

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

FLORENCE DLS #14

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

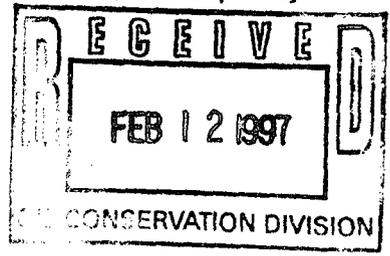
Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

1458

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
- NSL  NSP  DD  SD



Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
- DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX  PMX  SWD  IPI  EOR  PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

PAMELA W. STALEY  
Print or Type Name

*Pamela W. Staley*  
Signature

REGULATORY AFFAIRS ENGR.  
Title

2/3/97  
Date



**Amoco Production Company**

San Juan Business Unit  
Post Office Box 800  
Denver, Colorado 80201  
303-830-4040

February 7, 1997

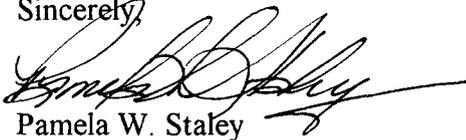
Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
2040 S. Pacheco Street  
P. O. Box 6429  
Santa Fe, NM 87505

**Application for Exception to Rule 303-A- Downhole Commingling  
Florance D LS #14 Well  
Unit K Section 21-T27N-R8W  
Otero Chacra 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

DISTRICT I  
P.O. Box 1980, Hobbs NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-A  
New 3-12-96

**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 87410-1893

**APPLICATION FOR DOWNHOLE COMMINGLING**

EXISTING WELLBORE  
 YES  NO

<b>Amoco Production Company</b>	<b>P.O. Box 800 Denver, CO 80201</b>
Operator <b>Florance D LS</b>	Address <b>K-21-27N-8W</b>
Lease <b>14</b>	Unit Ltr. - Sec Twp - Rge <b>San Juan</b>
Well No.	County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000778 Property Code 000529 API NO. 3004506347 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	OTERO CHACRA 82329		BLANCO MESAVERDE 72319
2. Top and Bottom of Pay Section (Perforations)	3294' - 3428'		4606' - 4761'
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 635 PSI	a.	a. 575 PSI
	(Original) b. 1050 PSI	b.	b. 1250 PSI
6. Oil Gravity (° API) or Gas BTU Content	1150 BTU		1200 BTU / 49 DEG API
7. Producing or Shut-In?	NEW		PRODUCING
Production Marginal? (yes or no)	YES		NO
• If Shut-In, give data and oil/gas/water rates of last production  Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: Rates:
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: <b>ESTIMATED FROM MODEL OF OFFSETS 120 MCFD</b>	Date: Rates:	Date: Rates: 12/96 131 MCFD 0.5 BCPD 0.5 BWPD

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 Address  
Florance D LS 14 K-21-27N-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 000529 API NO. 3004506347 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	OTERO CHACRA 82329		BLANCO MESAVERDE 72319
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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) 635 PSI	a.	a. 575 PSI
	b. (Original) 1050 PSI	b.	b. 1250 PSI
6. Oil Gravity (° API) or Gas BTU Content	1150 BTU		1200 BTU / 49 DEG API
7. Producing or Shut-In?	NEW		PRODUCING
Production Marginal? (yes or no)	YES		NO
• If Shut-In, give data and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: Rates:
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: ESTIMATED FROM MODEL OF OFFSETS 120 MCFD	Date: Rates:	Date: Rates: 12/96 131 MCFD 0.5 BCPD 0.5 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas 48 %	Oil: % Gas %	Oil: 100 % Gas 52 %

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-03380

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 2/6/97  
TYPE OR PRINT NAME PAMELA W. STALEY TELEPHONE NO. ( 303 ) 830-5344

**DISTRICT I**

P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**

311 South First,, Artesia, NM 88210

**DISTRICT III**

1000 Rio Brazos Rd., Aztec, NM 87410

**DISTRICT IV**

2040 South Pacheco, Sante Fe, NM 87505

**OIL CONSERVATION DIVISION**

2040 South Pacheco

Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 3004506347	Pool Code 82329	Pool Name Otero Chacra
Property Code 000529	Property Name Florance D LS	Well Number 14
OGRID No. 000778	Operator Name AMOCO PRODUCTION COMPANY	Elevation 6230

**Surface Location**

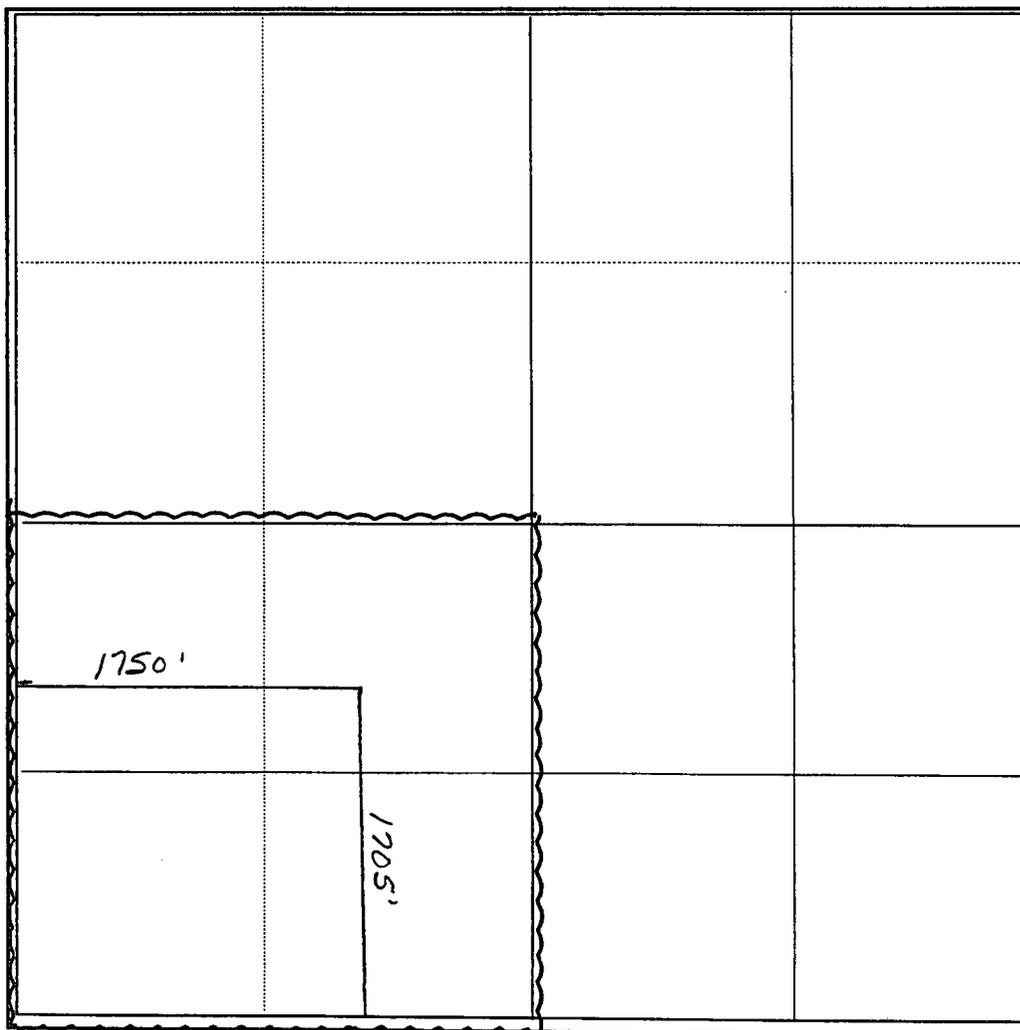
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
UNIT K	21	27N	8W		1750	SOUTH	1750	WEST	San Juan

