

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 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Dugan Production Corp.

Operator

P. O. Box 420, Farmington, NM 87499-0420

Address

El Niño

Lease

6E

Well No.

J-11-T26N-R9W

Unit Ltr. - Sec - Twp - Rge

San Juan

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 006515 Property Code 023504 API NO. 30-045-29639 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 Mesaverde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	proposed ±4200'-4400'		proposed ±6336'-6567'
3. Type of production (Oil or Gas)	Gas & Condensate		Gas & Condensate
4. Method of Production (Flowing or Artificial Lift)	Flow		Flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) ±1250 psi (est.) (Original) b. 1250 psia (est.) @ 4300' mid-perf datum	a. b.	a. ±1930 psia @ 6450' ± 1812 psia @ 4300' datum b. ±2518 psia @ 6450' ±2368' psia @ 4300' datum
6. Oil Gravity (°API) or Gas BTU Content	±1200 BTU/SCF		±1300 BTU/CF
7. Producing or Shut-In?	Not completed		Not completed
Production Marginal? (yes or no)	Not completed		Anticipated yes - not completed
* 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	Date: Anticipate Rates: 165 MCFD + 1.1 BC/D See Attachment #2	Date: Rates:	Date: Anticipate Rates: 57 MCFD + 0.3 BC/D See Attachment #2
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Huerfano 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

Attachment
#1
Pg 1 of 2

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30 045 29639		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 023504		5 Property Name El Nino			6 Well Number 6E
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation 6238' Estimated

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
J	11	26N	9W		1850	South	1850	East	San Juan

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 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>John D. Roe</u> Printed Name <u>John D. Roe</u> Title <u>Engineering Manager</u> Date <u>October 26, 1999</u>
				18 SURVEYOR CERTIFICATION 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. Date of Survey <u>May 14, 1998</u> Signature and Seal <u>Edgar Hoover</u> Certificate Number <u>5979</u>

Dugan Production
NM 012737



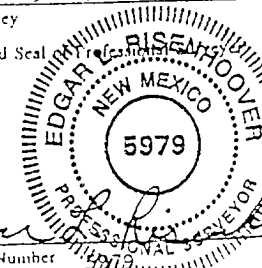
1850'

1850'

May 14, 1998

Date of Survey

Signature and Seal



Certificate Number

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A. Harkness
#1
Pg 2 of 2

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APT Number		2 Pool Code 71599		3 Pool Name Basin Dakota	
4 Property Code		5 Property Name El Nino			6 Well Number 6E
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation 6238' Estimated

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
	11	26N	9W	J	1850	South	1850	East	San Juan

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 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Sherman E. Dugan</i> Signature Sherman E. Dugan Printed Name Vice-President Title June 18, 1998 Date	
Section 11					
Dugan NM Production 012737				18 SURVEYOR CERTIFICATION 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. May 14, 1998 Date of Survey Signature and Seal <i>Edgar L. Risenhoover</i> EDGAR L. RISENHOOVER NEW MEXICO 5979 Professional Surveyor Certificate Number	

ATTACHMENT NO. 2
 OFFSET WELL DATA
 DUGAN PRODUCTION'S EL NIÑO #6E
 SECTION 11 & ADJACENT SECTIONS T-26N, R-9W
 SAN JUAN COUNTY, NEW MEXICO

