

25037755

DHC 9/25/00

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 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

SEP - 5 2000

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC.

Operator

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

Address

SAN JUAN 28-7

32

L, SEC. 19 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. 30-039-07367 Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone <i>SOUTH</i>	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal 71629	Blanco Pictured Cliffs 72359	Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	2744'-2880' proposed	2883'-3003' proposed	open hole
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. 360 b. * EST. 800-1100	a. 200 b. 1227
6. Oil Gravity (° API) or Gas BTU Content			
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	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: EST. 150MCFD	Date: Rates: EST. 250MCFD	Date: Rates: CURRENT 145MCFD
8. Fixed Percentage Allocation Formula - % for each zone	Allocate by test Oil: % Gas: %	Allocate by test Oil: % Gas: %	Allocate by subtraction method. 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 ☒ 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. (sec. 30 -28N-7W)
- * Any additional statements, data, or documents required to support commingling

*Note: Offset PC

producer (94A) had

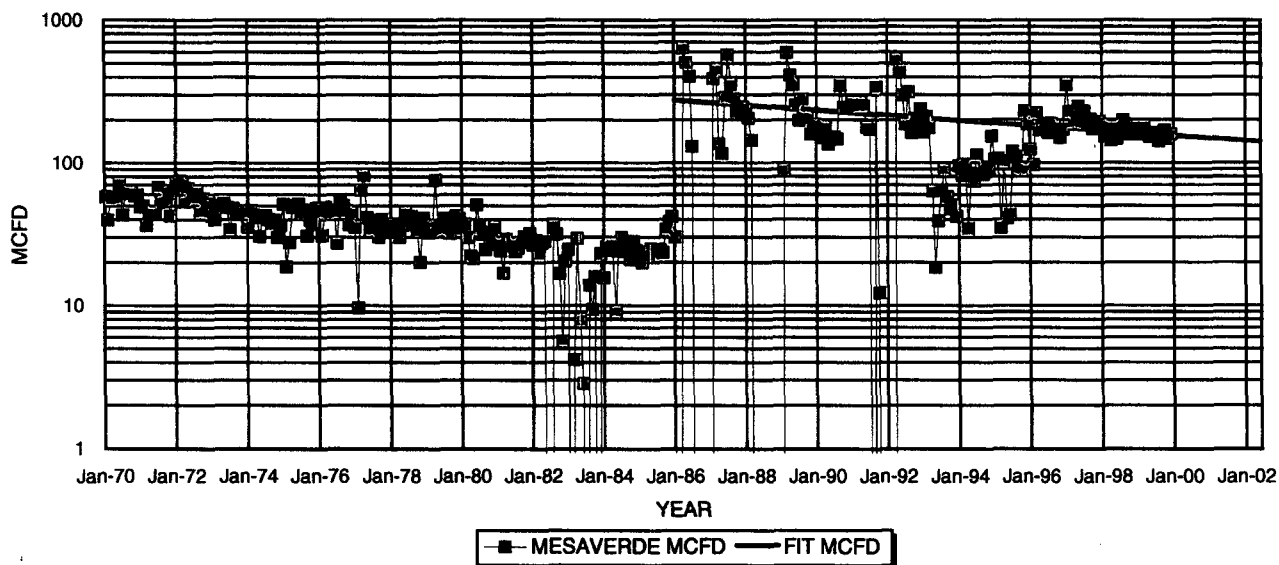
original est. BHP at

950 psi on 8/80.

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

SIGNATURE Deborah Marberry TITLE REGULATORY ANALYST DATE 07/12/2000TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. () (281)293-1005

**SJ 28-7 #32 MESAVERDE PRODUCTION
SECTION 19L-28N-07W, RIO ARriba COUNTY, NEW MEXICO**



MESAVERDE PRODUCTION		1ST PROD: 7/55	MESAVERDE PROJECTED DATA	
OIL CUM:	2.87	MBO	Jan.00 Qi:	155 MCFD
GAS CUM:	1359.4	MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0021	BBL/MCF	API #30-039-07367	

