

DHC 1093 6/24/96

**RECEIVED**  
 DISTRICT I  
 P.O. Box 980, Hobbs, NM 88241-1980  
 JUN - 3 1996  
 611 South First St., Artesia, NM 88210-2835  
 DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM, 87410-1693

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-107-A  
 New 3-12-96

**OIL CONSERVATION DIVISION**

2040 S. Pacheco  
 Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE

YES  NO

**APPLICATION FOR DOWNHOLE COMMINGLING**

Operator Conoco Inc. Address 10 Desta Dr, Ste 100W, Midland TX 79705

Lease AXI Apache J Well No. 23 Unit Ltr. - Sec - Twp - Rge D-8-25N-5W County Rio Arriba

OGRID NO. 005073 Property Code 003132 API NO. 30-039-20439 Spacing Unit Lease Types: (check 1 or more)  
 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	Otero Chacra 82329		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	3769' - 3781'		5048' - 5220'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 238 psia	a.	a. 268 psia
	b. (Original) 780 psia	b.	b. 1332 psia
6. Oil Gravity (°API) or Gas BTU Content	1233 BTU		1249 BTU
7. Producing or Shut-In?	Producing		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: 1996 mid/yr Rates: .0004 bbl/mcf 44 mcf/gpd, 0 bwpd	Date: Rates:	Date: 1996 mid/yr Rates: .0132 bbl/mcf 68 mcf/gpd, 0 bwpd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 39 %	Oil: % Gas: %	Oil: 100 % Gas: 61 %

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  No
11. 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  No
13. 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) \_\_\_\_\_
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 of all offset operators.  
 \* Notification list of working, overriding, and royalty interests for uncommon interest cases.  
 \* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Jerry W. Hoover TITLE Sr. Conservation Coordinator DATE 5/31/96

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. ( 915 ) 686-6549

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.

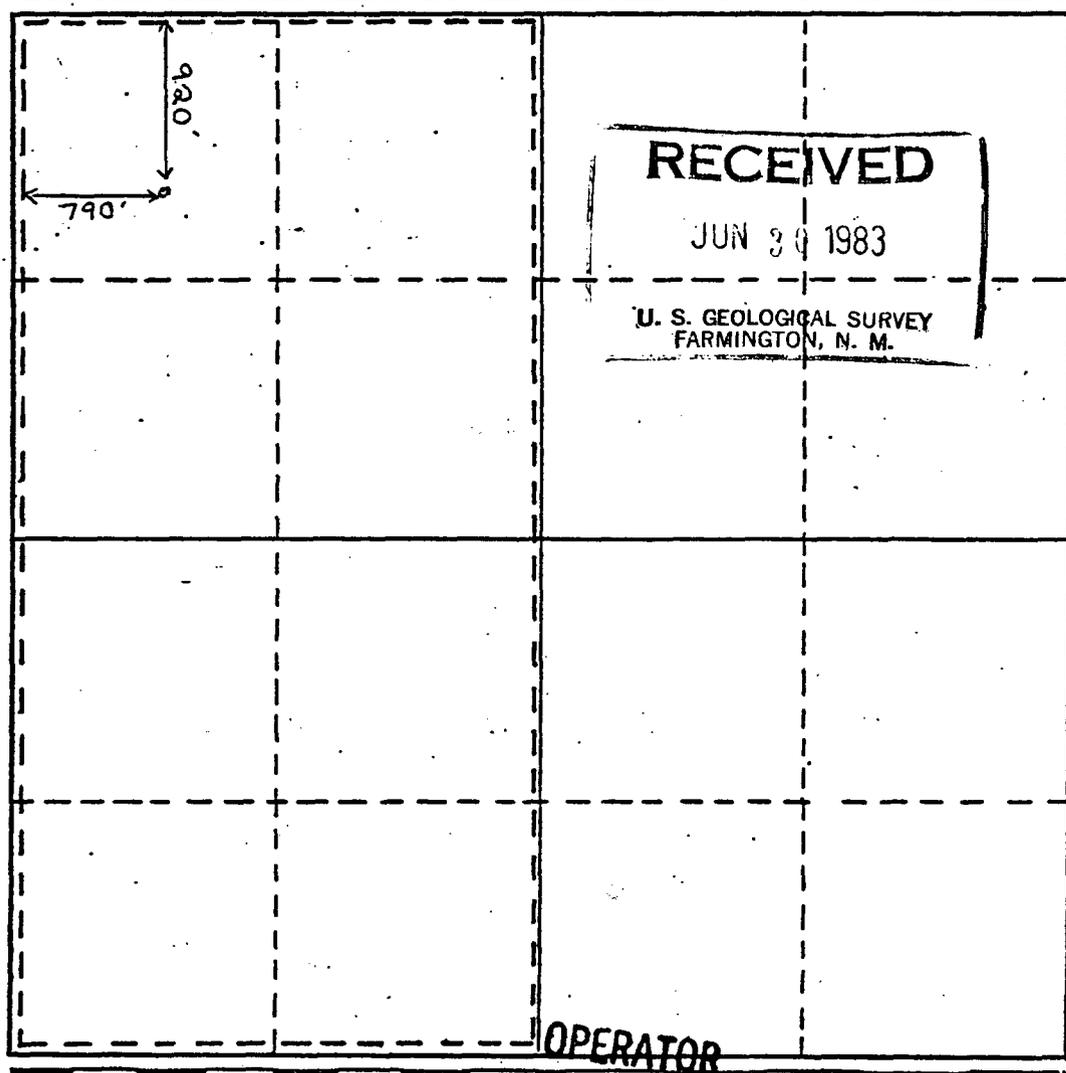
Operator <b>CONOCO INC.</b>		Lease <b>AXI APACHE J</b>		Well No. <b>23</b>
Unit Letter <b>D</b>	Section <b>8</b>	Township <b>25-N</b>	Range <b>5-W</b>	County <b>RIO ARRIBA</b>
Actual Footage Location of Wells <b>920</b> feet from the <b>NORTH</b> line and <b>790</b> feet from the <b>WEST</b> line				
Ground Level Elev. <b>6710'</b>	Producing Formation <b>MESAVERDE</b>	Pool <b>BLANCO MESAVERDE</b>	Dedicated Acreage: <b>320</b> 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.

