STRICT II

rO Box 1980, Hobbs, NM 88241 1980

State of New Mexico Energy, Minerals and Natural Basources Department

OIL CONSERVATION DIVISION

2040 S Pacheco Santa Fe, New Mexico 87505-6429

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

ADDDOVAL DDOCESS

YES NO

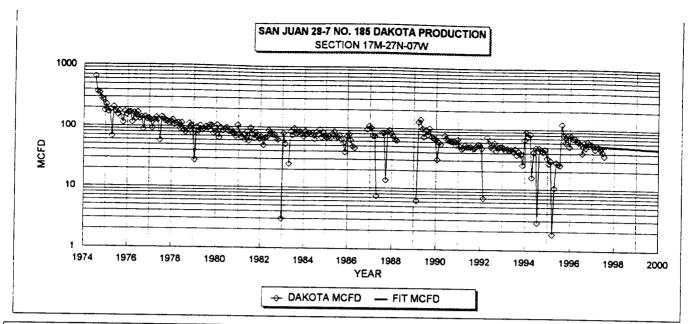
DISTRICT III 1000 Rio Brazos Rd. Aztec, NM 87410 1693

811 Southl First St. Artesia NM 88210 2835

APPLICATION FOR DOWNHOLE COMMINGLING

-	APPROVAL PROCESS:
	Administrative Hearing
	EXISTING WELLBORE
	⊠ YES □ NO

Conoco Inc.	10	Desta Dr. Ste 100W, Midland	, 1x. 79705-4500					
San Juan Unit 28-7	185	Section 17, T-27-N, R-7-W	Rio Arriba					
GRID NO. 005073 Property Code	016608 API NO.		Unit Lease Types: (check 1 or more)					
The following facts ate submitted in support of downhole commingling:	Upper Zone	intermediate Zone	Lower Zone					
Pool Name and Pool Code	Blanco Mesaverde 72319		Basin Dakota 71599					
2. TOP and Bottom of Pay Section (Perforations)	5019-5430'	PEGEINEU	7296-7514					
3. Type of production (Oil or Gas)	Gas	M JAN 0 9 1998	Gas					
4. Method of Production (Flowing or Artificial Lilt)	To Flow	onl con. div.	Flowing					
5. Bottomhole Pressure Oil Zones - Artilicial Lift: Estimated Current Gas & Oil - Flowing:	457	a DITI. 3	a. 439					
All Gas Zones: Estimated Or Measured Original	b(Original)	b	2932					
6. Oil Gravity (*API) or Gas BT Content	1330		1278					
7. Producing or Shut-In?	To be Completed		Producing					
Production Marginal? (yes or no)	Yes		Yes					
If Shut-In give date and oil/gas/ water rates of lsst production Note For new zones with no production history applicant shad be required to attach production	Date Rates	Date Releas:	Dale Rates					
estimates and supporting data If Producing, date and oil/gas/ water rates of recent test (within 60 days)	Incremental Production Bates by Subtraction	Date Rates	Mid-Year Avg. Rates - Rates See Table					
8. Fixed Percentage Allocation Formula -% or each zone	*** Gas %	•ii: Gas %	oii. Ges					
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? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling? X Yes No Conoco, Inc is the only offsetting operator 11. Will cross-flow occur? X 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. X Yes No (If No, attach explanation) 12. Are all produced fluids from all commingled zones compatible with each others X Yes No 13. Will the value of production be decreased by commingling? Yes No 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. X Yes No 15. NMOCD 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 all offset operators.								
• Any additional state	1	quired to support commingling	nd belief.					
SIGNATURE ////////////////////////////////////	•	TELEPHONE NO.	•					



DAKOTA HISTORICAL DATA:		1ST PROD: 07/74	DAKOTA	PROJECTED DA	174
OIL CUM:	8.44	MBO	1/1/98 QI:		MCFD
GAS CUM:	650.6	MMCF	DECLINE RATE:		(EXPONENTIAL)
CUM OIL YIELD:	0.0130	BBL/MCF			(
OIL YIELD:	0.0114	BBL/MCF, LAST 3 Y	RS		

