	(T6-W
DATE IN 4, 27,12 SUSPENSE 17 PENGINEER WYT LOGGED IN 4,27.12	DI-C APP NO. 12/185/123
ABOVE THIS LINE FOR DIVISION USE ONLY	(485) Caraphillip
NEW MEXICO OIL CONSERVATION I	DIVISION PAGE 2178/7
- Engineering Bureau -	97505
1220 South St. Francis Drive, Santa Fe, NM	Heatan LS # 5 B
administrative applicati	ION CHECKLIST 3)-045- 3535
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR WHICH REQUIRE PROCESSING AT THE DIVISION	EXCEPTIONS TO DIVISION RULES AND REGULATIONS
Application Acronyms:	
[NSL-Non-Standard Location] [NSP-Non-Standard Proration [DHC-Downhole Commingling] [CTB-Lease Commingling]	
[PC-Pool Commingling] [OLS - Off-Lease Storage] [WFX-Waterflood Expansion] [PMX-Pressure	[OLM-Off-Lease Weasurement] Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection	n Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification]	PPR-Positive Production Response]
[1] TYPE OF APPLICATION - Check Those Which Apply for Apply for Location - Spacing Unit - Simultaneous Dedic	otion
NSL NSP SD	N-21-3N-11
Check One Only for [B] or [C]	11-21-510-11
[B] Commingling - Storage - Measurement	<i>,</i>
DHC CTB PLC PC	OLS OLM
[C] Injection - Disposal - Pressure Increase - Enha	nced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI	☐ EOR ☐ PPR
[D] Other: Specify	
[2] NOTIFICATION REQUIRED TO: - Check Those Which A	
[A] Working, Royalty or Overriding Royalty	Interest Owners
[B] Offset Operators, Leaseholders or Surfac	e Owner
[C] Application is One Which Requires Publ	ished Legal Notice
[D] Notification and/or Concurrent Approval U.S. Bureau of Land Management - Commissioner of Public La	by BLM or SLO ands, State Land Office
[E] For all of the above, Proof of Notification	n or Publication is Attached, and/or,
[F] Waivers are Attached	
[3] SUBMIT ACCURATE AND COMPLETE INFORMATION OF APPLICATION INDICATED ABOVE.	ON REQUIRED TO PROCESS THE TYPE
[4] CERTIFICATION: I hereby certify that the information sub	
approval is accurate and complete to the best of my knowledge. I als application until the required information and notifications are submit	
Note: Statement must be completed by an individual with m	anagerial and/or supervisory capacity.
Arleen Kellywood Willen Follywood	Staff Regulatory Tech 4 26 12
Print or Type Name Signature	••
Heaton LS # 5B	<u>arleen.r.kellywood@conocophillips.c</u> o e-mailAddress
Heaton LS # 5B 30.045-35352	

RU

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

District II

District IV

1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec. NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Oil Conservation Division

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE X Single Well Establish Pre-Approved Pools