*Wm A. [Signature]*  
Name

Position  
Administrative Supervisor

Company  
**CONOCO INC.**

Date  
**6/28/83**

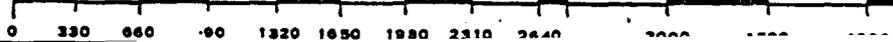
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

ACCEPTED FOR RECORD  
Date Surveyed

Registered Professional Engineer and/or Land Surveyor

FARMINGTON  
*[Signature]*

Certificate No.



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

All distances must be from the outer boundaries of the Section

Operator: **CONTINENTAL OIL COMPANY**

Unit Letter: \_\_\_\_\_ Section: **8** Township: **25 NORTH** Range: **5 WEST** County: **RIO ARRIBA** Well No.: **23**

Actual Footage Location of Well: **920'** feet from the **NORTH** line and **790'** feet from the **WEST** line

Ground Level Elev: **6712.0** Producing Formation: \_\_\_\_\_

Dedicated Acreage: **160** Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 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.

Name: \_\_\_\_\_  
 Position: **Administrative Supervisor**  
 Company: **Continental Oil Company**  
 Date: **November 15, 1971**

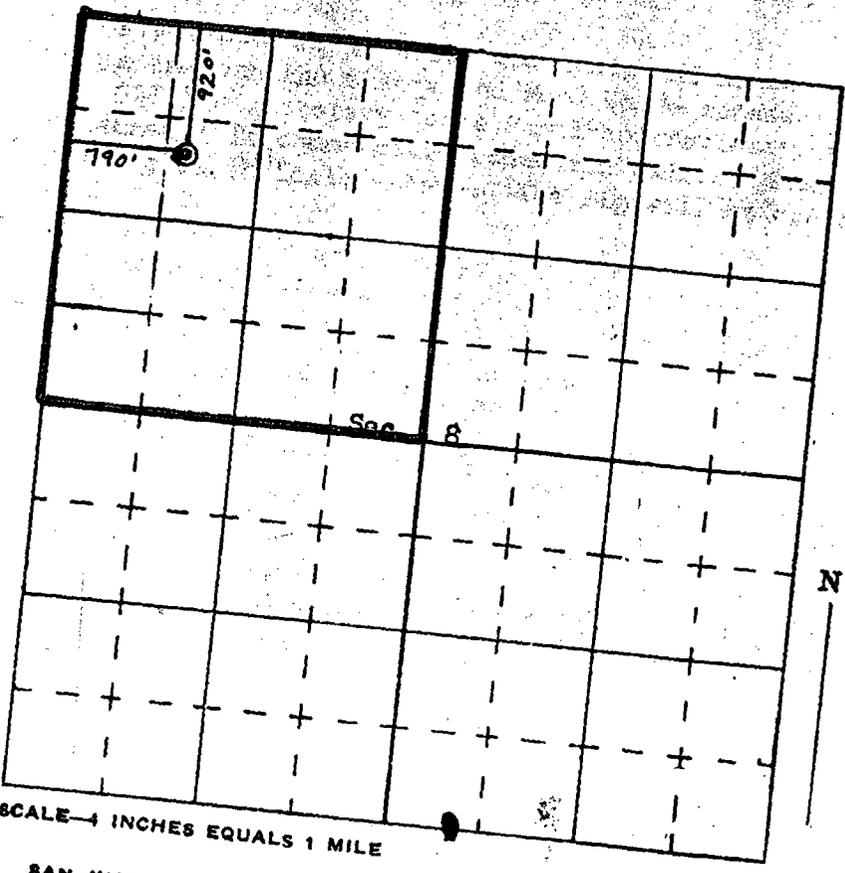
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

**3 September, 1971**

Date Surveyed

*James P. Leese*  
 Registered Professional Engineer  
 and/or Land Surveyor  
**JAMES P. LEESE**  
**1463**

