

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
811 South First St., Artesia, NM 86210 2835

DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

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

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE

YES  NO

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

Lease Nye Com Well No. 1E Unit Ltr. - Sec - Twp - Rge E-32-29N-11W County San Juan

OGRID NO. 005073 Property Code 003226 API NO. 30-045-22956 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		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	2479' - 2595'		5952' - 6091'
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 411 psi	a.	a. 309 psi
	b. (Original) 1107 psi	b.	b. 2432 psi
6. Oil Gravity (°API) or Gas BTU Content	1157 BTU		1235 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: 0 bopd 32 mcf/gpd, 0 bwpd	Date: Rates:	Date: 1996 mid-yr Rates: .0087 bbl/mcf 127 mcf/gpd, 0 bwpd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 20 %	Oil: % Gas: %	Oil: 100 % Gas: 80 %

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 7/24/96

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

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

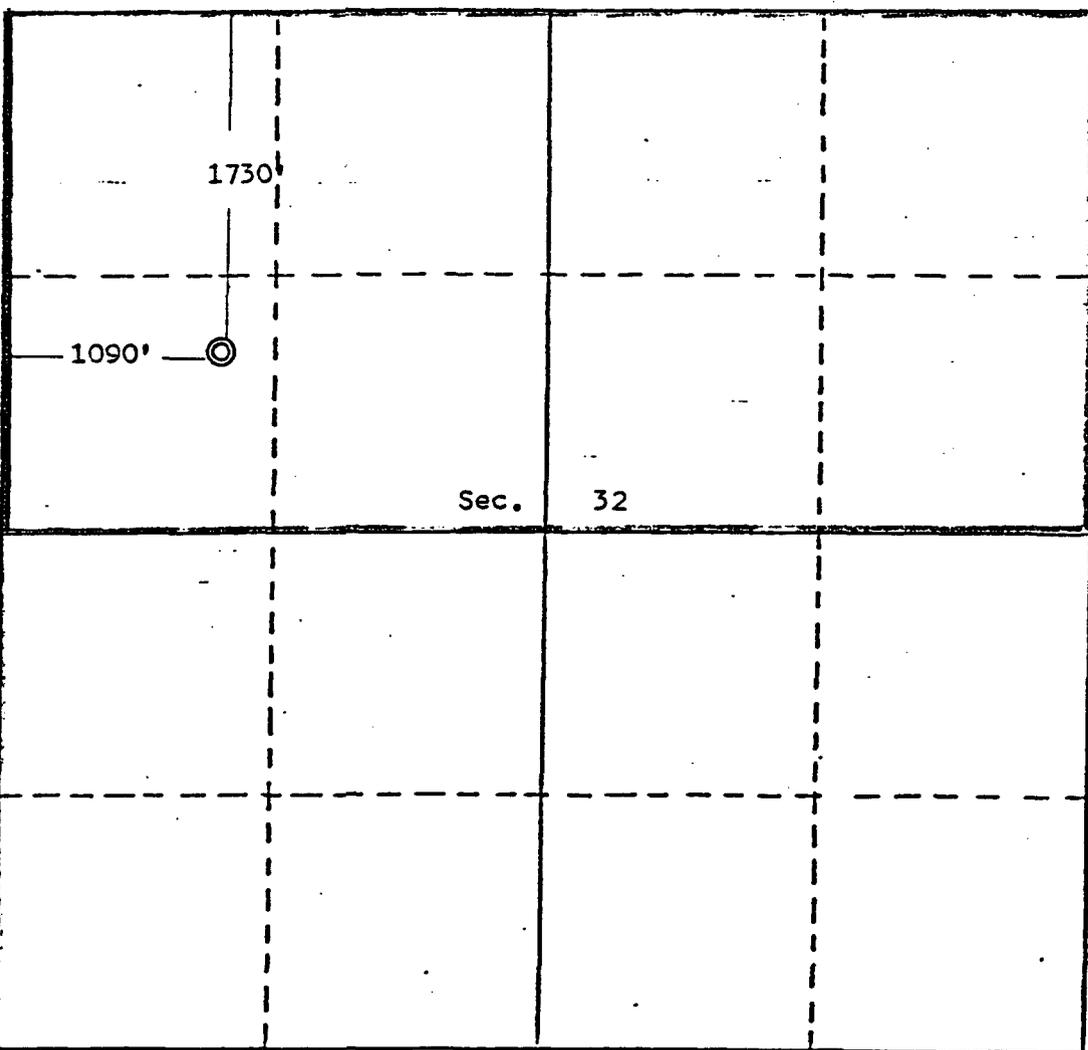
Operator Pioneer Production Corporation		Lease Nye		Well No. 1E	
Unit Letter E	Section 32	Township 29 North	Range 11 West	County San Juan	
Actual Footage Location of Well: 1730 feet from the North line and 1090 feet from the West line					
Ground Level Elev. 5423	Producing Formation	Pool	Dedicated Acreage: 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 Division.



