

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

1746

**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]

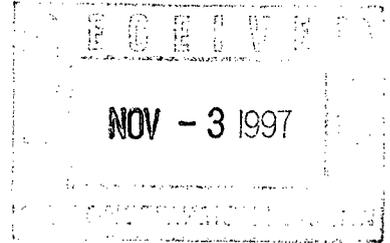
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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.

Kay Maddox  
Print or Type Name

*Kay Maddox*  
Signature

Regulatory Agent  
Title

Oct 30, '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

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

APPROVAL PROCESS:  
 Administrative  Hearing  
 EXISTING WELLBORE  
 YES  NO

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

APPLICATION FOR DOWNHOLE COMMINGLING

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

Lease Jicarilla A Well No 17 Unit Ltr Sec Twp Rge Section 14, T26N, R4W, E County Rio Arriba

OGRID NO. 005073 Property Code 18018 API NO. 30-039-21030 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	Tapacito Pictured Cliffs 85920		Blanco Mesaverde 72319
2. TOP and Bottom of Pay Section (Perforations)	3675-3705'		5730-6219'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 330 psia	a.	a. 593 psia
	b(Original) 660 psia	b.	b. 1377 psia
6. Oil Gravity (°API) or Gas BT Content	1268		1290
7. Producing or Shut-In?	Producing		To be completed
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, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Estimated 1/98 20 MCFD/ 0 Oil/ 0 BW Prod by subtraction - see attached table	Date Rates	Est. 1/98, Initial rate 28 MCFD/ 1 BO/ 0BW Prod by subtraction - see attached table
8. Fixed Percentage Allocation Formula - % of 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) \_\_\_\_\_

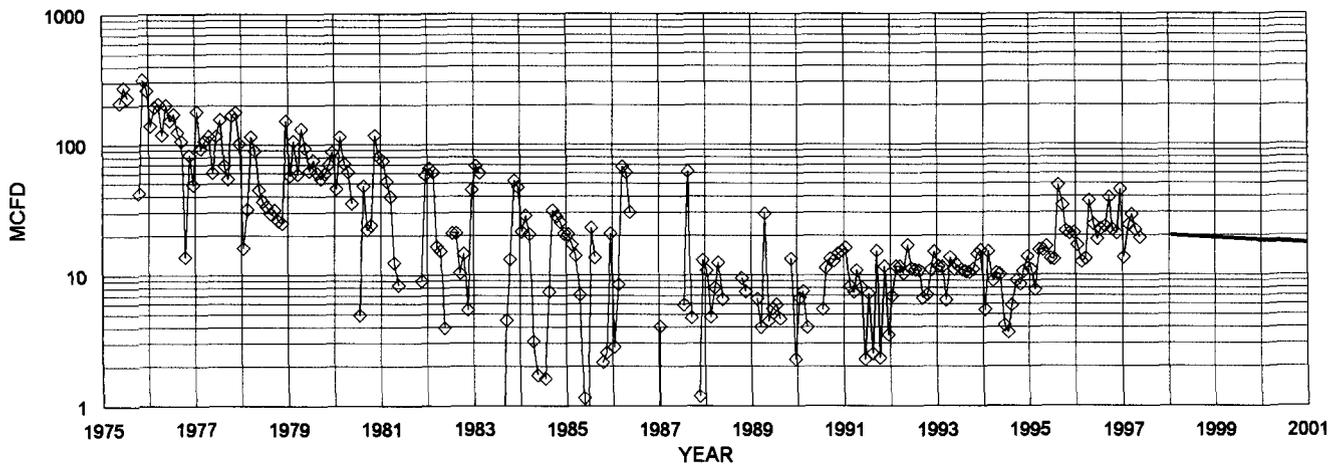
16. ATTACHMENTS
- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
  - \* Production curve for each zone for at least one year. (If not available, attach explanation.)
  - \* For zones with no production history, estimated production rates and supporting data.
  - \* 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 Kay Maddox TITLE Regulatory Agent DATE Oct 30, 1997

