

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

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

JUN 20 1997

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

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

1616

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

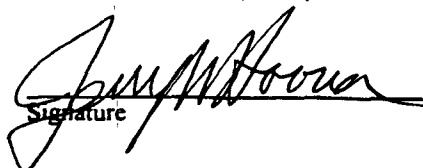
[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, 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


 Signature

Sr. Conservation Coordinator 6-13-97
 Title Date

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
811 South First St., Artesia, NM 88210-2835

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

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

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 15 E Unit Ltr Sec Twp Rge A-1-T-25N-R5W County Rio Arriba

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 18023 API NO. 30039-22414 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	Blanco Mesa Verde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	Proposed 5381' - 5522'		Current 7385' - 7575'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)			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) 797 PSIA b (Original) 1131 PSIA	a. b.	a. 581 PSIA b. 2784 PSIA
6. Oil Gravity (°API) or Gas BTU Content	1265 - BTU		1294 - BTU
7. Producing or Shut-In?	Shut - in		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 Incremental Production by subtraction see attached sheet	Date Rates: Date Rates	Date Rates Mid Year Average Producing Rates - See Table
8. Fixed Percentage Allocation Formula - % for each zone	Oil Gas % %	Oil Gas % %	Oil Gas % %

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? X 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? X Yes No

11. Will cross-flow occur? X 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. X Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each others X Yes No

13. Will the value of production be decreased by commingling? Yes X 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. X 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

All distances must be from the outer boundaries of the section

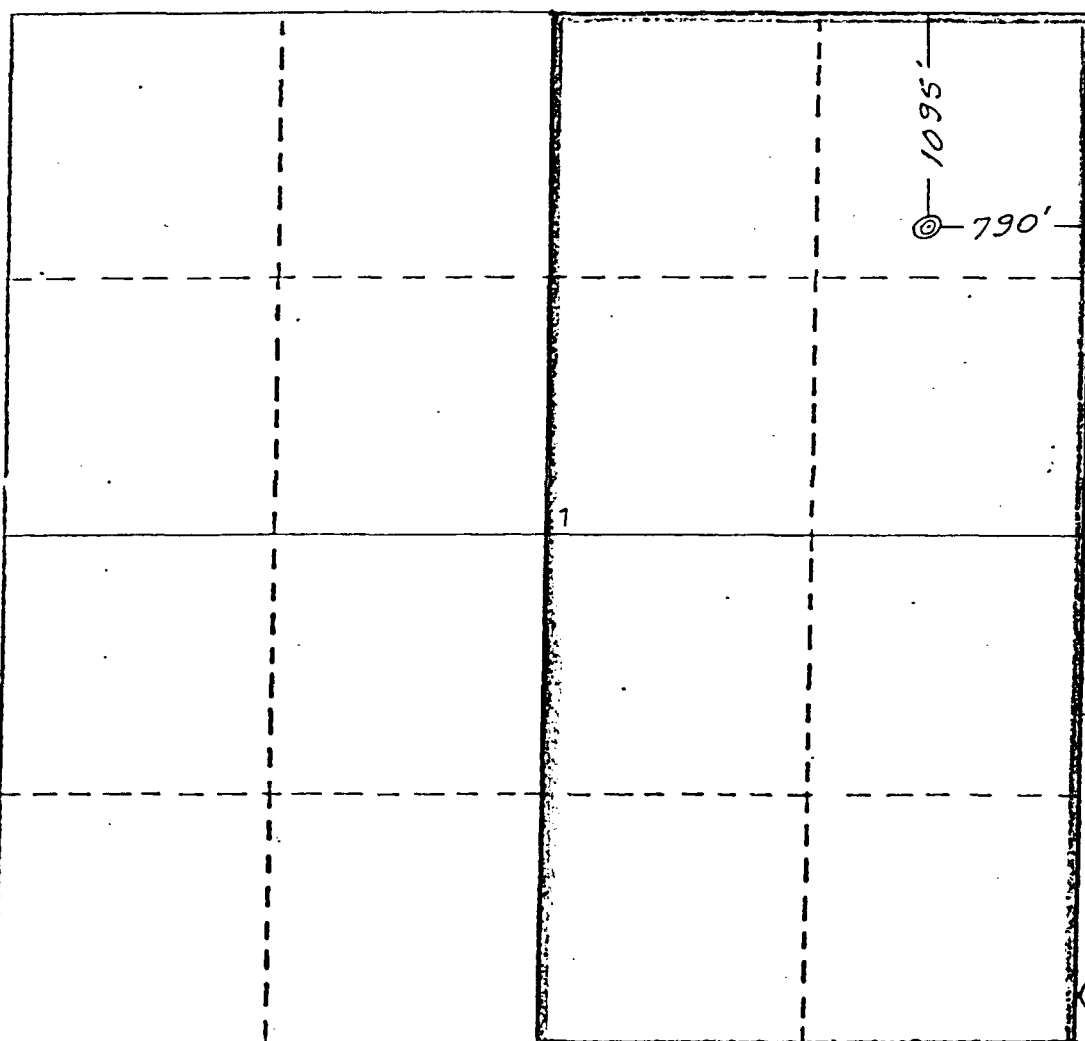
Operator SUPRON ENERGY CORPORATION			Lease JICARILLA "K"		Well No. 15-E
Unit Letter A	Section 1	Township 25 NORTH	Range 5 WEST	County RIO ARriba	
Actual Footage Location of Well: 1095 feet from the NORTH line and 790 feet from the EAST line					
Ground Level Elev. 6716	Producing Formation DAKOTA / MESA VERDE		Pool BASIN / BLANCO		Dedicated Acreage E 1/2 319.91

