

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
CONOCO, INC.

3a. Address
P.O. BOX 2197 DU 3066 HOUSTON TX 77252

3b. Phone No. (include area code)
(281)293-1005

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
L 18 26N 3W E/2
1650' FSL & 790' FWL

5. Lease Serial No.

CONT 98

6. If Indian, Allottee or Tribe Name

JICARILLA

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

APACHE #2

9. API Well No.

30-039-20185

10. Field and Pool, or Exploratory Area

BASIN DAKOTA, WILD HORSE GALLU

11. County or Parish, State

RIO ARRIBA

NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DHC</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

In reference to Order #R-11363 Conoco proposes to downhole commingle this well in the Wildhorse Gallup and Basin Dakota.

Leaking Packer must be removed prior to DHC.

Perforations are:
Wildhorse Gallup 7328'-7342'
Basin Dakota 7806'-7994'

Allocation will be by subtraction method.

Commingleing in this well will not reduce the value of the remaining production.

The BLM has been sent notice of our intent.

Interests are the same in all zones.

DHC 1650, 9-9-97

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
DEBORAH MARBERRY

Title
REGULATORY ANALYST

Date
04/03/2001

Signature
Deborah Marberry

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Lands and Mineral Resources

Date

5/2/01

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

AFMSS

Adjud	<i>mg</i>
Engr	
Geol	
Surf	
Appvl	<i>B</i>

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-039-20185		2 Pool Code 87360		3 Pool Name WILDHORSE GALLUP	
4 Property Code 16056		5 Property Name APACHE			6 Well Number 2
7 OGRID No. 005073		8 Operator Name CONOCO, INC.			9 Elevation

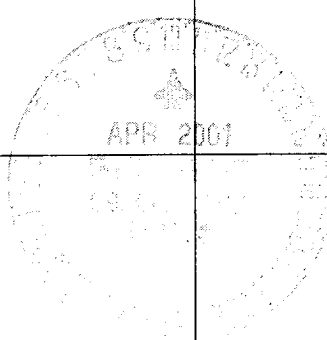
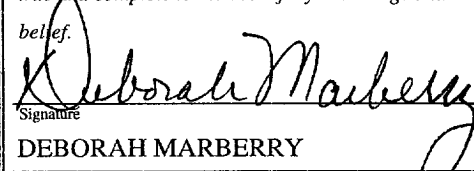
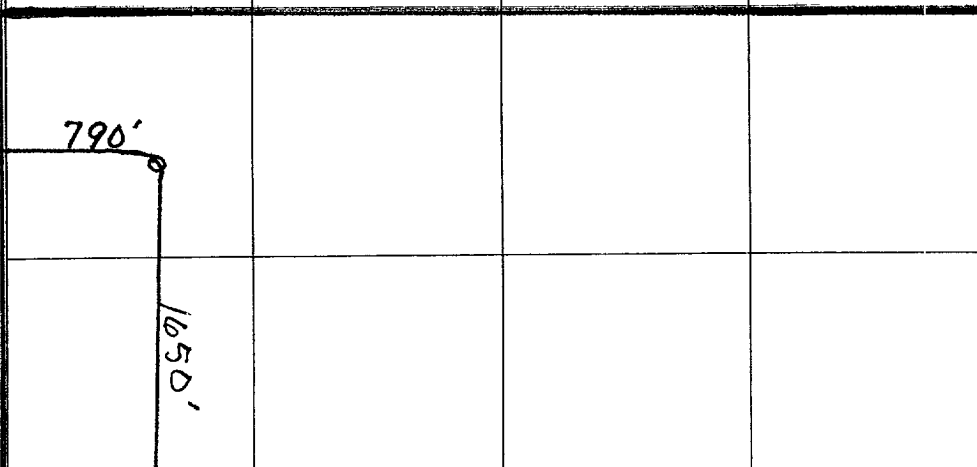
10 Surface Location

UL or lot no. L	Section 18	Township 26N	Range 3W	Lot Idn	Feet from the 1650'	North/South line SOUTH	Feet from the 790'	East/West line WEST	County RIO ARriba
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature DEBORAH MARBERRY Printed Name REGULATORY ANALYST Title 4/4/2001 Date	
					18 SURVEYOR CERTIFICATION <i>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 belief.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	
						

District I
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-20185		² Pool Code 71599		³ Pool Name BASIN DAKOTA	
⁴ Property Code 16056		⁵ Property Name APACHE			⁶ Well Number 2
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation

¹⁰ Surface Location

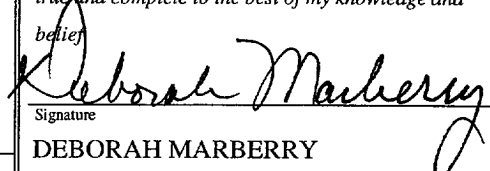
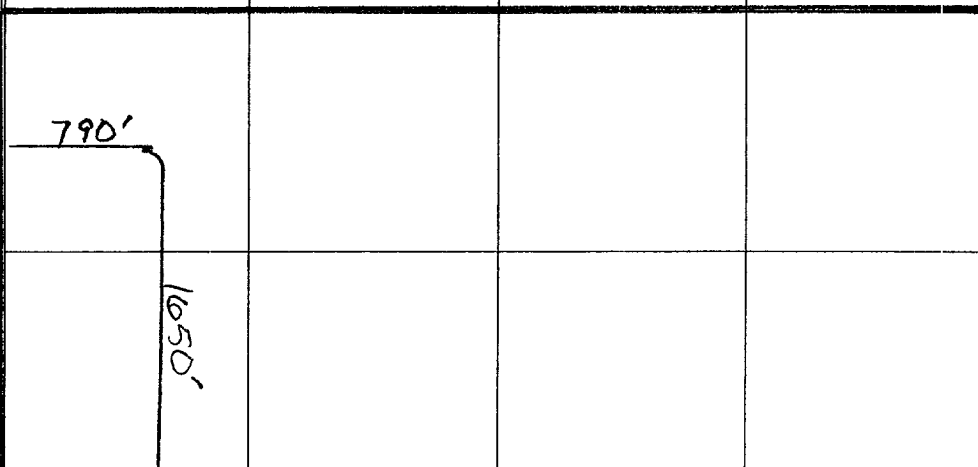
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	18	26N	3W		1650'	SOUTH	790'	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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Apache 2

Rate Justification for Down Hole Commingling

The Apache 2 well was completed in the Gallup and Dakota formations using dual 1.66" tubing strings. The zones were isolated by a packer set between the zones. During a recent packer leakage test the zones were found to be in pressure communication. The well has been shut-in since the communication was found.

Approval is requested to down hole commingle the Gallup and Dakota zones in the subject well. Both zones produce some liquids. The Gallup zone has loaded up and is not capable of production with its current configuration and the Dakota is producing well below the minimum critical rate required to unload liquids from the well bore. Low rates have allowed liquids to accumulate in the wellbore, thereby preventing maximum production from this well. To optimize production it is recommended to pull the existing tubing strings from the well, and produce it using plunger lift in a single 2 1/16" tubing string. The 5 1/2" casing string is not large enough to accommodate two tubing strings large enough to isolate and plunger lift each zone. The expected production rate from the commingled well is 20 MCFD.

Production from the Dakota zones is established by ample production history. A production plot is attached showing best fit projections of future production for the Dakota. It is proposed that the subtraction method be used to allocate production between the Gallup and Dakota zones. Form 107A shows the Dakota volume to be subtracted.

Given the low producing rates from this well, if trouble is encountered during the workover, the well will be plugged.

Subtraction