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'94 JUL 27 AM 8 50

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*Southern*

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*Rockies*

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*Business*

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*Unit*

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July 22, 1994

Mr. William J. LeMay  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504

File: BRC-986.511

**Application for Exception to Rule 303-A Surface Commingle Production**  
**Storey LS No. 4A Well, NW/4 Section 34, T28N-R8W**  
**Blanco Mesaverde Pool**  
**Basin Dakota Pool**  
**San Juan County New Mexico**

Amoco Production Company hereby requests administrative approval for an exception to Rule 303-A to permit surface commingling of the production from the Blanco Mesaverde Pool and Basin Dakota Pool for the Storey LS No. 4A well located in the NW/4 of Section 34, T28N-R8W. The Storey LS No. 4A well was recently drilled and will be dually completed in the Mesaverde and Dakota formations. The surface commingling of the production will allow the use of a single train of production equipment to reduce operating costs from both formations. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each of the common sources of supply.

The leases and ownership (WI, RI, ORRI) are common for the pools which are proposed for surface commingling.

The Mesaverde and the Dakota formations are expected to produce very small amounts of liquid hydrocarbon (condensate). The condensate from both formations have similar gravities ranging from 50° - 60° API. The commingled gravity is expected to be in this same range with the same value.

We plan to allocate the production on the basis of annual production tests.

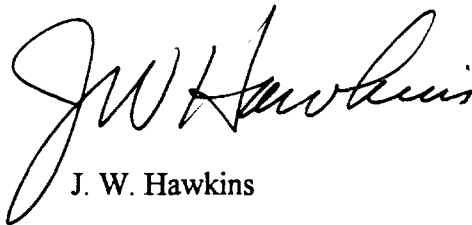
Mr. William J. LeMay  
July 22, 1994  
Page 2

Attached to aid in your review of this application are:

1. Plat showing location of the well proposed for surface commingling and other wells in the vicinity
2. C-128 Acreage Dedication Plat for the well
3. Schematic of the proposed installation

The 320 acre spacing units for the Basin Dakota and the Blanco Mesaverde are in the N/2 Section 34, T28N-R8W. This includes a 160 acre federal lease SF-078566. A copy of this application will be sent to the Bureau of Land Management requesting their consent for the surface commingling.

If additional information is required, please contact me at (303) 830-5072.



