

DATE IN 8/15/97	SUSPENSE 9/4/97	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 -

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]

1674

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

[A] Location - Spacing Unit - Directional Drilling

- NSL NSP DD SD

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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,

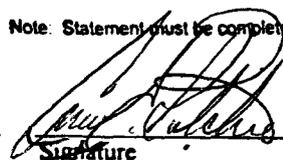
[F] Waivers are Attached

[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


Signature

Regulatory Agent
Title

8-12-97
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

APPROVAL PROCESS:

Administrative Hearing

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

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

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr., Ste 100W, Midland, TX 79705-4500

Lease Federal Well No 10 Unit Ltr Sec Twp Rge O-I,T-29-N,R-11-W County San Juan

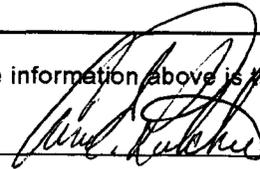
Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 003170 API NO. 30 045 08659 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)	4079-4728'(Proposed)		6540-6648'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		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) 557 PSIA	a.	a. 540 PSIA
	b (Original) 1047 PSIA	b.	b. 2522 PSIA
6. Oil Gravity (*API) or Gas BTU Content	1200 BTU Est.		1020 BTU
7. Producing or Shut-In?	new zone		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 new zone	Date Rates:	Date Rates
	Date Rates Incremental Production by subtraction	Date Rates	Date Rates 6/15/97, 88 mcf/d 0 bopd, 1 bwpd
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 8-11-97

TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. (915) 686-6548/684-6381

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date June 29, 1961

Operator PUBCO PETROLEUM CO. Lease FEDERAL 29-11
Well No. 1-0 Unit Letter O Section 1 Township 29N Range 11W NMPM
Located 990 Feet From south Line, 1600 Feet From east Line
County San Juan G. L. Elevation 5810 Dedicated Acreage 305.06 Acres
Name of Producing Formation Dakota Pool Basin-Dakota

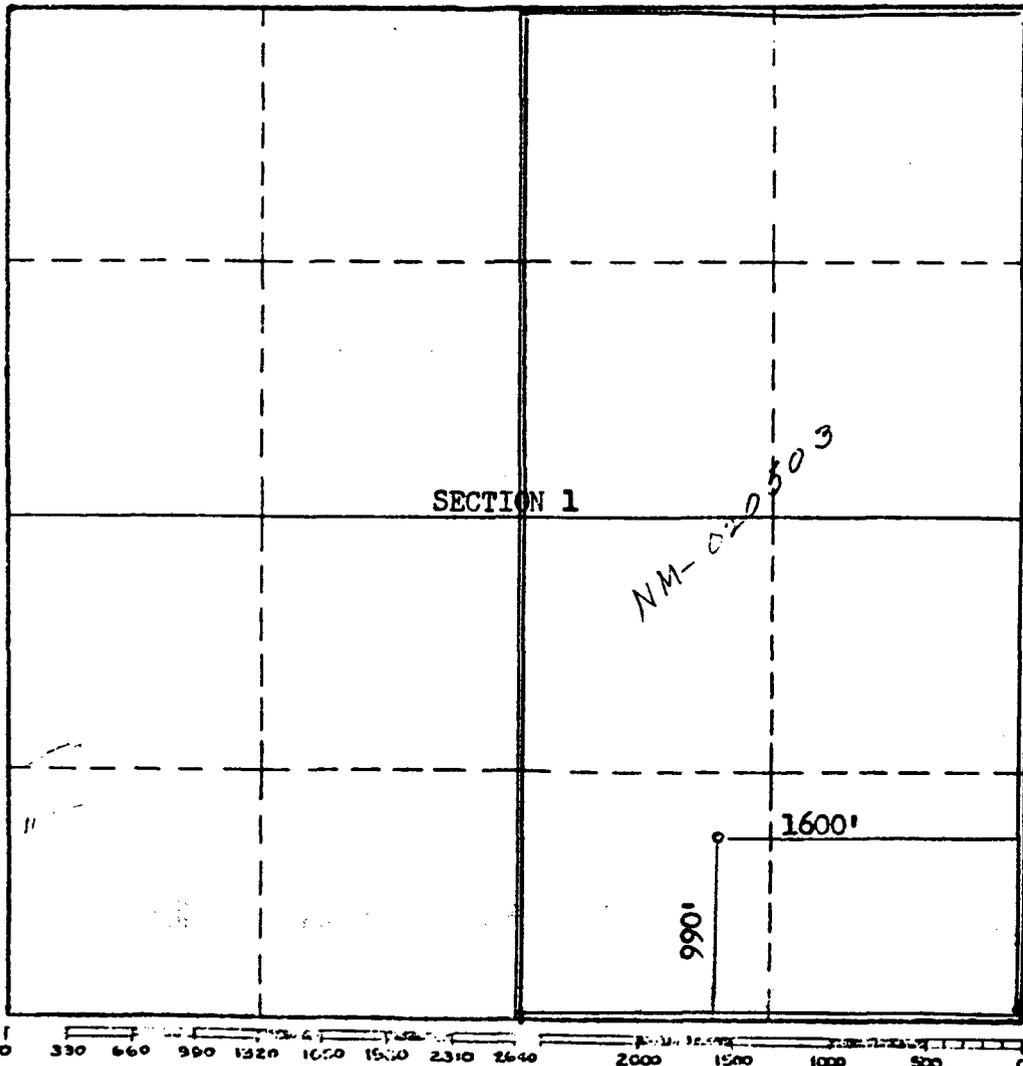
1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes No
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

<u>Owner</u>	<u>Land Description</u>

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PUBCO PETROLEUM CORPORATION
(Operator)

Edward J. ...
(Representative)

108 West Chuska, Aztec, N.M.
Address

This is to certify that the well location shown on the plat in Section B 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.

