

DATE <u>9/12/02</u>	SUSPENSE <u>NA</u>	ENGINEER <u>WJ</u>	LOGGED IN <u>NV</u>	TYPE <u>DHC</u> <u>#569</u>	APP NO. <u>225628024</u>
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AMEND

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]

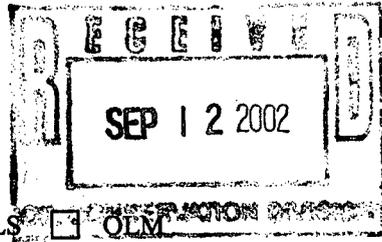
- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

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

[Signature]
 Signature

REGULATORY Supr.
 Title

9-11-02
 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 TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil and Gas Company LP P.O.Box 4289 Farmington, New Mexico 87499

Operator Jicarilla 101 Address 3M Unit E Sec. 1, T26N, R4W Rio Arriba
Lease 3M Well No. Unit Letter-Section-Township-Range County Rio Arriba

OGRID No. 14538 Property Code 18557 API No. 30-039-22532 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>ADDING THIS ZONE</i> Blanco Mesaverde	BS Mesa Gallup	Basin Dakota
Pool Code	72319	72920	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5518' - 6141'	7004' - 7375'	8029' - 8202'
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)	DK bottom perforation (8202') is within 150% of the top MV perforation (5518'), so no psi data supplied	DK bottom perforation (8202') is within 150% of the top MV perforation (5518'), so no psi data supplied	DK bottom perforation (8202') is within 150% of the top MV perforation (5518'), so no psi data supplied
