

ABOVE THIS LINE FOR DIVISION USE ONLY

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

1848

**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]

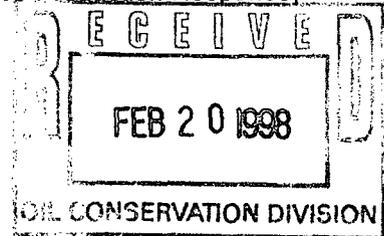
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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

2/18/98  
 Date

DISTRICT I  
 P O Box 1980, Hobbs, NM 88241 1980

DISTRICT II  
 811 Southl First St. Artesia NM 88210 2835

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

State of New Mexico  
 Energy, Minerals and Natural Rasources 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 Michener A LS Well No 6 E Unit Ltr Sec Twp Rge Section 31, T-28-N, R-9-W, D County San Juan

OGRID NO. 005073 Property Code \_\_\_\_\_ API NO. 30-045-23879 Spacing Unit Lease Types: (check 1 or more)  
 Federal  State  (and/or) Fee

| The following facts ate submitted in support of downhole commingling:   | Upper Zone   | intermediate Zone | Lower Zone   |
|---|--|-------------------|--|
| 1. Pool Name and Pool Code  | Blanco Mesaverde<br>72319  |                   | Basin Dakota<br>71599                                |
| 2. TOP and Bottom of Pay Section (Perforations)   | 4476-5040'   |                   | 6795-6965'   |
| 3. Type of production (Oil or Gas)  | Gas  |                   | Gas  |
| 4. Method of Production (Flowing or Artificial Lift)  | To Flow  |                   | Flowing  |
| 5. Bottomhole Pressure<br>Oil Zones - Artificil Lift:<br>Estimated Current<br>Gas & Oil - Flowing:<br>Measured Current<br>All Gas Zones:<br>Estimated Or Measured Original  | a (Current)<br>532   | a.                | a.<br>722  |
|   | b(Original)<br>1161  | b.                | b.<br>2373   |
| 6. Oil Gravity (°API) or Gas BT Content   | 1240   |                   | 1246   |
| 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 lsst production<br><br>Note For new zones with no production hStory applicant shad be required to attach production estimates and supporting dara<br><br>• If Producing, date and oil/gas/ water rates of recent test (within 60 days) | Date Rates   | Date Rates        | Date Rates   |
|   | Date Rates<br>Production allocated by Subtraction - See Attached Table | Date Rates        | Date Rates<br>Est 1/98<br>72 MCFD, 1 BOPD,<br>0 BWPD |
| 8. Fixed Percentage Allocation Formula -% Or each zone  | oil: % Gas %   | oil: % Gas %      | oil: % Gas %   |

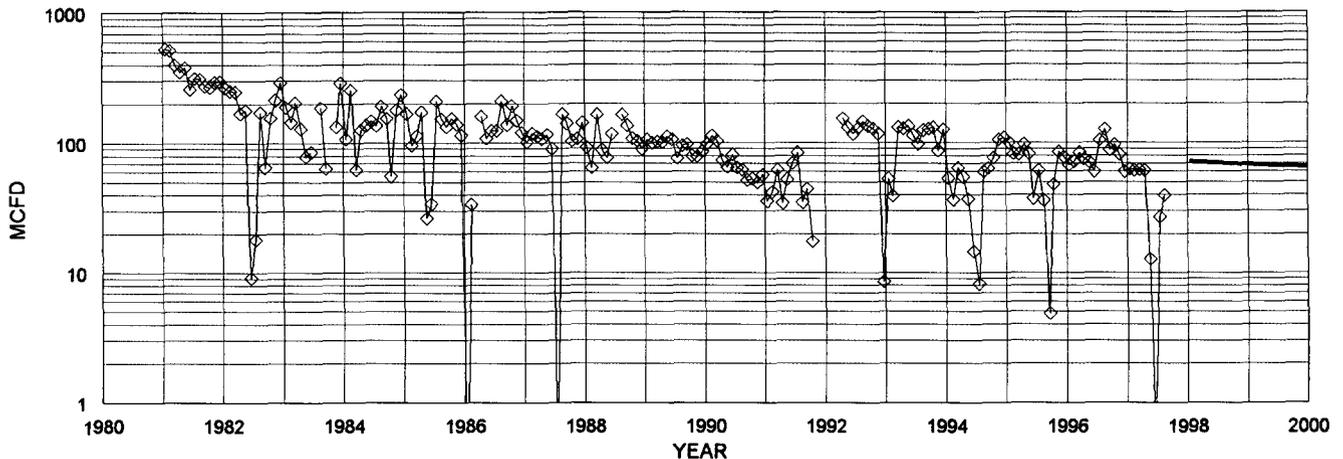
9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical 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?  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 February 18, 1998