CERTIFICATION

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

*J. L. Risen*  
Name

Position

Company

Date

I hereby certify that the location shown on this plat is based on 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

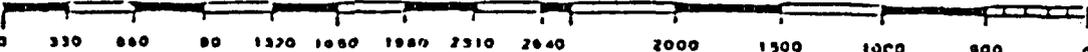
December 30, 1980

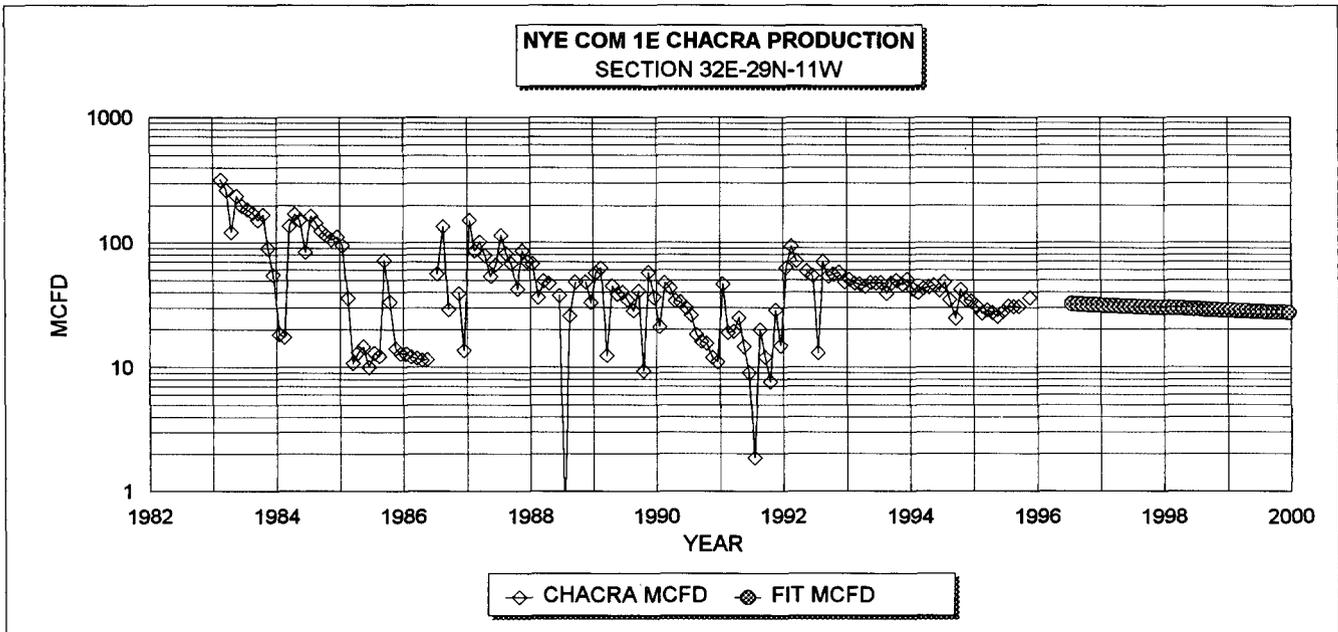
Registered Professional Engineer and/or Land Surveyor