T-26N, R-9W Unit-Section	Operator	Well Name	Blanco Mesaverde				Basin Dakota			
			Cum. Prod. 6-1-99		Avg. prod. 1/99-5/99		Cum. prod. 6-1-99		Avg. prod. 1/99-5/99	
			Gas MMCF	Cond. bbl	Gas MCFD	condensate B/MMCF	Gas MMCF	Cond. bbl	Gas MCFD	condensate B/MMCF
B-1	Burlington Resources	Huerfanito Unit #90	3,221.7	13,808	239	6.1	1,253.2	12,981	93	14.5
F-1	Burlington Resources	Huerfanito Unit #87A	1,572.8	5,674	160	4.0				
K-1	Burlington Resources	Huerfanito Unit #87	3,832.7	18,918	165	10.9	1,740.8	14,700	74	6.4
A-2	Burlington Resources	Huerfanito Unit #101	3,805.4	19,202	261	6.6				
G-2	Burlington Resources	Huerfanito Unit #76					1,666.6	11,511	78	4.1
M-2	Burlington Resources	Huerfanito Unit #106					987.9	6,975	0	0.0
A-3	Burlington Resources	Huerfanito Unit #71					690.8	2,336	50	6.5
N-3	Burlington Resources	Huerfanito Unit #103					1,205.1	12,294	0	0.0
B-10	Burlington Resources	Huerfanito Unit #80					1,687.7	17,627	89	7.8
J-10	Dugan Production	Huerfanito Unit #5E					83.2	534	151	2.5
N-10	Dugan Production	Huerfanito Unit #5					1,996.6	28,175	0	0.0
A-11	Burlington Resources	Huerfanito Unit #81					1,948.9	17,215	71	2.5
N-11	Dugan Production	Huerfanito #6					1,112.7	14,344	0	0.0
B-12	Burlington Resources	Huerfanito Unit #91					1,177.9	14,067	64	6.5
L-12	Burlington Resources	Huerfanito Unit #92					825.1	9,233	42	4.4
E-13	Energen Exploration	Tibbar Fed #1					1,037.3	19,282	51	17.1
M-13	Energen Exploration	Tibbar Fed #1E					79.0	1,124	17	3.1
P-13	Energen Exploration	Tibbar Fed #2					899.1	15,861	39	7.3
A-14	Burlington Resources	Ballard #13E					429.9	5,207	48	9.2
E-14	Burlington Resources	Ballard #13					2,376.8	33,672	123	0.5
L-14	Burlington Resources	Ballard #14					1,610.8	40,533	72	23.1
D-14	Burlington Resources	Ballard #14E					448.0	5,453	34	8.9
B-15	Energen Exploration	Ballard #12E					440.0	5,249	93	8.5
D-15	Burlington Resources	Ballard #11					1,376.7	27,603	62	0.3
J-15	Energen Exploration	Ballard #12					1,547.7	22,871	81	6.6
L-15	Burlington Resources	Ballard #11E					369.3	7,002	42	5.2
Totals			12,432.6	57,602.0	825.0	27.6	26,991.1	345,849	1,374	145.0
			Mesaverde - 4 well avg.		3,108		14,400		206	
			Dakota - 24 well avg.							
							1,125		14,410	
									57	
									6.0	

* - Direct offset to El Niño #6E on 160 Acre locations. Production curves attached.

ATTACHMENT NO. 2
ANTICIPATED PRODUCTION
EL NIÑO NO. 6E
DUGAN PRODUCTION CORP.

	Gas - MCFD	Condensate - BPD
Blanco Mesaverde ①	165 (74%)	1.1 (79%)
Basin Dakota ②	57 (26%)	0.3 (21%)
Total	222	1.4

Notes:

