

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]

1797

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

[A] Location - Spacing Unit - Directional Drilling

- NSL     NSP     DD     SD

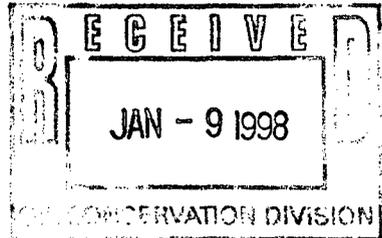
Check One Only for [B] and [C]

[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

1/6/98  
Date

+Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C 103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

P.O. Drawer DD, Artesia, NM 88210

DISTRICT 11  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.	30-039-23337
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	E 2825-6
7. Lease Name or Unit Agreement Name	San Juan 28-7 Unit
8. Well No.	#165 E
9. Pool name or Wildcat	Blanco Mesaverde, Basin Dakota
10. Elevaoun (Show whether DF, RKB, RT, GR, etc.)	6648' KB

SUNDRY NOTICES AND REPORTS ON WELLS  
( DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE APPLICATION FOR PERMIT  
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well  Gas Well  OTHER

2. Name of Operator  
Conoco Inc.

3. Address of Operator  
10 Desta Dr. Ste 100W, Midland, Tx., 79705-4500

4. Well Location

Unit Letter I 1760 Feet From The South Line and 830 Feet From The East Line

Section 16 Township 27N Range 7W NMPM Rio Arriba County

10. Elevaoun (Show whether DF, RKB, RT, GR, etc.)  
6648' KB

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Downhole Commingle</u> <input checked="" type="checkbox"/>		OTHER <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)SEE RULE 1103.

It is proposed to Downhole Commingle the Blanco Mesaverde & the Basin Dakota in this well

12. 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 January 6, 1998

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

(this space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONITIONS OF APPROVAL, IF ANY:

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

Form C-107-A  
 New 3-12-96

OIL CONSERVATION DIVISION

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

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 San Juan 28-7 Unit Well No 165 E Unit Ltr Sec Twp Rge Section 16, T-27-N, R-7-W, I County Rio Arriba

OGRID NO. 005073 Property Code 016608 API NO. 30-039-23337 Spacing Unit Lease Types: (check 1 or more)  
 Federal  State  (and/or) Fee

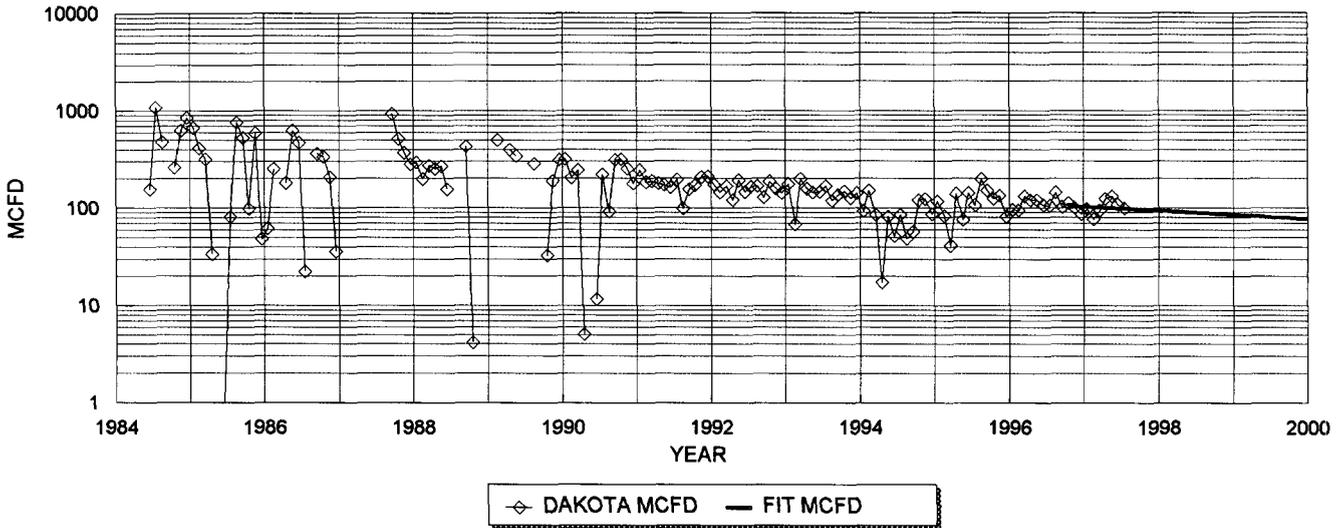
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesaverde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	5300-5538'		7410-7584'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	457		751
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1230		2844
6. Oil Gravity (°API) or Gas BT Content	1333		1270
7. Producing or Shut-In?	To be completed		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, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Incremental Production by Subtraction	Mid-Year Avg. rates - See Table	
8. Fixed Percentage Allocation Formula - % or 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? X 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. X Yes  No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each others X Yes  No
13. Will the value of production be decreased by commingling?  Yes X 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. X Yes  No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-10476-B
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 January 6, 1998  
 TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

