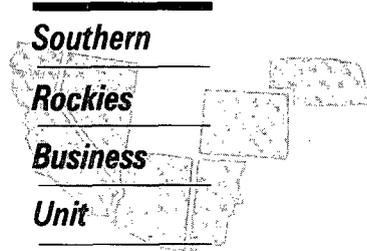
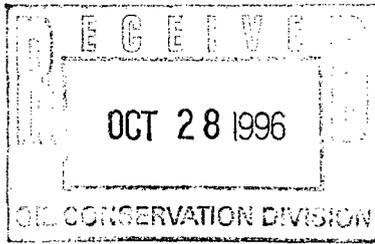


DHC 11/18/96



1408

October 22, 1996

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  
Bolack B LS #3 Well  
Unit N Section 33-T28N-R8W  
South Blanco Pictured Cliffs and Blanco Mesaverde Pools  
San Juan County, New Mexico**

Enclosed please find an administrative application form (C-107-A) and attachments for downhole commingling for the captioned 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.

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

Sincerely,

Pamela W. Staley

Enclosures

cc: Mark Rothenberg  
Pat Archuleta  
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  
BOLACK B LS

3

Address  
N-33-28N-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 000326 API NO. 3004506946 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)	2176' - 2207'		3605' - 4596'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated or Measured Original	a. (Current) 300 PSI	a.	a. 450 PSI
	b. (Original) 925 PSI	b.	b. 1200 PSI
6. Oil Gravity ( $^{\circ}$ API) or Gas BTU Content	1121 BTU		1299 BTU / 49 DEG API
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		YES
• If Shut-In, give data and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: Rates:	Date: Rates:	Date: Rates:
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: 8/1/96 - 831/96 36 MCFD 0 BCPD 0 BWPD	Date: Rates:	Date: Rates: 8/1-31/96 68 MCFD 0.5 BCPD 0.5 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 35 %	Oil: % Gas %	Oil: 100 % Gas 65 %

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 NM-012202

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 ENGR DATE 10/22/96

TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. ( 303 ) 830-5344

Well Location and Acreage Dedication Plat

Section A.

Date MARCH 21, 1958

Operator EL PASO NATURAL GAS COMPANY Lease BOLACK NM 012202  
 Well No. 3-B(PM) Unit Letter N Section 33 Township 28-N Range 8-W NMPM  
 Located 790 Feet From SOUTH Line, 2200 Feet From WEST Line  
 County SAN JUAN G. L. Elevation 5905 Dedicated Acreage 295.36 & 147.18 Acres  
 Name of Producing Formation MESA VERDE & PICTURED CLIFF Pool BLANCO MV & SO. BLANCO PC EXT.

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?  
 Yes XX 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 26 1958  
 U. S. GEOLOGICAL SURVEY  
 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.

