



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

OIL CONSERVATION DIVISION

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

APPLICATION FOR DOWNHOLE COMMINGLING

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

APPROVAL PROCESS :

Administrative  Hearing

EXISTING WELLBORE

YES  NO

Burlington Resources Oil & Gas Company

PO Box 4289, Farmington, NM 87499

Operator

Address

San Juan 27-5 Unit

90M

O 16-27N-05W

Rio Arriba

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7454 API NO. 30-039-not assigned 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)	will be supplied upon completion		will be supplied upon completion
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 724 psi (see attachment)	a.	a. 910 psi (see attachment)
	(Original) b. 1303 psi (see attachment)	b.	b. 3160 psi (see attachment)
6. Oil Gravity (API) or Gas BTU Content	BTU 1146		BTU 1112
7. Producing or Shut-In?	shut in		shut in
Production Marginal? (yes or no)	no		yes
* If Shut-In 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 data and oil/gas/water of recent test (within 60 days)	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % will be supplied upon completion	Oil: % Gas: %	Oil: % Gas: % will be supplied upon completion

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 other?  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). Reference Order R-10694 attached

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 Sean Woolverton TITLE: Production Engineer DATE: 02-23-98

TYPE OR PRINT NAME Sean Woolverton TELEPHONE NO. ( 505 ) 326-9700

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

District II  
PO Drawer 00, 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

Form C-102  
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

<sup>1</sup> API Number 30-039		<sup>2</sup> Pool Code 71599, 72319		<sup>3</sup> Pool Name Basin Dakota, Blanco Mesaverde	
<sup>4</sup> Property Code 7454		<sup>5</sup> Property Name SAN JUAN 27-5 UNIT			<sup>6</sup> Well Number 90M
<sup>7</sup> OGRID No. 14538		<sup>8</sup> Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			<sup>9</sup> Elevation 6613'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	16	27N	5W		1005	South	1550	East	RIO ARRIBA

