

DATE IN 4/29/98	SUSPENSE 5/19/98	ENGINEER DC	LOGGED BY MW	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

1945

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

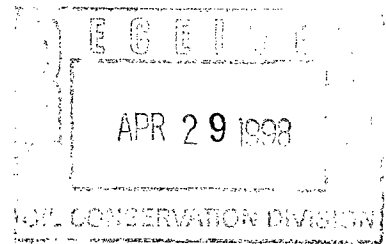
Check One Only for [B] and [C]

[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

4-24-98
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

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

OIL CONSERVATION DIVISION

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

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 Jicarilla K Well No # 14E Unit Ltr Sec Twp Rge Section 11, T-25-N, R-5-W, B County Rio Arriba
OGRID NO. 005073 Property Code 18023 API NO. 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)	5242-5603'		7226-7456'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	562		950
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1321		2808
6. Oil Gravity (°API) or Gas BT Content	1260		1248
7. Producing or Shut-In?	To be Completed		To be Completed
Production Marginal? (yes or no)	Yes (expected)		Yes (expected)
• 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 Anticipated 1st Yr average 126 MCFD, 3.5 BOPD	Date Rates	Date Rates Anticipated 1st Yr Average 221 MCFD, 3.3 BOPD
8. Fixed Percentage Allocation Formula -% or 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 4/24/96
TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

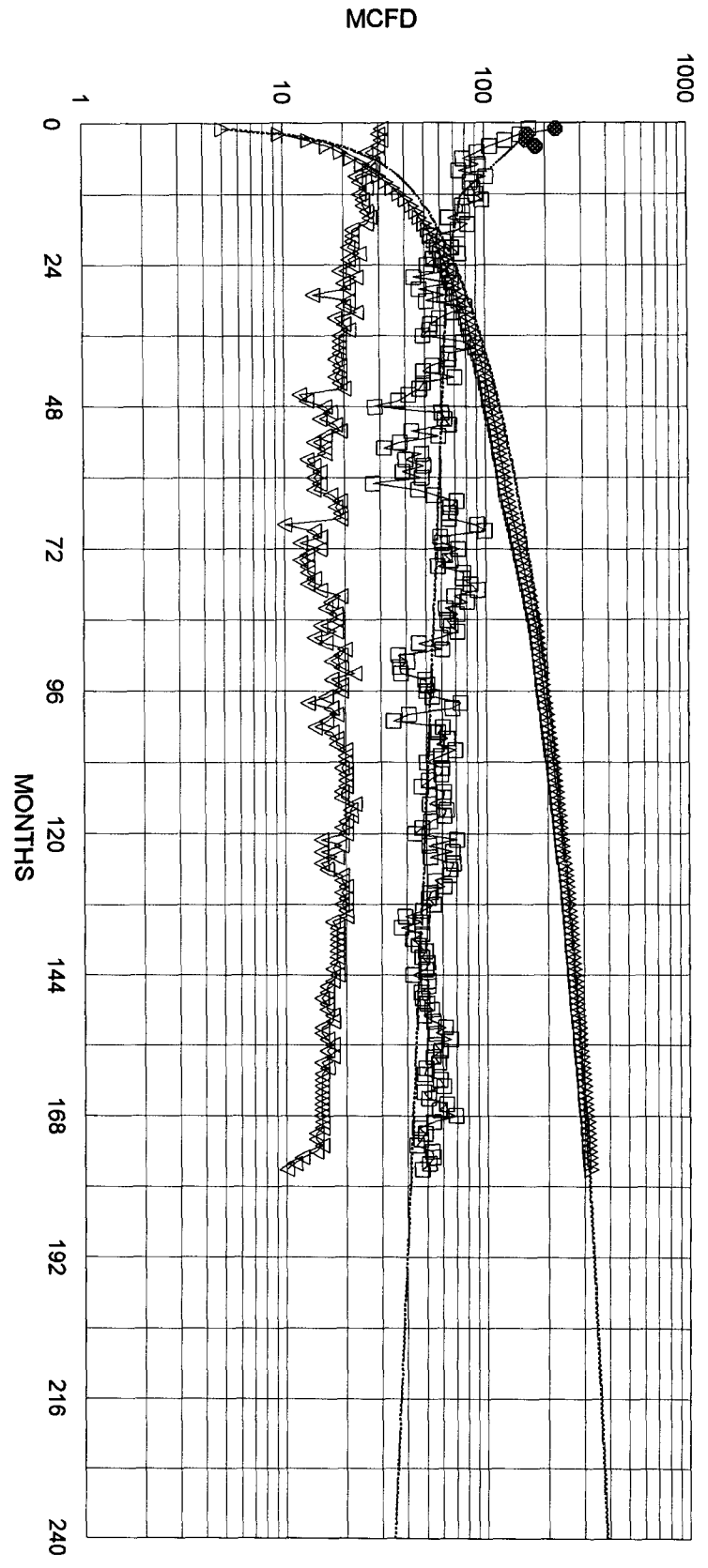
APPLICATION FOR DOWNHOLE COMMINGLING

Jicarilla K 14E, Unit Letter B, Section 11-T25N-R5W
Rio Arriba County, New Mexico