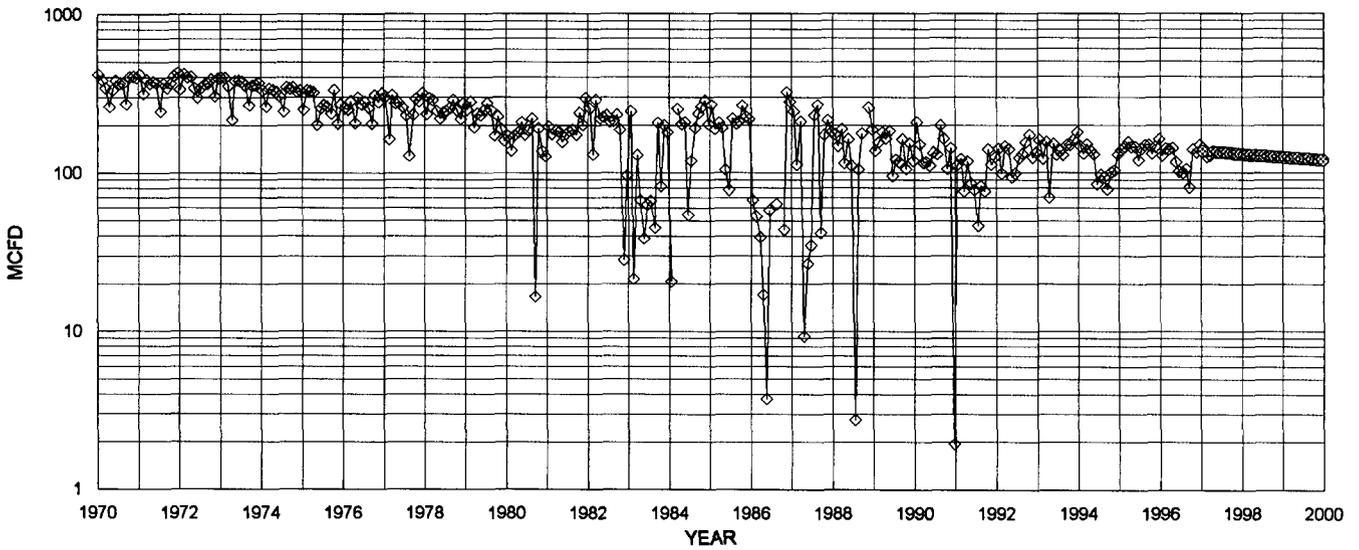
Date Surveyed June 9, 1961

Stephen H. Kinney
STEPHEN H. KINNEY,
Registered Professional
Engineer and Land Surveyor.

Certificate No. 803

(See instructions for completing this form on the reverse side)

**FEDERAL #10 DAKOTA PRODUCTION
SECTION 01O-29N-11W**



◇ DAKOTA MCFD ◇ FIT MCFD

DAKOTA HISTORICAL DATA	1ST PROD: 11/81	DAKOTA PROJECTED DATA
OIL CUM: 19.9 MBO		1/1/97 Qi: 137 MCFD
GAS CUM: 3104.0 MMCF		DECLINE RATE: 4.35% (EXPONENTIAL)
OIL YIELD: 0.0064 BBL/MCF		OIL YIELD: 0.0006 BBL/MCF, LAST 3 YEARS

YEAR	MID-YEAR AVG MCFD	MID-YEAR AVG BOPD
1997	134	0.1
1998	128	0.1
1999	122	0.1
2000	117	0.1
2001	112	0.1
2002	107	0.1
2003	102	0.1
2004	98	0.1
2005	94	0.1
2006	90	0.1
2007	86	0.1
2008	82	0.0
2009	78	0.0
2010	75	0.0
2011	72	0.0
2012	69	0.0
2013	66	0.0
2014	63	0.0
2015	60	0.0
2016	57	0.0
2017	55	0.0
2018	53	0.0
2019	50	0.0
2020	48	0.0
2021	46	0.0
2022	44	0.0
2023	42	0.0
2024	40	0.0
2025	38	0.0
2026	37	0.0

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

Conoco, Inc.
Federal, Well #10
San Juan County, New Mexico
Attachment to Form C-107-A

Offset Operators-other than Conoco:

Burlington O & G Resources Co.
P.O. Box 4289
Farmington, NM 87499

Amoco Production Co.
P.O. Box 800
Denver, CO 80201

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499-0420

Four Star Oil & Gas Co.
3300 N. Butler Ave. Suite 100
Farmington, NM 87401

Copies of the C-107A and attachments sent to above 8-12-97.

A handwritten signature in black ink, appearing to read "Alfred [unclear]", located at the bottom right of the page.