

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980  
DISTRICT II  
811 South First St., Artesia, NM 88210-2835  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

Form C-107-A  
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

**APPLICATION FOR DOWNHOLE COMMINGLING**

Conoco Inc. 10 Desta Dr., Ste 100W, Midland, TX 79705-4500  
Operator Address

Apache 2 L-18-T26N-R3W Rio Arriba  
Lease Well No Unit Ltr Sec Twp Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 16056 API NO. 30 039 20185 Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Undesignated Gallup 87360		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	7328-7342'		7818-7994'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flow		Flowing
5. Bottom hole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 428 psia BHP b. (Original) 2141 psia BHP	a.  b.	a. 614 psia BHP b. 2651 psia BHP
6. Oil Gravity (*API) or Gas BTU Content	1313 BTU/Mcf		1278 BTU/Mcf
7. Producing or Shut-In?	Shut-in		Producing
Production Marginal? (yes or no)	YES		YES
• If Shut-In give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data. • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates Est. 10/97 8 mcf/d, 0 bwpd, 2 bopd	Date Rates  Date Rates	Date Rates Est. 10/97 43 mcf/d, 0 bwpd, .6 bopd
8. Fixed Percentage Allocation Formula - % for each zone	oil: 25 % Gas 16 %	oil: % Gas %	oil: 75 % Gas 84 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No  
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No

11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each others ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). \_\_\_\_\_

16. ATTACHMENTS

- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- \* Production curve for each zone for at least one year. (If not available, attach explanation.)
- \* For zones with no production history, estimated production rates and supporting data.
- \* Data to support allocation method or formula.
- \* Notification list of all offset operators.
- \* Notification list of working, overriding and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Ann E. Ritchie TITLE Regulatory Agent DATE 7-14-97

TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. (915) 686-6548/684-6381

**MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION 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.

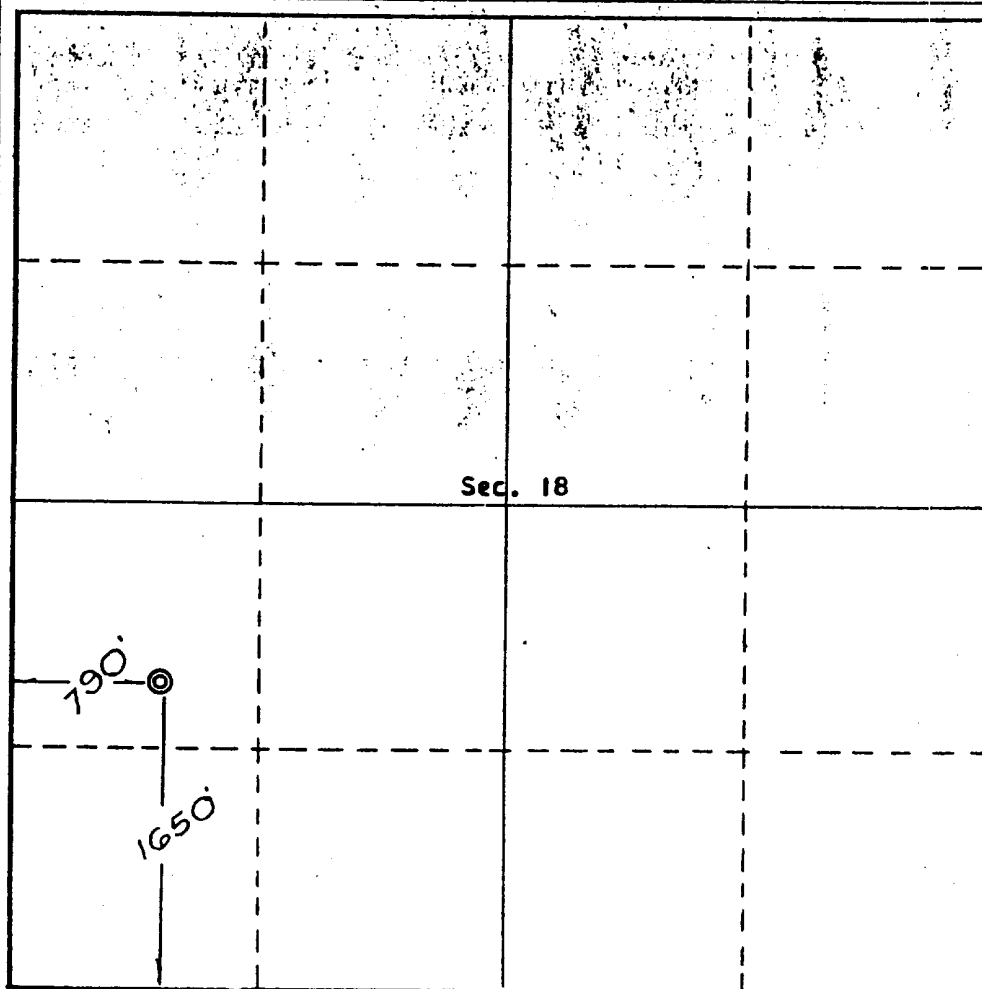
Operator <b>JEROME P. McHUGH</b>			Lease <b>Jicarilla</b>		Well No. <b>A-2</b>
Unit Letter <b>L</b>	Section <b>18</b>	Township <b>26 North</b>	Range <b>3 West</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>South</b> line and <b>790</b> feet from the <b>West</b> line					
Ground Level Elev. <b>6939</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin</b>		Dedicated Acreage: <b>- -</b> 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 \_\_\_\_\_