Certificate No. \_\_\_\_\_



SCALE - 4 INCHES EQUALS 1 MILE

**SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.**

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

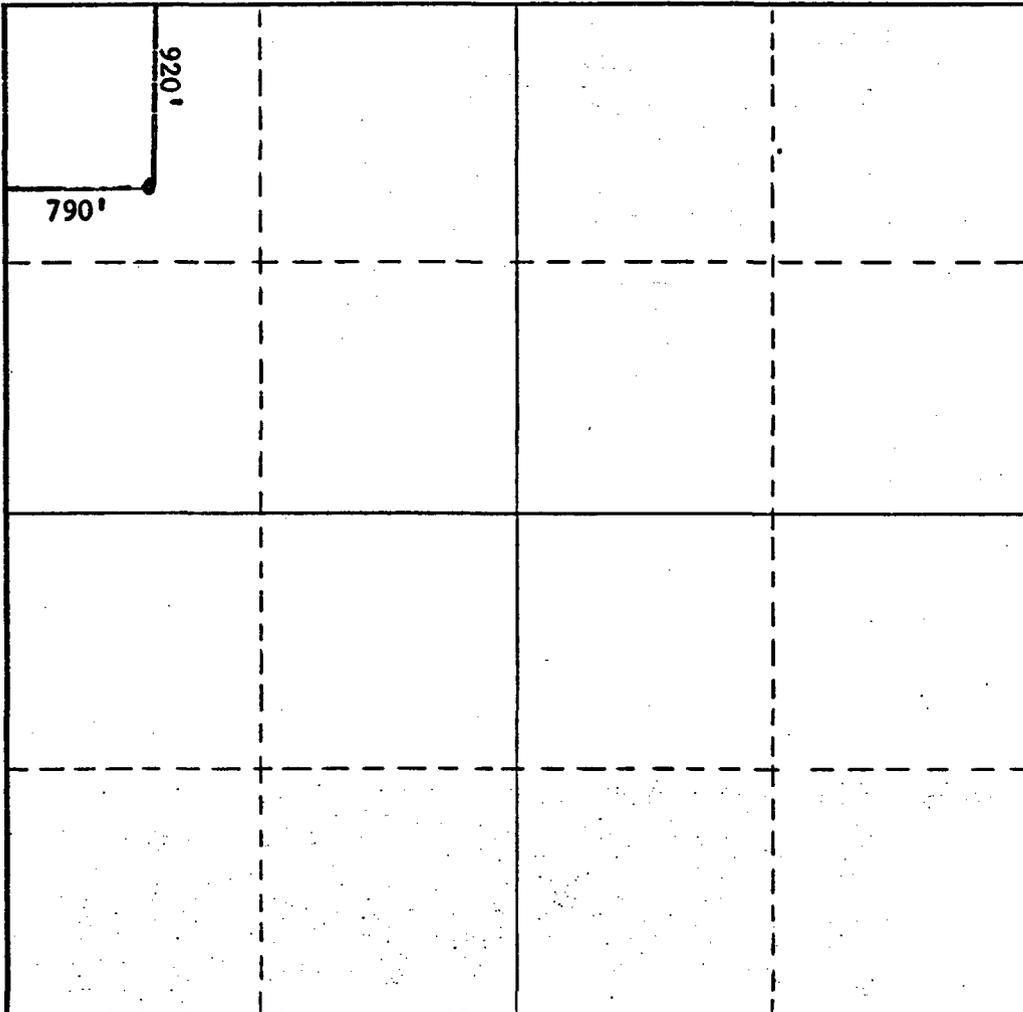
Operator <b>Continental Oil Company</b>		Lease <b>AXI Apache "J"</b>			Well No. <b>23</b>
Unit Letter <b>"D"</b>	Section <b>8</b>	Township <b>25N</b>	Range <b>5W</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well: <b>920</b> feet from the <b>north</b> line and <b>790</b> feet from the <b>west</b> line					
Ground Level Elev.	Producing Formation <b>Otero Chacra &amp; Undesignated Mesa Verde</b>		Pool <b>Otero Chacra &amp; Undesignated Mesa Verde</b>	Dedicated Acreage: <b>160</b> 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.) 100% - Continental Oil Company

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.

Name J. A. Usher  
 Position **Administrative Supervisor**  
 Company **Continental Oil Company**  
 Date **January 13, 1972**

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.

**September 3, 1971**

Date Surveyed  
/s/ James P. Leese  
 Registered Professional Engineer  
 and/or Land Surveyor

1463

Certificate No.

