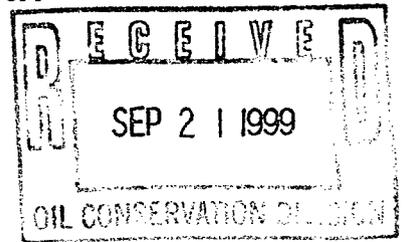






**Amoco Exploration & Production**

501 Westlake Park Blvd.  
Post Office Box 3092  
Houston, TX 77079



**September 14, 1999**

**Ms. Lori Wrotenbery, 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  
Wilch A #3  
Unit B Section 23-T29N-R8W  
Blanco Mesaverde and Basin Dakota 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. All working, overriding and royalty interests are identical in both zone, therefore, no notification of this application is required to be submitted via certified mail. By copy of this application, Amoco is notifying all offset operators in the formations captioned above. 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 her opinion, waste will not result thereby, and correlative rights will not be violated.**

**Should you have questions regarding this application, do not hesitate to call me at 281-366-4491.**

**Sincerely,**

  
**Mary Corley  
Enclosures**

**cc: 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**

**James Dean**

**Well File**

**OFFSET OPERATORS**

**Wilch A #3**

**Burlington Resources Oil and Gas Co.  
PO Box 4289  
Farmington, NM 87499**

**Conoco Inc.  
10 Desta Drive, Suite 100 West  
Midland, TX 79705-4515**

**PRODUCTION ALLOCATION RECOMMENDATION**

**Wilch A #3**

**Since no Mesaverde Production has been established for the subject well Amoco Production Company proposes to from the Dakota formation in the subject well and the estimated production rate established utilizing the production from Mesaverde wells producing in the immediate area of the subject well. This method of calculation is indicated on the attached Production Allocation Worksheet.**

**WORKING, OVERRIDING, and ROYALTY INTEREST OWNERS NOTIFICATION**

**Wilch A #3**

**All of the working, overriding, and royalty interest are identical in both proposed commingled zones.**

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

PO Box 3092 Houston, TX 77253-3092

Operator <b>Wilch A</b>	Well No. <b>3</b>	Address <b>B 23-29N-08W</b>	County <b>San Juan</b>
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Lease: \_\_\_\_\_ Spacing Unit Lease Types: (check 1 or more)  
OGRID NO. **000778** Property Code **001215** API NO. **30-452-23342** 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	<b>Blanco Mesaverde 72319</b>		<b>Basin Dakota 71599</b>
2. Top and Bottom of Pay Section (Perforations)	<b>5020' - 5688' EST.</b>		<b>7646' - 7874'</b>
3. Type of production (Oil or Gas)	<b>Gas</b>		<b>Gas</b>
4. Method of Production (Flowing or Artificial Lift)	<b>Flowing</b>		<b>Flowing</b>
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated or Measured Original	a. (Current) <b>622 PSIG (EST.)</b>	a.	a. <b>859 PSIG</b>
	b. (Original) <b>1083 PSIG (EST.)</b>	b.	b. <b>2610 PSIG</b>
6. Oil Gravity (° API) or Gas BTU Content	<b>1261 BTU (EST.)</b>		<b>1099 BTU</b>
7. Producing or Shut-In?	<b>New zone</b>		<b>Producing</b>
Production Marginal? (yes or no)	<b>YES</b>		<b>YES</b>
• 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  • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: <b>128 MCFD (EST.) .6 BCPD .4 BWPD</b>	Date: Rates:	Date: Rates:
	Date: Rates:	Date: Rates:	Date: Rates: <b>70 MCFD 0 BCPD 0 BWPD</b>
8. Fixed Percentage Allocation Formula -% for each zone	Oil: <b>65</b> % Gas <b>100</b> %	Oil: % Gas %	Oil: <b>35</b> % Gas <b>0</b> %

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 NO FEDERAL OR STATE LANDS

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. SEE ATTACHED
- \* 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 Mary Corley TITLE Sr. Business Analyst. DATE 9/14/99  
TYPE OR PRINT NAME Mary Corley TELEPHONE NO. ( 281 ) 366-4491

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 18, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-045-23342	Pool Code 72319 & 71599	Pool Name Blanco Mesaverde & Basin Dakota
Property Code 001215	Property Name Wilch A	Well Number 3
OGRID No. 000778	Operator Name AMOCO PRODUCTION COMPANY	Elevation 6712' GR

**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 B	23	29N	8W		920	NORTH	1800	EAST	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: 320	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**

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p>
	<p>Signature <i>Mary Corley</i></p> <p>Printed Name <b>Mary Corley</b></p>
	<p>Position <b>Sr. Business Analyst</b></p> <p>Date <b>08/14/1999</b></p>
	<p align="center"><b>SURVEY CERTIFICATION</b></p> <p><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 knowledge and belief.</i></p> <p>Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor <b>Fred B. Kerr, Jr.</b></p> <p>Certificate No. <b>3950</b></p>

