

DATE <u>4/5/02</u>	SUSPENSE <u>NA</u>	ENGINEER <u>WJ</u>	LOGGED IN <u>KV</u>	TYPE <u>DHC</u>	APP NO. <u>PKRVO209828135</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



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]

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

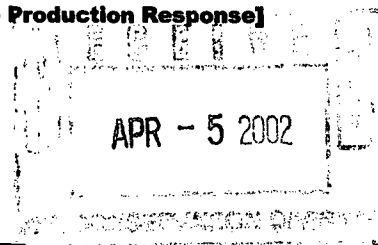
- [A] Location - Spacing Unit - Simultaneous Dedication**
☐ NSL ☐ NSP ☐ SD

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
 Print or Type Name

Peggy Cole
 Signature

REGULATORY Supr. 4-4-02
 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

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505
APPLICATION FOR DOWNHOLE COMMINGLING

APPLICATION TYPE
Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

Burlington Resources Oil and Gas Company P.O. Box 4289 Farmington, New Mexico 87499
Operator Address
Reese Mesa 7 L 11 T32N R08W San Juan
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 14538 Property Code 18606 API No. 30-045-24709 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Fruitland Coal		Albino Pictured Cliffs
Pool Code	71629		70120
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3620' – 3940' (est)		3888' – 4096'
Method of Production (Flowing or Artificial Lift)	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)	Within 150% of depth of lower zone		Within 150% of depth of lower zone
Oil Gravity or Gas BTU (Degree API or Gas BTU)	960 BTU (est)		1141 BTU
Producing, Shut-In or New Zone	New Zone		Producing
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.)	New Zone—Est. Date: 6/1/02 Rates: 185 MCFD, 0 BWPD, 5 BOPD (est)	Date: Rates:	Date: 2/28/02 Rates: 251 MCFD, 0 BWPD, 0.3 BOPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	To Be Filed After Commingled	Oil Gas % %	To Be Filed After Commingled

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes 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 tlw TITLE Reservoir Engineer DATE 4/4/02
TYPE OR PRINT NAME Jeff Balmer TELEPHONE NO. (505) 326-9700

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-24709	² Pool Code 71629/70120	³ Pool Name Basin Fruitland Coal/Albino Pictured Cliffs
⁴ Property Code 18606	⁵ Property Name Reese Mesa	⁶ Well Number 7
⁷ OGRID No. 14538	⁸ Operator Name Burlington Resources Oil & Gas Company LP	⁹ Elevation 7100' GL

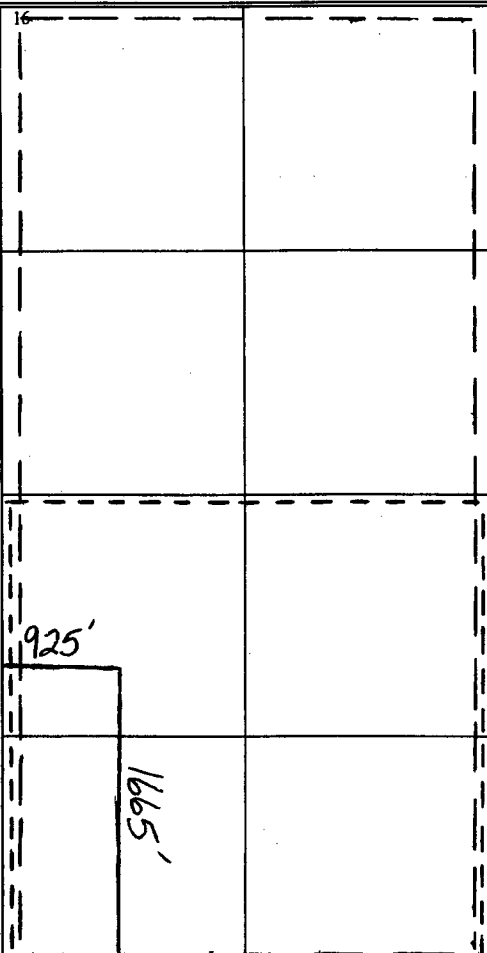
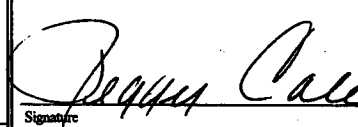
¹⁰ Surface Location