As shown in the attached production plot for offsets to the Jicarilla K 14E, estimated ultimate recoveries and initial production rates from infill wells to the Dakota and Mesaverde formations are clearly marginal in this area. Mesaverde estimated recoveries in particular do not justify drilling stand alone wells (389 MMCF recovery in 20 years, 536 MMCF ultimate recovery). Furthermore, production plots from each zone indicate a similar decline profile and a fixed allocation formula can be utilized. Upon completion, both zones will be tested and stabilized flow rates will be used to allocate production from each zone. This procedure is common practice in Conoco's 28-7 Unit and reference is made to Order R-10476-B as it applies to downhole commingling of marginal zones and the allocation of production between such zones.

NORMALIZED MESAVERDE PRODUCTION

31 WELLS SINCE 1980; OFFSET TO JICARILLA K LEASE; SE 26N 5W AND NE 25N 05W

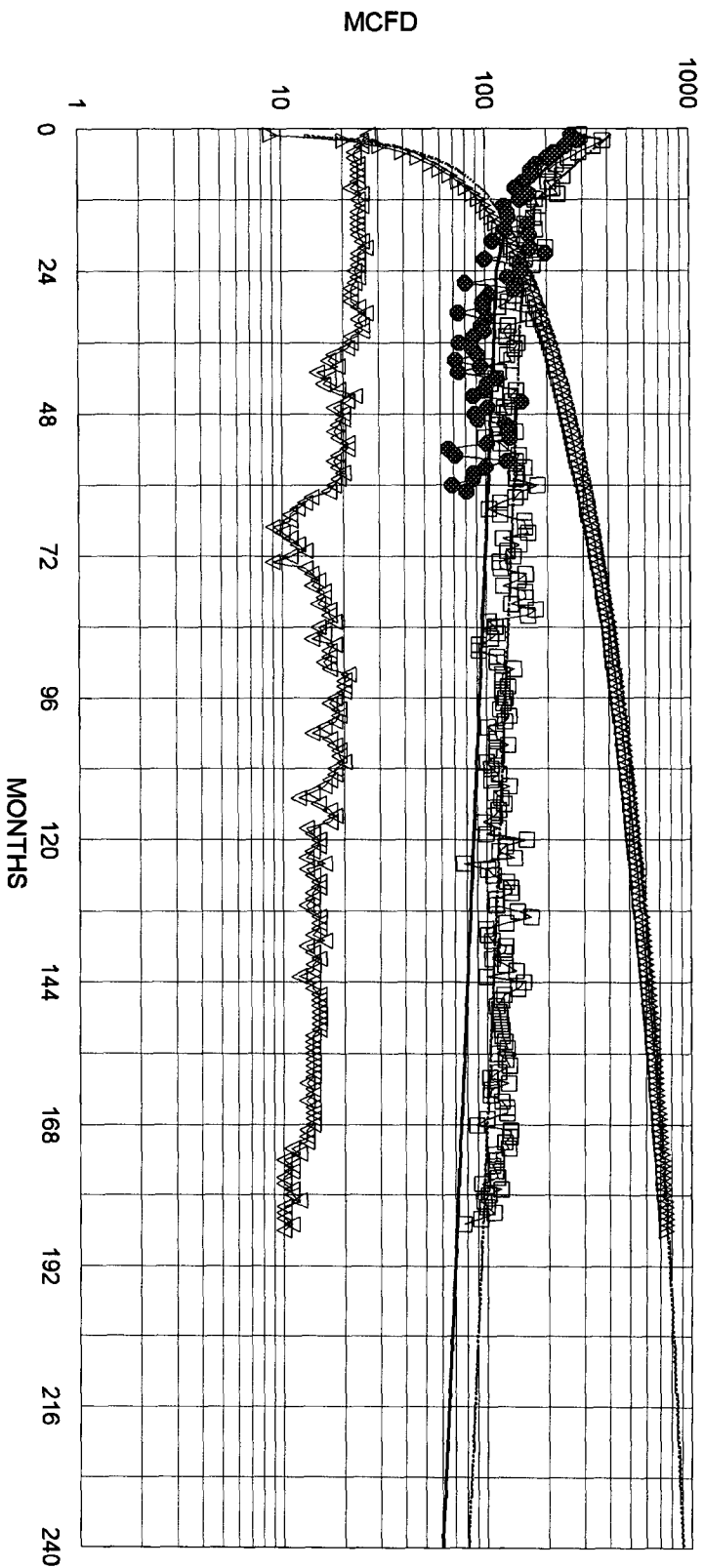


— FIT MCFD ▢ NORMALIZED MCFD ▲ NORM CUM MMCF
▽ WELLS ON PRODUCTION --- FIT CUM MMCF ◆ 6 NEW 1997 RECOMPLETIONS

NORMALIZED AVERAGE PER WELL & EXPECTED NEW WELL AVG.

