

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]

1642

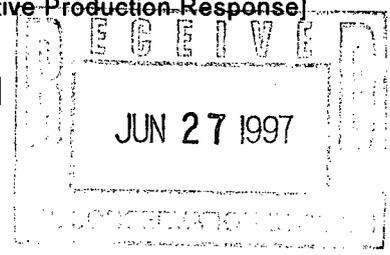
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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



[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
 Title

6/19/97
 Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS 97 JUN 27 PM 12:00

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

CONT. 145

6. If Indian, Allonee or Tribe Name

N.M. Jicarilla

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

CONOCO INC.

3. Address and Telephone No.

10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5424

4. Location of Well (Footage, Sec., T. R. M. or Survey Description)

1835' FSL & 930' FEL
Sec. 1, T-25N, R-5W

8. Well Name and No.

Jicarilla K No. 15

9. API Well No.

30-039-20393

10. Field and Pool, or Exploratory Area

PC/MV/Dakota

11. County or Parish, State

Rio Arriba, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
 Subsequent Repon
 Final Abandonment Notice

TYPE OF ACTION

- Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Downhole Commingle
 Change of Plans
 New Construction
 Non-Routine Fracrunng
 Water Shut-Off
 Conversion to Injection
 Dispose Water

Note: Repon results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

It is proposed to downhole commingle this well in the Pictured Cliffs, Mesaverde, and Dakota formations according to the allocation formula described in the enclosed state C-107-A form and its attachments.

RECEIVED
JUL - 2 1997

OIL CON. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct

Signed

Jerry W. Hoover

Title

Sr. Conservation Coordinator

Date

6/25/97

(This space for Federal or State office use)

Approved by

Title

Chief, Lands and Mineral Resources

Date

JUL 1 1997

Conditions of approval if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

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 15 Unit Ltr Sec Twp Rge I-1-T25N-R5W County Rio Arriba

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 18023 API NO. 30-039-20393 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	So. Blanco Pictured Cliffs 72439	Blanco Mesaverde 72319	Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	3196'-3206'	5290'-5549'	7394'-7584'
3. Type of production (Oil or Gas)	Gas	Gas	Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing	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) 273 psia	a. 754 psia	a. 531 psia
	b (Original) 1087 psia	b. 1093 psia	b. 2784 psia
6. Oil Gravity (*API) or Gas BTU Content	1262 BTU	1250 BTU	1280 BTU
7. Producing or Shut-In?	Producing	To be Completed	Producing
Production Marginal? (yes or no)	Yes	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 Mid-Year Average Producing Rates -- See attached Table	Date Rates Incremental Production by Subtraction --- Use attached Table	Date Rates Mid-Year Average Producing Rates -- See attached Table
	Date Rates	Date Rates	Date Rates
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? 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.

