

DATE IN, <u>2/25/98</u>	SUSPENSE <u>3/17/98</u>	ENGINEER <u>DC</u>	LOGGED BY <u>KV</u>	TYPE <u>DHC</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1863

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

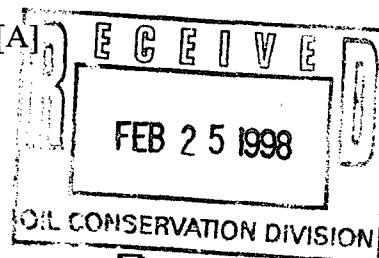
Check One Only for [B] and [C]

[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

Kay Maddox
 Signature

Regulatory Agent
 Title

2/23/98
 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

DISTRICT II
811 South First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

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

DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410 1693

APPLICATION FOR DOWNHOLE COMMINGLING

APPROVAL PROCESS:
☒ Administrative ☐ Hearing
EXISTING WELLBORE
☒ YES ☐ NO

Conoco Inc. 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500
Operator Address

Michener 1 Section 28, T-28-N, R-9-W, E San Juan
Lease Well No Unit Ltr Sec Twp Rge County

OGRID NO. 005073 Property Code API NO. 30-045-11679 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)	4235-4775'		6584-6747'
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	527		719
Gas & Oil - Flowing: Measured Current	b (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1157		2362
6. Oil Gravity (°API) or Gas BT Content	1240		1246
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	Date Rates	Date Rates
	Production allocation by Subtraction - See attached table		Est 1/98 33 MCFD, .19 BOPD, 0 BOPD
8. Fixed Percentage Allocation Formula - % of each zone	oil: % Gas %	oil: % Gas %	oil: % Gas %

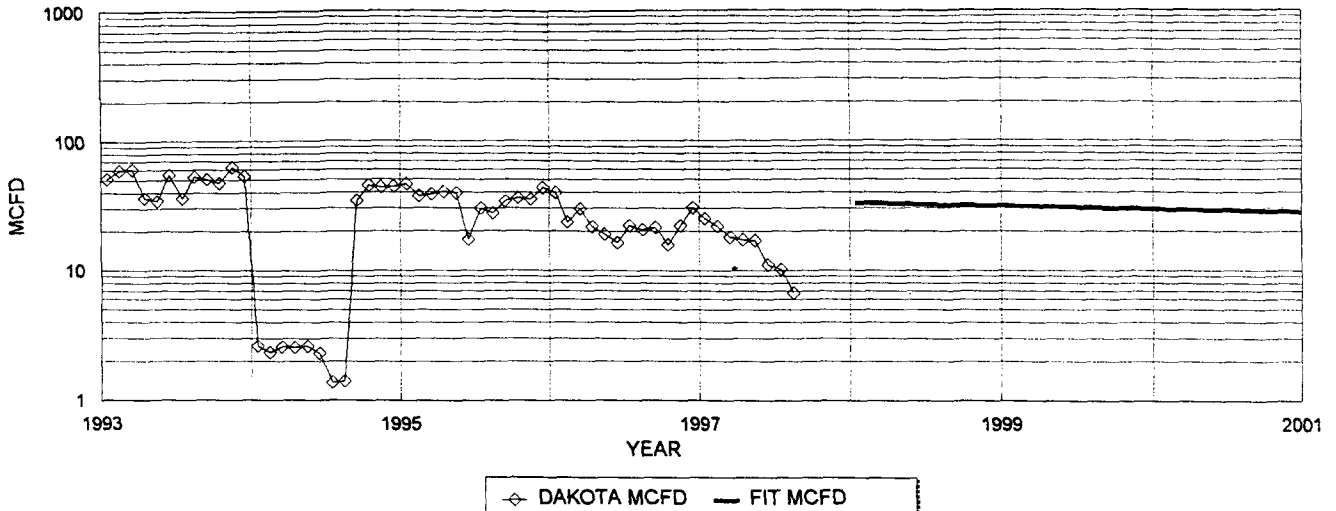
9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical 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) _____
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 February 23, 1998

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

**MICHENER 1 DAKOTA PRODUCTION
SECTION 28E-28N-09W**



DAKOTA HISTORICAL DATA:		1ST PROD: 05/67	PROJECTED DATA	
OIL CUM:	8.64	MBO	1/1/98 Qi:	33 MCFD
GAS CUM:	1073.2	MMCF	DECLINE RATE:	5.2% (EXPONENTIAL)
CUM OIL YIELD:	0.0080	BBL/MCF		
OIL YIELD:	0.0036	BBL/MCF, LAST 3 YRS		
AVG. USED:	0.0058	BBL/MCF		