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.

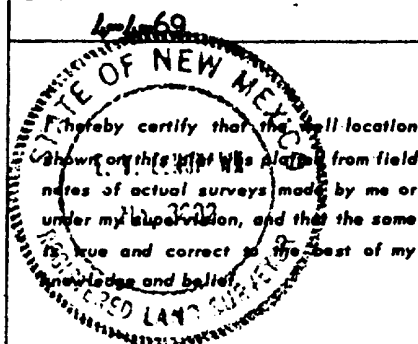


**CERTIFICATION**

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

Original signed by **T. A. Dugan**

Name  
**Thomas A. Dugan**  
Position  
**Engineer**  
Company  
**Jerome P. McHugh**  
Date  
**4-1-69**



Date Surveyed  
**March 29, 1969**  
Registered Professional Engineer  
and/or Land Surveyor

*E. J. Echeverria*  
Certificate No. **3602**

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLATForm C-102  
Supersedes C-128  
Effective 1-1-65

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

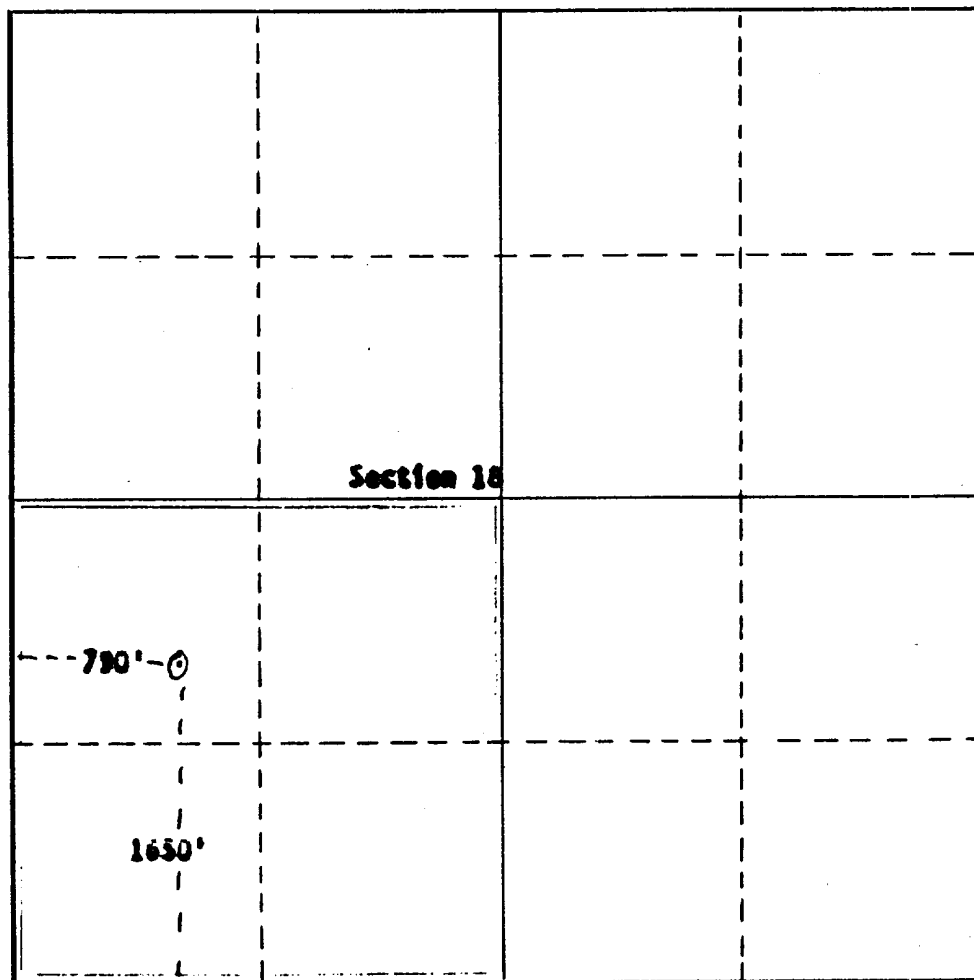
Operator <b>Jerome P. McHugh</b>			Lease <b>Jicarilla A</b>			Well No. <b>2</b>		
Unit Letter <b>L</b>	Section <b>18</b>	Township <b>26N</b>	Range <b>3W</b>	County <b>Albuquerque</b>				
Actual Footage Location of Well: <b>1650</b> feet from the <b>south</b> line and <b>790</b> feet from the <b>west</b> line								
Ground Level Elev. <b>6232'</b>	Producing Formation <b>Gallup</b>		Pool <b>Undesignated</b>		Dedicated Acreage: <b>1.00</b> 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 \_\_\_\_\_