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1190	BTU 1360	BTU 1360
Producing, Shut-In or New Zone	Producing	Producing	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.)	Date: 6/30/02 Rates: 64 MCFD ✓ <i>40%</i> 0 BOD 0 BWD 0	Date: 6/30/02 Rates: 5 MCFD ✓ <i>3%</i> 0 BOD 0 BWD 0	Date: 6/30/2002 Rates: 92 MCFD ✓ <i>57%</i> 1.0 BOD 0 BWD 100
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	To Be Filed After Commingled	To Be Filed After Commingled

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

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 No

NMOCD Reference Case No. applicable to this well: DHC-569

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 Jay Paul McWilliams TITLE Operations Engineer DATE 9/11/02

TYPE OR PRINT NAME Jay Paul McWilliams TELEPHONE NO. (505) 326-9700

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.

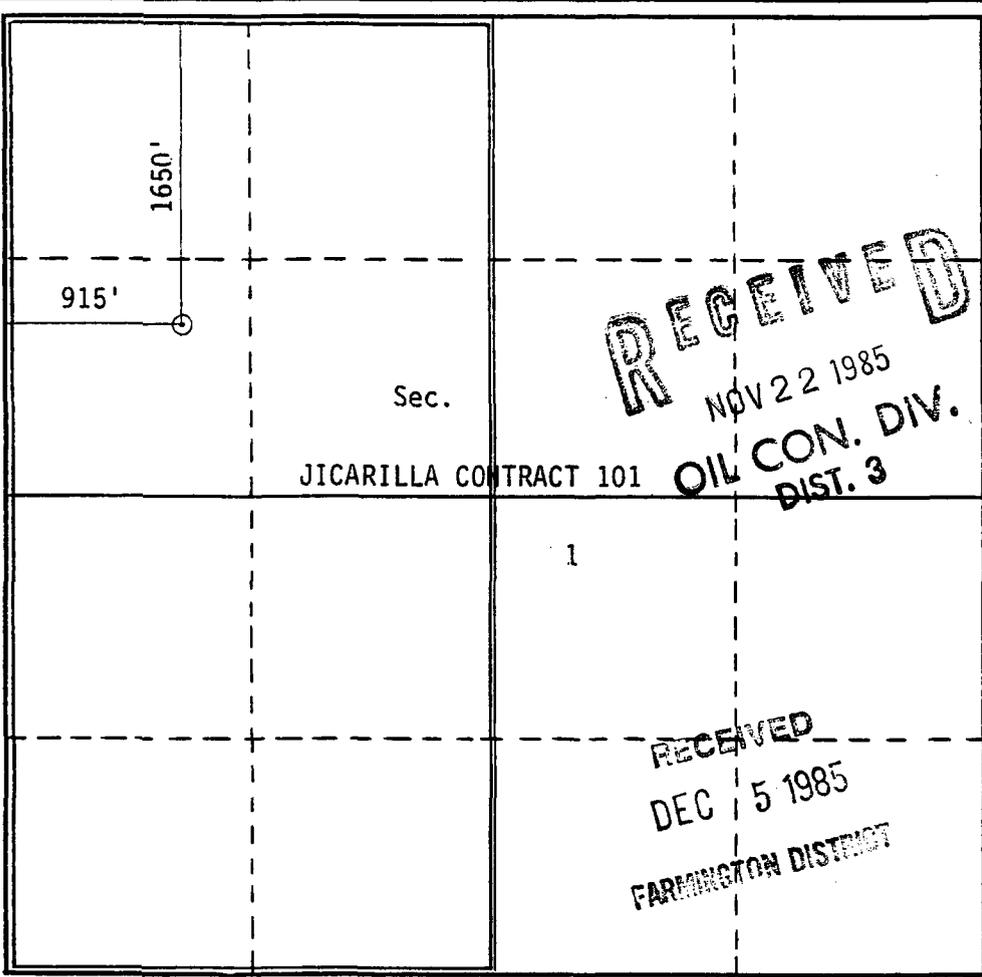
Operator SOUTHLAND ROYALTY COMPANY			Lease Jicarilla 101		Well No. 3EM
Unit Letter E	Section 1	Township 26N	Range 4W	County Rio Arriba	
Actual Footage Location of Well: 1650 feet from the North line and 915 feet from the West line					
Ground Level Elev: 7062' GL	Producing Formation Mesaverde	Pool Blanco	Dedicated Acreage: 320 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.

