

ABOVE THIS LINE FOR DIVISION USE ONLY

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

1862

**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]

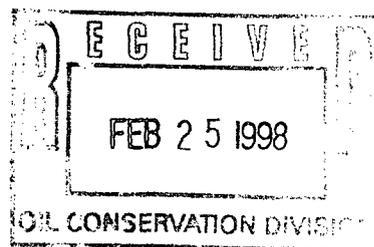
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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

2/20/98  
 Date

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

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 Marron WN FED COM Well No 1 Unit Ltr Sec Twp Rge Section 27, T-27-N, R-8-W County Rio Arriba

OGRID NO. 005073 Property Code 013684 API NO. 30-045-22518 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	Otero Chacra 82329		Blanco Mesaverde 72319
2. TOP and Bottom of Pay Section (Perforations)	3671-3747'		4924-5146'
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	a (Current) 475	a.	a. 550
	b(Original) 660	b.	b. 1140
6. Oil Gravity (°API) or Gas BT Content	1237		1302
7. Producing or Shut-In?	Producing		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
	Date Rates	Date Rates	Date Rates Est 3/98 40 MCFD, .2 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula -% or each zone	oil: 0 % Gas 9 %	oil: % Gas %	oil: 100 % Gas 91

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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) \_\_\_\_\_

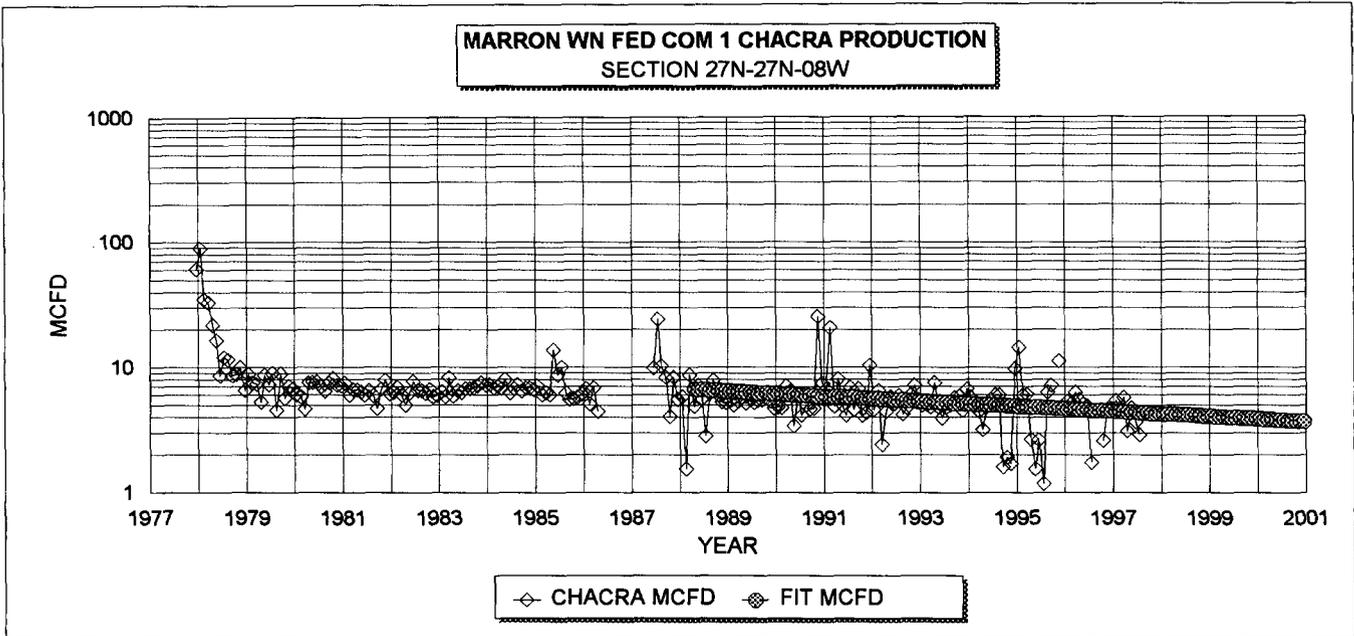
16. ATTACHMENTS

- \* 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.

