

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

OCT 12 2000

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

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC.

Operator

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

Address

SAN JUAN 28-7

18

M. SEC.25 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. 30-039-07289 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)	2675'-2847' proposed	2859'-2963' proposed	5067'-5724'
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	a. * 1,044	a. 445
	b. (Original) 1,035	b. 1,044	b. 1,260
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	
* 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:
	Date: Rates: Est. 150MCFD	Date: Rates: Est. 250MCFD	Date: Rates: Current 95MC
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-10476-B

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.

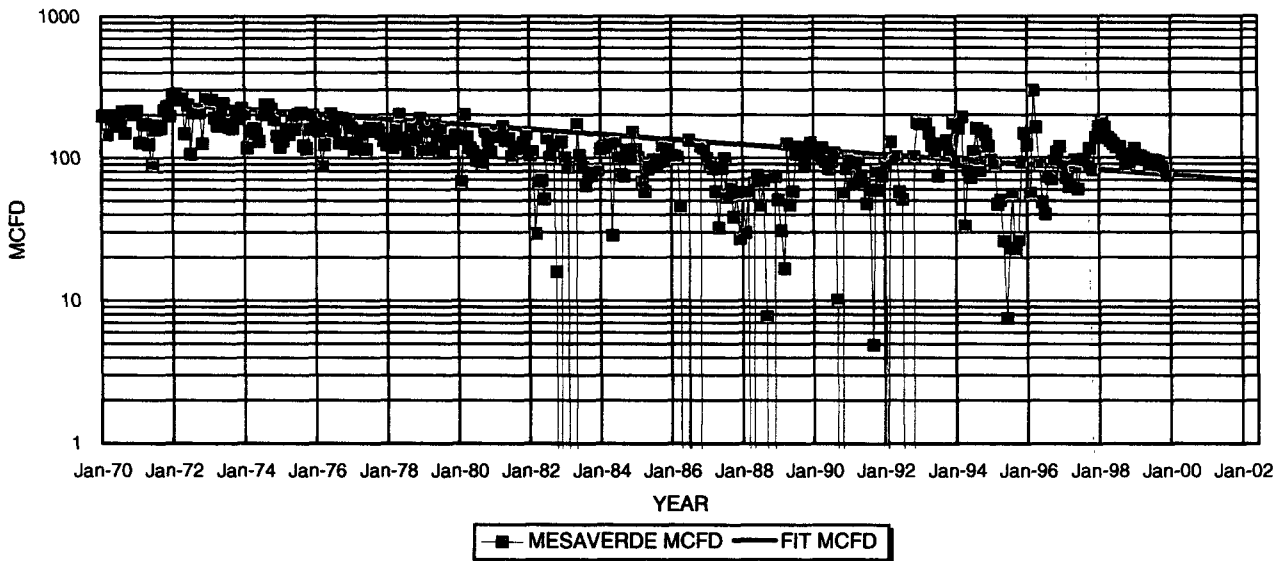
SIGNATURE

TITLE REGULATORY ANALYST DATE 07/18/2000

TYPE OR PRINT NAME DEBORAH MARBERRY

TELEPHONE NO. () (281)293-1005

**SJ 28-7 #18 MESAVERDE PRODUCTION
SECTION 25M-28N-07W, RIO ARriba COUNTY, NEW MEXICO**



MESAVERDE PRODUCTION **1ST PROD: 7/56**

OIL CUM: 5.39 MBO

GAS CUM: 2145.5 MMCF

OIL YIELD: 0.0025 BBL/MCF

MESAVERDE PROJECTED DATA

Jan.00 Qi: 76 MCFD

DECLINE RATE: 4.0% (EXPONENTIAL)