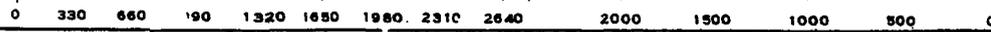
C. Terry Hobbs

Name C. Terry Hobbs
Position Dist. Operations Engineer
Company Southland Royalty Company
Date 11-18-85

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
Registered Professional Engineer and/or Land Surveyor

Certificate No. _____



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

RECEIVED

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

Operator Southland Royalty Company		Lease JICARILLA 101			MAR 1981	Well No. #3M 3EM
Unit Letter E	Section 1	Township 26N	Range 4W	County Rio Arriba		

U. S. GEOLOGICAL SURVEY
WASHINGTON, D. C.

Actual Footage Location of Well:
1650 feet from the **North** line and **915** feet from the **West** line

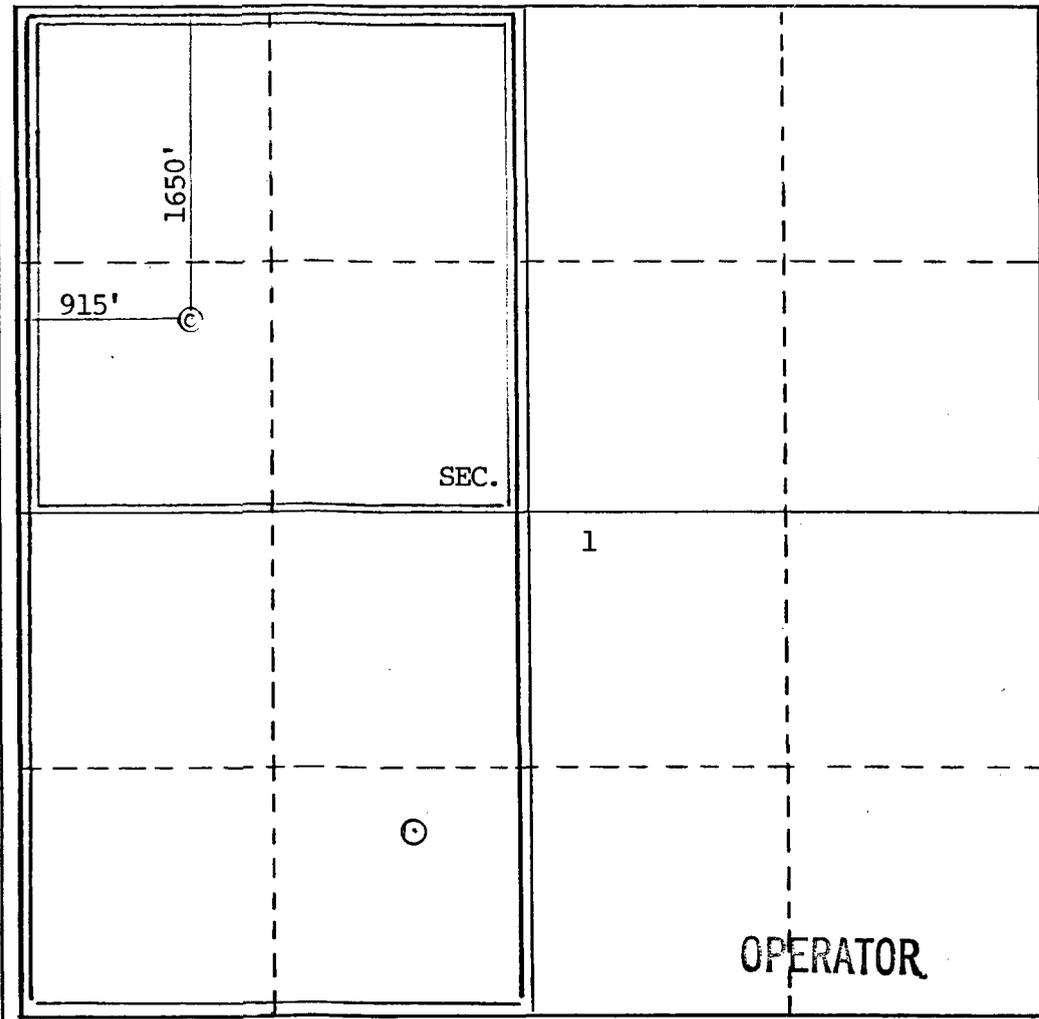
Ground Level Elev: 7062'	Producing Formation Gallup - Dakota	Pool Wildhorse - Basin Dakota	Dedicated Acreage: 160/320 Acres
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1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one 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

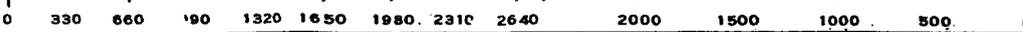
Name Robert E. Fielder
Position District Engineer
Company Southland Royalty Company
Date March 6, 1981

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.