<sup>11</sup> Bottom Hole Location If Different From Surface

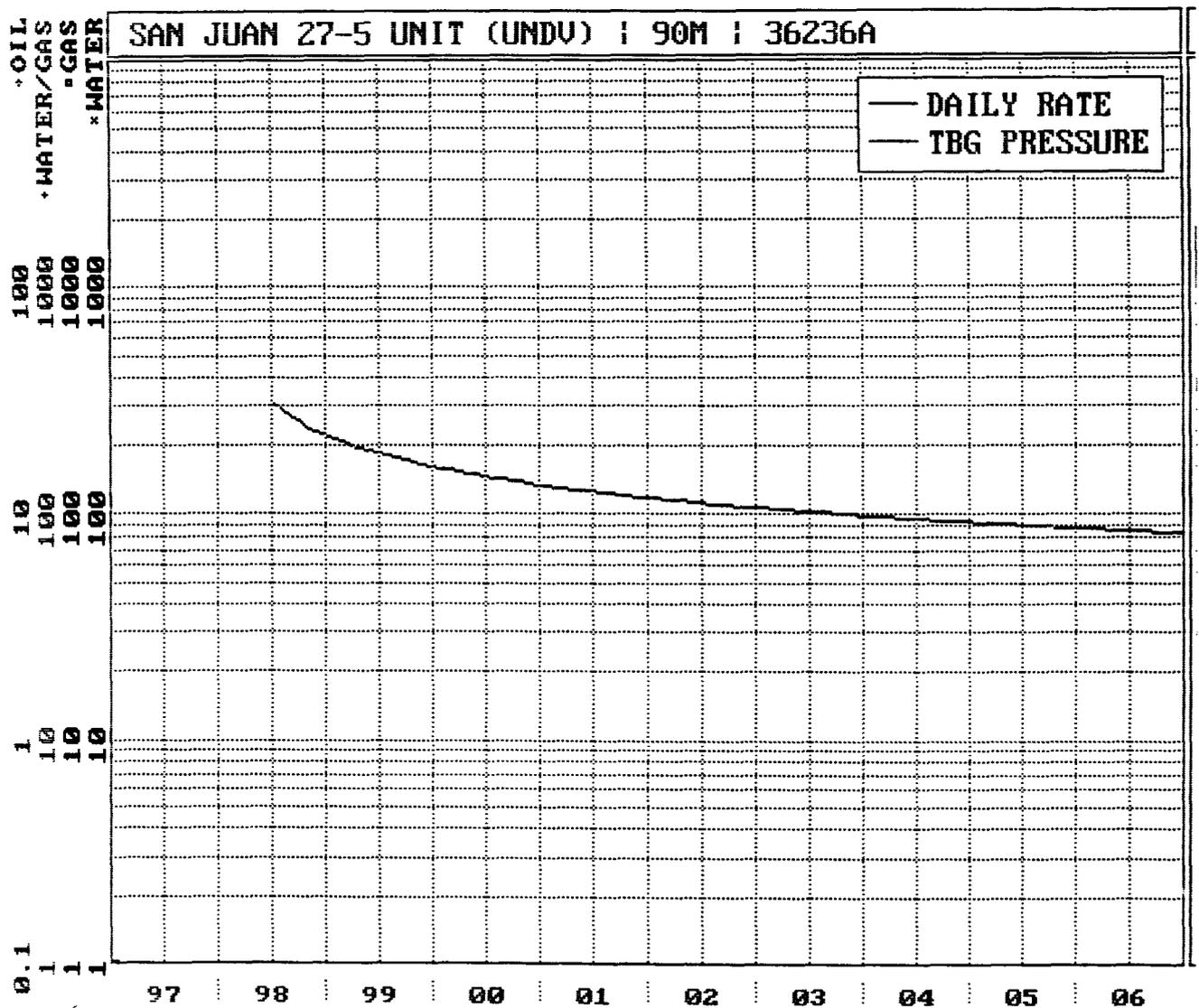
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres MV-E:328 DK-E:328	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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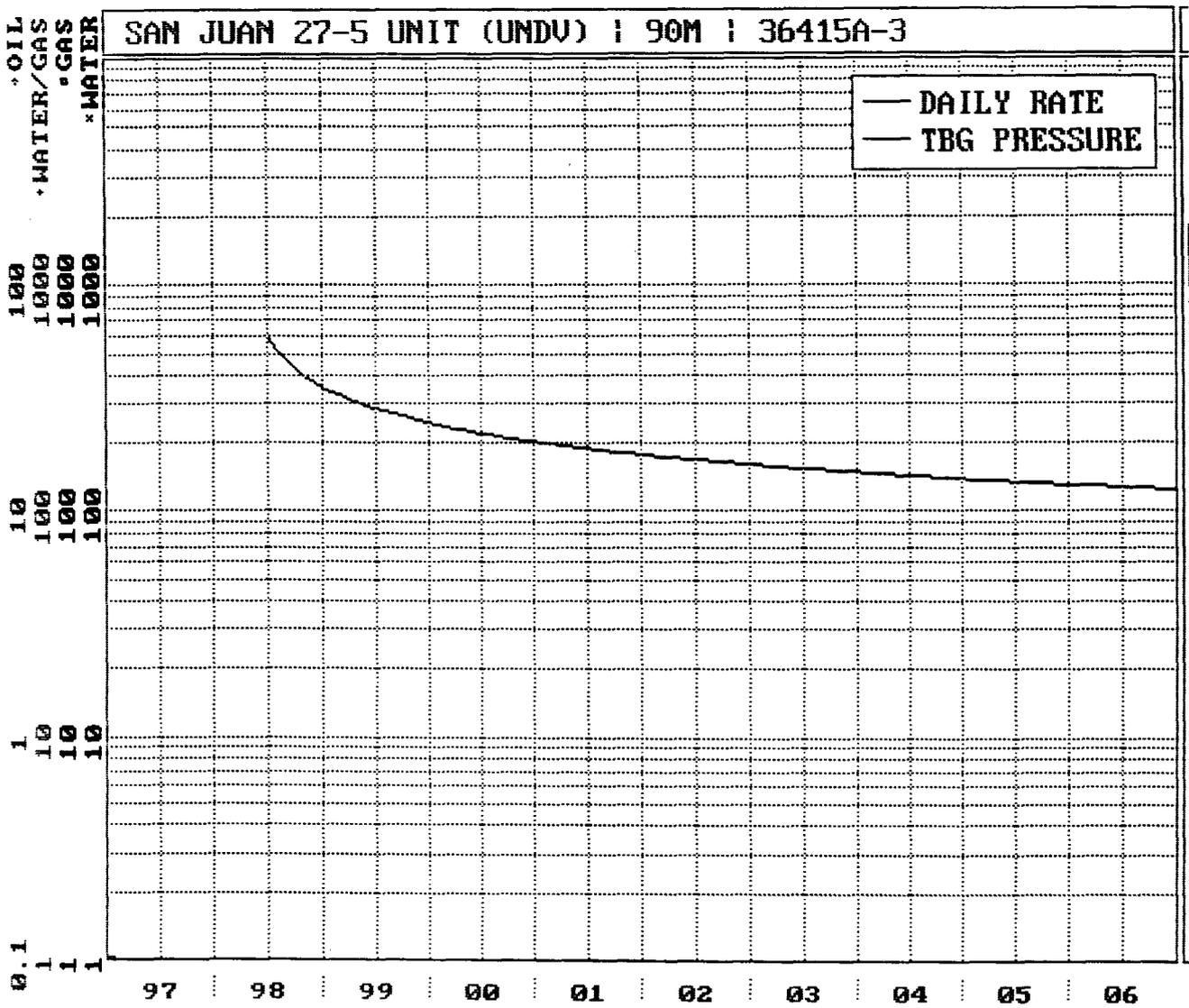
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><sup>16</sup></p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature Peggy Bradfield</p> <p>Printed Name Regulatory Administrator</p> <p>Title</p> <p>Date</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>NOVEMBER 24, 1997</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>