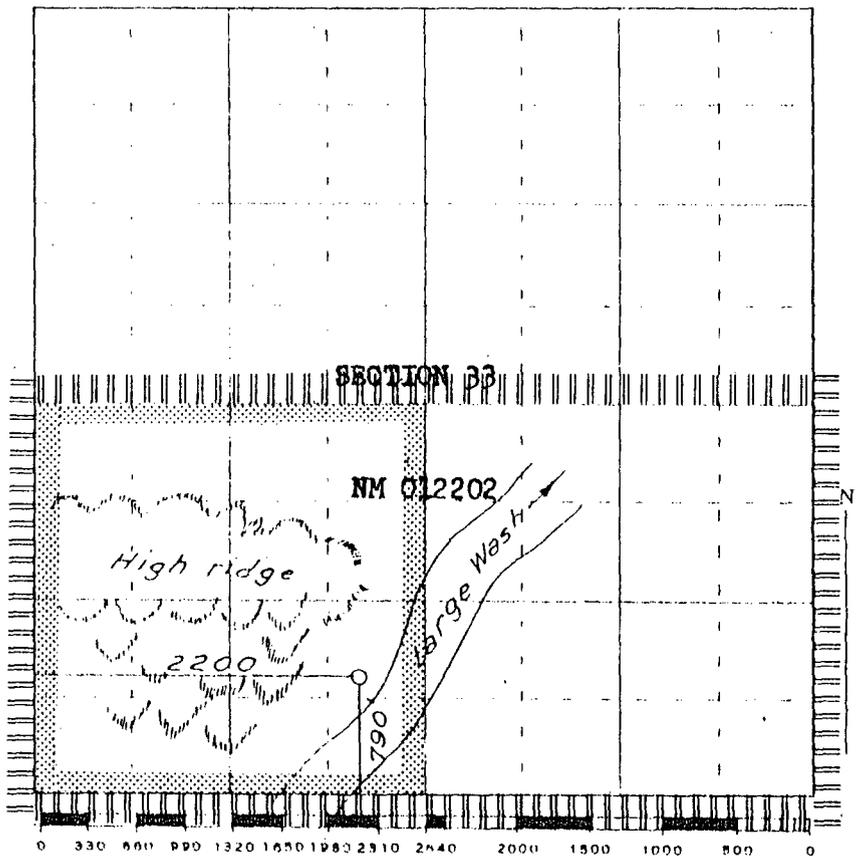
El Paso Natural Gas Company  
(Operator)

Original Signed D. C. Johnson  
(Representative)

Box 997  
(Address)

Farmington, New Mexico

**NOTE: THIS PLAT IS RE-ISSUED TO SHOW CORRECT MESA VERDE DEDICATION. 3 21 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)

