



March 1, 1995

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

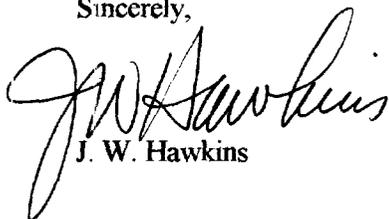
**Application to ReOpen NMOCD Case No. 11209
for Exception to Rule 303-A
Surface Commingle Production
Jones A LS 1A Well, Section 10, T28N-R8W
Blanco Mesaverde Pool, So. Blanco Pictured Cliffs Pool
San Juan County New Mexico**

Amoco Production Company hereby makes application to reopen NMOCD Case No. 11209 for exception to NMOCD general rule 303(A) to permit surface commingling of production from the Blanco Mesaverde Pool and So. Blanco Pictured Cliffs Pool for the Jones A LS 1A well. Attached is a copy of the original application dated December 22, 1994, exhibits from the hearing and the resulting NMOCD Order R-10316.

As supplemental information required under finding (7) of the order, Amoco submits that production volumes from the surface commingling operation will be allocated to each pool on the basis of annual well testing with consultation with the NMOCD Aztec District office.

Amoco requests that this application be set for examiner hearing of the Oil Conservation Division on April 6, 1995. 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. We request the NMOCD to publish this case with the comment that in the absence of objection, this case will be taken under advisement.

Sincerely,


J. W. Hawkins

Southern

Rockies

Business

Unit

RECEIVED
MAR 8 1995
Oil Conservation Division

Copy

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

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FEB 21 1995

CAMPBELL, CARR, et. al.

CASE NO. 11209
ORDER NO. R-10316

**APPLICATION OF AMOCO PRODUCTION
COMPANY FOR SURFACE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 16, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 20th day of February, 1995, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The subject matter was advertised in such a manner that the application and supplemental data provided the Division would be considered and taken under advisement in the absence of objection.
- (3) The applicant, Amoco Production Company ("Amoco"), is the owner and operator of the Jones "A-LS" Well No. 1A (API No. 30-045-22747), located 1460 feet from the South line and 1750 feet from the East line (Lot 2/Unit J) of irregular Section 10, Township 28 North, Range 8 West, NMPM, San Juan County, New Mexico. Said well was drilled in 1978 and was dually completed in both the South Blanco-Pictured Cliffs and Blanco-Mesaverde Pools in a conventional manner with two strings of tubing and a packer separating the two gas streams.
- (4) Lots 1 and 2 and the S/2 SE/4 (SE/4 equivalent) of said Section 10, comprising an area of 146.24 acres, was dedicated to the South Blanco-Pictured Cliffs Pool gas production from said well and the Blanco-Mesaverde gas production was dedicated to an existing 293.84-acre gas spacing and proration unit comprising all of said irregular Section 10.

(5) The applicant now seeks authority to commingle South Blanco-Pictured Cliffs and Blanco-Mesaverde Pool gas production from this well in a common gas sales line.

(6) According to the application provided the Division the working interests, royalty interests, and overriding royalty interests are not common between the two producing horizons.

(7) The applicant in this matter failed to provide sufficient information on how production volumes from each pool was to be determined (separately metering, subtraction, or well tests).

(8) The subject application should be denied at this time.

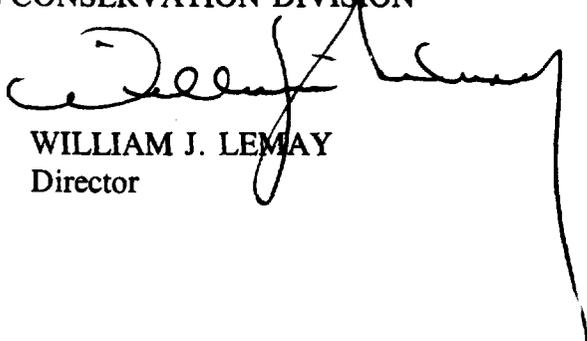
IT IS THEREFORE ORDERED THAT:

(1) The application of Amoco Production Company for authority to commingle gas production from the South Blanco-Pictured Cliffs Pool (146.24 acres comprising the SE/4 equivalent) and Blanco-Mesaverde Pool (293.84 acres comprising all of the irregular section) from its Jones "A-LS" Well No. 1A (API No. 30-045-22747), located 1460 feet from the South line and 1750 feet from the East line (Lot 2/Unit J) of irregular Section 10, Township 28 North, Range 8 West, NMPM, San Juan County, New Mexico, into a common sales line is hereby denied.

