

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

Operator Conoco Inc. Address 10 Desta Dr., Ste 100W, Midland TX 79705Lease Jicarilla E Well No. 7E Unit Ltr. - Sec - Twp - Rge B-15-26N-4W County Rio ArribaOGRID NO. 005073 Property Code 18022 API NO. 30-039-25422 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)	5191'-5770'		7711'-7891'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 1055 psia b. (Original) 1353 psia	a. b.	a. 1667 psia b. 2634 psia
6. Oil Gravity (°API) or Gas BTU Content	1273 BTU		1299 BTU
7. Producing or Shut-In?	Producing		Shut-in
Production Marginal? (yes or no)	Yes		Yes
* 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: Rates:	Date: Rates:	Date: 7/95 Rates: rates proj.to mid-yr. 1996
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 1996 mid-yr Rates: 78 mcf/gpd .3 bopd, 0 bwpd	Date: Rates:	Date: 1996 mid-yr Rates: 334 mcf/gpd 8 bopd, 0 bwpd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 4 % Gas: 19 %	Oil: % Gas: %	Oil: 96 % Gas: 81 %

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 ☐ No11. 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 other? ☐ Yes ☐ No13. 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. NMOCD 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 Jerry W. Hoover Sr. Conservation Coordinator TITLE DATE 6/28/96TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6549

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-25422		Pool Code 72319	ALBUQUERQUE, N.M. Blanco Mesa Verde	Pool Name
Property Code 007691	Property Name Jicarilla E			Well Number 7E
OGRID No. 014591	Operator Name Merit Energy Company			Elevation 6840 GR

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
B	15	26N	4W		1010	North	1450	East	Rio Arriba

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	13 Joint or Infill	14 Consolidation Code	15 Order No.

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 Sheryl J. Carruth Printed Name Regulatory Manager Title 6/28/95 Date
					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 Signature and Seal of Professional Surveyer: Certificate Number

District I
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
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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

Form C-10
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		2 Pool Code 71599		3 Pool Name Basin Dakota	
4 Property Code 007691		5 Property Name Jicarilla E			6 Well Number 7E
7 OGRID No. 014591		8 Operator Name Merit Energy Company			9 Elevation 6840

10 Surface Location

UL or lot no. B	Section 15	Township 26N	Range 4W	Lot Idn	Feet from the 1010	North/South line North	Feet from the 1450	East/West line East	County Rio Arriba
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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
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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>Sheryl J. Carruth</u> Printed Name: <u>Sheryl J. Carruth</u> Title: <u>Regulatory Manager</u> Date: <u>8-1-94</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: Signature and Seal of Professional Surveyer:	
					Certificate Number:	