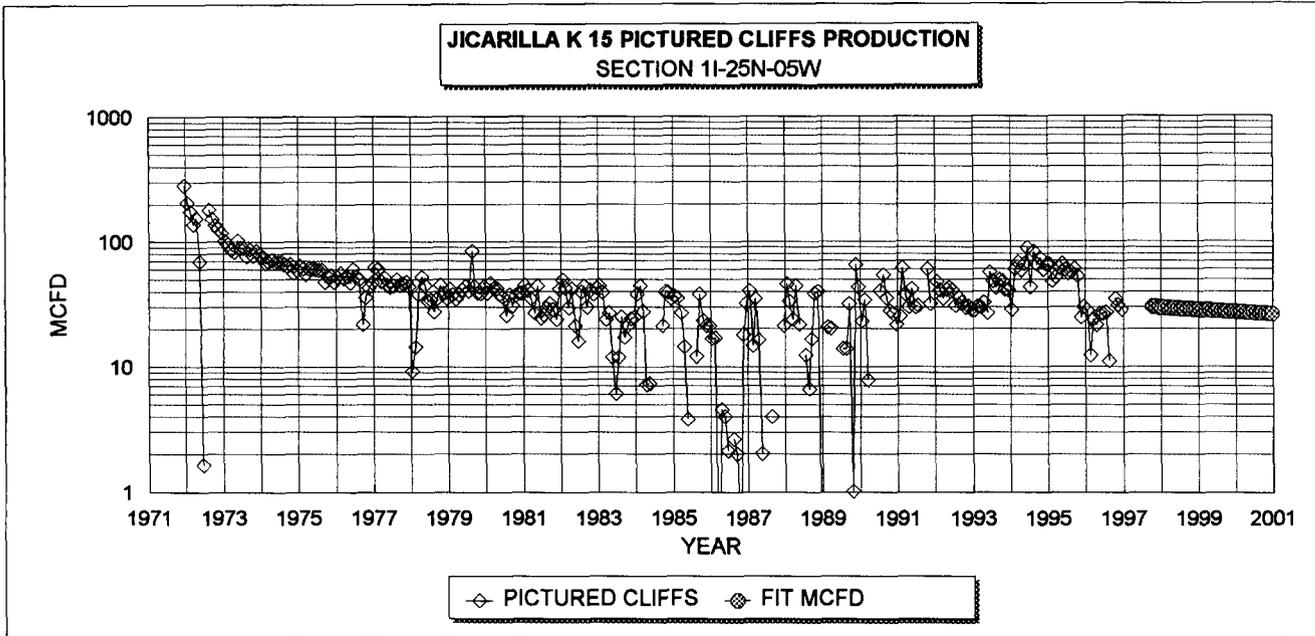
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Hoover TITLE Sr. Conservation Coord. DATE _____

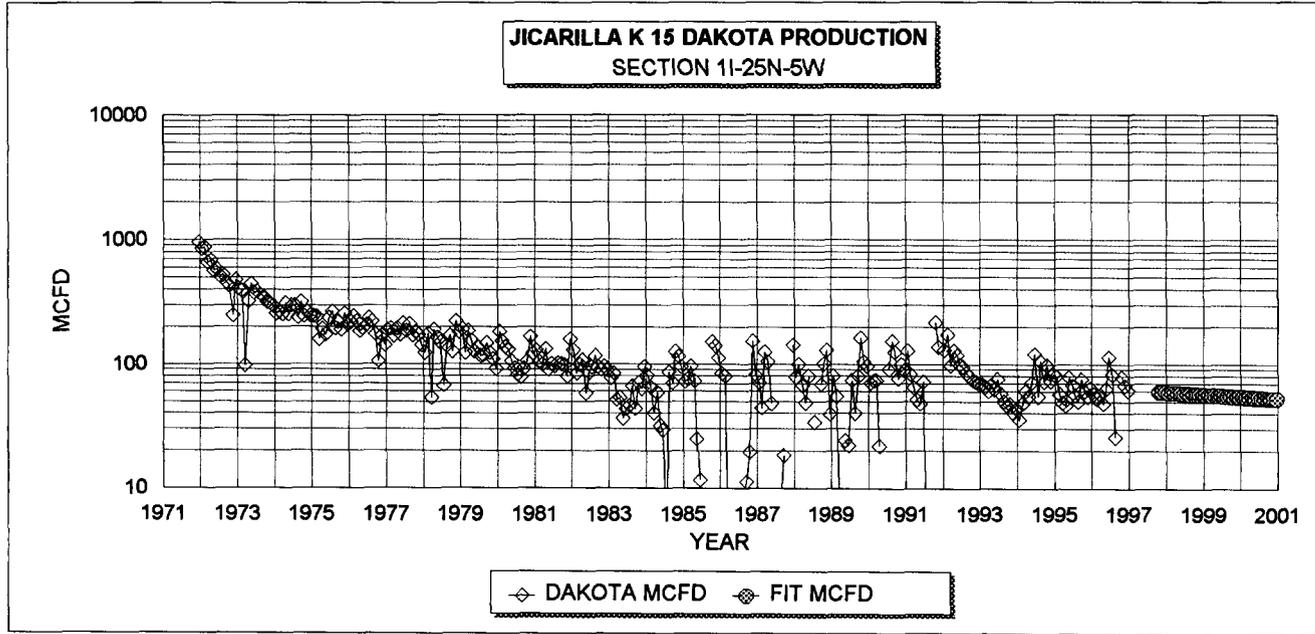
TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