(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

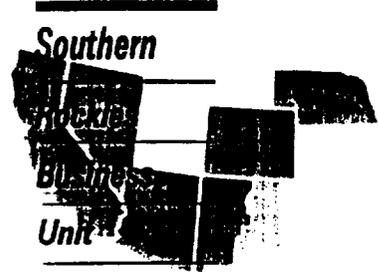

WILLIAM J. LEMAY
Director

S E A L



December 22, 1994

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



**Application for Exception to Rule 303-A
Surface Commingle Production
Jones A LS 1A Well, Section 10, T28N-R8W
Blanco Mesaverde Pool, So. Blanco Pictured Cliffs Pool
San Juan County New Mexico**

Amoco Production Company hereby makes application for exception to NMOCD general rule 303(A) to permit surface commingling of production from the Blanco Mesaverde Pool and So. Blanco Pictured Cliffs Pool for the Jones A LS 1A well. The well is located 1460' FSL and 1750' FEL Section 10, T28N-R8W, San Juan County, New Mexico. In support of this application, Amoco states the following:

1. Amoco is the operator of the Blanco Mesaverde Pool underlying the S/2 Section 10, T28N-R8W, San Juan County, New Mexico currently dedicated to the Jones A LS 1A well.
2. Amoco is the operator of the So. Blanco Pictured Cliffs Pool underlying the SE/4 Section 10, T28N-R8W, San Juan County, New Mexico currently dedicated to the Jones A LS 1A well.
3. The ownership (WI, RI, ORRI) is not common for the pools which are proposed for surface commingling.
4. The Jones A LS 1A well is dually completed in the Mesaverde and Pictured Cliffs formations. The surface commingling of the production will allow the use of a single train of production equipment including a single compressor to reduce operating costs from both formations.
5. 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.
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 requests that this application be set for examiner hearing of the Oil Conservation Division on January 19, 1995. 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

NEW MEXICO OIL CONSERVATION COMMISSION
 REGULATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator EL PASO NATURAL GAS COMPANY		Lease JONES A (SF-078046)		Well No. 1A
Unit Letter J	Section 10	Township 28-N	Range 8-W	County SAN JUAN
Actual Footage Location of Well: 1460 feet from the SOUTH line and 1750 feet from the EAST line				
Ground Level Elev. 5948	Producing Formation MESA VERDE PICTURED CLIFFS	Pool BLANCO MESA VERDE SO. BLANCO PICTURED CLIFFS EXT.	Dedicated Acreage: 146.24 & 293.84 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Communitization

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 interests, has been approved by the Commission.

CERTIFICATION

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

Original Signed by
D. G. Brisco

Name
Drilling Clerk

Position
El Paso Natural Gas Co.