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

**MICHENER A LS 6E DAKOTA PRODUCTION  
SECTION 31D-28N-09W**



◇ DAKOTA MCFD    — FIT MCFD

| DAKOTA HISTORICAL DATA: |                            | PROJECTED DATA |                    |
|-------------------------|----------------------------|----------------|--------------------|
| OIL CUM:                | 8.22 MBO                   | 1/1/98 Qi:     | 72 MCFD            |
| GAS CUM:                | 685.1 MMCF                 | DECLINE RATE:  | 4.4% (EXPONENTIAL) |
| CUM OIL YIELD:          | 0.0120 BBL/MCF             |                |                    |
| OIL YIELD:              | 0.0157 BBL/MCF, LAST 3 YRS |                |                    |
| AVG. USED:              | 0.0138 BBL/MCF             |                |                    |

| YEAR | MID-YEAR<br>AVG. MCFD | MID-YEAR<br>AVG. BOPD |
|------|-----------------------|-----------------------|
| 1998 | 70.2                  | 0.97                  |
| 1997 | 67.1                  | 0.93                  |
| 1996 | 64.1                  | 0.89                  |
| 1995 | 61.3                  | 0.85                  |
| 2000 | 58.6                  | 0.81                  |
| 2001 | 56.0                  | 0.78                  |
| 2002 | 53.6                  | 0.74                  |
| 2003 | 51.2                  | 0.71                  |
| 2004 | 48.9                  | 0.68                  |
| 2005 | 46.8                  | 0.65                  |
| 2006 | 44.7                  | 0.62                  |
| 2007 | 42.8                  | 0.59                  |
| 2008 | 40.9                  | 0.57                  |
| 2009 | 39.1                  | 0.54                  |
| 2010 | 37.4                  | 0.52                  |
| 2011 | 35.7                  | 0.49                  |
| 2012 | 34.1                  | 0.47                  |
| 2013 | 32.6                  | 0.45                  |
| 2014 | 31.2                  | 0.43                  |
| 2015 | 29.8                  | 0.41                  |
| 2016 | 28.5                  | 0.39                  |
| 2017 | 27.3                  | 0.38                  |
| 2018 | 26.1                  | 0.36                  |
| 2019 | 24.9                  | 0.34                  |
| 2020 | 23.8                  | 0.33                  |
| 2021 | 22.8                  | 0.32                  |
| 2022 | 21.8                  | 0.30                  |
| 2023 | 20.8                  | 0.29                  |
| 2024 | 19.9                  | 0.28                  |
| 2025 | 19.0                  | 0.26                  |
| 2026 | 18.2                  | 0.25                  |
| 2027 | 17.4                  | 0.24                  |
| 2028 | 16.6                  | 0.23                  |
| 2029 | 15.9                  | 0.22                  |
| 2030 | 15.2                  | 0.21                  |

