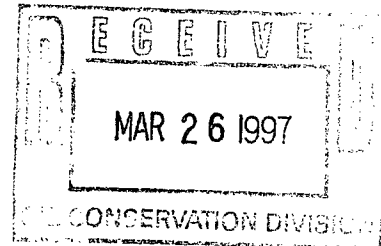


DHC 4/15/97

Bonneville Fuels Corporation
A Subsidiary of Bonneville Pacific Corporation

1536

March 21, 1997



State of New Mexico
Oil Conservation Division
2040 S Pacheco
Santa Fe, NM 87505-6429

Dear Sirs:

Attached find our application for Downhole Commingling of the Basin Dakota and Kutz Gallup pools. Also find:

- 1.) Form C-102, Acreage Dedication Plat. (Attachment I, Ia)
- 2.) Production curve for the Dakota zone. (Attachment II)
- 3.) E H Pipkin #2 Scout ticket (Attachment III) and production history (Attachment IV). There is no production curve for the Gallup formation because the zone has not been completed yet. Enclosed is the production history and scout ticket from the nearest offset Gallup production. Estimated production rates for the Gallup zone are based on this offset well the E H Pipkin #26 completed in the Kutz Gallup lower pay sand. The production allocation for the Gallup will be based on projected rates after completion and testing of the Gallup zone.
- 4.) All working, overriding and royalty interests are common in the Gallup zone (5815'-5834') and in the Dakota zone (6370'-6394').
- 5.) Notification List of Offset Operators. (Attachment V)

If you have any questions regarding this application please contact Alan L. Merrill, Operations Engineer, at the number listed below.

Sincerely

Doris Maly
Engineering Technician

DISTRICT I
P.O. Box 1880, Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-8429

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

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

BONNEVILLE FUELS CORPORATION 1660 Lincoln Street, Denver CO 80264
Operator FULLERTON FEDERAL Well No. 6E Unit ID: B 11 27N 11W San Juan County
OGRID NO. 002678 Property Code 002159 API NO. 3004524639 Federal X State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Kutz Gallup 36550		Basin DK 71599
2. Top and Bottom of Pay Section (Perforations)	5815'-5834'		6370'-6394'
3. Type of production (Oil or Gas)	Gas & Oil		Gas & Oil
4. Method of Production (Flowing or Artificial Lift)	Plunger Lift		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 1250 psi (est) b. (Original) 1250 psi (est)	a. b.	a. 500 psi (est) b. 1300 psi (est)
6. Oil Gravity (° API) or Gas BTU Content	40°api / 1200 BTU		40°api / 1200 BTU
7. Producing or Shut-In?	Not Completed		Producing
Production Marginal? (yes or no)	yes		no
* 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	Date: Rates: NA	Date: Rates:	Date: Rates: NA
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: NA	Date: Rates:	Date: 1-5-97 Rates: 190 MCF/D 1/4 BOPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 95 % Gas: 5 %	Oil: % Gas: %	Oil: 5 % Gas: 95 %

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. NMOC Reference Cases for Rule 303(C) 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 Alan L. Merrill TITLE Operations Engineer DATE 1/24/97

TYPE OR PRINT NAME Alan L. Merrill TELEPHONE NO. (303) 863-1555 x 225

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3004524639		Pool Code 71599	Pool Name Basin Dakota
Property Code 002159	Property Name FULLERTON FEDERAL		Well Number 6E
GRID No. 002678	Operator Name BONNEVILLE FUELS CORPORATION		Elevation 6031'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	11	27N	11W		790	North	1850	East	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Alan L. Merrill</i> Signature Alan L. Merrill Printed Name Operations Engineer Title 1/24/97 Date
	¹⁸ SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor:
	Certificate Number

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3004524639		Pool Code 36550	Pool Name KUTZ GALLUP
Property Code 002159	Property Name Fullerton Federal		Well Number 6E
OGRID No. 002678	Operator Name BONNEVILLE FUELS CORPORATION		Elevation 6031'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	11	27N	11W		790	North	1850	East	San Juan

