

DISTRICT I
P.O. Box 1240, Hobbs, NM 88241-1240

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

Lease

Houck

#2M

Section 11, T-29-N, R-10-W, F

San Juan

Well No

Unit Ltr Sec Twp Rge

County

OGRID NO 005073

Property Code

API NO

30-045-

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 Mesaverde 72319		Basin Dakota 71599
2 TOP and Bottom of Pay Section (Perforations)	4120-4720'		6620-6720'
3 Type of production (Oil or Gas)	Gas		Gas
4 Method of Production (Flowing or Artificial Lift)	Expected Flowing		Expected Flowing
5 Bottomhole Pressure	a (Current)		
Oil Zones - Artificial Lift	605		763
Gas & Oil - Flowing	Estimated Current		
All Gas Zones	b (Original)		
Estimated Or Measured Original	1220		2476
6 Oil Gravity (°API) or Gas BT Content	1200		1200
7 Producing or Shut-in?	To be drilled		To be drilled
Production Marginal? (yes or no)	Yes		Yes
• If Shut-In give date and oil/gas/water rates of last production	Date Rates	Date Rates	Date Rates
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.			
• If Producing, date and oil/gas/water rates of recent test (within 90 days)	Date Rates	Date Rates	Date Rates
	Anticipated 1st yr average 350 MCFD		Anticipated 1st yr average 220 MCFD
8 Fixed Percentage Allocation Formula for each zone			

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 NMOC 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