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

**JICARILLA A 17 PICTURED CLIFFS PRODUCTION  
SECTION 14E-26N-04W**



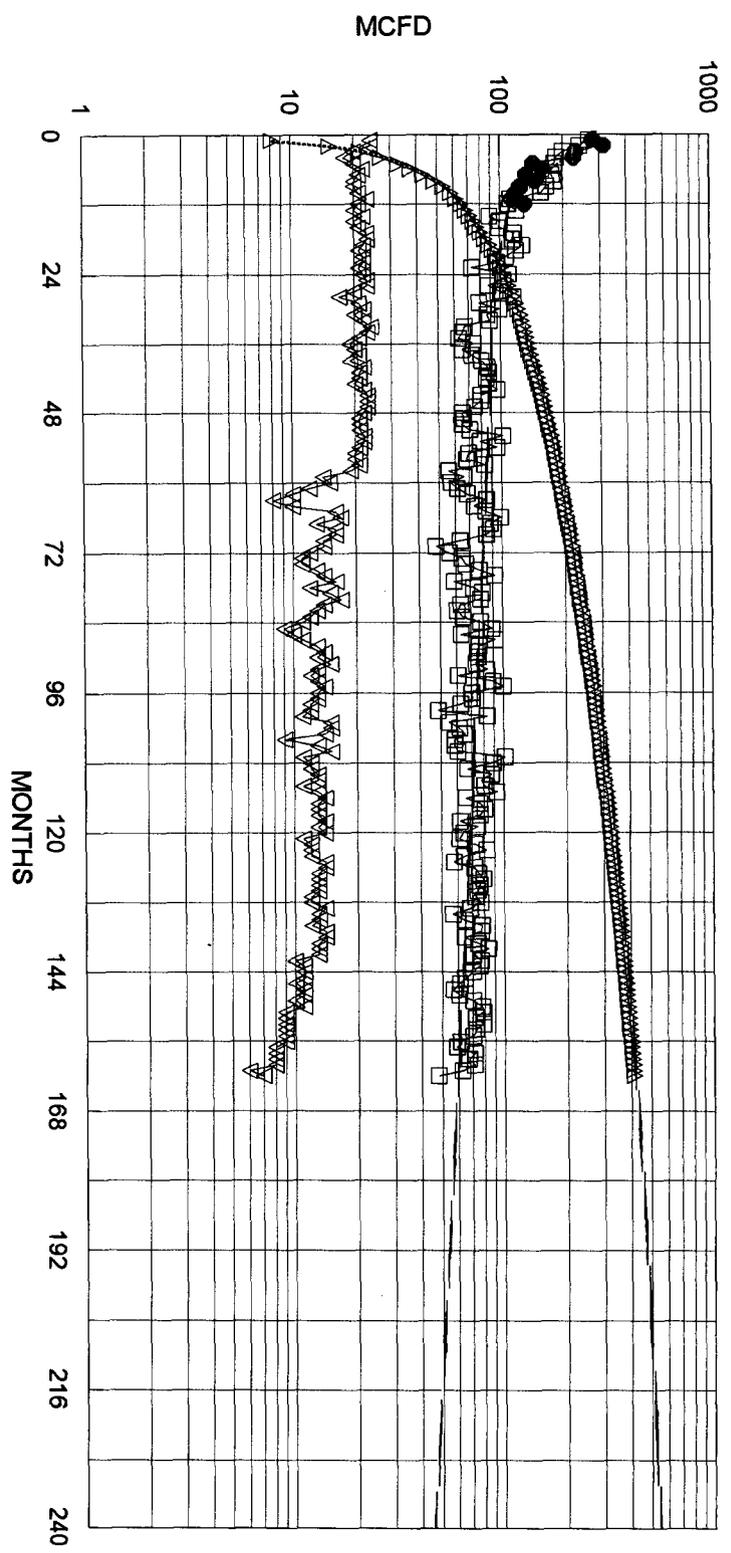
◇ PICTURED CLIFFS MCFD    — FIT MCFD

PICTURED CLIFFS HISTORICAL DATA: 1ST PROD: 5/75		PROJECTED DATA	
OIL CUM:	0.00 MBO	1/1/98 QI:	20 MCFD
GAS CUM:	277.4 MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
CUM OIL YIELD:	0.0000 BBL/MCF		
OIL YIELD:	0.0000 BBL/MCF, LAST 3 YRS		
AVG. USED:	0.0000 BBL/MCF		