**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

Dedicated Acreage: 160	Joint or Infill	Consolidation Code	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**



**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief*

Signature  
*Pat Archuleta*

Printed Name  
Pat Archuleta

Position  
Staff Assistant

Date  
02/07/1997

**SURVEY 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 knowledge and belief.*

02/05/1958

Date of Survey

Signature & Seal of Professional Surveyor

Certificate No.

NM03380

MEXICO OIL CONSERVATION COMMISSION  
Well Location and Acreage Dedication Plat

Section A.

Date FEBRUARY 6, 1958

Operator EL PASO NATURAL GAS COMPANY Lease FLORANCE NM 03380  
Well No. 14-D (PM) Unit Letter K Section 21 Township 27-N Range 8-W NMPM  
Located 1750 Feet From SOUTH Line, 1750 Feet From WEST Line  
County SAN JUAN G. L. Elevation 6230 Dedicated Acreage 320 & 160 Acres  
Name of Producing Formation MESA VERDE & PICTURED CLIFF Pool MV - BLANCO, SOUTH BLANCO P.C.

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

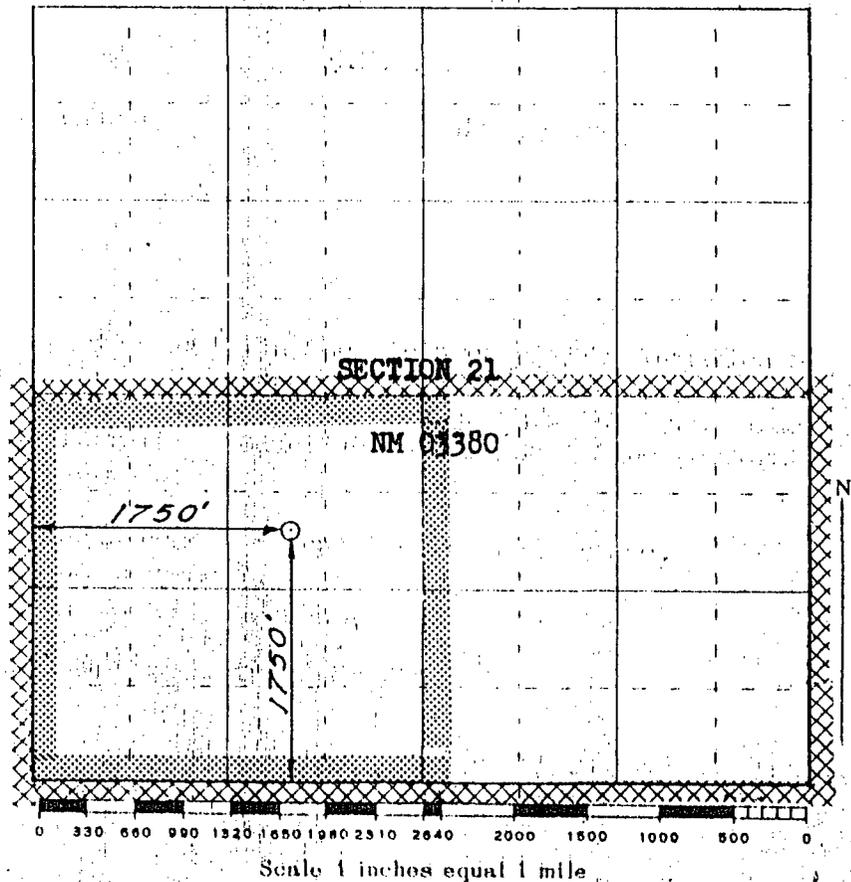
FEB 10 1958  
U. S. GEOLOGICAL SURVEY  
FARMINGTON, NEW MEXICO

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. Johnston**  
(Representative)  
**Box 997**  
(Address)  
**Farmington, New Mexico**