Wilch 3 Production Allocation

DK	0.08	PC	0.04
MV	0.07	FT	0.04
		CK	0.04

WELL NAME: **Wilch 3**  
 FORMATION: **DK**  
 SURFACE PRESS: **238**  
 PERFS TOP: **7646** ( 7646 + 7874 ) / 2 = **7760** Mid Perf  
 BOTTOM: **7874** 7760 x 0.08 = **621**  
 620.8 + 238 = **859** Bottom Hole Pressure

Initial Bottom Hole Pressure= **2610**

WELL NAME: **Hardie 4**  
 FORMATION: **MV**  
 SURFACE PRESS: **304**  
 PERFS TOP: **5364** ( 5364 + 5526 ) / 2 = **5445** Mid Perf  
 BOTTOM: **5526** 5445 x 0.07 = **381**  
 381.15 + 304 = **685** Bottom Hole Pressure

Initial Bottom Hole Pressure= **1251**

WELL NAME: **Hardie 4A**  
 FORMATION: **MV**  
 SURFACE PRESS: **197**  
 PERFS TOP: **4683** ( 4683 + 5627 ) / 2 = **5155** Mid Perf  
 BOTTOM: **5627** 5155 x 0.07 = **361**  
 360.85 + 197 = **558** Bottom Hole Pressure

Initial Bottom Hole Pressure= **914**

WELL NAME: **Wilch 3**  
 FORMATION: **MV**  
 Initial Bottom Hole Pressure: ( 1251 + 914 ) / 2 = **1083**  
 Bottom Hole Pressure: ( 685 + 558 ) / 2 = **622** est.

Hardie 4 + Hardie 4A BBLs ( 0 + 516 ) / 2 = **258** est. annual production  
 Hardie 4 + Hardie 4A MCF ( 41312 + 50917 ) / 2 = **46115** est. annual production