J. W. Hawkins

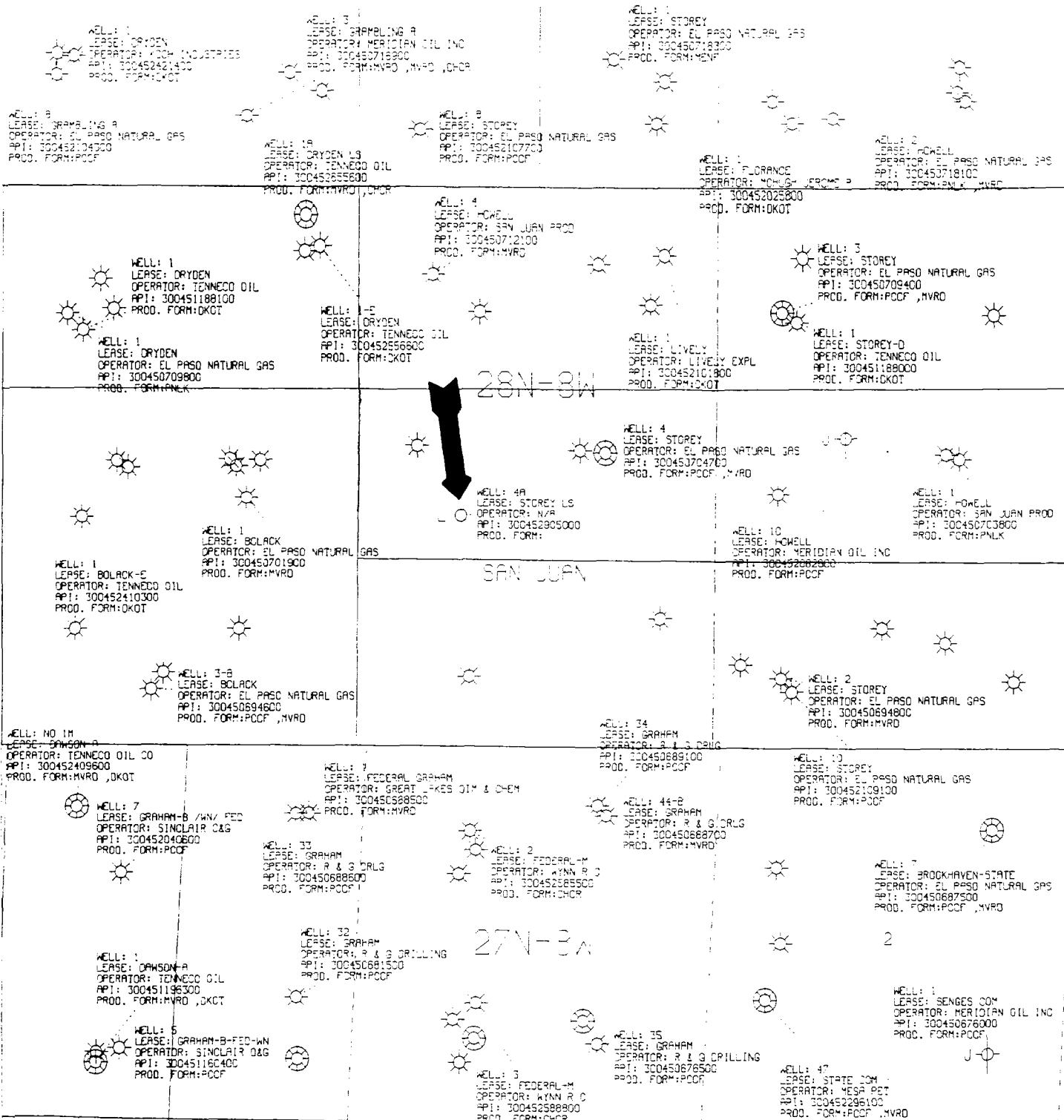
cc:  
L. J. Kwartin - AB 1219

NMOCD District III  
Attention: Frank Chavez  
1000 Rio Brazos Road  
Aztec, NM 87410

Bureau of Land Management  
Attention: Duane Spencer  
1235 La Plata Highway  
Farmington, NM 87401

107° 31' 41" W  
13,292,198.25 FT. N

107° 36' 27" W  
1,007,875.22 FT. E



36° 35' 45" N  
13,292,198.25 FT. N

107° 40'

36° 35' 45" N  
13,292,198.25 FT. N

All geological and geophysical data, including the interpretation thereof, appearing on this map is the private and confidential property of Amoco Production Company. The publication or reproduction thereof without the written permission of said Company is strictly prohibited.

AMOCO PRODUCTION COMPANY  
PLAT MAP

POLYCONIC CENTRAL MERIDIAN - 107° 40' 3" W CON  
SPHERIC - 3

STOREY LS 4A OFFSET WELLS  
BRADLEY COUNTY, NEA MEXICO

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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OCT 11 1993

DISTRICT II  
P.O. Drawer 10, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

