

DATE IN 6/20/97	SUSPENSE 7/10/97	ENGINEER DC	LOGGED BY KV	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [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]

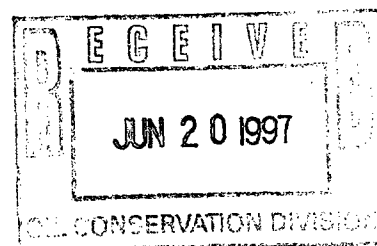
**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Directional Drilling  
☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [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



**[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Jerry W. Hoover  
Print or Type Name

*Jerry W. Hoover*  
Signature

Sr. Conservation Coordinator 6-13-97  
Title Date

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 87505-6429

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

Operator

Address

Reames Com

2

B-19-T26N-R6W

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 16606 API NO. 30039-23172 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	Mesa Verde 72319		Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	5166-5285'		7174-7341'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottom hole Pressure	a. (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	387 PSIA		523 PSIA
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1033 PSIA		2925 PSIA
6. Oil Gravity (*API) or Gas BTU Content	1326		1197
7. Producing or Shut-In?	Producing		Producing
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, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates 7/97 114 MCFD .97 BOPD, 0 BWPD	Date Rates	Date Rates 7/97 109 MCFD 0.7 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	oil: 59 % Gas 51- %	oil: % Gas %	oil: 41 % Gas 49 %

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  
CONOCO is the offset operator

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. 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 TITLE Sr. Conservation Coord. DATE 6/12/97

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

## OIL CONSERVATION DIVISION

P. O. BOX 2088

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-

All distances must be from the outer boundaries of the Section.

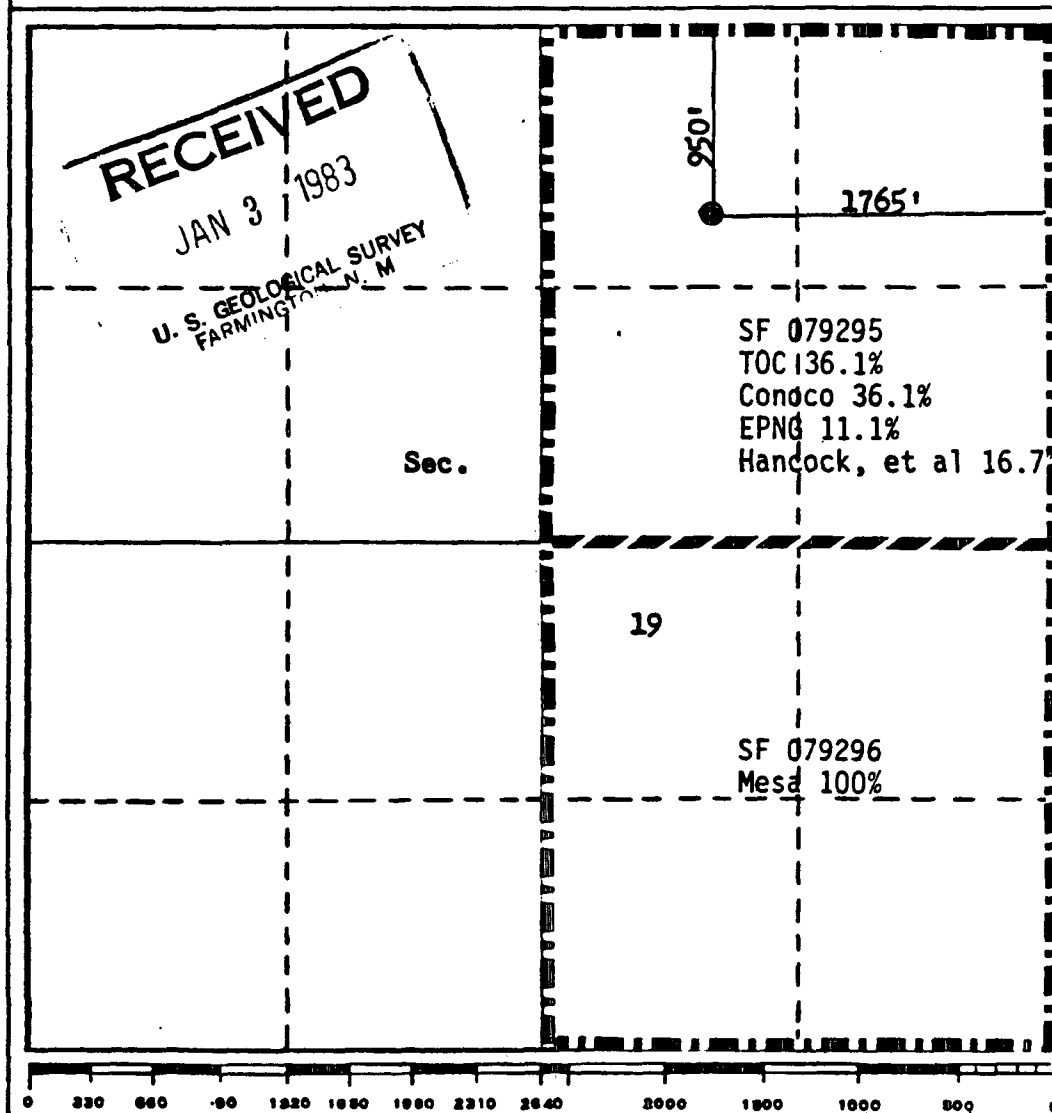
Operator <b>TENNECO OIL COMPANY</b>		Lease <b>REAMES COM</b>		Well No. <b>2</b>
Unit Letter <b>B</b>	Section <b>19</b>	Township <b>26N</b>	Range <b>6W</b>	County <b>Rio Arriba</b>
Actual Footage Location of Well: <b>950</b> feet from the <b>North</b> line and <b>1765</b> feet from the <b>East</b> line				
Ground Level Elev. <b>6639</b>	Producing Formation <b>Mesaverde/Dakota</b>		Pool <b>Blanco Mesaverde/Basin Dakota</b>	Dedicated Acreage: <b>320</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation Communitization in progress