JICARILLA K 15 DAKOTA/PICTURED CLIFFS COMMINGLED PRODUCTION FOR SUBTRACTION METHOD

YEAR	PC MID-YEAR MCFD	DAKOTA MID-YEAR MCFD	DAKOTA MID-YEAR BOPD	TOTAL MID-YEAR AVG. MCFD	TOTAL MID-YEAR AVG. BOPD
1997	30	59	0.6	89	0.6
1998	29	58	0.6	87	0.6
1999	28	56	0.6	84	0.6
2000	27	53	0.6	80	0.6
2001	26	51	0.6	77	0.6
2002	25	49	0.5	74	0.5
2003	24	47	0.5	71	0.5
2004	23	45	0.5	68	0.5
2005	22	44	0.5	66	0.5
2006	21	42	0.5	63	0.5
2007	20	40	0.4	60	0.4
2008	19	39	0.4	58	0.4
2009	19	37	0.4	56	0.4
2010	18	36	0.4	53	0.4
2011	17	34	0.4	51	0.4
2012	16	33	0.4	49	0.4
2013	16	31	0.3	47	0.3
2014	15	30	0.3	45	0.3
2015	15	29	0.3	43	0.3
2016	14	28	0.3	42	0.3
2017	13	27	0.3	40	0.3
2018	13	26	0.3	38	0.3
2019	12	25	0.3	37	0.3
2020	12	24	0.3	36	0.3
2021	11	23	0.2	34	0.2
2022	11	22	0.2	33	0.2
2023	10	21	0.2	31	0.2
2024	10	20	0.2	30	0.2
2025	10	19	0.2	29	0.2
2026	9	18	0.2	28	0.2
2027	9	18	0.2	27	0.2
2028	9	17	0.2	26	0.2
2029	8	16	0.2	25	0.2
2030	8	16	0.2	24	0.2
2031	8	15	0.2	23	0.2



PICTURED CLIFFS HISTORICAL DATA 1ST PROD: 12/71 OIL CUM: 0.00 MBO GAS CUM: 375.4 MMCF OIL YIELD: 0.0000 BBL/MCF	PICTURED CLIFFS PROJECTED DATA 10/1/97 Qi: 30 MCFD DECLINE RATE: 4.0% (EXPONENTIAL)
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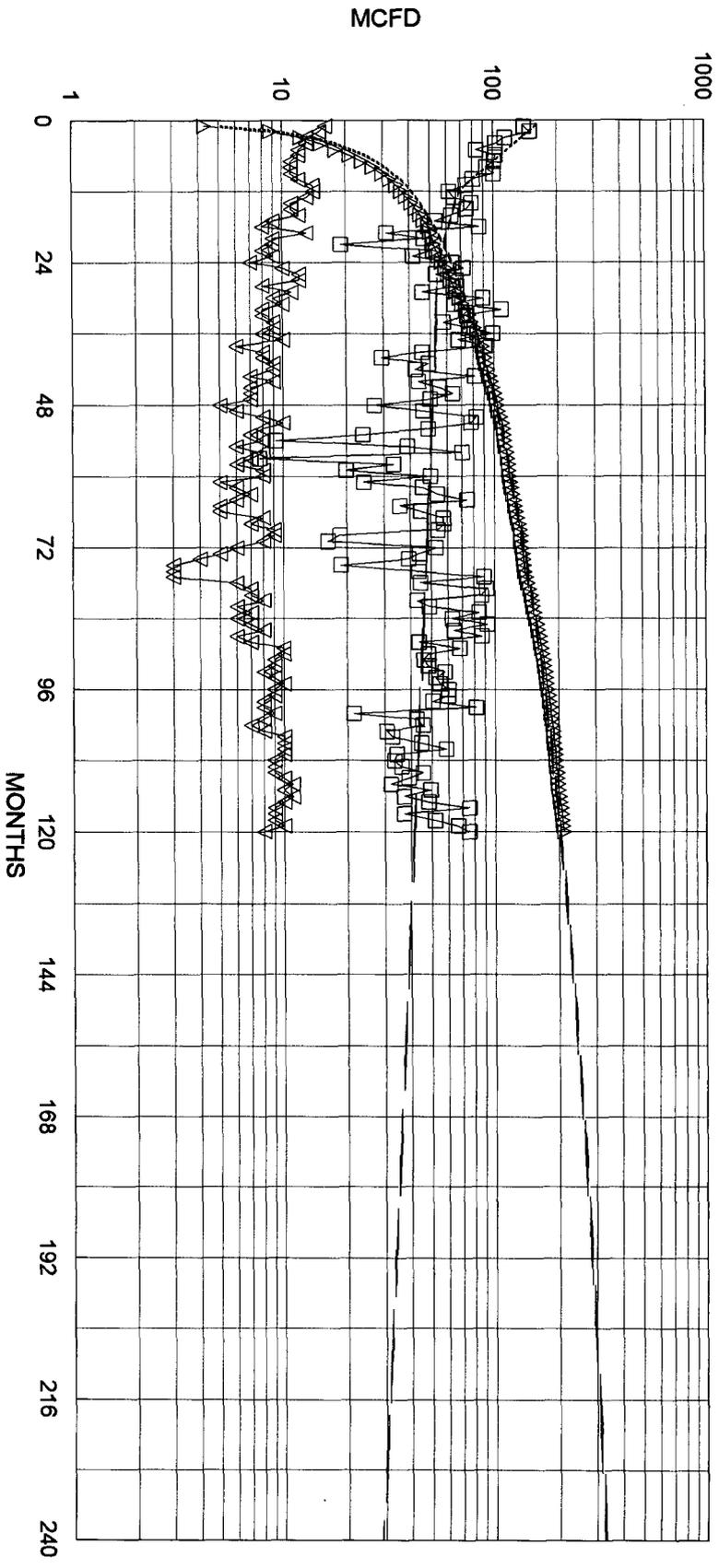