Date
September 20, 1977

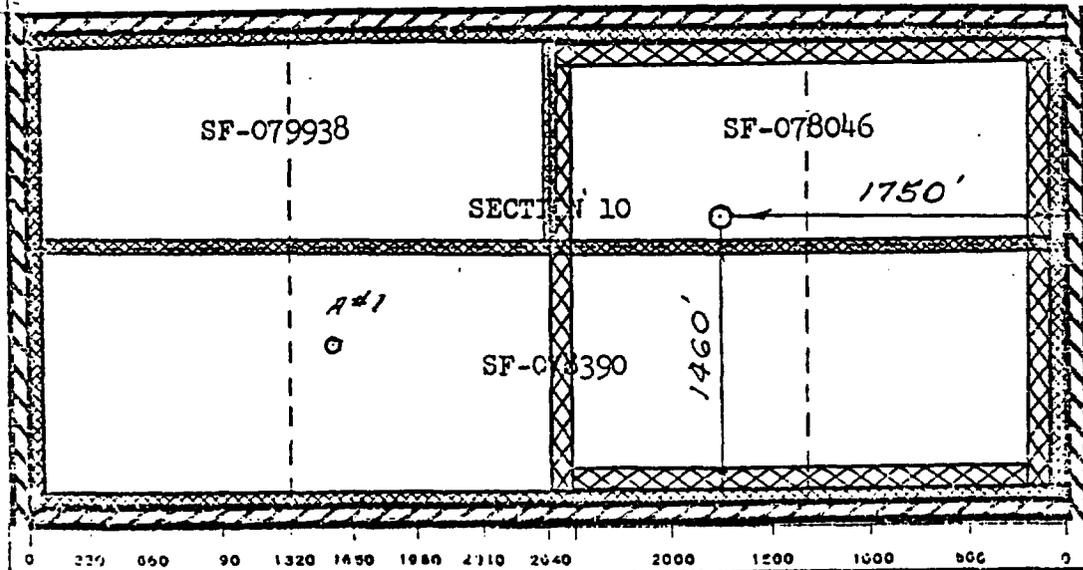
Date

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

Registered Professional Engineer and/or Land Surveyor

Certificate No.



[Handwritten Signature]

