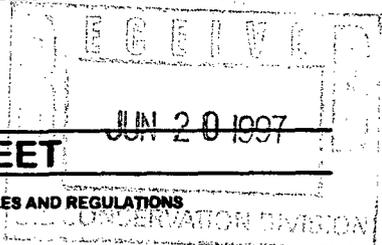


ABOVE THIS LINE FOR DIVISION USE ONLY

**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

*1622*

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

Federal Well No 11E Unit Ltr Sec Twp Rge P-23, T-26-N, R-6-W County Rio Arriba

Lease Spacing Unit Lease Types: (check 1 or more)  
OGRID NO. 005073 Property Code 003170 API NO. 30-039-22255 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	Mesa Verde 72319		Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4922-5044'		6934-7234'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottom hole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 578 PSIA	a.	a. 748 PSIA
	b (Original) 1027 PSIA	b.	b. 2914 PSIA
6. Oil Gravity (*API) or Gas BTU Content	1302		1164
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or 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.  • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Yes		Yes
	Date Rates	Date Rates:	Date Rates
	Date <u>7/1/97 est 55 MCFD</u> Rates <u>0.9 BOPD, 0 BWPD</u>	Date Rates	Date <u>7/1/97 est 110 MCFD</u> Rates <u>0.4 BOPD, 0 BWPD</u>
8. Fixed Percentage Allocation Formula -% for each zone	oil: 69 % Gas 33 %	oil: % Gas %	oil: 31 % Gas 67 %

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 6/12/97

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

CONSERVATION DIVISION

STATE OF NEW MEXICO  
OIL AND MINERALS DEPARTMENT

P. O. BOX 7088  
SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-78

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

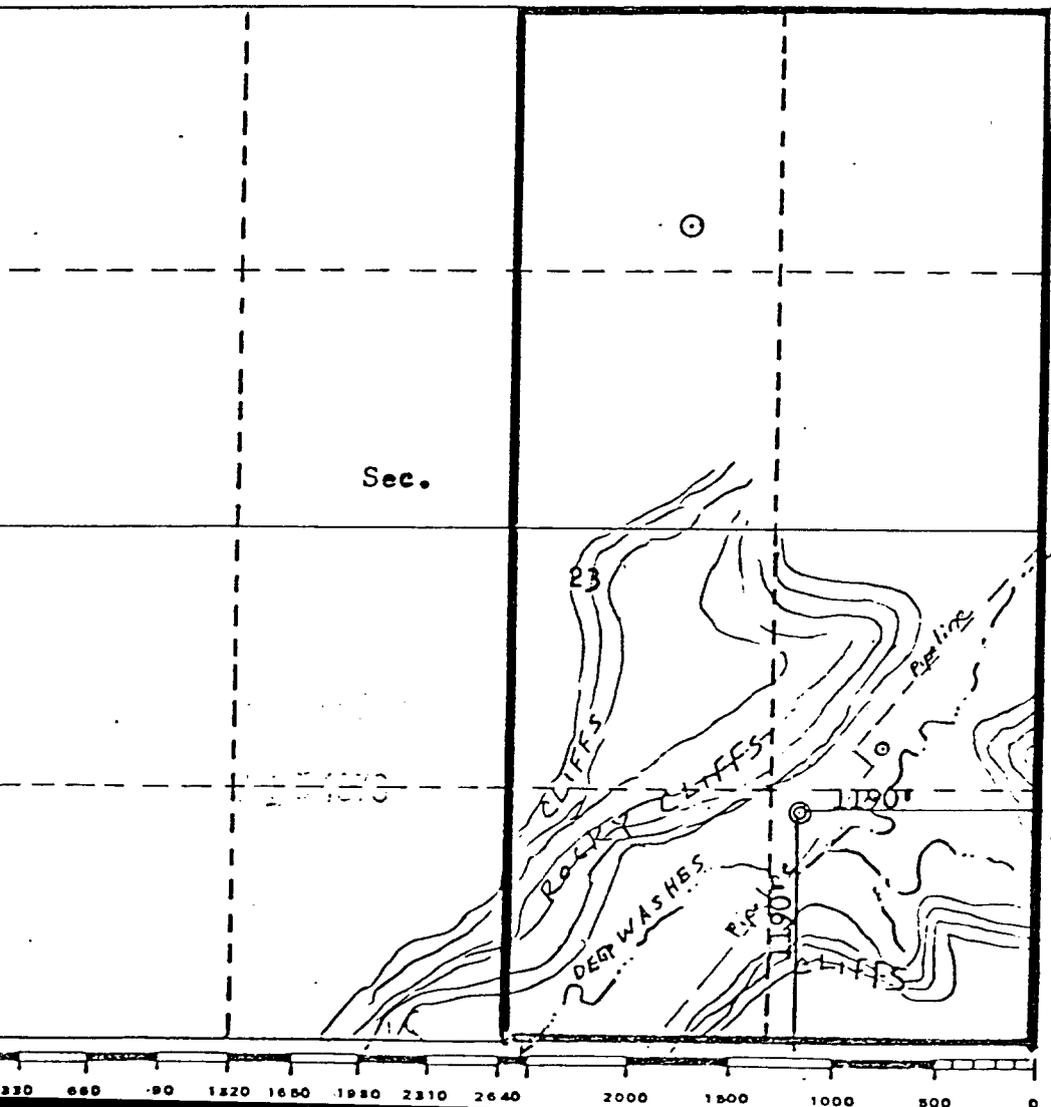
Operator <b>MESA PETROLEUM COMPANY</b>		Lease <b>FEDERAL</b>			Well No. <b>11-K</b>
Well Letter <b>P</b>	Section <b>23</b>	Township <b>26N</b>	Range <b>6W</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well: <b>1190</b> feet from the <b>South</b> line and <b>1190</b> feet from the <b>East</b> line					
Ground Level Elev. <b>6370</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin Dakota</b>		Dedicated Acreage: <b>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 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.*