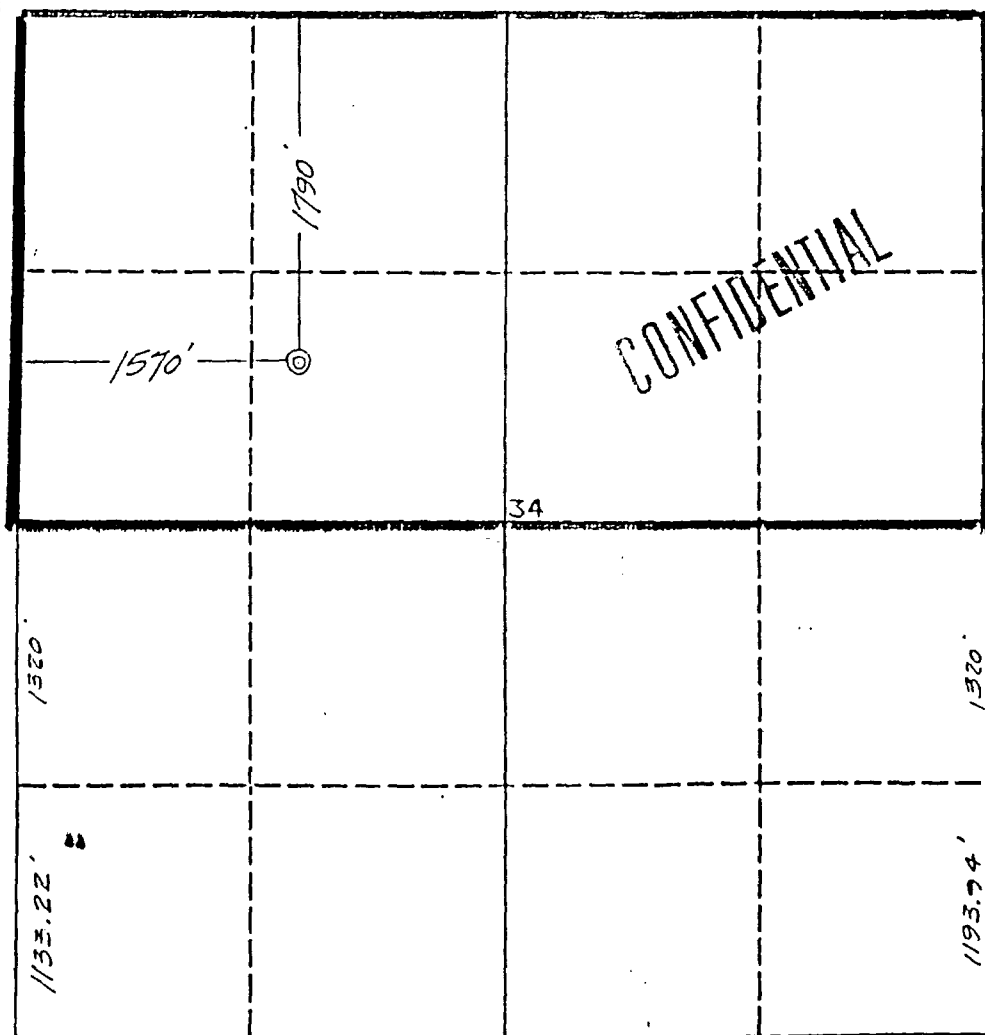
All Distances must be from the outer boundaries of the section

|   |                      |                             |                           |                            |
|---|----------------------|-----------------------------|---------------------------|----------------------------|
| Operator<br><b>AMOCO PRODUCTION COMPANY</b> |                      |                             | Lease<br><b>Reference</b> | Well No.<br><b># 10149</b> |
| Unit Letter<br><b>F</b>                     | Section<br><b>34</b> | Township<br><b>28 NORTH</b> | Range<br><b>8 WEST</b>    | County<br><b>SAN JUAN</b>  |

Actual Footage Location of Well:

|  |  |                                     |  |
|--|--|-------------------------------------|--|
| 1790 feet from the <b>NORTH</b> line and |  | 1570 feet from the <b>WEST</b> line |  |
| Ground level Elev.<br><b>5859</b>        | Producing Formation<br><b>Basin Dakota</b> | Pool<br><b>Basin Dakota</b>         | Dedicated Acreage:<br><b>N/2 320 Acres</b> |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

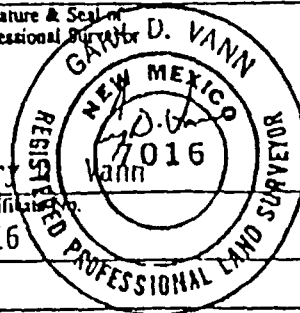
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

|  |
|--|
| Signature<br><i>DeAnne Tallant</i>     |
| Printed Name<br><b>DeAnne Tallant</b>  |
| Position<br><b>Staff Assistant</b>     |
| Company<br><b>Amoco Production Co.</b> |
| Date<br><b>11-12-93</b>                |

SURVEYOR 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.

|  |
|--|
| Date Surveyed<br><b>September 29, 1993</b>                       |
| Signature & Seal of Professional Surveyor<br><b>GARY D. VANN</b> |
| Certification No.<br><b>7016</b>                                 |