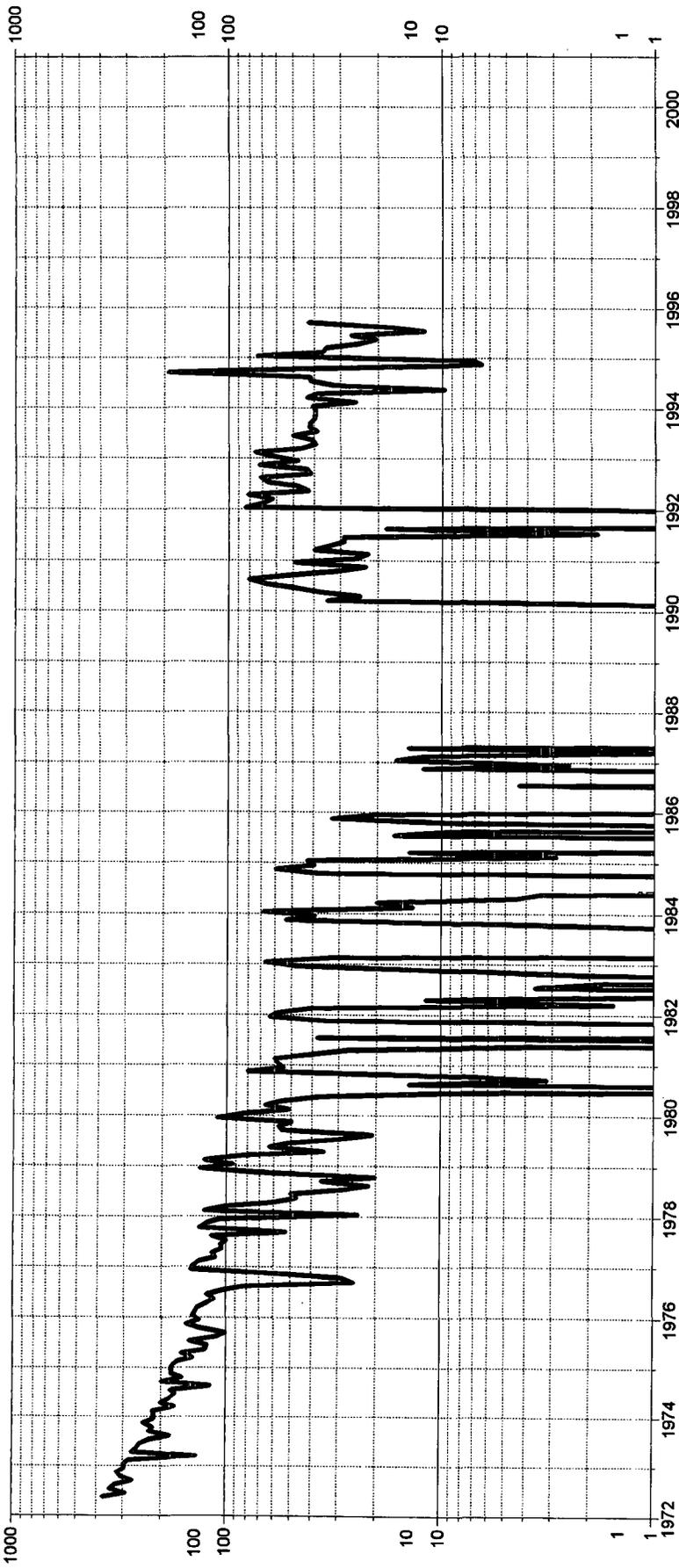


# Dwights

1000 Lease: AXI APACHE J 000023

Retrieval Code: 251,039,25N05W08D00C

1000



County: RIO ARriba

Field: OTERO (CHACRA) CK

Reservoir: CHACRA

Operator: CONOCO INC

State: NM

Oil Cum: 232 bbl

Gas Cum: 533987 mcf

Location: 8D 25N 5W

F.P. Date: 05/72

Water (bbl/day)

Gas (mcf/day)

Date: 04/22/96

Well Count

Oil (bbl/day)

