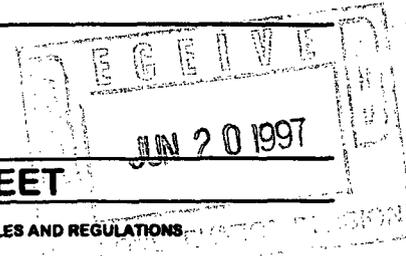


DATE IN 6/20/97	SUSPENSE 7/10/97	ENGINEER DC	LOGGED BY KW	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -



ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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 - Directional Drilling  
 NSL  NSP  DD  SD

1613

Check One Only for [B] and [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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Jerry W. Hoover  
Print or Type Name

*Jerry W. Hoover*  
Signature

Sr. Conservation Coordinator 6-13-97  
Title Date

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

DISTRICT II  
811 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

**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

**APPLICATION FOR DOWNHOLE COMMINGLING**

Operator Conoco Inc. Address 10 Desta Dr., Ste 100W, Midland, TX 79705-4500

Lease Jicarilla K Well No 17 Unit Ltr Sec Twp Rge K-12-T-25N-R5W County Rio Arriba

Spacing Unit Lease Types: (check 1 or more)  
OGRID NO. 005073 Property Code 18023 API NO. 30039-20433 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 Mesa Verde 72319	Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	Proposed 4174'-4204'	Proposed 5461'-5677'	Current 7664'-7670'
3. Type of production (Oil or Gas)	Gas	Gas	Gas
4. Method of Production (Flowing or Artificial Lift)	To flow	To flow	Flowing
5. Bottom hole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 970 PSIA	a. 745 PSIA	a. 881 PSIA
	b (Original) 976 PSIA	b. 1134 PSIA	b. 2789 PSIA
6. Oil Gravity (*API) or Gas BTU Content	1193-BTU	1265-BTU	1233-BTU
7. Producing or Shut-In?	Shut - in	To be completed	Producing
Production Marginal? (yes or no)	Yes	Expected to be	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 Rates Split Chacra & Dakota by percentages below after subtraction	Date Rates Incremental Production by subtraction see attached sheet	Date Rates Split Chacra & Dakota by percentages after subtraction
8. Fixed Percentage Allocation Formula -% for each zone	Oil 0 % Gas 27 %	Oil % Gas %	Oil 100 % Gas 73 %

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 others  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 Coord. DATE 6/13/97

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

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

All distances must be from the outer boundaries of the Section

Operator <b>SOUTHERN UNION PRODUCTION COMPANY</b>		Lease <b>JICARILLA "K"</b>		Well No. <b>17</b>
Unit Letter <b>K</b>	Section <b>12</b>	Township <b>25 NORTH</b>	Range <b>5 WEST</b>	County <b>RIO ARriba</b>
Actual Footage Location of Well: <b>1450</b> feet from the <b>SOUTH</b> line and <b>2140</b> feet from the <b>WEST</b> line				
Ground Level Elev. <b>6953.0</b>	Producing Formation <b>DAKOTA</b>	Pool <b>BASIN DAKOTA</b>	Dedicated Acreage: <b>5/2 = 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 \_\_\_\_\_

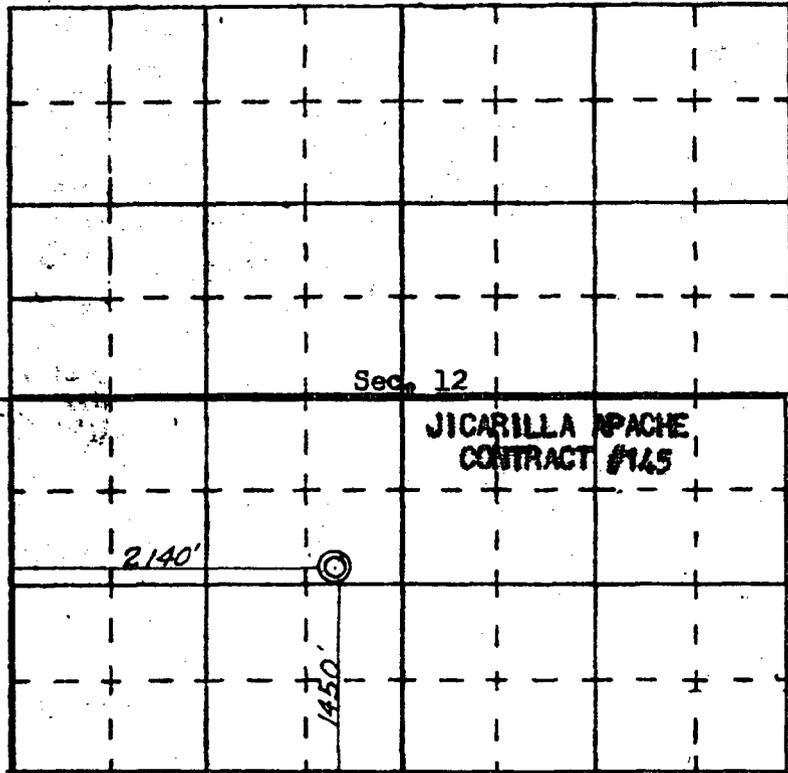
If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this Form if necessary.) \_\_\_\_\_

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.