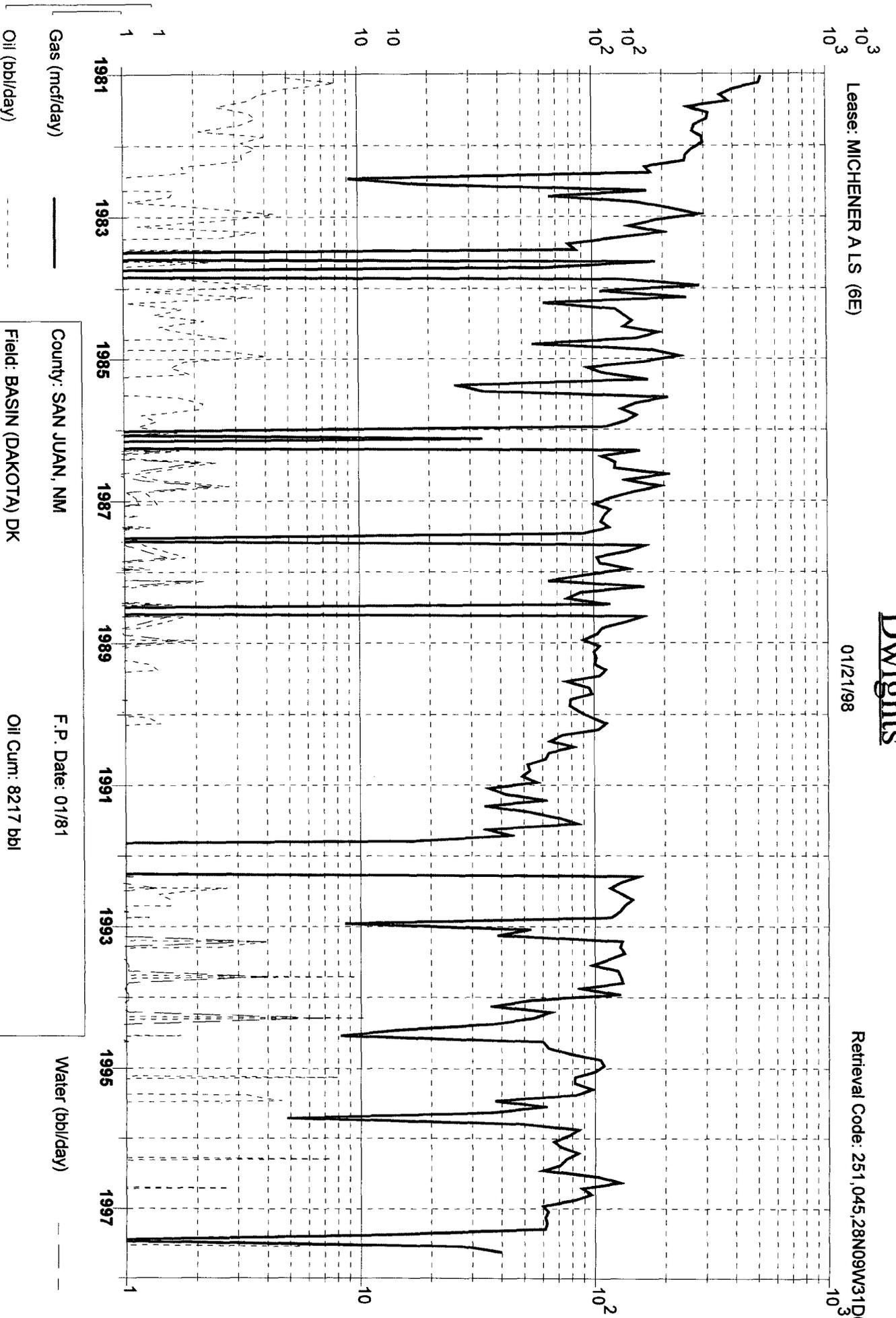
**PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION**

# Dwights

Lease: MICHENNER ALS (6E)

01/21/98

Retrieval Code: 251,045,28N09W31D00DK



|                               |                      |
|-------------------------------|----------------------|
| County: SAN JUAN, NM          | F. P. Date: 01/81    |
| Field: BASIN (DAKOTA) DK      | Oil Cum: 8217 bbl    |
| Reservoir: DAKOTA             | Gas Cum: 685.1 mmcf  |
| Operator: AMOCO PRODUCTION CO | Location: 31D 28N 9W |

