DATE 1/23/02 | SUSPENSE N/R 2/11/02 | ENGINEER RE | LOGGED IN KW | TYPE DHC | APP NO. PKRV 0202433207

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

2980

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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]

RECEIVED JAN 23 2002

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [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

[D] Other: Specify _____

[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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Peggy Cole	Peggy Cole	Reg. Supv.	1-21-02
Print or Type Name	Signature	Title	Date

pcole@br-inc.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 South First Street, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A
Revised May 15, 2000

APPLICATION TYPE
___Single Well
___Establish Pre-Approved Pools
EXISTING WELLBORE
___Yes __X__No

BURLINGTON RESOURCES OIL & GAS COMPANY — PO BOX 4289, FARMINGTON, NM 87499
Operator — Address

KELLY | 4M | G-35-30N-10W | SAN JUAN
Lease | Well No. | Unit Letter-Section-Township-Range | County

OGRID No. 14538 Property Code 7218 API No. 30-045-30403 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	OTERO CHACRA	BLANCO MESAVERDE	BASIN DAKOTA
Pool Code	82329	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	WILL BE SUPPLIED UPON COMPLETION	WILL BE SUPPLIED UPON COMPLETION	WILL BE SUPPLIED UPON COMPLETION
Method of Production (Flowing or Artificial Lift)	FLOWING	FLOWING	FLOWING
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	390 PSI – CURRENT 733 PSI – ORIGINAL (see attachment)	602 PSI - CURRENT 950 PSI – ORIGINAL (see attachment)	705 PSI – CURRENT 1359 PSI – ORIGINAL (see attachment)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1223	1237	1126
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone
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:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil % Gas % WILL BE SUPPLIED UPON COMPLETION	Oil % Gas % WILL BE SUPPLIED UPON COMPLETION	Oil % Gas % WILL BE SUPPLIED UPON COMPLETION

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes_____ No__X_____
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes__X___No_____

Are all produced fluids from all commingled zones compatible with each other? Yes___X___ No_____

Will commingling decrease the value of production? Yes_____ No___X__

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes__X____ No_____

NMOCD Reference Case No. applicable to this well: _____

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 working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE Kelly A. Sutton TITLE Production Engineer DATE 01/14/02

TYPE OR PRINT NAME Kelly Sutton TELEPHONE NO. (505) 326-9700

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
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

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-30403	82329/72319/71599	Otero Chacra/Blanco Mesaverde/Basin Dakota

[4] Property Code	[5] Property Name	[6] Well Number
7218	KELLY	4M

[7] OGRID No.	[8] Operator Name	[9] Elevation
14538	BURLINGTON OIL AND GAS, INC.	6193'