Kay Maddox

TITLE Regulatory Agent

DATE

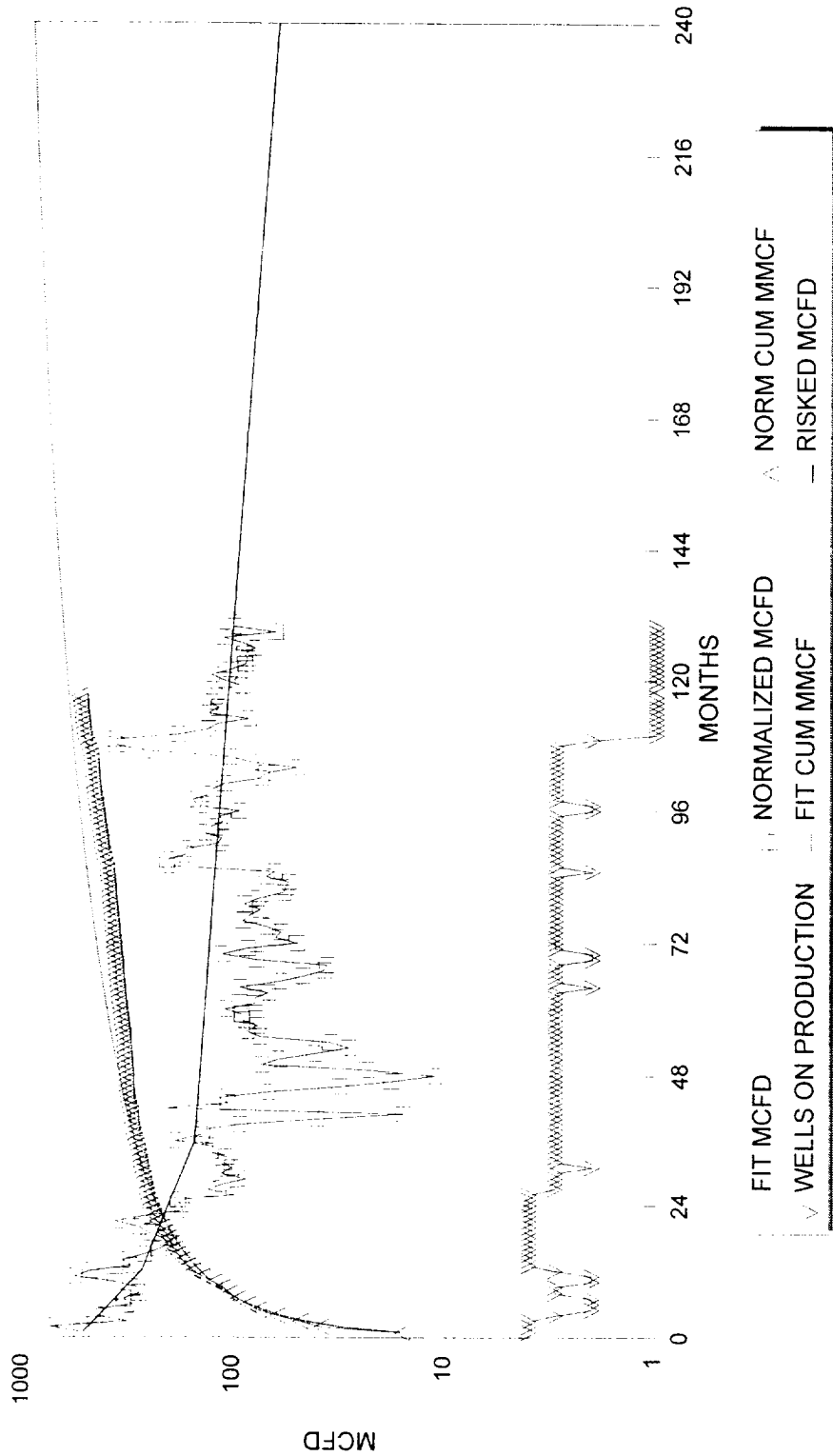
4/27/98

TYPE OR PRINT NAME Kay Maddox

TELEPHONE NO.

