

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

1656 DHC 8/26/97
AUG - 6 1997

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 Hardy 36 State Well No 21 Unit Ltr Sec Twp Rge L - 36 - T20S - R37E County Lea

OGRID NO. 005073 Property Code 013396 API NO. 30-025-33028 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	South Cass Strawn 10460		Hardy Simpson-Ellengerger 96227
2. TOP and Bottom of Pay Section (Perforations)	7710' - 7736'		10,086' - 10,156'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 2685 psi b(Original) 2685 psi	a. b.	a. 2565 psi b. 3478 psi
6. Oil Gravity (°API) or Gas BT Content	39.2		42.7
7. Producing or Shut-In?	to be completed		producing
Production Marginal? (yes or no)	Yes		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, date and oil/gas/water rates of recent test (within 60 days)	Date Rates Incremental Production by Subtraction -- See attached data Date Rates	Date Rates Date Rates	Date Rates Mid-Year Average Producing Rates -- See Attached Table Date Rates
8. Fixed Percentage Allocation Formula - % of each zone	Oil: NA % Gas NA %	Oil: NA % Gas NA %	Oil: NA % Gas NA %

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. NMOC 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 August 4, 1997

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

MCKEE PRODUCTION FORECAST

Hardy 36 State No. 21

OFFSET OPERATORS

RESERVES (MBO)	177
RESERVES (MMCFG)	194
RESERVES (MBOE)	209
INITIAL RATE (BOPD)	125
INITIAL RATE (MCFPD)	138
NO. MONTHS 1ST YEAR	12
GOR (MCF/BO)	1.1
ECON LIMIT (BOPD)	6
LIFE (YRS)	17.0

--- Burlington Resources

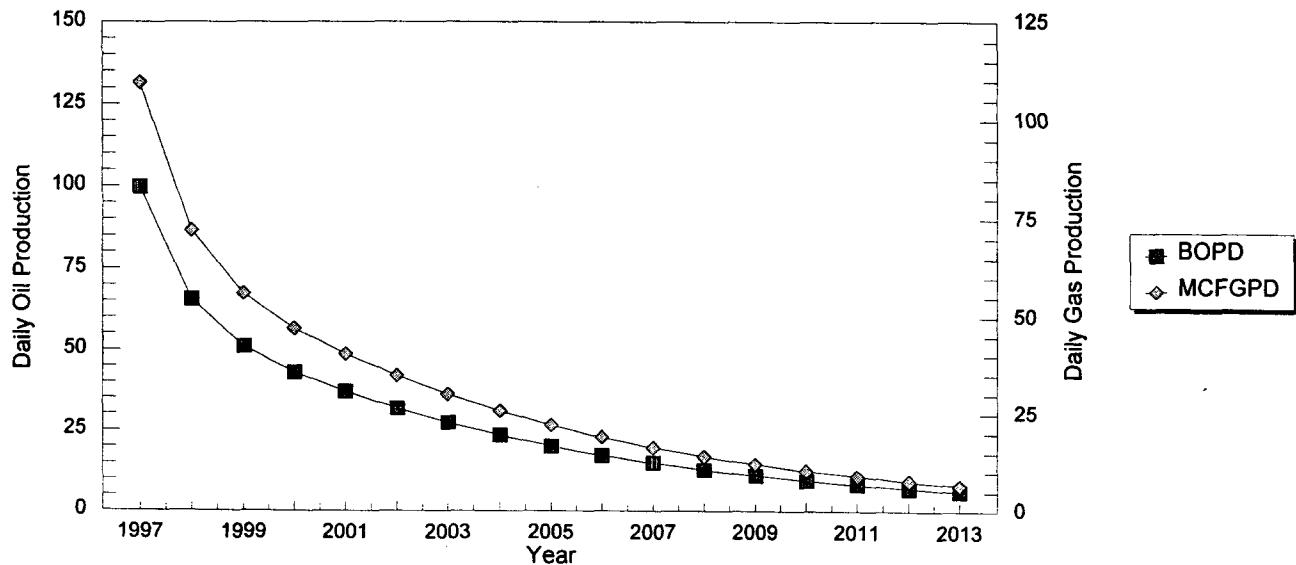
--- M.W. Petroleum Corp.

--- SDX Resources

Year	Zone	Qint. BOPD	DECLINE CONSTANT	Qf BOPD	dNp BO	Cum.Np	dGp MCF	Cum.Gp	MCFGPD	BOPD
1997	McKee	125	0.5000	76	35904	35904	39494	39494	110	100
1998	McKee	76	0.3000	56	23908	59812	26299	65793	72	66
1999	McKee	56	0.2000	46	18581	78393	20439	86232	56	51
2000	McKee	46	0.1500	40	15586	93979	17145	103377	47	43
2001	McKee	40	0.1500	34	13415	107394	14757	118133	40	37
2002	McKee	34	0.1500	29	11547	118941	12701	130835	35	32
2003	McKee	29	0.1500	25	9938	128879	10932	141767	30	27
2004	McKee	25	0.1500	22	8554	137433	9409	151176	26	23
2005	McKee	22	0.1500	19	7362	144795	8099	159275	22	20
2006	McKee	19	0.1500	16	6337	151132	6971	166246	19	17
2007	McKee	16	0.1500	14	5454	156587	6000	172245	16	15
2008	McKee	14	0.1500	12	4695	161281	5164	177409	14	13
2009	McKee	12	0.1500	10	4041	165322	4445	181854	12	11
2010	McKee	10	0.1500	9	3478	168799	3826	185679	10	10
2011	McKee	9	0.1500	8	2993	171793	3293	188972	9	8
2012	McKee	8	0.1500	7	2576	174369	2834	191806	8	7
2013	McKee	7	0.1500	6	2218	176587	2439	194245	7	6

Hardy 36 State No. 21

McKee Forecast



State of New Mexico
Energy, Minerals & Natural Resources Department

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

District I
PO Box 1980, Hobbs, NM 88241-1980
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

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33028		² Pool Code 96227	³ Pool Name Hardy Simpson-Ellenburger
⁴ Property Code 013396	⁵ Property Name HARDY 36 STATE		⁶ Well Number 21
⁷ OGRID No. 005073	⁸ Operator Name CONOCO INC.		⁹ Elevation 3491

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	36	20-S	37-E		1980	SOUTH	330	WEST	LEA

¹¹Bottom 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 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ 				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature JERRY W. HOOVER Printed Name SR. CONSERVATION COORDINATOR Title 7/14/95 Date
				¹⁸ SURVEYOR CERTIFICATION 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 best of my belief. JUNE 20, 1995 Date of Survey Signature and Seal of Professional Surveyor Certificate Number 8278

HARDY 36 STATE NO. 21
McKee Production History