[10] Surface Location

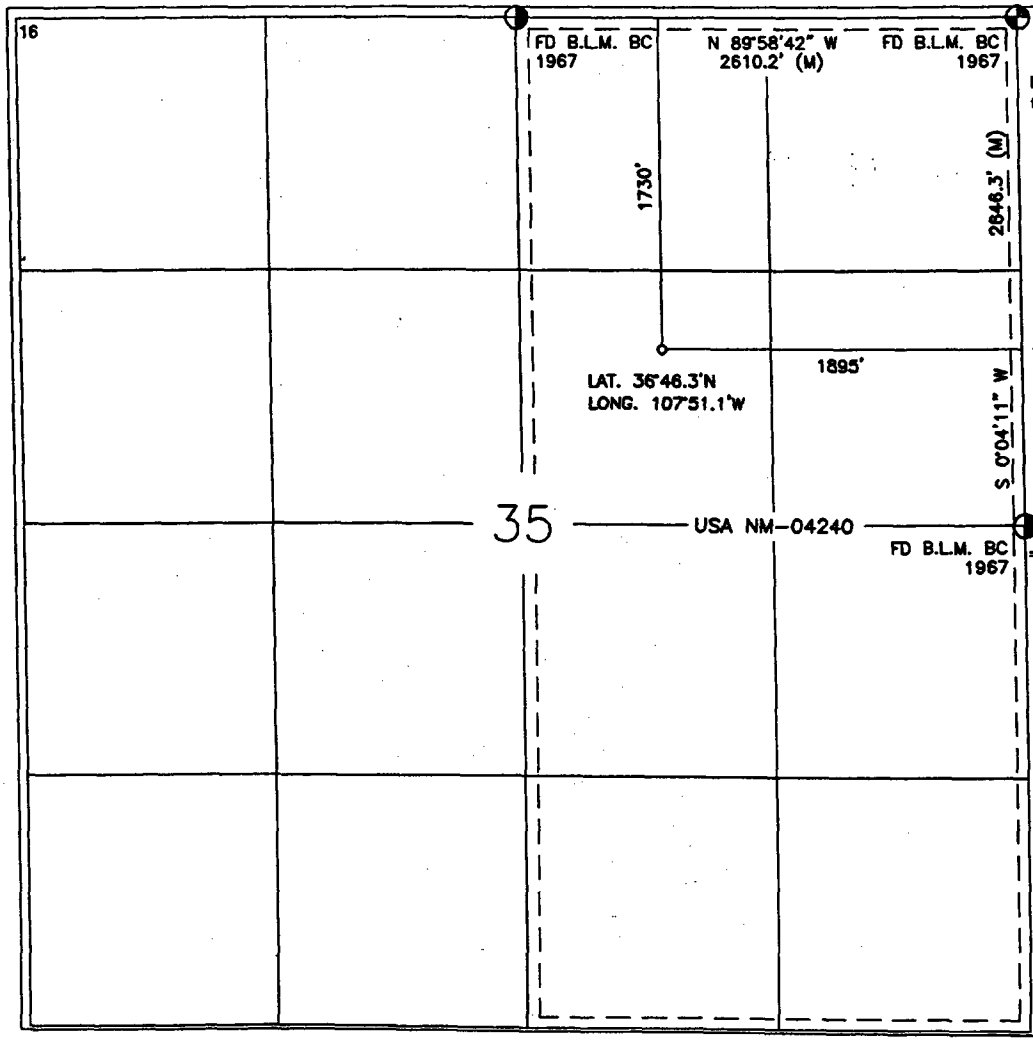
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	35	30-N	10-W		1730'	NORTH	1895'	EAST	SAN JUAN

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
Cha: NE/160 MV/DK: E/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



17 OPERATOR CERTIFICATION

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

Signature

Peggy Cole
Printed Name

Regulatory Supervisor
Title

1-21-02
Date

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.

8-29-
Date of Survey

Signature and Seal of Professional Surveyor:

ROY A. RUSH
NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR

8894
Certificate Number

Kelly #4M

Bottom Hole Pressures

Flowing and Static BHP

Cullender and Smith Method

Version 1.0 3/13/94

Dakota

DK-Current

GAS GRAVITY	0.704
COND. OR MISC. (C/M)	C
%N2	0.763
%CO2	0.725
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	7074
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	592
BOTTOMHOLE PRESSURE (PSIA)	704.9

DK-Original

GAS GRAVITY	0.704
COND. OR MISC. (C/M)	C
%N2	0.763
%CO2	0.725
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	7074
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1125
BOTTOMHOLE PRESSURE (PSIA)	1358.5

Kelly #4M

Bottom Hole Pressures

Flowing and Static BHP

Cullender and Smith Method

Version 1.0 3/13/94

Chacra

CH-Current

GAS GRAVITY	0.704
COND. OR MISC. (C/M)	C
%N2	0.451
%CO2	0.665
%H2S	0
DIAMETER (IN)	2.875
DEPTH (FT)	3266
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	359
BOTTOMHOLE PRESSURE (PSIA)	389.8

CH-Original

GAS GRAVITY	0.704
COND. OR MISC. (C/M)	C
%N2	0.451
%CO2	0.665
%H2S	0
DIAMETER (IN)	2.875
DEPTH (FT)	3266
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	672
BOTTOMHOLE PRESSURE (PSIA)	733.1