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1998	20	0.0
1997	19	0.0
1996	18	0.0
1995	17	0.0
2000	16	0.0
2001	16	0.0
2002	15	0.0
2003	14	0.0
2004	14	0.0
2005	13	0.0
2006	12	0.0
2007	12	0.0
2008	11	0.0
2009	11	0.0
2010	10	0.0
2011	10	0.0
2012	9	0.0
2013	9	0.0
2014	9	0.0
2015	8	0.0
2016	8	0.0
2017	7	0.0
2018	7	0.0
2019	7	0.0
2020	6	0.0
2021	6	0.0
2022	6	0.0
2023	6	0.0
2024	5	0.0
2025	5	0.0
2026	5	0.0
2027	5	0.0
2028	4	0.0
2029	4	0.0
2030	4	0.0

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

**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

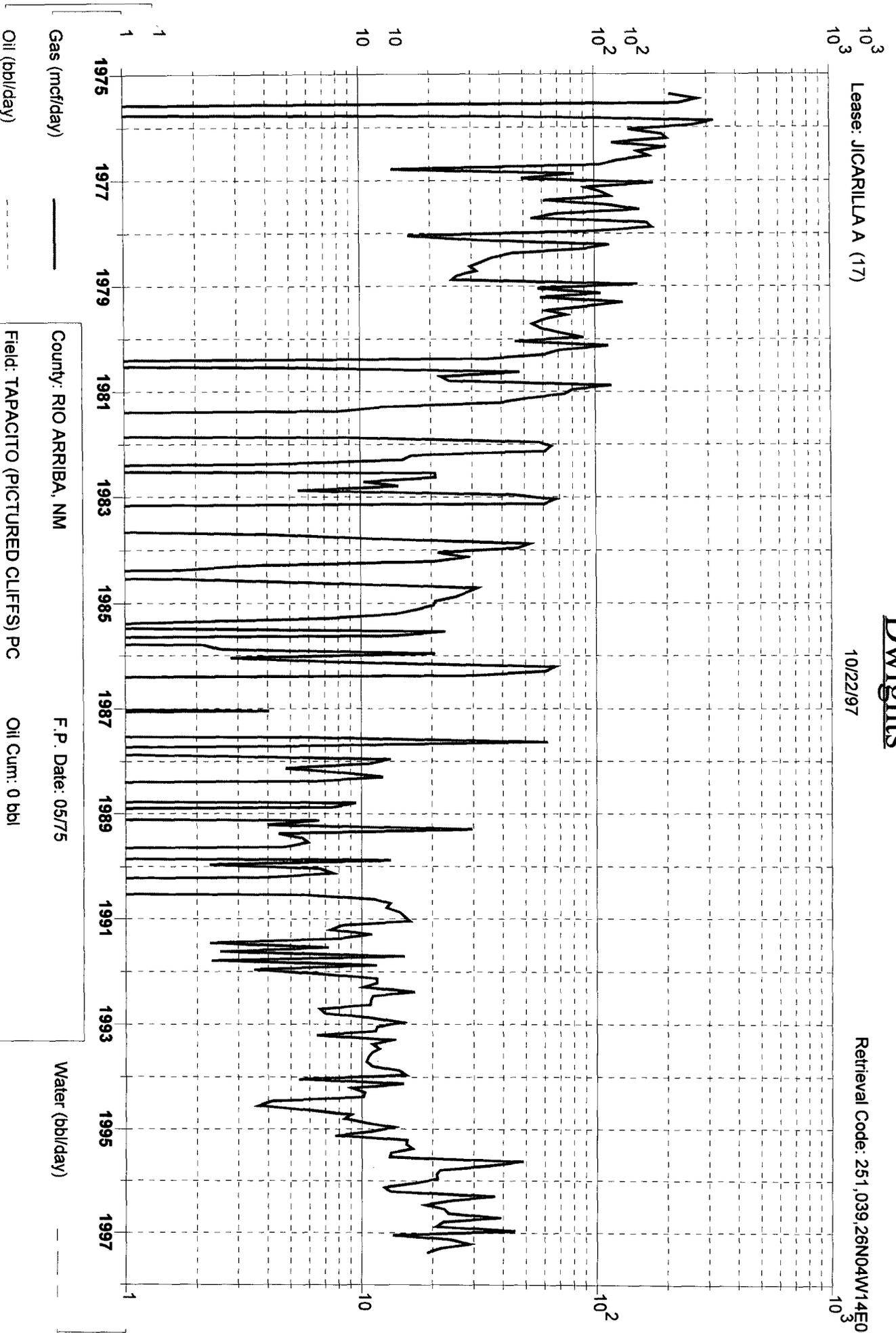
280 MCFD IP  
 60% DECLINE, 1ST 12 MONTHS  
 15% DECLINE, NEXT 12 MONTHS  
 4.0% FINAL DECLINE