**SAN JUAN 28-7 NO. 165E DAKOTA PRODUCTION  
SECTION 16I-27N-07W**



<b>DAKOTA HISTORICAL DATA:</b>	<b>1ST PROD: 06/84</b>	<b>DAKOTA PROJECTED DATA</b>	
<b>OIL CUM:</b>	<b>8.22 MBO</b>	<b>1/1/98 Qi:</b>	<b>93 MCFD</b>
<b>GAS CUM:</b>	<b>849.2 MMCF</b>	<b>DECLINE RATE:</b>	<b>9.4% (EXPONENTIAL)</b>
<b>CUM OIL YIELD:</b>	<b>0.0097 BBL/MCF</b>		
<b>OIL YIELD:</b>	<b>0.0067 BBL/MCF, LAST 3 YRS</b>		
<b>AVG. USED:</b>	<b>0.0082 BBL/MCF</b>		

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1998	88.9	0.7
1999	80.6	0.7
2000	73.0	0.6
2001	66.1	0.5
2002	59.9	0.5
2003	54.3	0.4
2004	49.2	0.4
2005	44.6	0.4
2006	40.4	0.3
2007	36.6	0.3
2008	33.1	0.3
2009	30.0	0.2
2010	27.2	0.2
2011	24.6	0.2
2012	22.3	0.2
2013	20.2	0.2
2014	18.3	0.2
2015	16.6	0.1
2016	15.0	0.1
2017	13.6	0.1
2018	12.3	0.1
2019	11.2	0.1
2020	10.1	0.1
2021	9.2	0.1
2022	8.3	0.1
2023	7.5	0.1
2024	6.8	0.1
2025	6.2	0.1
2026	5.6	0.0
2027	5.1	0.0
2028	4.6	0.0
2029	4.2	0.0
2030	3.8	0.0
2031	3.4	0.0
2032	3.1	0.0

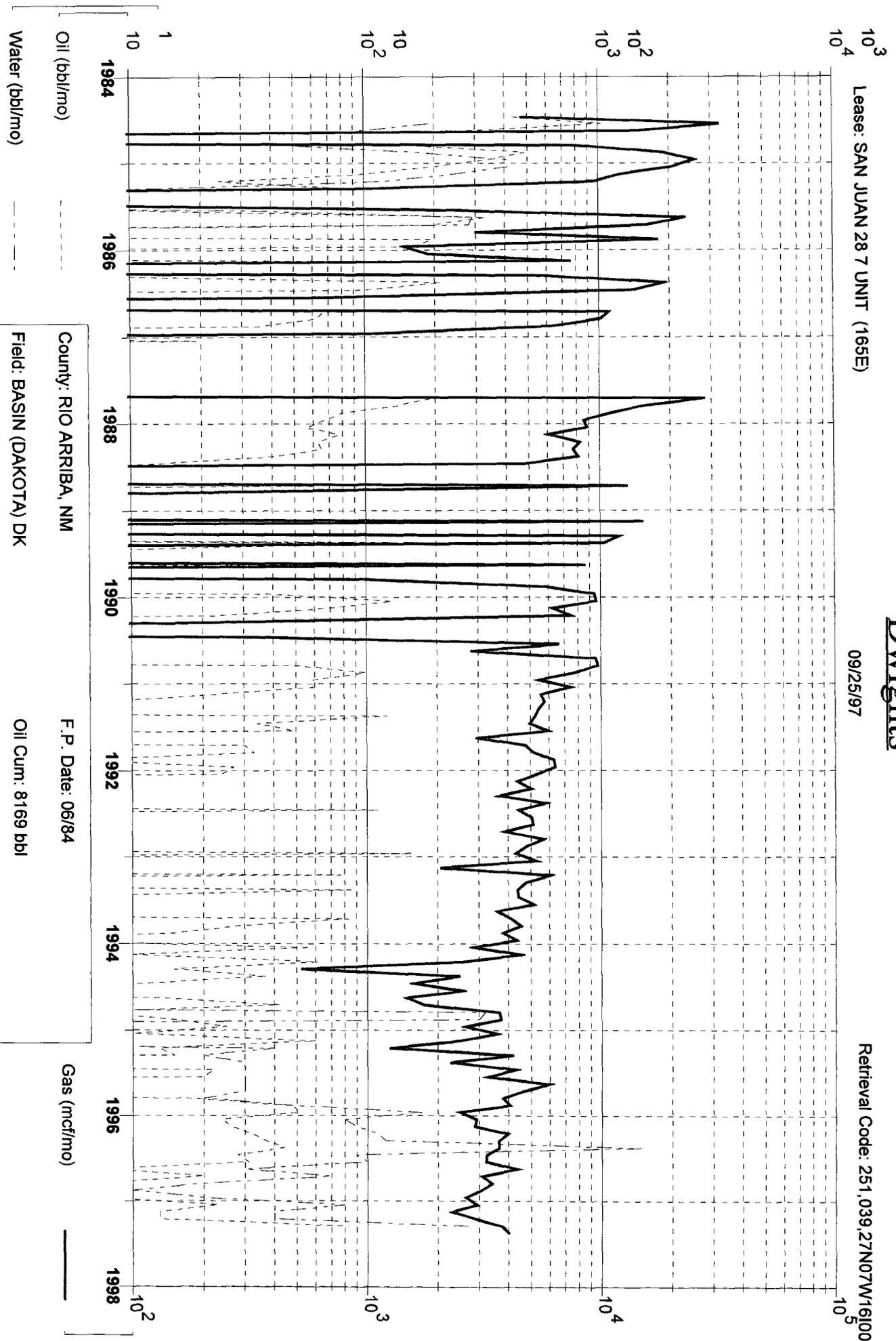
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

