

0024352855

DHC 9/18/00

## DISTRICT I

P O Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources DepartmentForm C-107-A  
New 3-12-96

## DISTRICT II

811 South First St., Artesia, NM 88210-2935

## OIL CONSERVATION DIVISION

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.

P.O. BOX 2197 DU 3066 HOUSTON, TX 77252

Operator

Address

SAN JUAN 28-7

28

H, SEC.26 T28N R7W

RIO ARRIBA

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 016608 API NO. 30-039-07326 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	BASIN FRUITLAND COAL 71629	BLANCO P.C. SOUTH 72439	BLANCO MESAVERDE 72319
2. Top and Bottom of Pay Section (Perforations)	3205'-3333' PROPOSED	3344'-3450' PROPOSED	4935'-5868'
3. Type of production (Oil or Gas)	GAS EXPECTED	GAS EXPECTED	GAS
4. Method of Production (Flowing or Artificial Lift)	EXPECTED TO FLOW	EXPECTED TO FLOW	FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) * 1,035 b. (Original) 1,035	a. * 1,044 b. 1,044	a. 500 b. 1,233
6. Oil Gravity (° API) or Gas BTU Content	1,045	1,189	1,250
7. Producing or Shut-In?	TO BE COMPLETED	TO BE COMPLETED	PRODUCING
Production Marginal? (yes or no)	YES	YES	YES
* If Shut-In, give date and oil/gas/water rates of last production. 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:	Date: Rates:	Date: Rates:
	EST. 150MCFD	EST. 250MCFD	CURRENT 35MCFD
8. Fixed Percentage Allocation Formula - % for each zone	Allocate by test Oil: % Gas: %	Allocate by test Oil: % Gas: %	Allocate by subtraction Oil: % Gas: % method %

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 ☒ No11. 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 other? ☒ Yes ☐ No13. 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-10476B

## 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 all offset operators.
  - \* Notification list of all working, overriding, and royalty interests for uncommon interest cases.
  - \* Any additional statements, data, or documents required to support commingling
- \*Current BHP's are expected to be at or near virgin bottom-hole pressure.