*Edgar L. Risen*

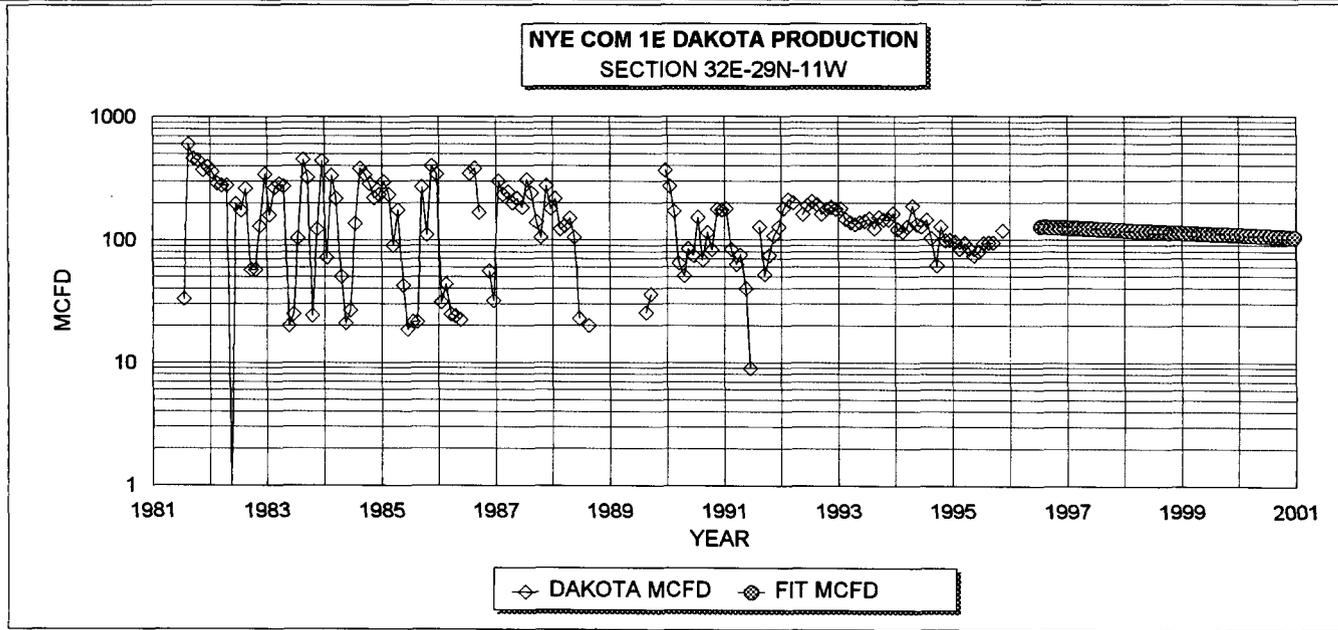
Certificate No. 5975

Edgar L. Risenhoover, L.S.





<b>CHACRA HISTORICAL DATA:</b>		<b>1ST PROD: 2/83</b>	<b>CHACRA PROJECTED DATA</b>	
OIL CUM:	0.01 MBO		7/1/96 QI:	32 MCFD
GAS CUM:	252.9 MMCF		DECLINE RATE:	4.5% (EXPONENTIAL)
OIL YIELD:	0.0000 BBL/MCF			



<b>DAKOTA HISTORICAL DATA</b>		<b>1ST PROD: 7/81</b>	<b>DAKOTA PROJECTED DATA</b>	
OIL CUM:	6.6 MBO		7/1/96 QI:	127 MCFD
GAS CUM:	762.0 MMCF		DECLINE RATE:	4.5% (EXPONENTIAL)
OIL YIELD:	0.0087 BBL/MCF			

<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>		
	GAS	OIL
CHACRA:	20%	0%
DAKOTA:	80%	100%