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



## CERTIFICATION

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

Name

Ken Russell

Position

Sr. Production Analyst

Company

Tenneco Oil Co.

Date

December 22, 1982

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 knowledge and belief.

Date Surveyed

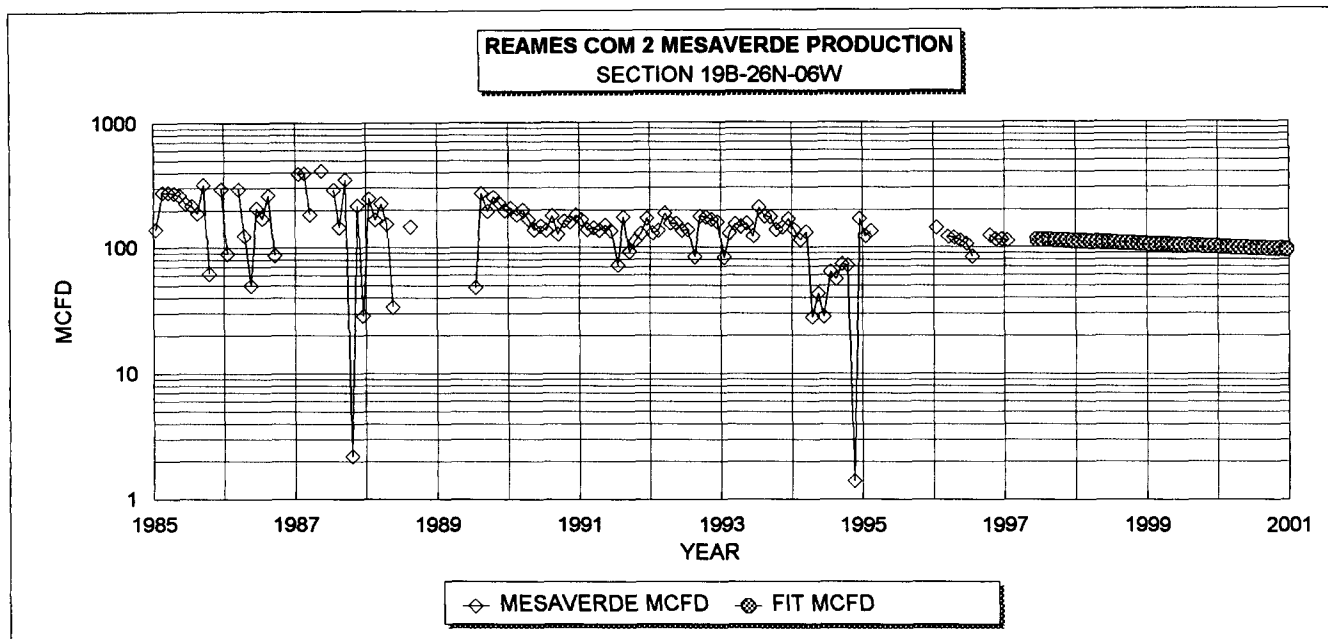
July 28, 1982

Registered Professional Engineer  
and/or Land Surveyor

Fred E. Kerr Jr.