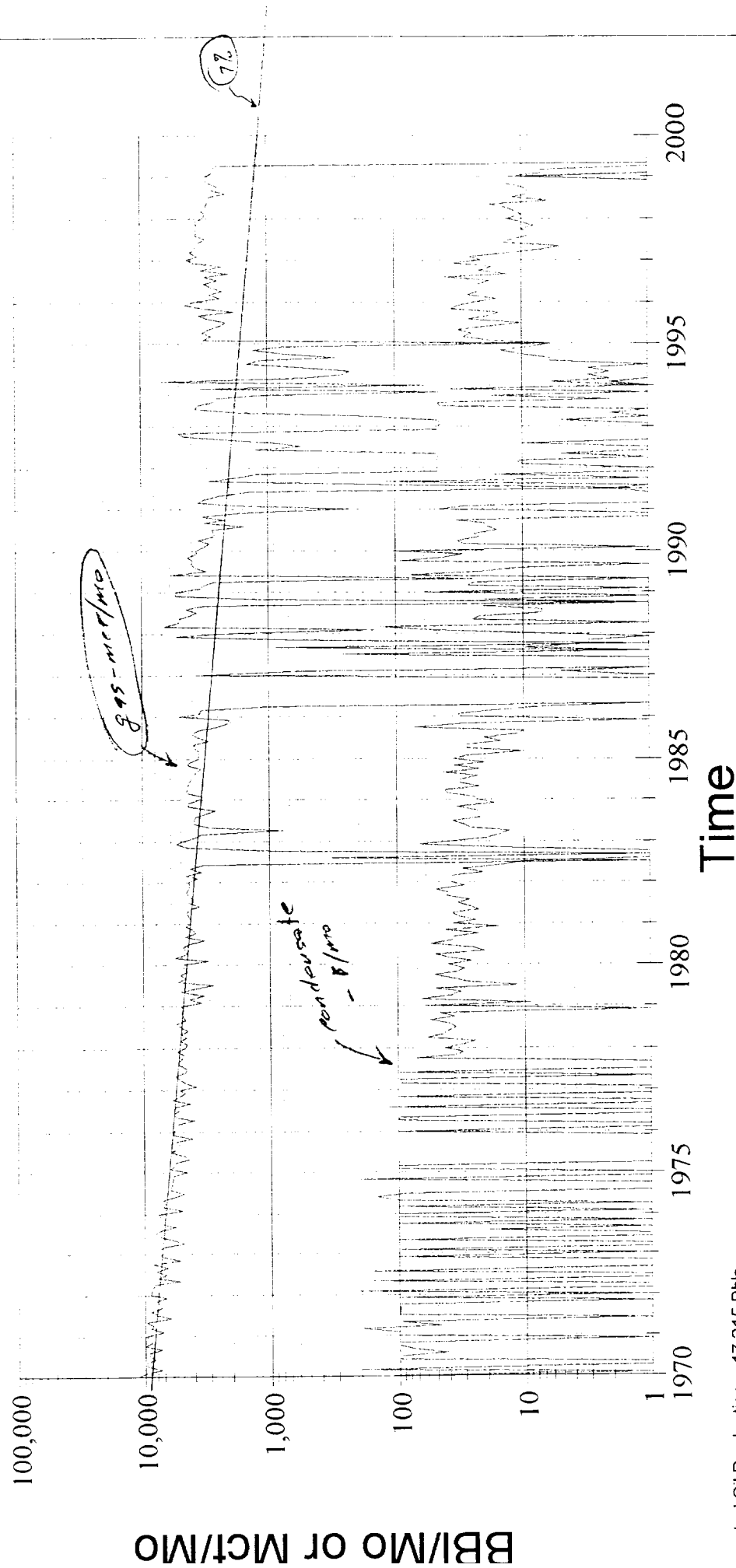
- ① Mesaverde Production - Nearest completion is the Huerfanito Unit No. 87 which is ± 1.5 miles to the NE. Anticipated gas production represents current average for Huerfanito Unit No. 87. Anticipated condensate production represents the average condensate yield of 6.9 bbl/mmcft for all four Mesaverde wells in the 9 section area of interest. Production curve presented on Page No. 7.
- ② Dakota Production - Within the 9 section area of interest, 24 Dakota completions exist and averaged 57 MCFD plus a condensate yield of 6.0 bbl/mmcft during the first five months of 1999. Production curves for the four wells directly offsetting El Niño No. 6 to the North, East, South and West are presented on Pages No. 3 through 6.
- ③ Nine section area of interest - Section No. 11 plus eight adjacent sections (Sections No. 1, 2, 3, 10, 12, 13, 14, 15) all in T-26N, R-9W of San Juan County, New Mexico.

