

DATE IN <u>8/6/12</u>	SUSPENSE	ENGINEER <u>W Jones</u>	LOGGED IN <u>8/7/12</u>	TYPE <u>DHC</u> <u>4580</u>	APP NO. <u>PKUR1222058548</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

RECEIVED OCD Burlington
Resources Oil & Gas Company
P 12:45
LP
San Juan #24P

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Arleen Kellywood
 Print or Type Name

Arleen Kellywood
 Signature

Staff Regulatory Tech 8/3/12
 Title Date

San Juan 24P
 30-045-35283

arleen.r.kellywood@conocophillips.com
 e-mail Address

PC

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

Burlington Resources Oil & Gas P.O.Box 4289 Farmington, NM 87499
Operator Address

SAN JUAN 24P Unit F, Sec. 33, 029N, 09W SAN JUAN
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No: 14538 Property Code 7451 API No. 30045352330000 Lease Type: X Federal ____ State ____ Fee ____

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)	4300'-4950' estimated	5650'-6455' estimated	6785'-6985' 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)	1087psi	2226psi	1326psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1320	BTU 1100	BTU 1228
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, applicant shall be required to attach production estimates and supporting data.)	Date: N/A Rates: N/A	Date: N/A Rates: N/A	Date: N/A Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes__ No__ X
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes X No____
Are all produced fluids from all commingled zones compatible with each other? Yes X No____
Will commingling decrease the value of production? Yes____ No X
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application? Yes X No____

NMOCD Reference Case No. applicable to this well: _____

- 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, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Engineer DATE 8/2/12

TYPE OR PRINT NAME Bill Akwari, Engineer TELEPHONE NO. (505) 326-9700

E-MAIL ADDRESS Bill.N.Akwari@conocophillips.com

pc

SAN JUAN 24P
Unit F, Section 33, T029N, R09W
Bottom Hole
Unit K, Section 33, T029N, R09W

The SAN JUAN 24P 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 October 12, 2005

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 86210

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

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

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

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35233	² Pool Code 72319/71599/97232	³ Pool Name BLANCO MESAVERDE / BASIN DAKOTA / MANCOS	BASIN
⁴ Property Code 7451	⁵ Property Name SAN JUAN	⁶ Well Number 24 P	
⁷ OGRD No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	⁹ Elevation 6073'	

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
F	33	29N	9W		2297'	NORTH	1644'	WEST	SAN JUAN

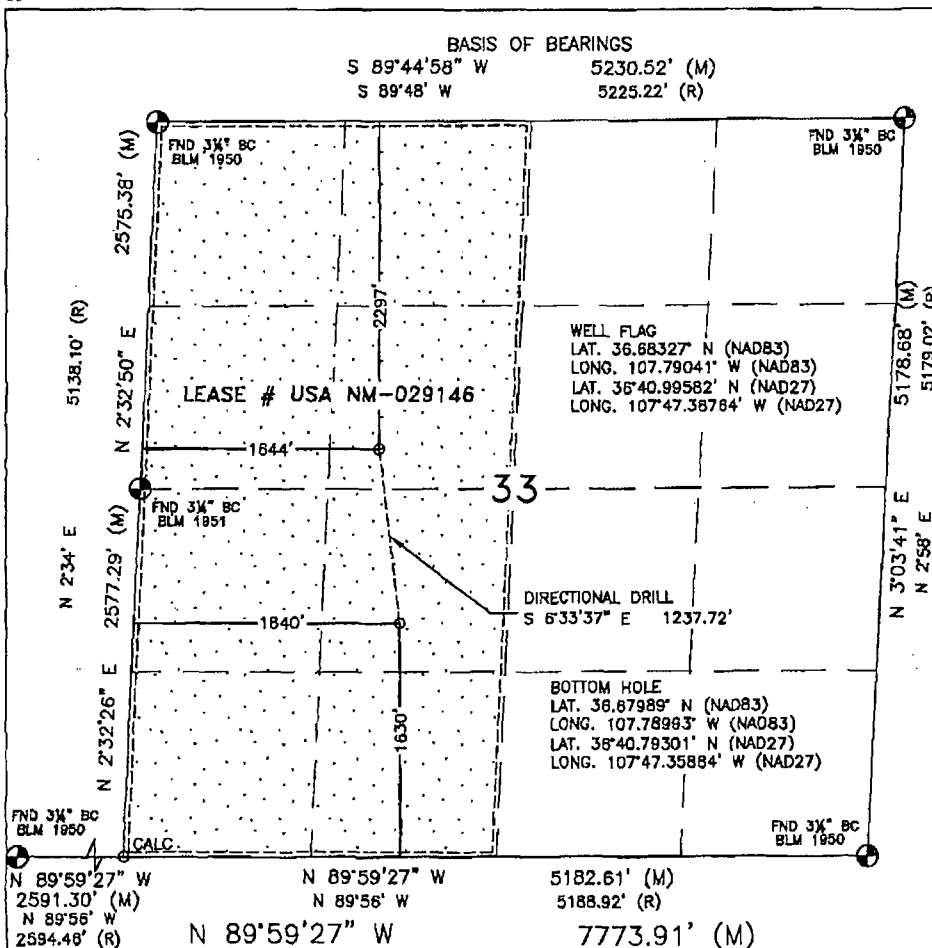
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	33	29N	9W		1630'	SOUTH	1840'	WEST	SAN JUAN