Dwights

Lease: JICARILLA E 7E

Retrieval Code: 251,039,0392542272319

05/23/96

10³
10³

10²
10²

10
10

1
1
2001

Oil (bbl/day)
Well Count

F.P. Date: 07/95
Oil Cum: 86 bbl

County: RIO ARRIBA, NM
Field: BLANCO (MESAVERDE) MV

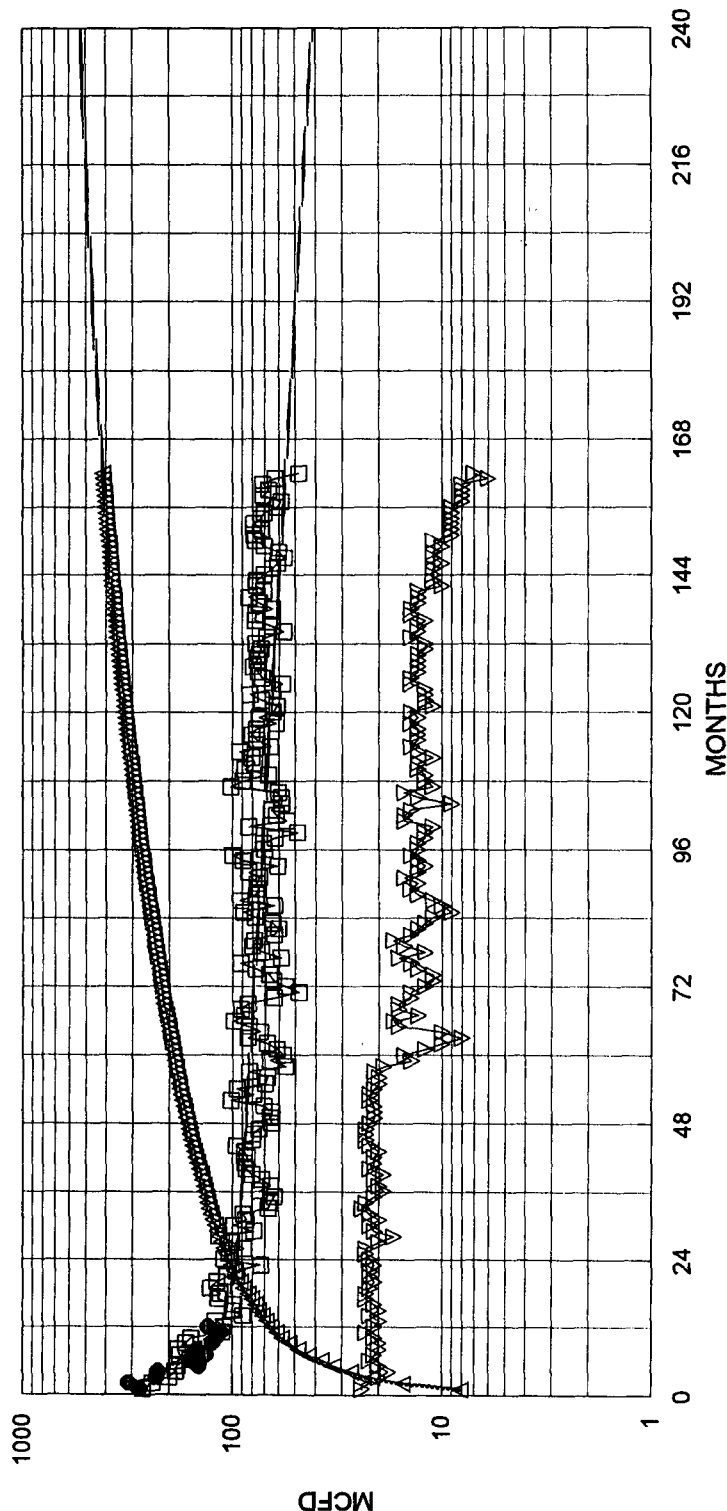
Gas (mcf/day)
Water (bbl/day)

Gas Cum: 14.38 mmcf
Location: 15B 26N 4W

Reservoir: MESAVERDE
Operator: CONOCO INC

1
1

NORMALIZED MESAVERDE PRODUCTION
25 WELLS SINCE 1980; 26N 4W SEC 7-36



— FIT MCFD □ NORMALIZED MCFD △ NORM CUM MMCF
▽ WELLS ON PRODUCTION — FIT CUM MMCF ◆ 7 NEW MERIT RECOMPLETIONS

NORMALIZED AVG: 701 MMCF EUR 531 MMCF IN 20 YRS 20 MCFD E.L.	280 MCFD IP 60% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 12 MONTHS 4.5% FINAL DECLINE
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Dwights

Lease: JICARILLA E 007E

Retrieval Code: 251,039,0392542271599

05/23/96

10³
10³

10²
10²

10²
10²

10
10

10
10

1
1

1
1

1994

1996

1998

2000

Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

Well Count

County: RIO ARRIBA, NM

F.P. Date: 09/94

Field: BASIN (DAKOTA) DK

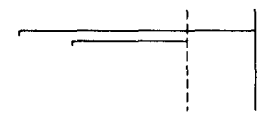
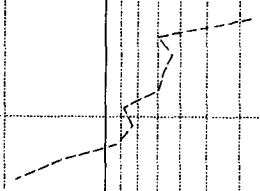
Oil Cum: 2712 bbl