Certificate No.

3950

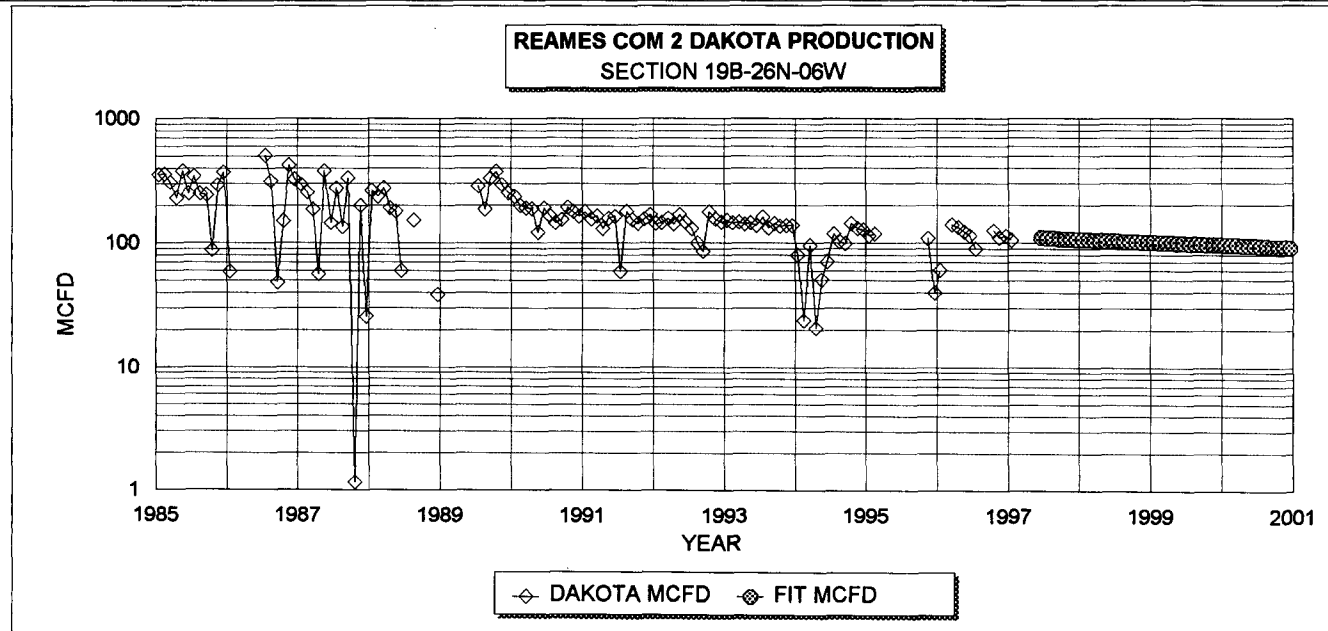


**MESAVERDE HISTORICAL DATA: 1ST PROD: 01/85**

OIL CUM: 4.68 MBO  
GAS CUM: 548.7 MMCF  
OIL YIELD: 0.0085 BBL/MCF

**MESAVERDE PROJECTED DATA**

7/1/97 Qi: 114 MCFD  
DECLINE RATE: 5.0% (EXPONENTIAL)



**DAKOTA HISTORICAL DATA 1ST PROD: 01/85**

OIL CUM: 4.0 MBO  
GAS CUM: 627.2 MMCF  
OIL YIELD: 0.0064 BBL/MCF

**DAKOTA PROJECTED DATA**

7/1/97 Qi: 109 MCFD  
DECLINE RATE: 5.0% (EXPONENTIAL)