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

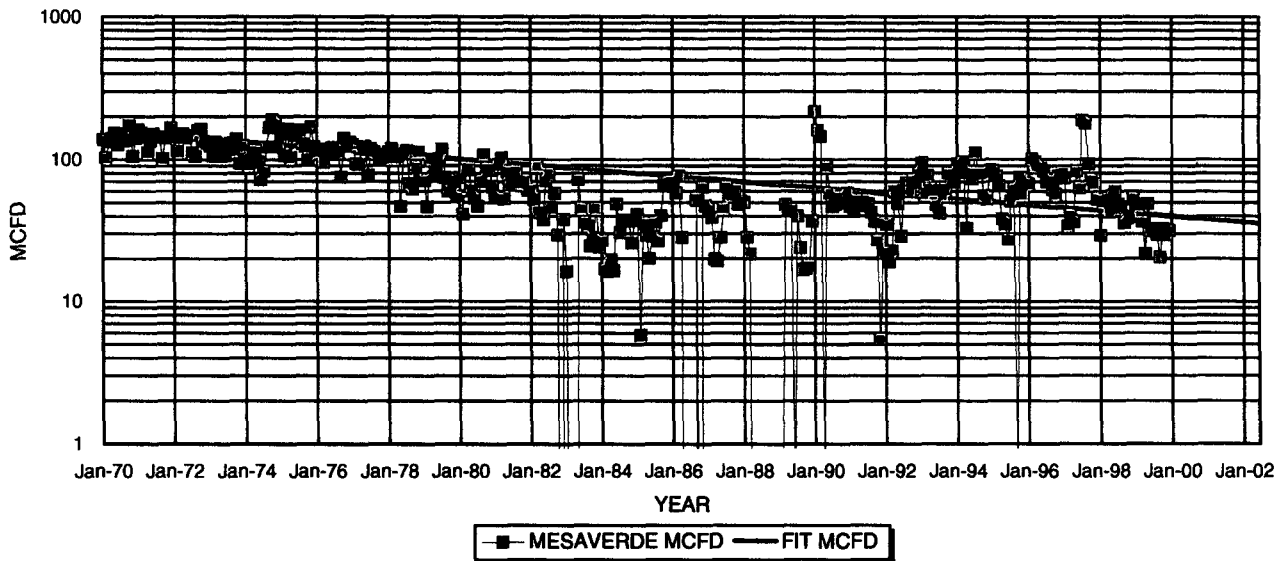
SIGNATURE

TITLE REGULATORY ANALYST DATE 07/28/2000

TYPE OR PRINT NAME DEBORAH MARBERRY

TELEPHONE NO. ( ) (281)293-1005

**SJ 28-7 #28 MESAVERDE PRODUCTION  
SECTION 26H-28N-07W, RIO ARriba COUNTY, NEW MEXICO**



**MESAVERDE PRODUCTION**      **1ST PROD: 09/55**  
**OIL CUM:**                6.24      **MBO**  
**GAS CUM:**                1676.3      **MMCF**  
**OIL YIELD:**                0.0037      **BBL/MCF**

**MESAVERDE PROJECTED DATA**  
**Jan.00 QI:**                40      **MCFD**  
**DECLINE RATE:**            4.5%      **(EXPONENTIAL)**  
**API #30-039-07236**

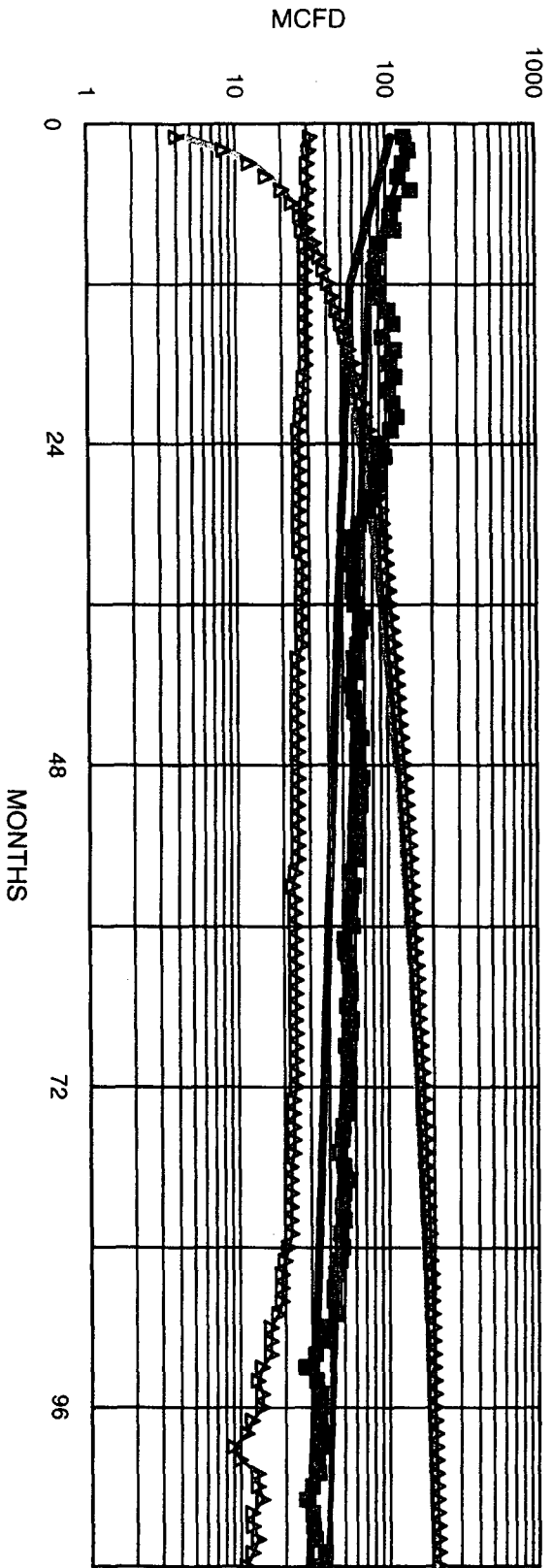
**PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION**

**NOTE:**      Current decline rate is approximately 4.5%/year. This rate is expected to continue for the duration of the well based on production trends observed during the life of this well.