Form C-107A

Revised June 10, 2003

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE __ Yes <u>__ X___</u> No

CONOCOPHILLIPS COMPANY	P.O.Bo	(DIF) x 4289 Farmington, NM 87499	- 4557
Operator		ddress	
HEATON LS		c. 21, 031N, 011W	SAN JUAN
Lease		er-Section-Township-Range	County
OGRID No: 217817 Property (Code 31748 API No. 30045	5353520000 Lease Type: X	_FederalStateFee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO MESAVERDE	BASIN MANCOS	BASIN DAKOTA
Pool Code	72319	97232	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4450'-4950' estimated	5700'-6550' estimated	6880'-7067' estimated
Method of Production (Flowing or Artificial Lift)	New Zone	New Zone	New Zone
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	887psi	2232psi	2269psi 0
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1246	BTU 1000	BTU 1229
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history,	Date: N/A	Date: N/A	Date: N/A
applicant shall be required to attach production estimates and supporting data.)	Rates: N/A	Rates: N/A	Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil Gas	Oil Gas	Oil Gas
than current or past production, supporting data or explanation will be required.)	Will be supplied upon completion	Will be supplied upon completion	Will be supplied upon completion
	ADDITIO	ONAL DATA	
Are all working, royalty and overriding If not, have all working, royalty and over			Yes No X Yes_X_ No
Are all produced fluids from all commit	ngled zones compatible with each	n other?	YesXNo
Will commingling decrease the value of	f production?		Yes NoX_
If this well is on, or communitized with or the United States Bureau of Land Ma			YesX No
NMOCD Reference Case No. applicable	e to this well:	·	
Attachments: C-102 for each zone to be comming Production curve for each zone for For zones with no production histor Data to support allocation method of Notification list of working, royalty Any additional statements, data or of the comments.	at least one year. (If not available y, estimated production rates and or formula.	e, attach explanation.) I supporting data. for uncommon interest cases.	
Q.	PRE-APPR	ROVED POOLS	
If application is	to establish Pre-Approved Pools,	the following additional information w	ill be required:
List of other orders approving downhol- List of all operators within the proposed Proof that all operators within the proposed Bottomhole pressure data.	d Pre-Approved Pools	• •	
I hereby certify that the information	above is true and complete to	o the best of my knowledge and beli	ief.
SIGNATURE	TITLE	Engineer	DATE 47 26/12
TYPE OR PRINT NAME Bill Ak	wari, Engineer	TELEPHONE NO. <u>(505)</u>	326-9700

E-MAIL ADDRESS <u>Bill.N.Akwari@conocophillips.com</u>

HEATON LS 5B Unit N, Section 21, T031N, R011W BOTTOMHOLE Unit C, Section 28, T031N, R011W

The HEATON LS 5B is a Blanco Mesaverde, Basin Dakota and Basin Mancos new drill. A cased hole neutron log will be run prior to completion to identify the Mesaverde, Dakota and Mancos zones. If the Mesaverde, Dakota and Mancos horizons can be isolated, a spinner test will be performed and the allocation will be assigned. In the event that the Mesaverde, Dakota and Mancos can not be tested separately, a volumetric calculation will be performed to determine the allocation percentages between the Basin Mesaverde, Basin Dakota and Basin Mancos. Initial Oil allocation will be the same as the gas initial allocation until the first liquid sale is completed. After completing the first liquid sale and using known Dakota and Mesaverde liquid yields from offset Stand Alone wells a system of linear equations will be solved for Mancos liquid yield, and that Mancos liquid yield will be used in conjunction with the Mesaverde and Dakota liquid yields to calculate the oil allocations. The oil allocation will be calculated in a way that is a function of individual formation Gas production and Individual formation liquid yields. All documentation will be submitted to the Aztec NMOCD office.

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised July 10, 2010

DISTRICT II 1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit one copy to appropriate District Office

DISTRICT IV

1220 S. St. Francis Dr., Senta Fe, NM 87505

☐ AMENDED REPORT

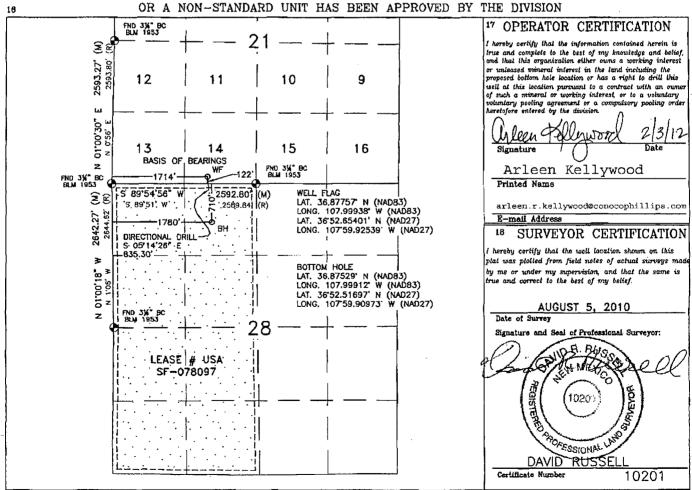
WELL LOCATION AND ACREAGE DEDICATION PLAT