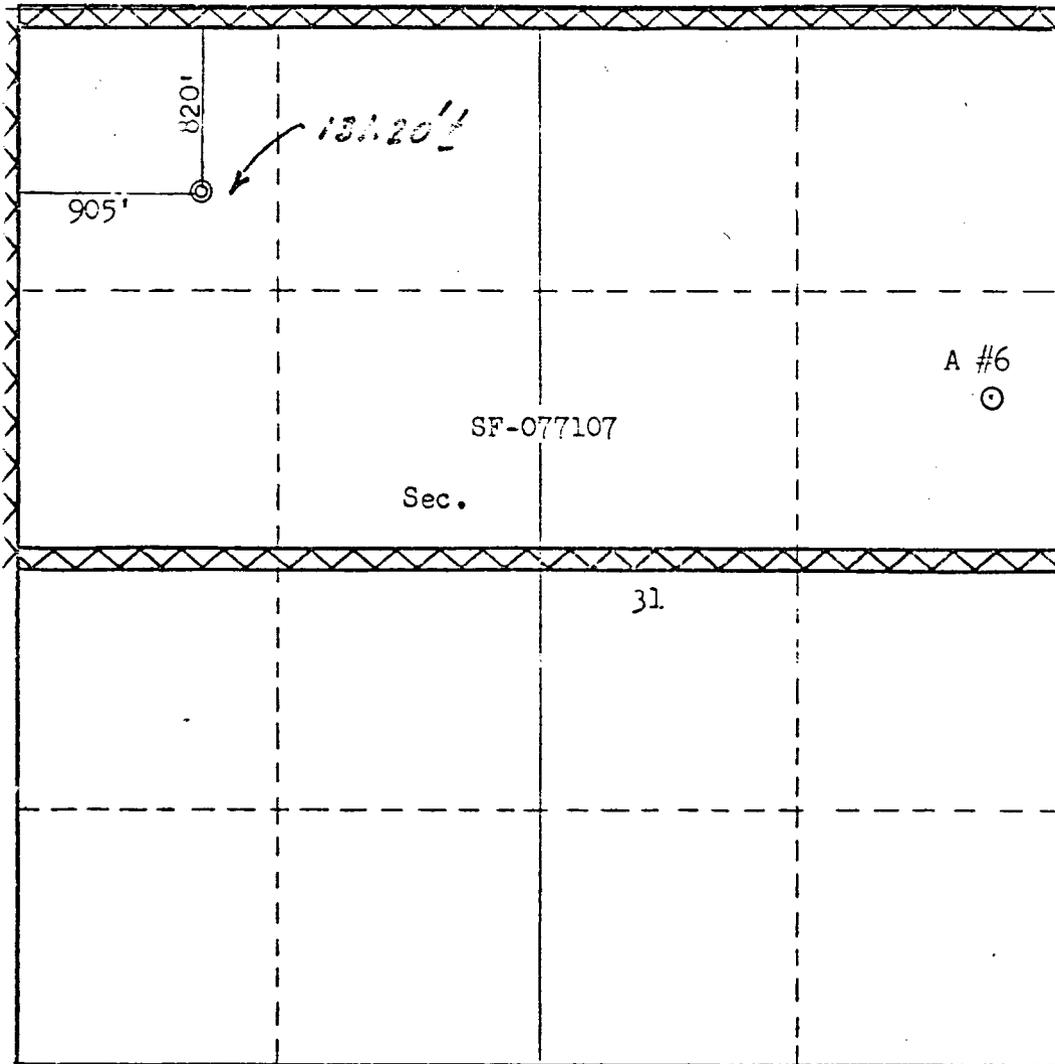
All distances must be from the outer boundaries of the Section.

|  |                               |                 |                                   |                                    |                 |
|--|-------------------------------|-----------------|-----------------------------------|------------------------------------|-----------------|
| Operator<br>EL PASO NATURAL GAS COMPANY  |                               |                 | Lease<br>MICHENER "A" (SF-077107) |                                    | Well No.<br>6-E |
| Unit Letter<br>D   | Section<br>31                 | Township<br>28N | Range<br>9W                       | County<br>San Juan                 |                 |
| Actual Footage Location of Well:<br>820 feet from the North line and 905 feet from the West line |                               |                 |                                   |                                    |                 |
| Ground Level Elev.<br>6340   | Producing Formation<br>Dakota |                 | Pool<br>Basin Dakota              | Dedicated Acreage:<br>303.22 Acres |                 |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 \_\_\_\_\_

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

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. NOTE: THIS PLAT IS REISSUED TO SHOW MOVED LOCATION. 10-8-79



|   |                     |
|---|---------------------|
| CERTIFICATION   |                     |
| I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief.  |                     |
| <i>A. J. Durso</i>  |                     |
| Name  | Drilling Clerk      |
| Position  | El Paso Natural Gas |
| Company   | 10-11-79            |
| 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. |                     |
|   |                     |
| Certificate No.   | 3950                |