Reissued August 17, 1980

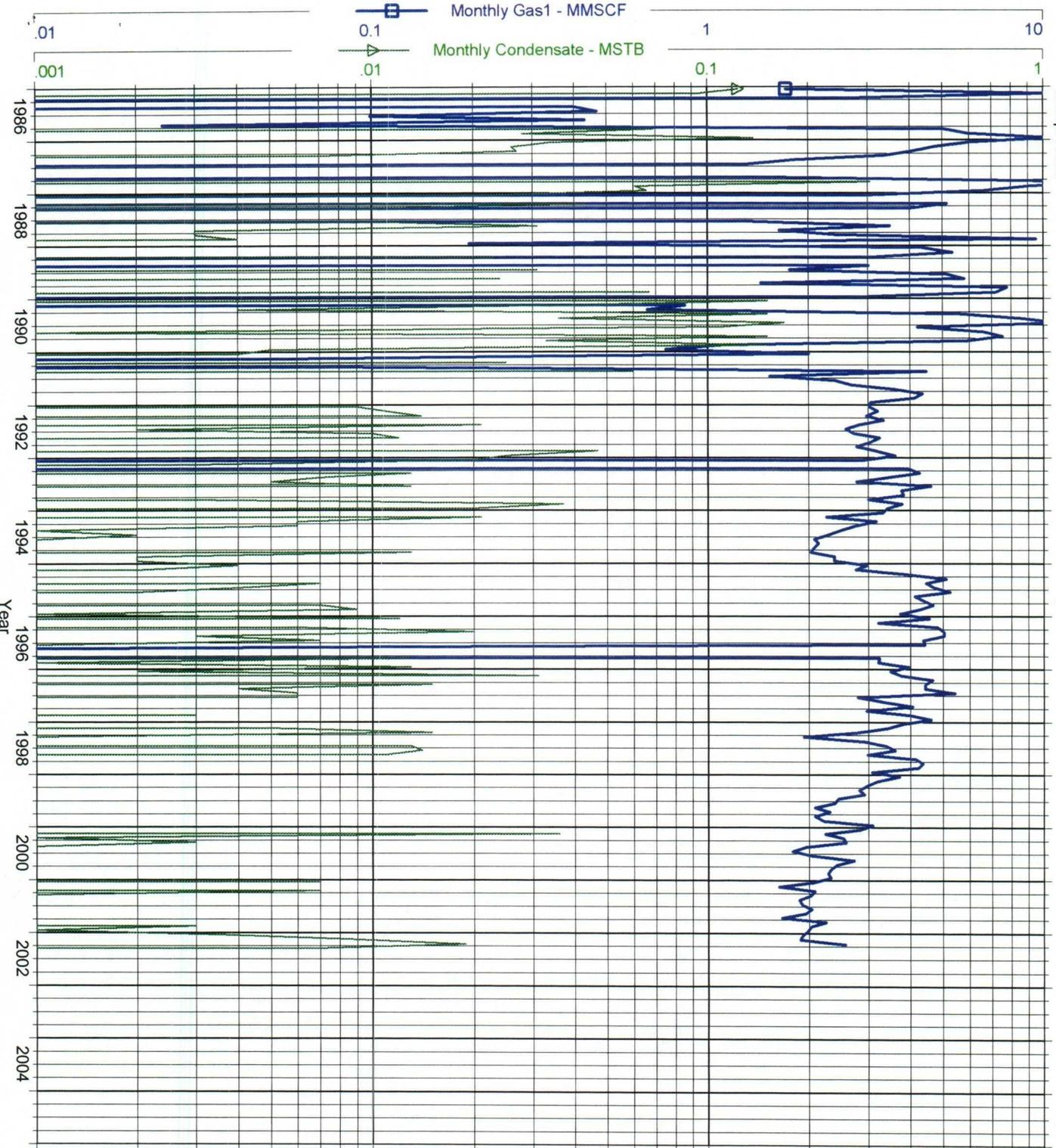
Date Surveyed June 12, 1978
Registered Professional Engineer and/or Land Surveyor 1981