Amoco Production Company

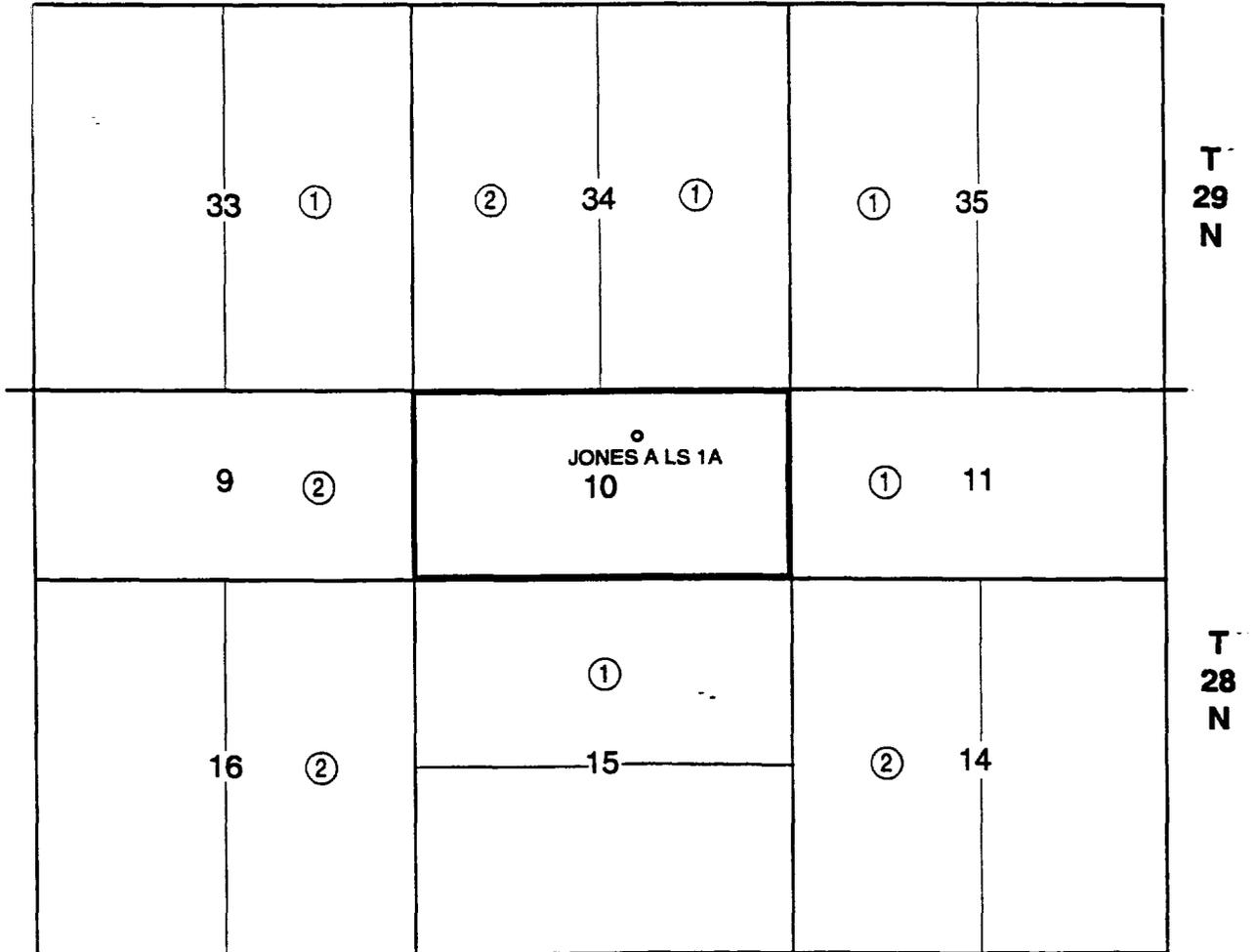
Offset Operator Plat

Jones A LS 1A

T28N-R8W Sec. 10

1750' FEL & 1460' FSL

Blanco Mesaverde Formation



① Amoco Production Company

② Meridian Oil, Inc.

