

DATE IN 1/9/98	SUSPENSE 1/29/98	ENGINEER DC	LOGGED BY <i>KM</i>	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

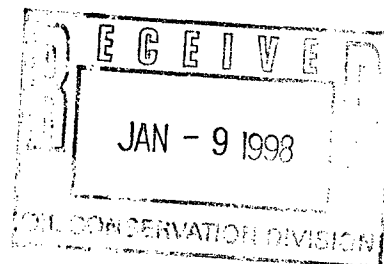
Check One Only for [B] and [C]

[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.

Kay Maddox
Print or Type Name

Signature

Kay Maddox

Regulatory Agent
Title

1/6/98
Date

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241 1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

OIL CONSERVATION DIVISION

DISTRICT II

811 South First St. Artesia NM 88210 2835

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

DISTRICT III

1000 Rio Brazos Rd. Aztec, NM 87410 1693

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Operator

Address

San Juan 28-7 Unit

216

Section 8, T-27-N, R-7-W, H

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

OGRID NO. 005073

Property Code

016608

API NO.

30-039-20875

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)	5268-5604' OA		7520-7724
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	457		646
Gas & Oil - Flowing: Measured Current	b (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1330		3068
6. Oil Gravity (°API) or Gas BT Content	1272		1219
7. Producing or Shut-In?	To be completed		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, date and oil/gas/water rates of recent test (within 60 days)	Date Rates Incremental Production by Subtraction	Date Rates	Date Rates Mid-year avg. rates - See Table
8. Fixed Percentage Allocation Formula - % for each zone	oil: % Gas %	oil: % Gas %	oil: % Gas %

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. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-10476-B

16. ATTACHMENTS

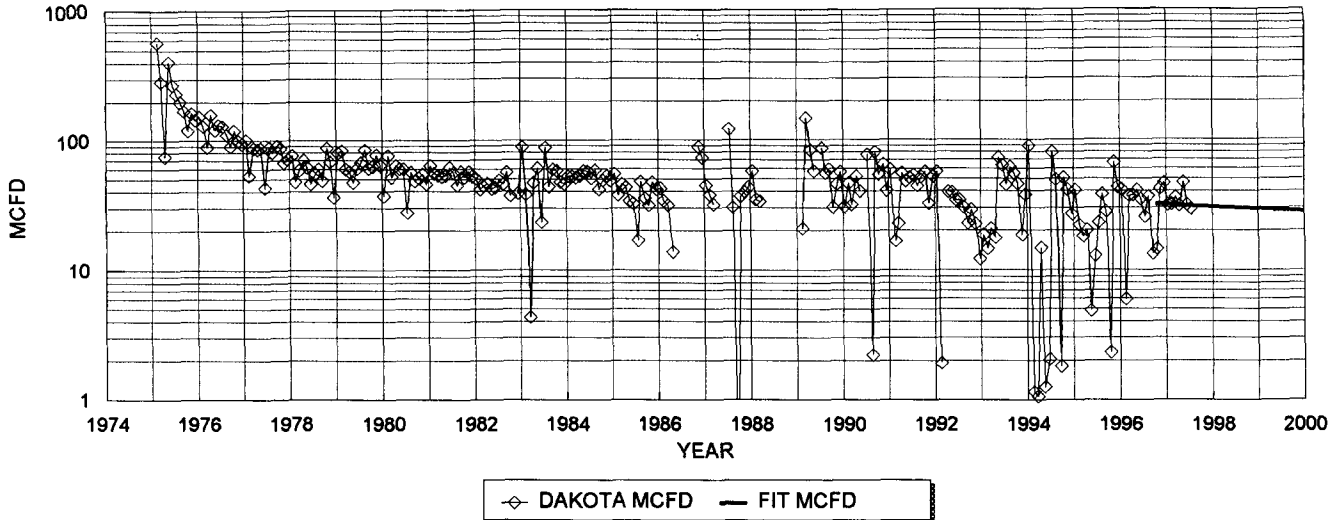
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 January 6, 1998

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

**SAN JUAN 28-7 NO. 216 DAKOTA PRODUCTION
SECTION 8H-27N-07W**



DAKOTA HISTORICAL DATA: 1ST PROD: 02/75

OIL CUM: 3.85 MBO
 GAS CUM: 443.0 MMCF
 CUM OIL YIELD: 0.0087 BBL/MCF
 OIL YIELD: 0.0077 BBL/MCF, LAST 3 YRS
 AVG. USED: 0.0082 BBL/MCF

DAKOTA PROJECTED DATA

1/1/98 Qi: 30 MCFD
 DECLINE RATE: 3.9% (EXPONENTIAL)

