

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First St., Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd, Artec, NM 87410  
DISTRICT IV  
2040 S. Pacheco, Santa Fe, NM 87505

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  
Revised August 1999

APPROVAL PROCESS:

Administrative ☐ Hearing ☐

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc. P.O. Box 2197, DU 3066 Houston, TX 77252-2197

Operator Address  
San Juan 28-7 Unit 102 Sec. 2, T-27N, R-7W Rio Arriba  
Lease Well No. Unit Ltr. - Sec. - Twp. - Rge. County  
OGRID NO. 005073 Property Code 016608 API NO. 30-039-07162 Spacing Unit Lease Types: (check 1 or more)  
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                                                                                                                     | Blanco Picture Cliff South<br>72439                 |                   | Blanco Mesaverde<br>72319              |
| 2. Top and Bottom of Pay Section (Perforations)                                                                                                | Cliffhouse 4848-4924<br>Print Lookout 5394-5518     |                   | Picture Cliffs<br>3170-2308            |
| 3. Type of production (Oil or Gas)                                                                                                             | Gas                                                 |                   | Gas                                    |
| 4. Method of Production (Flowing or Artificial Lift)                                                                                           | Flowing                                             |                   | Flowing                                |
| 5. Bottomhole Pressure                                                                                                                         | a. (Current) 381                                    |                   | a. 562"                                |
| Oil Zones - Artificial Lift:<br>Gas & Oil - Flowing: Estimated Current<br>Measured Current<br>All Gas Zones:<br>Estimated Or Measured Original | b. (Original)<br>1227                               |                   | b.<br>1305                             |
| 6. Oil Gravity (EAPI) or Gas BTU Content                                                                                                       | 1190                                                |                   | 1254                                   |
| 7. Producing or Shut-in?                                                                                                                       | Producing                                           |                   | Producing                              |
| Production Marginal? (yes or no)                                                                                                               | No                                                  |                   | No                                     |
| * If Shut-in, give date and oil/gas/water rates of last production                                                                             | Date:<br>Rates:                                     | Date:<br>Rates:   | Date:<br>Rates:                        |
| Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data                 | Date: Estimated Menefee<br>Rates: Uplift = 250 MCFD | Date:<br>Rates:   | Date:<br>Rates: current avg + 33 mcf/d |
| * If Producing, give date and oil/gas/water rates of recent test (within 60 days)                                                              |                                                     |                   |                                        |
| 8. Fixed Percentage Allocation Formula - % for each zone (total of %s to equal 100%)                                                           | Oil: % Gas: %                                       | Oil: % Gas: %     | Oil: % Gas: %                          |

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
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 other? ☒ 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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-10476-B
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 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 Deborah Moore TITLE Regulatory Analyst DATE 10/06/99

TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 291-1005

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State of New Mexico  
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                         |                                                  |                                                                         |
|-----------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------|
| <sup>1</sup> API Number<br>30-039-07162 | <sup>2</sup> Pool Code<br>72319/72439            | <sup>3</sup> Pool Name<br>Blanco Picture Cliff South / Blanco Mesaverde |
| <sup>4</sup> Property Code<br>016608    | <sup>5</sup> Property Name<br>San Juan 28-7 Unit | <sup>6</sup> Well Number<br>102                                         |
| <sup>7</sup> OGRID No.<br>005073        | <sup>8</sup> Operator Name<br>Conoco Inc.        | <sup>9</sup> Elevation<br>6562                                          |

<sup>10</sup> Surface Location

|                    |              |                 |             |         |                       |                           |                       |                        |                      |
|--------------------|--------------|-----------------|-------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------------|
| UL or lot no.<br>N | Section<br>2 | Township<br>27N | Range<br>7W | Lot Idn | Feet from the<br>990' | North/South line<br>South | Feet from the<br>1790 | East/West line<br>West | County<br>Rio Arriba |
|--------------------|--------------|-----------------|-------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------------|