API #30-039-07289

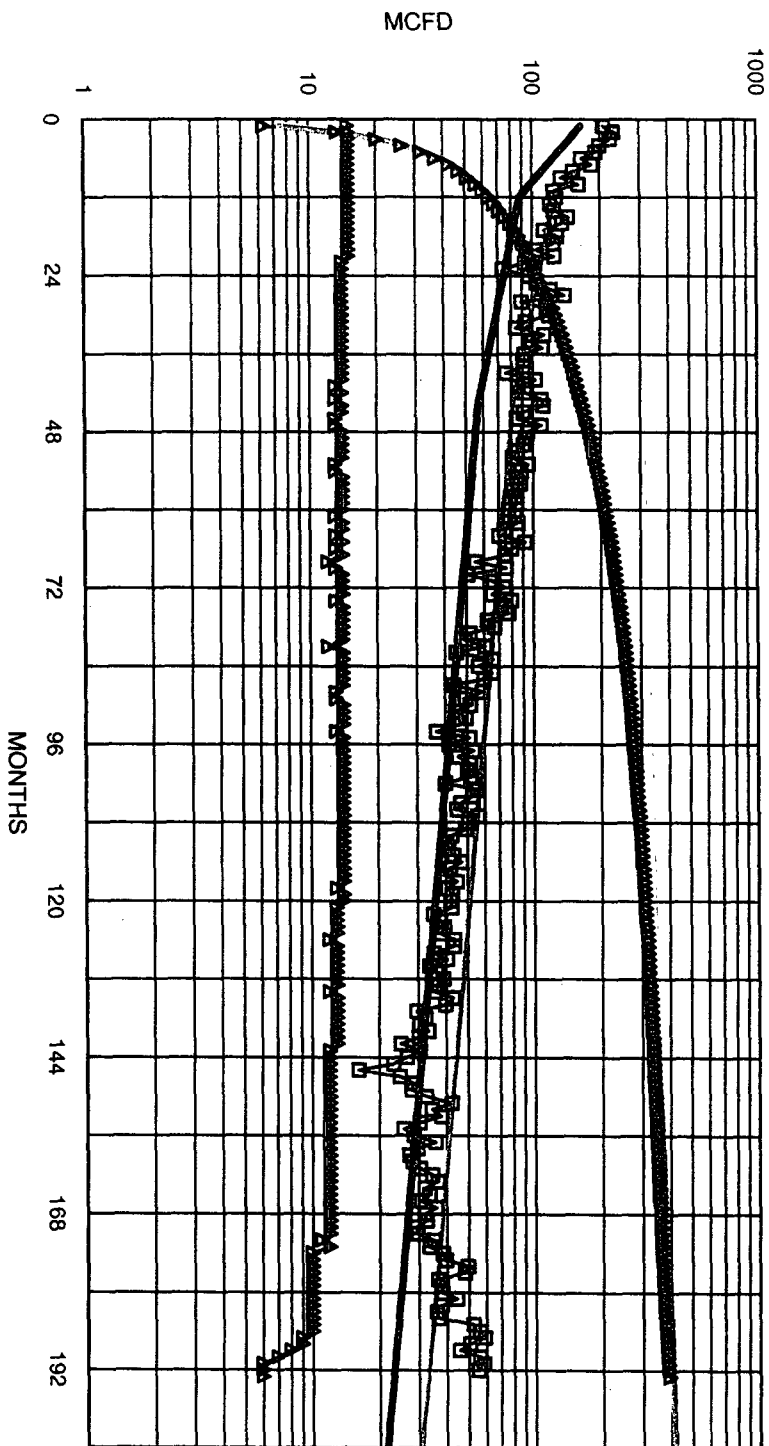
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

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	75	0.2
2001	72	0.2
2002	69	0.2
2003	66	0.2
2004	64	0.2
2005	61	0.2
2006	59	0.1
2007	56	0.1
2008	54	0.1
2009	52	0.1
2010	50	0.1
2011	48	0.1
2012	46	0.1
2013	44	0.1
2014	42	0.1
2015	41	0.1
2016	39	0.1
2017	37	0.1
2018	36	0.1
2019	34	0.1
2020	33	0.1
2021	32	0.1
2022	31	0.1
2023	29	0.1
2024	28	0.1
2025	27	0.1
2026	26	0.1
2027	25	0.1