Reservoir: DAKOTA

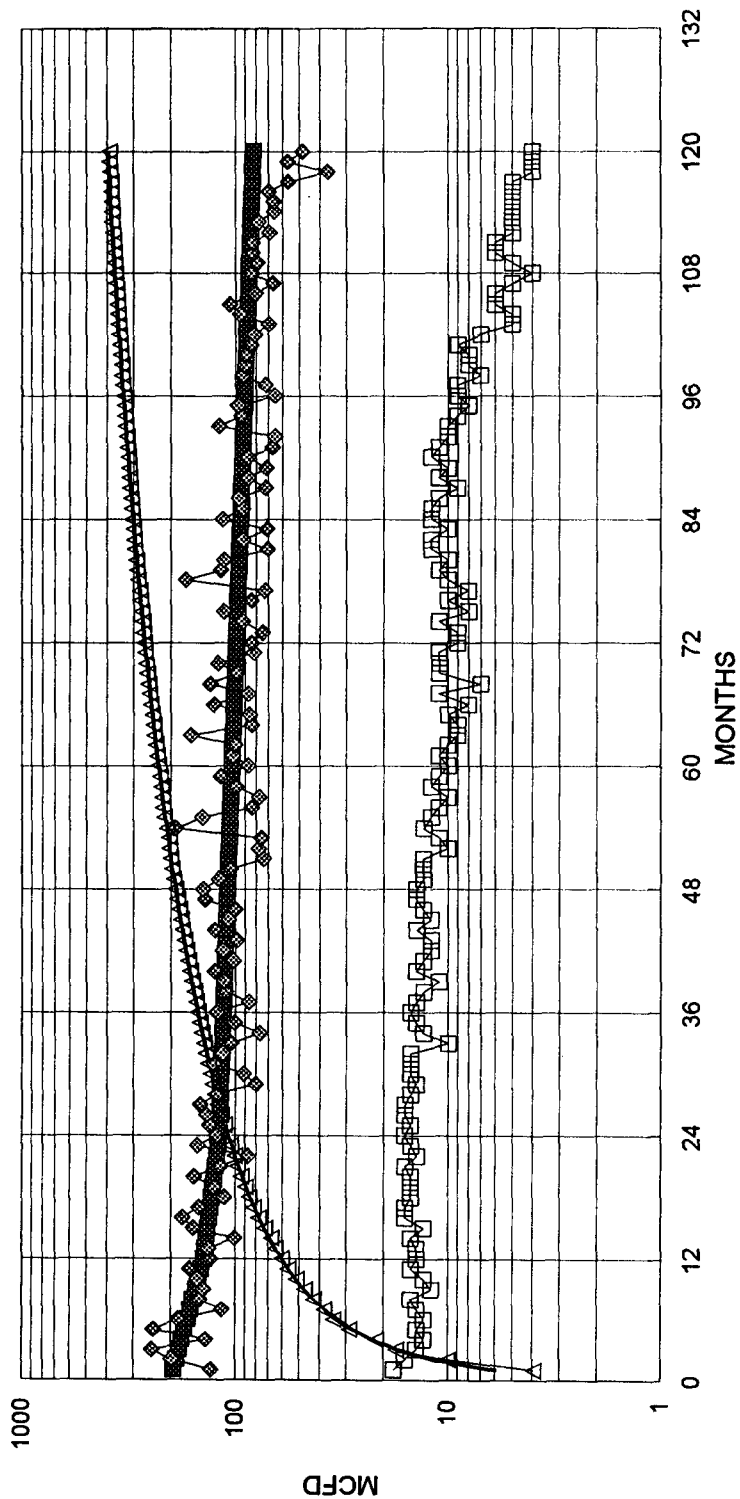
Gas Cum: 114.5 mmcf

Operator: CONOCO INC

Location: 15B 26N 4W



**NORMALIZED DAKOTA PRODUCTION; 26N 4W
18 WELLS SINCE 1980; OFFSET TO MERIT LOCATIONS**



■ FIT MCFD ◆ NORMALIZED MCFD □ WELLS ON PRODUCTION
- - FIT CUM MMCF ▲ NORMALIZED CUM MMCF



NORMALIZED AVG:

851 MMCF EUR

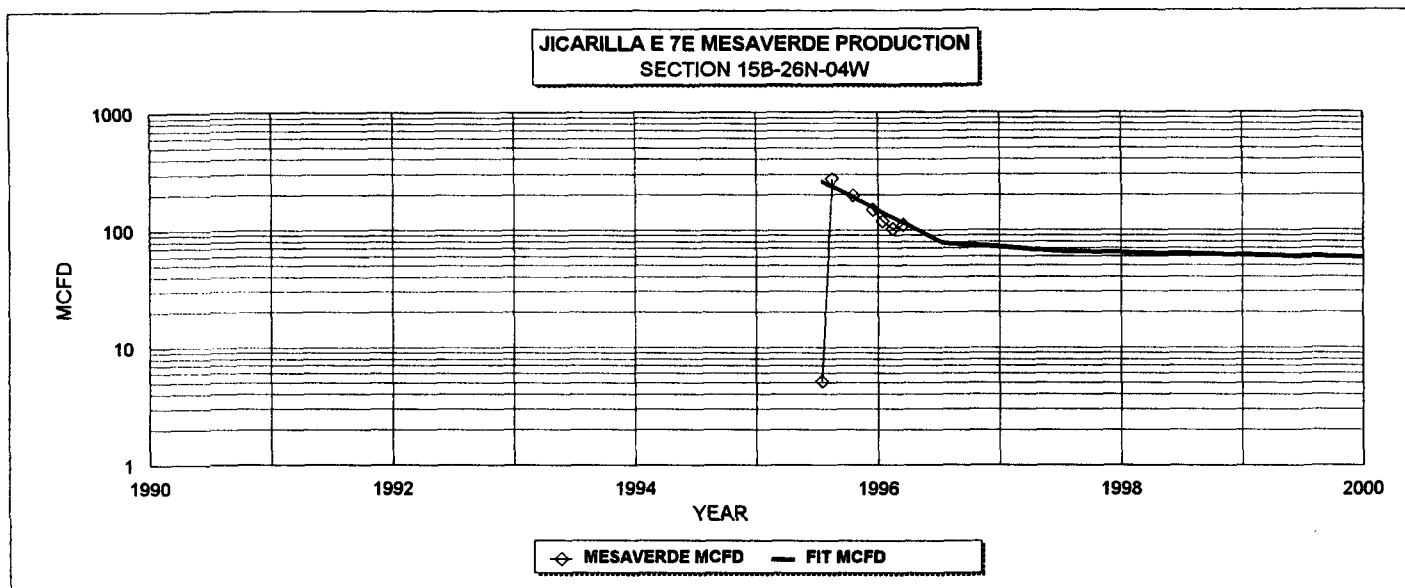
639 MMCF IN 20 YRS

200 MCFD IP

30.0% DECLINE, 1ST 12 MONTHS

15.0% DECLINE, NEXT 12 MONTHS

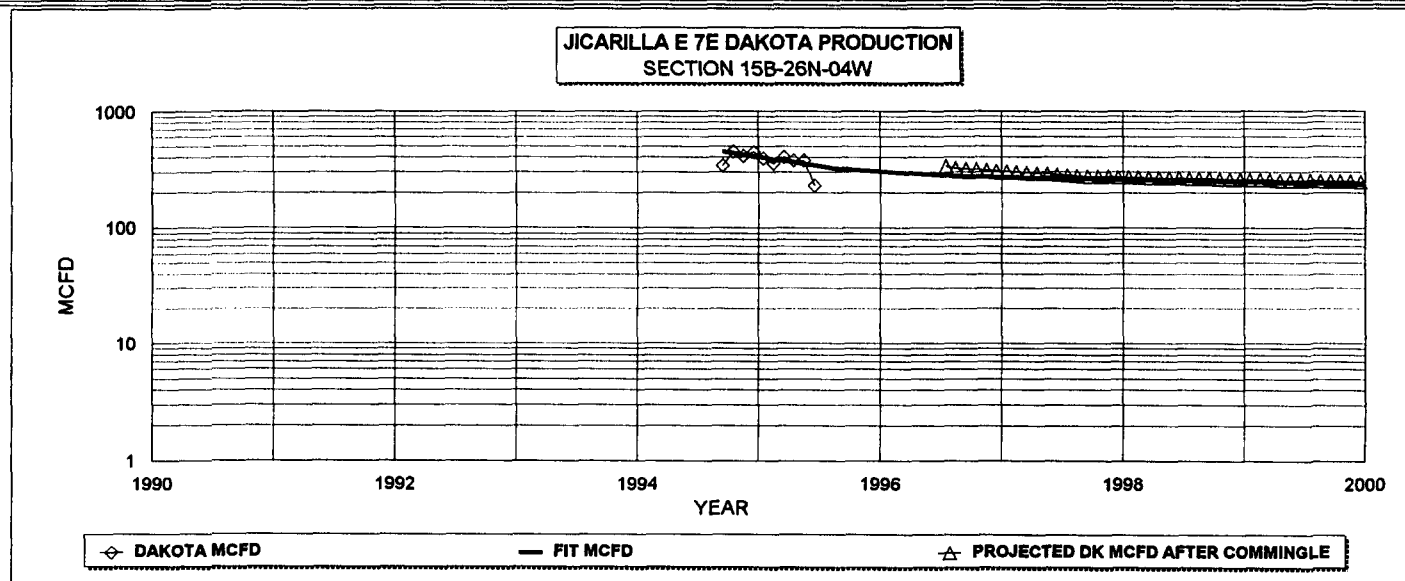
4.5% FINAL DECLINE

**MESAVERDE HISTORICAL DATA: 1ST PROD: 7/95**

OIL CUM: 0.12 MBO
 GAS CUM: 29.1 MMCF
 OIL YIELD: 0.0040 BBL/MCF

MESAVERDE PROJECTED DATA

7/1/96 Q1: 78 MCFD
 DECLINE RATE: 15.0% THROUGH 7/97
 4.5% FINAL DECLINE

**DAKOTA HISTORICAL DATA 1ST PROD: 9/94**

OIL CUM: 2.7 MBO
 GAS CUM: 114.5 MMCF
 OIL YIELD: 0.0237 BBL/MCF

DAKOTA PROJECTED DATA

7/1/96 Q1: 334 MCFD
 DECLINE RATE: 15.0% THROUGH 7/97
 4.5% FINAL DECLINE

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