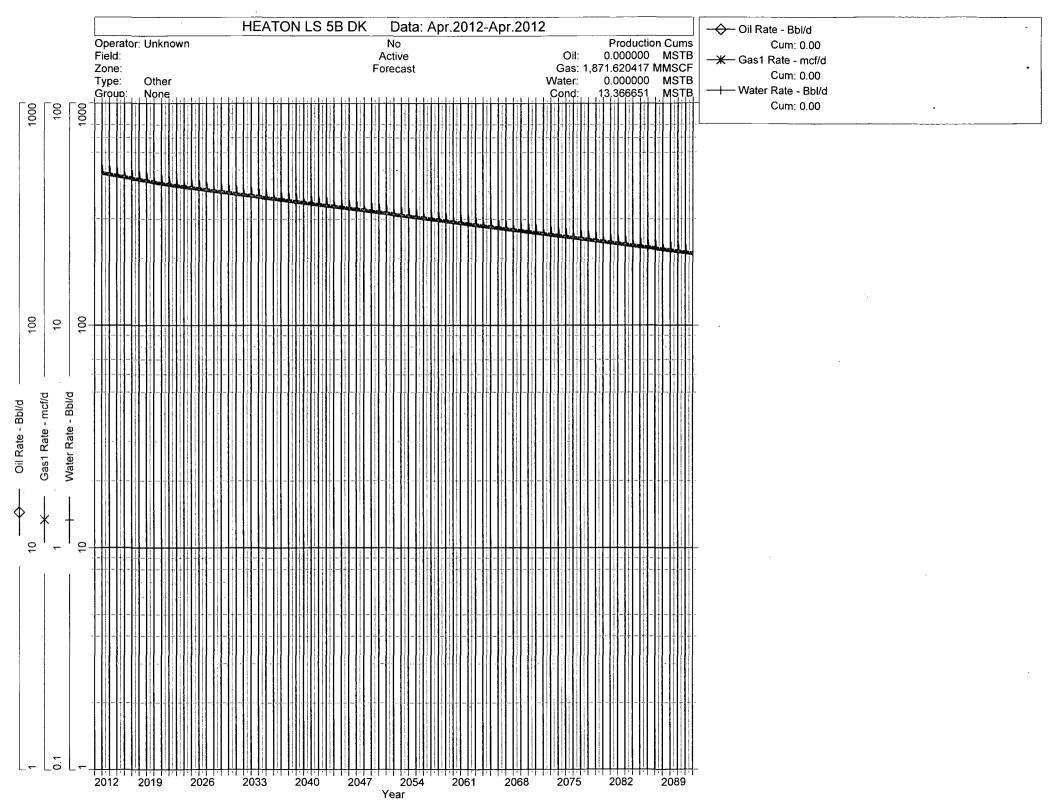
¹ API Number	² Pool Code	³ Pool Name	BASIN
30-045-	72319/71599/97232	BLANCO MESAVERDE / BASIN	DAKOTA /MANCOS
*Property Code	⁶ Property Na	ame	Well Number
31748	HEATON I	LS	5B
OGRID No.	⁶ Operator Na	ame	⁶ Elevation
217817	CONOCOPHILLIPS	COMPANY	5889'