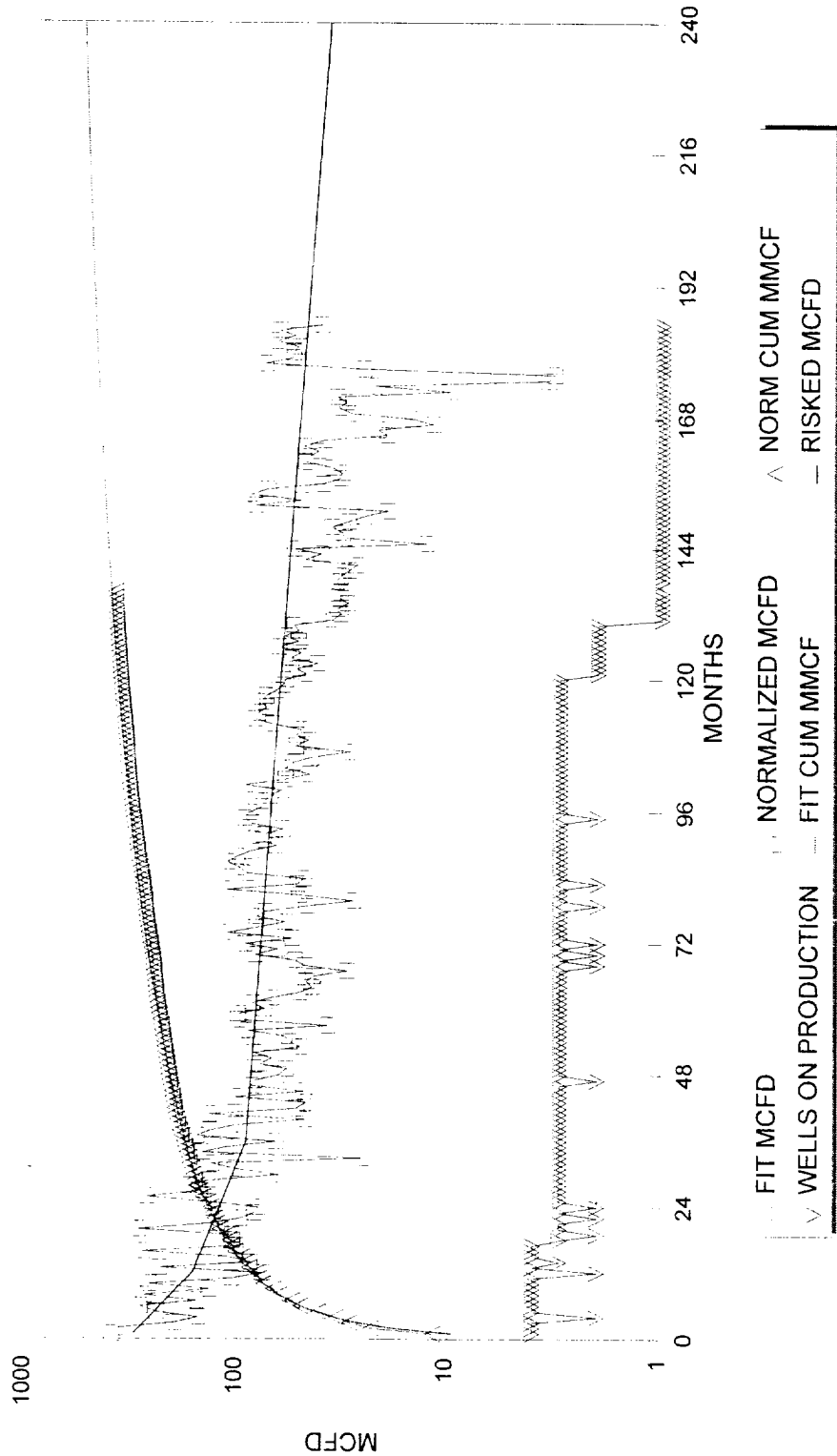
(915) 686-5798

NORMALIZED MESAVERDE PRODUCTION **4 WELLS SINCE 1980; OFFSET TO SECTION 36-30N-11W**



NORMALIZED AVG:		RISKED AVG:		0% RISK	
1220	MMCF EUR	1220	MMCF EUR	550	MMCF IP
940	MMCF IN 20 YRS	940	MMCF IN 20 YRS	50.0%	DECLINE, 1ST 12 MONTHS
25	MMCF E.L.	25	MMCF E.L.	25.0%	DECLINE, NEXT 24 MONTHS
0.0021	bbl/mcf oil yield	0.0021	bbl/mcf oil yield	5.0%	FINAL DECLINE

NORMALIZED DAKOTA PRODUCTION 4 WELLS SINCE 1980; OFFSET TO SECTION 36-30N-11W



NORMALIZED AVG:		RISKED AVG:		0% RISK	
648	MMCF EUR	648	MMCF EUR	325	MMCF IP
555	MMCF IN 20 YRS	555	MMCF IN 20 YRS	50.0%	DECLINE, 1ST 12 MONTHS
25	MMCF E.L.	25	MMCF E.L.	25.0%	DECLINE, NEXT 24 MONTHS
0.0050	bbbl/mcf oil yield	0.0050	bbbl/mcf oil yield	5.0%	FINAL DECLINE

Oil and Gas Division
New Mexico Department of Energy, Minerals and Natural Resources
Albuquerque, NM 87103-0710

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Oil and Gas Division

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Oil and Gas Division

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

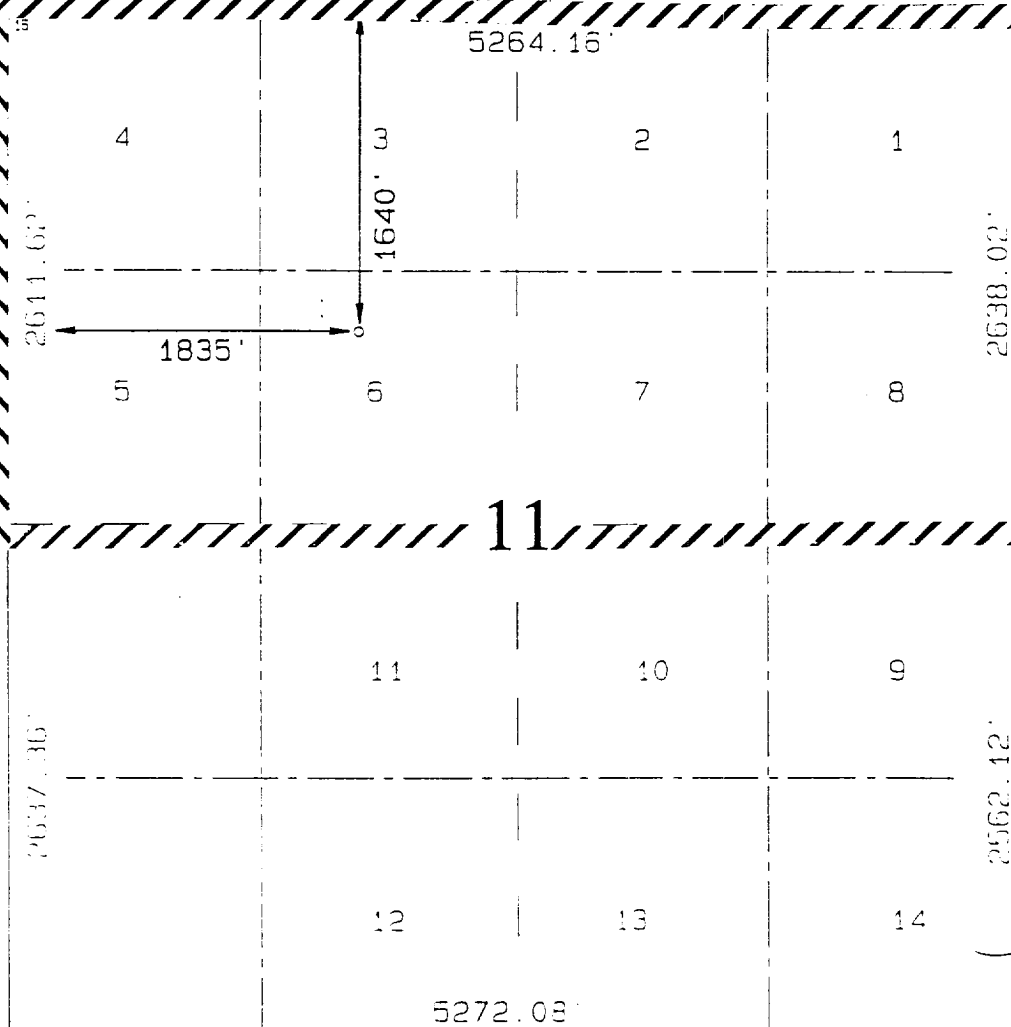
API Number		Pool Code	Pool Name
		72319 / 71599	BLANCO MESA VERDE / BASIN DAKOTA
Property Code	Property Name		Well Number
	HUCK		24
OGPID No.	Operator Name		Elevation
005073	CONOCO, INC.		5819'

