



Southern

Rockies

Business

Unit

August 22, 1994

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87501

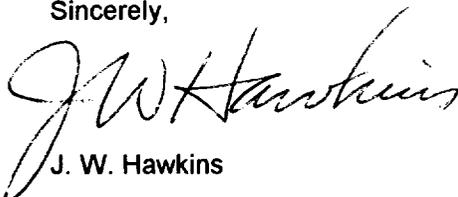
**Application of Amoco Production Company
For Downhole Commingling
Gooch #2E Well, Section 29, T28N-R8W
San Juan County, New Mexico**

AMOCO PRODUCTION COMPANY ("Amoco") hereby makes application for exception to NMOCD general rule 303 (c) to downhole commingle Dakota and Mesaverde production in the Gooch #2E well. The Gooch #2E well is located 1100 FNL and 1800 FWL, Section 29, T28N-R8W, San Juan County, New Mexico. In support of this application, Amoco states the following:

1. Amoco is the operator of the Dakota formation, Basin Dakota Pool underlying the N/2 Section 29, T28N-R8W, San Juan County, New Mexico, currently dedicated to the Gooch #2E well.
2. Amoco is the operator of the Mesaverde formation, Blanco Mesaverde Pool underlying the W/2 Section 29, T28N-R8W which will be dedicated to the Gooch #2E well after recompletion.
3. The ownership of the Dakota Formation and Mesaverde formation which are proposed for commingling are not common.
4. Production from the Basin Dakota Pool in the Gooch #2E is now marginal and the economic life of the production will be extended if it is downhole commingled with production from the Blanco Mesaverde Pool.
5. The Gooch #2E well cannot be dually completed because of mechanical conditions and therefore downhole commingling is necessary to economically produce the Dakota and Mesaverde formations.
6. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Amoco Production Company requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on September 15, 1994. A copy of this application will be sent to each of the operators of spacing units offsetting the well and to each of the owners in the well (working interest, royalty interest and overriding royalty interest) by certified mail, return receipt requested.

Sincerely,


J. W. Hawkins