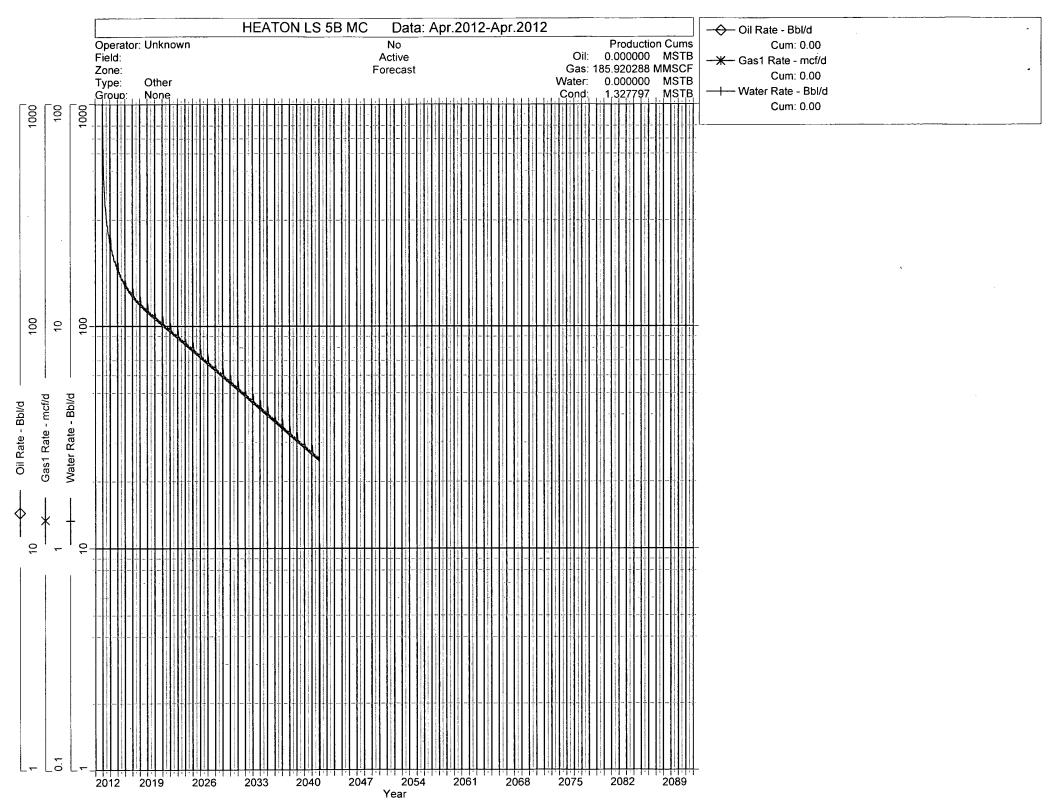
¹⁰ Surface Location

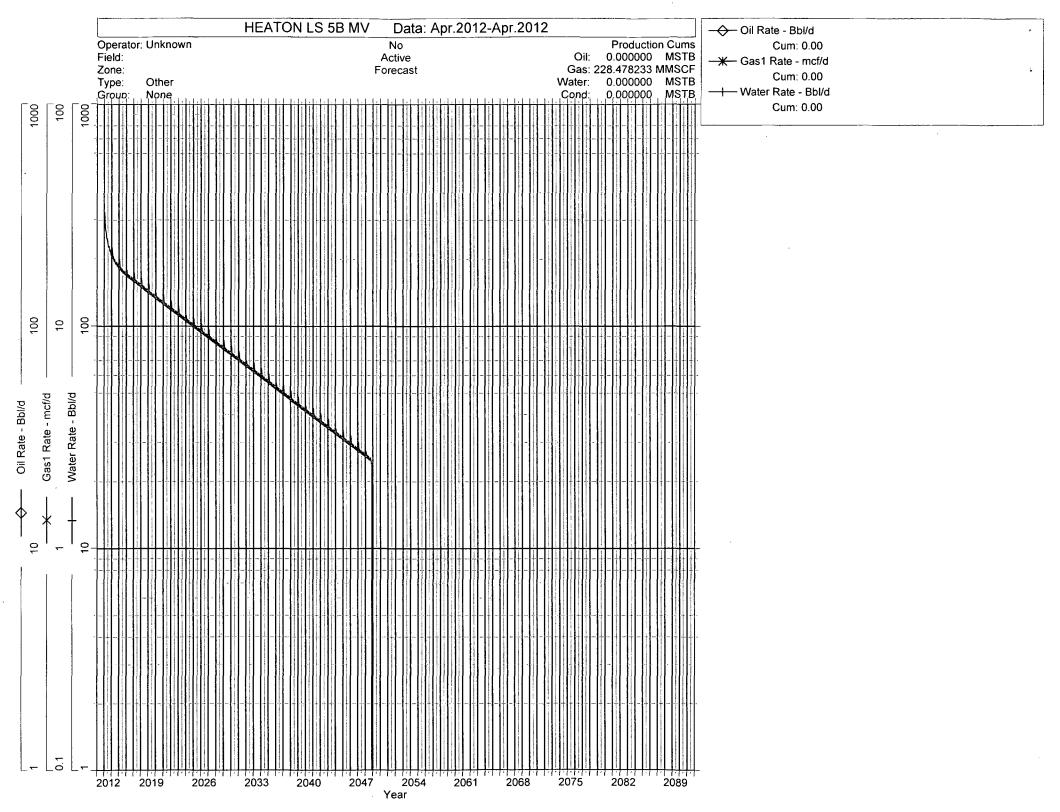
UL or lot no.	Section 21	Township 31N	Range 11W	Lot idn 14	Feet from the 122'	North/South line SOUTH	Feet from the 1714'	East/West line WEST	County SAN JUAN
			11 Bott	om Hole	Location I	f Different Fro	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
С	28	31N	11W		710'	NORTH	1780'	WEST	SAN JUAN
Dedicated Acre MV/DK/M		• • • • • • • • • • • • • • • • • • • •	15 Joint or	Infill	14 Consolidation (Code	15 Order No.		
320.00 ACE	PFS - U	1/2	1				[

