

DATE IN 7/24/97	SUSPENSE 8/13/97	ENGINEER DC	LOGGED BY KN	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

1649

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]

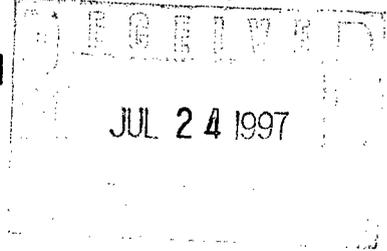
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [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



[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.

Ann E. Ritchie
 Print or Type Name

Ann E. Ritchie
 Signature

Regulatory Agent
 Title

7-14-97
 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

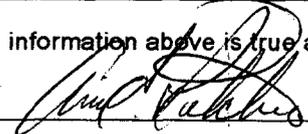
Lease Jicarilla E Well No 15M Unit Ltr Sec Twp Rge C-16-T26N-R4W County Rio Arriba

OGRID NO. 005073 Property Code _____ API NO. N/A Spacing Unit Lease Types: (check 1 or more)
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)	5632-6103' <i>OA</i>		7678-7921' <i>OA</i>
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5. Bottom hole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 671 psia	a.	a. 1038 psia
	b (Original) 1460 psia BHP	b.	b. 2634 psia BHP
6. Oil Gravity (*API) or Gas BTU Content	1248 BTU		1342 BTU
7. Producing or Shut-In?	To be drilled		To be drilled
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	Date Rates:	Date Rates
	Date Rates To be determined from tests on completion	Date Rates	Date Rates To be determined from tests on completion
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  TITLE Regulatory Agent DATE 7-14-97

TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. (915) 686-6548

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 21, 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		Pool Code	Pool Name
		71599/72319	Basin Dakota/Blanco Mesaverde
Property Code	Property Name		Well Number
	Jicarilla E		15M
OGRID No.	Operator Name		Elevation
05073	CONOCO, INC.		6809'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	16	26-N	4-W		1190	North	1845	West	R.A.

11 Bottom Hole Location If Different From Surface

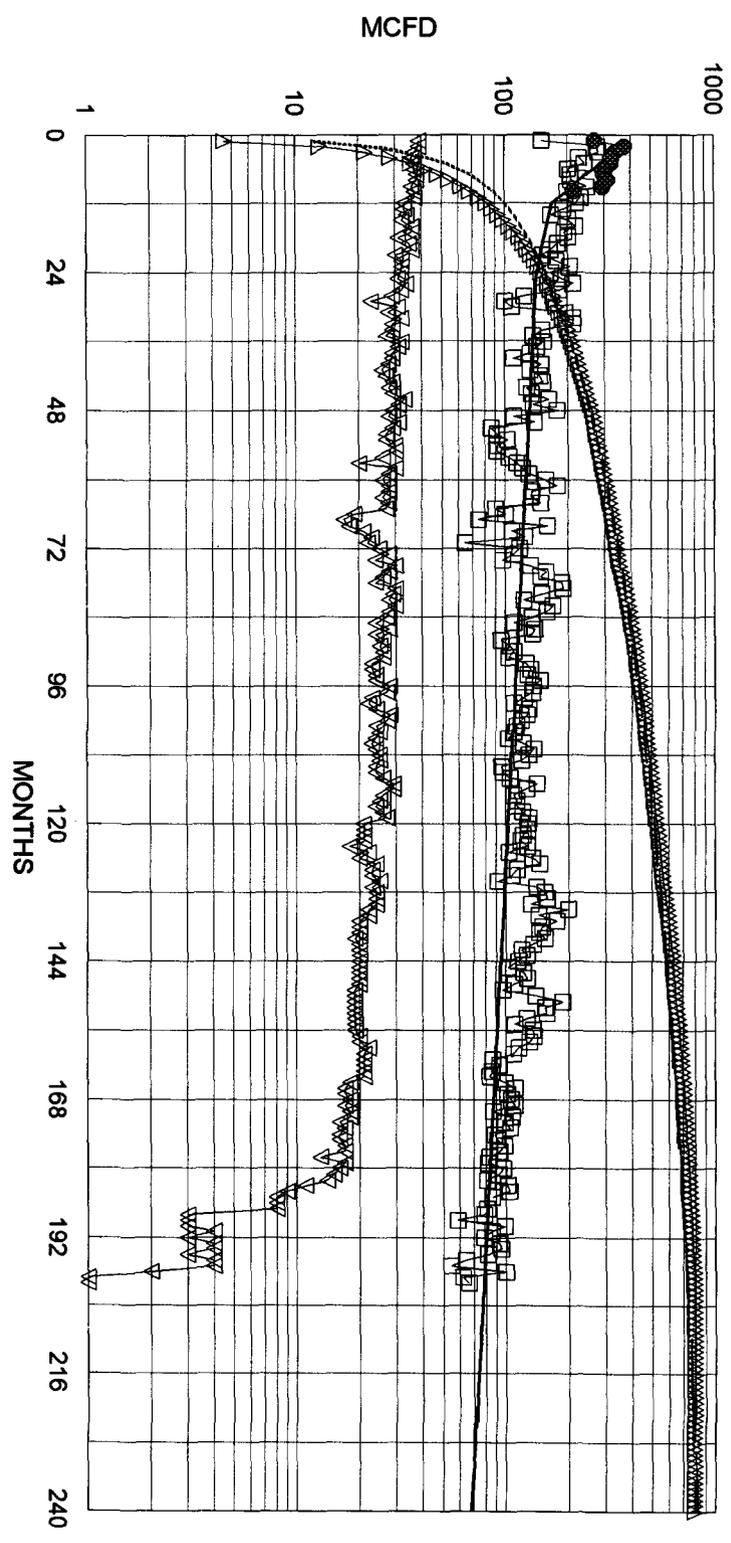
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 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

