

DATE IN <u>3/4/98</u>	SUSPENSE <u>3/24/98</u>	ENGINEER <u>DC</u>	LOGGED BY <u>W</u>	TYPE <u>DHC</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

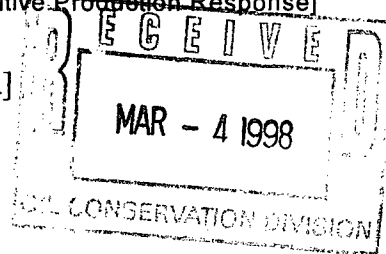
NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

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

Kay Maddox
Signature

Regulatory Agent
Title

2/25/98
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

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500
Lease Lackey B LS Well No 16 Unit Ltr Sec Twp Rge Section 20, T-28-N, R-9-W, B County San Juan
Spacing Unit Lease Types: (check 1 or more)
OGRID NO. 005073 Property Code _____ API NO. 30-045-07349 Federal ☒ , State ☐ (and/or) Fee ☐

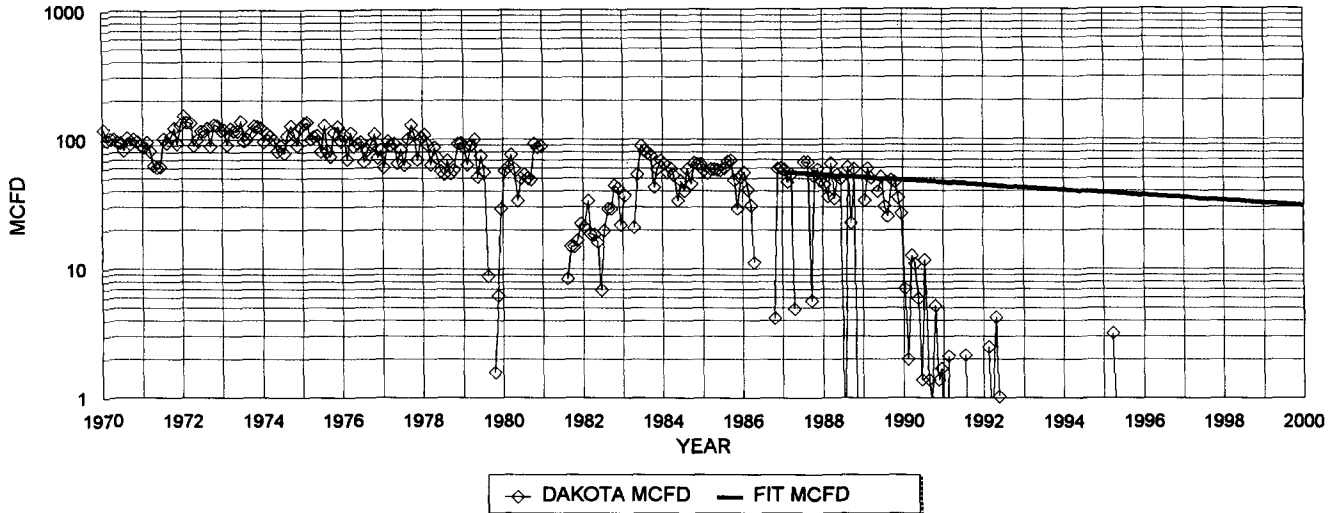
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesaverde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4012-4640'		6553-6687'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	527		718
Gas & Oil - Flowing: Measured Current	b (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1150		2359
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 Production to be allocated by Subtraction - See attached table	Date Rates	Date Rates Est 9/98 33 MCFD, .2 BOPD, 1 BWPD
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). _____
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 2/25/98
TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

**LACKEY B LS 16 DAKOTA PRODUCTION
SECTION 20B-28N-09W**



DAKOTA HISTORICAL DATA:		1ST PROD: 11/61	PROJECTED DATA	
OIL CUM:	14.59	MBO	1/1/98 Qi:	34 MCFD
GAS CUM:	1358.0	MMCF	DECLINE RATE:	4.4% (EXPONENTIAL)
CUM OIL YIELD:	0.0107	BBL/MCF		
OIL YIELD:	0.0036	BBL/MCF, LAST 3 YRS		
AVG. USED:	0.0072	BBL/MCF		