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED









BURLINGTON

RESOURCES Oil & Gas Company LP 3401 E. 30th St. P.O. Box 4289 Farmington, NM 87499-4289

April 26, 2012

Subject well: Heaton LS 5B

It has come to our attention that some interest owners may find the Down Hole Commingle application process slightly confusing. We hope this letter will clarify some of the questions you as an interest owner may have.

ConocoPhillips' (or Burlington's) plans are to add gas pay to the subject well and down hole commingle production. As required by regulation, we have enclosed a copy of the Commingling Application for your review. No action by you is required at this time unless you object.

If you object, you will need to send notice Burlington Resources/ConocoPhillips, PO Box 4289, Farmington, NM 87499 or New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505 within twenty (20) days. Again, if you do not object, you *do not need* to sign or return any paperwork at this time.

All interest owners have been notified by certified mail on 04/26/2012.

Thank you,

Arleen Kellywood

Staff Regulatory Technician

ConocoPhillips Company

505-326-9517

District I

1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A Revised June 10, 2003

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III 1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division

1220 South St. Francis Dr. Santa Fe, New Mexico 87505 APPLICATION TYPE

X Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE
Yes X No

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCOPHILLIPS COMPANY Operator		4289 Farmington, NM 87499 dress			
HEATON LS	SAN JUAN County				
		-Section-Township-Range 353520000 Lease Type: X	•		
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE		
Pool Name	BLANCO MESA VERDE	BASIN MANCOS	BASIN DAKOTA		
Pool Code	72319	97232	71599		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4450'-4950' 5700'-6550' estimated estimated		6880'-7067' estimated		
Method of Production (Flowing or Artificial Lift)	New Zone New Zone		New Zone		
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	887psi	2232psi	2269psi		
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1246	BTU 1000	BTU 1229		
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone		
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history.	Date: N/A	Date: N/A	Date: N/A		
applicant shall be required to attach production estimates and supporting data.)	Rates: N/A	Rates: N/A	Rates: N/A		
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil Gas	Oil Gas	Oil Gas		
han current or past production, supporting data or explanation will be required.)	Will be supplied upon completion	Will be supplied upon completion	Will be supplied upon completion		
	<u>ADDITIO</u>	NAL DATA			
re all working, royalty and overriding not, have all working, royalty and ove			Yes No X Yes_X No		
re all produced fluids from all commit	ngled zones compatible with each	other?	Yes X No		
ill commingling decrease the value of	production?		Yes No_X		
this well is on, or communitized with the United States Bureau of Land Ma			YesXNo		
MOCD Reference Case No. applicable	e to this well:				
ttachments: C-102 for each zone to be comming Production curve for each zone for a For zones with no production histor Data to support allocation method o Notification list of working, royalty Any additional statements, data or d	at least one year. (If not available, y, estimated production rates and so or formula. and overriding royalty interests fo	attach explanation.) supporting data. or uncommon interest cases.	,		
	PRE-APPRO	OVED POOLS	`		
If application is	to establish Pre-Approved Pools, the	he following additional information wi	II be required:		
st of other orders approving downhole st of all operators within the proposed oof that all operators within the propo ottomhole pressure data.	Pre-Approved Pools				
hereby certify that the information	above is true and complete to	the best of my knowledge and belie	ef. 41 2/12		
IGNATURE	TITLE	Engineer	DATE TO 6112		
YPE OR PRINT NAME <u>Bill Ak</u>	wari, Engineer	TELEPHONE NO. <u>(505)</u>	326-9700		