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

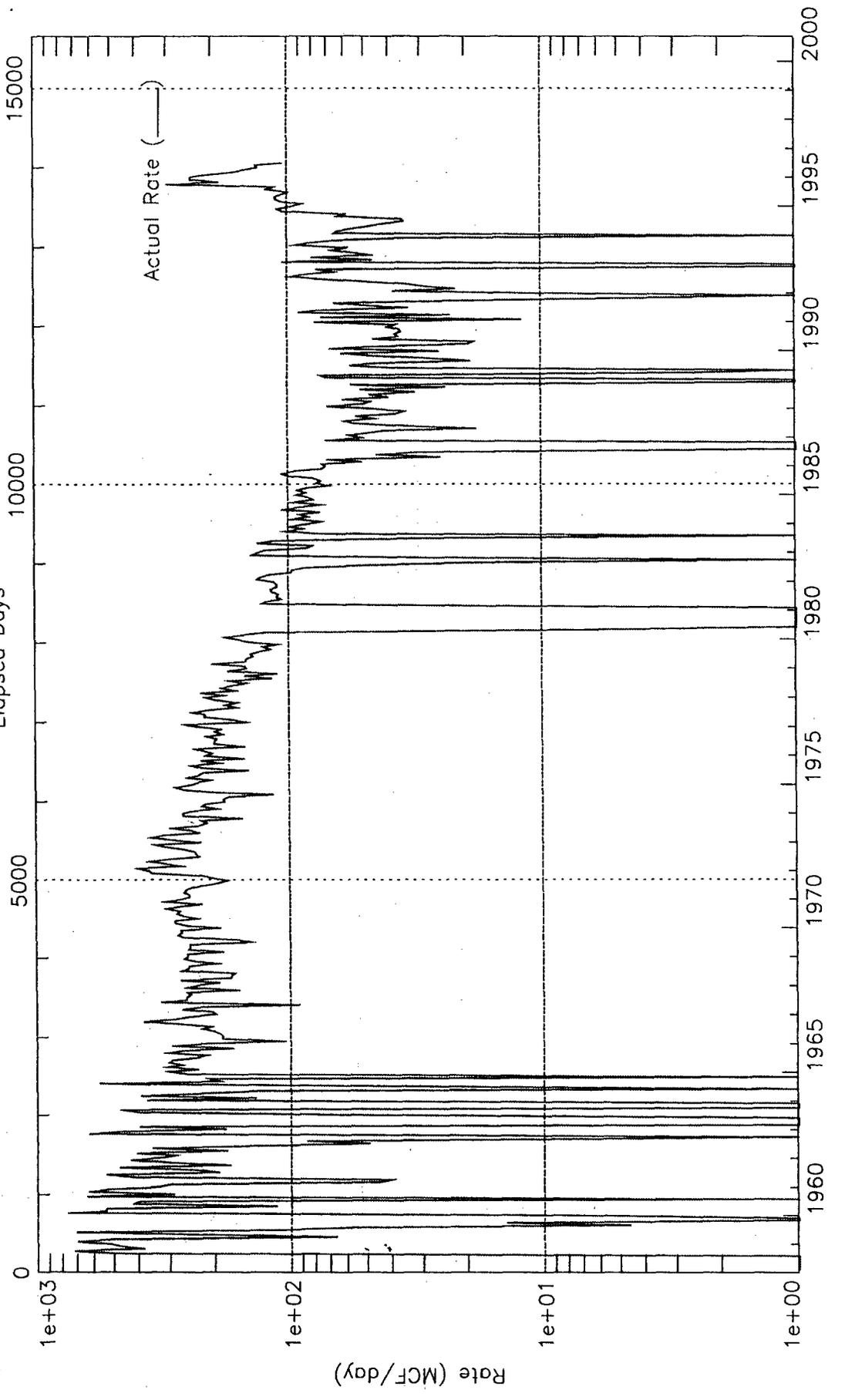
Date Surveyed FEBRUARY 5, 1958

*Daniel O. Wilson*  
Registered Professional Engineer and/or Land Surveyor

User: zmdr16  
Owner: 2DMHF

### Single Well Gas3D Elapsed Days

Description 1  
Thu Dec 12 07:55:48 1996



Cum Gas= 2251.56 MMCF

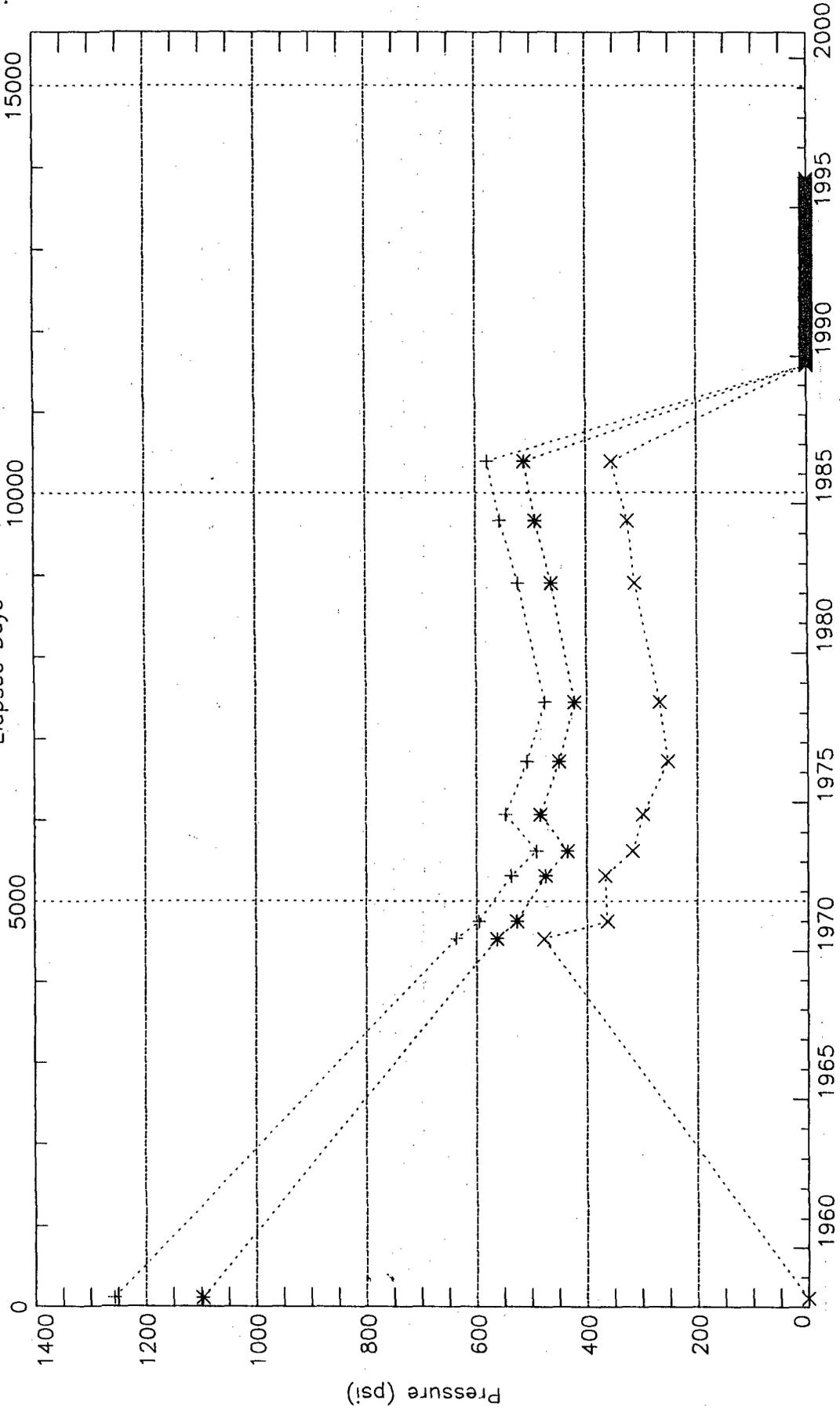
Date (Years)