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 T. A. Dugan

Name <b>Thomas A. Dugan</b>
Position <b>Engineer</b>
Company <b>Jerome P. McHugh</b>
Date <b>10/9/69</b>

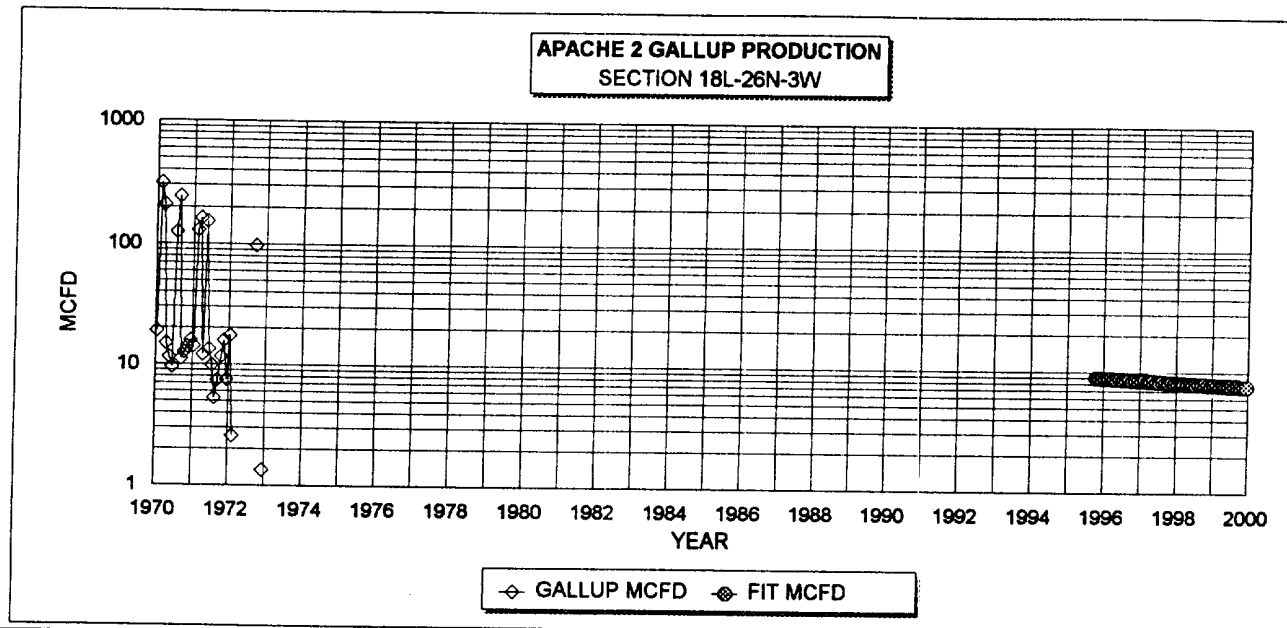
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

