

DHC 1339 8/6/96

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240  
 DISTRICT II  
 811 South First St., Artesia, NM 88210-2635  
 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 State Com C Well No. 6 Unit Ltr. - Sec - Twp - Rge K-32-29N-9W County San Juan  
 OGRID NO. 005073 Property Code 016725 API NO. 30-045-24867 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	Aztec PC 71280		Otero Chacra 82329
2. Top and Bottom of Pay Section (Perforations)	2204' - 2257'		3160' - 3292'
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) 205 psi	a.	a. 274 psi
	b. (Original) 752 psi	b.	b. 977 psi
6. Oil Gravity (°API) or Gas BTU Content	1197 BTU		1185 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: 1/96 Rates: .0001 bbl/mcf 35 mcf/gpd, 0 bwpc	Date: Rates:	Date: 1/96 Rates: .0000 bbl/mcf 12 mcf/gpd, 0 bwpc
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 100 % Gas: 74 %	Oil: % Gas: %	Oil: 0 % Gas: 26 %

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.  
 Sr. Conservation  
 SIGNATURE Jerry W. Hoover TITLE Coordinator DATE 5/31/96  
 TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. ( 915 ) 686-6549

# OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-78

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

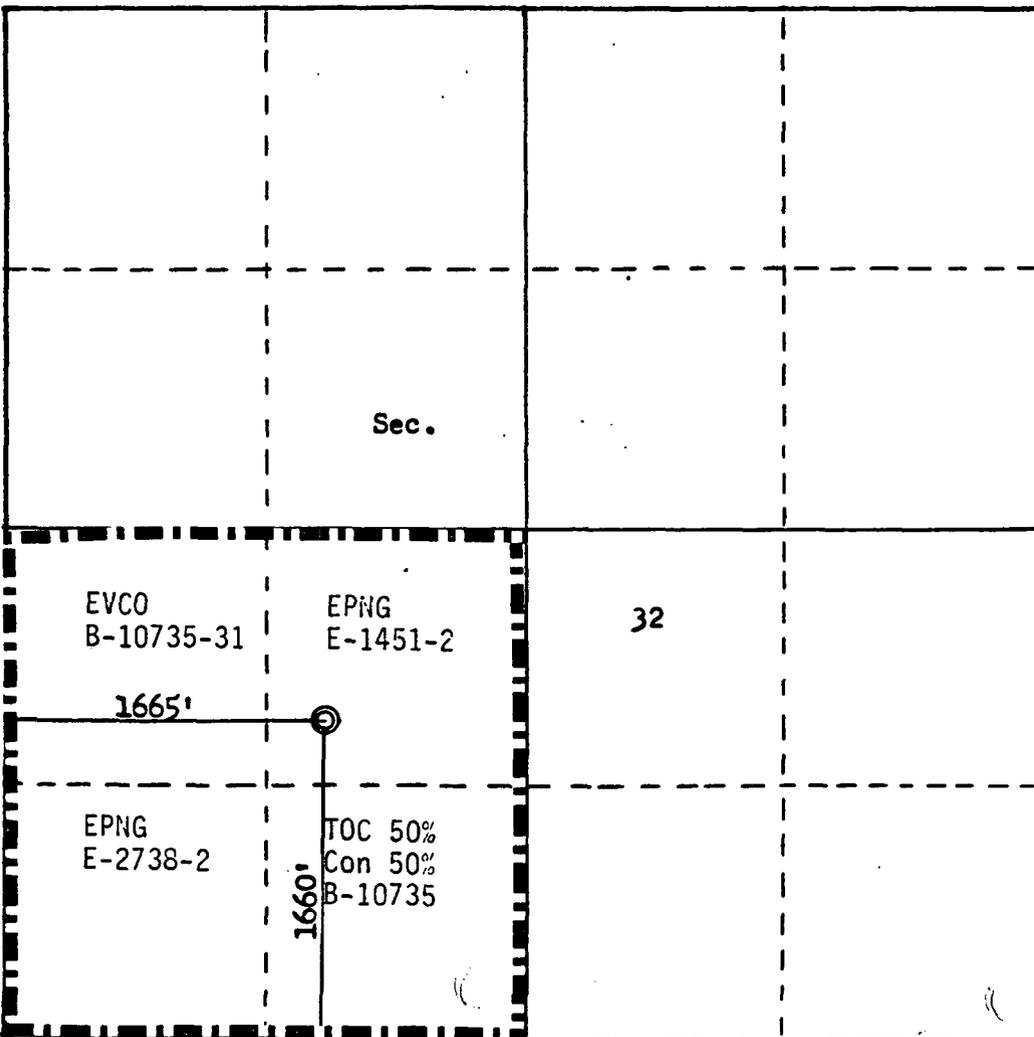
Operator <b>TENNECO OIL COMPANY</b>		Lease <b>State Com "C"</b>		Well No. <b>6</b>
Unit Letter <b>K</b>	Section <b>32</b>	Township <b>29N</b>	Range <b>9W</b>	County <b>San Juan</b>
Actual Footage Location of Well: <b>1660</b> feet from the <b>South</b> line and <b>1665</b> feet from the <b>West</b> line				
Ground Level Elev. <b>5866</b>	Producing Formation <b>Pictured Cliffs/Chacra</b>	Pool <b>Aztec Pictured Cliffs/Chacra</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 Communitized