**FIXED COMMINGLE ALLOCATION FACTORS:**

	GAS	OIL
MESAVERDE:	51%	59%
DAKOTA	49%	41%

GAS ALLOCATION BASED ON PROJECTED 1997 RATES

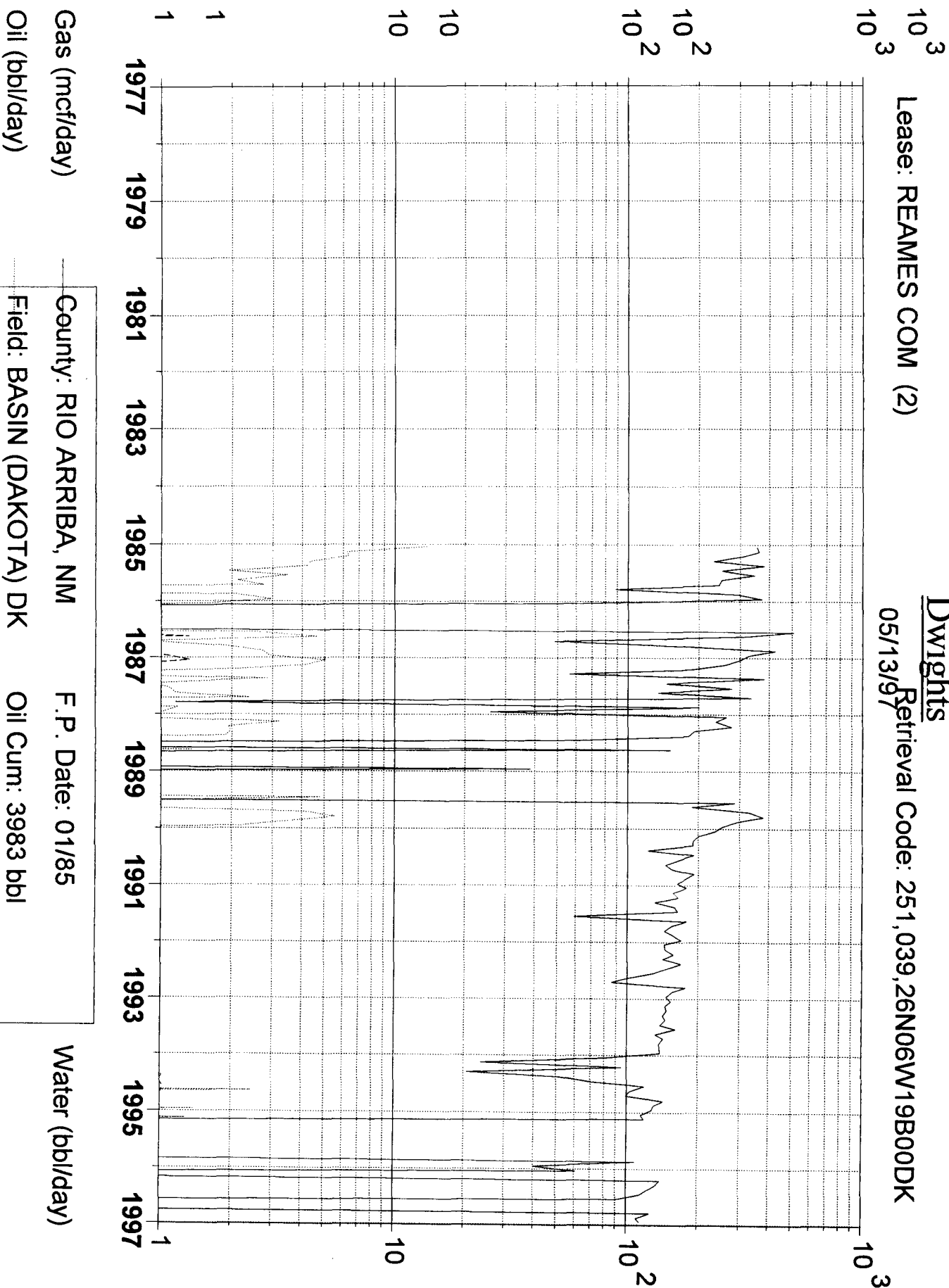
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Dwights

Lease: REAMES COM (2)