**3/23/69**

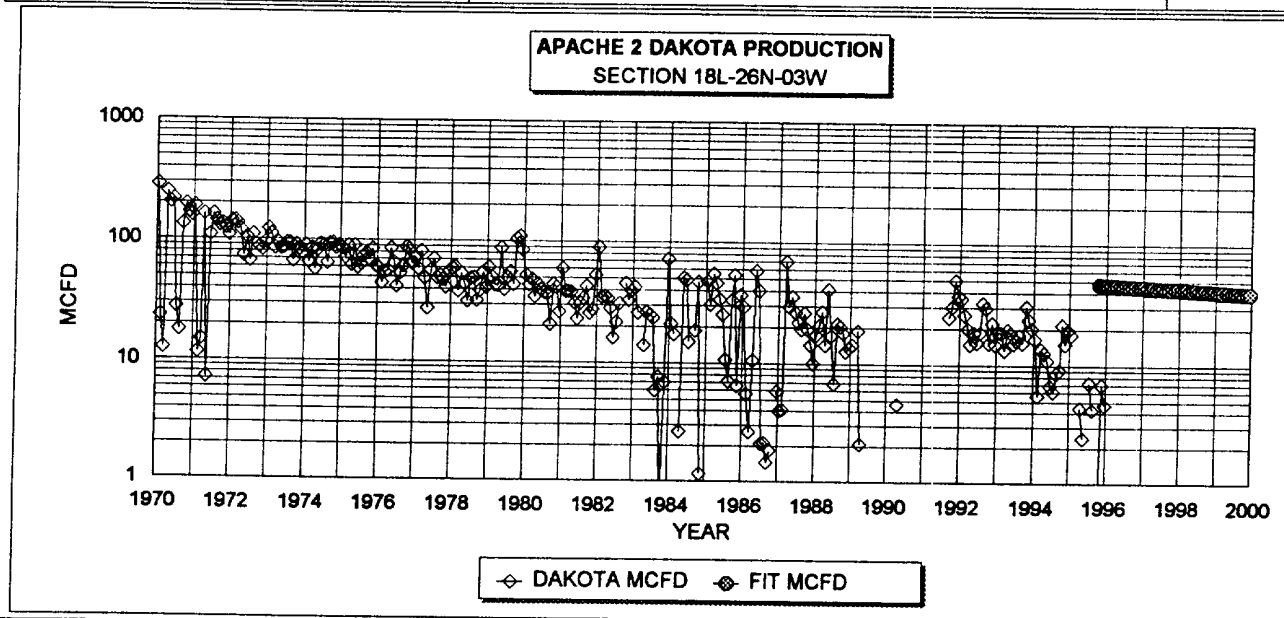
Date Surveyed
Registered Professional Engineer and/or Land Surveyor <b>E. V. Lenchawk</b>

Certificate No.  
**3602**

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



<b>GALLUP HISTORICAL DATA:</b>	<b>1ST PROD: 10/69</b>	<b>GALLUP PROJECTED DATA</b>
OIL CUM:	0.88 MBO	10/1/97 Q1: 8 MCFD
GAS CUM:	52.0 MMCF	DECLINE RATE: 4.0% (EXPONENTIAL)
OIL YIELD:	0.0189 BBL/MCF	



<b>DAKOTA HISTORICAL DATA</b>	<b>1ST PROD: 10/69</b>	<b>DAKOTA PROJECTED DATA</b>
OIL CUM:	6.2 MBO	10/1/97 Q1: 43 MCFD
GAS CUM:	437.0 MMCF	DECLINE RATE: 4.0% (EXPONENTIAL)
OIL YIELD:	0.0142 BBL/MCF	

<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>		
	<b>GAS</b>	<b>OIL</b>
<b>GALLUP</b>	16%	20%
<b>DAKOTA</b>	84%	80%

<b>GAS ALLOCATION BASED ON PROJECTED 1996 RATES</b>	
<b>OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS</b>	

*NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGY DATA*

Conoco, Inc.  
C-107-A  
Offset Operator List

RE: Apache, Well #2, Rio Arriba County, New Mexico

1. Burlington Resources Oil & Gas Co.  
P. O. Box 4289  
Farmington, NM 87499
2. Chateau Oil & Gas Inc.  
2515 McKinney Ave. Ste 840  
Dallas, TX 75201
3. Conoco, Inc.  
10 Desta Dr., Suite 100W  
Midland, Texas 79705-4500

DATE IN	SUBPENSE	ENGINEER	LOGGED BY	TYPE
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

### ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

#### Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

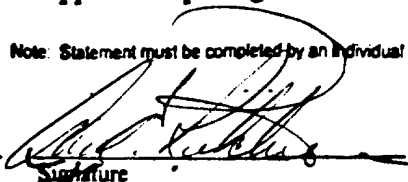
[F] ☐ Waivers are Attached

#### [3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Ann E. Ritchie  
 Print or Type Name

  
 Signature

Regulatory Agent  
 Title

7-14-97  
 Date