ORIGINAL SIGNED BY  
**B. R. VANDERSLICE**  
Name  
**B. R. VANDERSLICE**  
Position  
**AREA SUPERINTENDENT**  
Company  
**SOUTHERN UNION PRODUCTION**  
Date  
**OCTOBER 7, 1971**

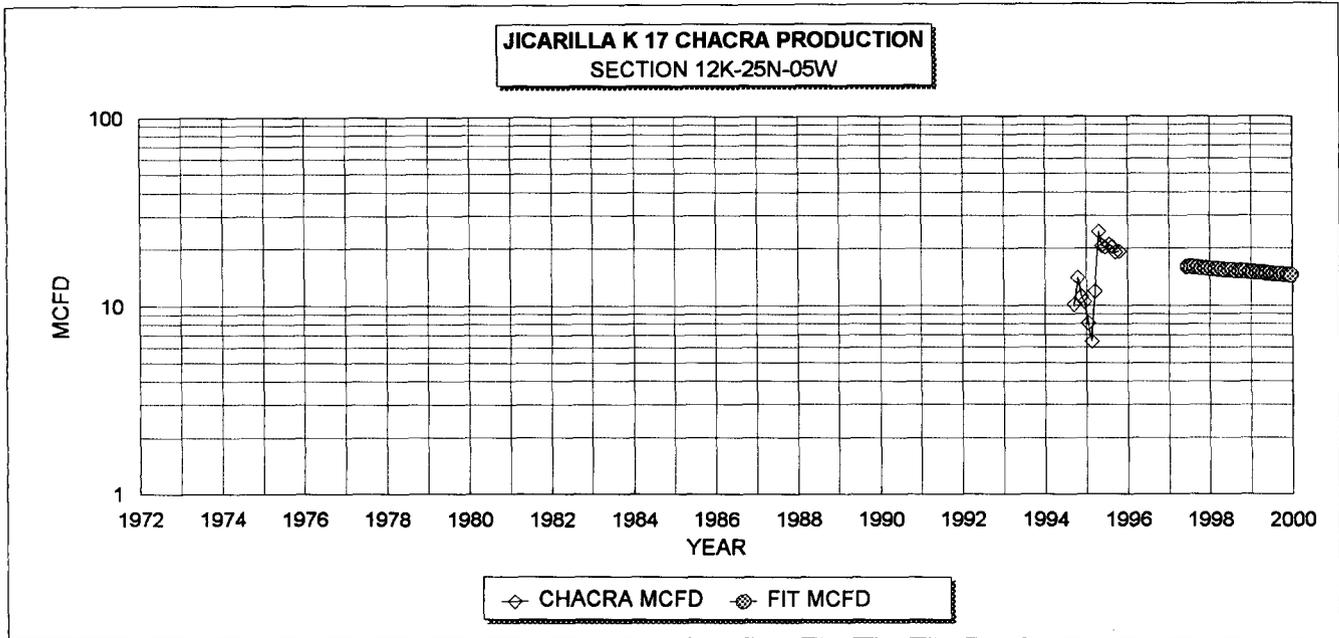


SCALE—4 INCHES EQUALS 1 MILE

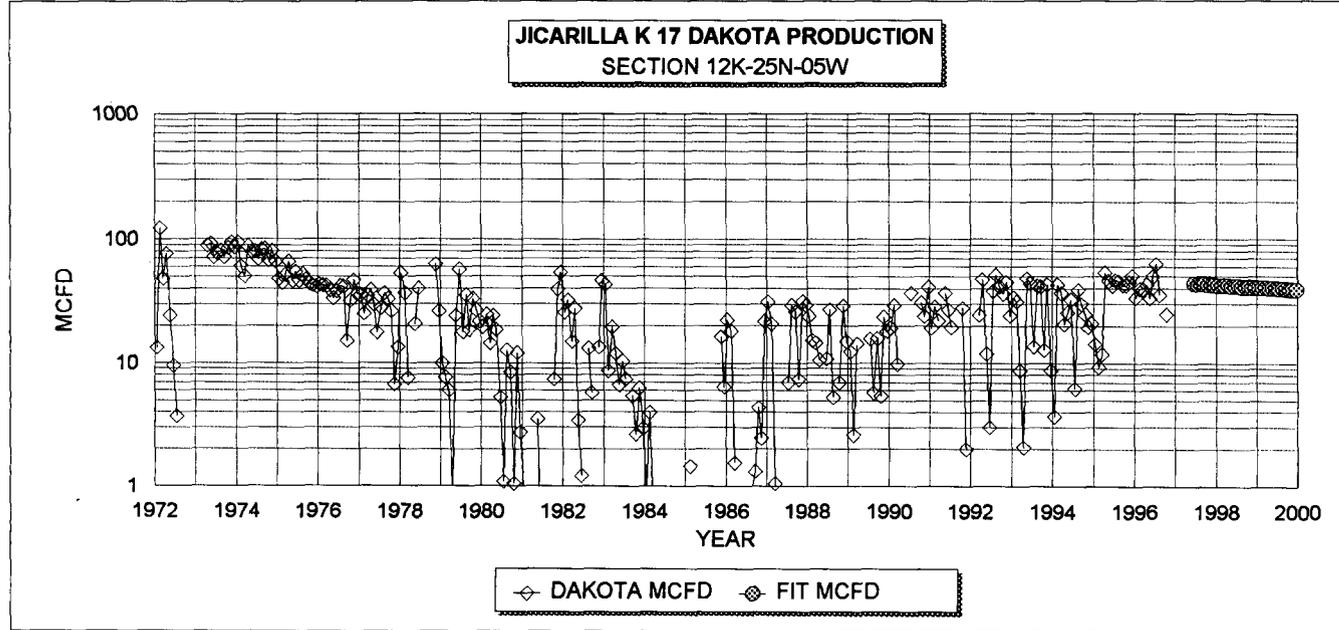
SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

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.

5  
Date Signed  
Professional Engineer and/or Land Surveyor  
No. 63  
JAMES P. LEASE  
NEW MEXICO  
1488  
Certificate No.



<b>CHACRA HISTORICAL DATA:</b>		<b>1ST PROD: 09/94</b>	<b>CHACRA PROJECTED DATA</b>	
OIL CUM:	0.00 MBO		6/1/97 Qi:	16 MCFD
GAS CUM:	6.6 MMCF		DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0000 BBL/MCF			



<b>DAKOTA HISTORICAL DATA</b>		<b>1ST PROD: 01/72</b>	<b>DAKOTA PROJECTED DATA</b>	
OIL CUM:	4.6 MBO		6/1/97 Qi:	44 MCFD
GAS CUM:	214.4 MMCF		DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0216 BBL/MCF			

<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>		
	GAS	OIL
CHACRA	27%	0%
DAKOTA	73%	100%