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

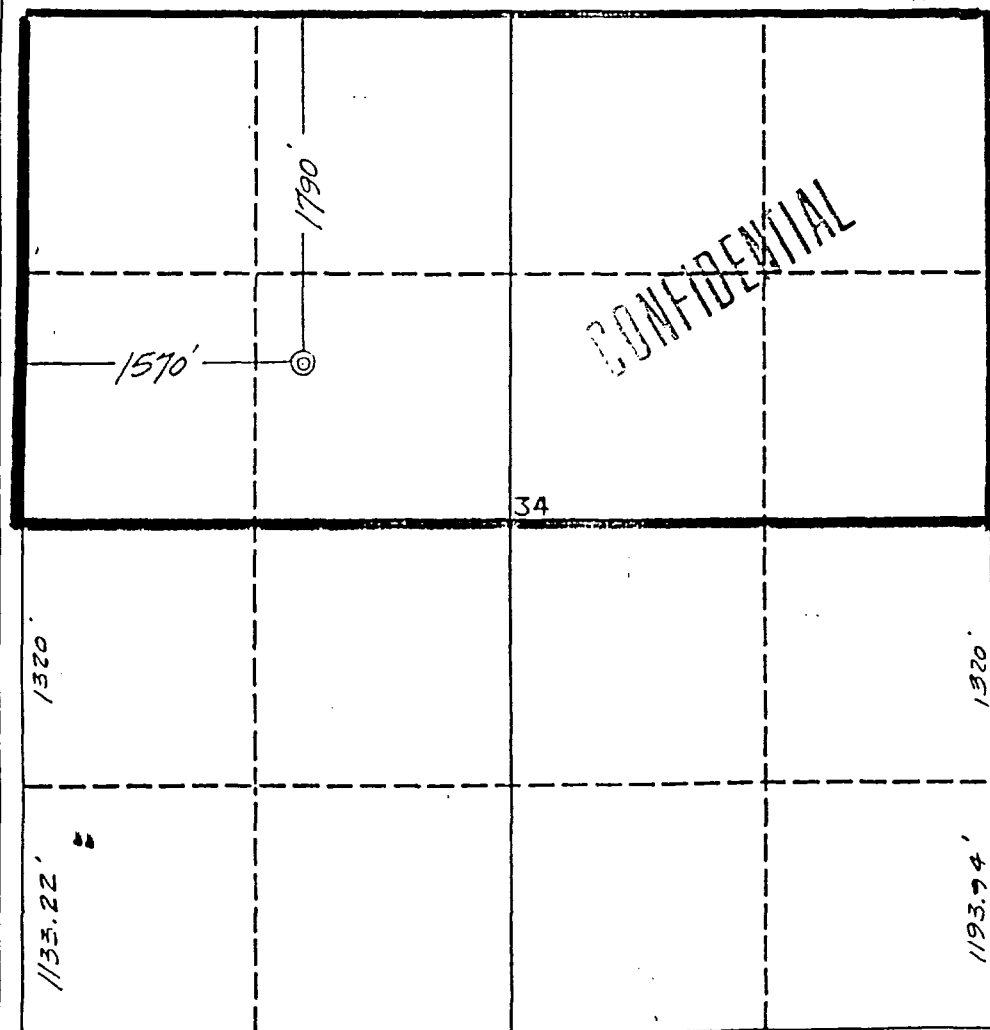
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

|  |   |                             |                          |  |                            |
|--|---|-----------------------------|--------------------------|--|----------------------------|
| Operator<br><b>AMOCO PRODUCTION COMPANY</b>  |   |                             | Lease<br>Reference       |  | Well No.<br><b># 10149</b> |
| Unit Letter<br><b>F</b>  | Section<br><b>34</b>                    | Township<br><b>28 NORTH</b> | Range<br><b>8 WEST</b>   | County<br><b>SAN JUAN</b>                  |                            |
| Actual Footage Location of Well:<br><b>1790</b> feet from the <b>NORTH</b> line and <b>1570</b> feet from the <b>WEST</b> line |   |                             |                          |  |                            |
| Ground level Elev.<br><b>5859</b>  | Producing Formation<br><b>Mesaverde</b> |                             | Pool<br><b>Mesaverde</b> | Dedicated Acreage:<br><b>N/2 320</b> Acres |                            |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, 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  
*DeAnne Tallant*  
Printed Name

DeAnne Tallant  
Position  
Staff Assistant

Company  
Amoco Production Co.