11 Bottom Hole Location If Different From Surface

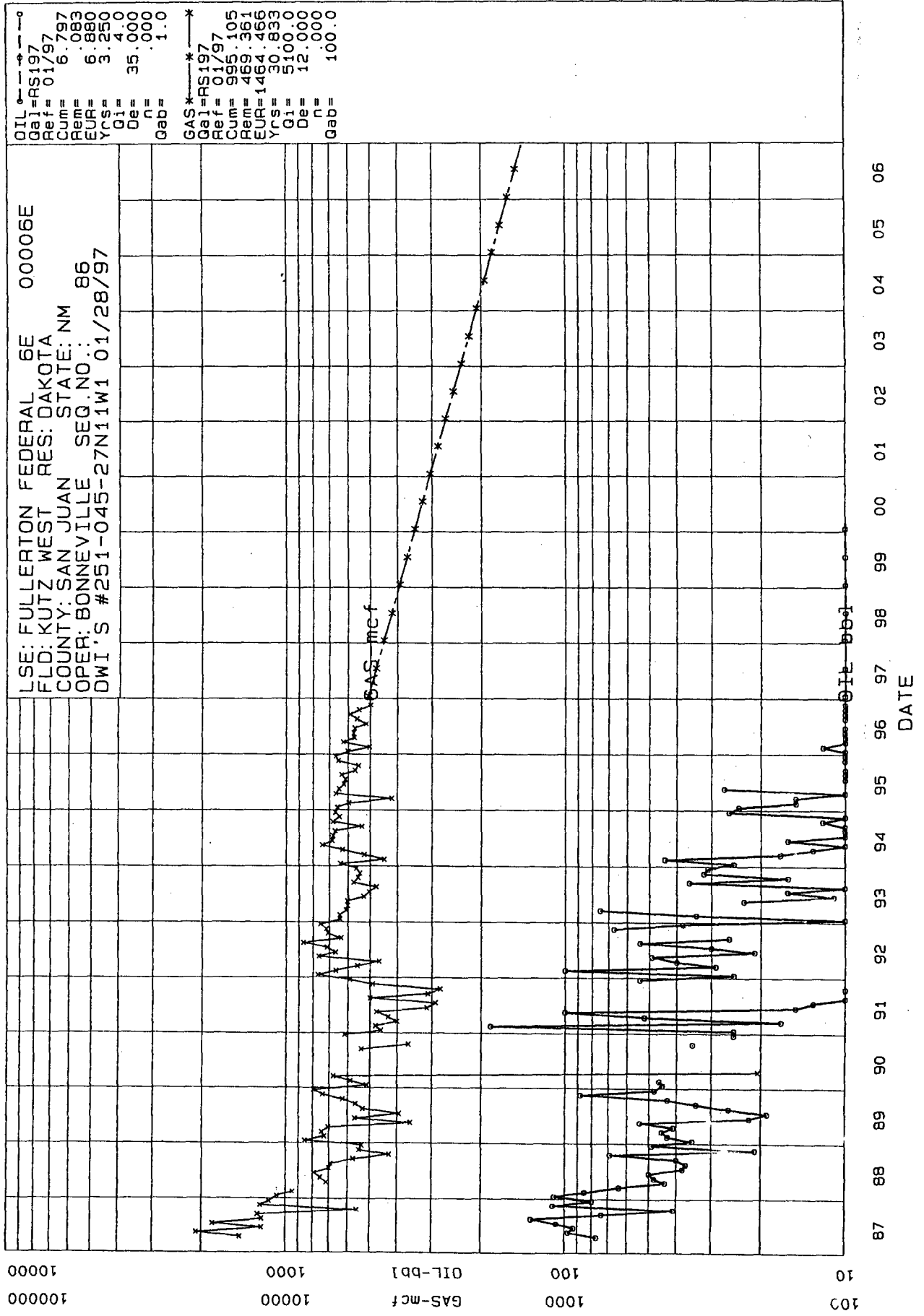
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