*John Alexander*

Name  
**JOHN ALEXANDER**

Position  
**AGENT**

Company  
**MESA PETROLEUM CO.**

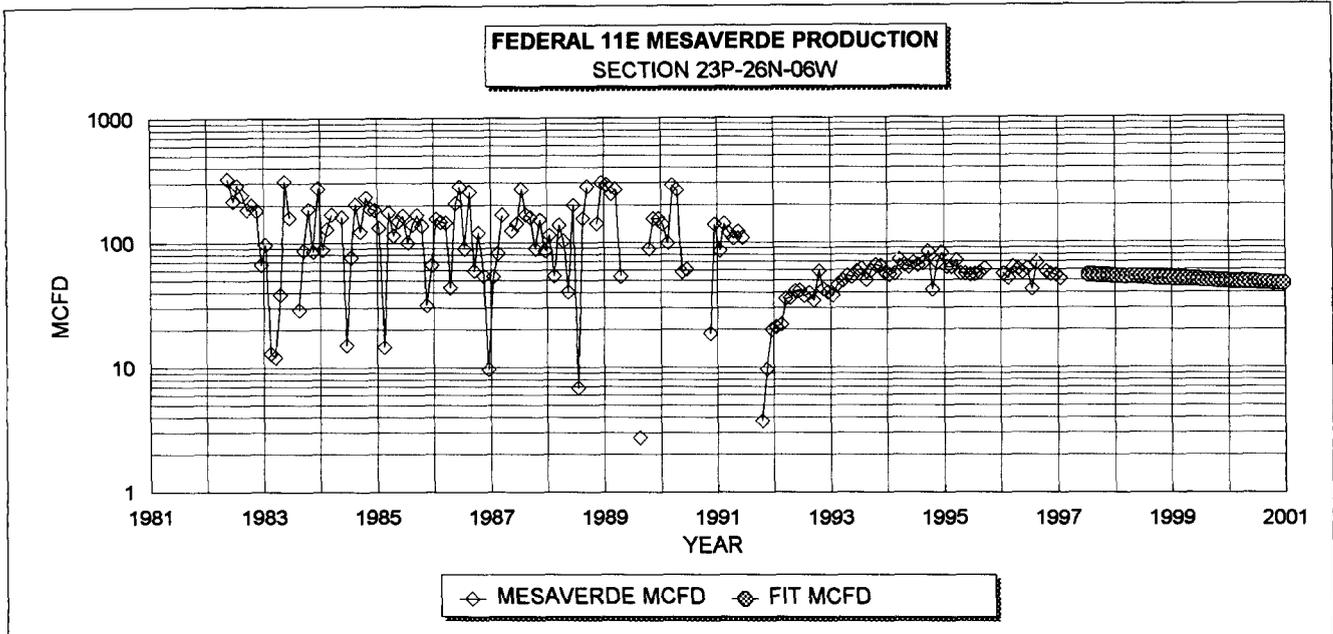
Date  
**November 14, 1979**

*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.*

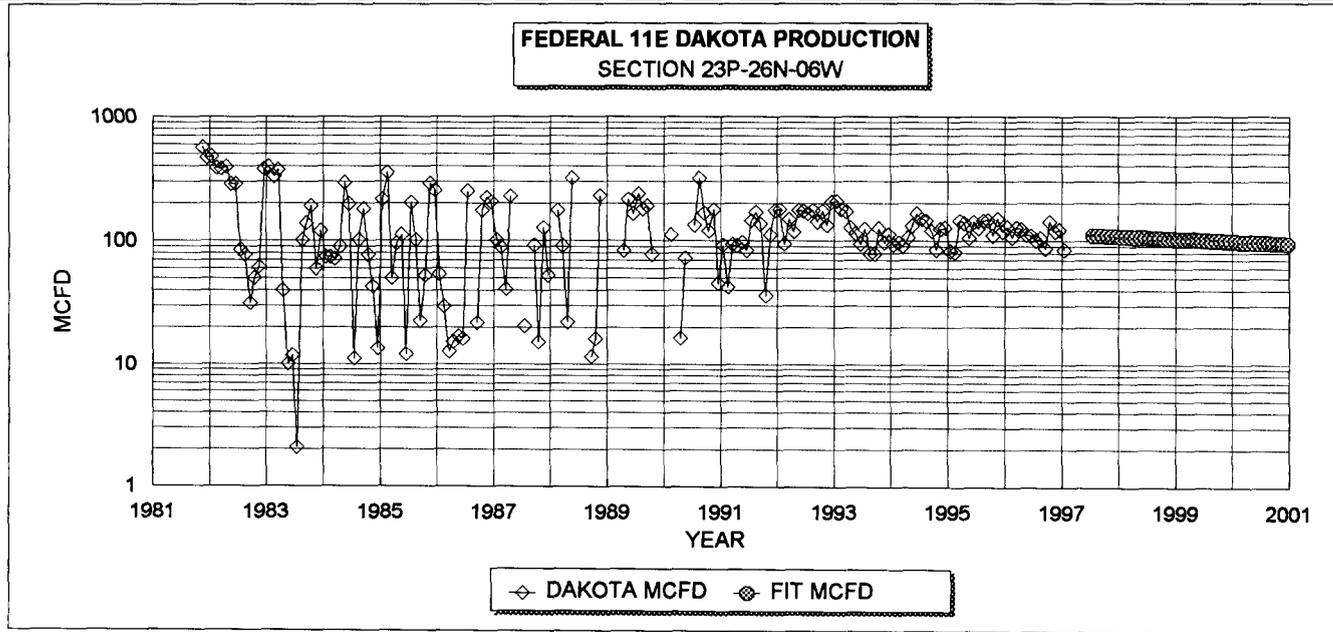
Date Surveyed  
**November 10, 1979**

Registered Professional Engineer and/or Land Surveyor  
*Fred B. Kerr Jr.*  
**Fred B. Kerr Jr.**

Certificate No. **W.M.E. 3950**



<b>MESAVERDE HISTORICAL DATA:</b> 1ST PROD: 04/82		<b>MESAVERDE PROJECTED DATA</b>	
OIL CUM:	8.44 MBO	7/1/97 Qi:	55 MCFD
GAS CUM:	507.2 MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
OIL YIELD:	0.0166 BBL/MCF		



<b>DAKOTA HISTORICAL DATA</b> 1ST PROD: 11/81		<b>DAKOTA PROJECTED DATA</b>	
OIL CUM:	2.57 MBO	7/1/97 Qi:	110 MCFD
GAS CUM:	689.6 MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
OIL YIELD:	0.0037 BBL/MCF		

<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>		
	GAS	OIL
MESAVERDE:	33%	69%
DAKOTA	67%	31%