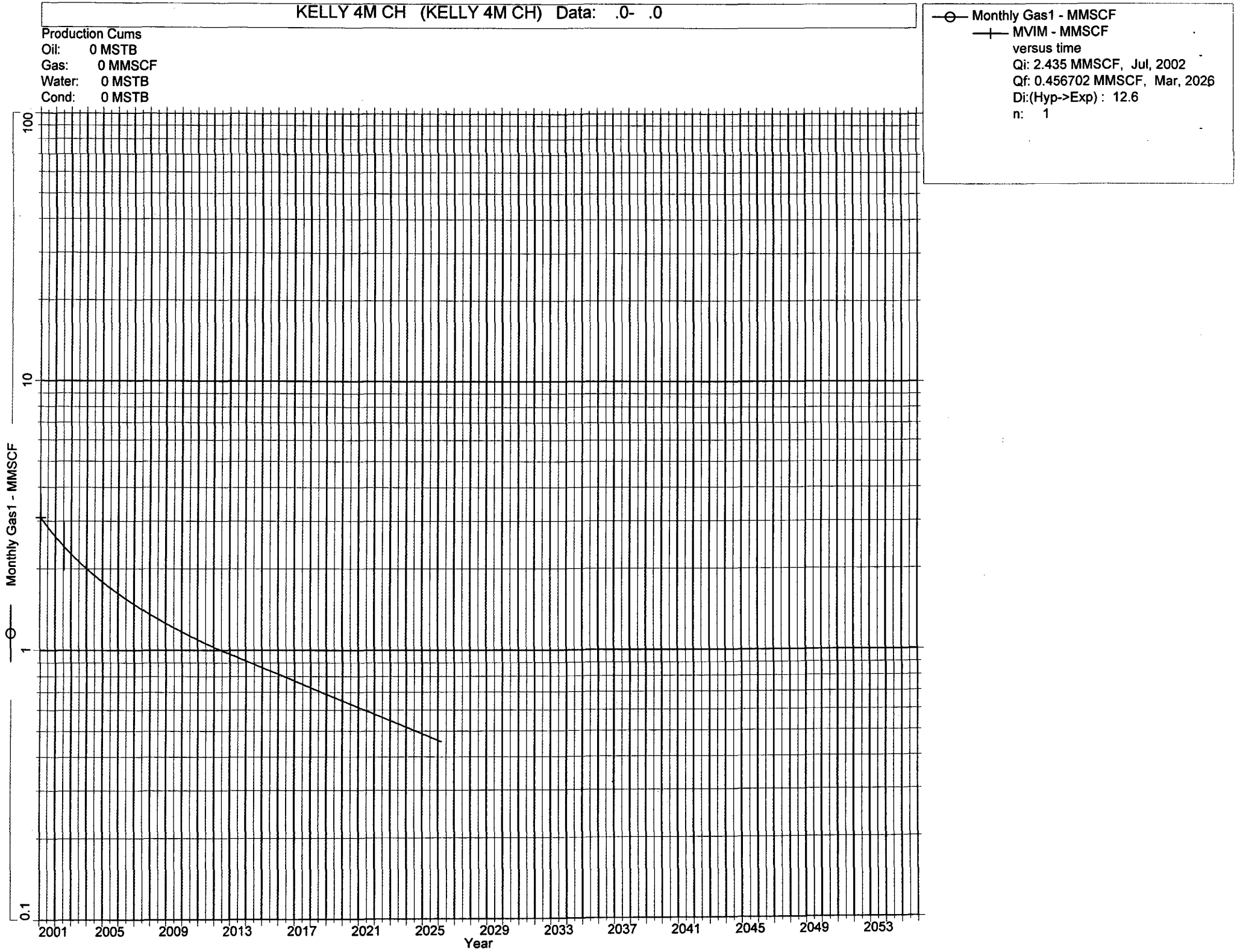
Mesaverde

MV-Current

GAS GRAVITY	0.715
COND. OR MISC. (C/M)	C
%N2	0.666
%CO2	0.636
%H2S	0
DIAMETER (IN)	1.5
DEPTH (FT)	7140
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	498
BOTTOMHOLE PRESSURE (PSIA)	601.5