Attachment #2
Page 7

Field: BASIN - Dakota
 Lease: HUERFANITO UNIT | Well #81 (A-11-22N-7W)
 Operator: BURLINGTON RESOURCES OIL & GAS COMPA
 Production Rate vs Time
 For the Period 01/1970 to 12/1999 | API: 30045059720000

North offset to
 El Nino #66

Oil
 Gas
 Water
 Wells



Reported Oil Production = 17,215 Bbls
 Reported Gas Production = 1,948,921 Mct
 Reported Water Production = 99 Bbls

Oil
Gas
Water
Wells

Field: BASIN Dakota

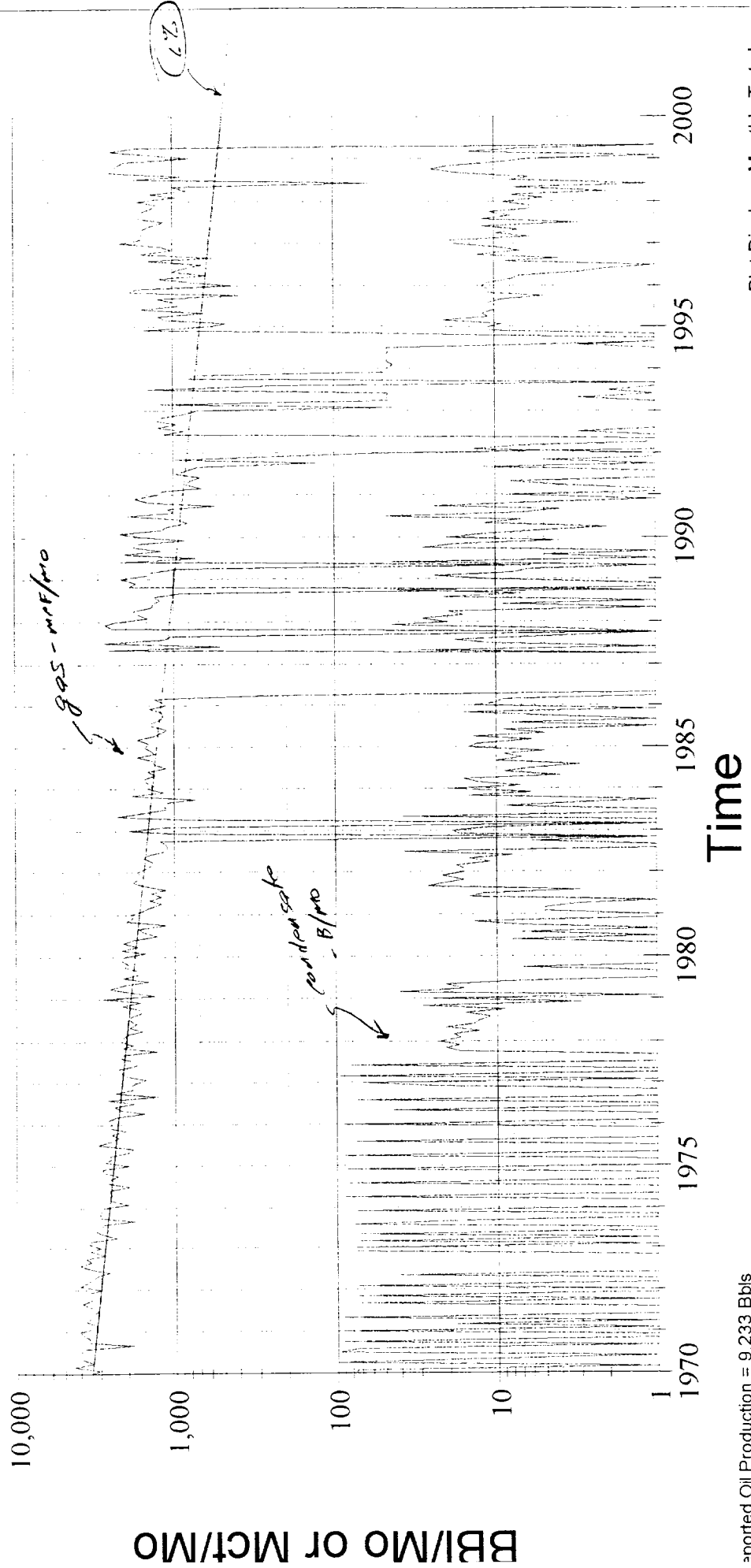
Lease: HUERFANITO UNIT | Well #92 (L-12-26N-9W)