# Dwights

Lease: JICARILLA A (17)

10/22/97

Retrieval Code: 251,039,26N04W14E00PC



Gas (mmcf/day)

Oil (bbl/day)

County: RIO ARRIBA, NM

Field: TAPACITO (PICTURED CLIFFS) PC

Reservoir: PICTURED CLIFFS

Operator: CONOCO INC

F.P. Date: 05/75

Oil Cum: 0 bbl

Gas Cum: 277.4 mmcf

Location: 14E 26N 4W

Water (bbl/day)

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Revised February 21, 1994  
instructions on back

District II  
PO Drawer DD, Artesia, NM 88211-0719

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

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

District III  
1000 Rio Brazos Rd. Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-21030		2 Pool Code 85920		3 Pool Name Tapacito Pictured Cliffs	
4 Property Code 18018		5 Property Name Jicarilla A			6 Well Number 17
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 7168' GL

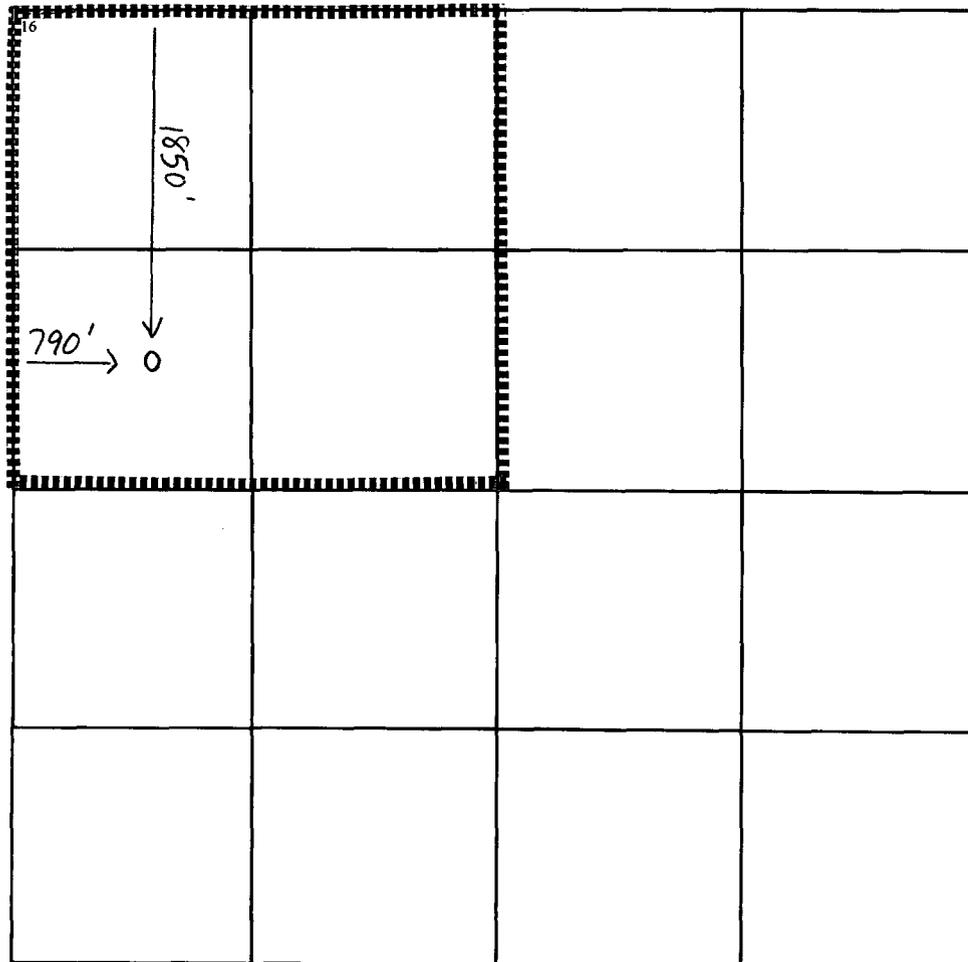
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	26N	4W		1850	North	790	West	Rio Arriba

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 160		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



17 OPERATOR CERTIFICATION

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

*Kay Maddox*  
Signature

Kay Maddox  
Printed Name

Regulatory Agent  
Title

October 24, 1997  
Date

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 the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor.