¹² Dedicated Acres 320.00 ACRES - W/2	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

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¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner or a compulsory pooling order heretofore entered by the division.

Arleen Kellywood 12/6/11
Signature Date

Arleen Kellywood
Printed Name

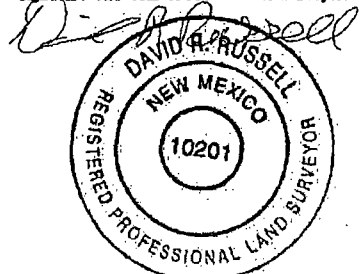
¹⁸ SURVEYOR CERTIFICATION

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.

DECEMBER 9, 2009

Date of Survey

Signature and Seal of Professional Surveyor:



DAVID RUSSELL

Certificate Number 10201

SAN JUAN 24P MV

Data: Aug.2012-Aug.2012

Operator: Unknown

Field:

No

Active

Production Cums

Zone:

Oil: 0.000000 MSTB

Cum: 0.00

Type: Other

Gas: 497.260511 MMSCF

Gas1 Rate - mcf/d

Cum: 0.00

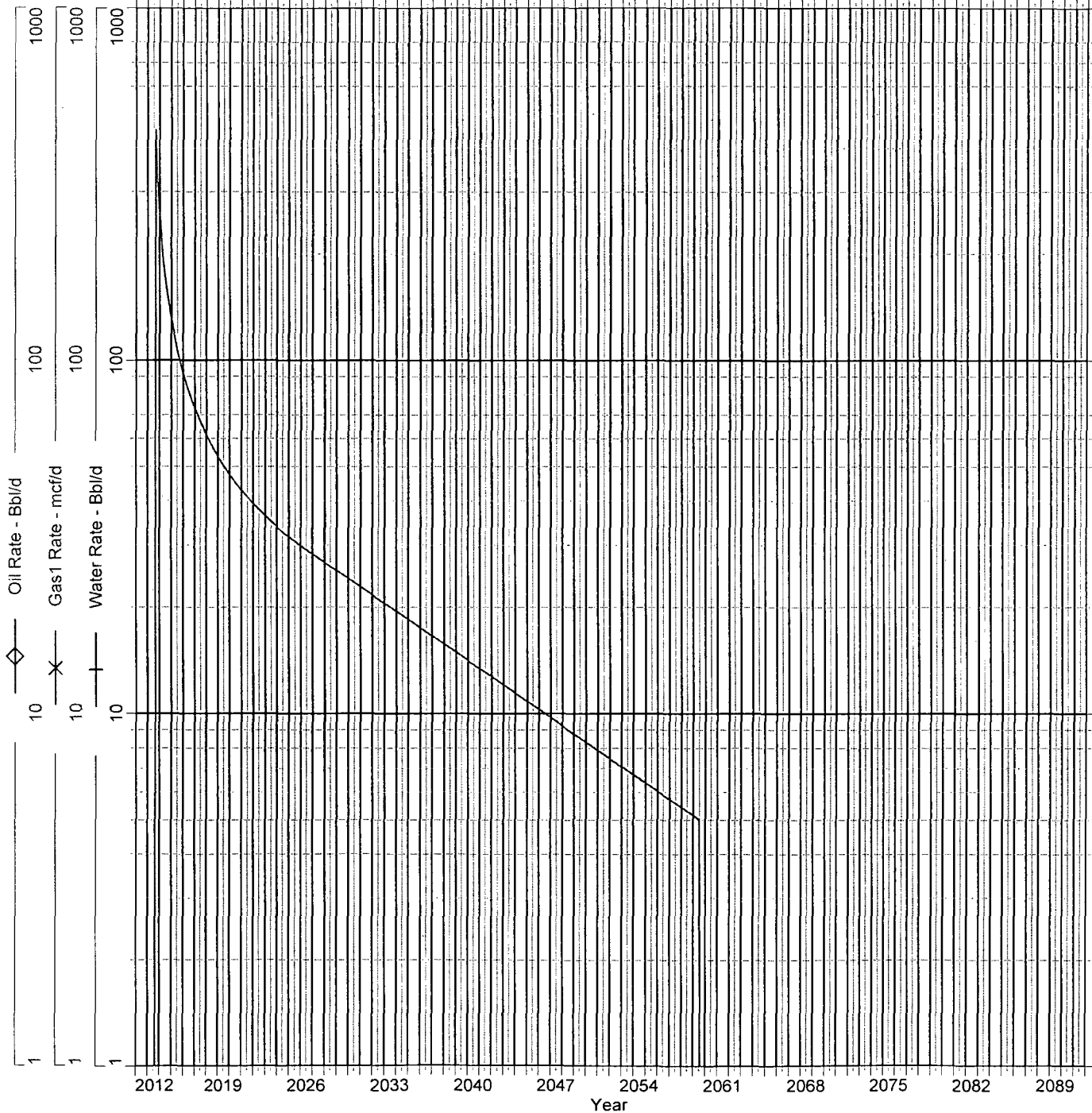
Group: None

Water: 0.000000 MSTB

Water Rate - Bbl/d

Cum: 0.00

Cond: 5.774709 MSTB



SAN JUAN 24P MC

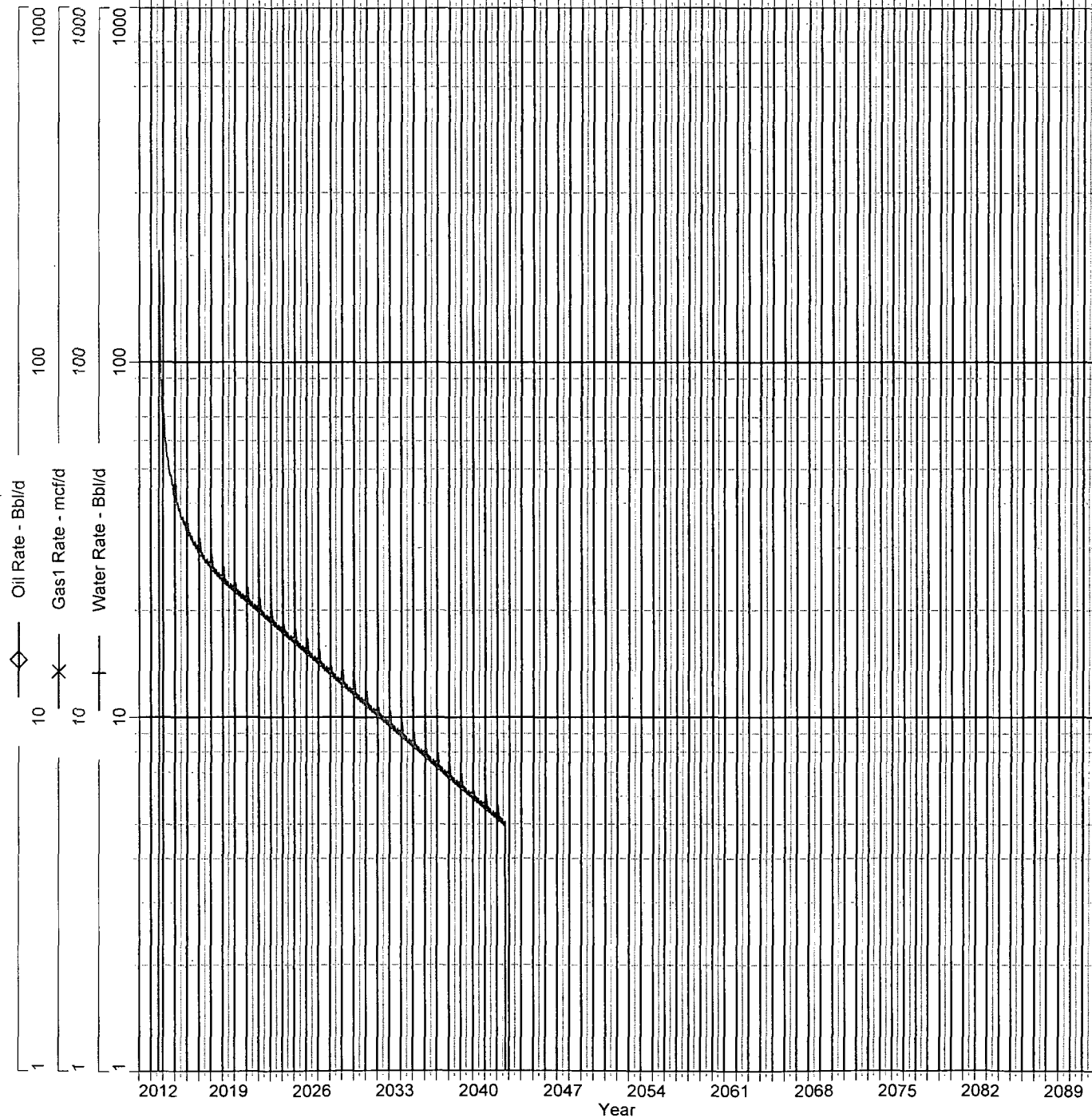
Data: Aug.2012-Aug.2012

Operator: Unknown
Field:
Zone:
Type: Other
Group: None

No
Active
Forecast

Production Cums
Oil: 0.000000 MSTB
Gas: 185.920288 MMSCF
Water: 0.000000 MSTB
Cond: 2.522469 MSTB

Oil Rate - Bbl/d
Cum: 0.00
Gas1 Rate - mcf/d
Cum: 0.00
Water Rate - Bbl/d
Cum: 0.00