Fred Kerr Certificate No. RB 3950



JICARILLA 101 3M 3603702 (2300430392253272319) Data: Jan. 1986-Jul. 2002

Operator:
Field: MESAVERDE
Zone:
Type: Gas
Group: None

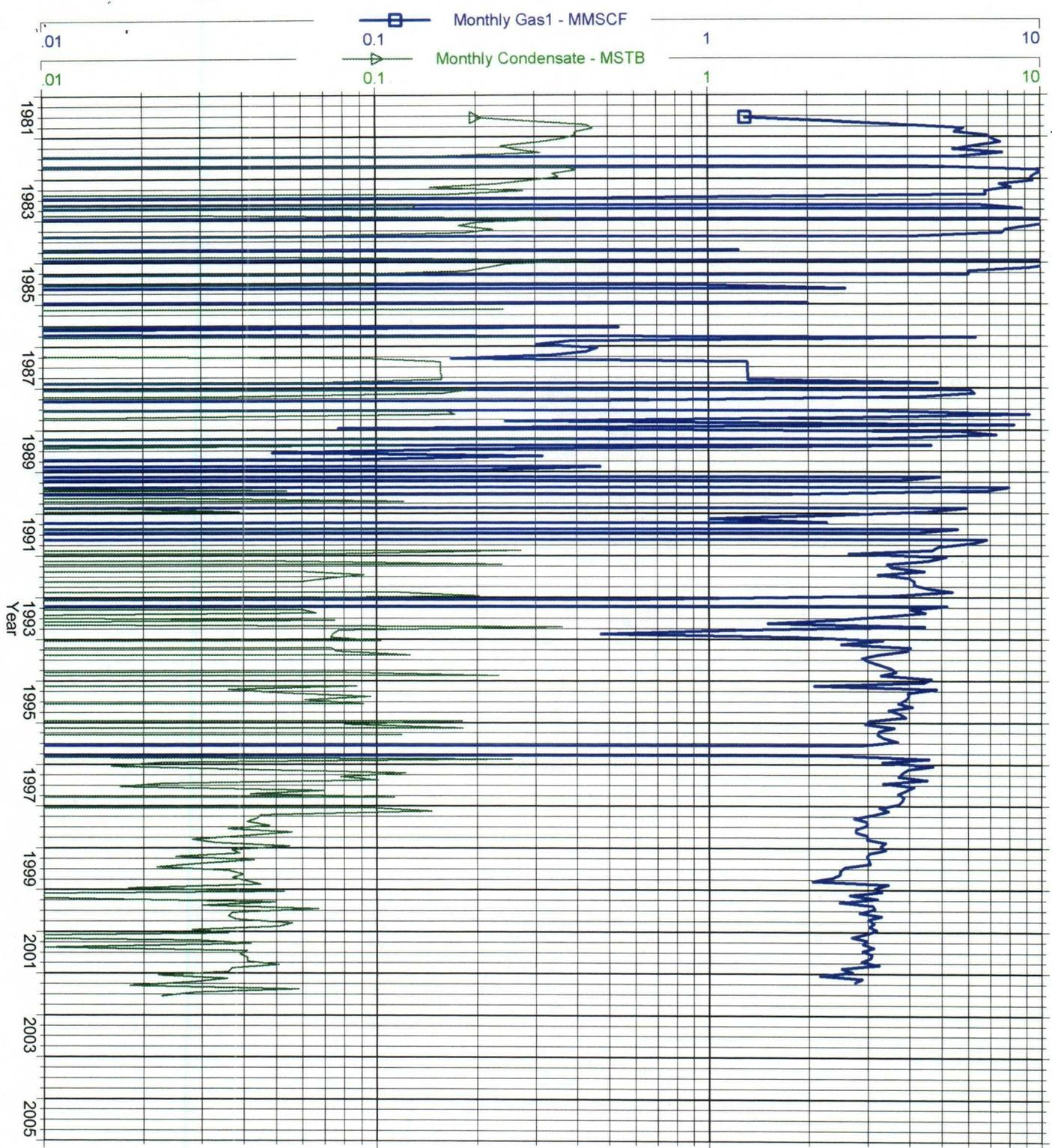


66 mcf/day

—■— Monthly Gas1 - MMSCF
Cum: 629.183 MMSCF
—▲— Monthly Condensate - MSTB
Cum: 2.99771 MSTB