# Dwights

Lease: SAN JUAN 28 7 UNIT (169E)

09/25/97

Retrieval Code: 251.039.27N07W16J00DK



County: RIO ARRIBA, NM  
Field: BASIN (DAKOTA) DK  
Reservoir: DAKOTA  
Operator: CONOCO INC

F.P. Date: 06/84  
Oil Cum: 8169 bbl  
Gas Cum: 842.8 mmcf  
Location: 161 27N 7W

Oil (bbl/mo) ———  
Water (bbl/mo) - - - - -  
Gas (mcf/mo) - - - - -

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 30-039-23337		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number 165 E
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6648' KB

**10 Surface Location**

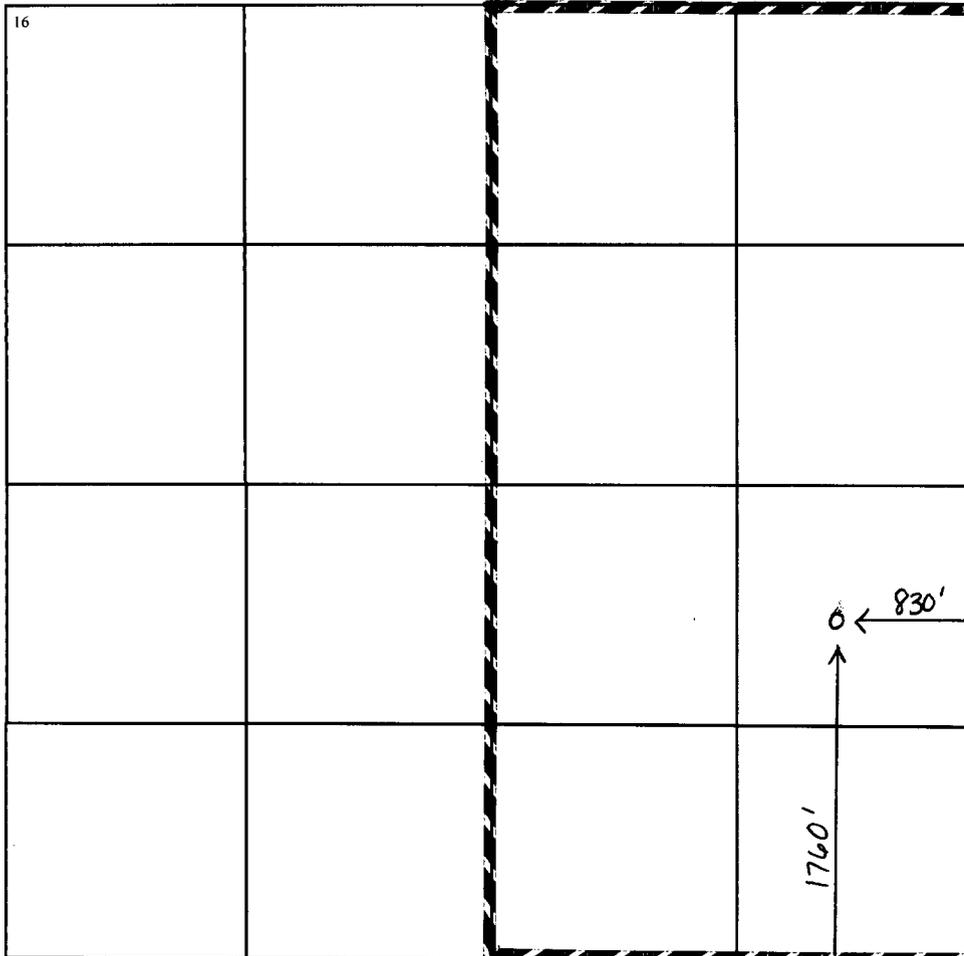
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	16	27N	7W		1760	South	830	East	Rio Arriba