SAN JUAN 24P DK

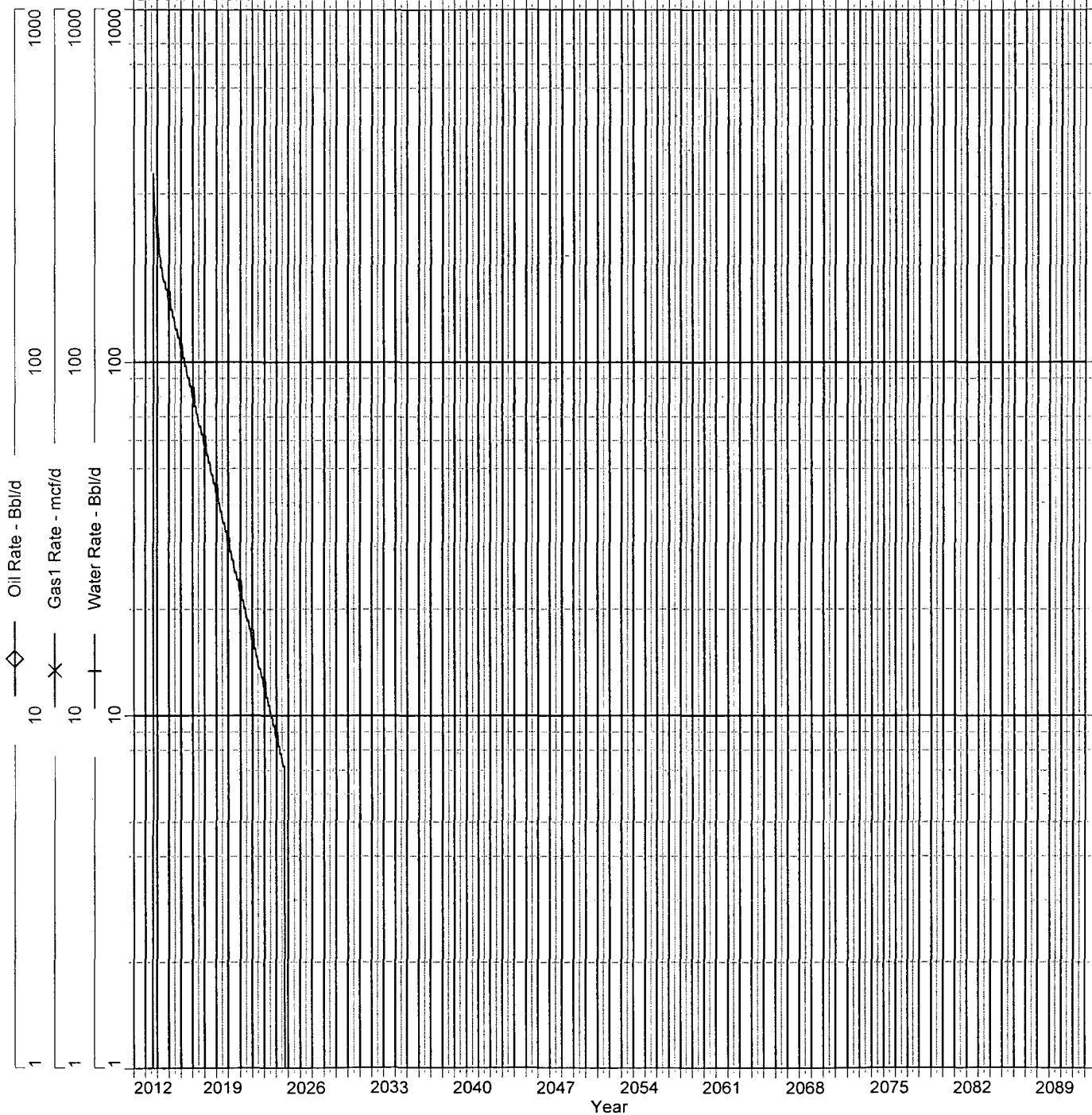
Data: Aug.2012-Aug.2012

Operator: Unknown
Field:
Zone:
Type: Other
Group: None

No
Active
Forecast

Production Cums
Oil: 0.000000 MSTB
Gas: 269.927388 MMSCF
Water: 0.000000 MSTB
Cond: 3.662233 MSTB

Oil Rate - Bbl/d
Cum: 0.00
Gas1 Rate - mcf/d
Cum: 0.00
Water Rate - Bbl/d
Cum: 0.00



BURLINGTON

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

August 03, 2012

Subject well: San Juan 24P

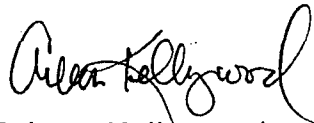
It has come to our attention that some interest owners may find the Down Hole Commingle application process slightly confusing. We hope this letter will clarify some of the questions you as an interest owner may have.

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 08/03/2012.

Thank you,



Arleen Kellywood
Staff Regulatory Technician
ConocoPhillips Company
505-326-9517

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil & Gas P.O.Box 4289 Farmington, NM 87499
Operator Address

SAN JUAN 24P Unit F. Sec. 33, 029N, 09W SAN JUAN
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No: 14538 Property Code 7451 API No. 30045352330000 Lease Type: ☒ Federal ☐ State ☐ Fee

