



September 22, 1995

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P.O. Box 6429
Santa Fe, NM 87504

Southern

Rockies

Business

Unit

11412

Application for Exception to Rule 303-A - Surface Commingle Production
Houck Com Well #1, Section 1, T29N-R10W
Blanco Mesaverde Pool, Basin Dakota 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 Basin Dakota Pool for the Houck Com #1 well. The well is located 1580' FSL and 890' FEL Section 1, T29N-R10W, 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 E/2 Section 1, T29N-R10W, San Juan County, New Mexico currently dedicated to the Houck Com #1 well.
2. Amoco is the operator of the Basin Dakota Pool underlying the S/2 Section 1, T29N-R10W, San Juan County, New Mexico currently dedicated to the Houck Com #1 well.
3. The ownership (WI, RI, ORRI) is not common for the pools which are proposed for surface commingling.
4. The Houck Com #1 well is 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 including a single compressor to reduce operating costs from both formations.
5. The commingled production will be allocated to the individual pools based on annual well testing.
6. 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.
7. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

A copy of this application will be sent to all owners in the well (WI, RI, ORI) by certified mail, return receipt requested. Amoco requests that this application be set for examiner hearing of the Oil Conservation Division on October 19, 1995. In the absence of any objection we request that this matter be taken under advisement.

Sincerely,

J. W. Hawkins
J. W. Hawkins

cc: Pam Staley