536 MMCF EUR	192 MCFD IP	NEW RECOMPLETIONS IN 1997:
389 MMCF IN 20 YRS	60% DECLINE, 1ST 12 MONTHS	
20 MCFD E.L.	15% DECLINE, NEXT 12 MONTHS	
0.0278 bbl/mcf oil yield	3.5% FINAL DECLINE	
		JICARILLA K 10 1D-25N-5W
		JICARILLA K 10E 1K-25N-5W
		JICARILLA K 11 2E-25N-5W
		JICARILLA K 11E 2B-25N-5W
		JICARILLA K 15 1I-25N-5W
		JICARILLA K 15E 1A-25N-5W

NORMALIZED DAKOTA PRODUCTION
 27 WELLS SINCE 1980; 16 SECTIONS SURROUNDING JIC. K LEASE (SEC 1,2,11,&12; 25N-05W)



— FIT MCFD □ NORMALIZED MCFD △ NORM CUM MMCF ▽ WELLS ON PRODUCTION
 - - - FIT CUM MMCF — RISKED MCFD ● 4 WELLS SINCE 1992

NORMALIZED AVG PER WELL:

1531 MMCF EUR
 913 MMCF IN 20 YRS
 20 MCFD E.L.
 0.0149 bbl/mcf oil yield

450 MCFD IP
 60% DECLINE, 1ST 12 MONTHS
 15% DECLINE, NEXT 12 MONTHS
 3.5% FINAL DECLINE

RISKED AVG: 25% RISK (EXPECTED NEW COMPLETION AVERAGE)

1097 MMCF EUR
 684 MMCF IN 20 YR
 20 MCFD E.L.
 0.0149 bbl/mcf oil yield

338 MCFD IP
 60.0% DECLINE, 1ST 12 MONTHS
 15.0% DECLINE, NEXT 12 MONTHS
 3.5% FINAL DECLINE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

2. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

3. NAME OF OPERATOR

Conoco Inc.

4. ADDRESS AND TELEPHONE NO

10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500

915-686-5794

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)

At surface

1190' FNL & 1580' FEL

At proposed prod. zone

1190' FNL & 1580' FEL

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

7. LEASE DESIGNATION AND SERIAL NO

CONT 145

8. IF INDIAN, ALLOTTEE OR TRIBE NAME

JICARILLA

9. UNIT AGREEMENT NAME

10. FARM OR LEASE NAME WELL NO

JICARILLA K #14E

11. API WELL NO

12. FIELD AND POOL, OR WILDCAT

Blanco MV/Basin Dakota

13. SEC. T. R. M. OR BLK.
AND SURVEY OR AREA

Sec. 11. T25N. R5W

14. COUNTY OR PARISH

Rio Arriba

15. STATE

NM

16. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

17. NO. OF ACRES IN LEASE

18. NO. OF ACRES ASSIGNED
TO THIS WELL

320

19. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

20. PROPOSED DEPTH

7756'

21. ROTARY OR CABLE TOOLS

Rotary

22. ELEVATIONS (Show whether DF, RT, GR, etc.)

6713' GR

23. APPROX. DATE WORK WILL START*

4/15/98

24.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	K-55, 8-5/8"	24#	300'	130 sxs, circ.
7-7/8"	K-55, 5-1/2"	15.5#	7456'	1085 sxs, circ.

It is proposed to drill vertical wellbore to be downhole commingled in the Blanco Mesaverde and Basin Dakota Pools following the acquisition of sufficient production test data for allocation purposes. A downhole commingling application will be filed with the BLM and NMOCD prior to commingling. A NOS was filed 10/31/97. This well will drilled and equipped according to the following attachments:

1. Well Location & Acreage Dedication Plat (C-102) and other associated plats.
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan with Production Facility Layout.
6. Pipeline survey plat.

This application includes ROW's for the wellpad and access road.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Mike L. Mankin

TITLE

Mike L. Mankin
Right-of-Way Agent

DATE

March 4, 1998

(This space for Federal or State office use)

PERMIT NO

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Oil and Gas Division
New Mexico
Form 1-11
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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		Pool Code	Pool Name
		72319/71599	Blanco Mesaverde/Basin Dakota
Property Code	Property Name		Well Number
18023	JICARILLA K		14E
CGRID No.	Operator Name		Elevation
005073	CONOCO, INC.		6713

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	11	25N	5W		1190	North	1580	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.
320			

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

15	5273.40'		1190'	1580'	OPERATOR CERTIFICATION	
					hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
					Signature Mike L. Mankin	
					Printed Name Right-of-way Agent	
5280.00'		11		Title 5-5-98		
				Date		
				SURVEYOR CERTIFICATION		
				hereby certify that the well location shown on this plat is plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my belief.		
				Date of Survey NOVEMBER 19, 1997		
				Signature and Seal of Professional Surveyor NEALE C. EDWARDS NEW MEXICO 6857		
				Certificate Number 6857		
		5270.76'				

Jicarilla K #14E
Section 11, T-25-N, R-5-W, B
Rio Arriba, New Mexico

RE: Downhole Commingle C107A Application

Notification of Offset Operators:

Amoco
PO Box 800
Denver, CO 80201

A copy of the C-107A has been sent to the above listed party/parties.