Well ID: 300450634700 604MVRD  
Well Name: FLORANCE D 4,9-14 /MV/ 014K21  
Operator: AMOCO PRODUCTION COMPANY

User: zmdr16  
Owner: 2DMHF

### Single Well Gas3D

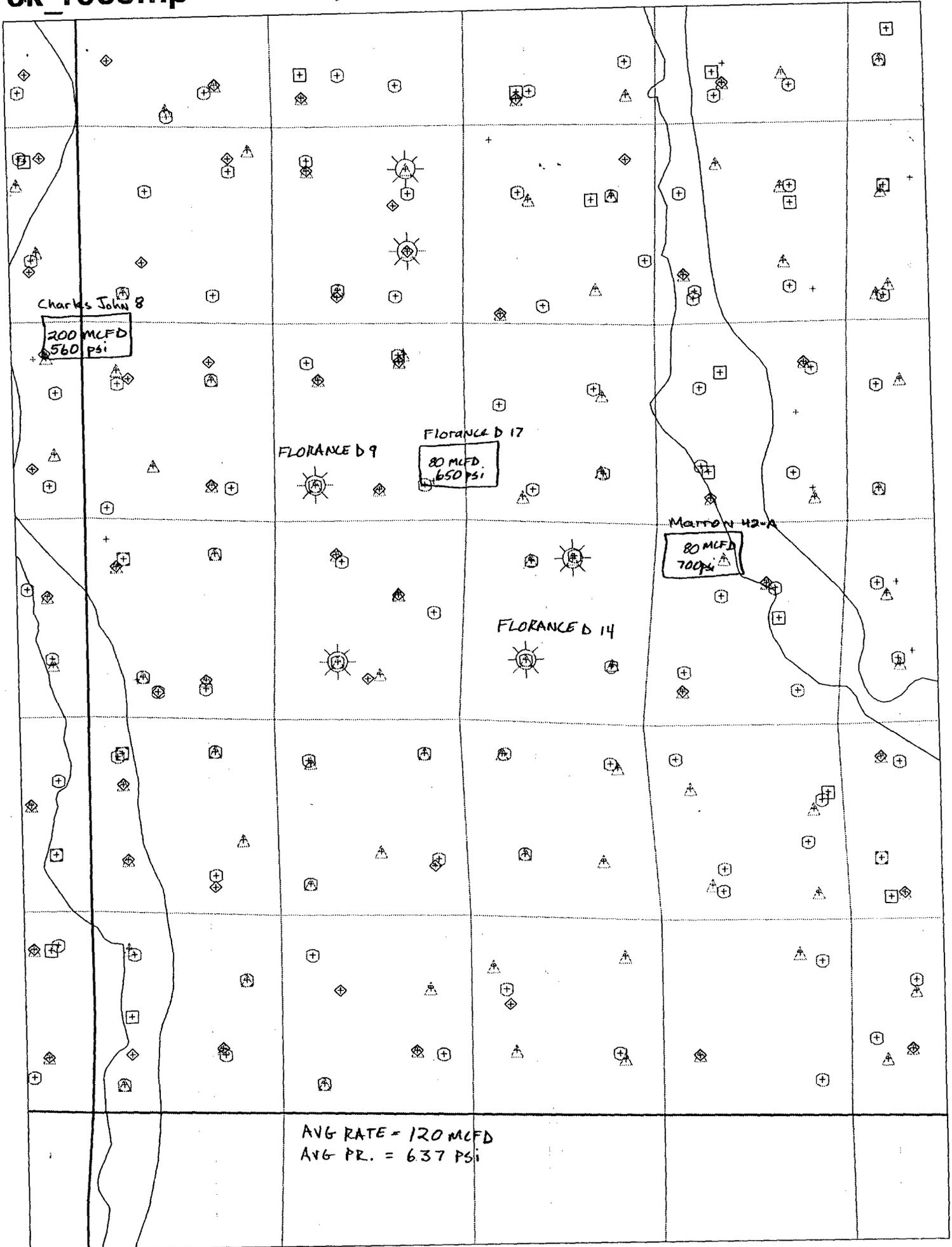
Description 1  
Thu Dec 12 07:55:56 1996



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

Date (Years)