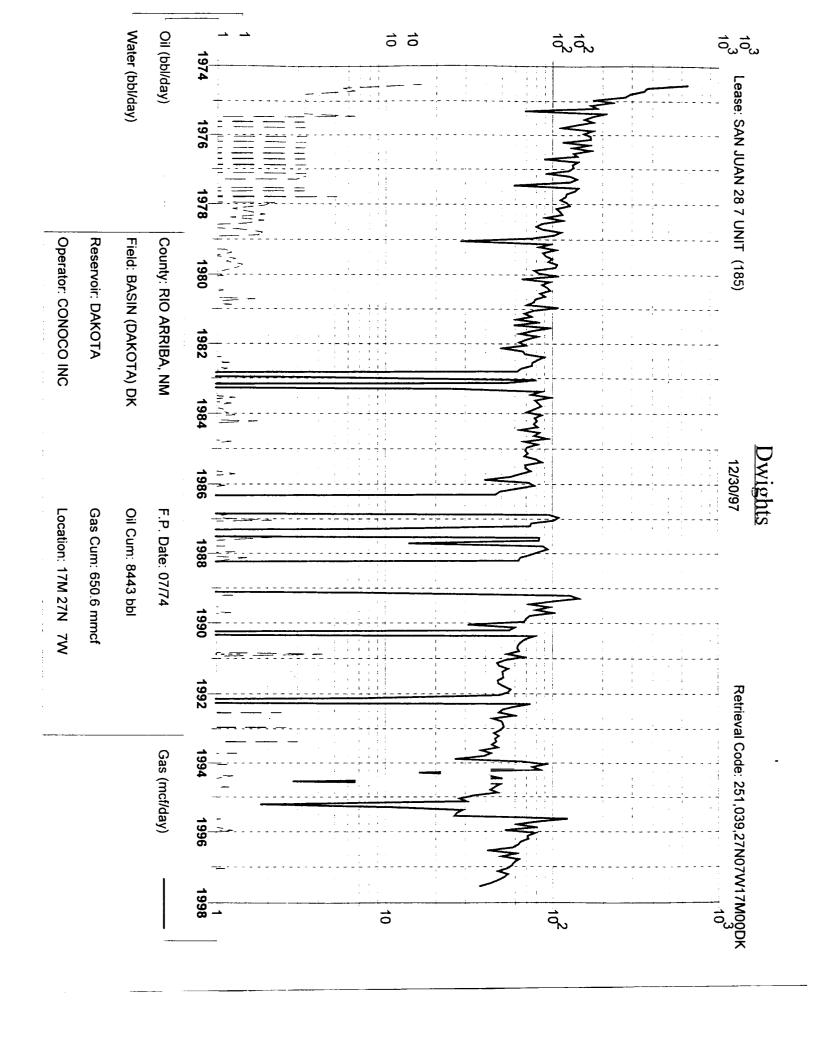
AVG. USED: 0.0122 BBL/MCF

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

		MID-1 ENK
YEAR	AVG. MCFD	AVG. BOPD
1998	50.9	0.6
1999	48.9	0.6
2000	46.9	0.6
2001	45.0	0.5
2002	43.2	0.5
2003	41.5	0.5
2004	8.02	0.5
2005	38.3	0.5
2006	36.7	0.4
2007	35.3	0.4
2008	33.8	0.4
2009	32.5	0.4
2010	31.2	0.4
2011	29.9	0.4
2012	28.7	0.4
2013	27.6	0.3
2014	26.5	0.3
2015	25.4	0.3
2016	24.4	0.3
2017	23.4	0.3
2018	22.5	0.3
2019	21.6	0.3
2020	20.7	0.3
2021	19.9	0.2
2022	19.1	0.2
2023	18.3	0.2
2024	17.6	0.2
2025	16.9	0.2
2026	16.2	0.2
2027	15.6	0.2
2028	15.0	0.2
2029	14.4	0.2
2030	13.8	0.2
2031	13.2	0.2
2032	12.7	0.2
		v.4