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

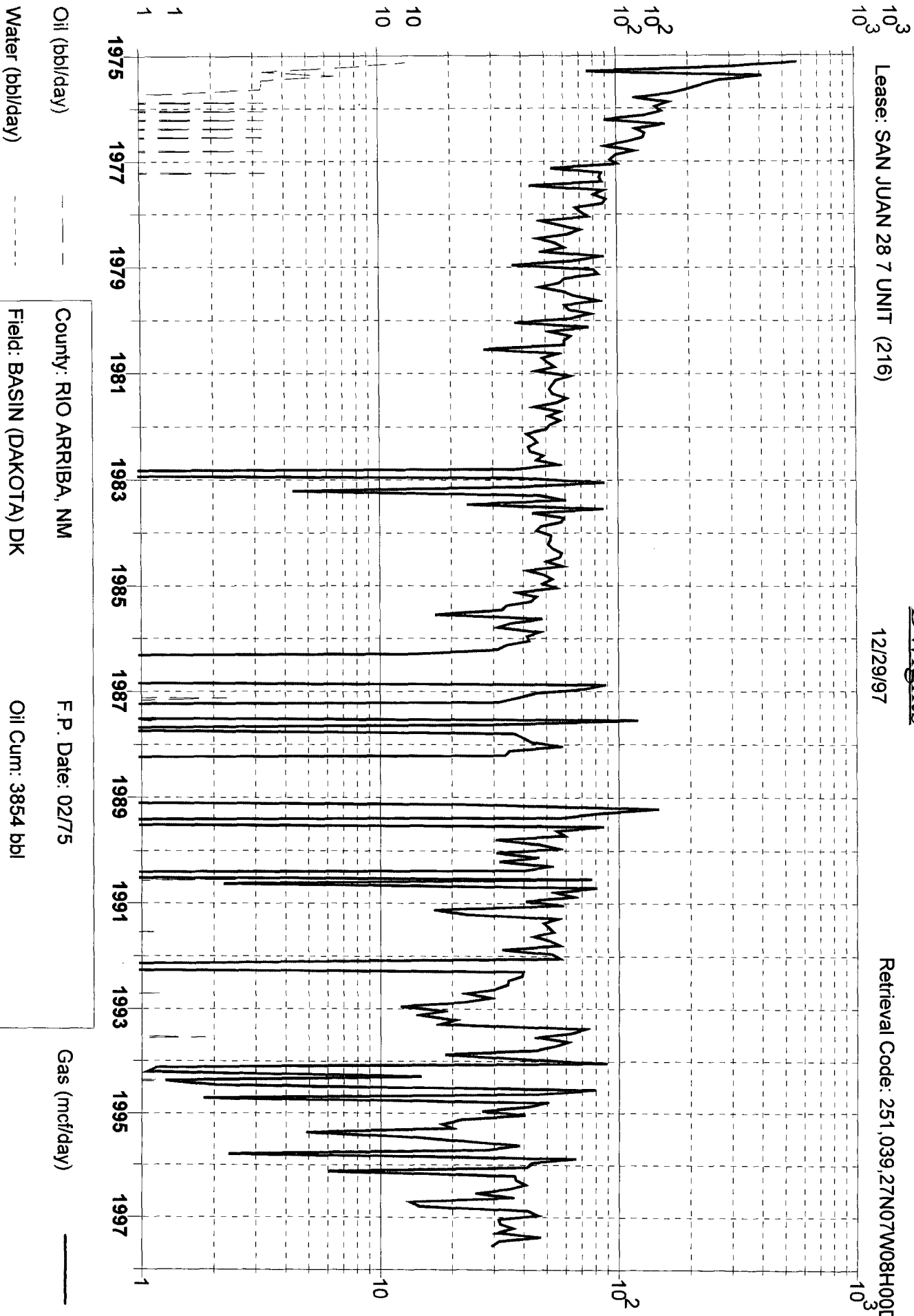
YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1998	29.7	0.2
1999	28.5	0.2
2000	27.4	0.2
2001	26.3	0.2
2002	25.3	0.2
2003	24.3	0.2
2004	23.4	0.2
2005	22.5	0.2
2006	21.6	0.2
2007	20.8	0.2
2008	19.9	0.2
2009	19.2	0.2
2010	18.4	0.2
2011	17.7	0.1
2012	17.0	0.1
2013	16.3	0.1
2014	15.7	0.1
2015	15.1	0.1
2016	14.5	0.1
2017	13.9	0.1
2018	13.4	0.1
2019	12.9	0.1
2020	12.4	0.1
2021	11.9	0.1
2022	11.4	0.1
2023	11.0	0.1
2024	10.6	0.1
2025	10.1	0.1
2026	9.7	0.1
2027	9.4	0.1
2028	9.0	0.1
2029	8.6	0.1
2030	8.3	0.1
2031	8.0	0.1
2032	7.7	0.1

Dwights

Lease: SAN JUAN 28 7 UNIT (216)

12/29/97

Retrieval Code: 251,039,27N07W08H00DK



Oil (bbl/day)

Water (bbl/day)

County: RIO ARRIIBA, NM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

F.P. Date: 02/75

Oil Cum: 3854 bbl

Gas Cum: 443.0 mmcf

Location: 8H 27N 7W

Gas (mcf/day)

District 1
PO Box 1980, Hobbs. NM 88241-1980

Revised February 21, 1994
instructions on back

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-20875		2 Pool Code 72319	3 Pool Name Blanco Mesaverde
4 Property Code 016608	5 Property Name San Juan 28-7 Unit		6 Well Number 216
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500		9 Elevation 6726' GL

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	27N	7W		2290	North	980	East	Rio Arriba

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 320	13 Joint or Infill	14 Consolidation Code		15 Order No.					