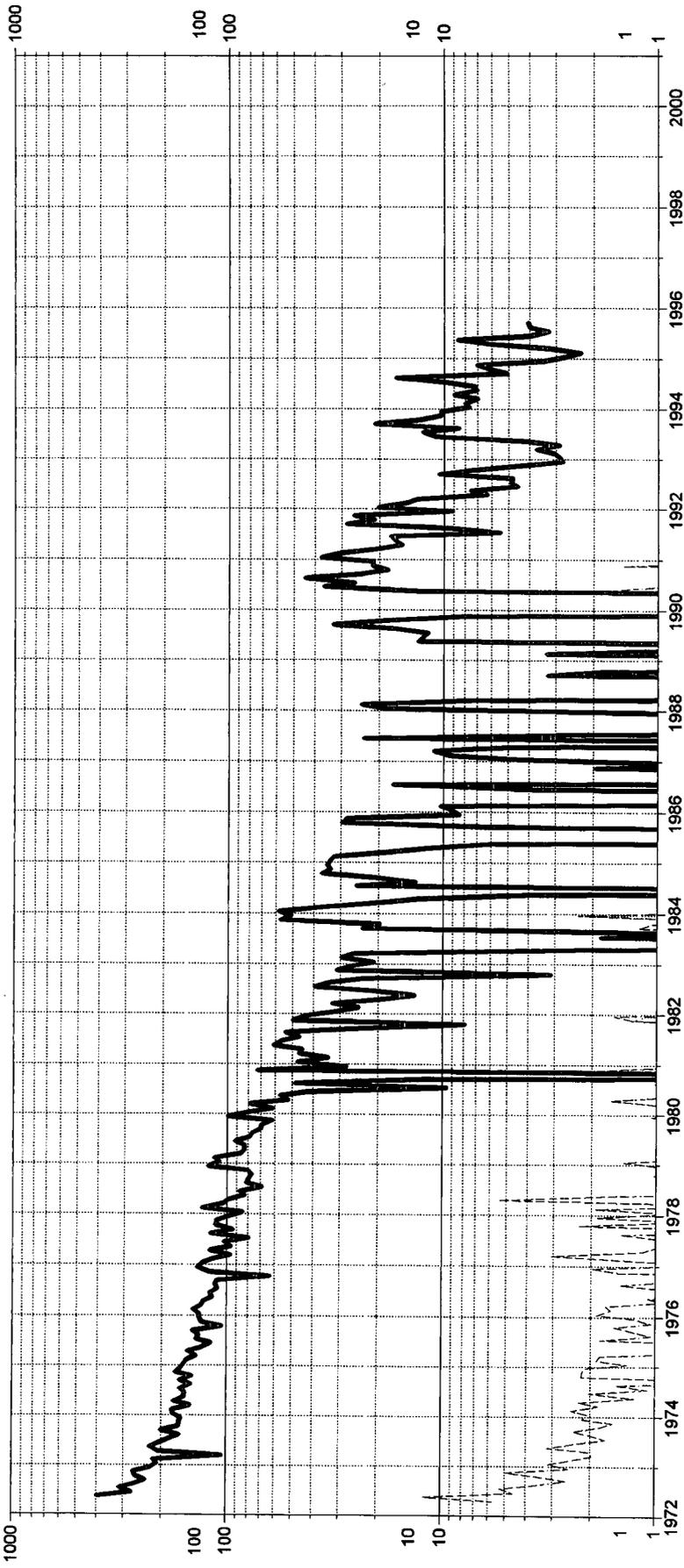
*Dwight*

# Dwights

1000 Lease: AXI APACHE J 000023

Retrieval Code: 251,039,25N05W08D00M

1000



County: RIO ARRIBA

Field: BLANCO (MESAVERDE) MV