E-MAIL ADDRESS <u>Bill.N.Akwari@conocophillips.com</u>

HEATON LS 5B Unit N, Section 21, T031N, R011W BOTTOMHOLE Unit C, Section 28, T031N, R011W

The HEATON LS 5B is a Blanco Mesaverde, Basin Dakota and Basin Mancos new drill. A cased hole neutron log will be run prior to completion to identify the Mesaverde, Dakota and Mancos zones. If the Mesaverde, Dakota and Mancos horizons can be isolated, a spinner test will be performed and the allocation will be assigned. In the event that the Mesaverde, Dakota and Mancos can not be tested separately, a volumetric calculation will be performed to determine the allocation percentages between the Basin Mesaverde, Basin Dakota and Basin Mancos. Initial Oil allocation will be the same as the gas initial allocation until the first liquid sale is completed. After completing the first liquid sale and using known Dakota and Mesaverde liquid yields from offset Stand Alone wells a system of linear equations will be solved for Mancos liquid yield, and that Mancos liquid yield will be used in conjunction with the Mesaverde and Dakota liquid yields to calculate the oil allocations. The oil allocation will be calculated in a way that is a function of individual formation Gas production and Individual formation liquid yields. All documentation will be submitted to the Aztec NMOCD office.

FirstName	LastName	Сотралу	Address1	City	State	Zip	AddresseeCode
BETSY BRYANT		2201 BROOKHOLLOW DR		ABILENE	TX	79605-5507	DHC-HEATON LS 5B-A.KELLYWOOD
BP AMERICA PRODUCTION COMPANY	ATTN: CRAIG A. CARLEY	501 WEST LAKE PARK BLVD.		HOUSTON	TX	77079	DHC-HEATON LS 5B-A.KELLYWOOD
CHARLES B EDMIASTON		3095 CR 310		JUSTICEBURG	TX	79330	DHC-HEATON LS 5B-A.KELLYWOOD
COOKSEY FAMILY TRUST	ROBERT A COOKSEY TRUSTEE	4925 GREENVILLE AVE BOX 92		DALLAS	тх	75206	DHC-HEATON LS 5B-A.KELLYWOOD
DICK HOLLAND		PO BOX 2926		MIDLAND	TX	79702-2926	DHC-HEATON LS 5B-A.KELLYWOOD
ELSR LP		SUITE 1420	8080 N CENTRAL EXPY	DALLAS	TX	75206-1806	DHC-HEATON LS 5B-A.KELLYWOOD
RANCES R CUSACK		STE 240 121	2900 N QUINLAN PARK RD	AUSTIN	TX	78732	DHC-HEATON LS 5B-A.KELLYWOOD
GROVER FAMILY L P		P O BOX 3666		MIDLAND	TX	79702-3666	DHC-HEATON LS 5B-A.KELLYWOOD
IDBC INVESTMENTS LTD		PO BOX 12766		DALLAS	TX	75225	DHC-HEATON LS 5B-A.KELLYWOOD