Farmington, New Mexico

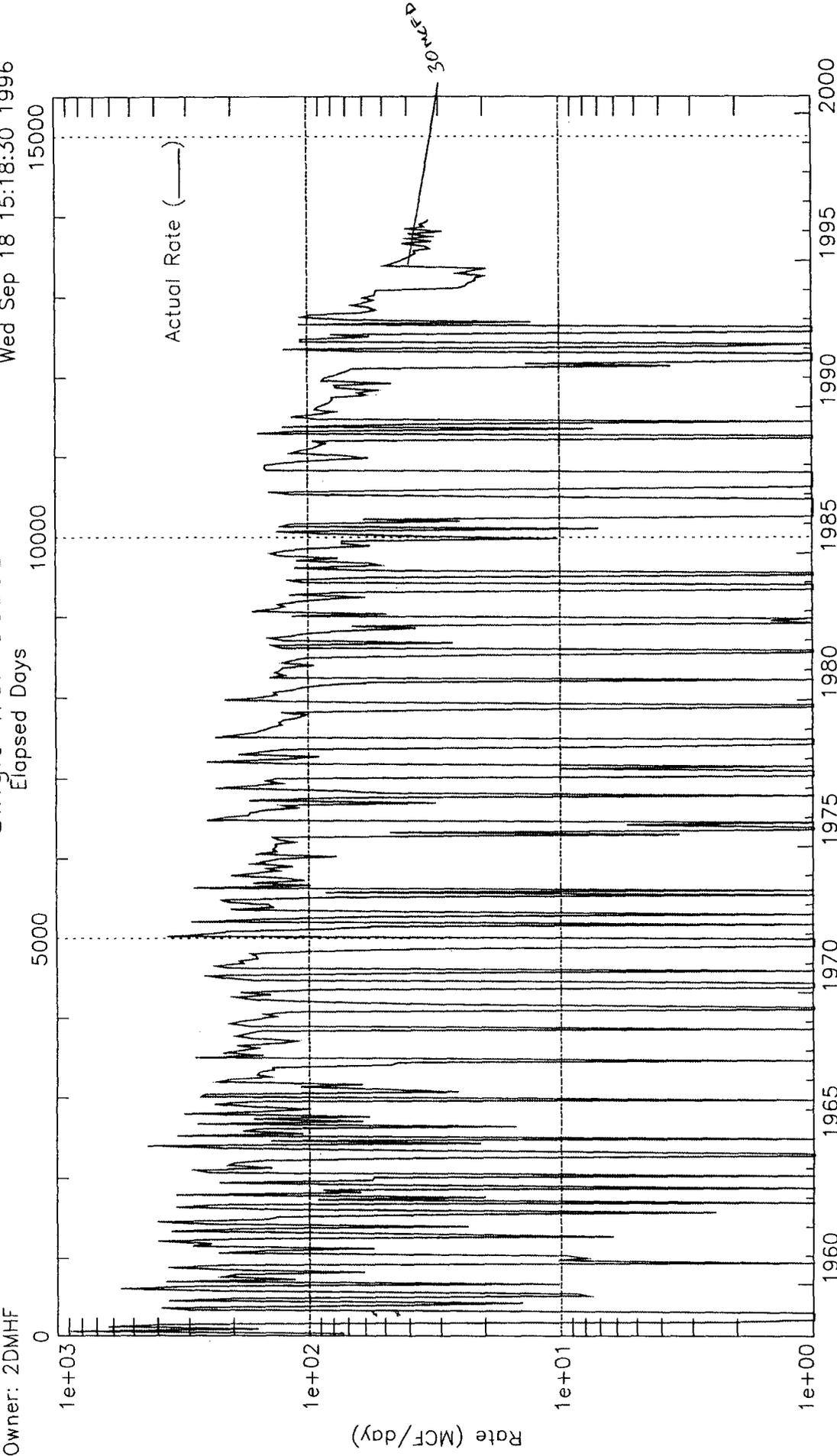
Date Surveyed MARCH 14, 1957

E. O. Walker  
Registered Professional Engineer and/or Land Surveyor

User: zmdr16  
Owner: 2DMHF

# Single Well Gas3D

Description,1  
Wed Sep 18 15:18:30 1996



Cum Gas= 1446.60 MMCF