Reservoir: MESAVERDE

Operator: CONOCO INC

State: NM

Oil Cum: 6420 bbl

Gas Cum: 484670 mcf

Location: 8D 25N 5W

F.P. Date: 04/72

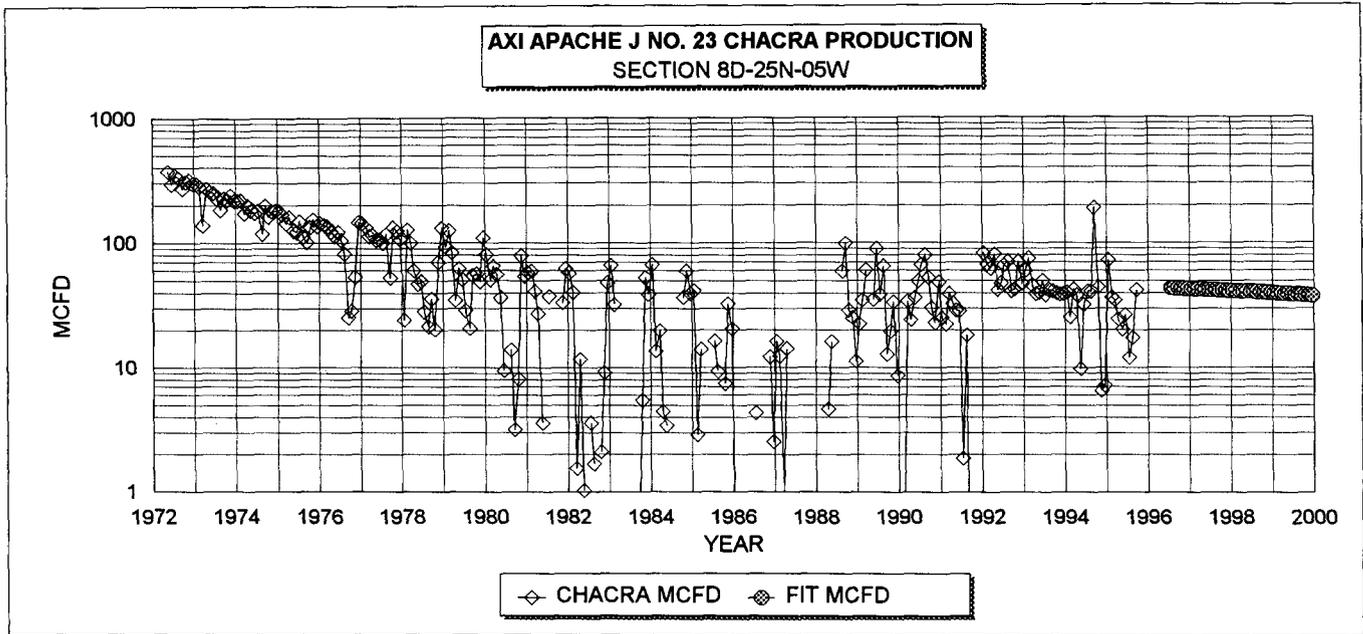
Water (bbl/day)