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.

Rudy D. Motto
Name
Rudy D. Motto
Position
Area Superintendent
Company
SUPRON ENERGY CORPORATION
Date
February 6, 1980

James P. Leese
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.
JAMES P. LEESE

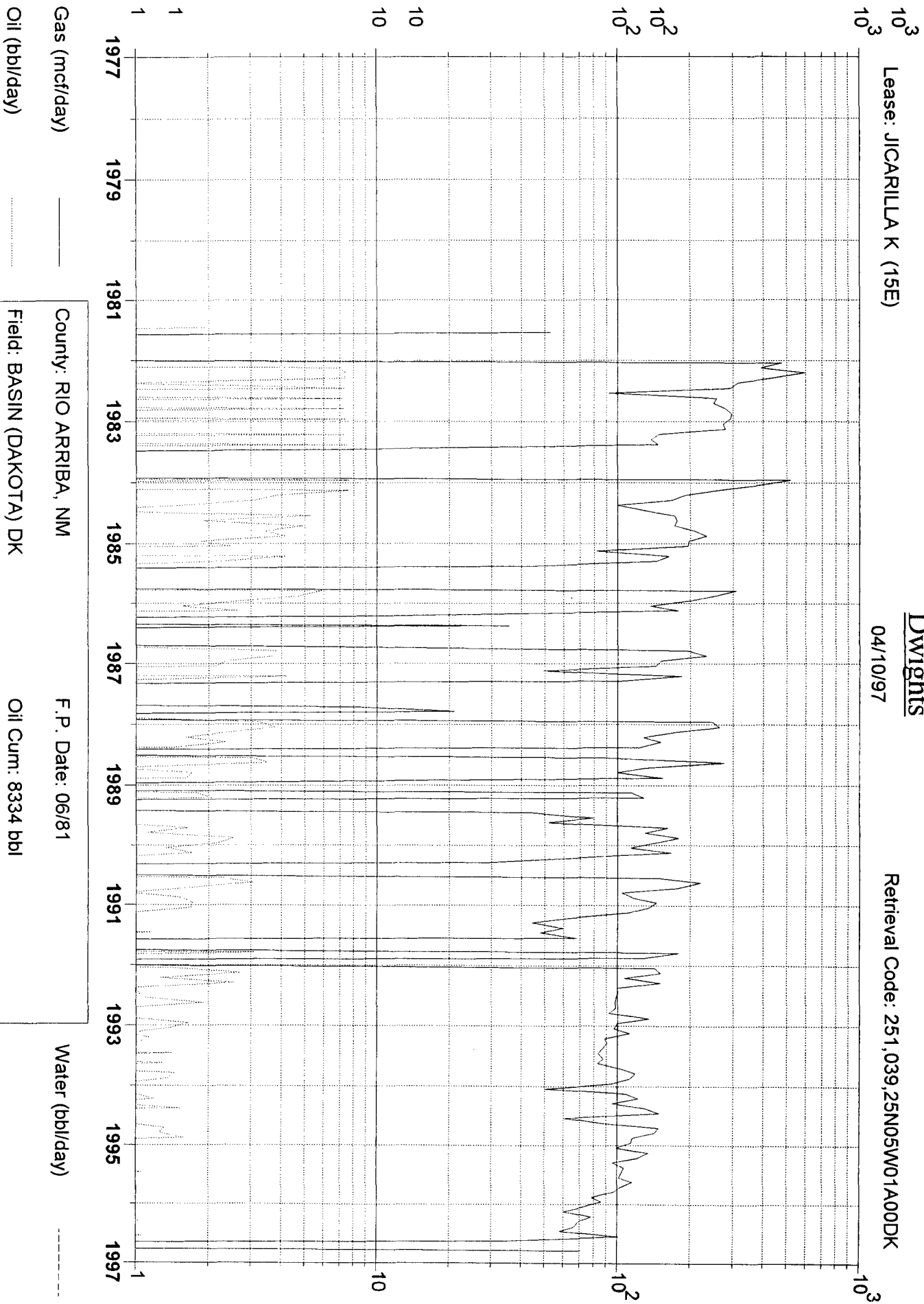
Date Surveyed
February 6, 1980
Registered Professional Engineer
and/or Land Surveyor
James P. Leese
James P. Leese