Operator: BURLINGTON RESOURCES OIL & GAS COMPA

Production Rate vs Time

For the Period 01/1970 to 12/1999 | API: 30045059160000

East offset
to El Niño #6E



Reported Oil Production = 9,233 Bbls
Reported Gas Production = 825,053 Mct
Reported Water Production = 0 Bbls

Richard #2
Pg #5 of 7

Oil
Gas
Water
Wells

Field: BASIN Dakota

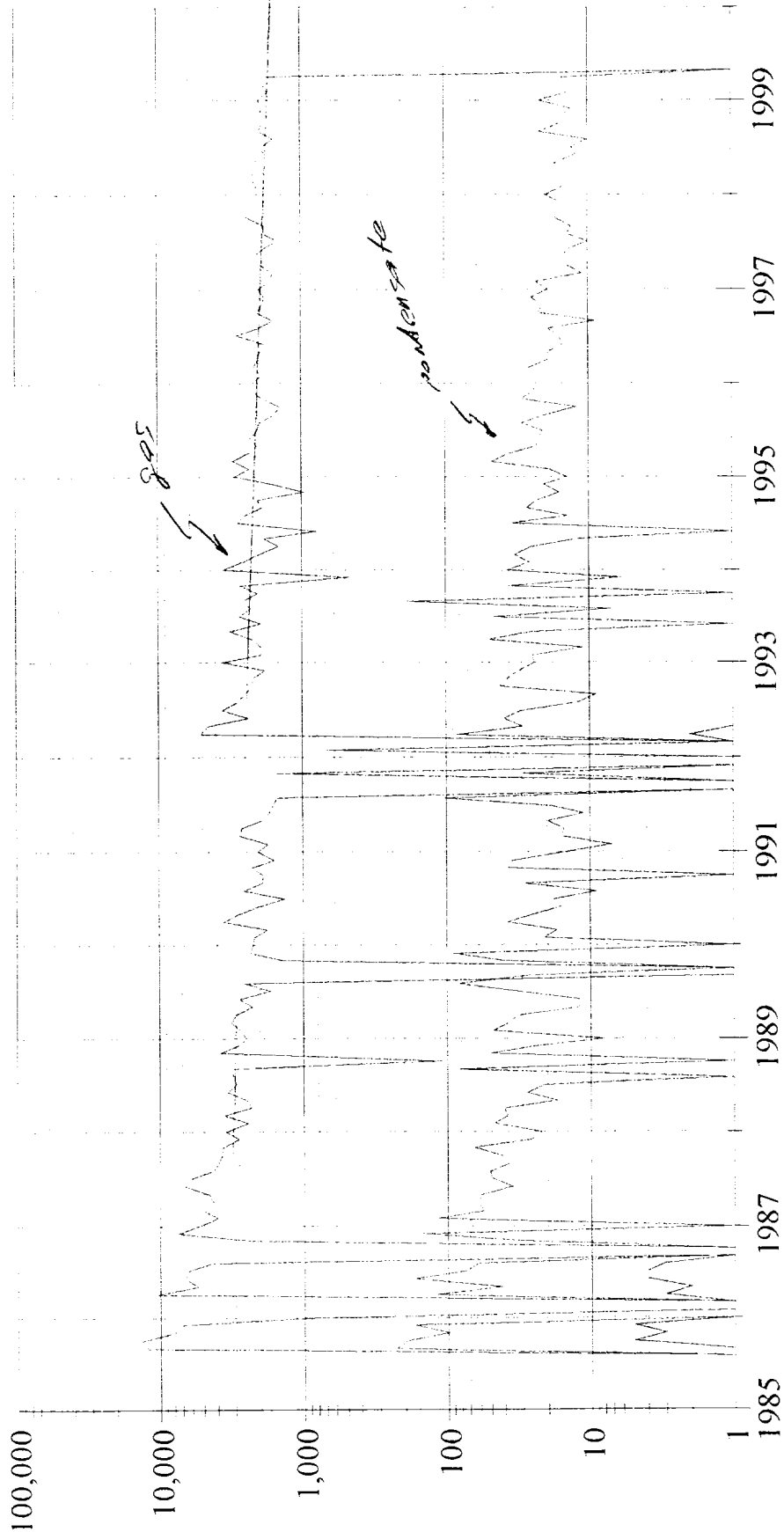
Lease: BALLARD | Well #13E (R-14-26N-9W)