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1998	33.2	0.24
1997	31.8	0.23
1996	30.4	0.22
1995	29.0	0.21
1994	27.8	0.20
1993	26.5	0.19
1992	25.4	0.18
1991	24.3	0.17
1990	23.2	0.17
1989	22.2	0.16
1988	21.2	0.15
1987	20.3	0.15
1986	19.4	0.14
1985	18.5	0.13
1984	17.7	0.13
1983	16.9	0.12
1982	16.2	0.12
1981	15.5	0.11
1980	14.8	0.11
1979	14.1	0.10
1978	13.5	0.10
1977	12.9	0.09
1976	12.3	0.09
1975	11.8	0.08
1974	11.3	0.08
1973	10.8	0.08
1972	10.3	0.07
1971	9.9	0.07
1970	9.4	0.07
1969	9.0	0.06
1968	8.6	0.06
1967	8.2	0.06
1966	7.9	0.06
1965	7.5	0.05
1964	7.2	0.05

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

Dwights

Lease: LACKEY B L S (16)

Retrieval Code: 251,045,28N09W20B00DK

01/21/98

10³
10³

10²
10²

10
10

1
1

Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

F.P. Date: 11/61

County: SAN JUAN, NM

Field: BASIN (DAKOTA) DK

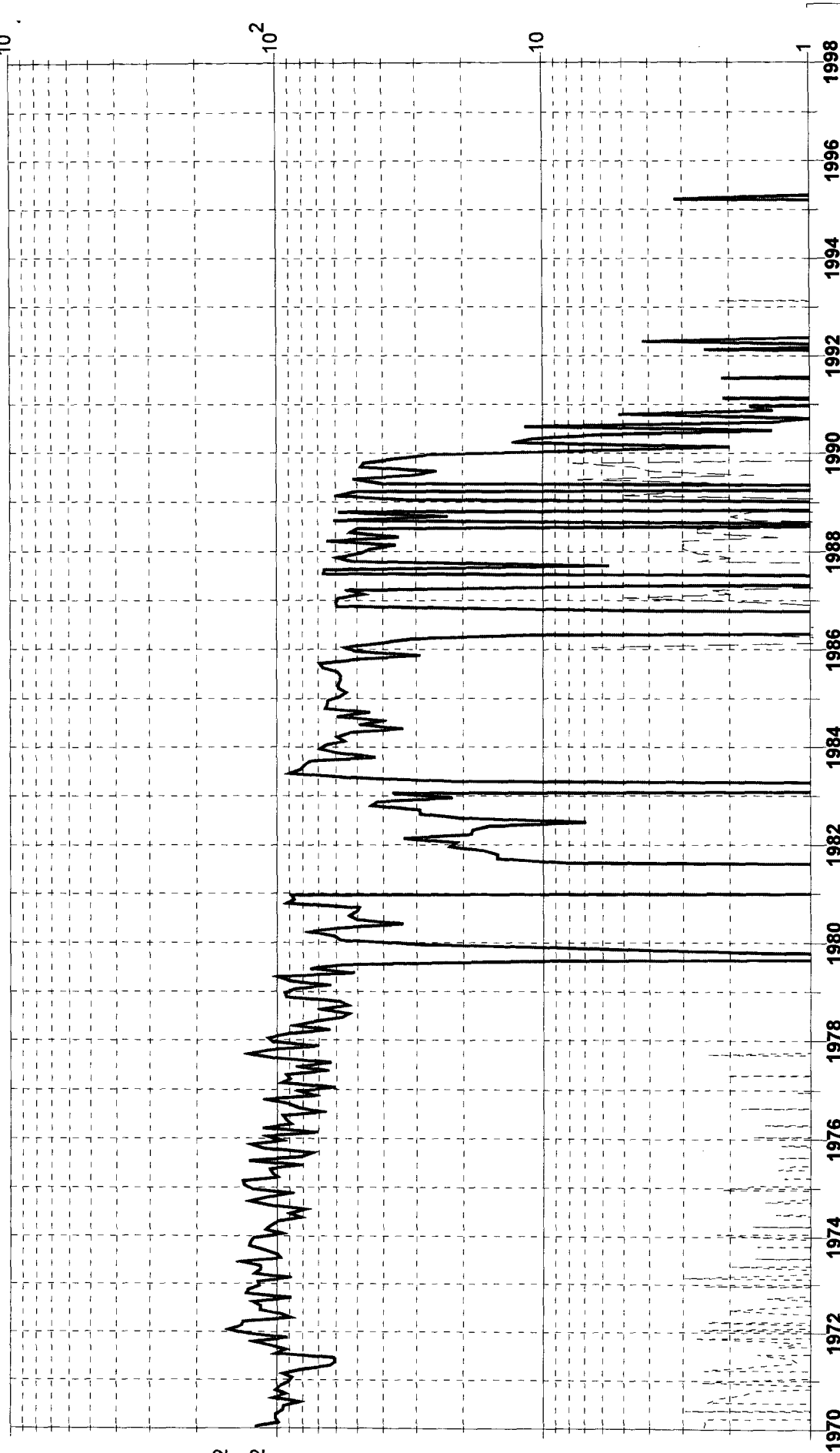
Oil Cum: 14.59 mbbl

Reservoir: DAKOTA

Gas Cum: 1358 mmcf

Operator: AMOCO PRODUCTION CO

Location: 20B 28N 9W



Well Location and Acreage Dedication Plat

Section A.

Date JULY 3, 1961

Operator EL PASO NATURAL GAS COMPANY Lease LACKEY "B" SF 077106
 Well No. 16 Unit Letter B Section 20 Township 28-N Range 9-W NMPM
 Located 1180 Feet From NORTH Line, 1460 Feet From EAST Line
 County SAN JUAN G. L. Elevation 5912 Dedicated Acreage 320 Acres
 Name of Producing Formation DAKOTA Pool BASIN DAKOTA

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes ☒ No ☐
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes ☐ No ☐ If answer is "yes", Type of Consolidation.