Certificate No.
1463

Lease: JICARILLA K (15E)

Dwights
04/10/97

Retrieval Code: 251,039,25N05W01A00DK



County: RIO ARriba, NM

F.P. Date: 06/81

Field: BASIN (DAKOTA) DK

Oil Cum: 8334 bbl

Reservoir: DAKOTA

Gas Cum: 651.0 mmcf

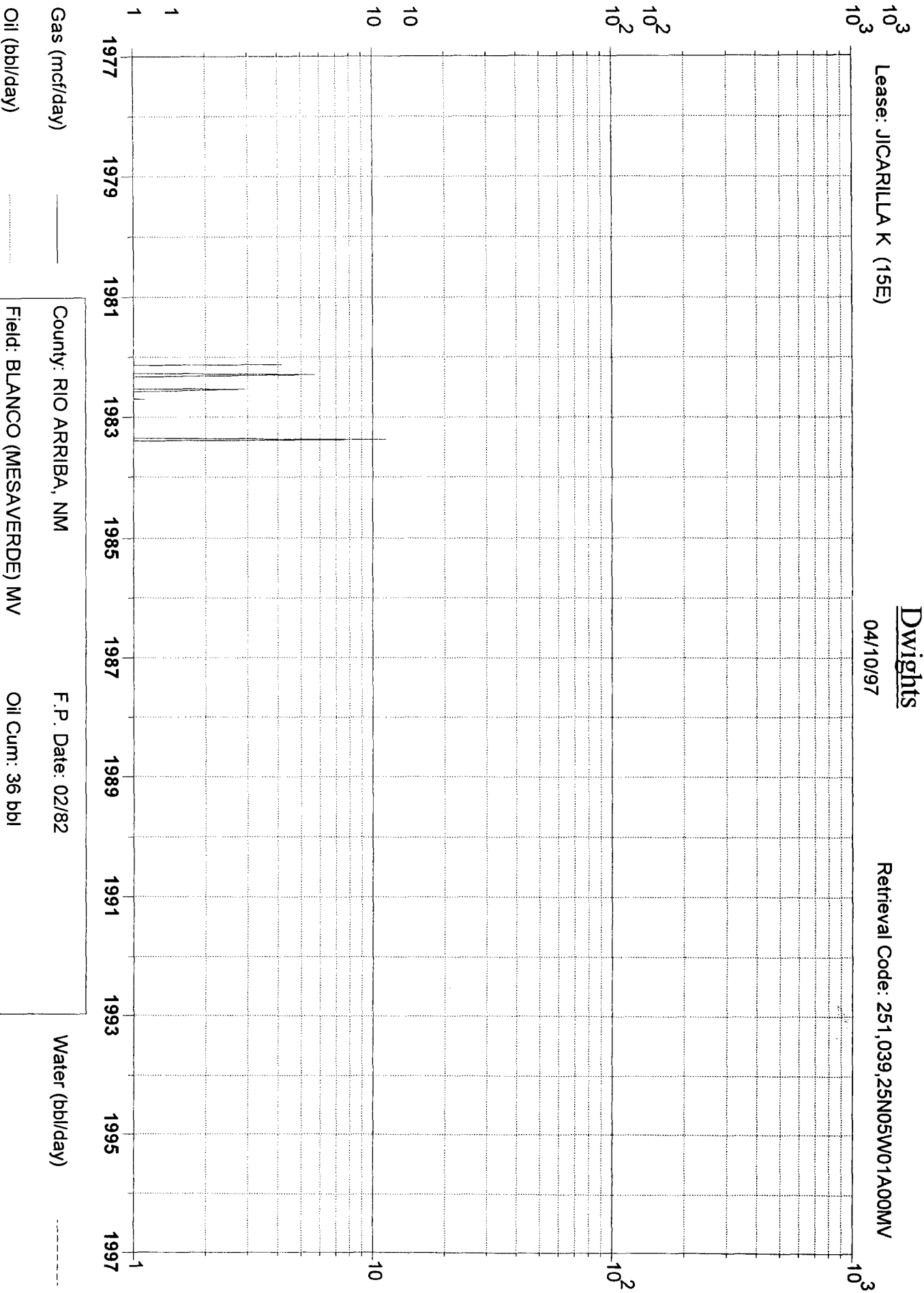
Operator: CONOCO INC

Location: 1A 25N 5W

Lease: JICARILLA K (15E)