DAKOTA HISTORICAL DATA 1ST PROD: 12/71 OIL CUM: 13.2 MBO GAS CUM: 1220.7 MMCF OIL YIELD: 0.0108 BBL/MCF	DAKOTA PROJECTED DATA 10/1/97 Qi: 60 MCFD DECLINE RATE: 4.0% (EXPONENTIAL)
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FIXED COMMINGLE ALLOCATION FACTORS:		
	GAS	OIL
PIC CLIFFS	33%	0%
DAKOTA	67%	100%

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

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



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

NORMALIZED AVG:	
423 MMCF EUR	172 MCFD IP
331 MMCF IN 20 YRS	60.0% DECLINE, 1ST 12 MONTHS
20 MCFD E.L.	20.0% DECLINE, NEXT 12 MONTHS
0.05 BBL/MMCF OIL	3.5% FINAL DECLINE

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes C-128
Effective 1-1-65

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

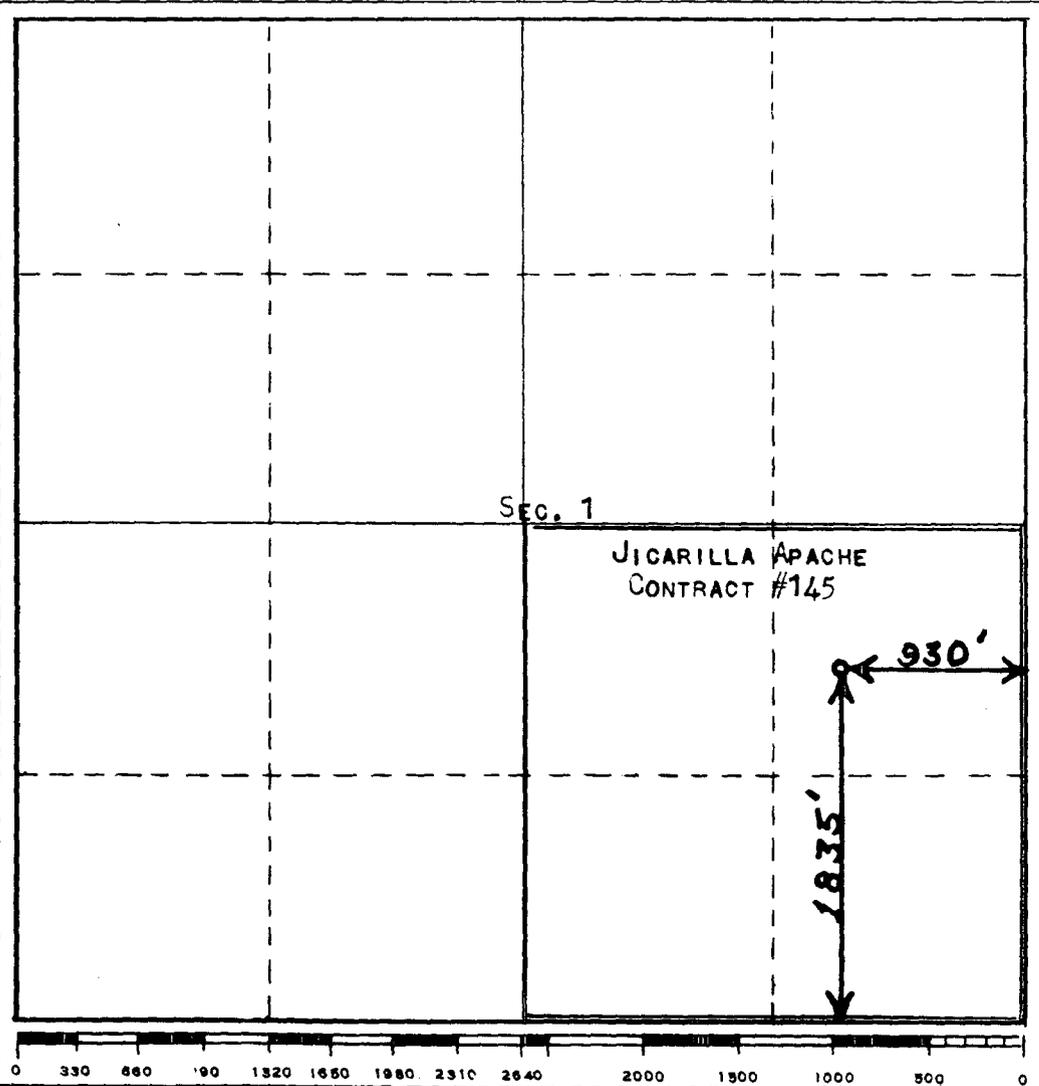
Operator SOUTHERN UNION PRODUCTION COMPANY		Lease JICARILLA "K"		Well No. 15
Unit Letter I	Section 1	Township 25 NORTH	Range 5 WEST	County RIO ARriba
Actual Footage Location of Well: 1835 feet from the SOUTH line and 930 feet from the EAST line				
Ground Level Elev. 6804.0	Producing Formation PICTURED CLIFFS	Pool SOUTH BLANCO PICTURED CLIFFS	Dedicated Acreage: 160 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.

Gilbert D. Noland, Jr.
Name
GILBERT D. NOLAND, JR.

Position
DRILLING SUPERINTENDENT

Company
SOUTHERN UNION PRODUCTION

Date
NOVEMBER 19, 1971

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.

JUNE 18, 1971

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

JAMES P. LEESE

Certificate No.
1463

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

All distances must be from the outer boundaries of the Section

Operator: SOUTHERN UNION PRODUCTION COMPANY Lease: JICARILLA "K" Well No: 15

Unit Letter: I Section: 1 Township: 25 NORTH Range: 5 WEST County: RIO ARIZONA

Actual Footage Location of Well: 1035 feet from the SOUTH line and 930 feet from the EAST line

Ground Level Elev: 6804.0 Producing Formation: DAKOTA BASIN DAKOTA Dedicated Average Acres: 8/2, 319.91

- Outline the acreage dedicated to the subject well by colored pencil or ballpoint pen on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - 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, force-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
GILBERT D. NOLAND, JR.

Name: GILBERT D. NOLAND, JR.