Production data from P/Dwights Plus.

<u>YEAR</u>	<u>MID-YEAR AVG. MCFD</u>	<u>MID-YEAR AVG. BOPD</u>
2000	39	0.1
2001	37	0.1
2002	36	0.1
2003	34	0.1
2004	32	0.1
2005	31	0.1
2006	30	0.1
2007	28	0.1
2008	27	0.1
2009	26	0.1
2010	25	0.1
2011	24	0.1
2012	22	0.1
2013	21	0.1
2014	20	0.1
2015	20	0.1
2016	19	0.1
2017	18	0.1
2018	17	0.1
2019	16	0.1
2020	16	0.1
2021	15	0.1
2022	14	0.1
2023	14	0.1
2024	13	0.0
2025	12	0.0
2026	12	0.0
2027	11	0.0

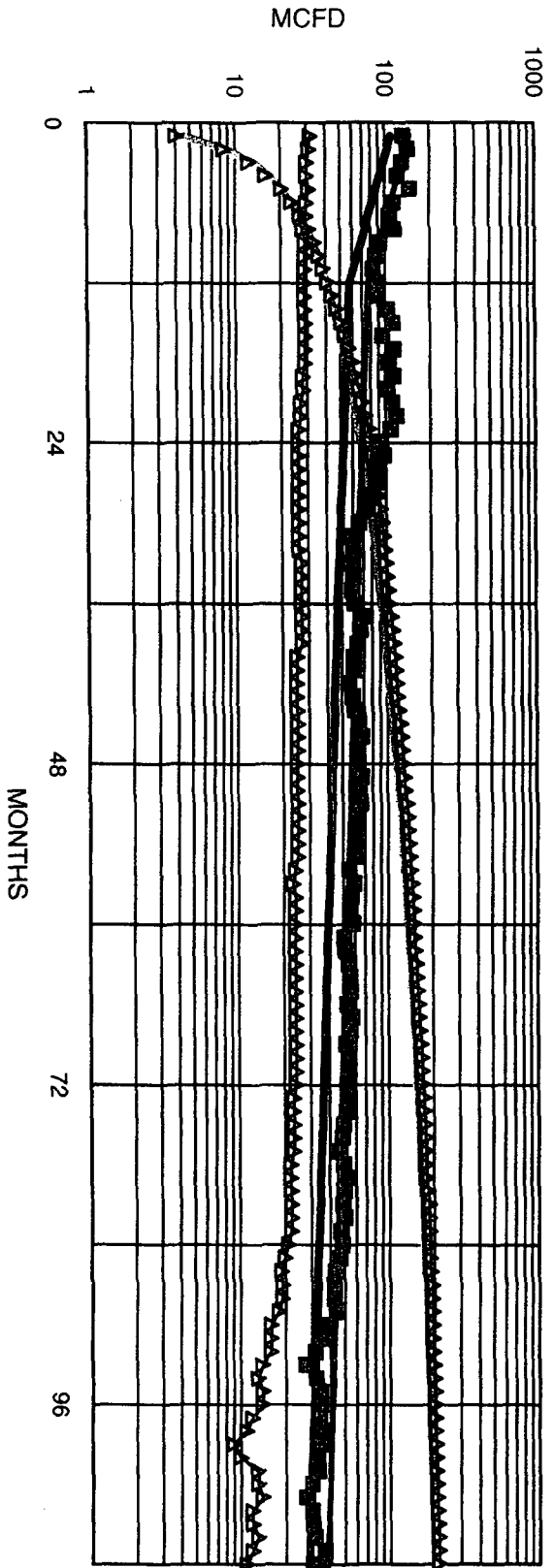
# NORMALIZED FRUITLAND COAL PRODUCTION 29 WELLS SINCE 1990; 28N-7W & 27N-7W



—■— NORM MCFD —▲— NORM CUM MMCF —◆— WELLS ON PRODUCTION —●— FIT CUM MMCF —●— RISKED MCFD —●— FIT MCFD

<p>NORMALIZED AVG:</p> <p>323 MMCF EUR</p> <p>300 MMCF IN 20 YRS</p> <p>10 MCFD E.L.</p> <p>0.0000 bbl/mcf oil yield</p>	<p>155 MCFD IP</p> <p>50.0% DECLINE, 1ST 12 MONTHS</p> <p>10.0% DECLINE, NEXT 24 MONTHS</p> <p>8.0% FINAL DECLINE</p>	<p>RISKED AVG: 25% RISK</p> <p>231 MMCF EUR</p> <p>225 MMCF IN 20 YRS</p> <p>10 MCFD E.L.</p> <p>0.0000 bbl/mcf oil yield</p> <p>116 MCFD IP</p> <p>50.0% DECLINE, 1ST 12 MONTHS</p> <p>10.0% DECLINE, NEXT 24 MONTHS</p> <p>8.0% FINAL DECLINE</p>
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**NORMALIZED FRUITLAND COAL PRODUCTION  
29 WELLS SINCE 1990; 28N-7W & 27N-7W**



—■— NORM MCFC —▲— NORM CUM MMCF —●— WELLS ON PRODUCTION ——— FIT CUM MMCF ——— RISKED MCFC ——— FIT MCFC

<b>NORMALIZED AVG:</b> 323 MMCF EUR 300 MMCF IN 20 YRS 10 MCFC E.L. 0.0000 bbl/mcf oil yield	155 MCFC IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE	<b>RISKED AVG:</b> 25% RISK 231 MMCF EUR 225 MMCF IN 20 YRS 10 MCFC E.L. 0.0000 bbl/mcf oil yield 116 MCFC IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE
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State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-07326		<sup>2</sup> Pool Code 72439		<sup>3</sup> Pool Name Blanco P.C. South	
<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7 #28			<sup>6</sup> Well Number 28
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