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

16					17 OPERATOR CERTIFICATION
					I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Alan L. Merrill</i> Signature Alan L. Merrill Printed Name Operations Engineer Title 1/24/97 Date
					18 SURVEYOR CERTIFICATION
					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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Fullerton Fed #6E Dakota Production Decline Curve ATTACHMENT II



ATTACHMENT: III

Copyright 1997 Rockies

Run Date: 17-Mar-97

State : New Mexico NM Merid 27N - 11W - 12 sw nw

County: SAN JUAN

Oper: ENERGY RESERVES GROUP

Field : KUTZ GAL

Compl: 03/17/1985 D OG O&G

Well: E H PIPKIN #26

Last Info: 11/16/1987

Ftg: 1470 fnl 850 fwl

Lat-Long by TDG: 36.592804 - 107.960739

Oper Address: PO Box 2437, Midland TX 79702

Obj: 5850 Gallup Permit #: 11/12/1984 API: 30-045-2615100

Elev: 5967KB

Spud: 01/07/1985 Contr: Arapahoe #1

TD: 5850 on 01/15/1985 Gallup

PB: 5808

Elev: 5967KB FORMATION TOPS (Type: L=Log S=Sample V=True Vertical)

(Source: H=Dwights,I=IOG,T=Govt,S=Shell,U=USGS,R=NRIS

M=Munger,N=NDGS,B=Boyd,G=GDS,X=Proprietary)

Formation	Depth	Elev	T/S	Formation	Depth	Elev	T/S
Ojo Alamo	702	5265	L H	Cliff House	3306	2661	L H
Kirtland	800	5167	L H	Menefee	3418	2549	L H
Fruitland	1530	4437	L H	Point Lookout	4200	1767	L H
Pictured Cliffs	1770	4197	L H	Mancos	4474	1493	L H
Lewis	1912	4055	L H	Gallup	5310	657	L H
Chacra	2674	3293	L H	LTD	5847	120	L H

Notes :

Casing: 8 5/8 @ 307 w/200 - 4 1/2 @ 5850 w/1340

Core : None

DST : None

Logs : DIL-SP FDC-CNL-GR

Tubing: 2 3/8 @ 5772

Perfs : 5734-5660 (Gallup)

w/holes @: 5734 5732 5730 5728 5726 5724 5668 5666 5664 5662 5660 w/1

SPF - acid w/500 gal 7 1/2% HCl - frac w/28,000 gal 70 Q foam 29,500#

10/20 sd

PZone : (Gallup)

IP : P 17 BOPD, 80 MCFGPD , no wtr

Journl: 1/14/85 drlg, depth unknown.

1/29/85 WOCT.

2/11/85 WOCT.

2/26/85 SI.

3/26/85 completed oil & gas well.

ATTACHMENT: IV

DWIGHTS ENERGYDATA, INC.
OIL LEASE HISTORY
NEW MEXICO OIL NORTHWEST

RUN DATE: 03/19/97
DATA CURRENT THRU: 09/96
(#151,045,27N11W12E006P)

OPERATOR (#19922)	WELL NAME	WELL #
AMOCO PRODUCTION CO	E H PIPKIN	26

LOCATION	STATE	DIST	COUNTY (#045)	LEASE #
12E 27N 11W	NM	004	SAN JUAN	2754

API #	FIELD (#8039674)	RESERVOIR
30-045-2615100	KUTZ (GALLUP) GP	GALLUP

TOTAL DEPTH	UPPER PERF	LOWER PERF	GAS GATH	LIQ GATH	GAS GRAV	LIQ GRAV	TEMP GRAD
5850			BHPPE	G R			

COMP DATE	1ST PROD DATE	LAST PROD DATE	STATUS DATE	STATUS
	8503	9610		ACT

CUM THRU LPD OIL/BBLs	OIL CUM SINCE DATE	CUM THRU LPD CSGHD GAS/MCF	CASINGHEAD CUM SINCE DATE
10503	FPDAT	133221	FPDAT

DWIGHTS ENERGYDATA, INC.
AMOCO PRODUCTION CO
E H PIPKIN

RUN DATE: 03/19/97
DATA CURRENT THRU: 09/96
(#151,045,27N11W12E006P)