MV-Original

GAS GRAVITY	0.715
COND. OR MISC. (C/M)	C
%N2	0.666
%CO2	0.636
%H2S	0
DIAMETER (IN)	1.5
DEPTH (FT)	7140
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	778
BOTTOMHOLE PRESSURE (PSIA)	949.7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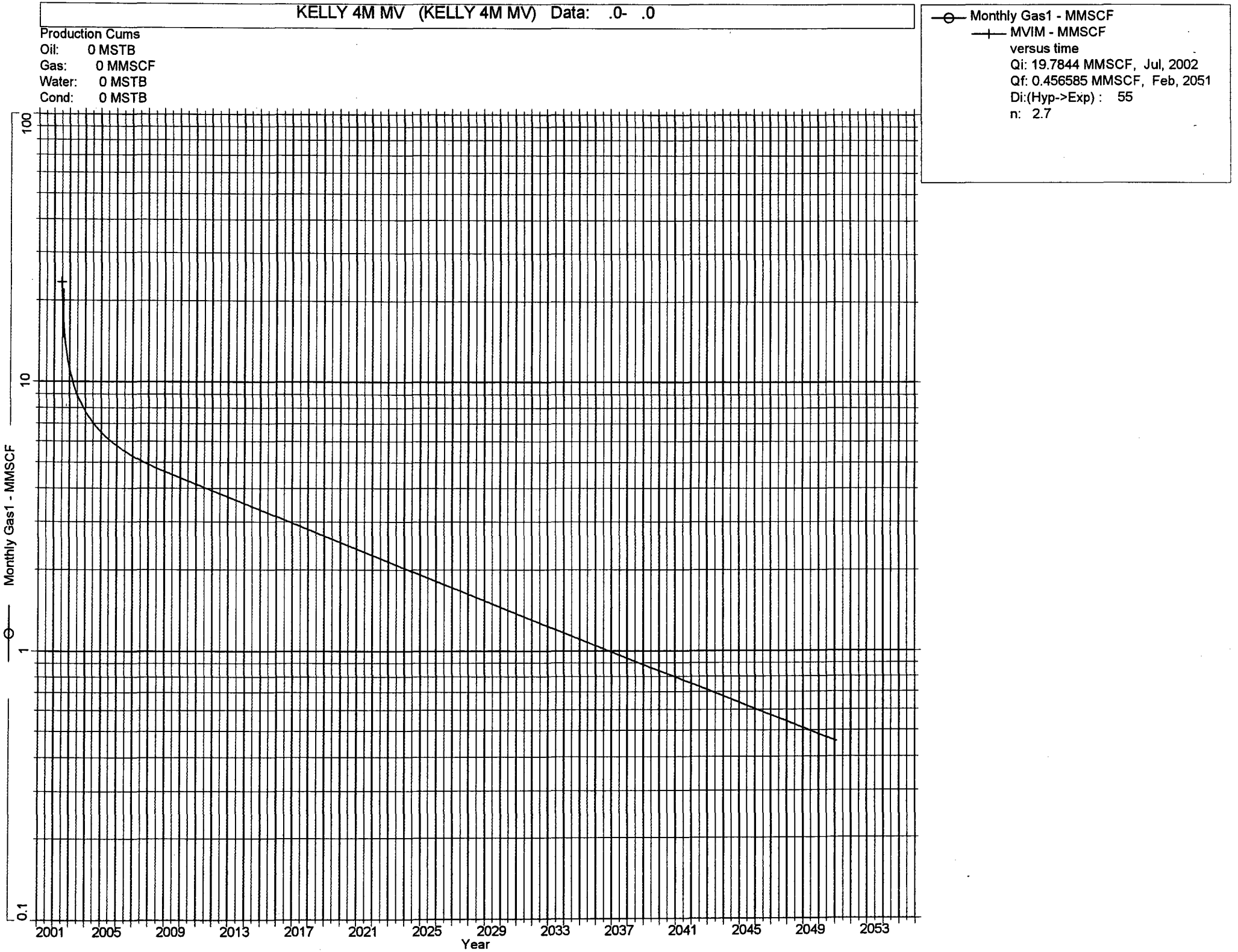
Production Cums
Oil: 0 MSTB
Gas: 0 MMSCF
Water: 0 MSTB
Cond: 0 MSTB
Monthly Gas1 - MMSCF
MVIM - MMSCF
versus time
Qi: 2.435 MMSCF, Jul, 2002
Qf: 0.456702 MMSCF, Mar, 2026
