

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

1849

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]

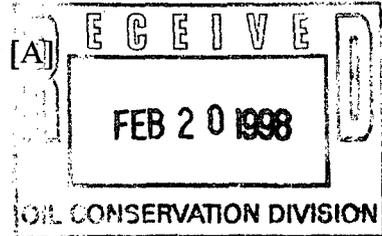
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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

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:

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

Administrative Hearing

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

YES NO

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

Lease Daum LS Well No 6 Unit Ltr Sec Twp Rge Section 32, T-28-N, R-9-W, D County San Juan

OGRID NO. 005073 Property Code _____ API NO. 30-045-07054 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)	4112-4712'		6406-6682'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	528		717
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1152		2355
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 last production	Date Rates	Date Rates	Date Rates
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 Production to be allocated by subtraction - See Attached table	Date Rates	Date Rates Est 1/98 62 MCFD, 7 BOPD, 0 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) _____

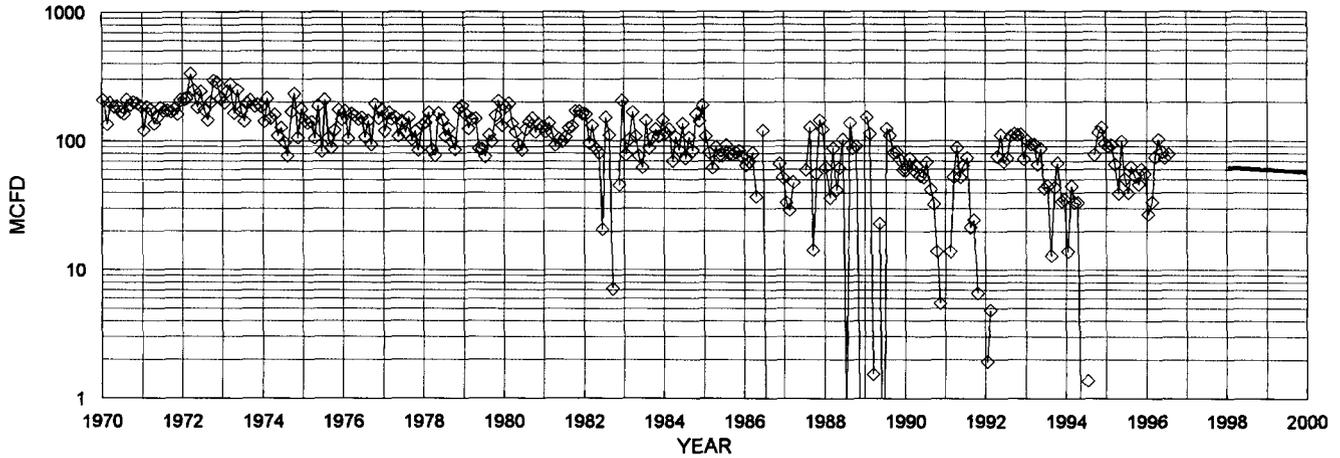
16. ATTACHMENTS
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - * Production curve for each zone for at least one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - * 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 Kay Maddox TITLE Regulatory Agent DATE February 18, 1998

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

**DAUM LS 6 DAKOTA PRODUCTION
SECTION 32D-28N-09W**



◇ DAKOTA MCFD — FIT MCFD

DAKOTA HISTORICAL DATA:		1ST PROD: 11/61	PROJECTED DATA	
OIL CUM:	25.28 MBO		1/1/98 Qi:	62 MCFD
GAS CUM:	2110.0 MMCF		DECLINE RATE:	4.1% (EXPONENTIAL)
CUM OIL YIELD:	0.0120 BBL/MCF			
OIL YIELD:	0.0111 BBL/MCF, LAST 3 YRS			
AVG. USED:	0.0116 BBL/MCF			