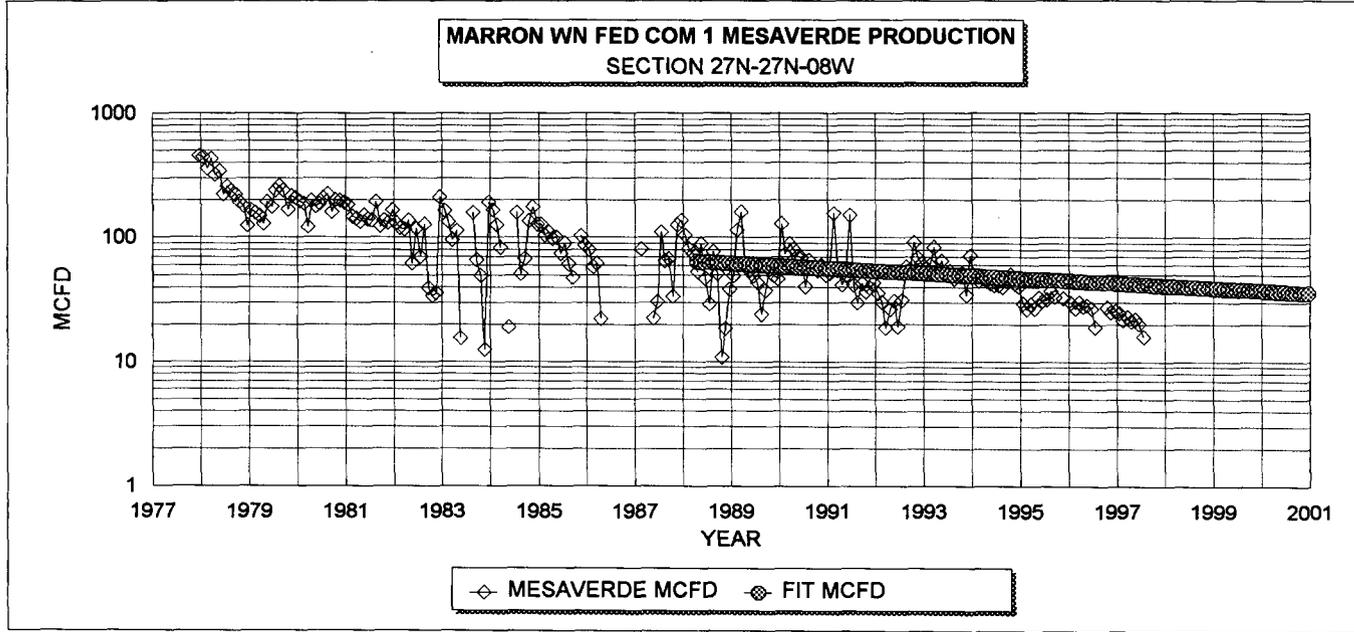
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE February 20, 1998

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



<b>CHACRA HISTORICAL DATA:</b>	<b>1ST PROD: 12/77</b>	<b>CHACRA</b>	<b>PROJECTED DATA</b>
OIL CUM:	0.00 MBO	3/1/98 Qi:	4.2 MCFD; RISKED ANTICIPATED RATE
GAS CUM:	49.0 MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
OIL YIELD:	0.0000 BBL/MCF		



<b>MESAVERDE HISTORICAL DATA</b>	<b>1ST PROD: 12/77</b>	<b>MESAVERDE PROJECTED DATA</b>	
OIL CUM:	3.0 MBO	3/1/98 Qi:	40 MCFD; RISKED ANTICIPATED RATE
GAS CUM:	630.9 MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
OIL YIELD:	0.0047 BBL/MCF		

<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>			
	GAS	OIL	GAS ALLOCATION BASED ON PROJECTED 1996 RATES
MESAVERDE	91%	100.00%	OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS
CHACRA	9%	0%	