HENRIETTA E SCHULTZ	TRUSTEE	C/O SCHULTZ COMPANIES	500 N AKARD ST STE 2940	DALLAS	TX	75201-3381	DHC-HEATON LS 5B-A.KELLYWOOD
CON PETROLEUM INC	-	1411 W ILLINOIS		MIDLAND	TX	79701	DHC-HEATON LS 5B-A.KELLYWOOD
AMES H ESSMAN		PO BOX 302		MIDLAND	TX	79702	DHC-HEATON LS 5B-A.KELLYWOOD
AMES R LEETON JR		SAN JUAN ROYALTY JV-90 ACCOUNT	PO BOX 10561	MIDLAND	TX	79702	DHC-HEATON LS 5B-A.KELLYWOOD
AMES T BUCHENAU LIV TR UNDER REV TR AGR	SEPT 13 1994 & JAMES T BUCHENAU TTEE	1509 HEIDI DR		PLANO	TX	75025-2810	DHC-HEATON LS 5B-A.KELLYWOOD
ANICE P CAMPBELL	AUSTEN S CAMPBELL POA	PO BOX 2033		MIDLAND	TX	79702-1714	DHC-HEATON LS 5B-A.KELLYWOOD
ULIA ELIZABETH WILLIAMS		APT 210	1761 FISHER DR	OXNARD	CA	93035	DHC-HEATON LS 5B-A.KELLYWOOD
ENNEDY MINERALS LTD		STE 655	500 W TEXAS	MIDLAND	TX	79701	DHC-HEATON LS 5B-A.KELLYWOOD
EVIN K LEONARD		PO BOX 50688		MIDLAND	TX	79710	DHC-HEATON LS 5B-A.KELLYWOOD
ARY L HERROLD REVOC TR	& DONALD E HERROLD REVOC TR	8677 E 104TH PLS		TULSA	ок	74133	DHC-HEATON LS 5B-A.KELLYWOOD
MITZI H EASLEY		1203 ARRONIMINK CR		AUSTIN	TΧ	78746	DHC-HEATON LS 5B-A.KELLYWOOD
IINETY SIX CORPORATION		SUITE 655	500 W TEXAS	MIDLAND	TX	79701	DHC-HEATON LS 5B-A.KELLYWOOD
OFFICE OF NATURAL RESOURCES REVENUE	ONSHORE FEDERAL 17555	PO BOX 25627		DENVER	со	80225-0627	DHC-HEATON LS 5B-A.KELLYWOOD
AUL DAVIS LTD		P O BOX 871		MIDLAND	тх	79702	DHC-HEATON LS 5B-A.KELLYWOOD
PRIMITIVE PETROLEUM INC		4514 ROBIN LANE		MIDLAND	TΧ	79707	DHC-HEATON LS 5B-A, KELLYWOOD
AYMOND JOHN CUSACK JR		PO BOX 823786		DALLAS	TX	75382	DHC-HEATON LS 5B-A.KELLYWOOD
DH 2009 INVESTMENTS LP		C/O BRADFIELD R HORTON	2906 UNIVERSITY BLVD	DAILAS	TX	75205	DHC-HEATON LS 5B-A.KELLYWOOD
USAN RITTER		4700 VIA MEDIA		AUSTIN	TX	78746	DHC-HEATON LS 5B-A.KELLYWOOD
YLVESTER FRANCIS CUSACK II		PO BOX 822984		DALLAS	TX	75382-2984	DHC-HEATON LS 5B-A.KELLYWOOD
HOMAS P KELLY JR		PO BOX 4389		SANTA ROSA	CA	95402	DHC-HEATON LS 5B-A.KELLYWOOD
ICTORIA ZIMMERMAN REV LIV TR DTD	JUNE 1 2011 & VICTORIA ZIMMERMAN TTEE	1520 JABBET DR		PLANO	TX	75025-2829	DHC-HEATON LS 5B-A.KELLYWOOD
VARREN AMERICAN OIL COMPANY		P O BOX 470372		TULSA	OK	74147	DHC-HEATON LS 5B-A.KELLYWOOD
CTO ENERGY INC	ATTN: CY ZIMMERMAN	810 HOUSTON STREET		FORT WORTH	TX	76102-6298	DHC-HEATON LS 5B-A.KELLYWOOD