<sup>10</sup> Surface Location

UL or lot no. H	Section 26	Township 28N	Range 7W	Lot Idn	Feet from the 1455'	North/South line NORTH	Feet from the 990'	East/West line EAST	County RIO ARRIBA
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<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 320		<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code U		<sup>15</sup> Order No.				

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					<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature <u>Deborah Marberry</u> Printed Name <b>DEBORAH MARBERRY</b> Title <b>REGULATORY ANALYST</b> Date <b>07/28/2000</b>	
					<b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under  Date of Survey Signature and Seal of Professional Surveyer	
					Certificate Number	

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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-07326	<sup>2</sup> Pool Code 71629	<sup>3</sup> Pool Name Basin Fruitland Coal
<sup>4</sup> Property Code 016608	<sup>5</sup> Property Name SAN JUAN 28-7 #28	<sup>6</sup> Well Number 28
<sup>7</sup> OGRID No. 005073	<sup>8</sup> Operator Name CONOCO, INC.	<sup>9</sup> Elevation

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	26	28N	7W		1455'	NORTH	990'	EAST	RIO ARRIBA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code U	<sup>15</sup> Order No.
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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-07326		<sup>2</sup> Pool Code 72319		<sup>3</sup> Pool Name Blanco Mesaverde	
<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7 #28			<sup>6</sup> Well Number 28
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

<sup>10</sup> Surface Location

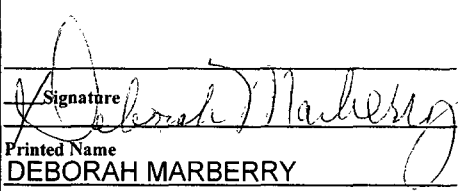
UL or lot no. H	Section 26	Township 28N	Range 7W	Lot Idn	Feet from the 1455'	North/South line NORTH	Feet from the 990'	East/West line EAST	County RIO ARRIBA
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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