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.

*Ken Russell*  
Name  
**Ken Russell**  
Position  
**Sr. Production Analyst**  
Company  
**Tenneco Oil Company**  
Date  
**October 15, 1982**

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  
**October 5, 1982**  
Registered Professional Engineer and Land Surveyor  
*Fred B. Kery Jr.*  
**Fred B. Kery Jr.**  
Certificate No. 4282

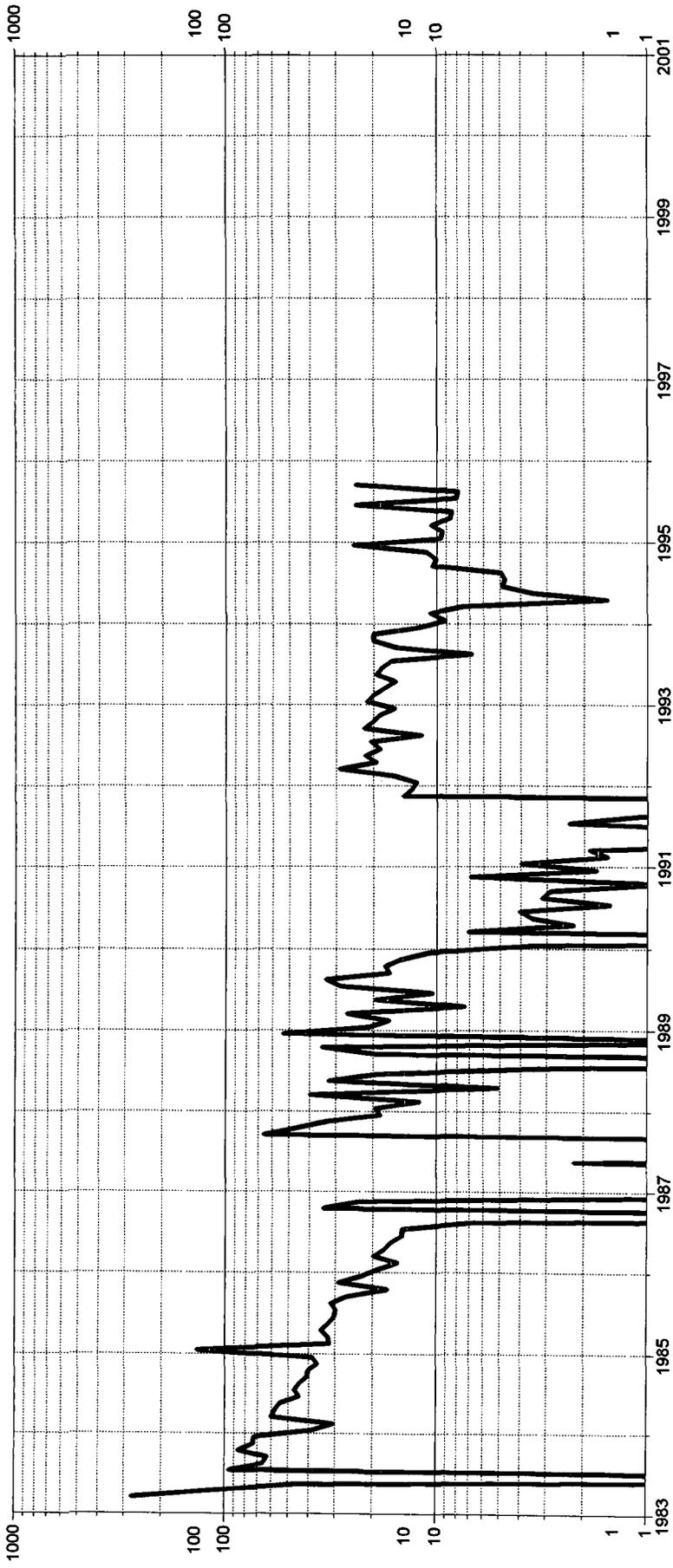
Scale: 1"=1000'