<sup>11</sup> 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 |
| <sup>12</sup> Dedicated Acres<br>160/320 | <sup>13</sup> Joint or Infill<br>Y | <sup>14</sup> Consolidation Code<br>U | <sup>15</sup> 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

|  |                                                                   |                                                                                                                                                                                                                                                                                                                                                              |
|--|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <b>RECEIVED</b><br>OCT 12 1999<br><b>OIL CON. DIV.</b><br>DIST. 3 | <sup>17</sup> OPERATOR CERTIFICATION<br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i><br><br>Signature<br>Printed Name Deborah Moore<br>Title Regulatory Analyst<br>Date 10/06/99                                                                                                |
|  |                                                                   | <sup>18</sup> SURVEYOR CERTIFICATION<br><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><br><br>Date of Survey<br>Signature and Seal of Professional Surveyer:<br><br>Certificate Number |

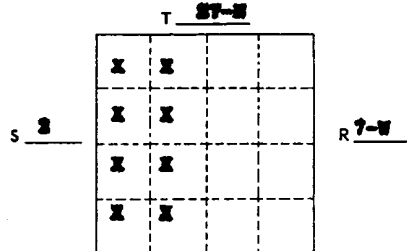
EL PASO NATURAL GAS COMPANY

## AUTHORITY FOR DEVELOPMENT

To: Drilling and Petroleum Engineering Departments

The following drilling site, which is on a ☒ producing☐ non-producing lease, having been setup on our 1959 drilling program, has been processed by the Land Department

and is hereby approved for drilling.

Dedication: T-27-N, R-7-W, N.E.P.M.Location: T-27-N, R-7-WSection 2: W/4Section 2: SW/4Formation: Pictured Cliffs - MesaverdeContaining 312.00 acres, more or lessEl Paso Natural Gas Tr. #202 - Full gas to base of MV  
Company's Interest: Tr. #201 - FullOutside Interest (s): None

Lease or Leases and Lands Committed:

| Lease Number      | Lessor           | Expires | Lease Acreage<br>Dedicated | Working Interest<br>Owner |         |
|-------------------|------------------|---------|----------------------------|---------------------------|---------|
| Tr. #202 N-200-23 | State of<br>N.M. | *       | Lots 3,4,<br>SW/4          | EPNG Co.                  | NM 4300 |
| Tr. #201 N-200-23 | State of<br>N.M. | *       | S/2 NW/4                   | EPNG Co.                  | NM 4700 |

Well must be (commenced) (completed) (tied in) by N/A

Remarks: (Time limitations, special contractual provisions, etc.)

Held by production. Both leases fully committed to San Juan 20-7 Unit. Tract #202 -  
Subject to LSA of 7-6-53 between El Paso and Johnston Oil and Gas Company and LSA of  
7-6-53 between El Paso and R. H. Hansen.

Date: 4-4-59

ORIGINAL SIGNED BY  
W. DYER MOORE, JR.  
Attorneys

Title Approved for Drilling ☒  
 Title conditionally approved ☐  
 (Subject to Remarks on Reverse Side.)