	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p>Signature <u>JERRY W. HOOVER</u> Printed Name <u>SR. CONSERVATION COORDINATOR</u> Title Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>1/17/97</p> <p>Date of Survey Signature and Seal of Professional Surveyor Certificate Number <u>6857</u></p>

NORMALIZED DAKOTA PRODUCTION
 39 WELLS SINCE 1980: 26N-4W (MERIT JICARILLA A,B,&E OFFSETS)



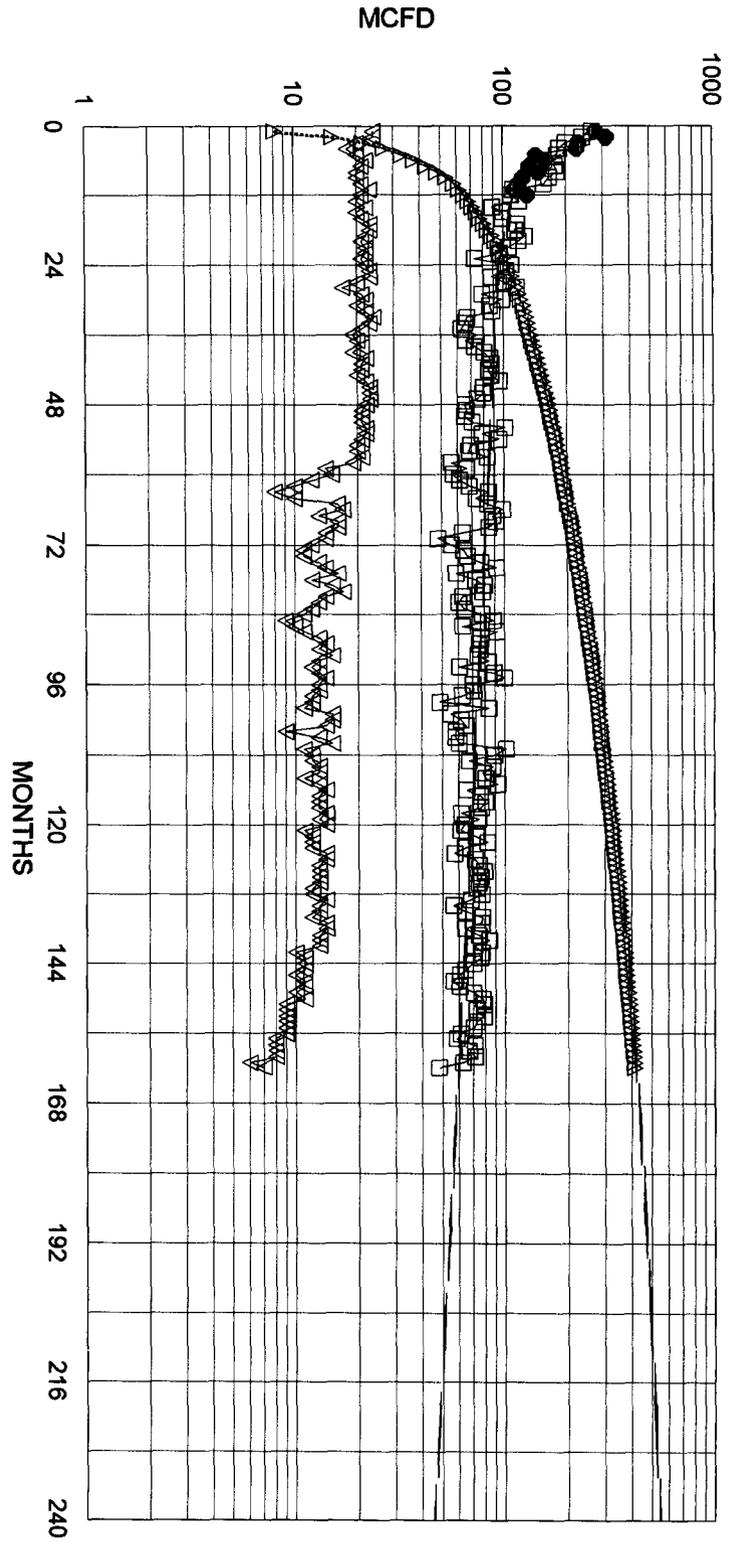
— FIT MCFD □ NORMALIZED MCFD ▽ NORM CUM MMCF ▽ WELLS ON PRODUCTION
 - - - FIT CUM MMCF — RISKED MCFD ◆ JICARILLA E 7E & 8M