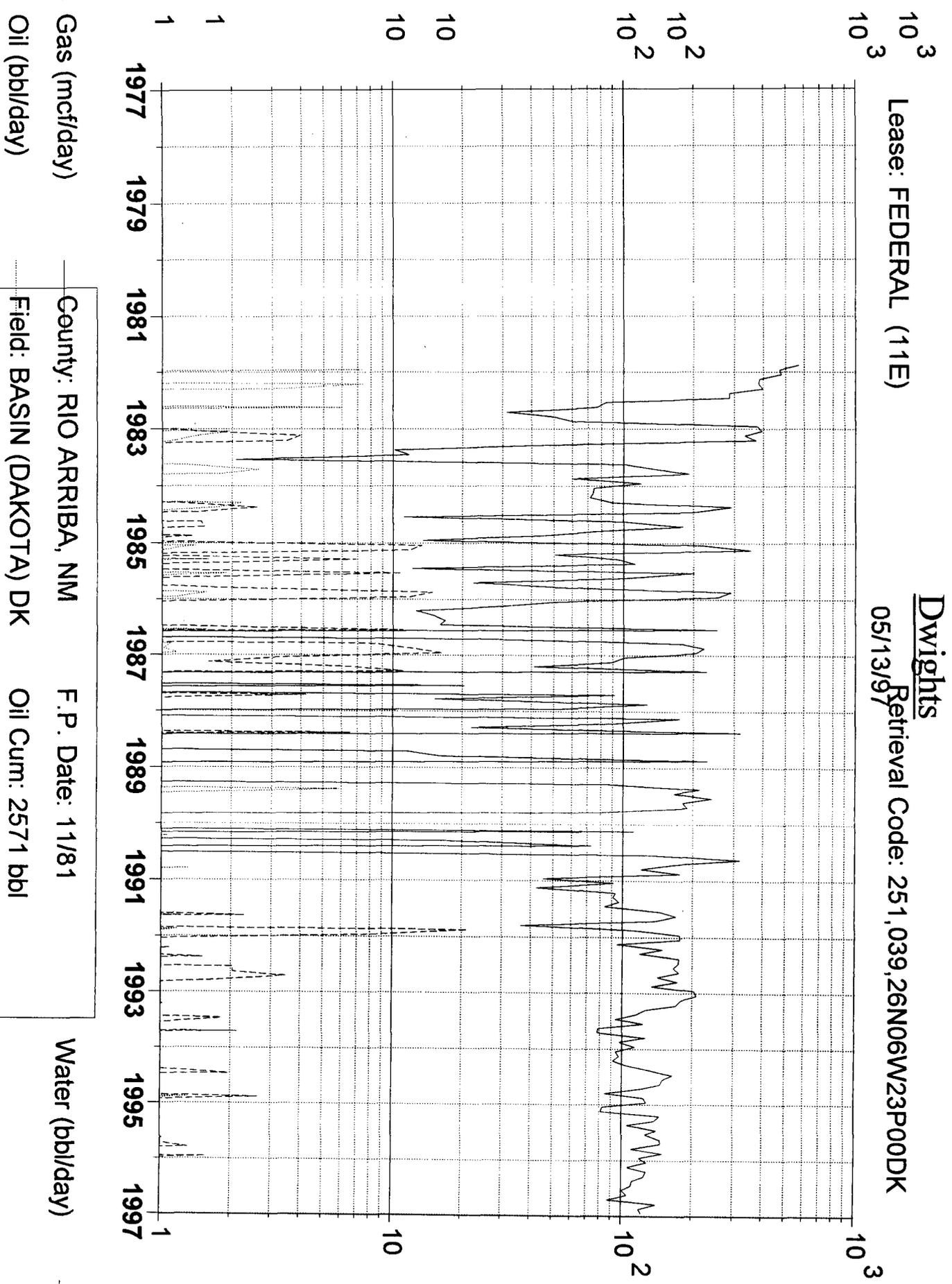
GAS ALLOCATION BASED ON PROJECTED 1997 RATES  
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Lease: FEDERAL (11E)

Dwights  
05/13/97

Retrieval Code: 251,039,26N06W23P00DK



Gas (mcf/day)

Oil (bbl/day)