Certificate Number

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
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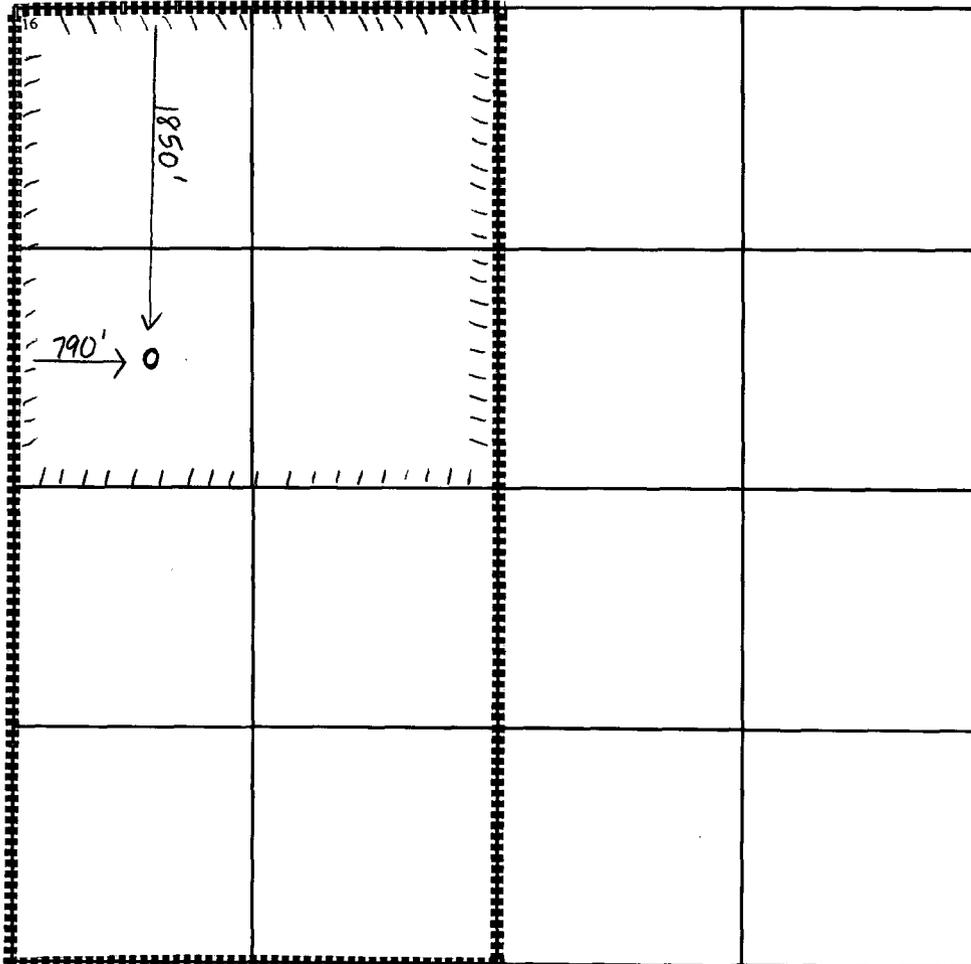
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Signature Kay Maddox

Printed Name Regulatory Agent

Title October 24, 1997

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Signature and Seal of Professional Surveyor.

Certificate Number



**Mid-Continent Region**  
Exploration/Production

**Conoco Inc.**  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500  
(915) 686-5400

Jicarilla A #17  
Section 14, T-26-N, R-4-W, E  
1850 FNL & 790 FWL  
API # 30-039-21030  
Rio Arriba County, NM

RE: Application To Downhole Commingle

**OFFSET OPERATORS:**

Amoco Production Co.  
PO Box 800  
Denver, CO 80201

Burlington Oil & Gas Resources Co.  
PO Box 4289  
Farmington, NM 87499

Chateau Oil & Gas, Inc.  
2515 McKinney ave, STE 840  
Dallas, TX 75201