DAKOTA	81%	96%
MESAVERDE	19%	4%

GAS ALLOCATION BASED ON TABLE AT RIGHT
 OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELD

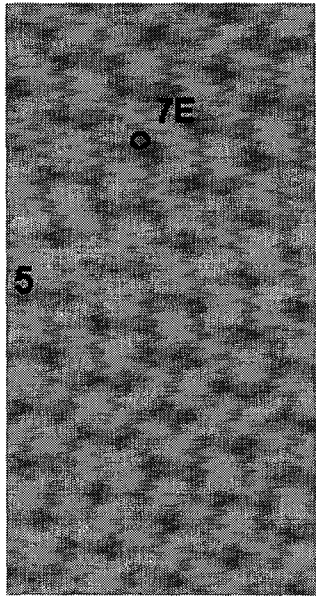
	YRLY AVG	YRLY AVG	%	%
YRLY AVG:	DK MCFD	MV MCFD	DAKOTA	MV
1996	319	75	81%	19%
1997	284	68	81%	19%
1998	265	63	81%	19%
1999	253	61	81%	19%
2000	242	58	81%	19%
2001	231	55	81%	19%

NOTE: PRODUCTION DATA FROM DWIGHTS ENERGY DATA; LAST 4 MO. MV DATA FROM CONOCO

NOTE: 1996 yrly avg is for 2nd half of year only

Jicarilla "E" No. 7E

OFFSET OPERATORS

9	10	11
AMOCO	AMOCO	Conoco
Conoco	 7E	Conoco
16	15	14
Conoco	Conoco	Conoco
21	22	23
Conoco	Conoco	Conoco

Township 26N --- Range 4W