



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

**OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131**

ADMINISTRATIVE ORDER DHC-1385

Amoco Production Company
P.O. Box 800
Denver, Colorado 80201-0800

Attention: Ms. Pamela Staley

*Martin Gas Com 'B' Well No.1E (API No.30-045-24880)
Unit P , Section 31, Township 28 North, Range 10 West, NMPM,
San Juan County, New Mexico.
Fulcher Kutz Pictured Cliffs (Gas - 77200) and
Basin Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Staley:

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 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.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Fulcher Kutz Pictured Cliffs Pool	Oil 0%	Gas 55%
Basin Dakota Pool	Oil 100%	Gas 45%

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

Administrative Order DHC-1385

Amoco Production Company

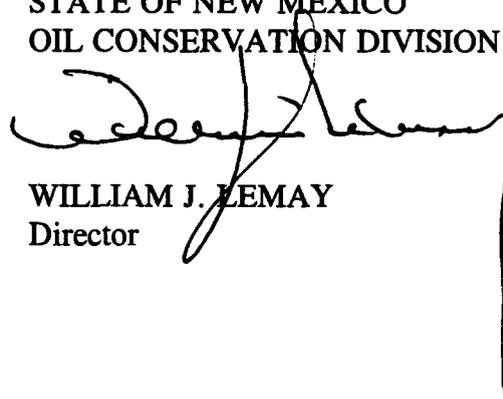
October 28, 1996

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Pursuant to Rule 303.H., the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 28th day of October, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name and title. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the name.

WILLIAM J. LEMAY
Director

SEAL

WJL/BES

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

DHC-1385



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

October 16, 1996

IN REPLY REFER TO:
SF-077315 (WF)
3162.7-3 (07327)

Ms. Pamela W. Staley
Amoco Production Company
P.O. Box 800
Denver, CO 80201

RE: Downhole Commingling Application
Communitization Agreements SCR-380PC),SW-234(DK)
No. 1E Martin Gas Com "B"
1120' FSL & 1120' FEL, Sec.31, T28N, R10W.
San Juan County, New Mexico

Dear Ms. Staley:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated September 20, 1996, for downhole commingling of the Fulcher Kutz Pictured Cliffs and Basin Dakota Pools in the above referenced well.

The Dakota formation is producing 66 MCFD and .3 BCPD with a BTU value of 1258, and the Pictured Cliffs is producing 80 MCFD and 0 BCPD with a BTU value of 1228. Corrected bottom hole pressures are 229 psi for the Pictured Cliffs and 456 psi for the Dakota. Using these values, the fixed percentage for allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Pictured Cliffs	55%	0%
Basin Dakota	45%	100%

Approval to downhole commingle the Pictured Cliffs and Basin Dakota formations for the above referenced well is hereby granted.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

/s/ Duane W. Spencer

Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Santa Fe ✓