Date: APR 8 1959

ORIGINAL SIGNED BY  
SAM SMITH

Land Department

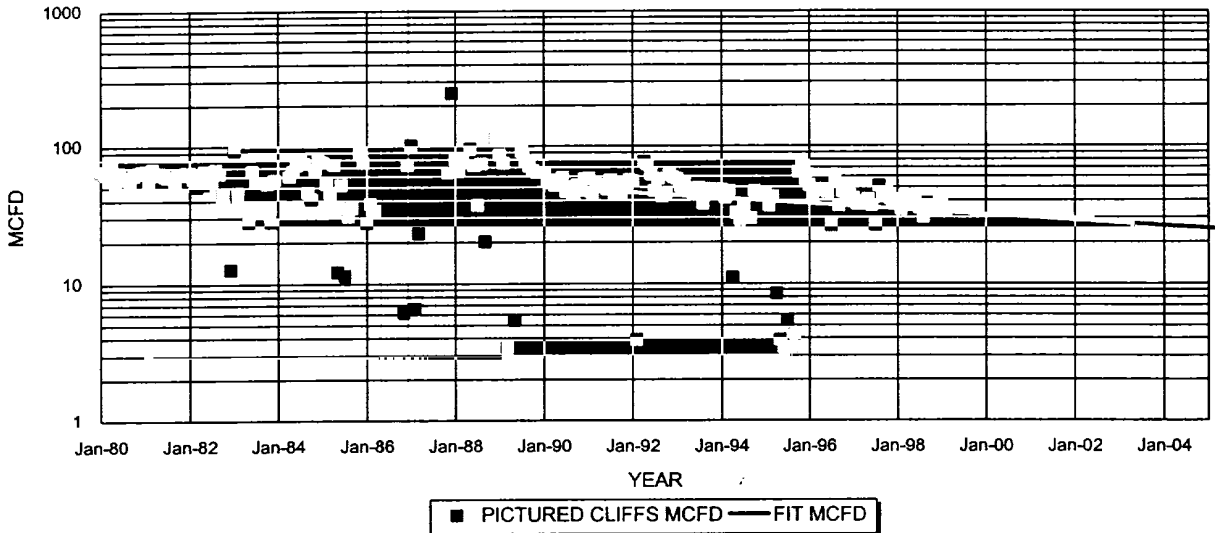
WELL AUTHORIZED FOR DRILLING:

Date: 4-8-59

Original  
Signed H. F. STEEN  
Management

Well Name and Number San Juan 20-7 Unit #100 (JXX) Work Order Number 53757Rig Name and/or Number (JXX)

**SJ 28-7 #102 PICTURED CLIFFS PRODUCTION  
SECTION 2N-27N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



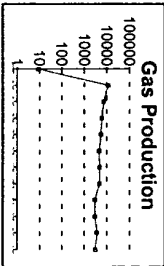
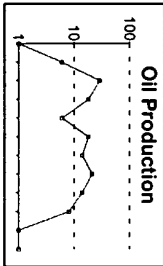
|                                   |        |                        |                                       |                    |
|-----------------------------------|--------|------------------------|---------------------------------------|--------------------|
| <b>PICTURED CLIFFS PRODUCTION</b> |        | <b>1ST PROD: 12/59</b> | <b>PICTURED CLIFFS PROJECTED DATA</b> |                    |
| OIL CUM:                          | 0.00   | MBO                    | Jan.00 Qi:                            | 32 MCFD            |
| GAS CUM:                          | 833.8  | MMCF                   | DECLINE RATE:                         | 4.5% (EXPONENTIAL) |
| OIL YIELD:                        | 0.0000 | BBL/MCF                | API #30-039-07162                     |                    |

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

| YEAR | MID-YEAR<br>AVG. MCFD | MID-YEAR<br>AVG. BOPD |
|------|-----------------------|-----------------------|
| 2000 | 31                    | 0                     |
| 2001 | 29                    | 0                     |
| 2002 | 28                    | 0                     |
| 2003 | 27                    | 0                     |
| 2004 | 26                    | 0                     |
| 2005 | 24                    | 0                     |
| 2006 | 23                    | 0                     |
| 2007 | 22                    | 0                     |
| 2008 | 21                    | 0                     |
| 2009 | 20                    | 0                     |
| 2010 | 19                    | 0                     |
| 2011 | 19                    | 0                     |
| 2012 | 18                    | 0                     |
| 2013 | 17                    | 0                     |
| 2014 | 16                    | 0                     |
| 2015 | 15                    | 0                     |
| 2016 | 15                    | 0                     |
| 2017 | 14                    | 0                     |
| 2018 | 13                    | 0                     |
| 2019 | 13                    | 0                     |
| 2020 | 12                    | 0                     |
| 2021 | 12                    | 0                     |
| 2022 | 11                    | 0                     |
| 2023 | 11                    | 0                     |
| 2024 | 10                    | 0                     |
| 2025 | 10                    | 0                     |
| 2026 | 9                     | 0                     |
| 2027 | 9                     | 0                     |