JICARILLA 101 3M 3603701 (2300430392253271599) Date: Jul. 1981-Jul. 2002

Operator:
Field: DAKOTA
Zone:
Type: Gas
Group: None

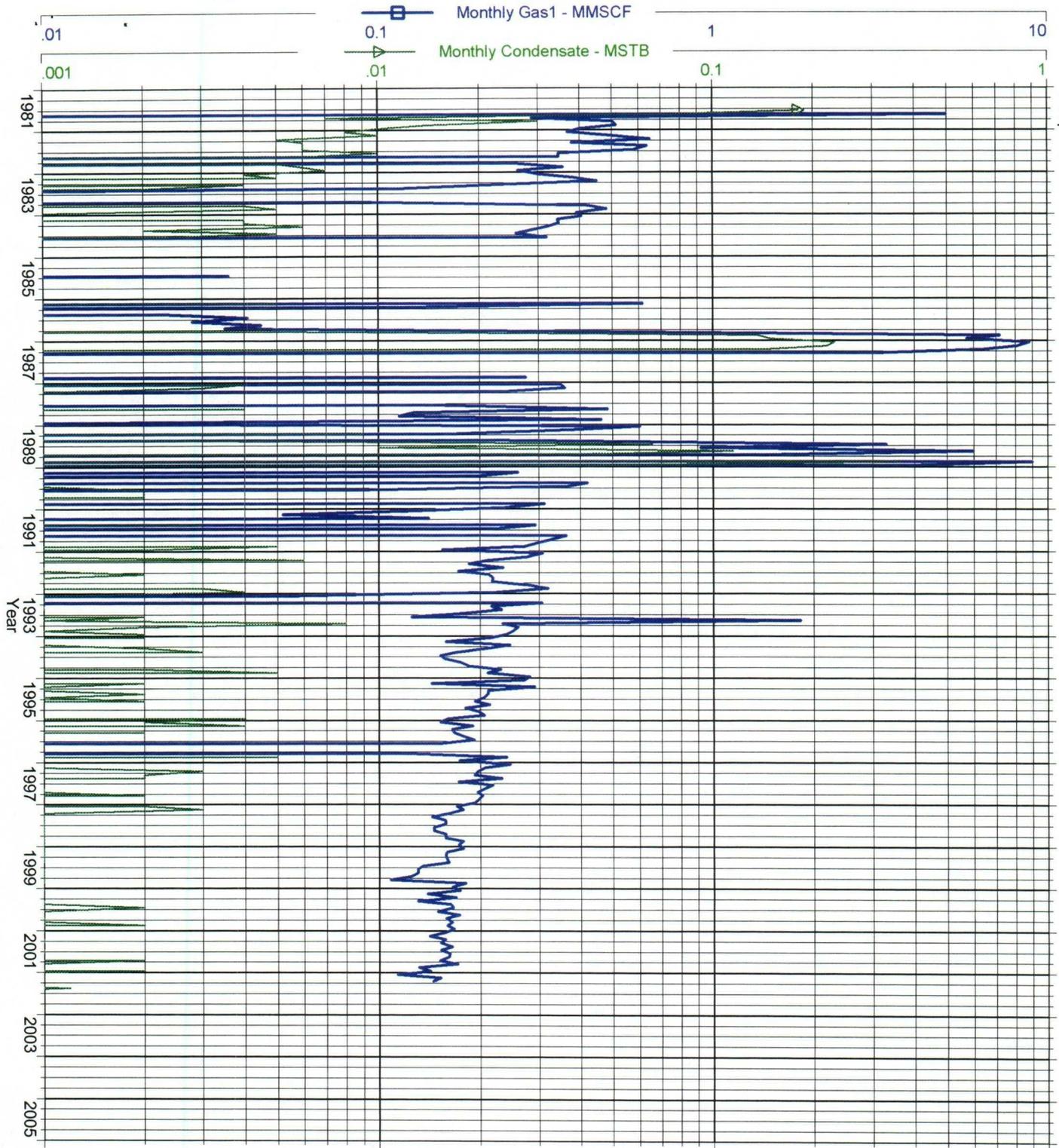


Monthly Gas1 - MMSCF
Cum: 816.124 MMSCF
Monthly Condensate - MSTB
Cum: 19.3263 MSTB

100

Operator: BURLINGTON RESOURCES O&G CO LP
 Field: BS MESA GALLUP (GAS)
 Zone:
 Type: Gas
 Group: None

JICARILLA 101 3M 3603703 (2300430392253272920) Data: Jul. 1981-Jul. 2002



—■— Monthly Gas1 - MMSCF
 Cum: 114.166 MMSCF
 —▲— Monthly Condensate - MSTB
 Cum: 2.16637 MSTB

50 YEARS



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



1935 - 1985

October 1, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Administrative Order No. DHC-569

Southland Royalty Company
P. O. Drawer 570
Farmington, New Mexico 87401

Attention: David M. Blandford

Re: Jicarilla 101 No. 3-E Well, Unit E,
Sec. 1, T-26-N, R-4-W, NMPM, Rio Arriba
County, New Mexico; Basin Dakota and BS Mesa
Gallup Pools

RECEIVED
OCT 04 1985
FARMINGTON DISTRICT

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations for the subject dually completed well to permit the removal of the down-hole separation equipment and to commingle the production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones, is hereby placed in abeyance.

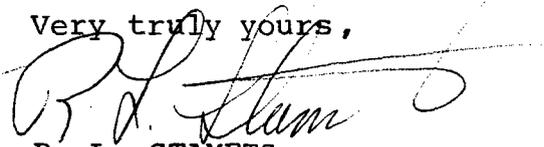
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 60 barrels per day, and total water production from the well shall not exceed 120 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated gas pool as printed in the Oil Conservation's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Gallup Pool: Condensate 2%, Gas 5%
Dakota Pool: Condensate 98%, Gas 95%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,



R. L. STAMETS,
Director