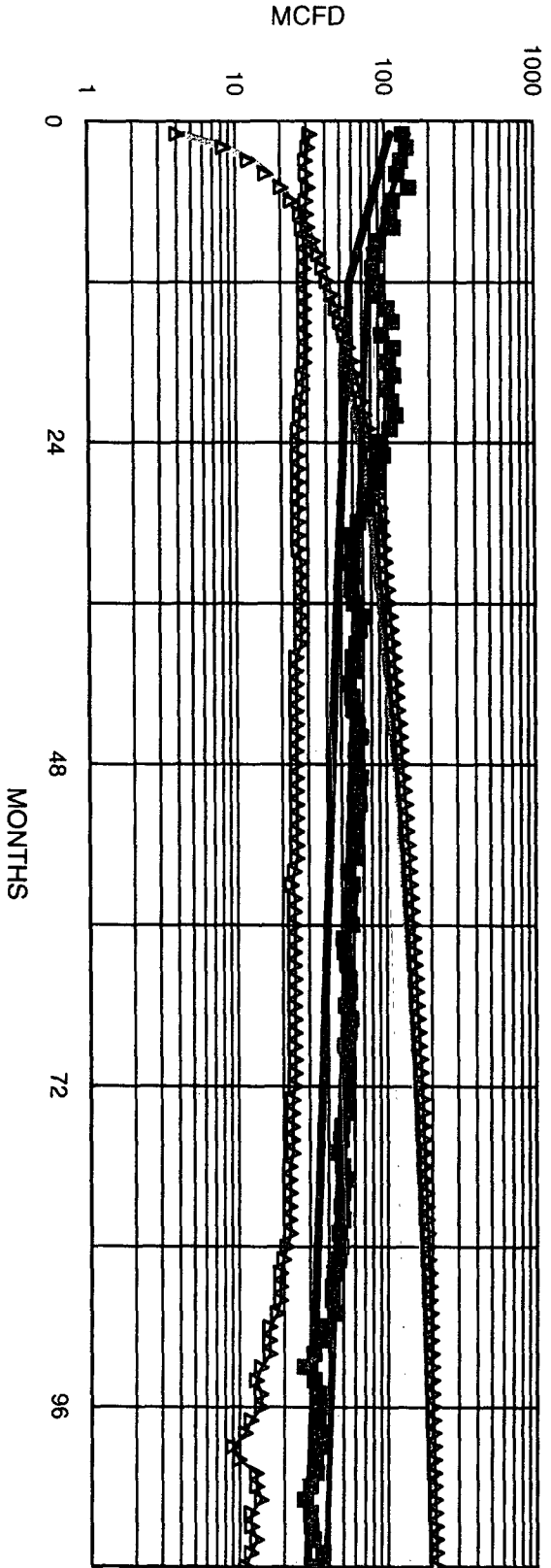
NORMALIZED PICTURED CLIFFS PRODUCTION
PROD. SINCE 1980; 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)



— \square — NORMALIZED MCDF — Δ — NORM CUM MMCF — Δ — WELLS ON PRODUCTION — \square — FIT CUM MMCF — \square — RISKED MCDF — \square — FIT MCDF

NORMALIZED AVG:		RISKED AVG:	
522 MMCF EUR	250 MCDF IP	350 MMCF EUR	30% RISK
524 MMCF/33.5 YRS	50% DECLINE, 1ST 12 MONTHS	349 MMCF/27.8 YRS	175 MCDF IP
10 MCDF E.L.	15% DECLINE, NEXT 36 MONTHS	10 MCDF E.L.	50% DECLINE, 1ST 12 MONTHS
0.000158 bbl/mcf oil yield	7% FINAL DECLINE	0.000158 bbl/mcf oil yield	15% DECLINE, NEXT 36 MONTHS
			7% FINAL DECLINE

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 300 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield</p>	<p>156 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE</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>116 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE</p>
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
30-039-07289		72319		Blanco Mesaverde	
⁴ Property Code		⁵ Property Name			⁶ Well Number
016608		SAN JUAN 28-7 #18			18
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation
005073		CONOCO, INC.			

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
M	25	28N	7W		990'	SOUTH	990'	WEST	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	I	U							

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				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><u>Signature</u> <i>Deborah Marberry</i></p> <p>Printed Name DEBORAH MARBERRY</p> <p>____ Title REGULATORY ANALYST</p> <p>____ Date 08/17/2000</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under</p> <p>____ Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>____ Certificate Number</p>

990'

990'

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2040 South Pacheco
Santa Fe, NM 87505

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-07289		² Pool Code 72439	³ Pool Name Blanco P.C. South	
⁴ Property Code 016608	⁵ Property Name SAN JUAN 28-7 #18			⁶ Well Number 18
⁷ OGRID No. 005073	⁸ Operator Name CONOCO, INC.			⁹ Elevation

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
M	25	28N	7W		990'	SOUTH	990'	WEST	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
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<p>990'</p> <p>990'</p>				<p>18 SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyer _____</p> <p>Certificate Number _____</p>

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name
30-039-07289		71629	BASIN FRUITLAND COAL
⁴ Property Code	⁵ Property Name		⁶ Well Number
016608	SAN JUAN 28-7 #18		18
⁷ OGRID No.	⁸ Operator Name		⁹ Elevation
005073	CONOCO, INC.		

¹⁰ Surface Location

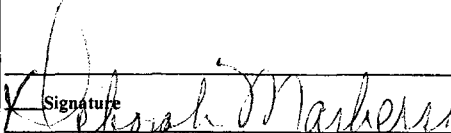
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	28N	7W		990'	SOUTH	990'	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1dn	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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					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 my direct supervision</i> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor</div>
					<div>Certificate Number</div>