GAS ALLOCATION BASED ON PROJECTED 1997 RATES  
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS  
*NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA*

JICARILLA K 17: CHACRA AND DAKOTA FORECAST FOR SUBTRACTION COMMINGLE WITH MESAVERDE  
 12K-25N-05W

(6-12/97 AVG)

YEAR	CHACRA MCFD	DAKOTA MCFD	TOTAL MCFD	CHACRA OIL; BOPD	DAKOTA OIL; BOPD
1997	16	43	58	0.0	0.9
1998	15	42	57	0.0	0.9
1999	15	40	55	0.0	0.9
2000	14	38	53	0.0	0.8
2001	14	37	51	0.0	0.8
2002	13	35	49	0.0	0.8
2003	13	34	47	0.0	0.7
2004	12	33	45	0.0	0.7
2005	12	31	43	0.0	0.7
2006	11	30	41	0.0	0.7
2007	11	29	40	0.0	0.6
2008	10	28	38	0.0	0.6
2009	10	27	36	0.0	0.6
2010	9	26	35	0.0	0.6
2011	9	25	34	0.0	0.5
2012	9	24	32	0.0	0.5
2013	8	23	31	0.0	0.5
2014	8	22	30	0.0	0.5
2015	8	21	29	0.0	0.5
2016	7	20	27	0.0	0.4
2017	7	19	26	0.0	0.4
2018	7	18	25	0.0	0.4
2019	7	18	24	0.0	0.4
2020	6	17	23	0.0	0.4
2021	6	16	22	0.0	0.4
2022	6	16	21	0.0	0.3
2023	6	15	21	0.0	0.3
2024	5	14	20	0.0	0.3
2025	5	14	19	0.0	0.3
2026	5	13	18	0.0	0.3
2027	5	13	17	0.0	0.3
2028	5	12	17	0.0	0.3
2029	4	12	16	0.0	0.3
2030	4	11	15	0.0	0.2

