

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 _____

- DHC
 - CONOCO Phillips
 217817
 Well
 - Santa Fe #136
 30-025-33928
 Pool
 - Uacum
 Blinobny
 61850
 - Uacum DINTUKANG
 EAST
 246
 96573

[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.

Rhonda Rogers
 Print or Type Name

Rhonda Rogers
 Signature

Staff Regulatory Technician
 Title

07/07/2014
 Date

rogerrs@cop.com
 e-mail Address

RECEIVED OCD



Rhonda Rogers
Staff Regulatory Technician
Phone: (432) 688-9174

2014 AUG -8 P 3: 15

ConocoPhillips Company
P.O. Box 51810
Midland, TX 79710-1810

August 8, 2014

State of New Mexico
Oil Conservation Division
Attn: Mr. Phillip Goetze
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

SUBJECT: REQUEST FOR A DOWNHOLE COMMINGLE FOR THE SANTA FE 136

Dear Mr. Goetze,

ConocoPhillips Company respectfully requests an approval of our plans to Downhole Comingle the Vacuum; Drinkard, East (96373) and the Vacuum; Blinebry (61850) in the Santa Fe 136 Well. The well is located in Unit E, 2175' from North line and 336' from West line of section 33, Township 17S, Range 35E, Lea County, New Mexico. ConocoPhillips Company hereby certifies that we have 100% Working Interest ownership for this well and the State is Royalty Interest owner. The granting of this request will prevents waste by providing access to otherwise marginal production.

Enclosed are the following documents in support of this request.

- Administrative Application Checklist
- Copy of the New Mexico Form C-107A (with attachments)
- Notification verification

Please see attached copies for verification of notification.

If you have questions regarding this request, I can be reached at 432-688-9174 or via email at rogerrs@conocophillips.com.

Sincerely,

Rhonda Rogers
Staff Regulatory Technician
ConocoPhillips Company

Cc: State Land Office, Santa Fe - w/attachments
OCD District 1 Office, Hobbs - w/attachments

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

District II
811 S. First St., Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Operator ConocoPhillips Address PO Box 51810, Midland, TX 79710

Lease Santa Fe Well No. #136 Unit Letter-Section-Township-Range Unit E, Section 33, T17S - R35E County Lea

OGRID No. 217817 Property Code 31146 API No. 30-025-33928 Lease Type: Federal State
Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Vacuum Blinebry		Vacuum Drinkard, East
Pool Code	61850		<u>96246</u> 96373
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6615' - 7567'		7654' - 7828'
Method of Production (Flowing or Artificial Lift)	Rod Pump		Rod Pump
Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38 Degree API		38 Degree API
Producing, Shut-In or New Zone	Producing		Shut-In
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: 7/2/2014 Rates: 11 bopd, 5 Mcfd, 302 bwpd	Date: Rates:	Date: 11/26/2013 Rates: 5 bopd, 1 mcsf, 1 bwpd
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil 71% Gas 84%	Oil % Gas %	Oil 29% Gas 16%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes 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 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: _____

- 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 Rhonda Rogers TITLE Staff Regulatory Technician DATE 07/07/2014

TYPE OR PRINT NAME Rhonda Rogers TELEPHONE NO. (432) 688-9174

E-MAIL ADDRESS rogerrs@cop.com

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 August 1, 2011
 Permit 167141

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-33928	2. Pool Code 61850	3. Pool Name VACUUM;BLINEBRY
4. Property Code 31146	5. Property Name SANTA FE	6. Well No. 136
7. OGRID No. 217817	8. Operator Name CONOCOPHILLIPS COMPANY	9. Elevation 3948

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	33	17S	35E		2175	N	336	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00		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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: <i>Shanda Rogers</i> Title: <i>Staff Regulatory Tech</i> Date: <i>5/14/13</i></p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: Date of Survey: Certificate Number:</p>

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33928		² Pool Code 96373		³ Pool Name Vacuum; Drinkard, East	
⁴ Property Code 31146		⁵ Property Name Santa Fe			⁶ Well Number 136
⁷ OGRID No. 217817		⁸ Operator Name ConocoPhillips Company			⁹ Elevation 3948'

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
E	33	17S	35E		2175'	North	336	West	Lea

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 40	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.