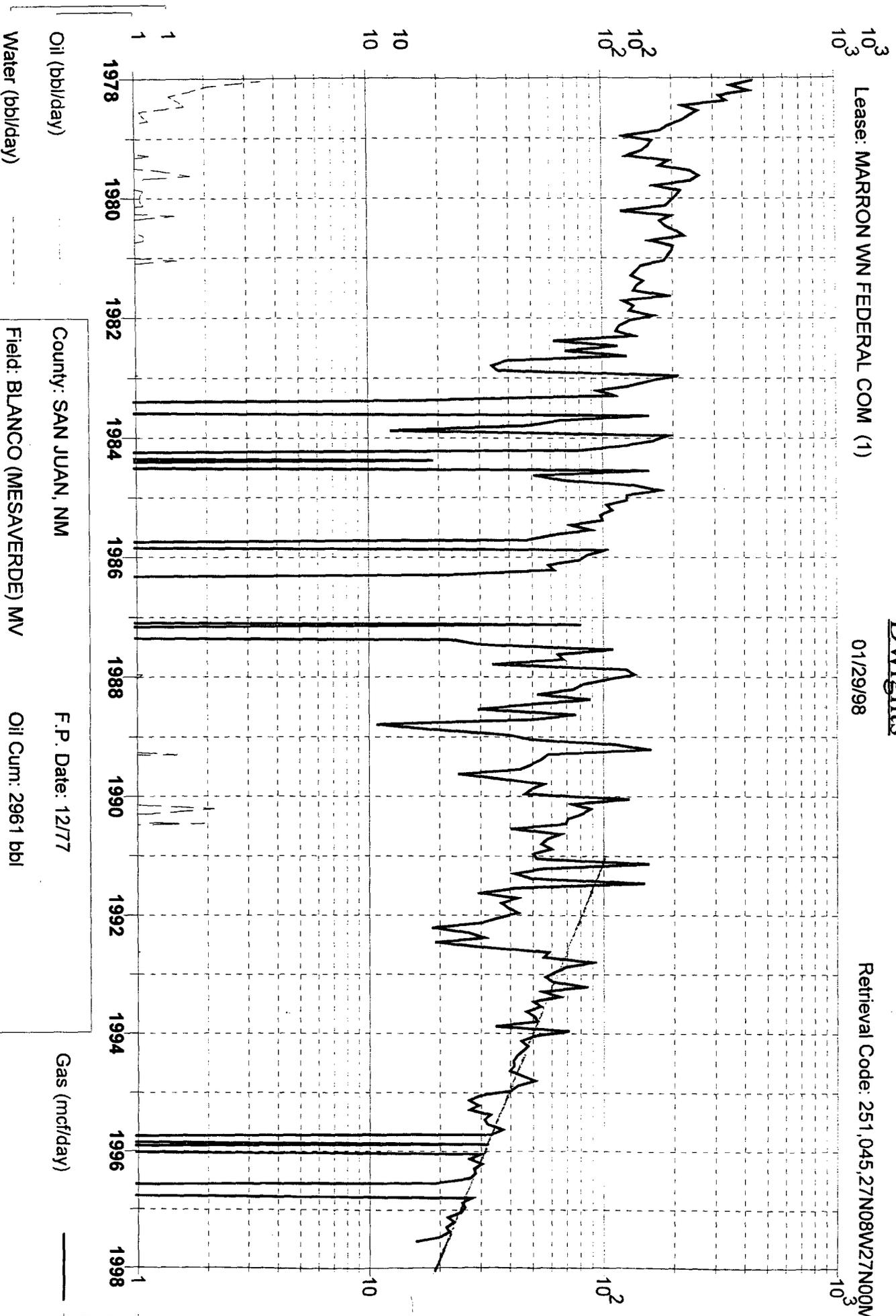
*NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA*

# Dwights

Lease: MARRON WN FEDERAL COM (1)

01/29/98

Retrieval Code: 251,045,27N08W27N00MV



Oil (bbl/day)

Water (bbl/day)