Amoco Production Company

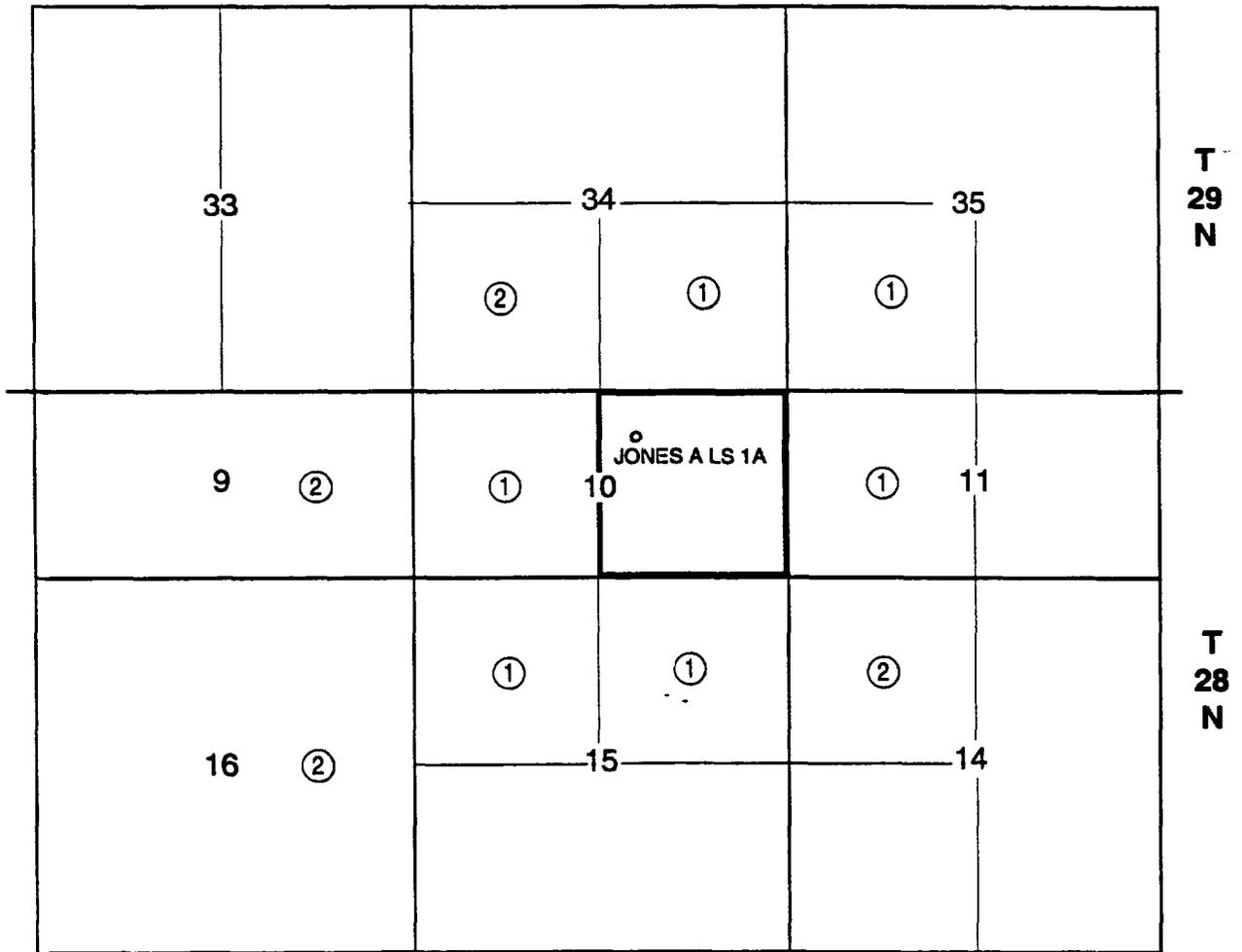
Offset Operator Plat

Jones A LS 1A

T28N-R8W Sec. 10

1750' FEL & 1460' FSL

Picture Cliffs Formation



① Amoco Production Company

② Meridian Oil, Inc.

INTEREST OWNERS

PICTURE CLIFFS FORMATION T28N-R8W SE/4 10 JONES A LS 1A
 MESA VERDE FORMATION T28N-R8W S/2 10 JONES A LS 1A

WORKING INTEREST OWNERS	ROYALTY INTEREST OWNERS	OVERRIDING ROYALTY OWNERS	PICTURE CLIFFS FORMATION	MESA VERDE FORMATION
Amoco Production Company P.O. Box 800 Denver, CO 80201	Bureau of Land Management Minerals Management Service Royalty Management Program P.O. Box 5810 TA Denver, CO 80217-5810	Kathlyn H. Gibson Estate George Anne Scharhag Pers Rep P.O. Box 546 Tesuque, NM 87574-0546	Yes	Yes
Conoco, Inc. 10 Destla Drive, Suite 100W Midland, Texas 79705-4500		Mabel Glenn Ham Revocable Trust Kathlyn Nora Black Trustee P.O. Box 15040 Santa Fe, NM 87506-5040	Yes	Yes
		Hanson McBride Petroleum Co. P.O. Box 1515 Roswell, NM 88202-1515	Yes	Yes
		Helen L. Hedrick Gas Account P.O. Box 2185 Santa Fe, NM 87504-2185	Yes	Yes
		Dorothy B. Hughes Revocable Living Trust Suzy Sarna Successor Trustee 788 Pennsylvania Avenue Ashland, OR 97520-3067	Yes	Yes
		Emily B. Hughes P.O. Box 1497 Raton, NM 87740-1497	Yes	Yes
		Glen D. Hughes 2321 Candelaria NW Albuquerque, NM 871070-3055	Yes	Yes
		Leland Price Inc. 2107 Clayton Ave. Artesia, NM 88210-2567	Yes	Yes