**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 320	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**



**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

January 6, '98  
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

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2888  
SANTA FE, NEW MEXICO 87501

Form O-102  
Revised 11-1-78

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

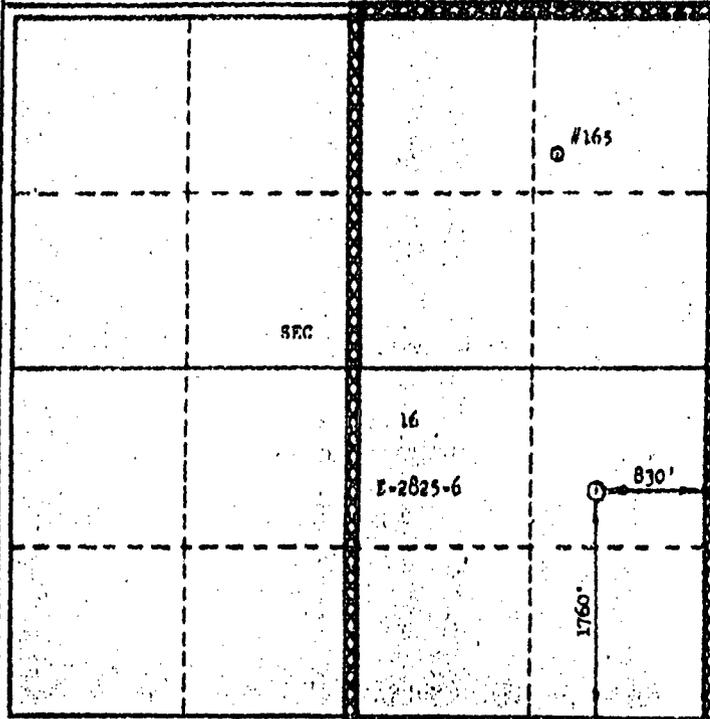
Operator <b>EL PASO NATURAL GAS COMPANY</b>			Lease <b>San Juan 28-7 Unit (E-2825-6)</b>		Well No. <b>167K</b>
Unit Letter <b>I</b>	Section <b>16</b>	Township <b>27-N</b>	Range <b>7-W</b>	County <b>Hip Arriba</b>	
Actual Postage Location of Well					
<b>1760</b>	feet from the <b>South</b>	<b>830</b>	feet from the <b>East</b>	line	
Ground Level Elev. <b>6636</b>	Protecting Formation <b>Dakota</b>	Pool <b>Basin Dakota</b>	Indicated Area <b>320.00</b>		Acres

- Outline the acreage dedicated to the subject well by colored pencil or checkered marks 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    Unitization

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowance 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 Division.



CERTIFICATION

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

*H. P. Bues*

Name  
**Drilling Clerk**

Position  
**Hip Arriba Natural Gas Co.**

Company  
**November 10, 1983**

Date

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  
**October 25, 1983**

Registered Professional Engineer and/or Land Surveyor  
*David H. Williams*

1760



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**Mid-Continent Region**  
Exploration/Production

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

San Juan 28-7 Unit  
Downhole Commingle Application C-107-A

RE: Offset Operators

Conoco, Inc is the only offset operator.