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Rhonda Rogers</i> 07/07/2014 Signature Date</p> <p>Rhonda Rogers Printed Name</p> <p>rogers@conocophillips.com E-mail Address</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

Vacuum Blinebry East-Vacuum Drinkard Pool Comingle

Comingle Application for the Santa Fe #136

Summary

It is proposed to comingle the Vacuum Blinebry East (96373) and the Vacuum Drinkard (62110) pools in Santa Fe #136 operated by ConocoPhillips. The well, located in Section 33 of T17S, R35E, unit letter E, was originally drilled as a Drinkard producer in 1997 and was recompleted in 2014 to the Blinebry formation. Since the recompletion was completed in March of 2014, the Blinebry has been the only formation producing with the Drinkard under a bridge plug. It is now desired to commingle these pools downhole as the bottom hole pressures have equalized. The working, net revenue, and royalty interest are the same for both pools for the lease under the Santa Fe #136. The fluids from both zones are compatible. The fixed allocation between the two pools will be determined by the subtraction method.



Thomas Scarbrough, CPL
Mid-America -- Permian
P. O. Box 2197 PK10 - 5030
Houston, TX 77252-2197
Tel: 281-206-5352
Fax: 918-662-1956

August 13, 2014

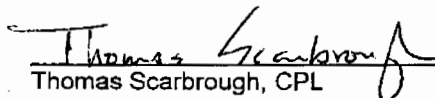
RE: Commingling Application
Santa Fe # 136 Well
SW/4NW/4 Sec. 33-17S-35E
Lea County, New Mexico

The ConocoPhillips Operated Santa Fe # 136 well is located 2175' FNL and 336' FWL of Section 33-17S-35E. The well lies on State of New Mexico Lease # B-2517.

The ownership for the working interest, overriding royalty interest and royalty interest owners for both the Vacuum Blinebry Pool and the Vacuum Drinkard East Pool is as follows:

<u>Interest Owner</u>	<u>Working Interest</u>	<u>Net Revenue Interest</u>	<u>ORR Interest</u>	<u>Royalty Interest</u>
ConocoPhillips Company State of New Mexico	100%	87.5%		12.5%

I certify that the above information is true and correct.



Thomas Scarbrough, CPL
Staff Landman
ConocoPhillips Company

ConocoPhillips Company
MCBU Regulatory
P.O. Box 51810
Midland, TX 79710



State of New Mexico, Commission
of Public Lands

310 Old Santa Fe Trail
P.O. Box 1148

Santa Fe, New Mexico, 87504-114

McMillan, Michael, EMNRD

From: Rogers, Rhonda S <Rhonda.S.Rogers@conocophillips.com>
Sent: Thursday, August 14, 2014 10:09 AM
To: McMillan, Michael, EMNRD
Subject: RE: Santa Fe #136 DHC application

Michael, the pool code for the Vacuum Drinkard, East is 96246. Thanks again

Rhonda Rogers
CONOCOPHILLIPS COMPANY/MCBU
Staff Regulatory Technician
Phone #: 432-688-9174
Fax #: 432-688-6017
rogerrs@conocophillips.com

From: Rogers, Rhonda S
Sent: Thursday, August 14, 2014 10:16 AM
To: 'McMillan, Michael, EMNRD'
Subject: RE: Santa Fe #136 DHC application

Thank you so much. Have a great day.

Rhonda Rogers
CONOCOPHILLIPS COMPANY/MCBU
Staff Regulatory Technician
Phone #: 432-688-9174
Fax #: 432-688-6017
rogerrs@conocophillips.com

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Thursday, August 14, 2014 10:14 AM
To: Rogers, Rhonda S
Subject: [EXTERNAL]RE: Santa Fe #136 DHC application

Thank You.

There is no need to mail the landman letter. I should get this application out by Friday.

Thank You

Michael McMillan

From: Rogers, Rhonda S [<mailto:Rhonda.S.Rogers@conocophillips.com>]
Sent: Thursday, August 14, 2014 9:05 AM
To: McMillan, Michael, EMNRD
Subject: RE: Santa Fe #136 DHC application

I have attached the landman letter. Thank you for all you help. If you need me to mail it also, I will do that also.