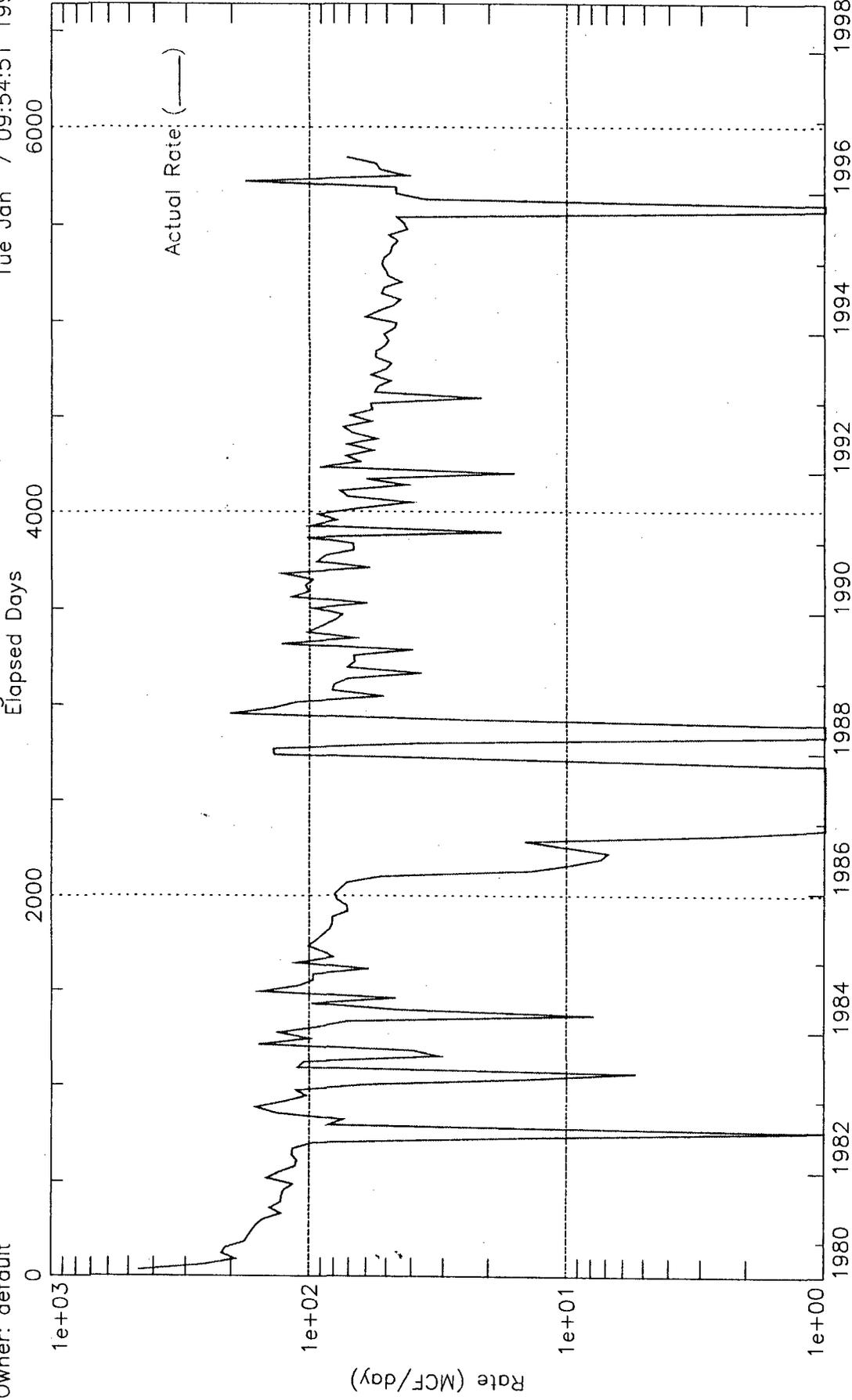
Well ID: 300450634700 604MVRD  
Well Name: FLORANCE D 4,9-14 /MV/ 014K21  
Operator: AMOCO PRODUCTION COMPANY



User: zmdr16  
Owner: default

# Single Well Gas3D

Tue Jan 7 09:54:51 1997



Cum Gas= 433.08 MMCF

Date (Years)

Well ID: 300452362800 604CHCR

Well Name: CHARLES JOHN 8

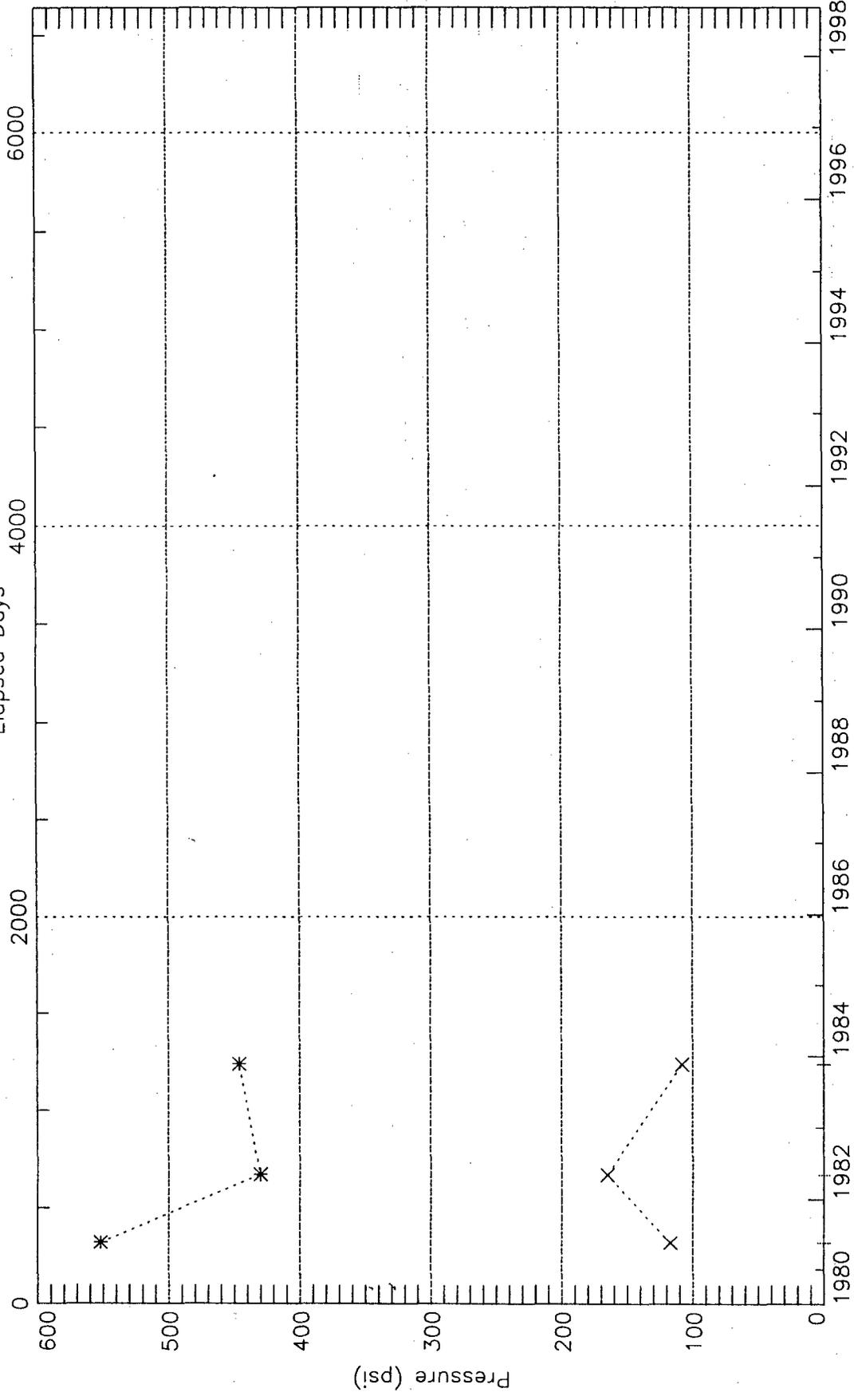
Operator: FOUR STAR OIL & GAS COMPANY

User: zmdr16  
Owner: default

# Single Well Gas3D

Tue Jan 7 09:54:54 1997

Elapsed Days



Date (Years)