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

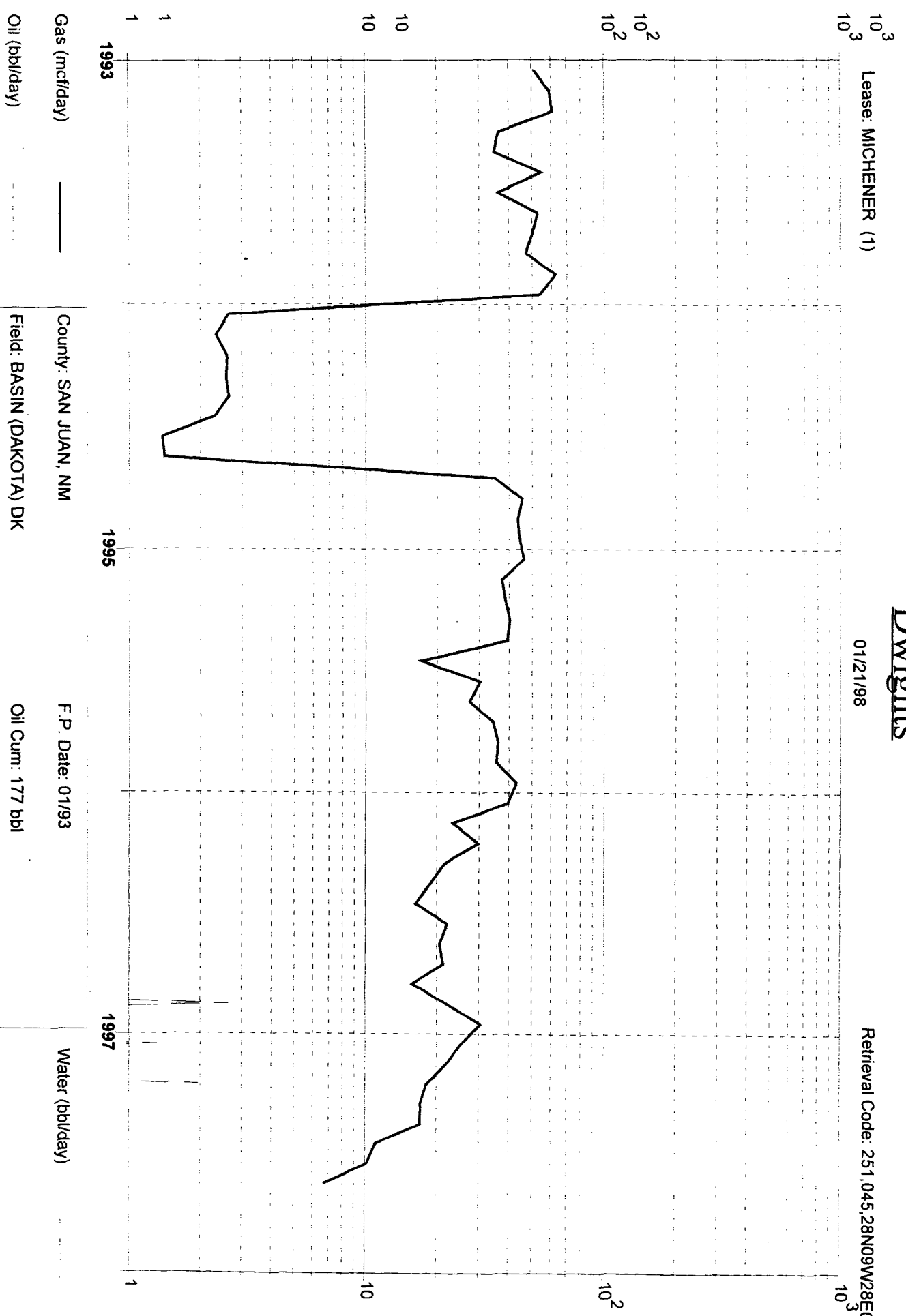
YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1998	32	0.19
1997	30	0.18
1998	29	0.17
1999	27	0.16
2000	26	0.15
2001	25	0.14
2002	23	0.14
2003	22	0.13
2004	21	0.12
2005	20	0.12
2006	19	0.11
2007	18	0.10
2008	17	0.10
2009	16	0.09
2010	15	0.09
2011	14	0.08
2012	14	0.08
2013	13	0.08
2014	12	0.07
2015	12	0.07
2016	11	0.06
2017	10	0.06
2018	10	0.06
2019	9	0.05
2020	9	0.05
2021	8	0.05
2022	8	0.05
2023	8	0.04
2024	7	0.04
2025	7	0.04
2026	6	0.04
2027	6	0.04
2028	6	0.03
2029	6	0.03
2030	5	0.03

Dwights

Lease: MICHENER (1)

01/21/98

Retrieval Code: 251.045.28N09W28E00DK



Gas (mcf/day)

Oil (bbl/day)

County: SAN JUAN, NM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: AMOCO PRODUCTION CO