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1998	61.2	0.71
1997	58.6	0.68
1998	56.2	0.65
1999	53.9	0.62
2000	51.7	0.60
2001	49.6	0.57
2002	47.6	0.55
2003	45.6	0.53
2004	43.7	0.51
2005	42.0	0.49
2006	40.2	0.47
2007	38.6	0.45
2008	37.0	0.43
2009	35.5	0.41
2010	34.0	0.39
2011	32.6	0.38
2012	31.3	0.36
2013	30.0	0.35
2014	28.8	0.33
2015	27.6	0.32
2016	26.5	0.31
2017	25.4	0.29
2018	24.3	0.28
2019	23.3	0.27
2020	22.4	0.26
2021	21.5	0.25
2022	20.6	0.24
2023	19.7	0.23
2024	18.9	0.22
2025	18.2	0.21
2026	17.4	0.20
2027	16.7	0.19
2028	16.0	0.19
2029	15.4	0.18
2030	14.7	0.17

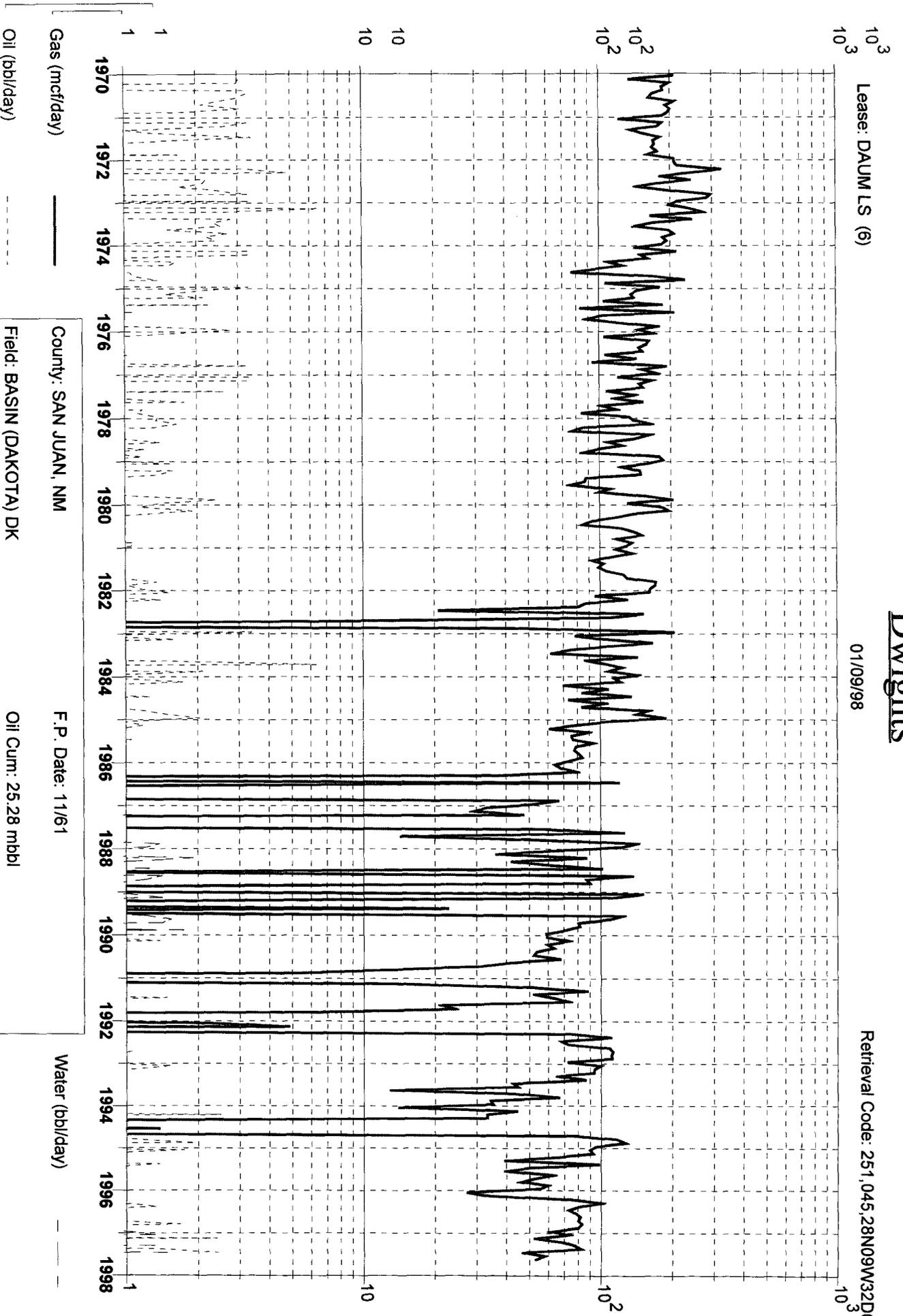
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