# Dwights

1000 Lease: STATE COM C 000006

Retrieval Code: 251,045,29N09W32L00C

1000



County: SAN JUAN

Field: OTERO (CHACRA) CK

Reservoir: CHACRA

Operator: CONOCO INC

State: NM

Oil Cum: 0 bbl

Gas Cum: 103462 mcf

Location: 32L 29N 9W

F.P. Date: 03/83

Water (bbl/day)

Gas (mcf/day)

Date: 02/20/96

Well Count

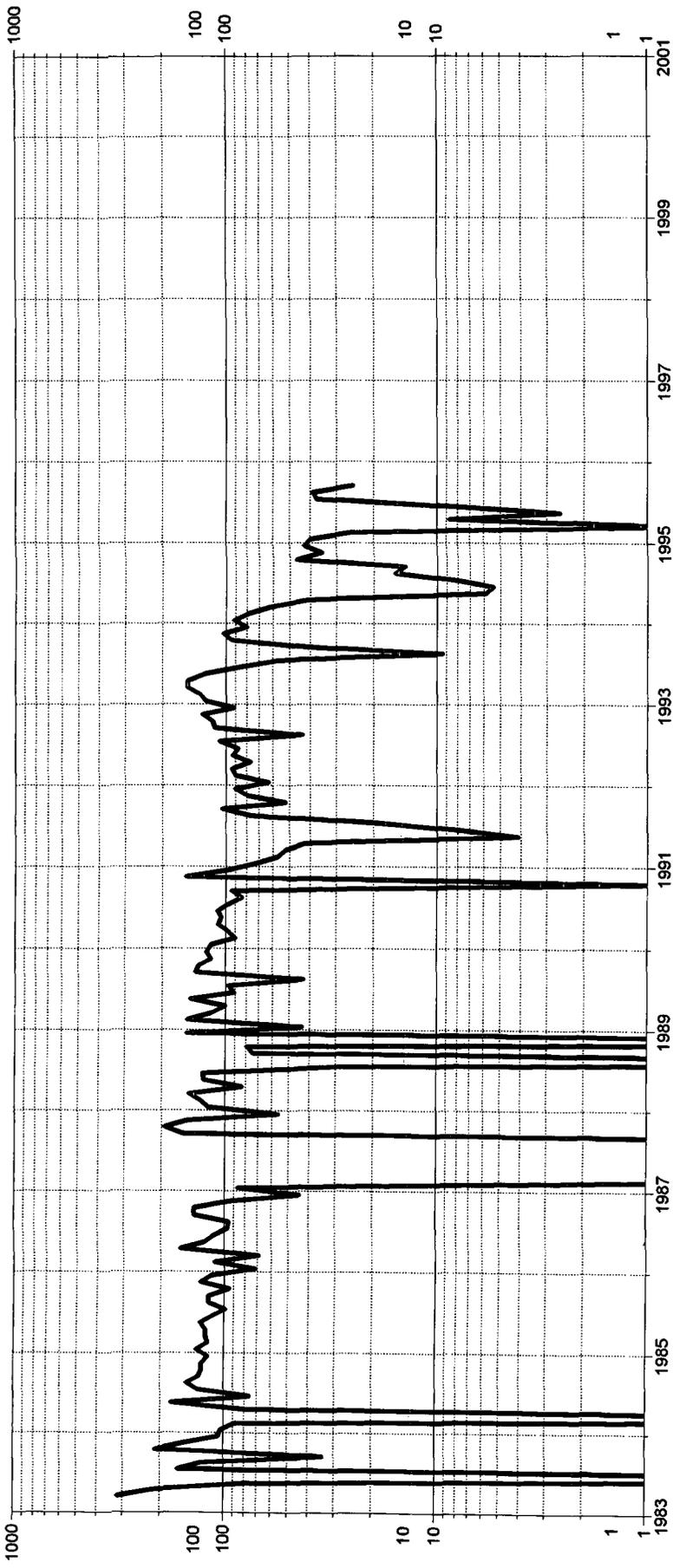
Oil (bbl/day)

# Dwights

1000 Lease: STATE COM C 000006

Retrieval Code: 251,045,29N09W32L00P

1000



County: SAN JUAN

State: NM

F.P. Date: 03/83

Date: 02/20/96

Field: AZTEC (PICTURED CLIFFS) PC

Oil Cum: 40 bbl

Reservoir: PICTURED CLIFFS

Gas Cum: 397633 mcf

Water (bbl/day)