WORKING INTEREST OWNERS

ROYALTY INTEREST OWNERS

OVERRIDING ROYALTY OWNERS

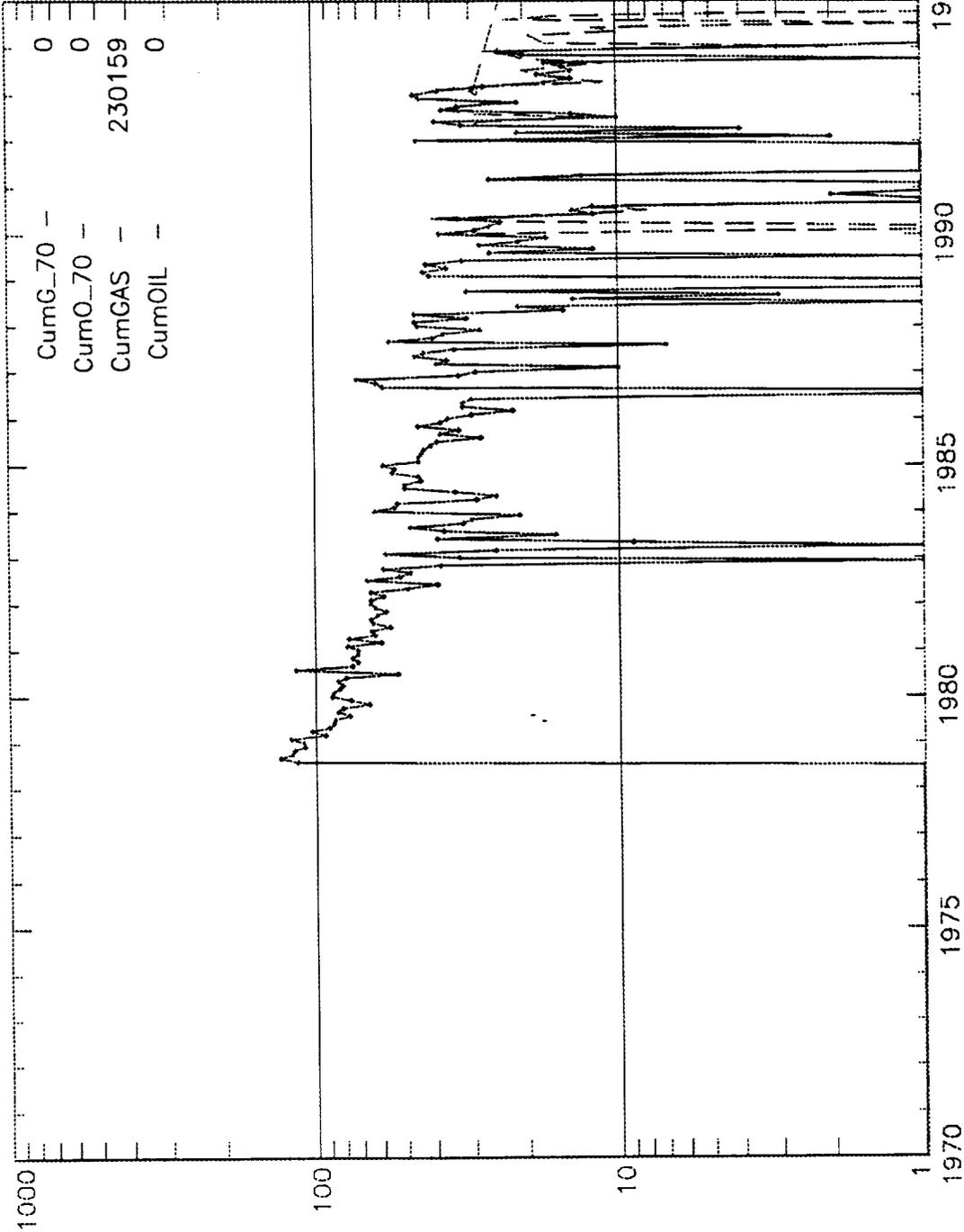
PICTURE CLIFFS FORMATION

MESA VERDE FORMATION

<ul style="list-style-type: none">• Ethel Parnell 503 W. Duarte Rd., #5 Arcadia, CA 91007-7325	Yes	Yes
<ul style="list-style-type: none">• Jane Manning Pitkin 503 W. Duarte Rd., #6 Arcadia, CA 91007-7235	Yes	Yes
<ul style="list-style-type: none">• Paul Slayton P.O. Box 2035 Roswell, NM 88202-2035	Yes	Yes
<ul style="list-style-type: none">• Elizabeth H. White Family Trust Linda Payne, Trustee P.O. Box 780099 Dallas, Texas 75378-0099	Yes	Yes