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner

Land Description

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

El Paso Natural Gas Company

(Operator)

Original Signed R. G. MILLER

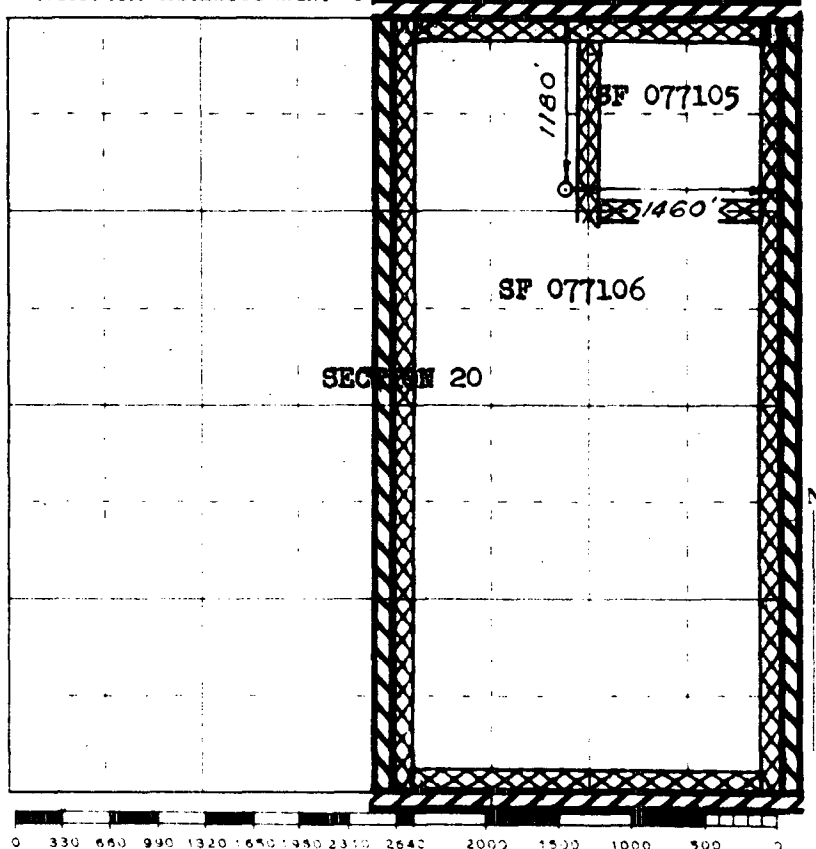
(Representative)

Box 990

(Address)

Farmington, New Mexico

Note: All distances must be from outer boundaries of section



Scale 1 inch equals 1 mile

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

(Seal)

Date Surveyed

JUNE 14, 1961

Farmington, New Mexico

C. O. Walker
 Registered Professional Surveyor and/or Land Surveyor

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

District IV
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

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

API Number 30-045-07349		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code		5 Property Name Lackey B LS			6 Well Number 16
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 5912'

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	20	28N	9W		1180	North	1460	East	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

16					

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

Date

2/25/98

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

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

Re: Application to Downhole Commingle C-107A
Lackey B LS #16, Section 20, T-28-N, R-9-W, B
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

West Largo
6638 W. Ottawa Ave STE 100
Littleton, CO 80123