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  
 Santa Fe, NM 87504-2088

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<br>30-045-23879 |  | 2 Pool Code<br>72319  |  | 3 Pool Name<br>Blanco Mesaverde |                      |
| 4 Property Code            |  | 5 Property Name<br>Michener A LS  |  |                                 | 6 Well Number<br>#6E |
| 7 OGRID No.<br>005073      |  | 8 Operator Name<br>Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500 |  |                                 | 9 Elevation<br>6340' |

**10 Surface Location**

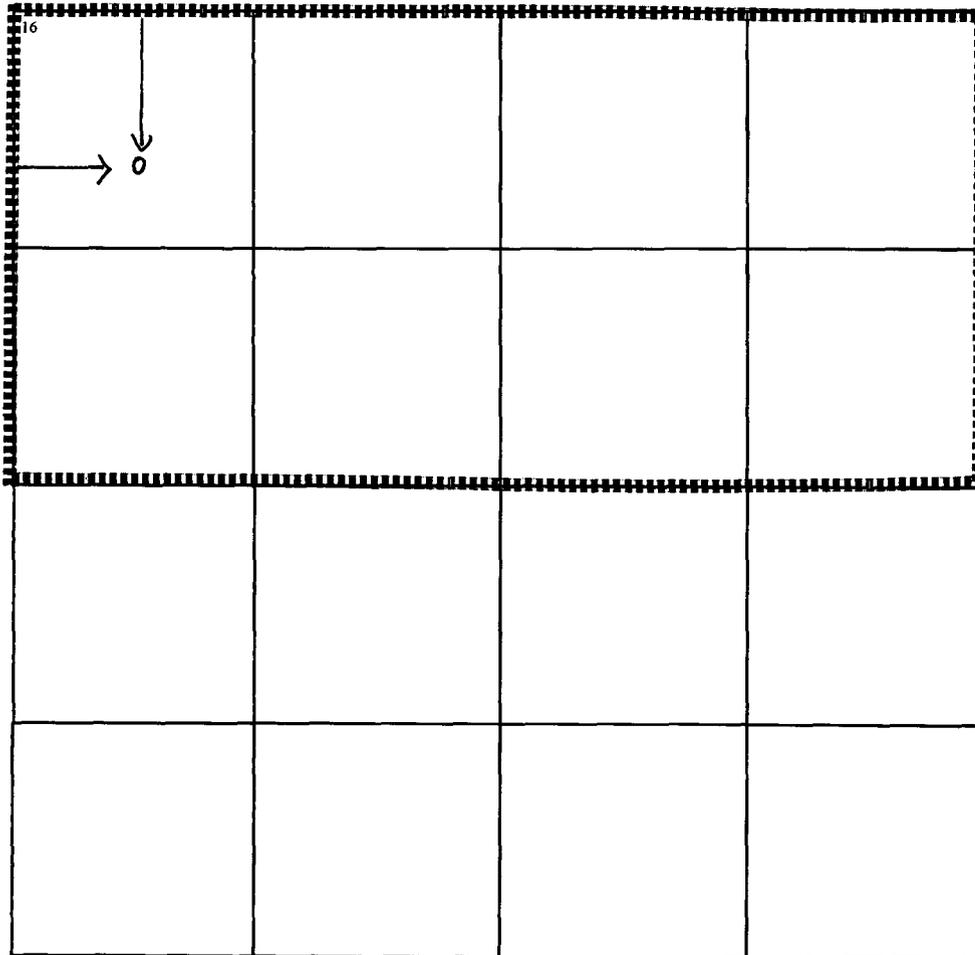
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| D             | 31      | 28N      | 9W    |         | 820           | North            | 905           | West           | San Juan |

**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<br>303.22 | 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  
 February 18, 1998

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



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**Mid-Continent Region**  
Exploration/Production

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

RE: Downhole Commingle Application C-107A  
Michener A LS #6E  
Section 31, T-28-N, R-9-W, D  
API # 30-045-23879  
San Juan County, New Mexico

**Offset Operators:**

Burlington Resources  
PO Box 4289  
Farmington, New Mexico 87499

Richardson Operating  
1700 Lincoln St STE 1700  
Denver, CO 80203