Dwights

Lease: DAUM LS (6)

01/09/98

Retrieval Code: 251,045,28N09W32D00DK



Gas (mcf/day) ———

Oil (bbl/day) - - - - -

County: SAN JUAN, NIM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: AMOCO PRODUCTION CO

F.P. Date: 11/61

Oil Cum: 25.28 mbbl

Gas Cum: 2110 mmcf

Location: 32D 28N 9W

Water (bbl/day) - - - - -

Well Location and Acreage Dedication Plat

Section A.

Date JULY 3, 1961

Operator EL PASO NATURAL GAS COMPANY Lease DAUM SF 078329
 Well No. 6 Unit Letter D Section 32 Township 28-N Range 9-W NMPM
 Located 1150 Feet From NORTH Line, 800 Feet From WEST Line
 County SAN JUAN G. L. Elevation 6019 Dedicated Acreage 320 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.

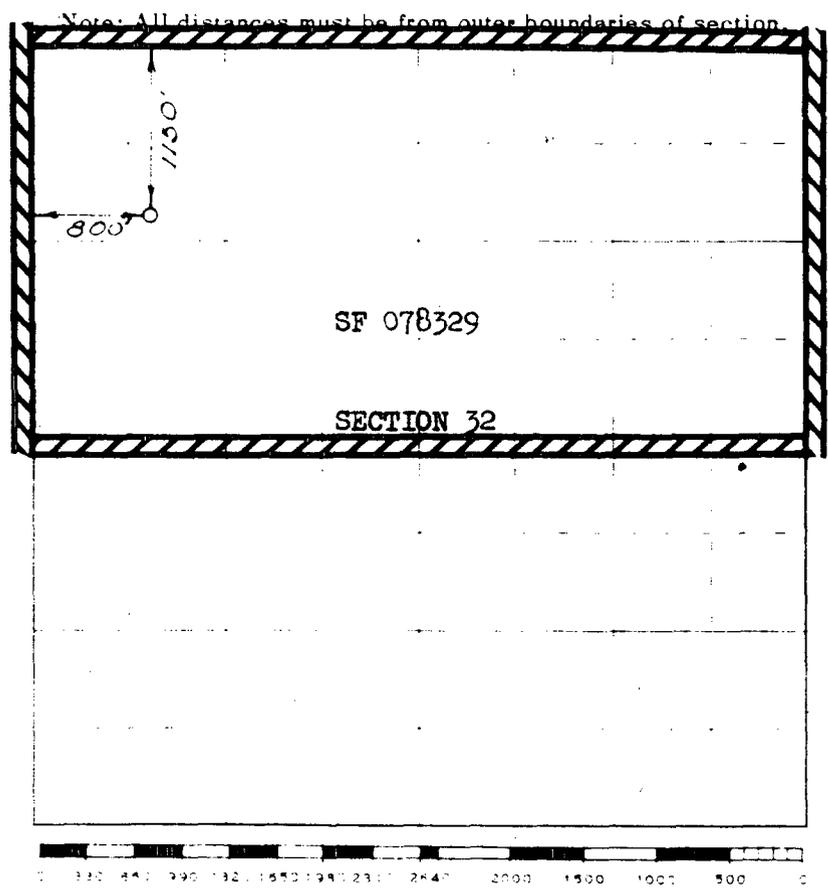
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner	Land Description
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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.

