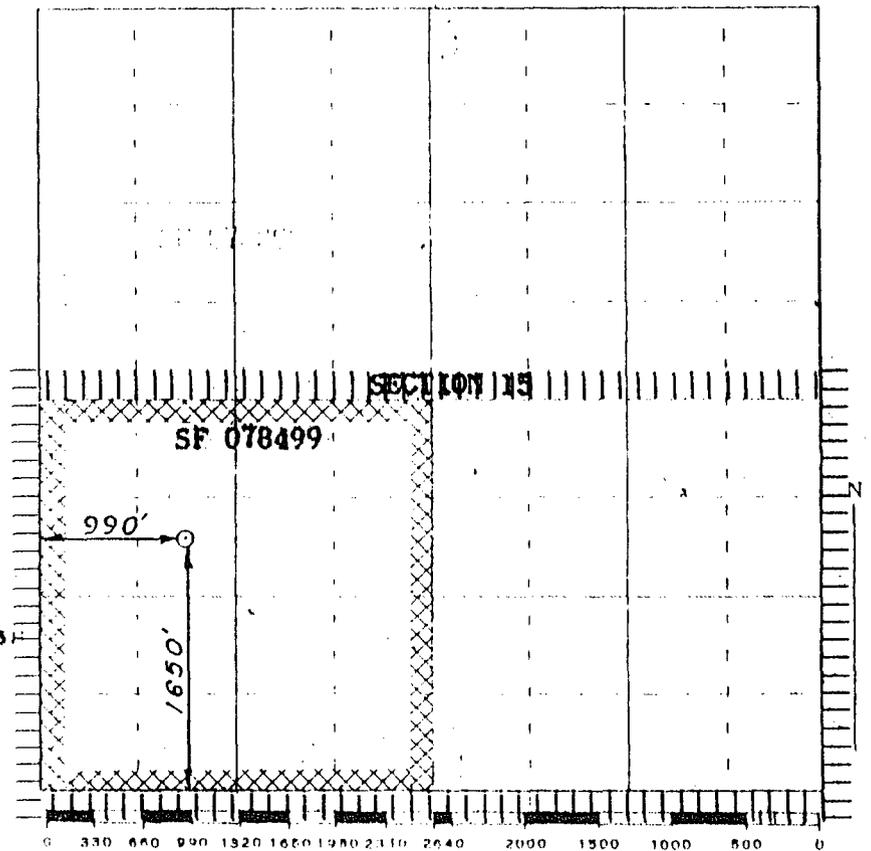
Note: All distances must be from outer boundaries of section.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.  
**El Paso Natural Gas Company**

(Operator)

**ORIGINAL SIGNED H.E. McANALLY**  
**Box 997 (Representative)**

**Farmington, New Mexico**



**NOTE.**  
**THIS PLAT REISSUED TO SHOW**  
**CORRECTED DEDICATION 2 20 58**

Scale 4 inches equal 1 mile

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

(Seal)