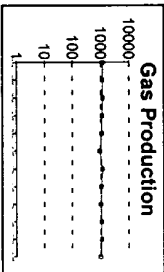
|           |                        |             |               |            |        |
|-----------|------------------------|-------------|---------------|------------|--------|
| Lease:    | SAN JUAN 28 7 UNIT     | Well #:     | 102           | FP Date:   | 59-11  |
| Field:    | BLANCO (MESASVERDE) MV | Location:   | 2N 27N 7W     | LP Date:   | 99-02  |
| Operator: | CONOCO INC             | Liquid Cum: | 6,919 bbls    | Liq Since: | FPDATE |
| RCI #:    | 251,039,27N07W02N00MV  | Gas Cum:    | 2,538,076 mcf | Gas Since: | FPDATE |
| API #:    | 30-039-07162-00        | Status:     | ACT GAS       |            |        |

| DATE    | OIL, BBLs | GAS, MCF | WATER, BBLs | WELLS |
|---------|-----------|----------|-------------|-------|
| 03/1998 | 1         | 9        | 0           | 1     |
| 04/1998 | 6         | 11,153   | 0           | 1     |
| 05/1998 | 29        | 7,229    | 0           | 1     |
| 06/1998 | 18        | 5,967    | 0           | 1     |
| 07/1998 | 6         | 5,350    | 0           | 1     |
| 08/1998 | 18        | 4,422    | 0           | 1     |
| 09/1998 | 14        | 4,700    | 0           | 1     |
| 10/1998 | 21        | 4,626    | 0           | 1     |
| 11/1998 | 14        | 2,939    | 0           | 1     |
| 12/1998 | 8         | 2,949    | 0           | 1     |
| 01/1999 | 0         | 3,544    | 0           | 1     |
| 02/1999 | 1         | 3,090    | 0           | 1     |
| Total   | 136       | 55,978   | 0           |       |



|           |                                  |              |             |            |        |
|-----------|----------------------------------|--------------|-------------|------------|--------|
| Lease:    | SAN JUAN 28 7 UNIT               | Well #:      | 102         | FP Date:   | 59-12  |
| Field:    | BLANCO SOUTH (PICTURE CLIFFS) PC | Location:    | 2N 27N 7W   | LP Date:   | 99-02  |
| Operator: | CONOCO INC                       | Liquid Curr: |             | Liq Since: | FPDATE |
| RCI #:    | 251.039.27N07W02N00PC            | Gas Curr:    | 833,791 mcf | Gas Since: | FPDATE |
| API #:    | 30-039-07162-00                  | Status:      | ACT GAS     |            |        |