UL or lot no. L	Section 11	Township 32N	Range 8W	Lot Idn	Feet from the 1665	North/South line South	Feet from the 925	East/West line West	County San Juan
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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
¹² Dedicated Acres FTC: W/293.65 PC: SW/160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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 	Original plat from Fred B. Kerr Jr. 8/4/1980	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:  Peggy Cole Printed Name Regulatory Supervisor Title 3-25-02 Date
		¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

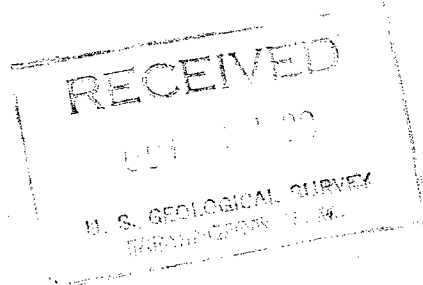
Operator SOUTHLAND ROYALTY COMPANY			Lease REESE MESA		Well No. 7
Unit Letter L	Section 11	Township 32N	Range 8W	County San Juan	
Actual Footage Location of Well: 1665 feet from the South line and 925 feet from the West line					
Ground Level Elev. 7100	Producing Formation Pictured Cliffs		Pool Undesignated		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

R. E. Fielder

Name
Robert E. Fielder

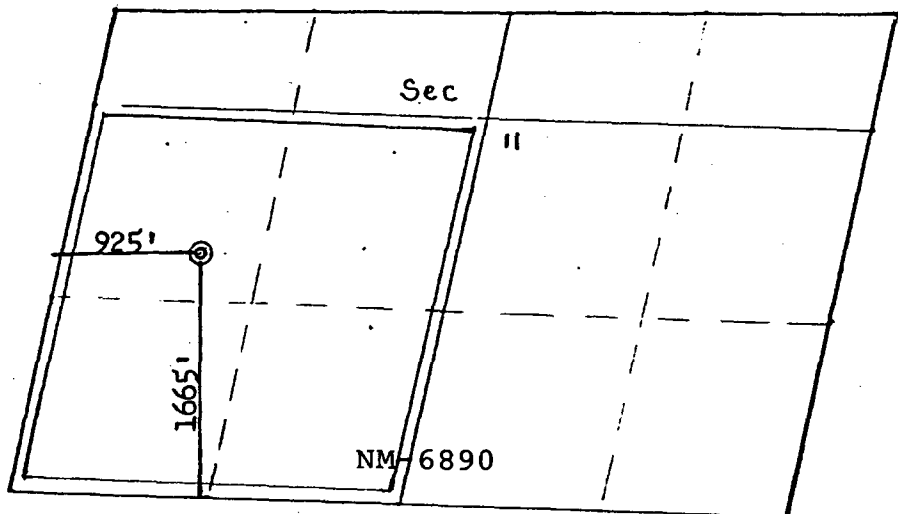
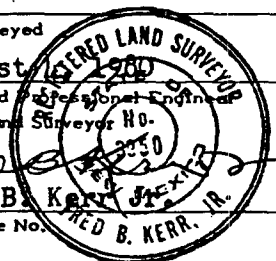
Position
District Engineer

Company
Southland Royalty Co.

Date
October 8, 1980

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 knowledge and belief.

Date Surveyed August 1980
Registered Professional Engineer and Land Surveyor No. 3950
<i>Fred B. Kerr, Jr.</i> Fred B. Kerr, Jr.
Certificate No. 3950



Scale: 1" = 1320'