San Juan 27-5 Unit #90M  
Expected Production Curve  
Blanco Mesaverde



San Juan 27-5 Unit #90M  
Expected Production Curve  
Basin Dakota



### San Juan 27-5 Unit #90M

Bottom Hole Pressures  
Flowing and Static BHP  
Cullender and Smith Method  
Version 1.0 3/13/94

<b>Mesaverde</b>	<b>Dakota</b>																																																
<u><b>MV-Current</b></u>	<u><b>DK-Current</b></u>																																																
<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">GAS GRAVITY</td><td style="text-align: right; border-bottom: 1px solid black;">0.663</td></tr> <tr><td>COND. OR MISC. (C/M)</td><td style="text-align: right; border-bottom: 1px solid black;">C</td></tr> <tr><td>%N2</td><td style="text-align: right; border-bottom: 1px solid black;">0.36</td></tr> <tr><td>%CO2</td><td style="text-align: right; border-bottom: 1px solid black;">0.41</td></tr> <tr><td>%H2S</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>DIAMETER (IN)</td><td style="text-align: right; border-bottom: 1px solid black;">2</td></tr> <tr><td>DEPTH (FT)</td><td style="text-align: right; border-bottom: 1px solid black;">5653</td></tr> <tr><td>SURFACE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">60</td></tr> <tr><td>BOTTOMHOLE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">137</td></tr> <tr><td>FLOWRATE (MCFPD)</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>SURFACE PRESSURE (PSIA)</td><td style="text-align: right; border-bottom: 1px solid black;">629</td></tr> <tr><td><b>BOTTOMHOLE PRESSURE (PSIA)</b></td><td style="text-align: right; border: 1px solid black;"><b>723.6</b></td></tr> </table>	GAS GRAVITY	0.663	COND. OR MISC. (C/M)	C	%N2	0.36	%CO2	0.41	%H2S	0	DIAMETER (IN)	2	DEPTH (FT)	5653	SURFACE TEMPERATURE (DEG F)	60	BOTTOMHOLE TEMPERATURE (DEG F)	137	FLOWRATE (MCFPD)	0	SURFACE PRESSURE (PSIA)	629	<b>BOTTOMHOLE PRESSURE (PSIA)</b>	<b>723.6</b>	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">GAS GRAVITY</td><td style="text-align: right; border-bottom: 1px solid black;">0.654</td></tr> <tr><td>COND. OR MISC. (C/M)</td><td style="text-align: right; border-bottom: 1px solid black;">C</td></tr> <tr><td>%N2</td><td style="text-align: right; border-bottom: 1px solid black;">0.3</td></tr> <tr><td>%CO2</td><td style="text-align: right; border-bottom: 1px solid black;">1.27</td></tr> <tr><td>%H2S</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>DIAMETER (IN)</td><td style="text-align: right; border-bottom: 1px solid black;">1.5</td></tr> <tr><td>DEPTH (FT)</td><td style="text-align: right; border-bottom: 1px solid black;">7690</td></tr> <tr><td>SURFACE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">60</td></tr> <tr><td>BOTTOMHOLE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">198</td></tr> <tr><td>FLOWRATE (MCFPD)</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>SURFACE PRESSURE (PSIA)</td><td style="text-align: right; border-bottom: 1px solid black;">761</td></tr> <tr><td><b>BOTTOMHOLE PRESSURE (PSIA)</b></td><td style="text-align: right; border: 1px solid black;"><b>909.6</b></td></tr> </table>	GAS GRAVITY	0.654	COND. OR MISC. (C/M)	C	%N2	0.3	%CO2	1.27	%H2S	0	DIAMETER (IN)	1.5	DEPTH (FT)	7690	SURFACE TEMPERATURE (DEG F)	60	BOTTOMHOLE TEMPERATURE (DEG F)	198	FLOWRATE (MCFPD)	0	SURFACE PRESSURE (PSIA)	761	<b>BOTTOMHOLE PRESSURE (PSIA)</b>	<b>909.6</b>
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Page No.: 1  
Print Time: Tue Jan 27 13:14:10 1998  
Property ID: 3841  
Property Name: SAN JUAN 27-5 UNIT | 30 | 53360B-1  
Table Name: K:\ARIES\RR98PDP\TEST.DBF