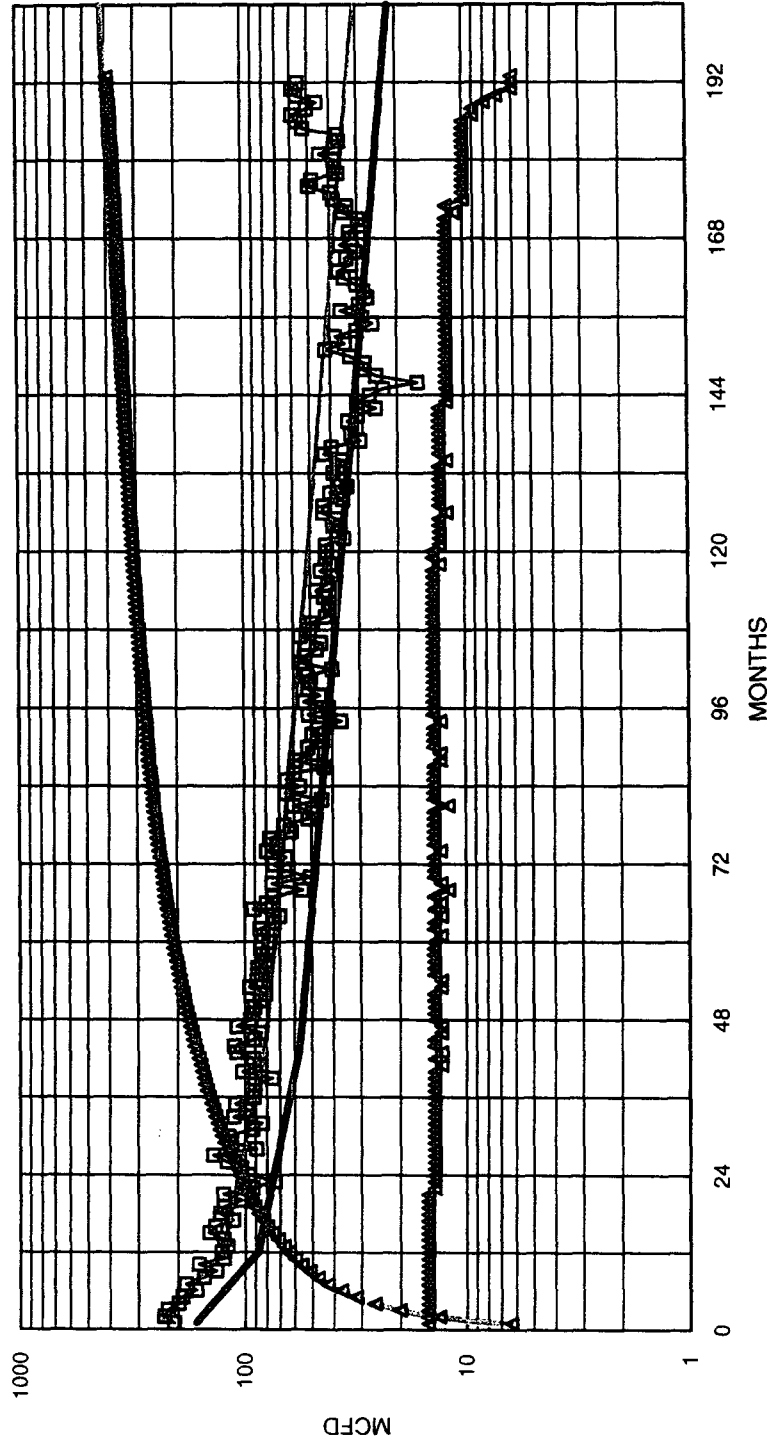
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NOTE: Current decline rate is approximately 4.0%/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.

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	152	0.3
2001	146	0.3
2002	140	0.3
2003	135	0.3
2004	129	0.3
2005	124	0.3
2006	119	0.3
2007	114	0.2
2008	110	0.2
2009	105	0.2
2010	101	0.2
2011	97	0.2
2012	93	0.2
2013	89	0.2
2014	86	0.2
2015	82	0.2
2016	79	0.2
2017	76	0.2
2018	73	0.2
2019	70	0.1
2020	67	0.1
2021	65	0.1
2022	62	0.1
2023	59	0.1
2024	57	0.1
2025	55	0.1
2026	53	0.1
2027	51	0.1