Cumulative Monthly Well Report April 1996 Through April 2002

Select By : Completions

Page No : 1

Report Number : R_290

Print Date : 4/4/2002, 7:45:52 AM

Completion	Date	Oil		Gas		Water	
		Current	Cumulative	Current	Cumulative	Current	Cumulative
REESE MESA 7	11/30/1998	0.00	0.00	8,439.98	8,439.98	0.00	0.00
<i>Pictured Wells</i>	12/31/1998	15.68	15.68	8,937.02	17,377.00	0.00	0.00
	1/31/1999	5.22	20.90	9,024.27	26,401.27	0.00	0.00
	2/28/1999	7.31	28.21	8,638.99	35,040.26	0.00	0.00
	3/31/1999	4.18	32.39	9,408.57	44,448.83	0.00	0.00
	4/30/1999	8.36	40.75	8,359.58	52,808.41	0.00	0.00
	5/31/1999	10.46	51.21	8,324.29	61,132.70	0.00	0.00
	6/30/1999	8.39	59.60	8,180.17	69,312.87	0.00	0.00
	7/31/1999	7.34	66.94	9,188.97	78,501.84	0.00	0.00
	8/31/1999	6.29	73.23	9,855.62	88,357.46	0.00	0.00
	9/30/1999	8.36	81.59	9,730.13	98,087.59	0.00	0.00
	10/31/1999	8.34	89.93	9,471.32	107,558.91	0.00	0.00
	11/30/1999	4.17	94.10	9,309.56	116,868.47	0.00	0.00
	12/31/1999	7.30	101.40	9,791.90	126,660.37	0.00	0.00
	1/31/2000	5.22	106.62	9,630.14	136,290.51	0.00	0.00
	2/29/2000	3.13	109.75	8,684.08	144,974.59	0.00	0.00
	3/31/2000	6.29	116.04	9,094.86	154,069.45	0.00	0.00
	4/30/2000	0.53	116.56	8,587.03	162,656.48	0.00	0.00
	5/31/2000	2.63	119.19	8,909.57	171,566.05	0.00	0.00
	6/30/2000	5.78	124.97	8,258.60	179,824.65	0.00	0.00
	7/31/2000	4.20	129.17	8,029.20	187,853.85	0.53	0.53
	8/31/2000	0.26	129.43	8,151.74	196,005.59	0.00	0.53
	9/30/2000	4.46	133.89	8,309.58	204,315.17	0.00	0.53
	10/31/2000	2.89	136.78	8,918.39	213,233.56	0.00	0.53
	11/30/2000	10.51	147.29	8,563.50	221,797.06	0.53	1.05
	12/31/2000	5.77	153.06	11,844.78	233,641.84	0.00	1.05
	1/31/2001	4.98	158.04	10,477.17	244,119.01	0.00	1.05
	2/28/2001	16.45	174.49	8,228.21	252,347.22	0.00	1.05
	3/31/2001	0.25	174.74	9,104.66	261,451.88	2.10	3.15
	4/30/2001	0.25	174.98	8,088.02	269,539.90	2.63	5.78
	5/31/2001	0.52	175.50	8,936.04	278,475.94	0.00	5.78
	6/30/2001	0.00	175.50	8,305.66	286,781.60	0.00	5.78
	7/31/2001	0.00	175.50	8,672.32	295,453.92	0.00	5.78
	8/31/2001	3.13	178.63	8,574.28	304,028.20	0.00	5.78
	9/30/2001	-0.44	178.19	8,253.70	312,281.90	1.05	6.83
	10/31/2001	1.82	180.02	8,661.53	320,943.43	0.00	6.83
	11/30/2001	7.87	187.88	8,050.77	328,994.20	0.00	6.83
	12/31/2001	0.00	187.88	8,250.76	337,244.96	0.00	6.83
	1/31/2002	6.30	194.18	8,091.94	345,336.90	0.00	6.83
	2/28/2002	7.34	201.52	7,020.40	352,357.30	0.00	6.83
	3/31/2002	0.00	201.52	0.00	352,357.30	0.00	6.83
	4/30/2002	0.00	201.52	0.00	352,357.30	0.00	6.83



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

3162.7 (07100)

April 5, 2002

Mr. Jeff Balmer
Burlington Resources
PO Box 4289
Farmington, NM 87499

RE: Approval of commingling request.

Dear Mr. Balmer:

Reference is made to your application requesting authorization to downhole commingle gas and associated liquid hydrocarbons from the Basin Fruitland Coal and the Albino Pictured Cliffs in the well listed below. After reviewing the production history of the Fruitland Coal and the Pictured Cliffs, we have determined that these intervals have similar projected decline rates, pressures, and fluid characteristics. As such, we hereby approve your request for commingling. Upon completion, please provide allocation methodology.

Well Name	Lease/CA#	Location	API#
Reese Mesa #7	NM 6890	sec 11, T32N, R8W	3004524709

If you have any questions, please contact Adrienne Garcia at (505) 599-6358 or the undersigned with this office at (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Lead, Petroleum Management Team

cc: ~~NMOCD, Santa Fe, NM.~~
NMOCD, Aztec, NM