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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: N/A Rates: N/A	Date: N/A Rates: N/A	Date: N/A Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☐ No ☒
Yes ☒ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

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.)
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- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Engineer DATE 8/2/12

TYPE OR PRINT NAME Bill Akwari, Engineer TELEPHONE NO. (505) 326-9700

E-MAIL ADDRESS Bill.N.Akwari@conocophillips.com

SAN JUAN 24P
Unit F, Section 33, T029N, R09W
Bottom Hole
Unit K, Section 33, T029N, R09W

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FirstName	Address1	City	State	Zip
Cindy M Hartner	8647 Island Dr. S	Seattle	WA	98118
Dawn Turnbull Trust	6553 Lafayette Way	Dallas	TX	75230
Denise Turnbull Williams	6411 Turner Way	Dallas	TX	75230
Derrick J. Turnbull	6553 Lafayette Way	Dallas	TX	75230
James A Borland	PO Box 30928	Albuquerque	NM	87190
Kathleen M McLane Trust	PO Box 214430	Dallas	TX	75221
Michael S McLane Trust	PO Box 214430	Dallas	TX	75221
Newell R Hays Estate	4110 Rio Bravo STE 220	El Paso	TX	79902
Rose R Piper Oil % Gas Revoc Trust	664 Peach Canyon Cir	Las Vegas	NV	89144