Engr: zr06

JONES A LS 1A
300452274700PC J102808-001APC Operator- AMOCO PRODUCTION CO
APC_WI - 0.50000000

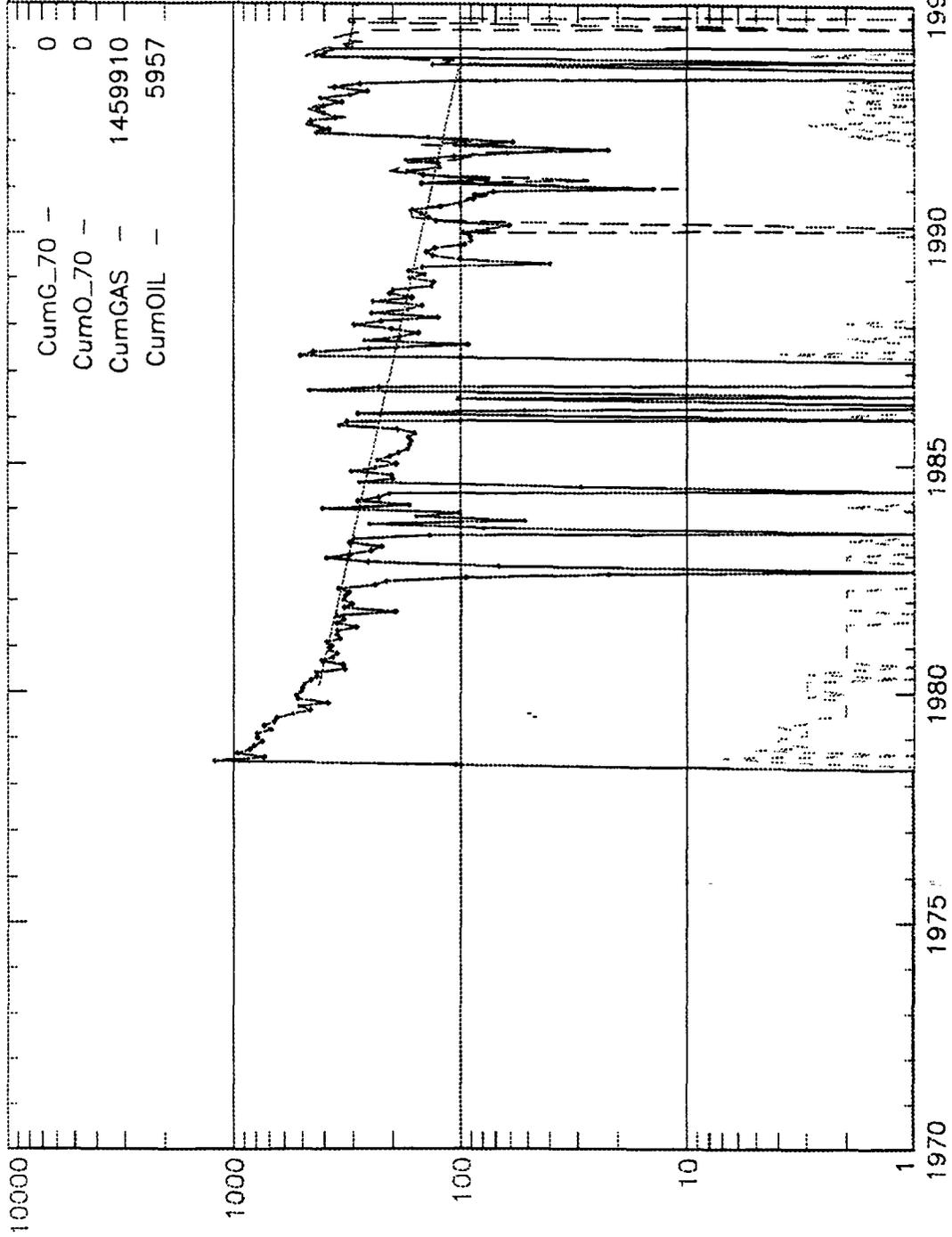


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Curr_Fit

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CurrQ
RemRes
EUR
Fit_date
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Engr: zrar06

JONES A LS 1A
300452274700MV J102808-001AMV
Operator - AMOCO PRODUCTION CO
APC_WI - 0.50000000



CumG_70 - 0
CumO_70 - 0
CumGAS - 1459910
CumOIL - 5957

DCLN 0.105
CurrQ 314
RemRes 1067190
EUR 2527100
Fit_date 1994 7

New_fit

DCLN
CurrQ
RemRes
EUR
Fit_date

SURFACE COMMINGLE LOCATION DIAGRAM