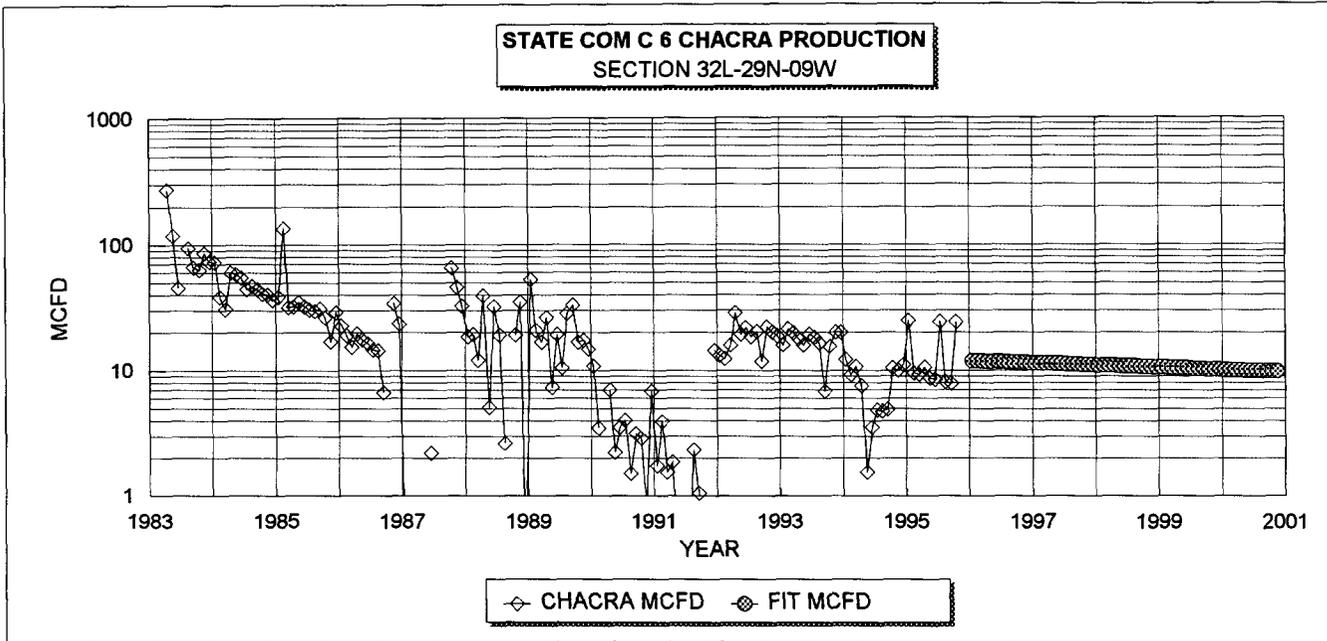
Well Count

Operator: CONOCO INC

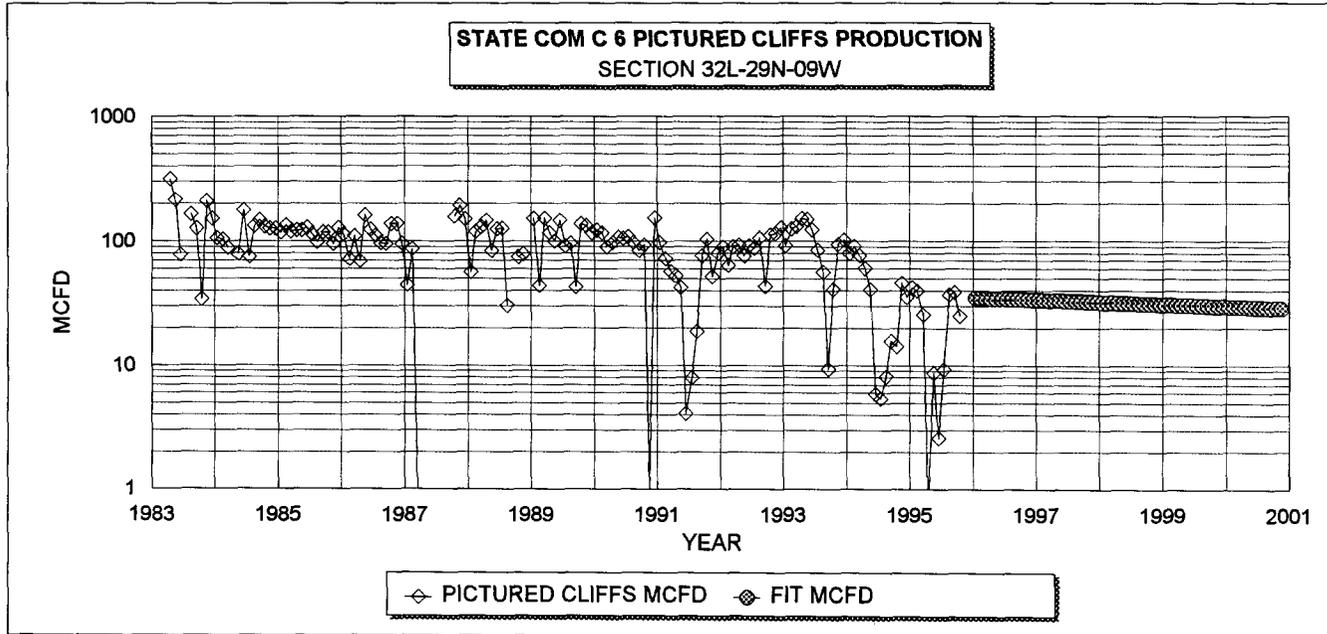
Location: 32L 29N 9W

Gas (mcf/day)

Oil (bbl/day)



<b>CHACRA HISTORICAL DATA:</b>		<b>1ST PROD: 03/83</b>	<b>CHACRA PROJECTED DATA</b>	
OIL CUM:	0.00 MBO		1/1/96 Qi:	12 MCFD
GAS CUM:	103.46 MMCF		DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0000 BBL/MCF			



<b>PICTURED CLIFFS HIST. DATA</b>		<b>1ST PROD: 03/83</b>	<b>PICTURED CLIFF PROJECTED DATA</b>	