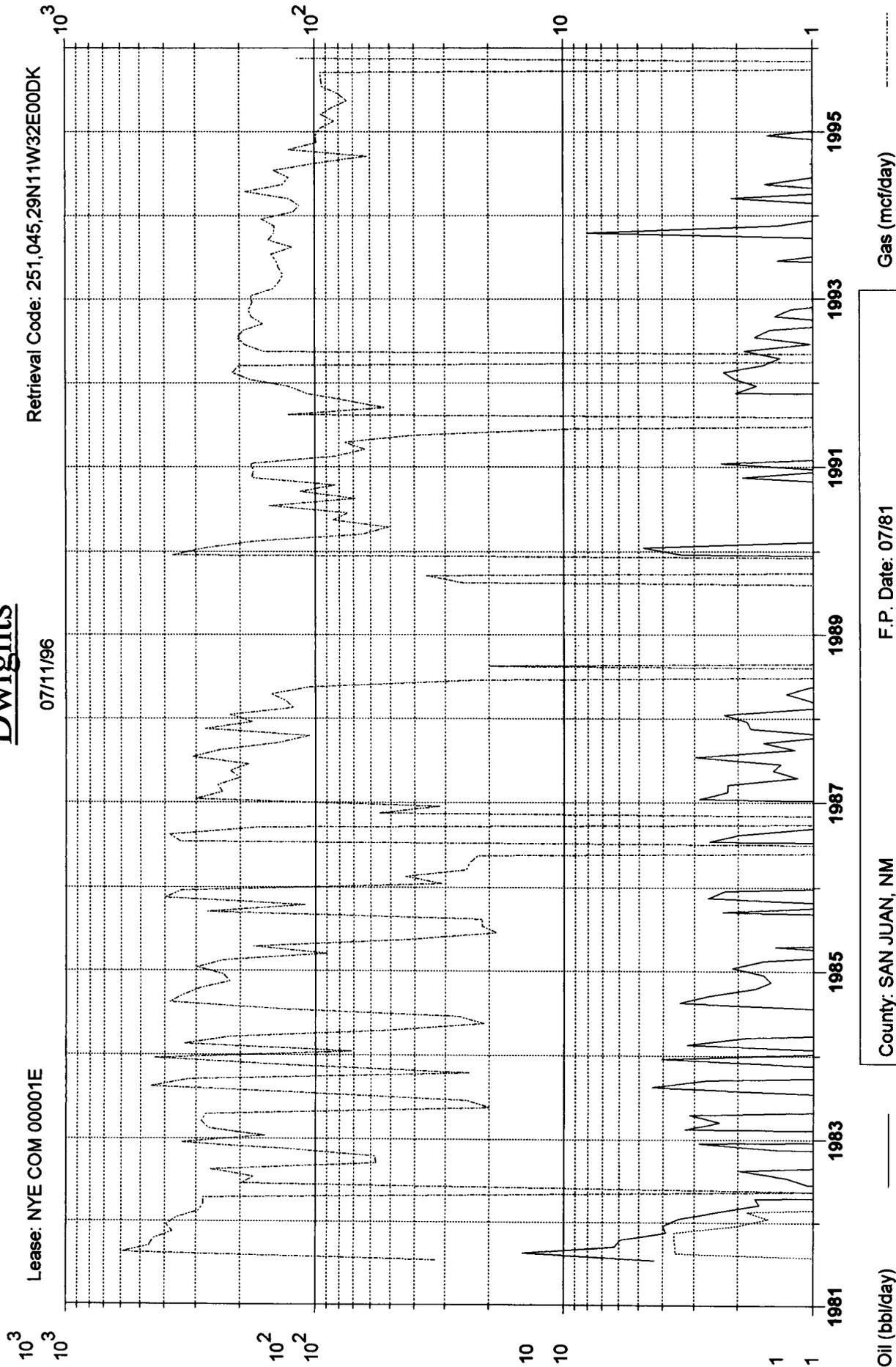
GAS ALLOCATION BASED ON PROJECTED 1996 RATES  
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS  
*NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA*

# Dwights

Lease: NYE COM 00001E

07/11/96

Retrieval Code: 251,045,29N11W32E00DK



Oil (bbl/day)

Water (bbl/day)

Gas (mcf/day)