Position: DRILLING SUPERINTENDENT

Company: SOUTHERN UNION PRODUCTION

Date: JUNE 23, 1971

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.

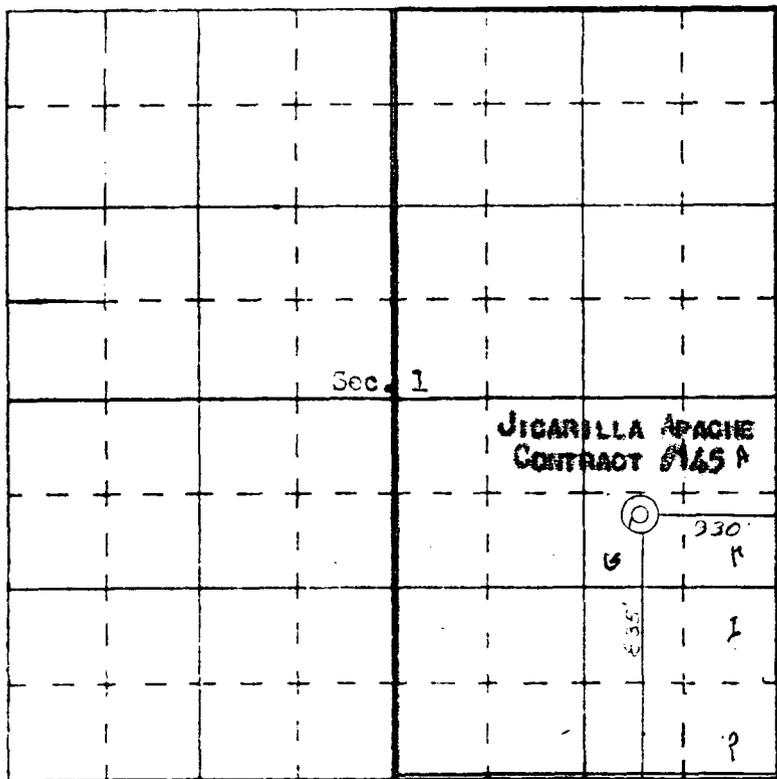
Date Surveyed: 18 June, 1971

James A. Liles
Registered Professional Engineer
and/or Land Surveyor

JAMES A. LILES

1453

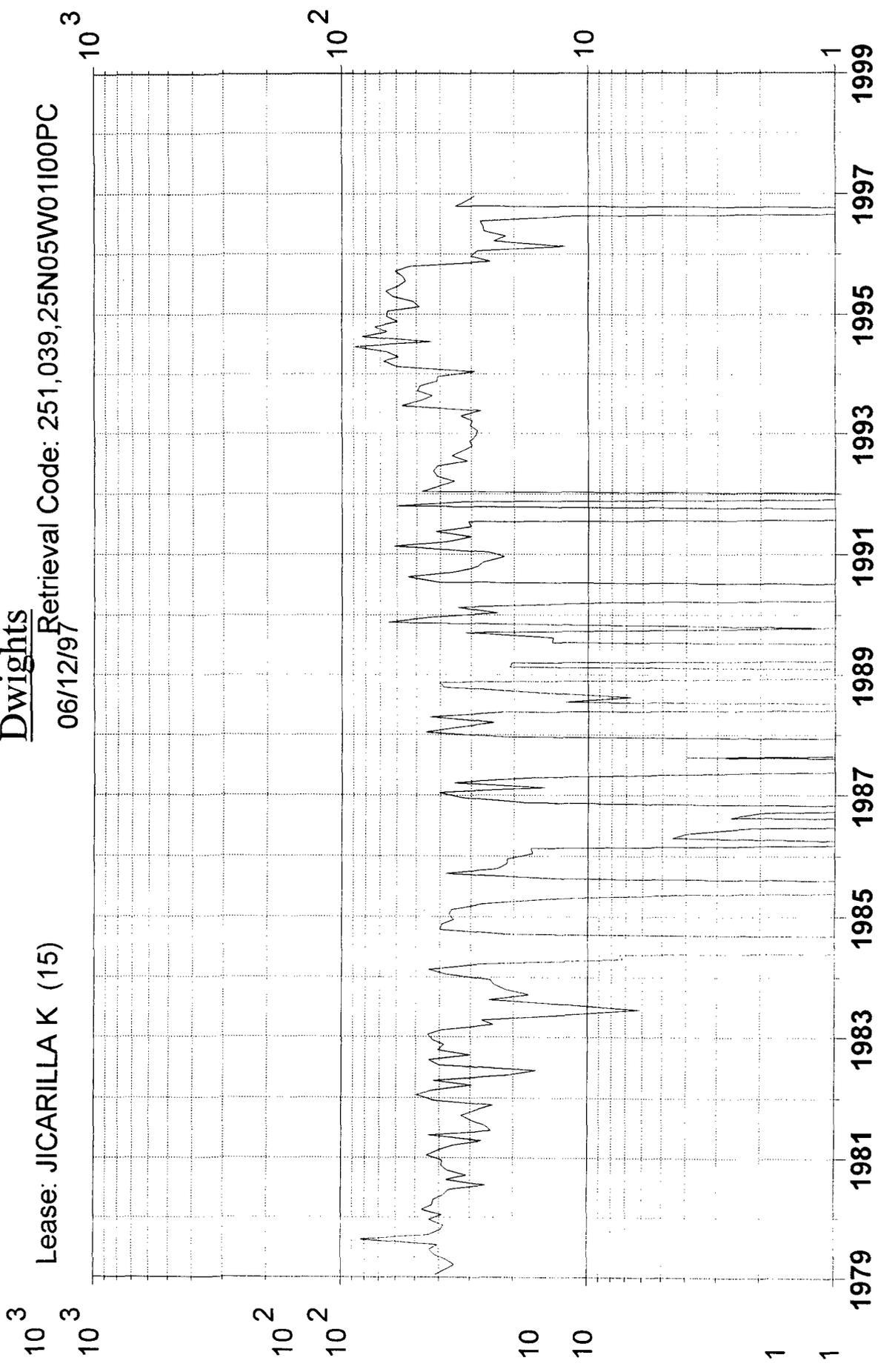
Certificate No. _____



SCALE—4 INCHES EQUALS 1 MILE

Dwights

Lease: JICARILLA K (15) Retrieval Code: 251,039,25N05W01100PC
06/12/97



Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

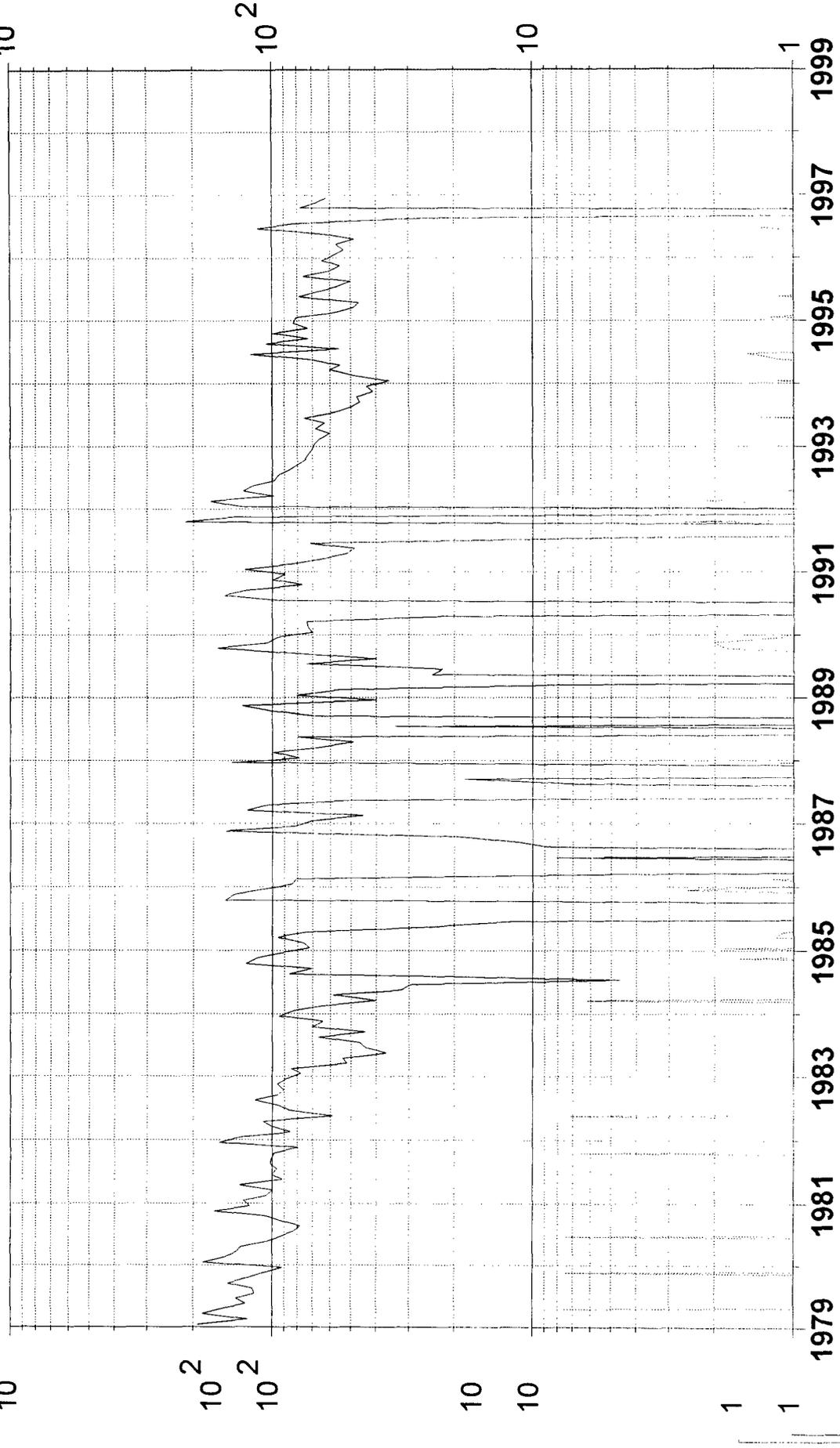
County: RIO ARRIBA, NM	F.P. Date: 12/71