Operator: BURLINGTON RESOURCES OIL & GAS COMPA

Production Rate vs Time

For the Period 01/1985 to 12/1999 | API: 30045263610000

South offset to
El Nino #6E



Time

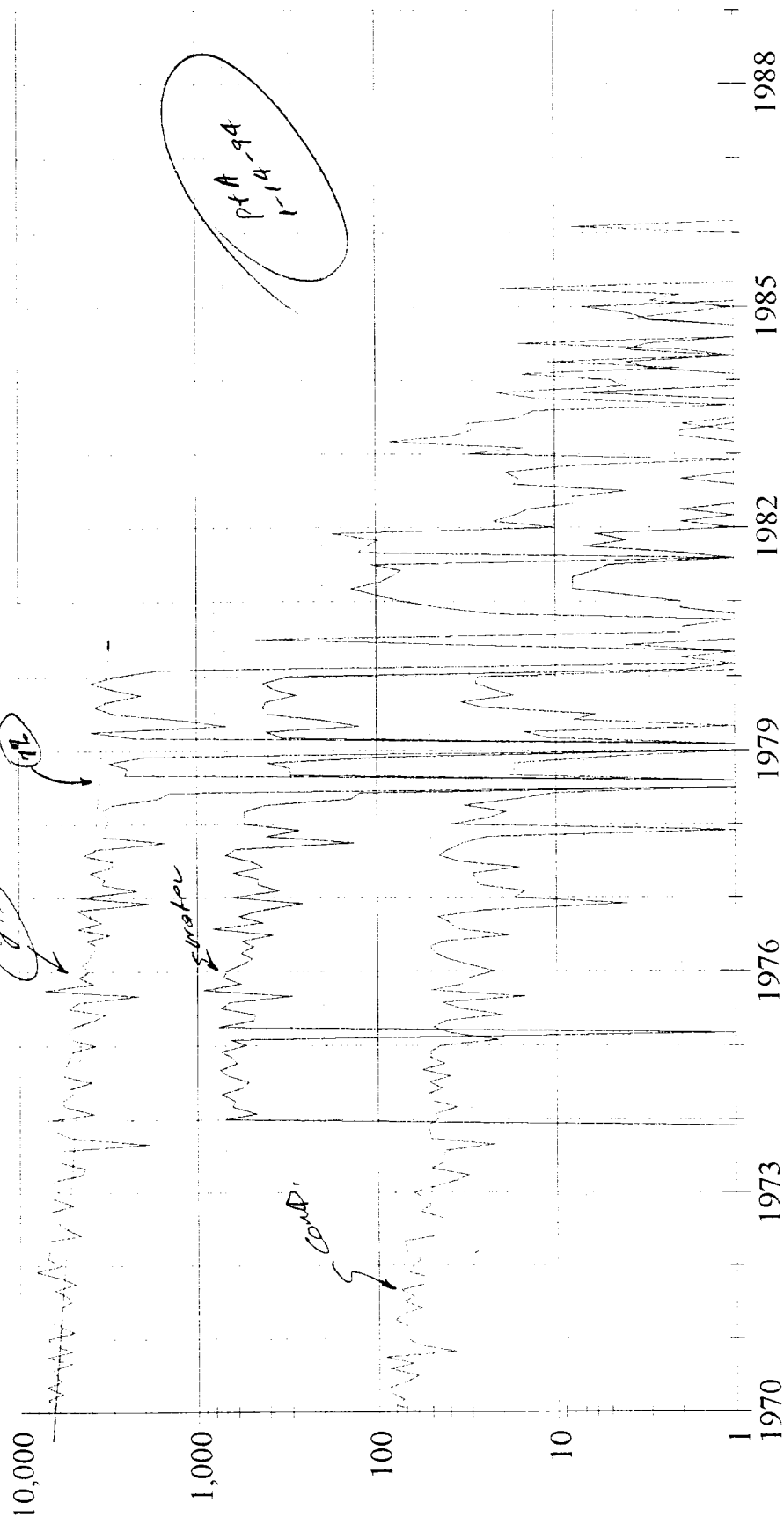
Reported Oil Production = 5,207 Bbls
Reported Gas Production = 429,931 Mcf
Reported Water Production = 152 Bbls