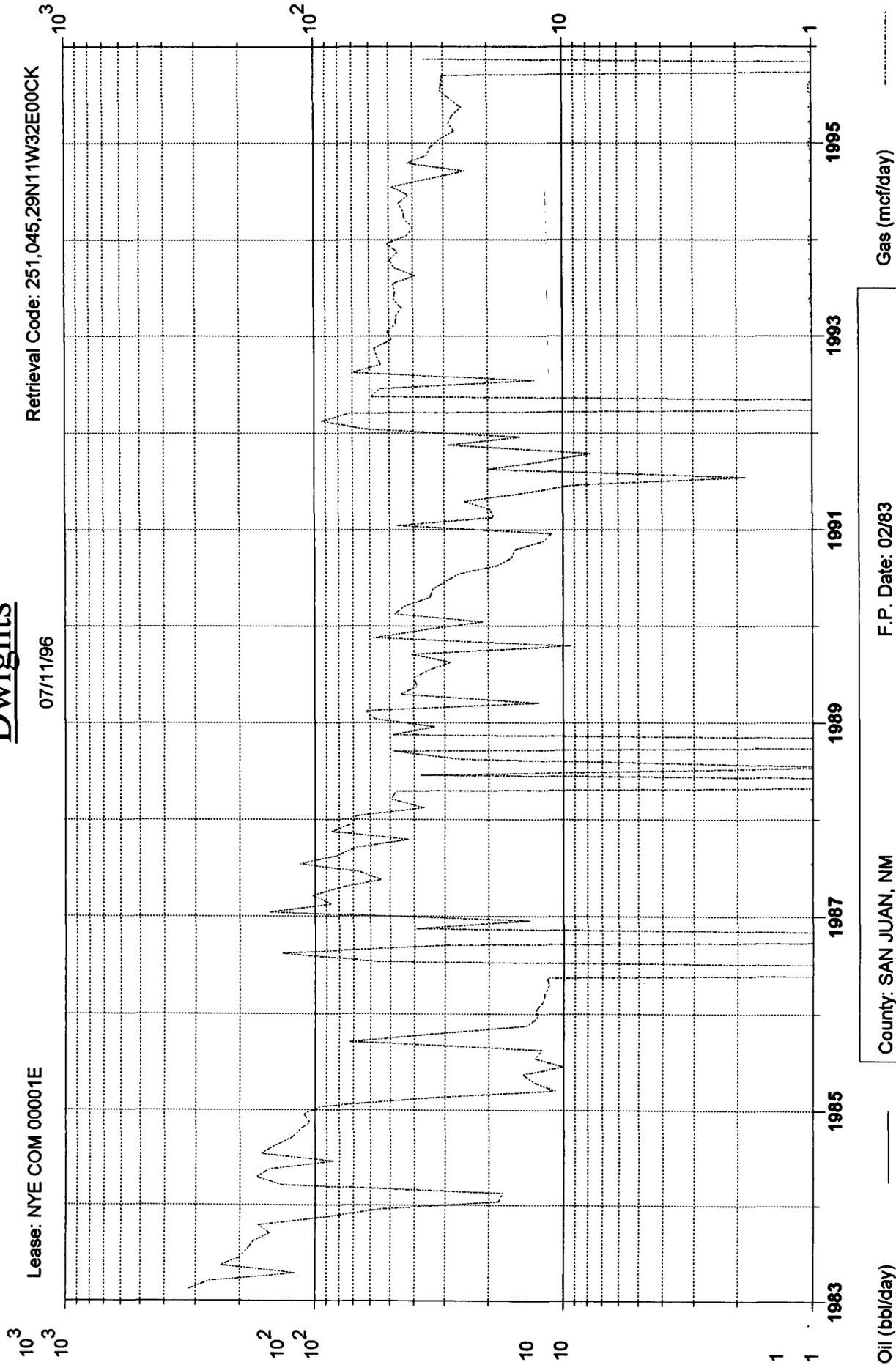
County: SAN JUAN, NM	F.P. Date: 07/81
Field: BASIN (DAKOTA) DK	Oil Cum: 6596 bbl
Reservoir: DAKOTA	Gas Cum: 762.0 mmcf
Operator: CONOCO INC	Location: 32E 29N 11W

# Dwights

07/11/96

Lease: NYE COM 00001E

Retrieval Code: 251,045,29N11W32E00CK



County: SAN JUAN, NM	F.P. Date: 02/83
Field: OTERO (CHACRA) CK	Oil Cum: 10 bbl
Reservoir: CHACRA	Gas Cum: 252.9 mmcf
Operator: CONOCO INC	Location: 32E 29N 11W