Di:(Hyp->Exp) : 12.6
n: 1
100
10
1
0.1
Monthly Gas1 - MMSCF
2001
2005
2009
2013
2017
2021
2025
2029
2033
2037
2041
2045
2049
2053
Year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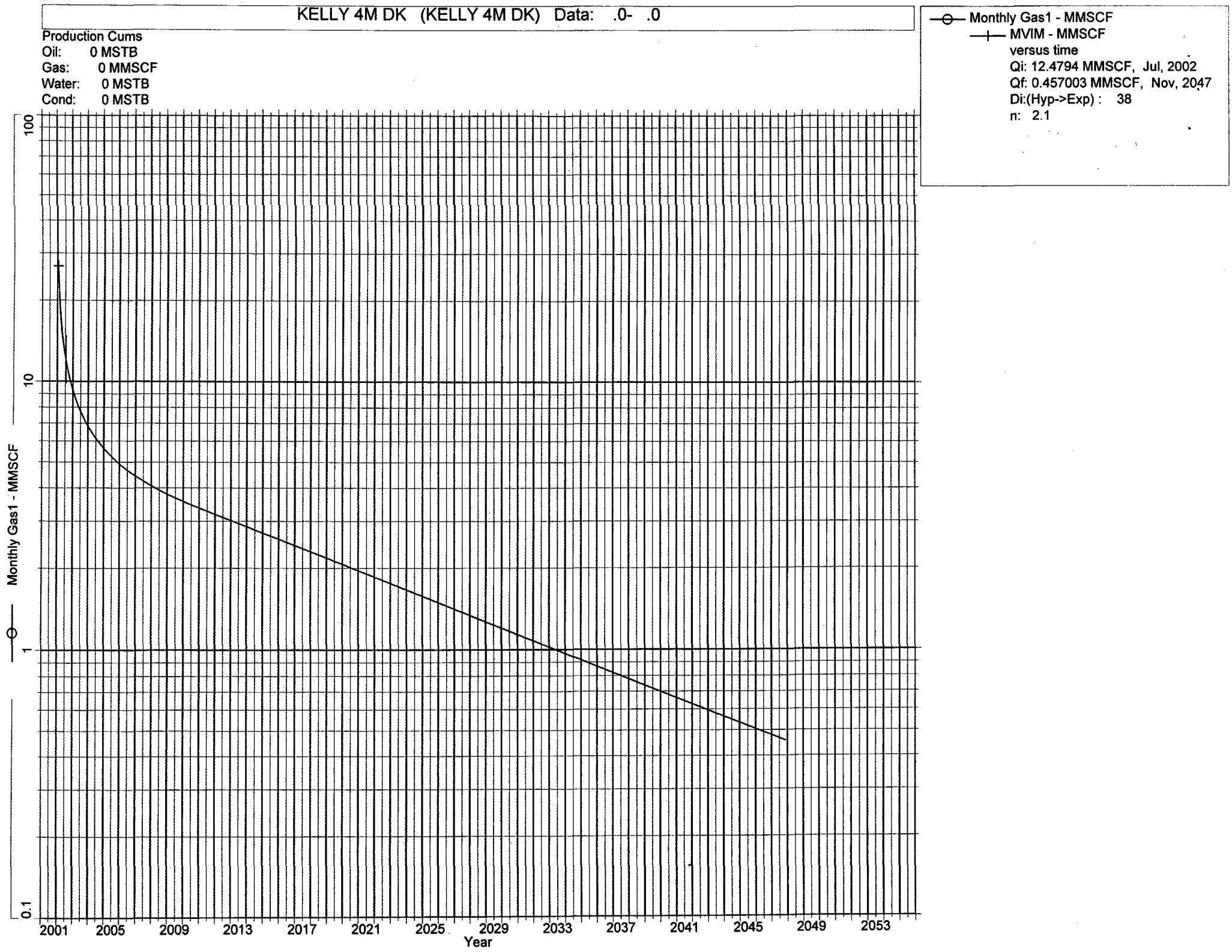
Production Cums
Oil: 0 MSTB
Gas: 0 MMSCF
Water: 0 MSTB
Cond: 0 MSTB
Monthly Gas1 - MMSCF
MVIM - MMSCF
versus time
Qi: 19.7844 MMSCF, Jul, 2002
Qf: 0.456585 MMSCF, Feb, 2051
Di:(Hyp->Exp) : 55
n: 2.7
100
10
1
0.1
Monthly Gas1 - MMSCF
2001