El Paso Natural Gas Company
 (Operator)
 Original Signed D. W. Meehan
 (Representative)
 Box 150
 (Address)
Farmington, New Mexico



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

(Seal)
 Farmington, New Mexico

Date Surveyed JUNE 14, 1961
B. O. Walker
 Registered Professional Engineer and/or Land Surveyor

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 30-045-07054	2 Pool Code 72319	3 Pool Name Blanco Mesaverde
4 Property Code	5 Property Name Daum LS	6 Well Number #6
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation 4029' 3525'

10 Surface Location

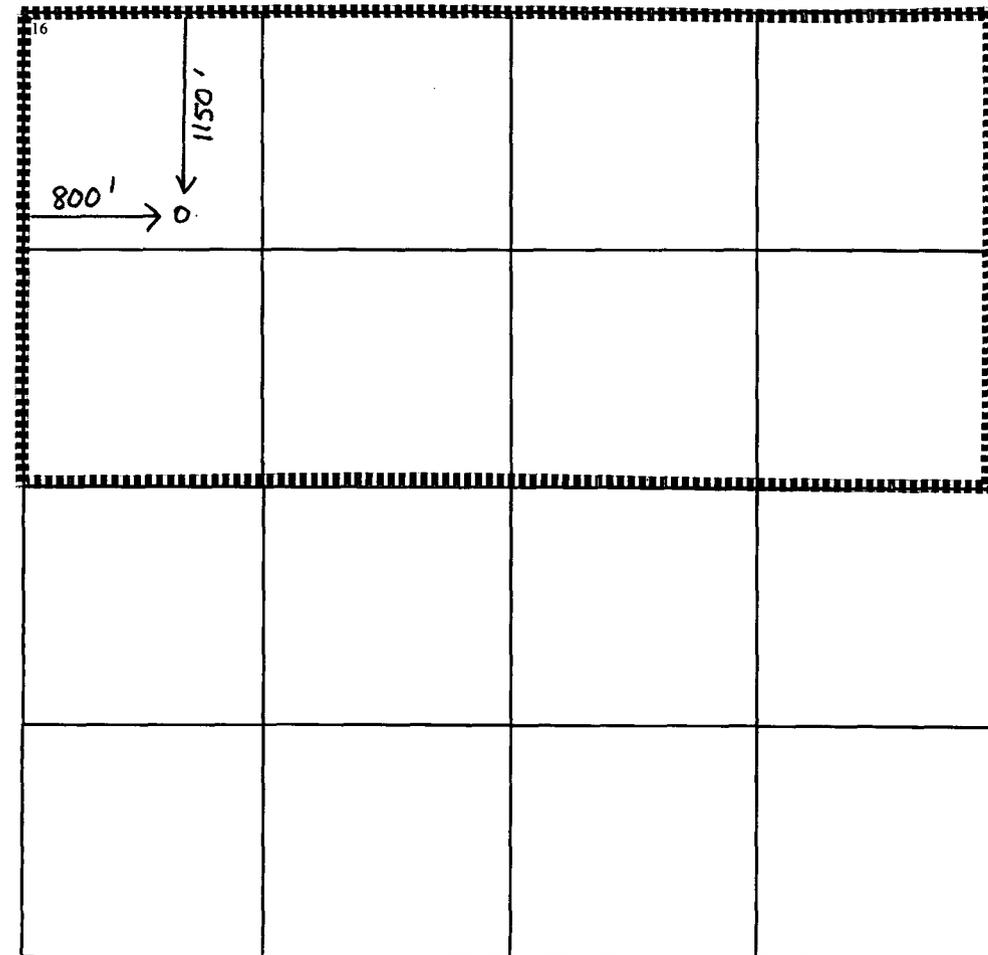
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	28N	9W		1150	North	800	West	San Juan

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 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

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



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
Daum LS #6
Section 32, T-28-N, R-9-W, D
API # 30-045-07054
San Juan County, New Mexico

Offset Operators:

Burlington Resources
PO Box 4289
Farmington, New Mexico 87499

S&G Interests
811 Dallas STE 1505
Houston, TX 77002

Richardson Operating
1700 Lincoln St STE 1700
Denver, CO 80203