# JICARILLA K #17

## OFFSET OPERATORS

<p>CONOCO, INC. MFRIT ENERGY CORP.</p> <p style="font-size: 2em; font-weight: bold;">2</p>	<p>CONOCO, INC.</p> <p style="font-size: 2em; font-weight: bold;">1</p>	<p>BURLINGTON RESOURCES EL PASO EXPL. CO.</p> <p style="font-size: 2em; font-weight: bold;">6</p>
175N R5W		175N R4W
<p>CONDOR, INC. MFRIT ENERGY CORP.</p> <p style="font-size: 2em; font-weight: bold;">11</p>	<p>CONDOR, INC.</p> <p style="font-size: 2em; font-weight: bold;">12</p> <div style="background-color: #cccccc; padding: 10px; text-align: center;"> <p>JIC K 17</p> <p>○</p> </div>	<p>BURLINGTON RESOURCES EL PASO EXPL. CO.</p> <p style="font-size: 2em; font-weight: bold;">7</p>
T25N R5W		T25N R5W
<p>AMCOED PHOEN.</p> <p style="font-size: 2em; font-weight: bold;">14</p>	<p>AMCOED PHOEN.</p> <p style="font-size: 2em; font-weight: bold;">13</p>	<p>CONOCO, INC.</p> <p style="font-size: 2em; font-weight: bold;">18</p>

Township 25N --- Range 5W

Conoco, Inc.  
Form C-107-A, Application for Downhole Commingling  
Filing date: June 13, 1997

**Offset Operators for Wells as listed below:**

Jicarilla K, Well #11  
Marathon Oil Co.  
Burlington Resources  
Amoco Production Co.

Jicarilla K, Well #17  
Burlinton Resources  
Amoco Production

Jicarilla K, Well #16  
Burlington Resources  
Amoco Production

Newsom, Well #17E  
Amoco Production  
~~Snyder Oil Co.~~  
~~Robert R. Glick~~

Jicarilla K, Well #15E  
Burlington Resources

Jicarilla E, Well #10  
Burlington Resources

Jicarilla E, Well #12  
Burlington Resources

Federal, Well #13E  
Burlington Resources  
Caulkins Oil Co.

AXI Apache J, Well #18A  
Amoco Production  
Elm Ridge Resources

Federal, Well #11E  
Caulkins Oil Co.  
Amoco Production  
Burlington Resources

Reames COM, Well #2  
Caulkins Oil Co.  
Burlington Resources

Conoco, Inc.  
Form C-107-A, Application for Downhole Commingling  
Filing Date: June 13, 1997  
Address List for Offset Operators

RE: Jicarilla K, Well #11, Jacarilla K, Well #17, Jicarilla K, Well #16, Newsom, Well #17E, Jicarilla K, Well #15E, Jicarilla E, Well #10, Jicarilla E, Well #12, Federal, Well 313E, AXI Apache J, Well #18A, Federal, Well #11E, Reames COM, Well #2

Marathon Oil Co., Box 552, Midland, Texas 79702

Burlington Resources, c/o Meridian Oil, Inc., Box 51810, Midland, Texas 79710-1810

Amoco Production Co., Exploration & Production Sector, Box 4891, Houston, Texas 77210

Caulkins Oil Co., Box 340, Bloomfield, NM 87413

Elm Ridge Resources, Box 3946, Farmington, NM 87499

Snyder Oil Co., no longer an operator in the New Mexico Aztec District as per District Office.

Robert R. Click, no longer an operator in the New Mexico Aztec District as per District Office.

P 497 368 595

US Postal Service  
Receipt for Certified Mail

Amoco Production Co.  
Expl. & Prod. Sector  
Box 4891  
Houston, Texas 77210

Postage	\$ 1.93
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 4.38</b>
Postmark or Date	6-18-97

PS Form 3800, April 1995

P 497 368 594

US Postal Service  
Receipt for Certified Mail

Burlington Resources  
c/o Meridian Oil, Inc.  
Box 51810  
Midland, Texas 79710-1810

Postage	\$ 2.90
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 5.35</b>
Postmark or Date	6-18-97

PS Form 3800, April 1995

P 497 368 593

US Postal Service  
Receipt for Certified Mail

Marathon Oil Co.  
Box 552  
Midland, Texas 79702

Postage	\$ .78
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.23</b>
Postmark or Date	6-18-97

PS Form 3800, April 1995

P 497 368 597

US Postal Service  
Receipt for Certified Mail

Elm Ridge Resources  
Box 3946  
Farmington, NM 87499

Postage	\$ .78
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.23</b>
Postmark or Date	6-18-97

PS Form 3800, April 1995

P 497 368 596

US Postal Service  
Receipt for Certified Mail

Caulkins Oil Co.  
Box 340  
Bloomfield, NM 87413

Postage	\$ 1.24
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.69</b>
Postmark or Date	6-18-97

PS Form 3800, April 1995