Date Surveyed **OCTOBER 23, 1957**

*David O. Kilven*  
 Registered Professional Engineer

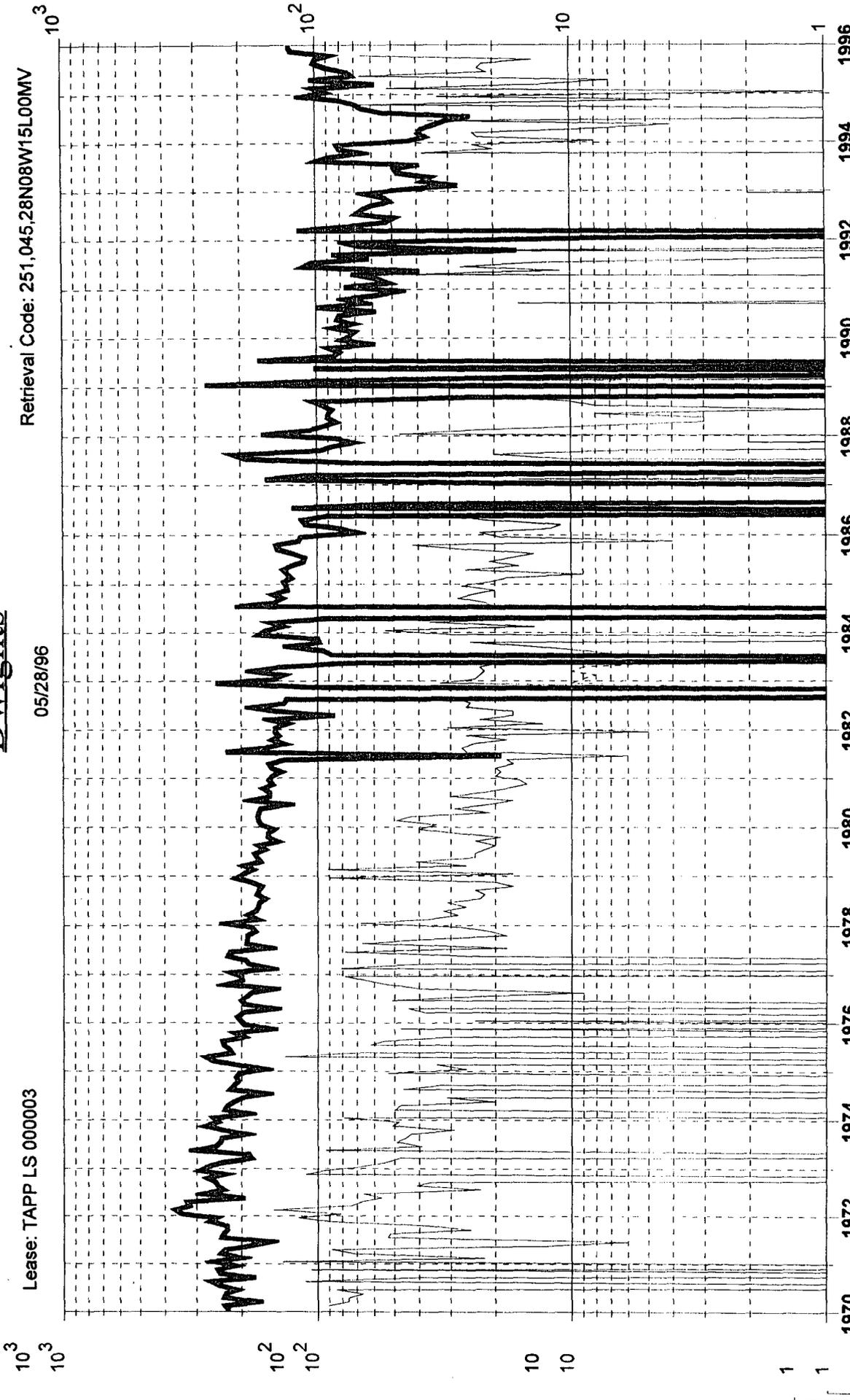
Farmington, New Mexico

# Dwights

Lease: TAPP LS 000003

05/28/96

Retrieval Code: 251,045,28N08W15L00MV



Oil (bbl/mo) —

Water (bbl/mo) - - -

Gas (mcf/day) - - -

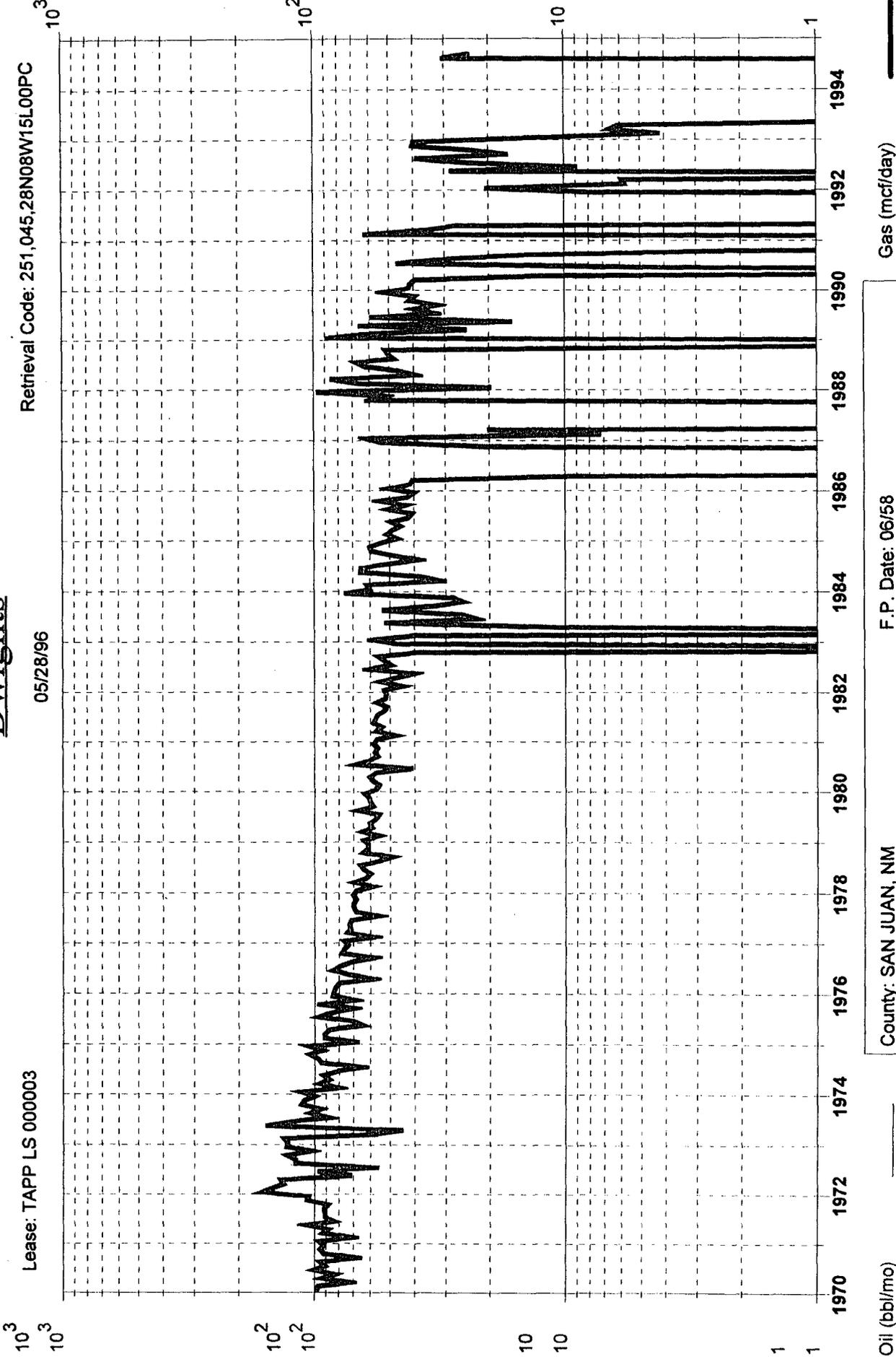
County: SAN JUAN, NM	F.P. Date: 06/58
Field: BLANCO (MESAVERDE) MV	Oil Cum: 13.76 mbbbl
Reservoir: MESAVERDE	Gas Cum: 2281 mmcf
Operator: AMOCO PRODUCTION CO	Location: 15L 28N 8W

# Dwights

Lease: TAPP LS 000003

05/28/96

Retrieval Code: 251,045,28N08W15L00PC



Oil (bbl/mo) ———  
Water (bbl/mo) - - - - -

Gas (mcf/day) ———

County: SAN JUAN, NM	F. P. Date: 06/58
Field: BLANCO SOUTH (PICTURE CLIFFS) PC	Oil Cum: 0 bbl
Reservoir: PICTURE CLIFFS	Gas Cum: 962.0 mmcf
Operator: AMOCO PRODUCTION CO	Location: 15L 28N 8W

**LIST OF OFFSET OPERATORS**  
**Tapp LS #3**

Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499