OIL CUM:	0.04 MBO		1/1/96 Qi:	35 MCFD
GAS CUM:	397.63 MMCF		DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0001 BBL/MCF			

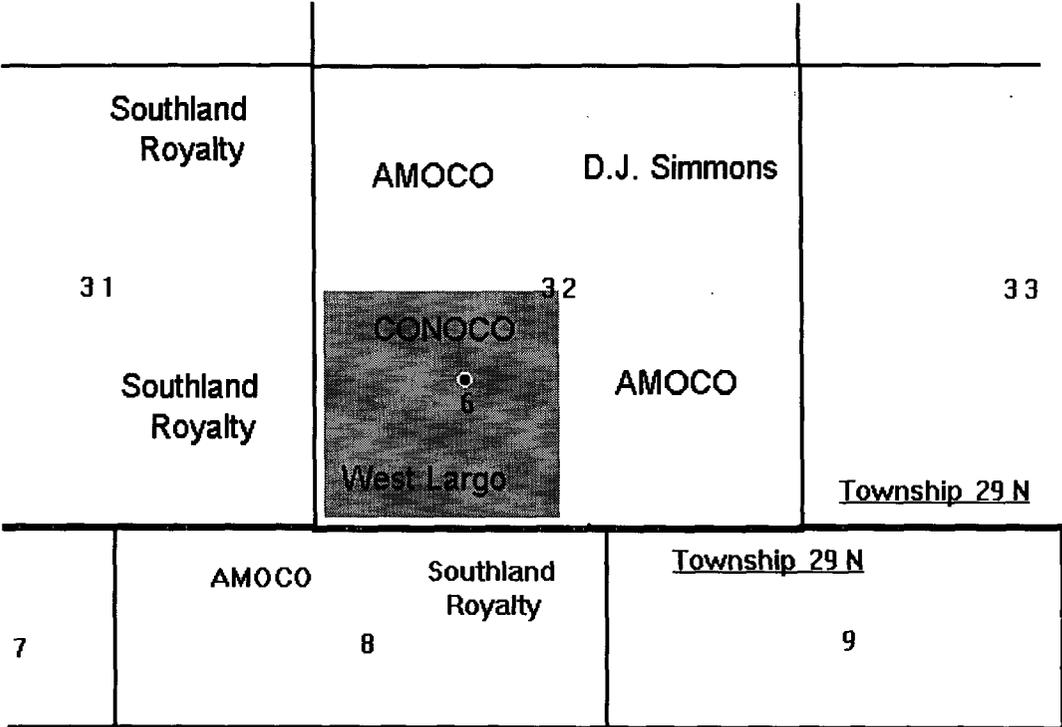
<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>		
	GAS	OIL
PICTURED CLIFFS	74%	100%
CHACRA:	26%	0%

GAS ALLOCATION BASED ON PROJECTED 1996 RATES  
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

STATE COM C #6

OFFSET OPERATORS



Range 9 West