Date  
11-12-93

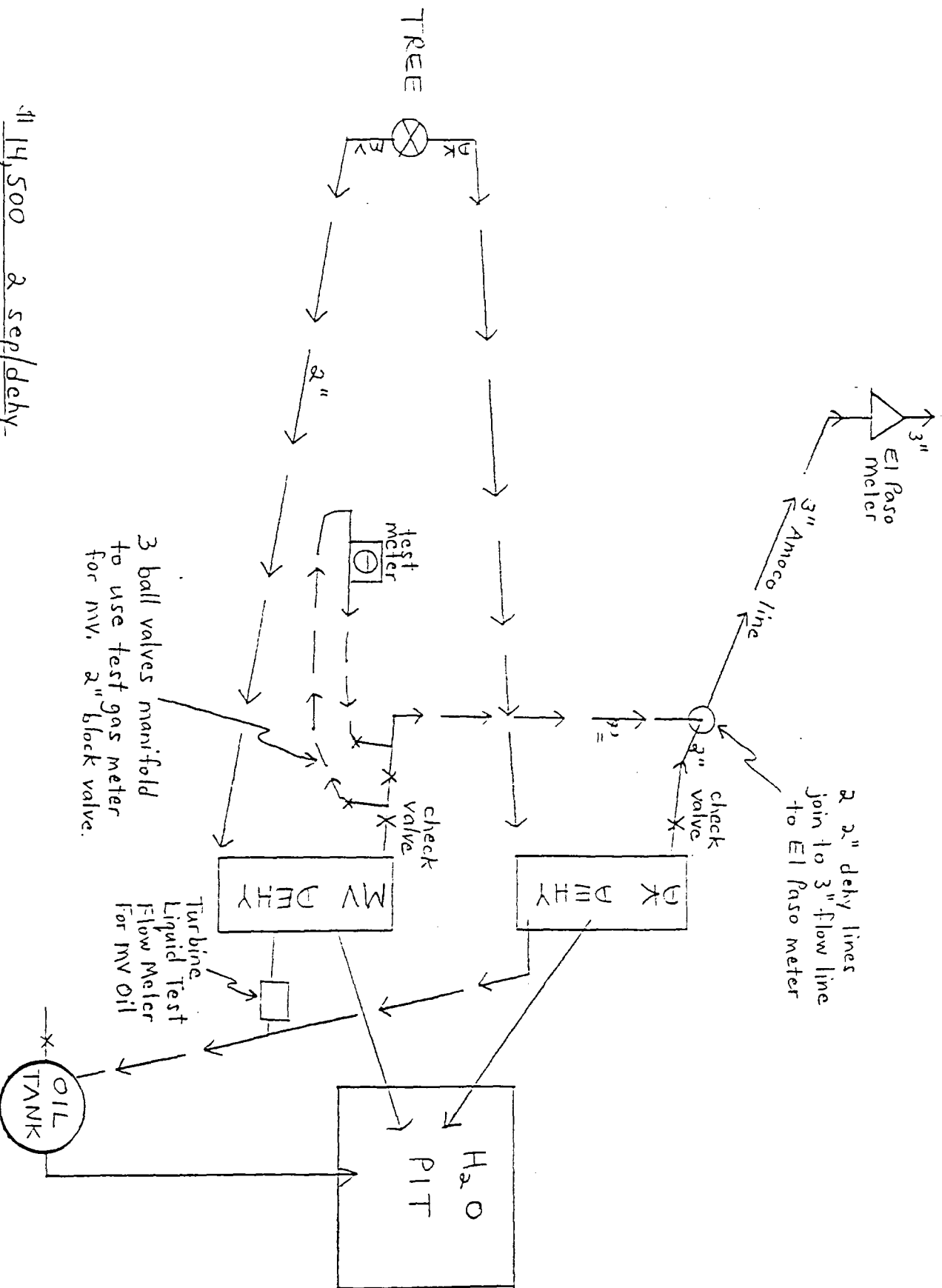
SURVEYOR CERTIFICATION

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.

Date Surveyed  
September 29, 1993

Signature & Seal of  
Professional Surveyor  
Gary D. Vann  
7016  
NEW MEXICO  
REGISTERED  
PROFESSIONAL LAND SURVEYOR

# STOREY LS #4A (COMMINGLE OPTION)



11 14,500 2 sep/dehy



Southern

Rockies

Business

Unit

August 30, 1994

Mr. David Catanach  
New Mexico Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, NM 87504

**Additional Data for Surface Commingle Application**  
**Storey LS #4A Well**  
**Sec. 34, T28N-R8W**  
**Blanco Mesaverde Pool/ Basin Dakota Pool**  
**San Juan County, New Mexico**

Per our recent telephone conversation, you requested some additional data regarding the production rates from the subject well. Attached is a table showing the recent test data from the new completions. The Dakota formation shows a stabilized rate of 225 mcf/d w/ 1 bcpd and the Mesaverde shows a stabilized rate of 546 mcf/d w/ 5 bcpd. Using this data, we would propose an initial allocation formula for gas production of Dakota  $225/(225+546) = 29\%$  and Mesaverde  $546/(225+546) = 71\%$ . The initial allocation formula for condensate production would be Dakota  $1/(1+5) = 17\%$  and Mesaverde  $5/(1+5) = 83\%$ . Since this well is a proposed surface commingle, we will be able to test each formation individually for deliverability and future allocations.