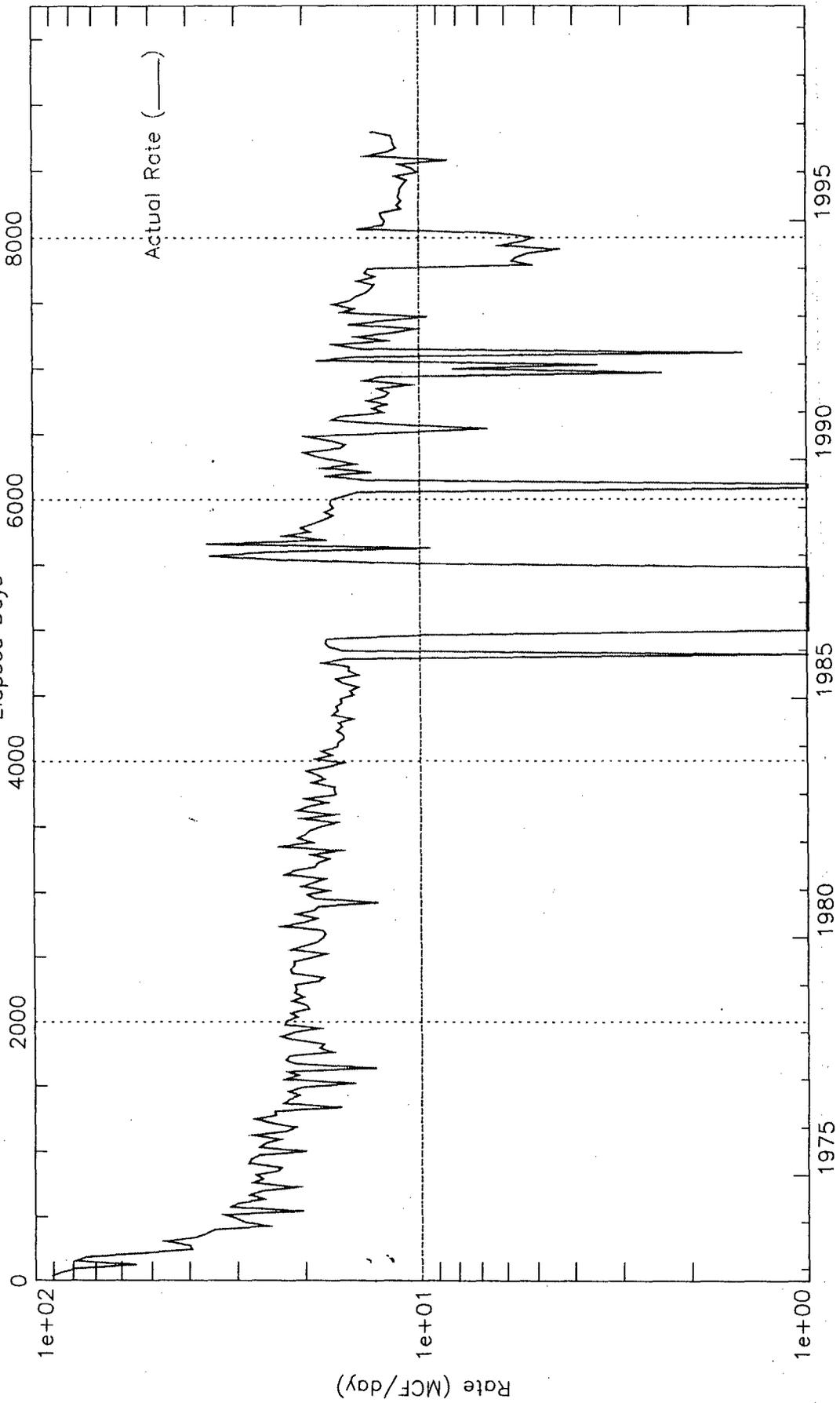
WH\_SIP (\*)  
BHP (+)  
WH\_FTP (x)

Well ID: 300452362800 604CHCR  
Well Name: CHARLES JOHN 8  
Operator: FOUR STAR OIL & GAS COMPANY

User: zmdr16  
Owner: default

# Single Well Gas3D

Tue Jan 7 09:55:38 1997



Cum Gas= 157.35 MMCF

Date (Years)