NORMALIZED AVG:

1210 MMCF EUR
 824 MMCF IN 20 YRS
 25 MCFD E.L.
 0.0167 bbl/mcf oil yield

420 MCFD IP
 60% DECLINE, 1ST 12 MONTHS
 15% DECLINE, NEXT 12 MONTHS
 4% FINAL DECLINE

NORMALIZED MESAVERDE PRODUCTION
 25 WELLS SINCE 1980; 26N 4W SEC 7-36



— FIT MCFD □ NORMALIZED MCFD △ NORM CUM MMCF
 ▽ WELLS ON PRODUCTION — FIT CUM MMCF ◆ 7 NEW MERIT REC. SINCE '94

NORMALIZED AVG:

777 MMCF EUR
 549 MMCF IN 20 YRS
 20 MCFD E.L.
 0.004 BBL/MCF OIL YIELD

280 MCFD IP
 60% DECLINE, 1ST 12 MONTHS
 15% DECLINE, NEXT 12 MONTHS
 4.0% FINAL DECLINE

COMBINED MVDK IP:
 COMBINED EUR:
 COMBINED 20 YR MMCF:
 COMBINED OIL YIELD:

700 MCFD
 1987 MMCF
 1373 MMCF
 0.01 BBL/MCF

Conoco, Inc.
C-107-A
Offset Operator List

RE: Jicarilla E Well #15M, Rio Arriba County, New Mexico

1. Burlington Resources Oil & Gas Co.
P. O. Box 4289
Farmington, NM 87499
2. Amoco Production Co.
P. O. Box 800
Denver, CO 80201
3. Chateau Oil & Gas Inc
2515 McKinney Avenue Ste 840
Dallas, TX 75201
4. Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, Texas 79705-4500

P 497 368 607

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided

Burlington Resources Oil & Gas Co.
P. O. Box 4289
Farmington, NM 87499 ✓

Postage	\$ 1.70
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	\$ 4.15
Postmark or Date	7-22-97

PS Form 3800, April 1995

P 497 368 608

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided

Chateau Oil & Gas Inc.
2515 McKinney Ave. Ste. 840
Dallas, TX 75201 ✓

Postage	\$ 1.47
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	\$ 3.92
Postmark or Date	7-22-97

PS Form 3800, April 1995

P 497 368 609

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided

Amoco Production Company
P. O. Box 800
Denver, CO 80202 ✓

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	7-22-97

PS Form 3800, April 1995

P 497 368 622

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided

Caulkins Oil Co.
1600 Broadway Ste. 2100
Denver, CO 80202

Postage	\$.55
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	\$ 3.00
Postmark or Date	7-22-97

PS Form 3800, April 1995