--DATE-- M SIWHP  
:Psi:

San Juan 27-5 #90M  
Mesaverde Offset

04/07/58	1120.0	-original
05/27/58	1119.0	
12/06/58	802.0	
06/14/59	746.0	
09/22/60	642.0	
06/13/61	628.0	
12/28/62	600.0	
04/19/63	609.0	
09/28/64	614.0	
05/10/65	609.0	
04/19/66	567.0	
09/13/67	549.0	
05/02/68	571.0	
10/07/70	499.0	
07/22/71	447.0	
06/06/72	448.0	
12/01/81	353.0	
01/04/87	405.0	
08/22/89	512.0	
07/30/91	629.0	-current

Page No.: 1  
Print Time: Tue Jan 27 13:14:50 1998  
Property ID: 1727  
Property Name: SAN JUAN 27-5 UNIT | 40 | 52286A-1  
Table Name: K:\ARIES\RR98PDP\TEST.DBF

San Juan 27-5 #90M

Dakota offset

--DATE-- M SIWHP  
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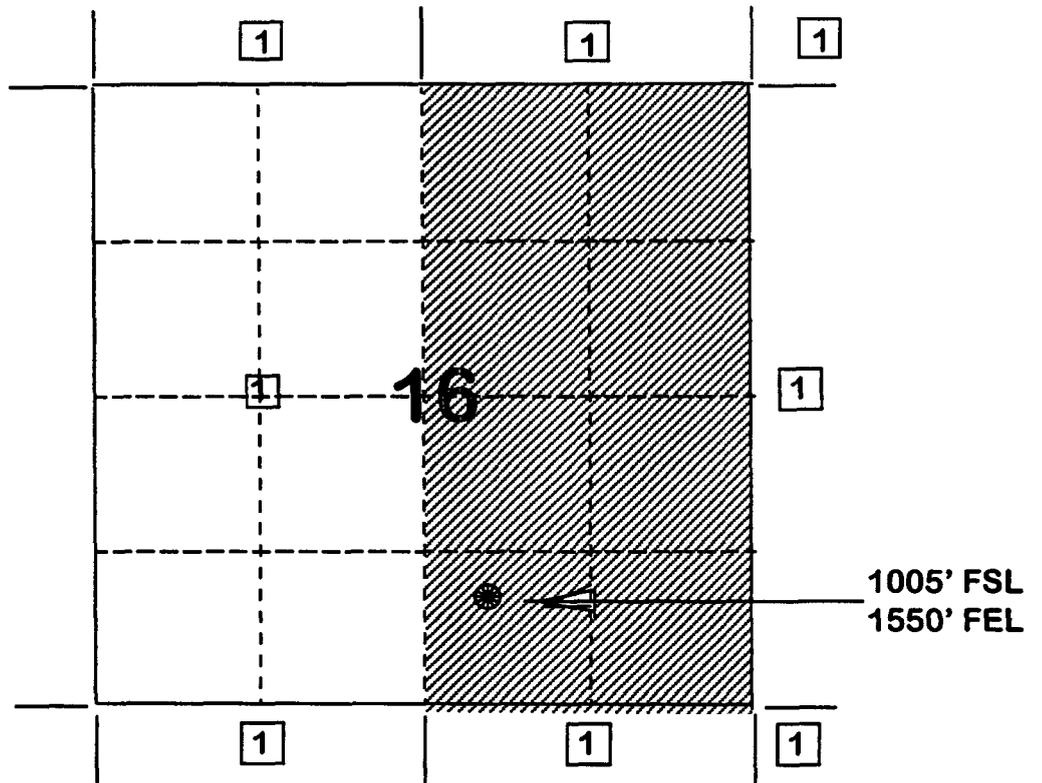
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11/05/69	1642.0	
10/07/70	1881.0	
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07/19/73	932.0	
09/04/75	781.0	
06/25/76	786.0	
07/06/77	762.0	
05/01/79	860.0	
06/03/81	679.0	
02/20/84	1076.0	
06/04/85	1017.0	
06/28/88	1080.0	
05/29/90	879.0	
04/29/92	761.0	-current