Well ID: 300452092500 604CHCR

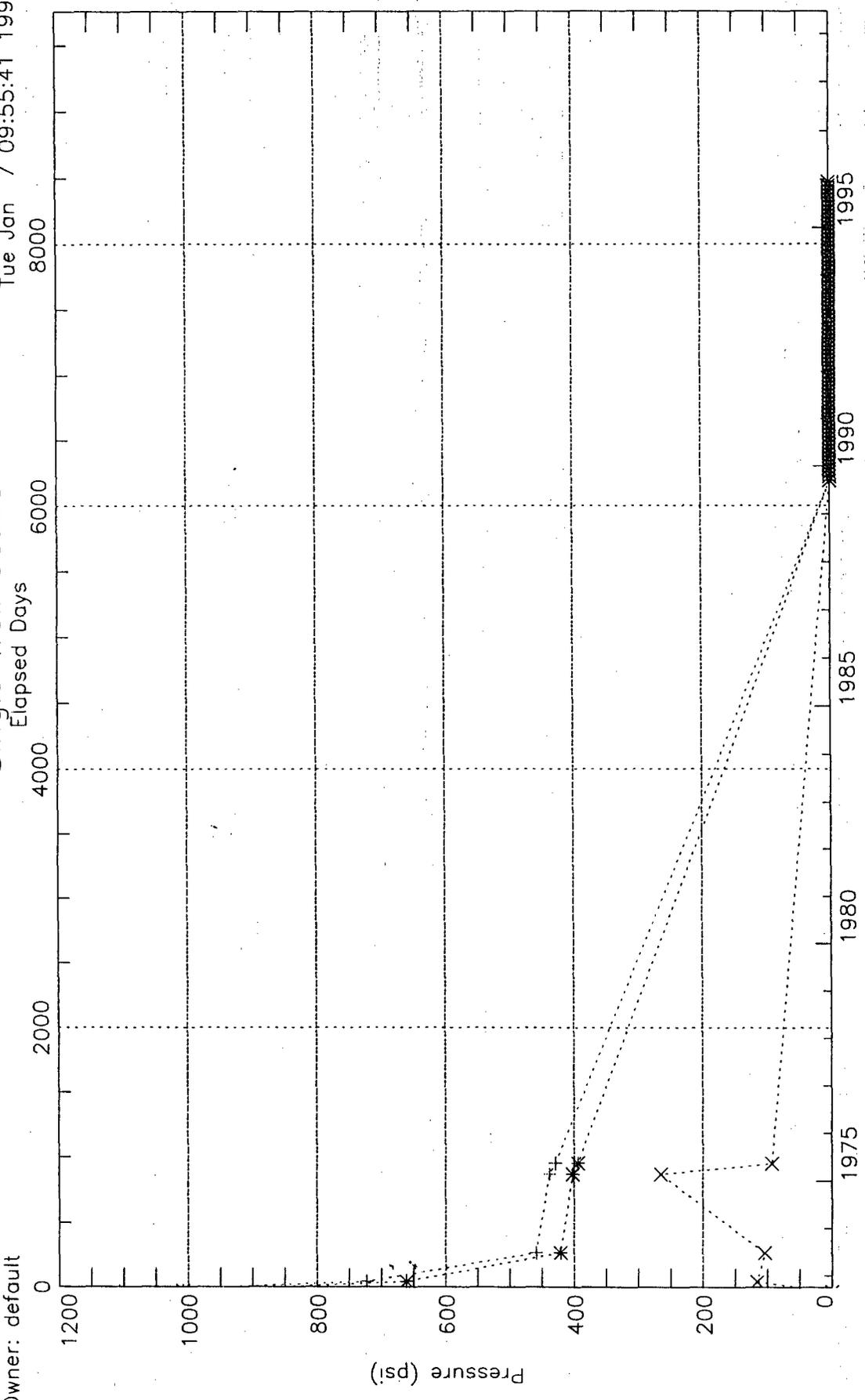
Well Name: FLORANCE D LS 1-3,5-9,11-16 /PC/ 09 017P17

Operator: AMOCO PRODUCTION COMPANY

User: zmdr16  
Owner: default

# Single Well Gas3D

Tue Jan 7 09:55:41 1997



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

Date (Years)