*** ANNUAL PRODUCTION HISTORY ***

YEAR	OIL BBLs	CASINGHEAD GAS/MCF	WATER BBLs
1985	640	0	0
1989	2733	21231	276
1990	2075	23021	273
1991	1409	19439	0
1992	49	387	0
1993	1057	19656	21
1994	1172	21892	100
1995	927	18971	46
1996	441	8624	39

DWIGHTS ENERGY DATA, INC.
AMOCO PRODUCTION CO
E H PIPKIN

RUN DATE: 03/19/97
DATA CURRENT THRU: 09/96
(#151,045,27N11W12E006P)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	OIL BBLs	CUM OIL BBLs	CASINGHEAD GAS/MCF	CUM CASINGHEAD	WATER BBLs	DAYS ON
MAR	297	297	0	0	0	27
APR	182	479	0	0	0	19
MAY	161	640	0	0	0	14
JUN	0	640	0	0	0	0
JUL	0	640	0	0	0	0
AUG	0	640	0	0	0	0
SEP	0	640	0	0	0	0
OCT	0	640	0	0	0	0
NOV	0	640	0	0	0	0
DEC	0	640	0	0	0	0
1985	640	640	0	0	0	
JAN	558	1198	2787	2787	0	-
FEB	266	1464	2767	5554	0	28
MAR	308	1772	2677	8231	31	31
APR	241	2013	0	8231	30	30
MAY	234	2247	0	8231	31	31
JUN	186	2433	2352	10583	30	30
JUL	193	2626	2424	13007	31	31
AUG	185	2811	0	13007	31	31
SEP	162	2973	2277	15284	0	30
OCT	181	3154	2074	17358	31	31
NOV	165	3319	2151	19509	30	30
DEC	54	3373	1722	21231	31	31
1989	2733	3373	21231	21231	276	
JAN	234	3607	1865	23096	31	31
FEB	146	3753	1968	25064	0	28
MAR	175	3928	1789	26853	0	31
APR	168	4096	1947	28800	30	30
MAY	155	4251	1984	30784	29	29
JUN	173	4424	1962	32746	30	30
JUL	331	4755	1880	34626	31	30
AUG	162	4917	1894	36520	31	31
SEP	147	5064	2009	38529	30	31
OCT	150	5214	1947	40476	31	31
NOV	112	5326	1963	42439	30	30
DEC	122	5448	1813	44252	0	31
1990	2075	5448	23021	44252	273	