**ALLOCATION**

FM	BBL	%	GAS	%
DK	0	0%	25377	35%
MV	211	100%	46115	65%

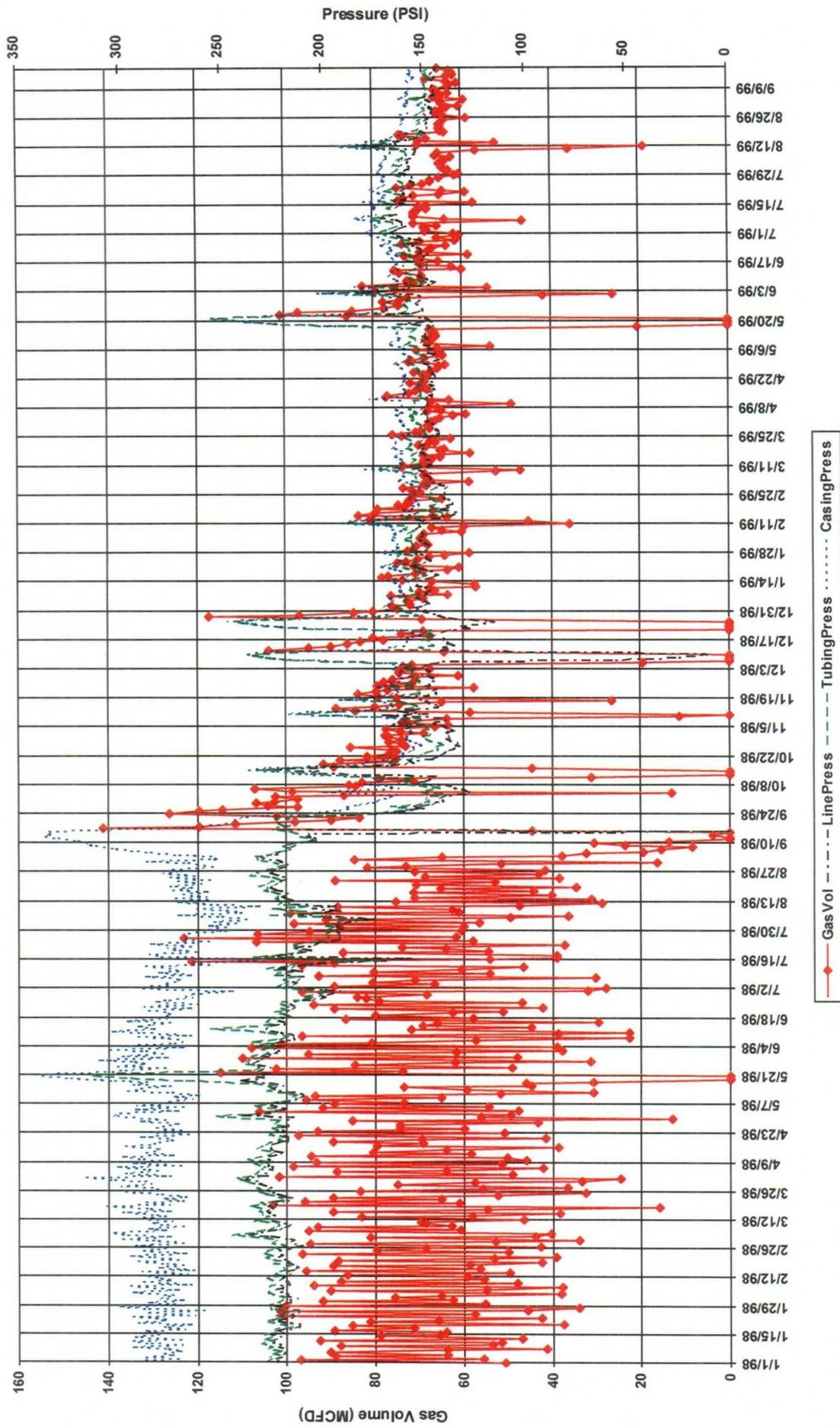
Wellname: WILCH A 003-DK

Flacwell: 97949801

API: 300452334200

Amoco - OIDB/Synergy Data

Daily Well Production



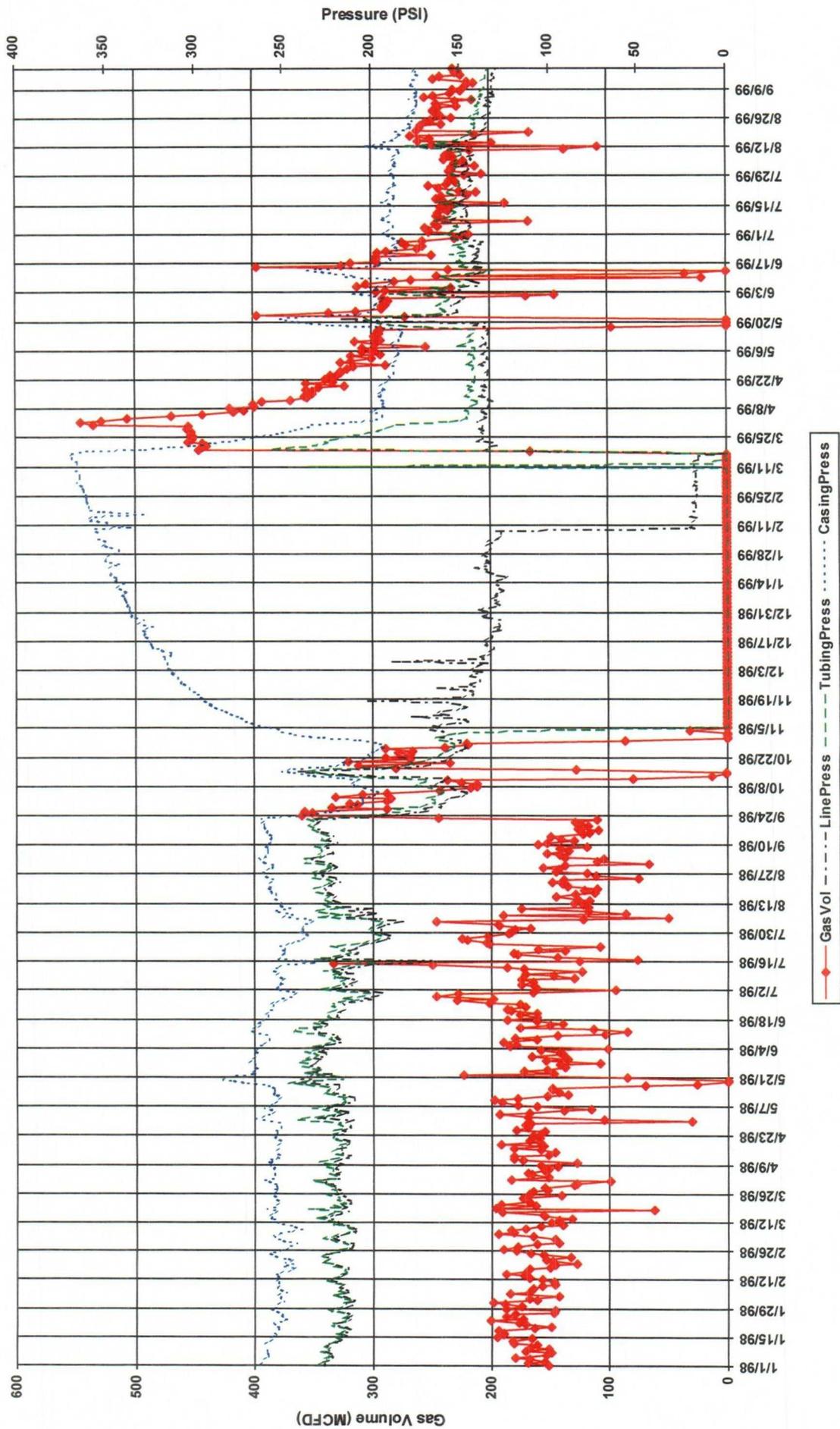
Wellname: **HARDIE LS 004A-MV**

Flacwell: **97940601**

API: **300452281000**

Amoco - OIDB/Synergy Data

Daily Well Production



Wellname: **HARDIE LS 004-MV**

Flacwell: **97862601**

API: **300450805400**

Amoco - OIDB/Synergy Data

Daily Well Production