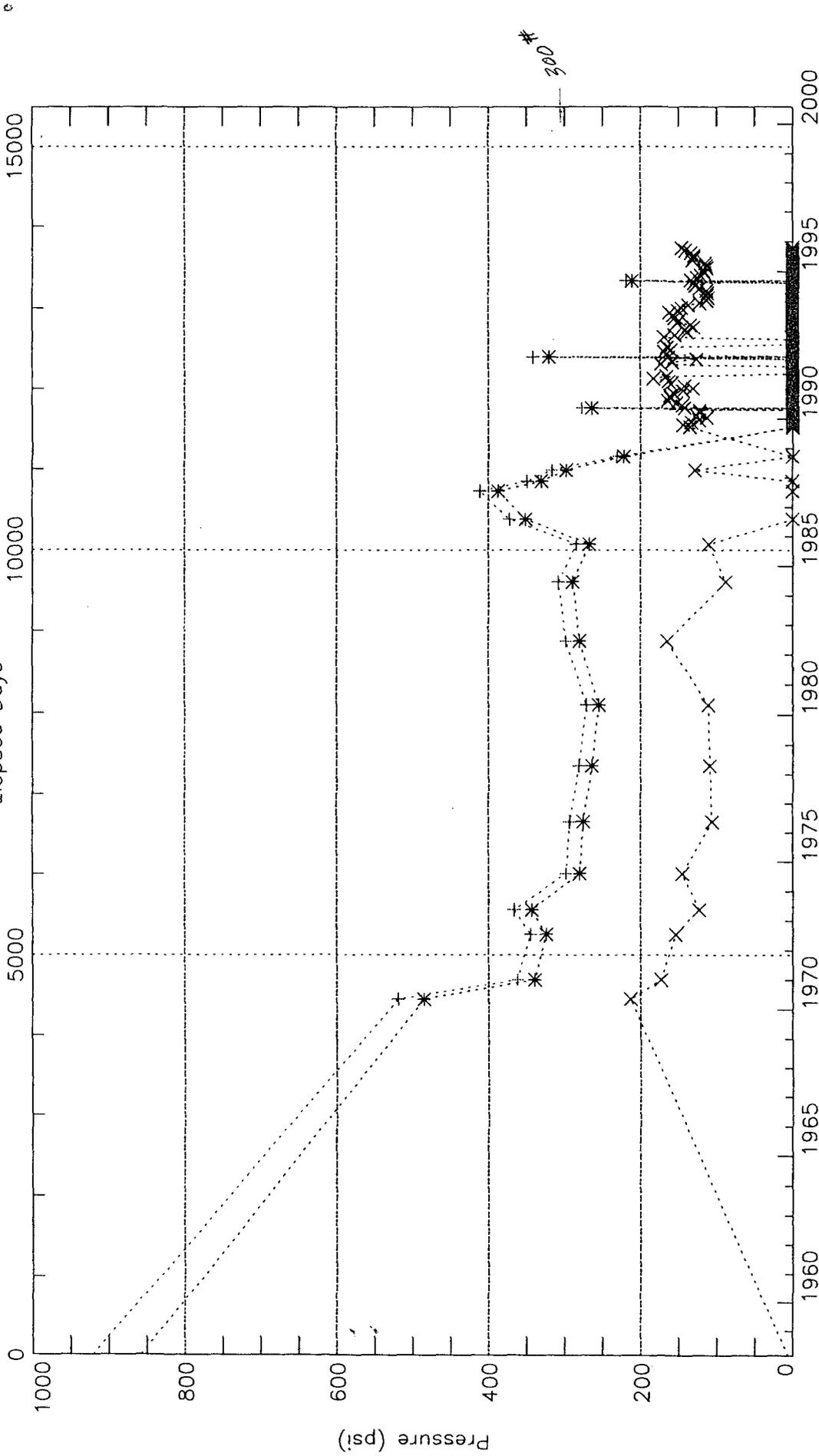
Date (Years)

Well ID: 300450694600 604PCCF  
Well Name: BOLACK B LS 2,3,5,6,7 /PC/ 003N33  
Operator: EL PASO NATURAL GAS

User: zmdr16  
Owner: ZDMHF

# Single Well Gas3D

Description 1  
Wed Sep 18 15:18:35 1996



Date (Years)

WHL\_SIP (\*)  
BHP (+)  
WHL\_FTP (x)