**BURLINGTON RESOURCES OIL AND GAS COMPANY**

**San Juan 27-5 Unit #90M  
OFFSET OPERATOR \ OWNER PLAT**

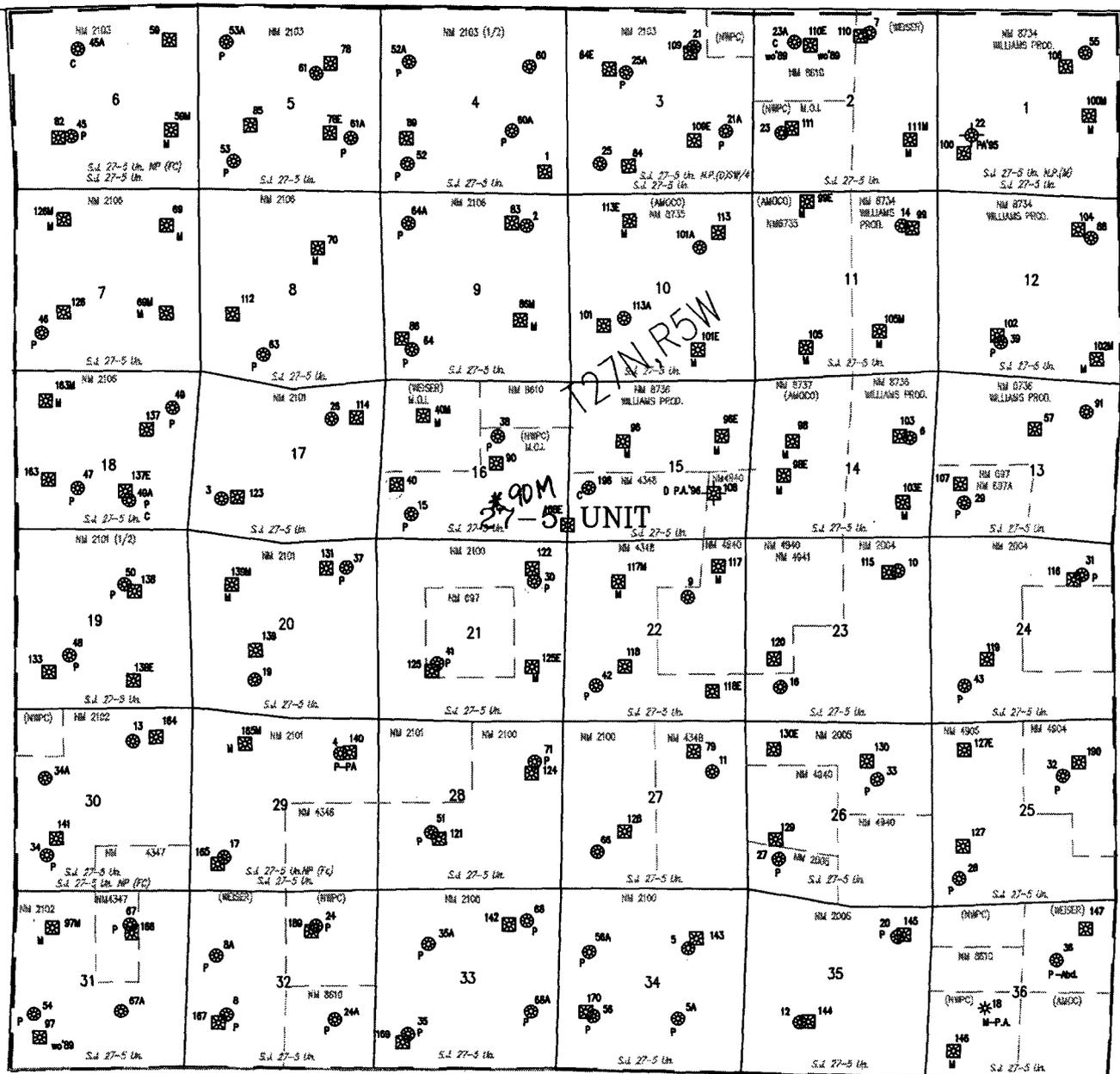
**Mesaverde / Dakota Formations Commingle Well**