Gas (mcf/day)

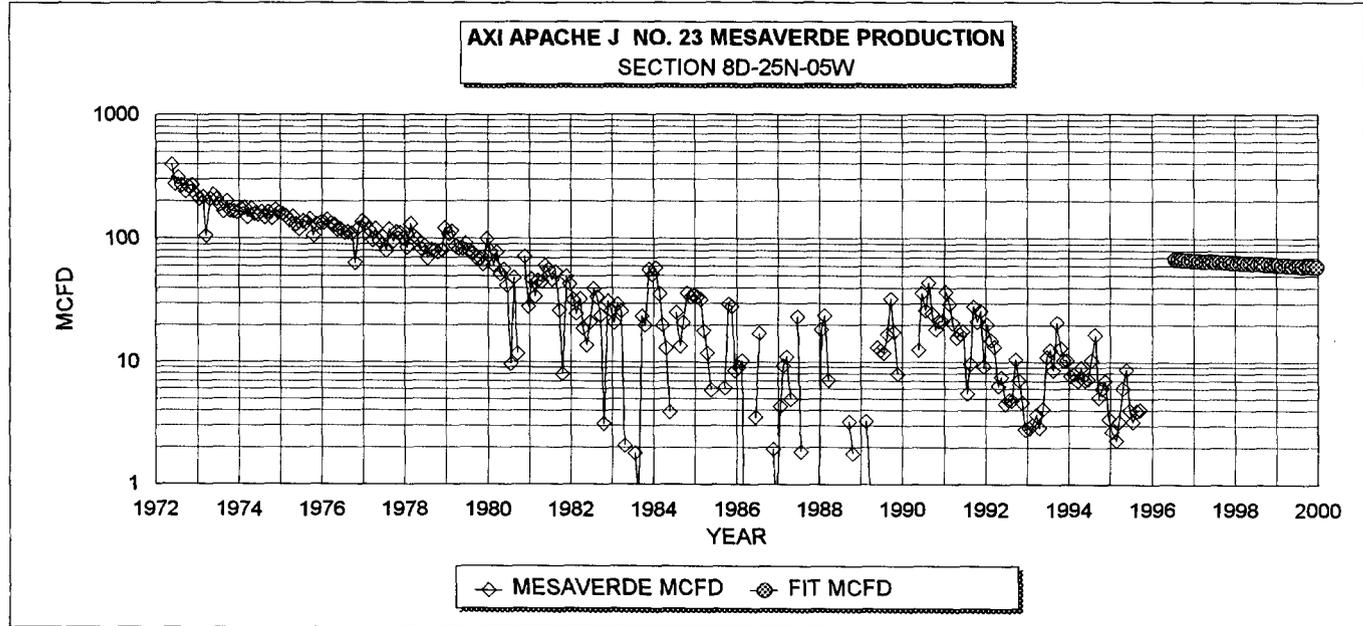
Date: 04/22/96

Well Count

Oil (bbl/day)