Dwights
04/10/97

Retrieval Code: 251,039,25N05W01A00MV



County: RIO ARRIIBA, NM

F.P. Date: 02/82

Field: BLANCO (MESAVERDE) MV

Oil Cum: 36 bbl

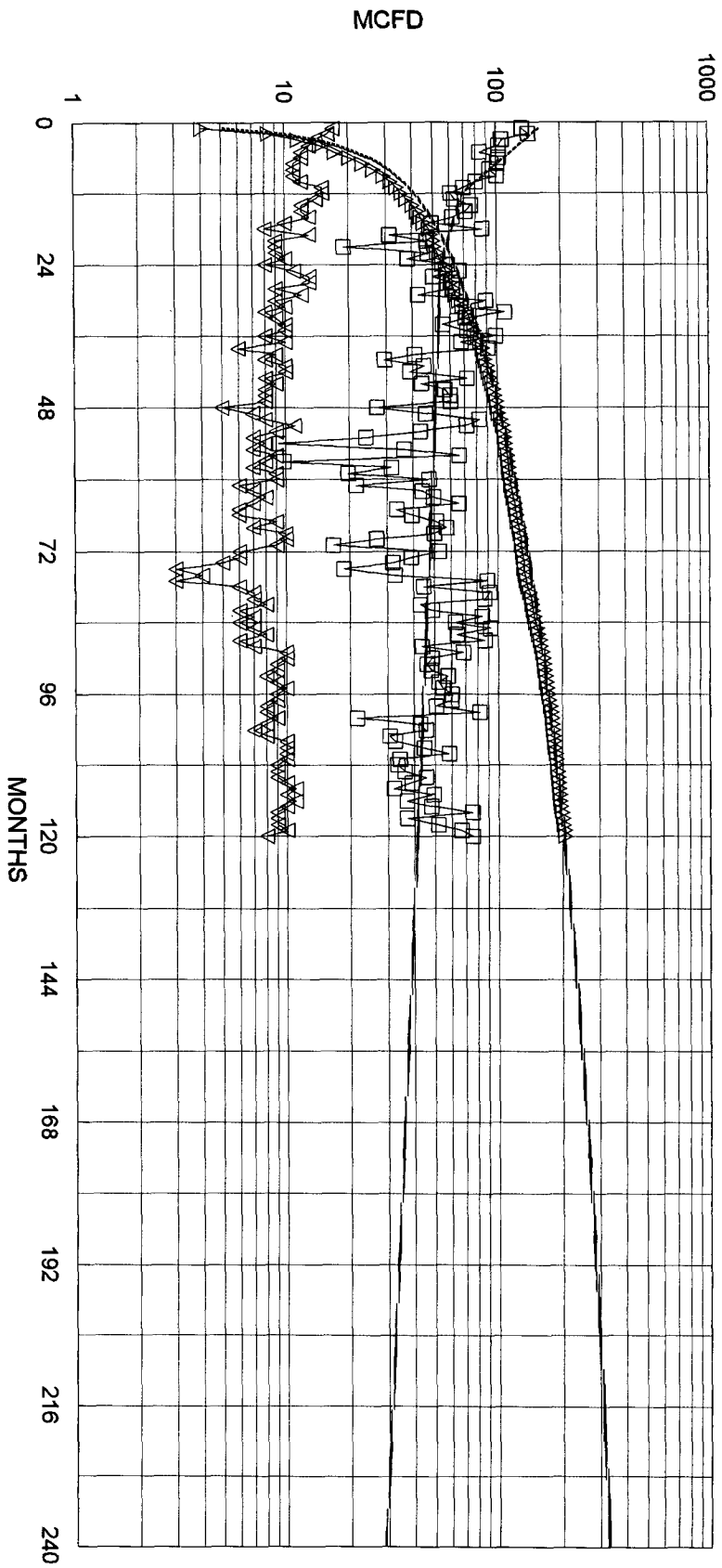
Reservoir: MESAVERDE

Gas Cum: 793 mcf

Operator: CONOCO INC