Retrieval Code: 251,039,26N06W19B00DK  
05/13/97



Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

County: RIO ARRIBA, NM

F.P. Date: 01/85

Field: BASIN (DAKOTA) DK

Oil Cum: 3983 bbl

Reservoir: DAKOTA

Gas Cum: 627.2 mmcf

Operator: CONOCO INC

Location: 19B 26N 6W

**REAMES COM #2**  
**OFFSET OPERATORS**

CAULKINS OIL CO  <b>13</b>  T26N R7W	CAULKINS OIL CO  <b>18</b>  T26N R6W	CAULKINS OIL CO CONOCO, INC.  <b>17</b>
CAULKINS OIL CO EL PASO NATURAL GAS BURLINGTON RES.  <b>24</b>  T26N R7W	CONOCO, INC. AMOCO PROD.  <b>19</b>  T26N R6W	CAULKINS OIL CO EL PASO NATURAL GAS BURLINGTON RES.  <b>20</b>
CENTRAL RES. LITTLE CURTIS J.  <b>25</b>  T26N R7W	BURLINGTON RES.  <b>30</b>  T26N R6W	BURLINGTON RES. EL PASO NATURAL GAS  <b>29</b>

**Township 26N --- Range 6W**

Conoco, Inc.  
Form C-107-A, Application for Downhole Commingling  
Filing date: June 13, 1997

**Offset Operators for Wells as listed below:**

Jicarilla K, Well #1  
Marathon Oil Co.  
Burlington Resources  
Amoco Production Co.

Jicarilla K, Well #7  
Burlinton Resources  
Amoco Production

Jicarilla K, Well #6  
Burlington Resources  
Amoco Production

Newsom, Well #17E  
Amoco Production  
~~Snyder Oil Co.~~  
~~Robert R. Click~~

Jicarilla K, Well #15E  
Burlington Resources

Jicarilla E, Well #10  
Burlington Resources

Jicarilla E, Well #12  
Burlington Resources

Federal, Well #13E  
Burlington Resources  
Caulkins Oil Co.

AXI Apache J, Well #18A  
Amoco Production  
Elm Ridge Resources

Federal, Well #11E  
Caulkins Oil Co.  
Amoco Production  
Burlington Resources

Reames COM, Well #2  
Caulkins Oil Co.  
Burlington Resources

Conoco, Inc.  
Form C-107-A, Application for Downhole Commingling  
Filing Date: June 13, 1997  
Address List for Offset Operators

**RE:** Jicarilla K, Well #11, Jacarilla K, Well #17, Jicarilla K, Well #16, Newsom, Well #17E, Jicarilla K, Well #15E, Jicarilla E, Well #10, Jicarilla E, Well #12, Federal, Well 313E, AXI Apache J, Well #18A, Federal, Well #11E, Reames COM, Well #2

Marathon Oil Co., Box 552, Midland, Texas 79702

Burlington Resources, c/o Meridian Oil, Inc., Box 51810, Midland, Texas 79710-1810

Amoco Production Co., Exploration & Production Sector, Box 4891, Houston, Texas 77210

Caulkins Oil Co., Box 340, Bloomfield, NM 87413

Elm Ridge Resources, Box 3946, Farmington, NM 87499

Snyder Oil Co., no longer an operator in the New Mexico Aztec District as per District Office.

Robert R. Click, no longer an operator in the New Mexico Aztec District as per District Office.



P 497 368 595

US Postal Service

## Receipt for Certified Mail

Amoco Production Co.  
Expl. & Prod. Sector  
Box 4891  
Houston, Texas 77210

Postage	\$ 1.93
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 4.38</b>

Postmark or Date

6-18-97

PS Form 3800, April 1995

P 497 368 594

US Postal Service

## Receipt for Certified Mail

Burlington Resources  
c/o Meridian Oil, Inc.  
Box 51810  
Midland, Texas 79710-1810

Postage	\$ 2.90
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 5.35</b>

Postmark or Date

6-18-97

PS Form 3800, April 1995

P 497 368 593

US Postal Service

## Receipt for Certified Mail

Marathon Oil Co.  
Box 552  
Midland, Texas 79702

Postage	\$ .78
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.23</b>

Postmark or Date

6-18-97

PS Form 3800, April 1995

P 497 368 597

US Postal Service

## Receipt for Certified Mail

Elm Ridge Resources  
Box 3946  
Farmington, NM 87499

Postage	\$ .78
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.23</b>

Postmark or Date

6-18-97

PS Form 3800, April 1995

P 497 368 596

US Postal Service

## Receipt for Certified Mail

Caulkins Oil Co.  
Box 340  
Bloomfield, NM 87413

Postage	\$ 1.24
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.69</b>

Postmark or Date

6-18-97

PS Form 3800, April 1995