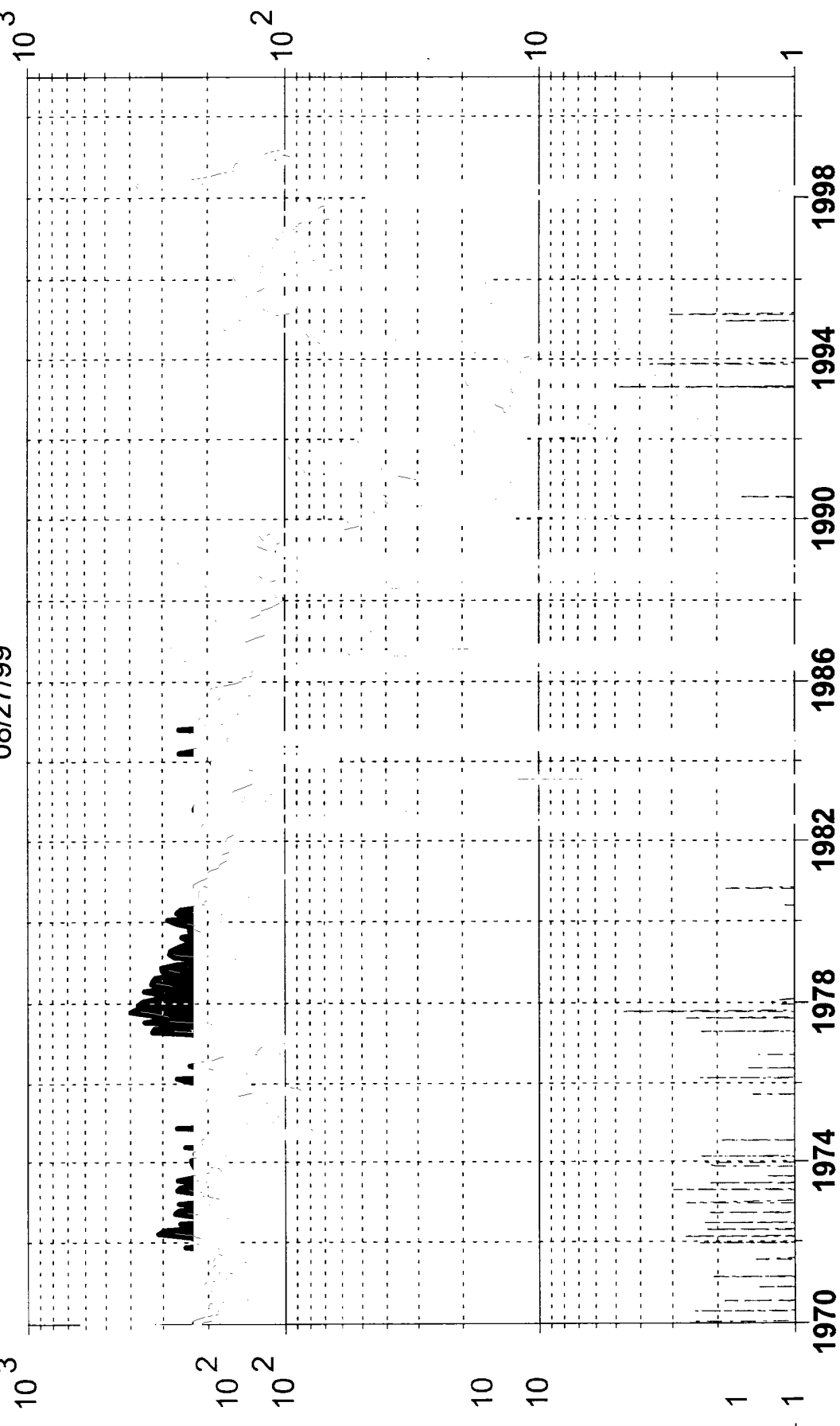
| DATE    | OIL, BBLs | GAS, MCF | WATER, BBLs | WELLS |
|---------|-----------|----------|-------------|-------|
| 03/1998 | 0         | 1,166    | 0           | 1     |
| 04/1998 | 0         | 1,132    | 0           | 1     |
| 05/1998 | 0         | 1,159    | 0           | 1     |
| 06/1998 | 0         | 1,113    | 0           | 1     |
| 07/1998 | 0         | 1,069    | 0           | 1     |
| 08/1998 | 0         | 917      | 0           | 1     |
| 09/1998 | 0         | 1,158    | 0           | 1     |
| 10/1998 | 0         | 1,048    | 0           | 1     |
| 11/1998 | 0         | 1,009    | 0           | 1     |
| 12/1998 | 0         | 1,069    | 0           | 1     |
| 01/1999 | 0         | 1,069    | 0           | 1     |
| 02/1999 | 0         | 1,000    | 0           | 1     |
| Total   | 0         | 12,909   | 0           |       |



Dwights

Lease: SAN JUAN 28 7 UNIT (102)

Retrieval Code: 251,039,27N07W02N00MV  
08/27/99



|                           |                    |
|---------------------------|--------------------|
| Operator: CONOCO INC      | F.P. Date: 11/59   |
| Location: 2N 27N 7W       | Oil Cum: 6919 bbl  |
| Field: BLANCO (MESAVARDE) | Gas Cum: 2538 mmcf |
| Reservoir: MESAVARDE      | L.P. Date: 02/99   |

Gas (mcf/day)