Well ID: 300452092500 604CHCR

Well Name: FLORANCE D LS 1-3,5-9,11-16 /PC/ 09 017P17

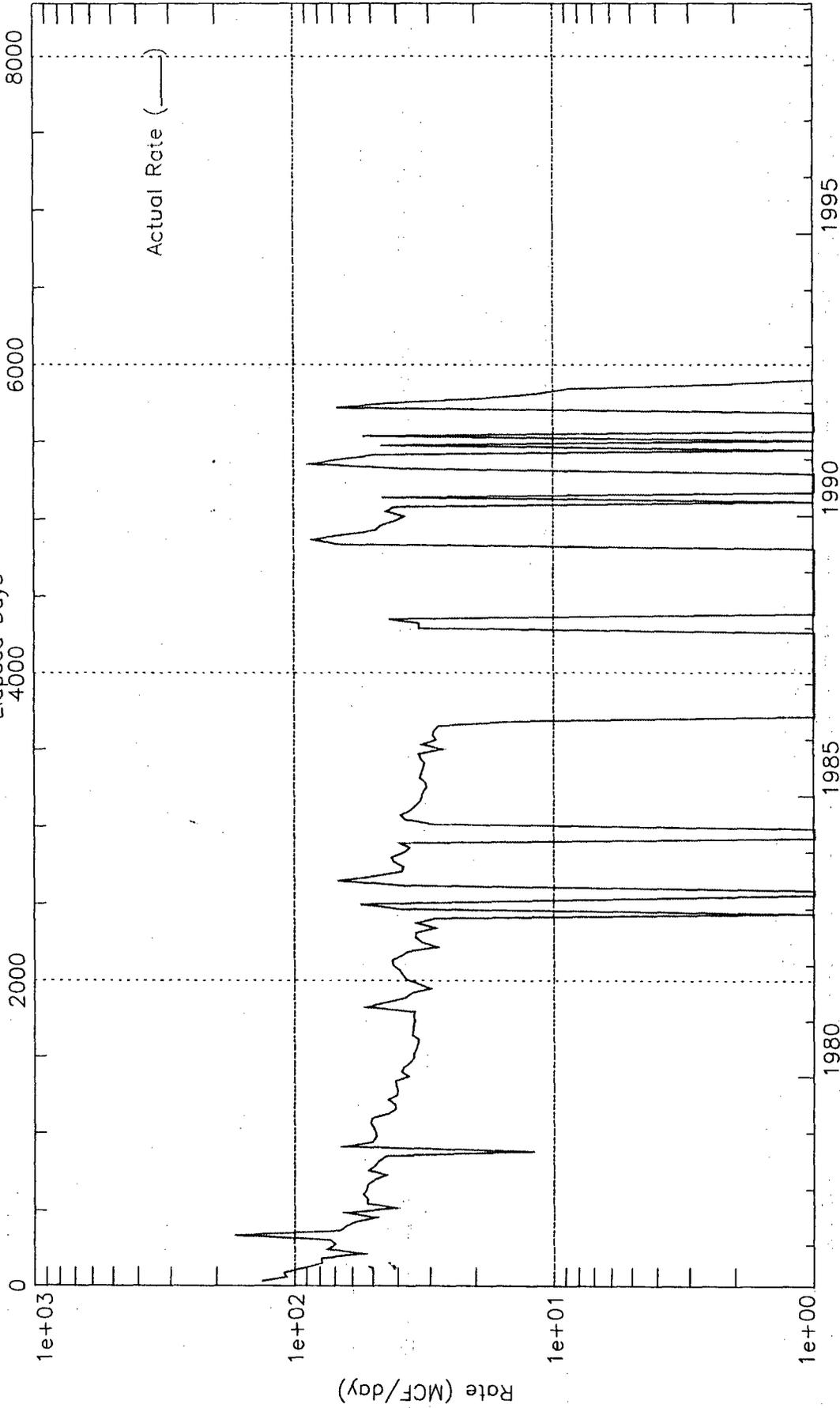
Operator: AMOCO PRODUCTION COMPANY

User: zmdr16  
Owner: default

# Single Well Gas3D

Tue Jan 7 09:57:05 1997

Eapsed Days



Well ID: 300452189200 604CHCR  
Well Name: MARRON 42-A  
Operator:

Date (Years)

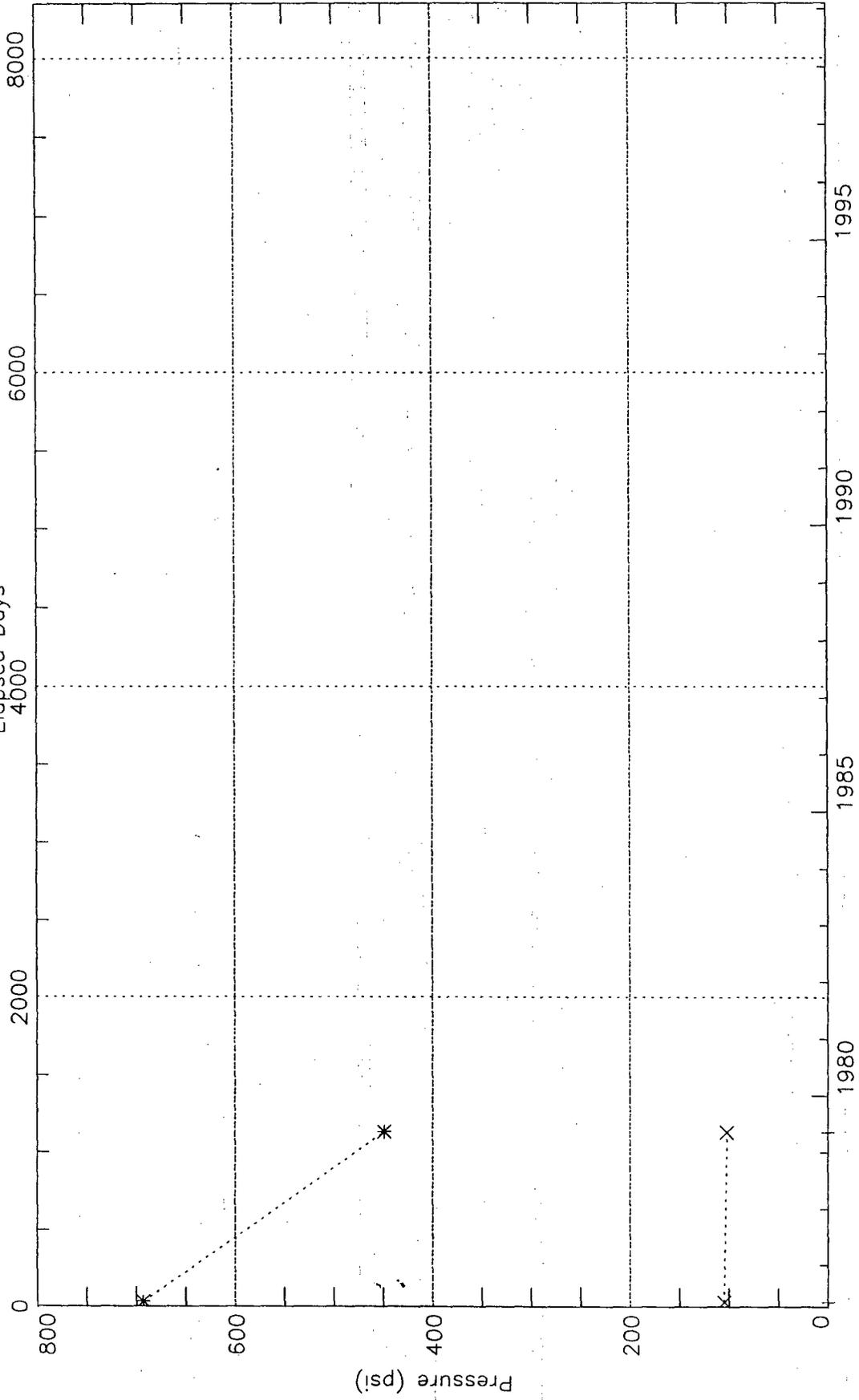
Cum Gas= 190.15 MMCF

User: zmdr16  
Owner: default

# Single Well Gas3D

Tue Jan 7 09:57:08 1997

Elapsed Days



Date (Years)

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

Well ID: 300452189200 604CHCR

Well Name: MARRON 42-A

Operator:

**Wellbore Configuration**  
**Florance D LS #14**

Note that this well is currently a Pictured Cliffs and Mesaverde Dual Completion. The Pictured Cliffs formation pressure is too low to be commingled at this point with the Chacra and Mesaverde. Therefore, the wellbore will be configured with the Pictured Cliffs zone isolated as a dual completion with the Mesaverde and Chacra downhole commingled.

**Allocation Method and Bottomhole Pressure Data**  
**Florance D LS #14**

We recommend allocating production based on modeling of the surrounding wells. The Chacra is estimated to produce at an average rate of 120 MCFD and no condensate at a reservoir pressure of 635 PSI. Average production for the past month in the Mesaverde is 131 MCFD with 0.5 BOPD and 0.5 BWPD. Therefore we recommend allocation of 48% of the gas production to the Chacra and 52% of the gas production to the Mesaverde. Allocation of condensate should be 100% to the Mesaverde as the Chacra does not produce liquids in this area.

**OFFSET OPERATORS**

**Florance D LS #14**

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

M & G Drilling Co. Inc.  
C/O KM Production Co.  
P.O. Box 2406  
Farmington, NM 87499