Field: BLANCO SOUTH (PICTU)	Oil Cum: 0 bbl
Reservoir: PICTURE CLIFFS	Gas Cum: 375.4 mmcf
Operator: CONOCO INC	Location: 11 25N 5W

Dwights

Lease: JICARILLA K (15)

Retrieval Code: 251,039,25N05W01100DK
06/12/97

10³
10³



Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

County: RIO ARRIBA, NM	F.P. Date: 12/71
Field: BASIN (DAKOTA) DK	Oil Cum: 13.23 mbbl
Reservoir: DAKOTA	Gas Cum: 1221 mmcf
Operator: CONOCO INC	Location: 11 25N 5W

JICARILLA K #15
OFFSET OPERATORS

<p>BURLINGOTN RES.</p> <p align="center">35</p>	<p>BURLINGTON RES. UNION TEXAS PETR</p> <p align="center">36</p>	<p>BURLINGTON RES. CONOCO, INC. MCHUGH JEROME P</p> <p align="center">31</p>
<p align="right">T26N R5W</p>		<p align="left">T26N R4W</p>
<p>CONOCO, INC.</p> <p align="center">2</p>	<p>CONOCO, INC.</p> <div data-bbox="797 868 1040 1342" style="background-color: #cccccc; padding: 5px;"> <p align="center">T25N R5W</p> <p align="center">JIC K #15</p> </div>	<p>BURLINGOTN RES. EL PASO EXPL. CO.</p> <p align="center">6</p>
<p align="right">T25N R5W</p>		<p align="left">T25N R4W</p>
<p>CONOCO, INC.</p> <p align="center">11</p>	<p>CONOCO, INC.</p> <p align="center">12</p>	<p>BURLINGTON RES. EL PASO EXPL. CO.</p> <p align="center">7</p>

Township 25N --- Range 5W