**Township 27 North, Range 5 West**



1) Burlington Resources

San Juan 27-5 Unit #90M  
Blanco Mesaverde / Basin Dakota  
27N-05W-160



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 11626  
ORDER NO. R-10694

APPLICATION OF BURLINGTON RESOURCES  
OIL & GAS COMPANY FOR THE ESTABLISHMENT  
OF A DOWNHOLE COMMINGLING "REFERENCE  
CASE" FOR ITS SAN JUAN 27-5 UNIT PURSUANT  
TO DIVISION RULE 303.E AND THE ADOPTION  
OF SPECIAL ADMINISTRATIVE RULES THEREFOR.  
~~SAN JUAN~~ COUNTY, NEW MEXICO.

RIO ARRIBA

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 17 and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 12th day of November, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises.

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 27-5 Unit, San Juan County, New Mexico.
- (3) Division Rule No. 303.E., amended by Order No. R-10470-A, currently states:

- a) the average shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations at the time of initial development were approximately 3.141 psi and 1.118 psi, respectively; and.
- b) the average current shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations are approximately 1.032 psi and 441 psi, respectively.

(10) There is sufficient pressure data available within the San Juan 27-5 Unit so as to except pressure criteria as proposed by the applicant.

(11) The applicant testified that various allocation methods will be utilized for downhole commingled wells within the San Juan 27-5 Unit depending on the circumstances. Some of the methods and circumstances are described as follows:

- a) the subtraction method will likely be utilized in those instances involving the Basin-Fruitland Coal Gas Pool and in those instances where a zone with a well established decline rate is commingled with a newly completed zone;
- b) a fixed allocation formula will be utilized in those instances where production history for both zones is available, or in those instances where newly completed zones are tested and stabilized flow rates obtained.

(12) The allocation methods proposed by the applicant are routinely utilized by industry and approved by the Division and therefore the proposal to except allocation formulas should be approved.

(13) In support of its request to establish a "reference case" or administrative procedure for providing notice within the San Juan 27-5 Unit the applicant presented evidence and testimony which indicates that:

- a) the interest ownership between two zones within a given wellbore in the San Juan 27-5 Unit is generally not common;
- b) pursuant to Division Rule No. 303.D., applicant is currently required to notify all interest owners within the San Juan 27-5 Unit every time a Form C-107-A is submitted to the Division. There is a considerable number of such interest owners within the unit;

- c) providing notice to each interest owner within the San Juan 27-5 Unit of subsequent downhole comminglings is unnecessary and is an excessive burden on the applicant;
- d) the downhole commingling of wells within the San Juan 27-5 Unit Area will benefit working, royalty, and overriding royalty interest owners. In addition, the downhole commingling of wells within the San Juan 27-5 Unit should not violate the correlative rights of any interest owner;
- e) no interest owner appeared at the hearing in opposition to the establishment of a "reference case" or administrative procedure for notice.

(14) An administrative procedure should be established within the San Juan 27-5 Unit for obtaining approval for subsequent downhole commingled wells without notice to Unit interest owners, provided however that, all other provisions contained within Division Rule No. 303.C. are complied with.

(15) Approval of the proposed "reference cases" for marginal economic criteria, pressure criteria, allocation formulas and notice will lessen the burden on the applicant insofar as providing the data required pursuant to Division Rule No. 303.D. and Form C-107-A. will provide the applicant a streamlined method for obtaining downhole commingling approvals within the San Juan 27-5 Unit, and will not violate correlative rights.

**IT IS THEREFORE ORDERED THAT:**

(1) The application of Burlington Resources Oil & Gas Company to establish a "reference case" for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 27-5 Unit, San Juan County, New Mexico, is hereby approved.