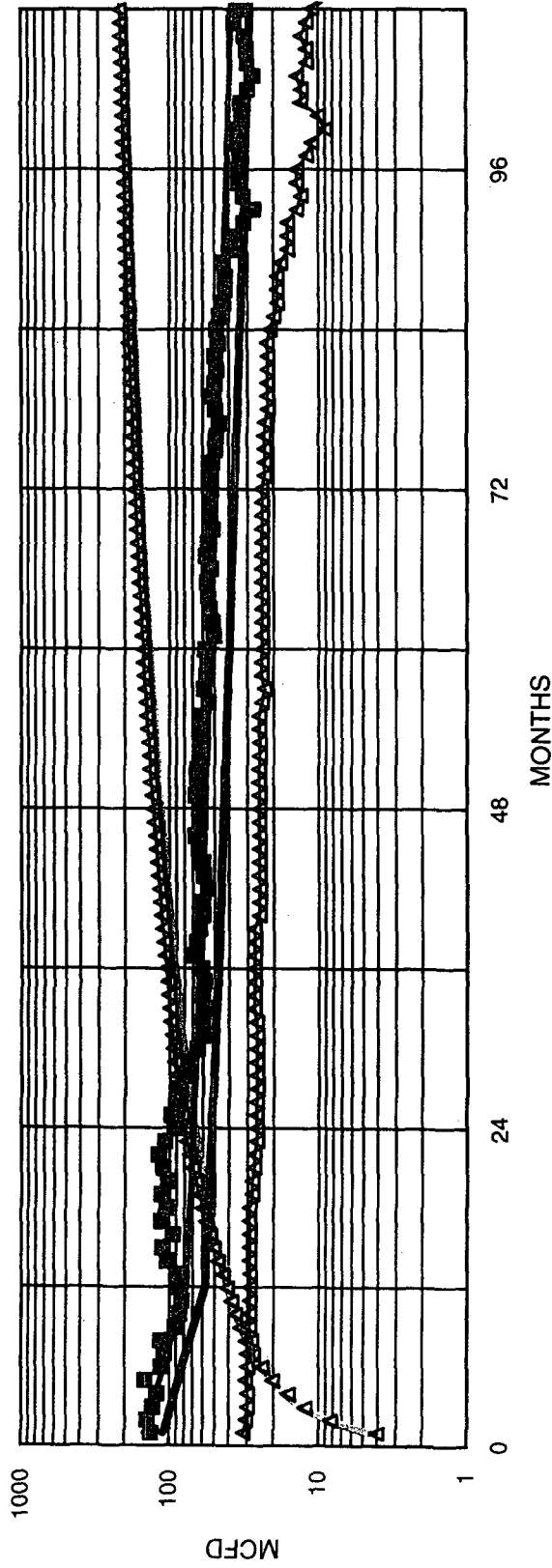
**NORMALIZED PICTURED CLIFFS PRODUCTION
PROD. SINCE 1980; 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)**



—▲— NORMALIZED MCFD —▲— NORM CUM MMCF —▲— WELLS ON PRODUCTION ——— FIT CUM MMCF ——— RISKED MCFD ——— FIT MCFD

NORMALIZED AVG:		RISKED AVG:	
522 MMCF EUR	250 MCFD IP	350 MMCF EUR	175 MCFD IP
524 MMCF/ 33.5YRS	50% DECLINE, 1ST 12 MONTHS	349 MMCF/ 27.8 YRS	50% DECLINE, 1ST 12 MONTHS
10 MCFD E.L.	15% DECLINE, NEXT 36 MONTHS	10 MCFD E.L.	15% DECLINE, NEXT 36 MONTHS
0.000158 bbl/mcf oil yield	7% FINAL DECLINE	0.000158 bbl/mcf oil yield	7% FINAL DECLINE

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



<p>NORMALIZED AVG:</p> <p>323 MMCF EUR 300 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield</p>	<p>RISKED AVG:</p> <p>231 MMCF EUR 225 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield</p>	<p>25% RISK</p> <p>155 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE</p>	<p>116 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE</p>
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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

¹ API Number 30-039-07367	² Pool Code 72359	³ Pool Name BLANCO PICTURED CLIFFS
⁴ Property Code 016608	⁵ Property Name SAN JUAN 28-7	⁶ Well Number 32
⁷ OGRID No. 005073	⁸ Operator Name CONOCO, INC.	⁹ Elevation

¹⁰ Surface Location

UL or lot no. L	Section 19	Township 28N	Range 7W	Lot Idn	Feet from the 1680'	North/South line SOUTH	Feet from the 850'	East/West line WEST	County RIO ARRIBA
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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
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¹² Dedicated Acres	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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature <u>Deborah Marberry</u> Printed Name DEBORAH MARBERRY Title REGULATORY ANALYST Date 08/24/2000
				¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under</i> Date of Survey Signature and Seal of Professional Surveyer Certificate Number

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¹ API Number 30-039-07367	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 016608	⁵ Property Name SAN JUAN 28-7	⁶ Well Number 32
⁷ OGRID No. 005073	⁸ Operator Name CONOCO, INC.	⁹ Elevation

¹⁰ Surface Location

UL or lot no. L	Section 19	Township 28N	Range 7W	Lot Idn	Feet from the 1680'	North/South line SOUTH	Feet from the 850'	East/West line WEST	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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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-07367	² Pool Code 72319	³ Pool Name BLANCO MESAVERDE
⁴ Property Code 016608	⁵ Property Name SAN JUAN 28-7	⁶ Well Number 32
⁷ OGRID No. 005073	⁸ Operator Name CONOCO, INC.	⁹ Elevation

¹⁰ Surface Location

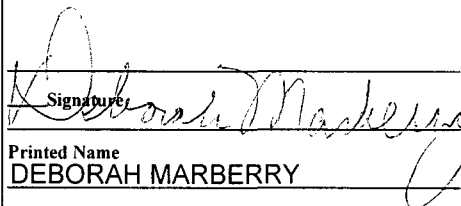
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850'

1680'