<b>CHACRA HISTORICAL DATA:</b>	<b>1ST PROD: 4/72</b>	<b>CHACRA</b>	<b>PROJECTED DATA</b>
OIL CUM:	0.23 MBO	7/1/96 Qi:	44 MCFD; RISKED ANTICIPATED RATE
GAS CUM:	554.3 MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0004 BBL/MCF		



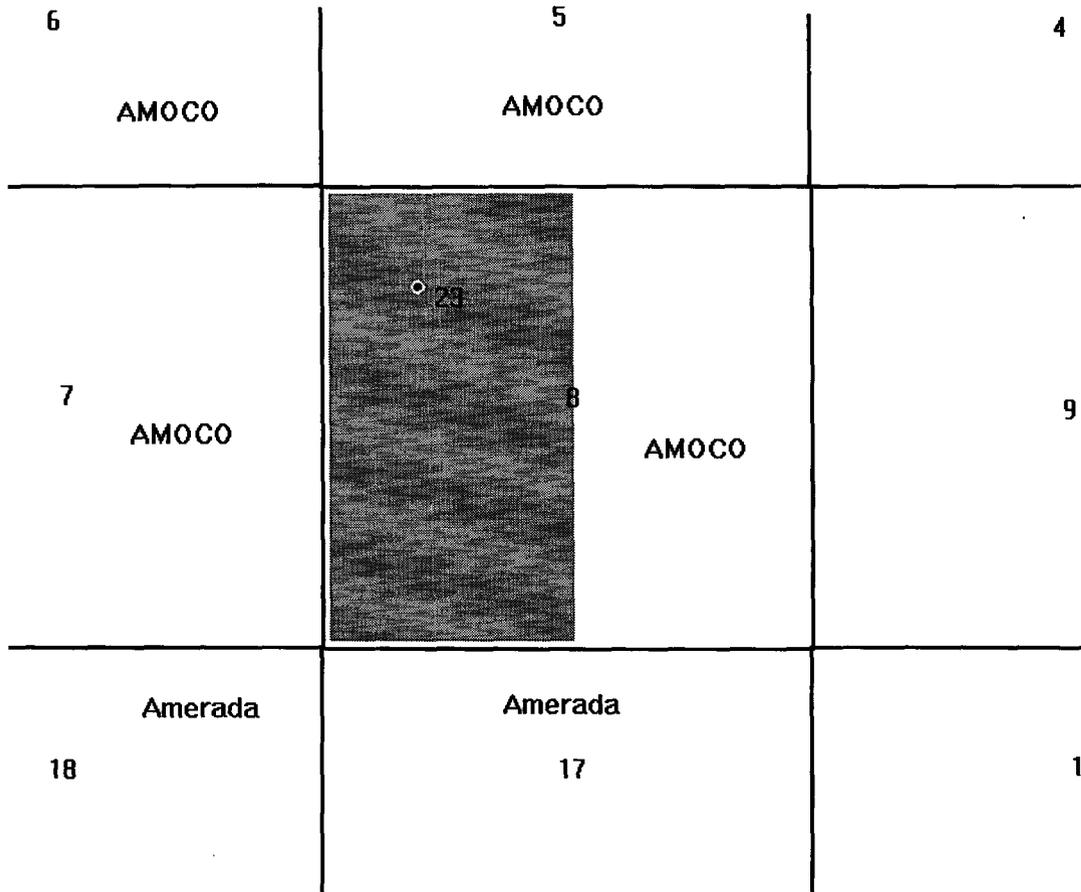
<b>MESAVERDE HISTORICAL DATA</b>	<b>1ST PROD: 4/72</b>	<b>MESAVERDE PROJECTED DATA</b>	
OIL CUM:	6.4 MBO	7/1/96 Qi:	68 MCFD; RISKED ANTICIPATED RATE
GAS CUM:	484.7 MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0132 BBL/MCF		

<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>		
	GAS	OIL
MESAVERDE	61%	100.00%
CHACRA	39%	0%

GAS ALLOCATION BASED ON PROJECTED 1996 RATES  
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS  
**NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA**

# AXI APACHE J #23 --- OFFSET OPERATORS

Township 26 North — Range 5 West



OFFSET OPERATORS