Well ID: 300450694600 604PCCF

Well Name: BOLACK B LS 2,3,5,6,7 /PC/ 003N33

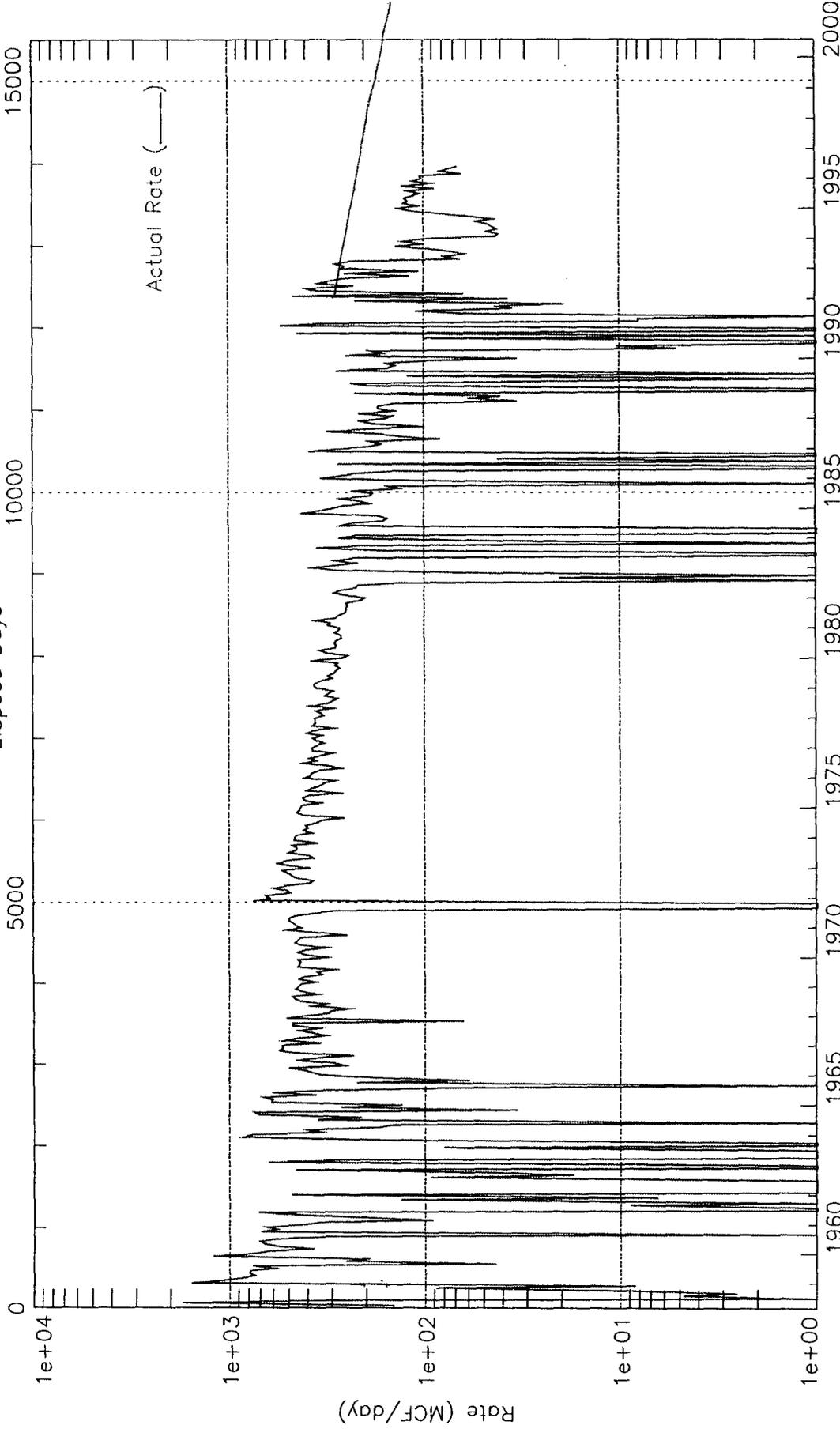
Operator: EL PASO NATURAL GAS

User: zmdr16  
Owner: 2DMHF

# Single Well Gas3D

Elapsed Days

Description 1  
Wed Sep 18 15:19:05 1996



Cum Gas= 3893.70 MMCF

Date (Years)