Also attached for your file is approval from the BLM for this commingling application.

Sincerely,

A handwritten signature in cursive script that reads "J. W. Hawkins".

J. W. Hawkins

cc: Duane Spencer  
Bureau of Land Management  
1235 La Plata Hwy  
Farmington, NM 87401

|    | A              | B       | C        | D               | E             | F | G          | H        | I               | J               |
|----|----------------|---------|----------|-----------------|---------------|---|------------|----------|-----------------|-----------------|
| 1  | STOREY LS 4A : |         |          |                 |               |   |            |          |                 |                 |
| 2  |                |         |          |                 |               |   |            |          |                 |                 |
| 3  |                | DAKOTA: |          |                 |               |   | MESAVERDE: |          |                 |                 |
| 4  | Date           | MCFD    | BBLS OIL | Tubing Pressure | Back Pressure |   | MCFD       | BBLS OIL | Tubing Pressure | Casing pressure |
| 5  | 6/25/94        | 275     | 0        | 910             | 290           |   |            |          | 610             | 610             |
| 6  | 6/26/94        | 232     | 0.5      | 290             |               |   |            |          | 610             | 650             |
| 7  | 6/27/94        | 223     | 0.5      | 290             | 290           |   |            |          | 615             | 660             |
| 8  | 6/28/94        | 225     | 1        | 300             | 300           |   |            |          | 640             | 660             |
| 9  |                |         |          |                 |               |   |            |          |                 |                 |
| 10 |                |         |          |                 |               |   |            |          |                 |                 |
| 11 |                |         |          |                 |               |   |            |          |                 |                 |
| 12 | 7/30/94        |         |          |                 |               |   | 732        | 5        | 438             | 711             |
| 13 | 8/4/94         |         |          |                 |               |   | 572        | 5        |                 |                 |
| 14 | 8/11/94        |         |          |                 |               |   | 546        | 5        |                 |                 |





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94 JUL 27 AM 10:59

070 FARMINGTON, NM

Southern

Rockies

Business

Unit

July 22, 1994

Mr. William J. LeMay  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504

File: BRC-986.511

Application for Exception to Rule 303-A Surface Commingle Production  
Storey LS No. 4A Well, NW/4 Section 34, T28N-R8W  
Blanco Mesaverde Pool  
Basin Dakota Pool  
San Juan County New Mexico

Fed. Lse SF-078566

|                  |                    |
|------------------|--------------------|
| MINERAL DIVISION |                    |
| ADM.             | <i>[Signature]</i> |
| I & E OPER.      |                    |
| SOLIDS           |                    |
| FLUIDS D & P     | <i>[Signature]</i> |
| RES. MGMT.       | <i>[Signature]</i> |
| FLUIDS I & E     |                    |
| EPS              |                    |
| ALL SURV.        |                    |
| FILED            |                    |

Amoco Production Company hereby requests administrative approval for an exception to Rule 303-A to permit surface commingling of the production from the Blanco Mesaverde Pool and Basin Dakota Pool for the Storey LS No. 4A well located in the NW/4 of Section 34, T28N-R8W. The Storey LS No. 4A well was recently drilled and will be dually completed in the Mesaverde and Dakota formations. The surface commingling of the production will allow the use of a single train of production equipment to reduce operating costs from both formations. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each of the common sources of supply.

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The Mesaverde and the Dakota formations are expected to produce very small amounts of liquid hydrocarbon (condensate). The condensate from both formations have similar gravities ranging from 50° - 60° API. The commingled gravity is expected to be in this same range with the same value.

We plan to allocate the production on the basis of annual production tests.

**APPROVED**

JUL 28 1994

*[Signature]*  
DISTRICT MANAGER

Microsoft Mail v3.0 IPM.Microsoft Mail.Note

From: Frank Chavez

To: David Catanach

Subject: Amoco Storey LS #4 Surface Commingling application

Date: 1994-08-17 09:29

Priority:

Message ID: 1852B349

Conversation ID: 1852B349

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Rule 303.B. does not require that the wells be marginal in order to qualify for surface commingling approval.

I recommend approval.

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