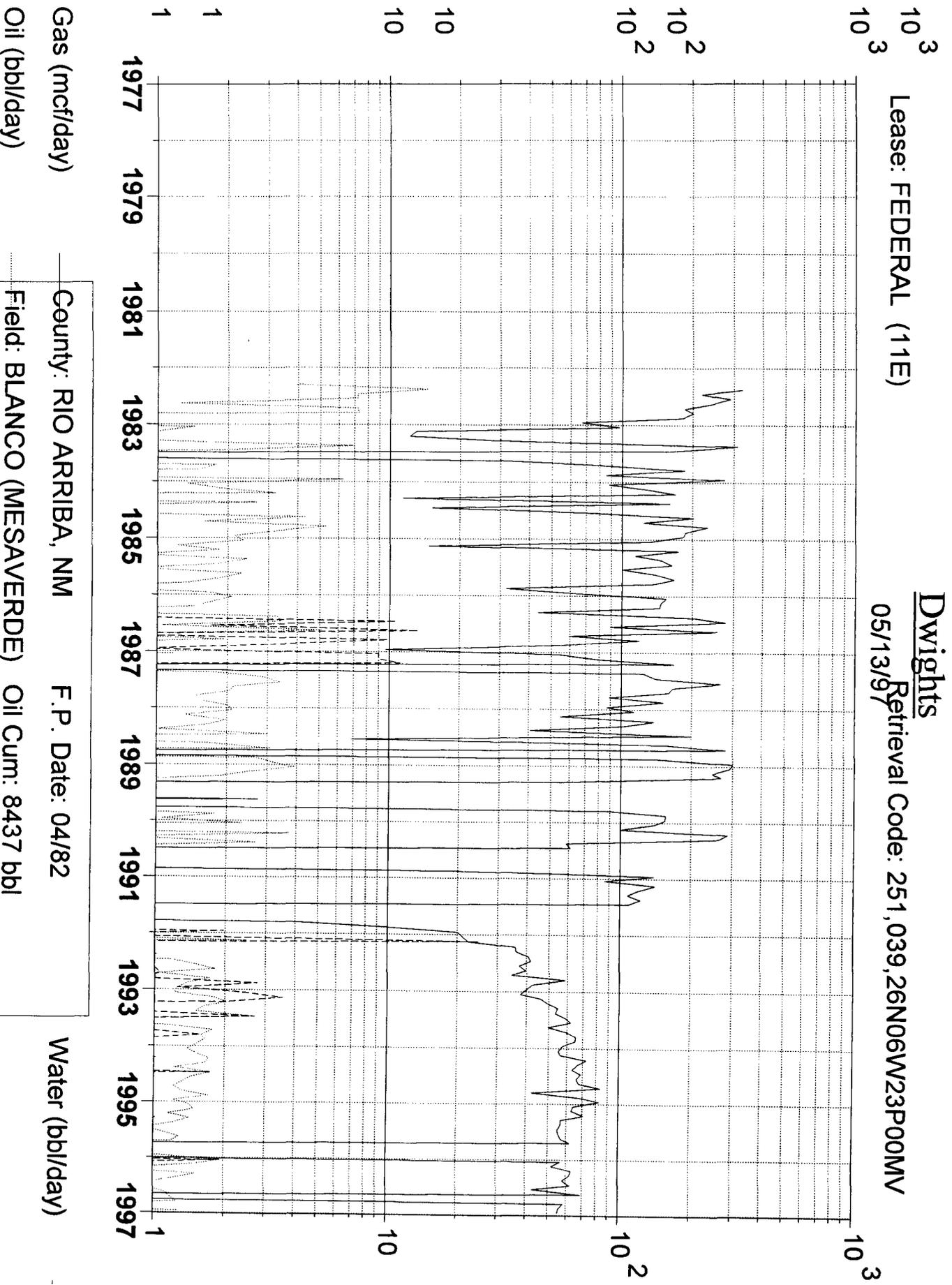
Water (bbl/day)

County: RIO ARRIBA, NM      F.P. Date: 11/81  
Field: BASIN (DAKOTA) DK      Oil Cum: 2571 bbl  
Reservoir: DAKOTA      Gas Cum: 689.6 mmcf  
Operator: CONOCO INC      Location: 23P 26N 6W

Lease: FEDERAL (11E)

Dwights  
05/13/97

Retrieval Code: 251,039,26N06W23P00MV



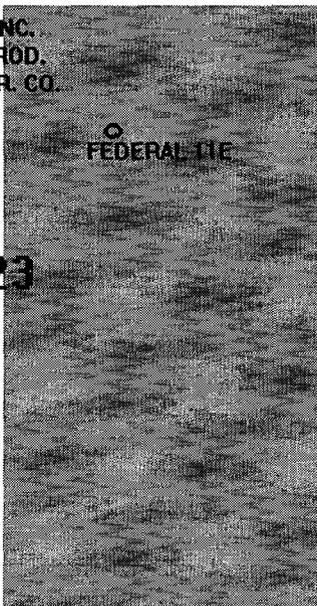
Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

County: RIO ARRIBA, NM      F.P. Date: 04/82  
Field: BLANCO (MESAVERDE)      Oil Cum: 8437 bbl  
Reservoir: MESAVERDE      Gas Cum: 507.2 mmcf  
Operator: CONOCO INC      Location: 23P 26N 6W

**FEDERAL 11E**  
**OFFSET OPERATORS**

CAULKINS OIL CO. LITTLE CURTIS J.  <b>15</b>	CAULKINS OIL CO  <b>14</b>	CAULKINS OIL CO LITTLE CURTIS J.  <b>13</b>
CAULKINS OIL CO  <b>22</b>	CONOCO, INC. AMOCO PROD. MESA PETR. CO.  <b>23</b> 	AMOCO PROD. CAULKINS OIL CO.  <b>24</b>
BURLINGTON RES.  <b>27</b>	BURLINGTON RES.  <b>26</b>	CAULKINS OIL CO. AMOCO PROD.  <b>25</b>

**Township 26N --- Range 6W**

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