F.P. Date: 01/93

Oil Cum: 177 bbl

Gas Cum: 49.24 mmcf

Location: 28E 28N 9W

Water (bbl/day)

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

instructions on back

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088
Santa Fe, NM 87504-2088

State Lease - 4 Copies

Fee Lease - 3 Copies

District IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-11679	2 Pool Code 72319	3 Pool Name Blanco Mesaverde
4 Property Code	5 Property Name Michener	6 Well Number 1
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation 6004"

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
E	28	28N	9W		1605	North	1085	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

12 Dedicated Acres 320	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

1605'			
1085'			

17 OPERATOR CERTIFICATION

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

Kay Maddox
Signature

Kay Maddox

Printed Name

Regulatory Agent

Title

February 20, 1998

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 Surveyor:

Certificate Number

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator TENNECO OIL COMPANY		Lease MICHENER		Well No. 1
Unit Letter E	Section 28	Township 28 North	Range 9 West	County San Juan County
Actual Footage Location of Well 1605 feet from the North line and 1085 feet from the West line				
Producing Formation Basin Dakota		Dedicated Average 320 Acres		N/2
6004'-ungraded				

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 commonization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes," type of consolidation: _____
 If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.) _____
 No allowable will be assigned to the well until all interests have been consolidated by commonization, unitization, force-pooling, or otherwise or until a non standard unit, eliminating such interests, has been approved by the Commission.

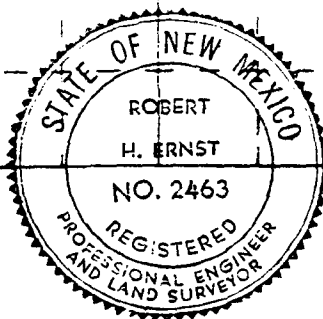
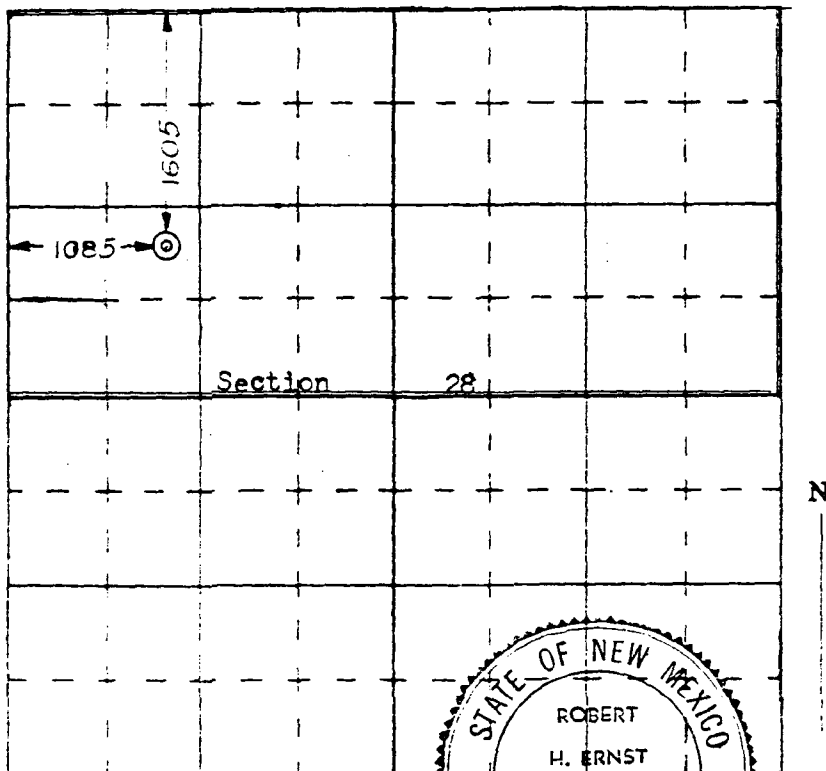
CERTIFICATION

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

Harold C. Nichols
 Harold C. Nichols
 Senior Production Clerk
 Tenneco Oil Company
 March 23, 1966

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.

22 March 1966
Robert H. Ernst
 Robert H. Ernst
 N. Mex. P.E. & L.S. 2463



Ernst Engineering Co.
 Durango, Colorado

Conoco, Inc.
10 Desta Dr Ste 100W
Midland, TX 79705

Re: Application to Downhole Commingle C-107A
Michener #1, Sec 28, T-28-N, R-9-W, E
San Juan County, New Mexico

Notification Of Offset Operators:

Amoco
PO Box 800
Denver, CO 80201

Burlington Resources
PO Box 4289
Farmington, NM 87499

S&G Interests
811 Dallas DTE 1505
Houston, TX 77002

Richardson Operating
1700 Lincoln St STE 1700
Denver, CO 80203