Location: 1A 25N 5W

NORMALIZED MESAVERDE PRODUCTION
17 WELLS SINCE 1982: OFFSET TO JIC. K LEASE (25N-5W)



— FIT MCFD □ NORMALIZED MCFD ▲ NORM CUM MMCF
▽ WELLS ON PRODUCTION — FIT CUM MMCF

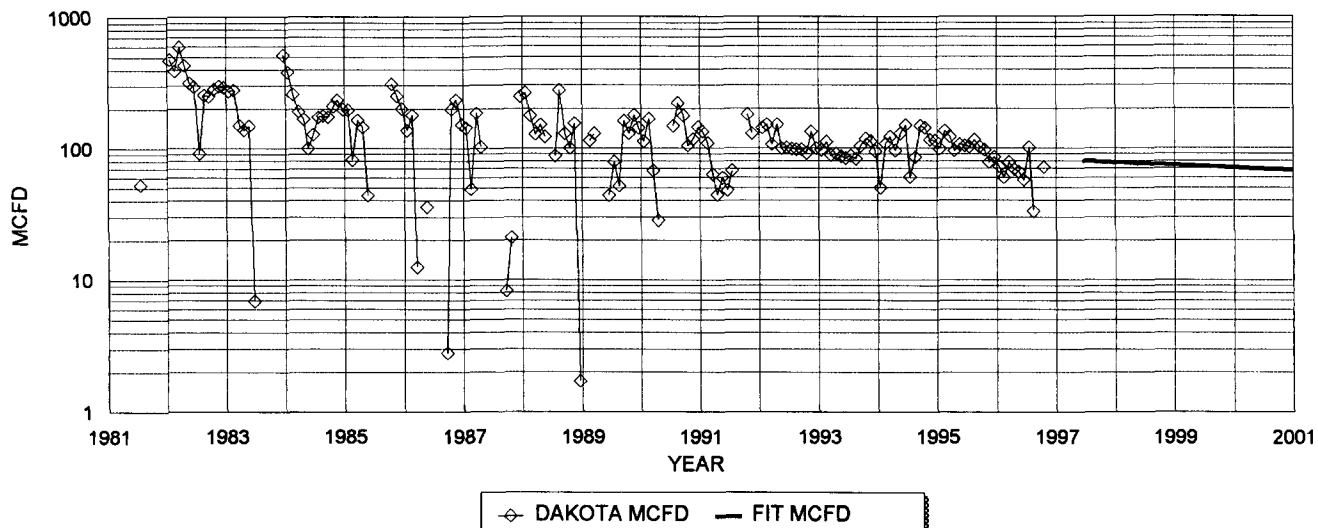
NORMALIZED AVG:

423 MMCF EUR
331 MMCF IN 20 YRS
20 MCFD E.L.
0.05 BBL/MCF OIL

172 MCFD IP
60.0% DECLINE, 1ST 12 MONTHS
20.0% DECLINE, NEXT 12 MONTHS
3.5% FINAL DECLINE

PRODUCTION DATA THROUGH 9/95

**JICARILLA K 15E DAKOTA PRODUCTION
SECTION 1A-25N-05W**



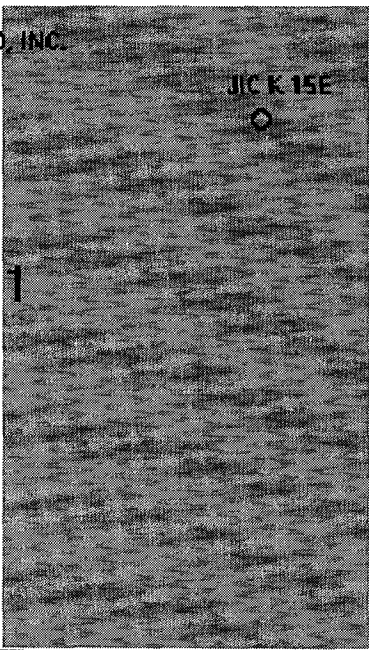
DAKOTA HISTORICAL DATA:		1ST PROD: 1985 6/81	DAKOTA PROJECTED DATA	
OIL CUM:	8.33 MBO		6/1/97 Qi:	80 MCFD
GAS CUM:	651.0 MMCF		DECLINE RATE:	4.5% (EXPONENTIAL)
CUM OIL YIELD	0.0128 BBL/MCF			
OIL YIELD:	0.0080 BBL/MCF, LAST 3 YRS			
AVG. USED:	0.0104 BBL/MCF			

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1996	79	0.8
1997	75	0.8
1998	72	0.8
1999	69	0.7
2000	66	0.7
2001	63	0.7
2002	60	0.6
2003	57	0.6
2004	55	0.6
2005	52	0.5
2006	50	0.5
2007	48	0.5
2008	45	0.5
2009	43	0.5
2010	41	0.4
2011	40	0.4
2012	38	0.4
2013	36	0.4
2014	34	0.4
2015	33	0.3
2016	31	0.3
2017	30	0.3
2018	29	0.3
2019	27	0.3
2020	26	0.3
2021	25	0.3
2022	24	0.2
2023	23	0.2
2024	22	0.2
2025	21	0.2
2026	20	0.2
2027	19	0.2
2028	18	0.2
2029	17	0.2
2030	16	0.2

JICARILLA K #15E

OFFSET OPERATORS

HURLINGTON RES. 35	HURLINGTON RES. UNION TEXAS PETR. 36	CONOCO, INC. DURLINGTON RES. McJUGH JEROME P 31
CONOCO, INC. MERIT ENERGY CORP. 2	CONOCO, INC.  1	HURLINGTON RES. EL PASO EXPL. CO. 6
CONOCO, INC. MERIT ENERGY CORP. 11	CONOCO, INC. 12	BURLINGTON RES. EL PASO EXPL. CO. 7

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. Click~~

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	
TOTAL Postage & Fees	\$ 4.38

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	
TOTAL Postage & Fees	\$ 5.35

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	
TOTAL Postage & Fees	\$ 3.23

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	
TOTAL Postage & Fees	\$ 3.23

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	
TOTAL Postage & Fees	\$ 3.69

Postmark or Date

6-18-97

PS Form 3800, April 1995