DWIGHTS ENERGY DATA, INC.
 AMOCO PRODUCTION CO
 E H PIPKIN

RUN DATE: 03/19/97
 DATA CURRENT THRU: 09/96
 (#151,045,27N11W12E006P)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	OIL BBLs	CUM OIL BBLs	CASINGHEAD GAS/MCF	CUM CASINGHEAD	WATER BBLs	DAYS ON
JAN	16	5464	1477	45729	0	31
FEB	206	5670	1861	47590	0	28
MAR	170	5840	1677	49267	0	28
APR	106	5946	1887	51154	0	30
MAY	147	6093	1750	52904	0	31
JUN	107	6200	1689	54593	0	30
JUL	137	6337	1682	56275	0	31
AUG	137	6474	1661	57936	0	31
SEP	108	6582	1497	59433	0	30
OCT	76	6658	1336	60769	0	31
NOV	114	6772	1397	62166	0	30
DEC	85	6857	1525	63691	0	31
1991	1409	6857	19439	63691	0	
JAN	9	6866	235	63926	0	1
FEB	0	6866	44	63970	0	8
MAR	0	6866	108	64078	0	2
APR	0	6866	0	64078	0	0
MAY	40	6906	0	64078	0	10
JUN	0	6906	0	64078	0	0
JUL	0	6906	0	64078	0	0
AUG	0	6906	0	64078	0	0
SEP	0	6906	0	64078	0	0
OCT	0	6906	0	64078	0	0
NOV	0	6906	0	64078	0	0
DEC	0	6906	0	64078	0	0
1992	49	6906	387	64078	0	
JAN	0	6906	0	64078	0	0
FEB	0	6906	0	64078	0	0
MAR	0	6906	0	64078	0	0
APR	0	6906	0	64078	0	0
MAY	86	6992	984	65062	13	11
JUN	200	7192	2532	67594	0	30
JUL	144	7336	2551	70145	0	31
AUG	147	7483	2772	72917	0	31
SEP	134	7617	3406	76323	0	30
OCT	122	7739	2711	79034	0	31
NOV	107	7846	2402	81436	4	30
DEC	117	7963	2298	83734	4	31
1993	1057	7963	19656	83734	21	

DWIGHTS ENERGY DATA, INC.
 AMOCO PRODUCTION CO
 E H PIPKIN

RUN DATE: 03/19/97
 DATA CURRENT THRU: 09/96
 (#151,045,27N11W12E00GP)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	OIL BBLs	CUM OIL BBLs	CASINGHEAD GAS/MCF	CUM CASINGHEAD	WATER BBLs	DAYS ON
JAN	105	8068	2079	85813	4	31
FEB	128	8196	1683	87496	3	28
MAR	121	8317	1946	89442	12	31
APR	104	8421	1859	91301	12	30
MAY	87	8508	1926	93227	12	31
JUN	93	8601	1888	95115	12	30
JUL	89	8690	1884	96999	25	31
AUG	102	8792	1197	98196	4	31
SEP	79	8871	1923	100119	4	30
OCT	91	8962	1895	102014	4	31
NOV	83	9045	1814	103828	4	30
DEC	90	9135	1798	105626	4	31
1994	1172	9135	21892	105626	100	
JAN	85	9220	1791	107417	4	31
FEB	81	9301	1644	109261	3	28
MAR	78	9379	2086	111347	4	31
APR	77	9456	2024	113371	7	30
MAY	28	9484	1481	114852	5	18
JUN	110	9594	1205	116057	3	28
JUL	80	9674	1652	117709	4	31
AUG	83	9757	1449	119158	0	31
SEP	82	9839	1218	120376	4	30
OCT	78	9917	1485	121861	4	31
NOV	75	9992	1430	123291	4	30
DEC	70	10062	1306	124597	4	31
1995	927	10062	18971	124597	46	
JAN	90	10152	1366	125963	4	31
FEB	73	10225	1476	127439	3	29
MAR	77	10302	1692	129131	4	31
APR	71	10373	1633	130764	4	30
MAY	6	10379	1379	132143	1	31
JUN	124	10503	984	133127	13	24
JUL	0	10503	0	133127	0	0
AUG	0	10503	0	133127	0	0
SEP	0	10503	0	133127	0	0
OCT	0	10503	94	133221	1	4
1996	441	10503	8624	133221	39	

Bonneville Fuels Corporation

Attachment V

**Offset Operators
Kutz Gallup/Basin Dakota
Sec 11 T27N R11W
San Juan County, NM**

**BHP
5847 San Felipe Ste 3600
Houston, TX 77057**

**Meridian
3535 E 30th Street
Farmington, NM 87401**

**Amoco
200 Amoco Ct
Farmington, NM 87401**

**Conoco
10 Desta Drive
Midland, TX 79705**