2005
2009
2013
2017
2021
2025
2029
2033
2037
2041
2045
2049
2053
Year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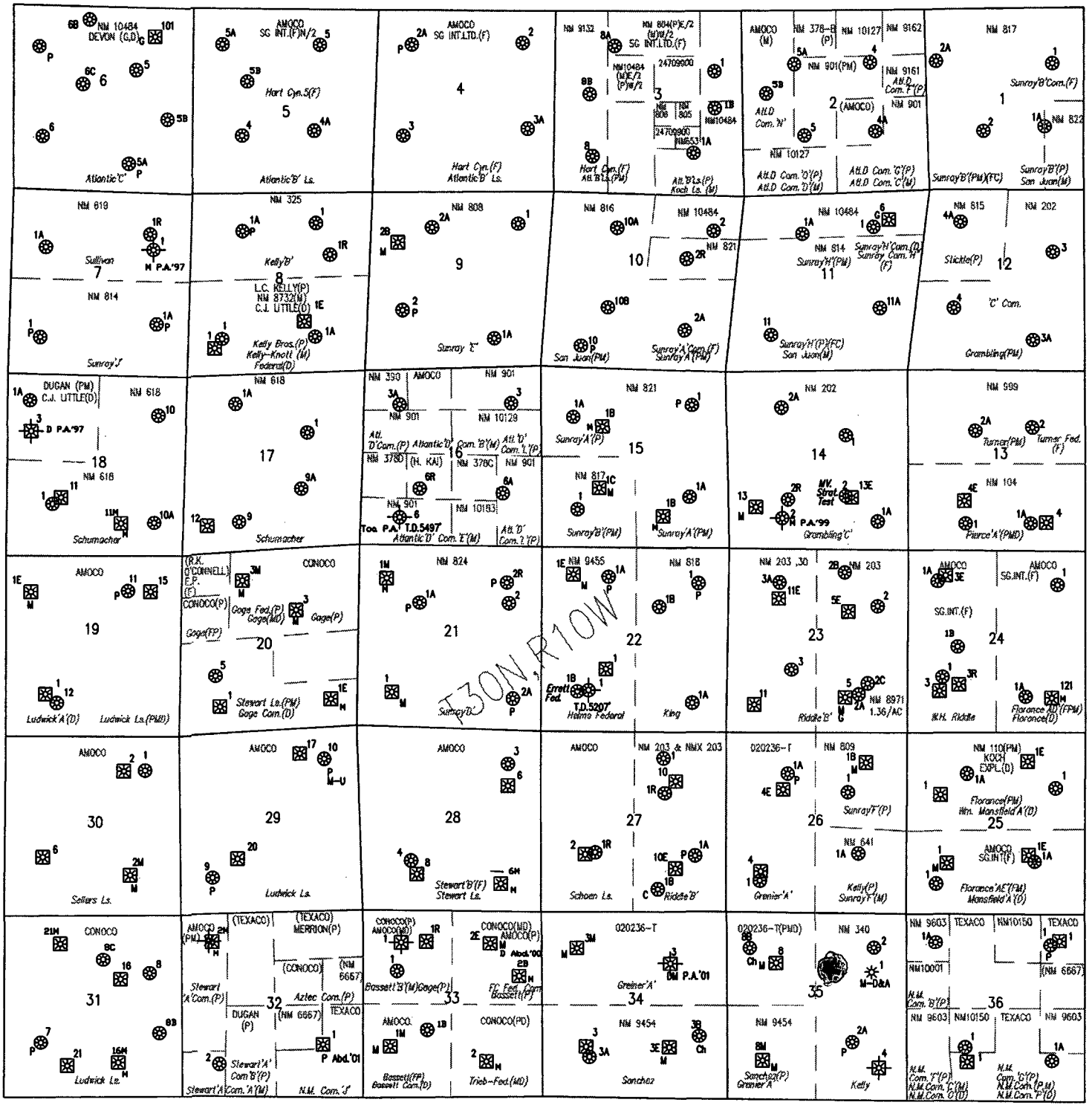
Production Cums
Oil: 0 MSTB
Gas: 0 MMSCF
Water: 0 MSTB
Cond: 0 MSTB
Monthly Gas1 - MMSCF
MVIM - MMSCF
versus time
Qi: 12.4794 MMSCF, Jul, 2002
Qf: 0.457003 MMSCF, Nov, 2047
Di:(Hyp->Exp) : 38
n: 2.1
Monthly Gas1 - MMSCF
100
10
1
0.1
2001
2005
2009
2013
2017
2021
2025
2029
2033
2037
2041
2045
2049
2053
Year