Attachment #2
Pgs 6 of 7

Oil
 Gas
 Water
 Wells

Field: BASIN Dakota
 Lease: HUERFANITO | Well #6 (N-11-ZG-N-9W)
 Operator: DUGAN PRODUCTION CORPORATION
 Production Rate vs Time
 For the Period 01/1970 to 12/1988 | API: 30045059100000

west offset to
El Nino #6E



Time

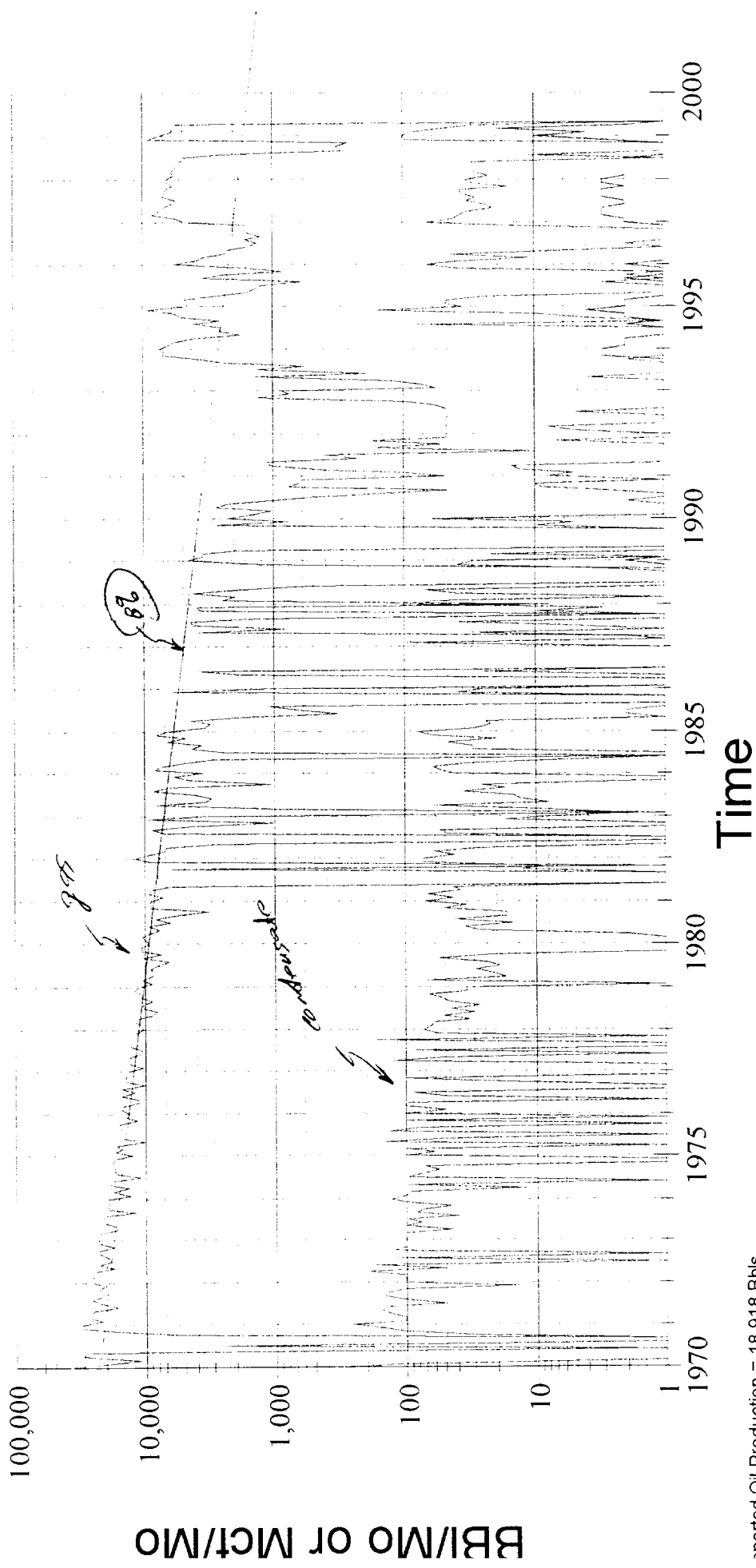
Reported Oil Production = 14,344 Bbls
 Reported Gas Production = 1,112,737 Mcf
 Reported Water Production = 33,696 Bbls

Hyperbolic #2
pg #7 of 7

Oil
 Gas
 Water
 Wells

Field: BLANCO *M-5000-1-de*
 Lease: HUERFANITO UNIT | Well #87 (K-1-26N-9W)
 Operator: BURLINGTON RESOURCES OIL & GAS COMPA
 Production Rate vs Time
 For the Period 01/1970 to 12/1999 | API: 30045060230000

± 1 1/2 miles NE of
El Niño #6E



Reported Oil Production = 18,918 Bbls
 Reported Gas Production = 3,832,717 Mcf
 Reported Water Production = 166 Bbls

Attachment No. 3

offset operators

Dugan production's El Nino #6E

1850' FSL + 1850' FEL (unit J), Sec. 11, T-26N, R-9W

Blanco Mesaverde + Basin Dakota Gas Pools.

R-9W

3 (A) Huerfano Unit wells #71 + 103		2 (A) Huerfano Unit wells 76, 101, 106		1 (A) Huerfano Unit wells 87, 87H, 90	
(A) Huerfano Unit well #80		(A) Huerfano Unit well #81		12 (A) Huerfano Unit wells #91 + 92	
-----10----- (B) Huerfano 5 + SE		-----11----- (B) Huerfano 6 + El Nino #6E			
(A) Ballard #11 + 11E	(C) Ballard 15 #12 + 12E	(A) Ballard #13 + 13E		(C) Tibbar Fed #1 + 1E	(C) Tibbar 13 Fed #2
		(A) Ballard #14 + 14E			

T
26
N

(A) Burlington Resources - P.O. Box 4289, Farmington, NM 87499

(B) Dugan Production Corp. - P.O. Box 420, Farmington, NM 87499

(C) Energen Resources Corp. - 2198 Bloomfield Hwy, Farmington, NM 87401