MID-YEAR

MID-YEAR



District | PO Box 1980, Hobbs. NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd. Aztec, NM 87410 District IV PO Box 2088, Santa Fe. NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

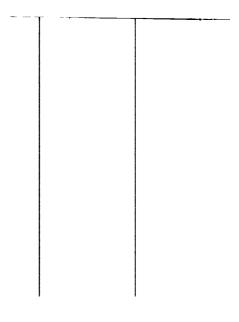
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Revised February 21, 1994 instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

	ALCENDED DEDOOR
_	AMENDED REPORT

		V	WELL LC	CATION	N AND A	CREAGE DE	DICAT	ION PL	ΑT		
AF	er		2 Pool Code 3 Pool Name								
30-	30-039-20718				72319 Blanco Mesaverde						
4 Property (Code				5 Pro	perty Name				6 We	il Number
016608					•	Unit 28-7					# 185
7 OGRID No.		_				erator Name	. _			9 6	levation
005073	3]	C	onoco Inc.	, 10 Desta		100W, Midland	, TX 79	705-4500) ————	<u></u>	6595'
						ce Location	-				
Ut. or lot no.	Section	Towns	hip Range	Lot Idn	Feet from th	North/South li	e Feet	from the	East/We	st/West line County	
M	17	27N	7W		990	South	1	1025'	w	est	Rio Arriba
			11 Bo	ottom Ho	le Locatio	n If Different	From S	urface			
UL or lot no.	Section	Towns	hip Range	Lot idn	Feet from the	North/South li	e Fee	t from the	East/We	st line	County
12 Dedicated Acres	s 13 Joir	nt or Infil	14 Consolidat	tion Code 15	Order No.				•		
320											
NO ALLO	WABLE					TION UNTIL A				EN CON	SOLIDATED
4			A NON-ST		UNIT HAS	BEEN APPROV	ED BY	THE DIV	SION		
16				.				17 OPE	RATOR	CERT	TFICATION
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Certificate Number



WELL LOCATION AND ACREAGE DEDICATION PLAT

Shem 2-1 (2 Supreseder C-128 Effective 14-65

All distances must be from the outer boundaries of the $S_{\rm BCM} \approx 60$

	NATURAL GAS COM	PANY	SAN JUA	n 28–7 unit	(N)1-03521	185
M	17	27–₹!	Fall of the second	7=:!	RIO ARRI	TBA.
	SOUTH	inse that	1025	teen to take a	EST	
6595	DAKCEA		!* . :	BASIN DAKOT	<u> </u>	320,00
1. Outline the acre	rage dedicated to the	subject we	ll by colore	d pencil or hac	hure marks on th	
2. If more than or interest and roy	ie lease is dedicated alty).	to the well.	, outline ea	ch and identify	the ownership t	hereof thoth as to working
3. If more than one dated by commu	lease of different or nitization, unit zation	onership is de force-poolin	edicated fo g. etc?	the well, have	the interests of	all owners been consoli-
X Yes =	No If answer is **	ves!" type of	consolidati	on	Uniti	sation
If answer is "m	: list the owners an	l tract descri	iptions whi-	h have actually	been consulid.	ited. (I se reverse side of)
No allowable wil	l be assigned to the w	ell until all	interests ha	ve been conso	lidated slaves eg	munitization, quitization, approved by the Commis-
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		3	:			Signed by
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Mid-Continent Region Exploration/Production Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400

San Juan 28-7 Unit Downhole Commingle Application C-107-A

RE: Offset Operators

Conoco, Inc is the only offset operator.