Well ID: 300450694600 604MVRD

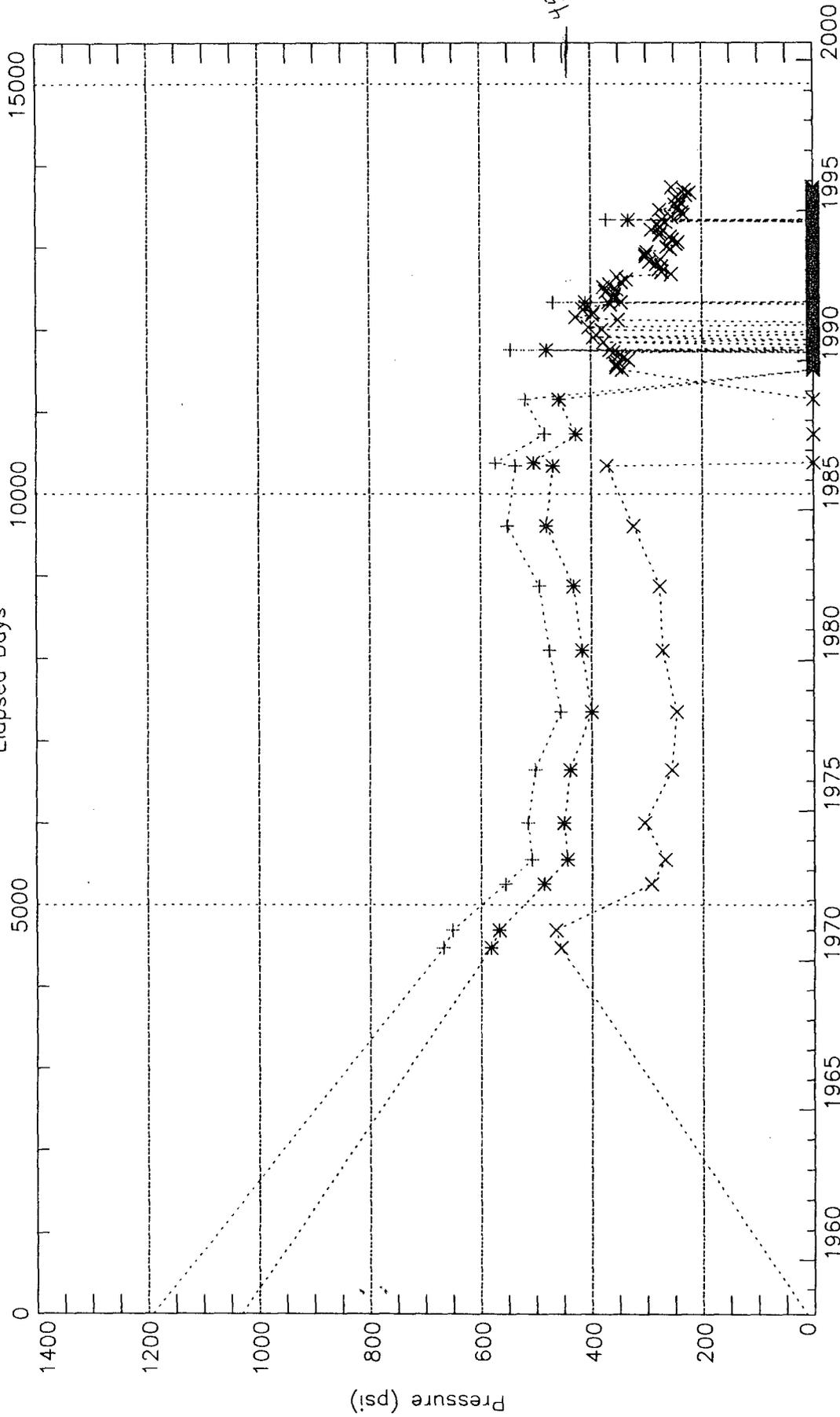
Well Name: BOLACK B LS 1,1A,3,4 /MV/ 003N33

Operator: EL PASO NATURAL GAS

User: zmdr16  
Owner: ZDMHF

# Single Well Gas3D

Description 1  
Wed Sep 18 15:19:08 1996



Date (Years)

WH\_SIP (\*)  
BHP (+)  
WH\_FTP (x)

Well ID: 300450694600 604MVRD  
Well Name: BOLACK B LS 1,1A,3,4 /MV/ 003N33  
Operator: EL PASO NATURAL GAS

**OFFSET OPERATORS**  
**Bolack B LS #3**

Burlington Resources Oil and Gas Co.  
P.O. Box 4289  
Farmington, NM 87499

R & G Drilling Co.  
c/o KM Production Co  
P.O. Box 2406  
Farmington, NM 87499

Great Lakes Chemical Corporation  
P.O. Box 2200  
W. Lafayette, IN 47906

Conoco, Inc.  
10 Desta Drive West  
Midland, Texas 79705