10 Surface Location									
Lot or lot no.	Section	Township	Range	Lot 10	Feet from the	North/South line	Feet from the	East/West line	County
F	11	29N	10W		1640	NORTH	1835	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface									
Lot or lot no.	Section	Township	Range	Lot 10	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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



17 OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>Mike L. Mankin</i>
Printed Name	Mike L. Mankin
Title	Right-Of-Way Agent
Date	2-3-98

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.	
FEBRUARY 16, 1998	
Date of Survey	
Signature and Seal of Registered Professional Surveyor	
Certification	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK DRILL ☒ DEEPEN ☐			5. LEASE DESIGNATION AND SERIAL NO. SF 077092B	
2. NAME OF OPERATOR Conoco Inc.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS AND TELEPHONE NO. 10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500 915-686-5794			7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 1640' FNL & 1835' FWL At proposed prod. zone 1640' FNL & 1835' FWL			8. FARM OR LEASE NAME WELL NO. HOUCK #2M	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*			9. API WELL NO.	
5. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any)		16. NO OF ACRES IN LEASE	17. NO OF ACRES ASSIGNED TO THIS WELL 320	
3. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 7125'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc) 5819' GR			22. APPROX. DATE WORK WILL START* 4/15/98	
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55, 9-5/8"	36#	250'	135 sxs, circ.
8-3/4"	K-55, 7"	23#	2546'	310 sxs, circ.
6-1/4"	K-55, 4-1/2"	9.5#	6864'	470 sxs, toc @ 2400'

It is proposed to drill a vertical wellbore to the Blanco Mesaverde and Basin Dakota Pools. NOS was filed 2/21/98. The well will be drilled and equipped according to the following additional attachments:

1. Well Location & Acreage Dedication Plat (C-102).
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan with Production Facility Layout.
6. Pipeline survey plat.

This application includes ROW's for the well pad, access road and pipeline.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Mike L. Mankin TITLE Right-of-Way Agent DATE March 3, 1998
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.
CONDITIONS OF APPROVAL, IF ANY

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

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

April 27, 1998

Houck #2M
Section 11, T-29-N, R-10-W, F
San Juan County, New Mexico
API # New Drill

RE: Application to Downhole Commingle C-107A Application

Offset Operators:

Amoco
PO Box 800
Denver, CO 80201

Burlington Resources
PO Box 4289
Farmington, New Mexico 87499

S & G Interests
1331 Lamar STE 501
Houston, TX 77010