



API No. 30-045  
#4095  
26094

Southern  
Rockies  
Business  
Unit

November 7, 1994

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

Sec. 14 in  
a structural  
640-20  
Section

11154

**Application for Exception to Rule 303-A  
To Downhole Commingle Production  
McGrady Gas Com C #1E Well, Section 14, T27N-R12W  
West Kutz Pictured Cliffs Pool, Basin Fruitland Coal Pool  
San Juan County, New Mexico**

Amoco Production Company hereby makes application for exception to NMOCD general rule 303(A) to downhole commingle production from the West Kutz Pictured Cliffs Pool and the Basin Fruitland Coal Pool in the McGrady Gas Com C #1E well. The well is located 1000' FNL and 1740' FEL of Section 14, T27N-R12W, San Juan County, New Mexico. In support of this application, Amoco states the following:

1. Amoco is the operator of the West Kutz Pictured Cliffs Pool underlying the NE/4 Section 14, T27N-R12W, San Juan County, New Mexico currently dedicated to the McGrady Gas Com C #1E well.
2. Amoco is the operator of the Basin Fruitland Coal Pool underlying the N/2 Section 14, T27N-R12W, San Juan County, New Mexico which will be dedicated to the McGrady Gas Com C #1E well after recompletion.
3. The ownership of the formations proposed for commingling is not common (WI, RI, ORI).
4. Development of the Basin Fruitland Coal Pool with a separate well would be uneconomical and downhole commingling is necessary to economically produce the formation.
5. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Amoco requests that this application be set for examiner hearing of the Oil Conservation Division on November 1, 1994. A copy of this application will be sent to offset operators and to owners in the well (WI, RI, ORI) by certified mail, return receipt requested.

Sincerely,

*J.W. Hawkins*  
J.W. Hawkins