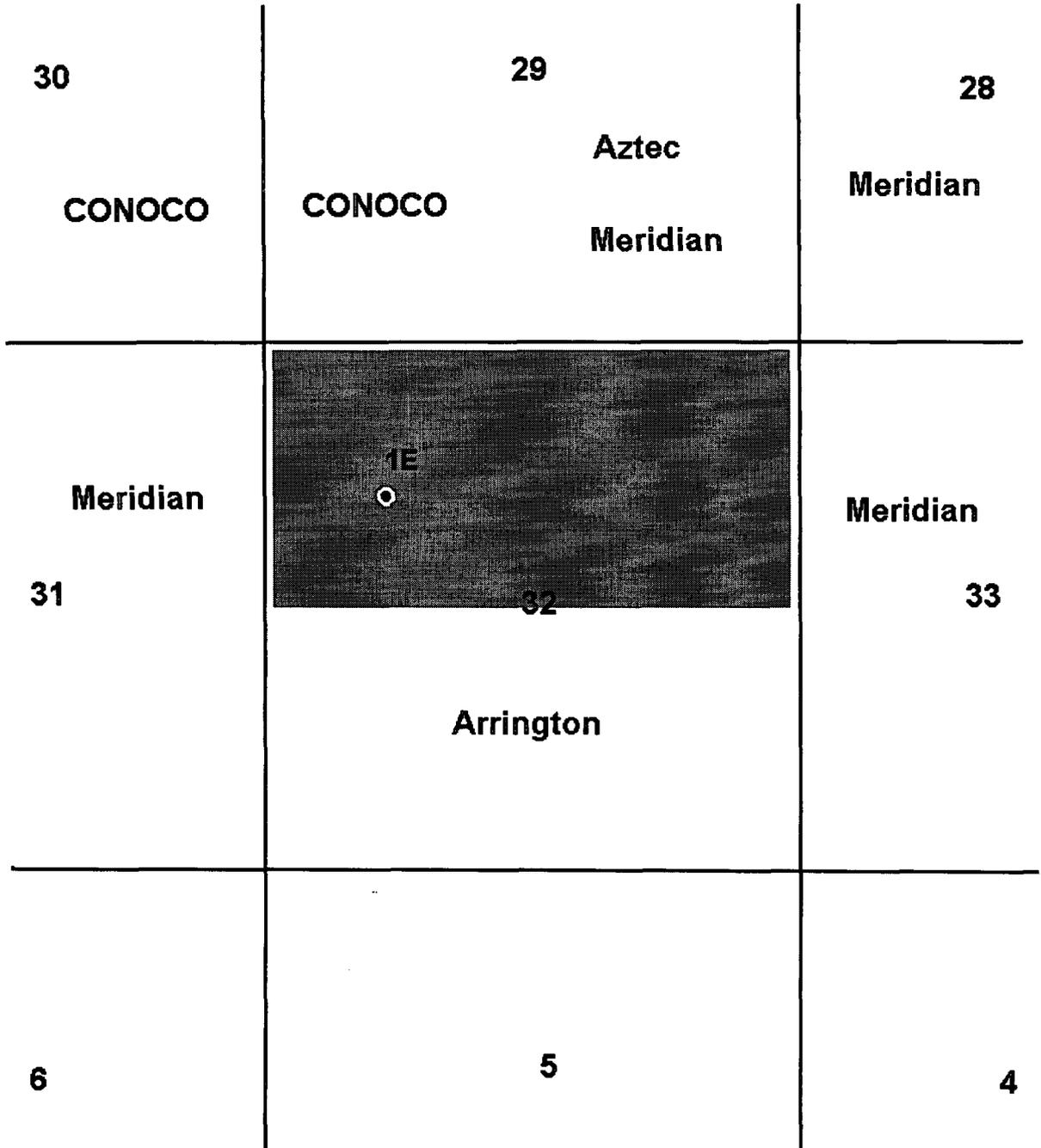
Oil (bbl/day)

Water (bbl/day)

Gas (mcf/day)

# NYE COM NO. 1E

## OFFSET OPERATORS



Township 29N — Range 11W

## NYE COM NO. 1E

### Net Working Interests and Carried Working Interests Royalty Interest and Overriding Royalty Interests

Name & Address	Interest Type	Chacra % Interest	Dakota % Interest
Conono Inc. 10 Desta Drive West Ste. 100W Midland, TX 79705	Working	77.70833	81.99859
Conoco Inc. 10 Desta Drive West Ste. 100W Midland, TX 79705	Carried Working	.00000	1.12640
Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	Royalty	3.12500	4.68750
Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, NM 87504	Royalty	.00000	1.56250
Kathryn V. Schreck P.O. Box 1563 Aztec, NM 87410	Overriding Royalty	.58594	.58594
Robert A. Shepherd P.O. Box 478 Gamerco, NM 87317	Overriding Royalty	1.56250	.78125
Jerry Dale Winget 932 Jefferson NE Albuquerque, NM 87110	Overriding Royalty	.58594	.58594
Jane McIntyre P.O. Box 405 Vernon, AZ 85940	Overriding Royalty	1.56250	.78125
Oscar Donistrophe P. O. Box 746ifia Cir. Bloomfield, NM 87413	Overriding Royalty	.78125	.78125
Kenneth J. Pitts 718 Vista Pacifica Cir. Pismo Beach, Ca 93449	Overriding Royalty	1.17187	1.17188
Eva Lee P.O. Box 544. Farmington, NM 87499	Overriding Royalty	3.12501	1.56250

September 3, 1996

Note to DHC File:

Conoco failed to complete Item No. 10, specifically the question of whether the interest owners were notified of the application. Ben Stone contacted Mr. Jerry Hoover on 9/3/96 who assured us that it was just a technical glitch, and that in fact, these interest owners were notified. We will proceed processing the application on the assurance of Mr. Hoover.

DRC