Kelly #4M
30N – 10W – 35G
Chacra / Mesaverde / Dakota



INTEREST OWNERS

Kelly 4M Well

ANN JONES

ANN LOCKIE

ANNA CELIA HOWELL HILTON

BEN HOWELL LANGFORD

BHCH MINERAL LTD

BRUCE H C HILL

BUREAU OF LAND MANAGEMENT

DONNA MELLENTHIN

ELIZABETH H LUND TRUSTEE ELIZABETH H LUND ROYALTY TRUST

ELIZABETH J TURNER CALLOWAY

EMILIE M HARDIE ROYALTY TRUST

EMILY D GRAMBLING

FLORENCIA EXPLORATION INC

FREDERICK EUGENE TURNER

J GLENN TURNER JR

JANE HARDIE TRUSTEE WILLIAM B HARDIE SR ROYALTY TR

JOHN A GRAMBLING

JOHN LEE TURNER

JOSEPH C JASTRZEMBSKI

JPMORGAN CHASE BANK TRUSTEE MARY FRANCES TURNER JR TRUST

JPMORGAN CHASE BANK TRUSTEE HOWELL GRANDCHILDRENS TRUST

JPMORGAN CHASE BANK-TRUSTEE BEN R HOWELL TRUST

MABELLE BRAMHALL TRUSTEE MABELLE H SOWERS ROYALTY TRUST

NANCY O MABE SUCC TRUSTEE LUCILE O QUIGLEY TRUST

PATRICIA G HARVEY

R H FEUILLE

RICHARD PARKER LANGFORD

Kelly 4M Well

SCHULTZ HENRIETTA TR

SCHULTZ MANAGEMENT L

THORNTON HARDIE III TRUSTEE MARY ELIZABETH HARDIE ROY TRST

WILLIAM G WEBB

BURLINGTON RESOURCES

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Kelly #4M
SWNE, Section 35, T-30-N, R-10-W
30-045-30403
San Juan County, New Mexico

Gentlemen:

The above referenced well is a Chacra/Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on May 2, 2002. DHC-2980 was issued for this well.

Gas:	Chacra	8%
	Mesa Verde	31%
	Dakota	61%

Oil:	Chacra	8%
	Mesa Verde	31%
	Dakota	61%

These percentages are based upon isolated flow test from the Mesaverde, Dakota and Chacra during completion operations. Oil was not present during flow test operations. For that reason, oil percentages are based upon gas allocation and are provided in the event this wellbore begins producing oil at some point in the future. Please let me know if you have any questions.

Sincerely,

Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management

3401 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-326-9563

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

Kelly 4M
(Mesaverde/Dakota/Chacra) Commingle
Unit G, 35-T30N-R10W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 604 MCFD & 0 BO

Separator test from Dakota = 1212 MCFD & 0 BO

Separator test from Chacra = 149 MCFD & 0 BO

GAS:

(MV) 604 MCFD / (MV/ CH/ DK) 1965 MCFD = (MV) % Mesaverde 31%

(DK) 1212 MCFD / (MV/ CH/ DK) 1965 MCFD = (DK) % Dakota 61%

(CH) 149 MCFD / (MV/ CH/ DK) 1965 MCFD = (CH) % Chacra 8%

OIL:

(MV) 0 BO / (MV/ CH/ DK) 0 BO = (MV) % Mesaverde 31%

(DK) 0 BO / (MV/ CH/ DK) 0 BO = (DK) % Dakota 61%

(CH) 0 BO / (MV/ CH/ DK) 0 BO = (CH) % Chacra 8%