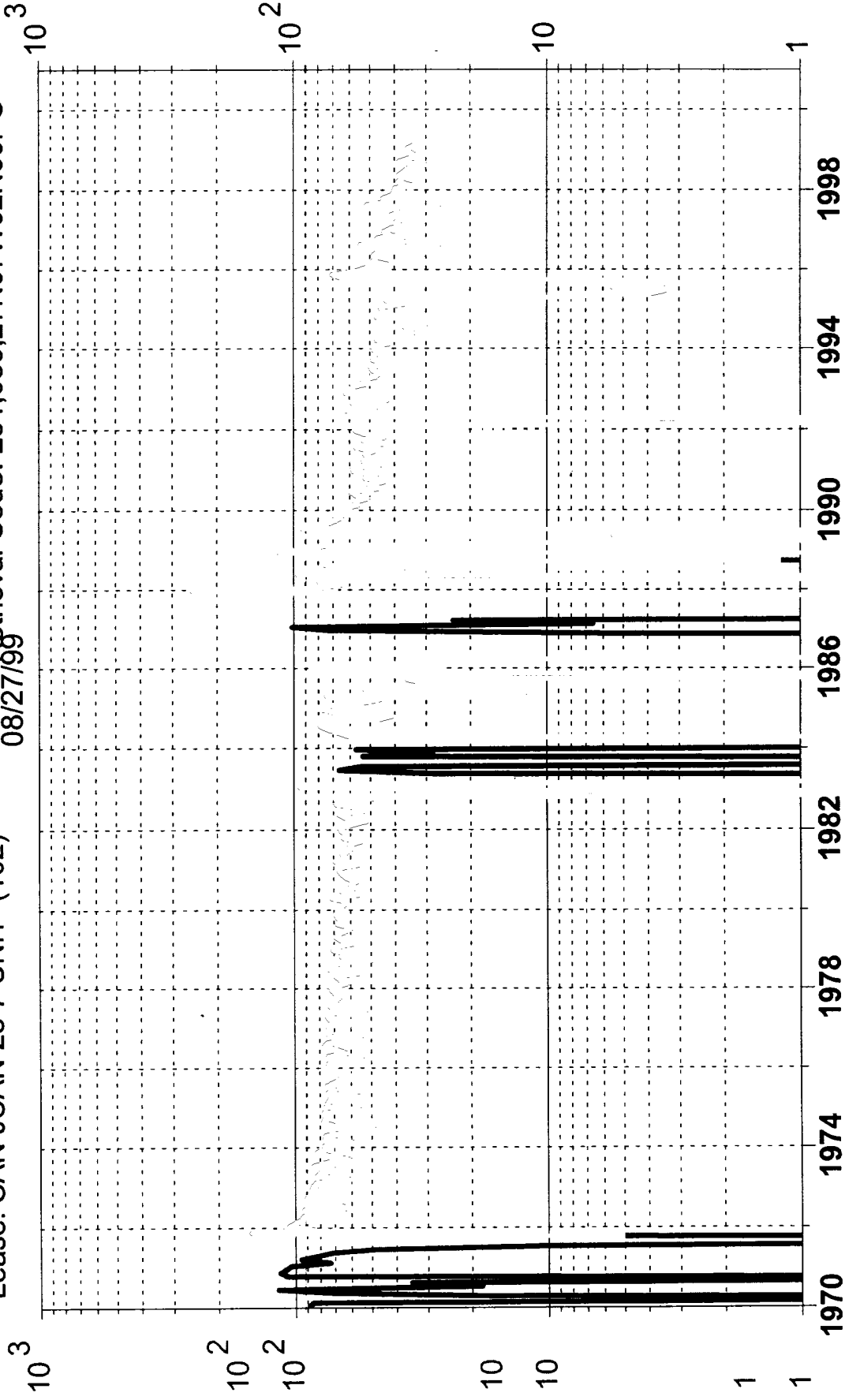
Oil (bbl/day)

Water (bbl/day)

Dwights

Lease: SAN JUAN 28 7 UNIT (102)

Retrieval Code: 251,039,27N07W02N00PC  
08/27/99



Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

Operator: CONOCO INC F.P. Date: 12/59

Location: 2N 27N 7W Oil Cum: 0 bbl

Field: BLANCO SOUTH (PICTU Gas Cum: 833.8 mmcf

Reservoir: PICTURE CLIFFS L.P. Date: 02/99