16				2290' ↓ O ← 980'	

17 OPERATOR CERTIFICATION

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

Signature **Kay Maddox**

Printed Name

Title **Regulatory Agent**

Date **January 6, '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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

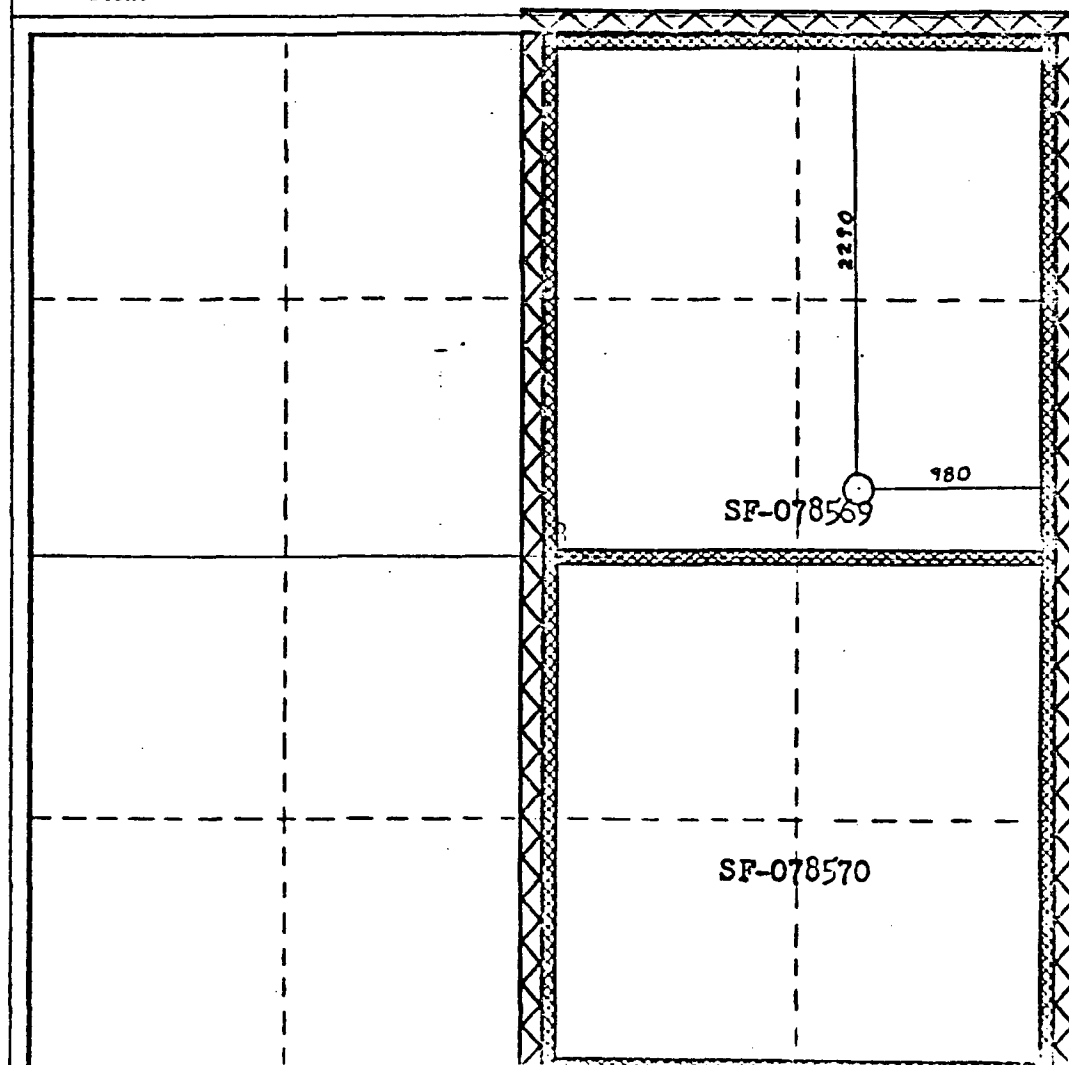
Operator EL PASO NATURAL GAS COMPANY			Lease SAN JUAN 28-7 UNIT (SF-078569)		Well No. 216
Unit Letter H	Section 3	Township 27 NORTH	Range 7 WEST	County RIO ARriba	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 2290 feet from the NORTH line and 980 feet from the EAST line </div>					
Ground Level Elev. 6726	Producing Formation DAKOTA	Pool BASIN DAKOTA		Dedicated Acreage: 320.00 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 Unitization

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 _____
Position **Drilling Clerk**
El Paso Natural Gas Co.
Company **April 18, 1974**
Date _____

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 **25 March 1974**

Registered Professional Engineer and Surveyor
James P. Leese
1463



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

San Juan 28-7 Unit
Downhole Commingle Application C-107-A

RE: Offset Operators

Conoco, Inc is the only offset operator.