County: SAN JUAN, NM

Field: BLANCO (MESAVERDE) MV

Reservoir: MESAVERDE

Operator: CONOCO INC

F.P. Date: 12/77

Oil Cum: 2961 bbl

Gas Cum: 630.9 mmcf

Location: 27N 27N 8W

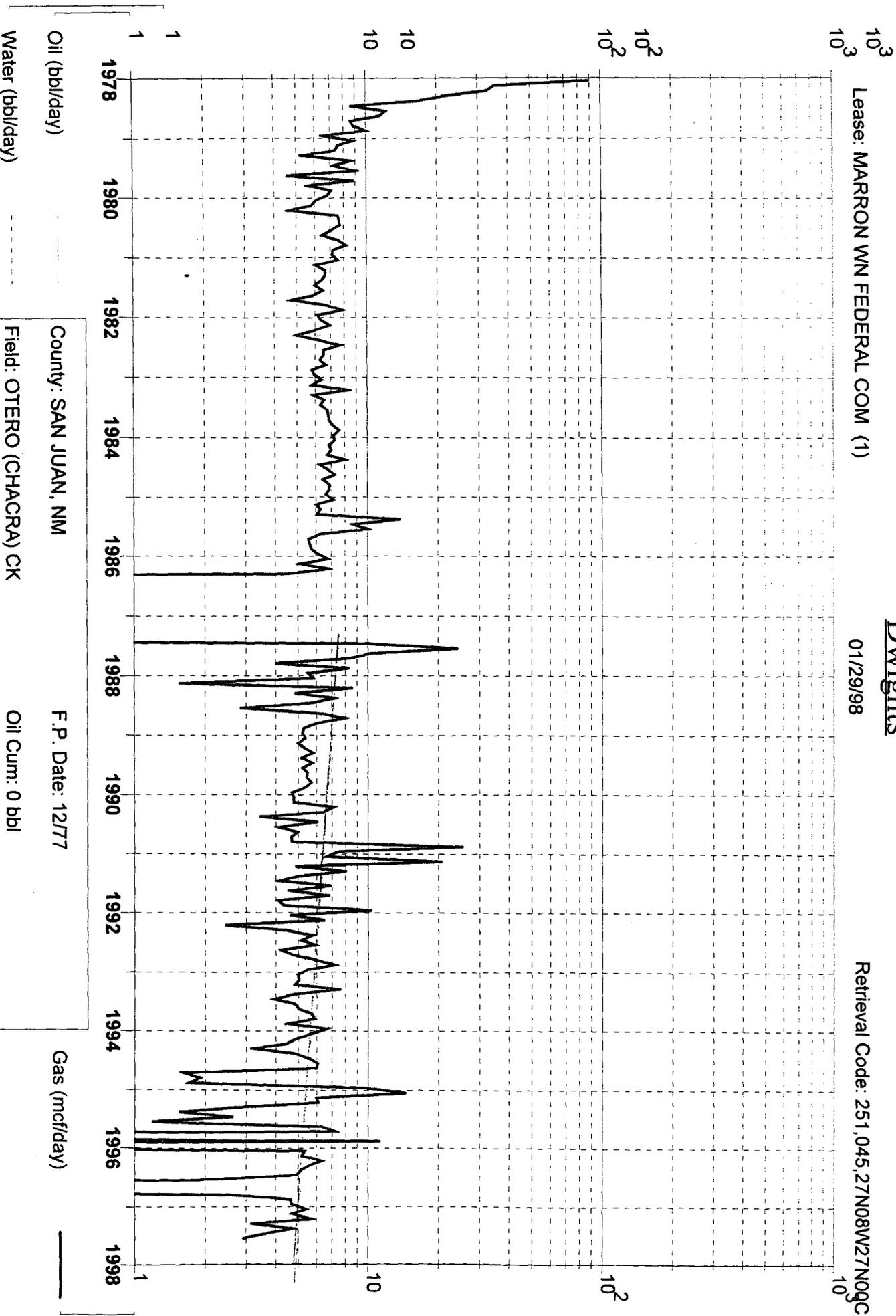
Gas (mcf/day)

# Dwights

Lease: MARRON WN FEDERAL COM (1)

01/29/98

Retrieval Code: 251,045,27N08W27N09CK



County: SAN JUAN, NM	F.P. Date: 12/77
Field: OTERO (CHACRA) CK	Oil Cum: 0 bbl
Reservoir: CHACRA	Gas Cum: 49.01 mmcf
Operator: CONOCO INC	Location: 27N 27N 8W

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION AT

Form C-102  
Supersedes C-128  
Effective 1-1-65

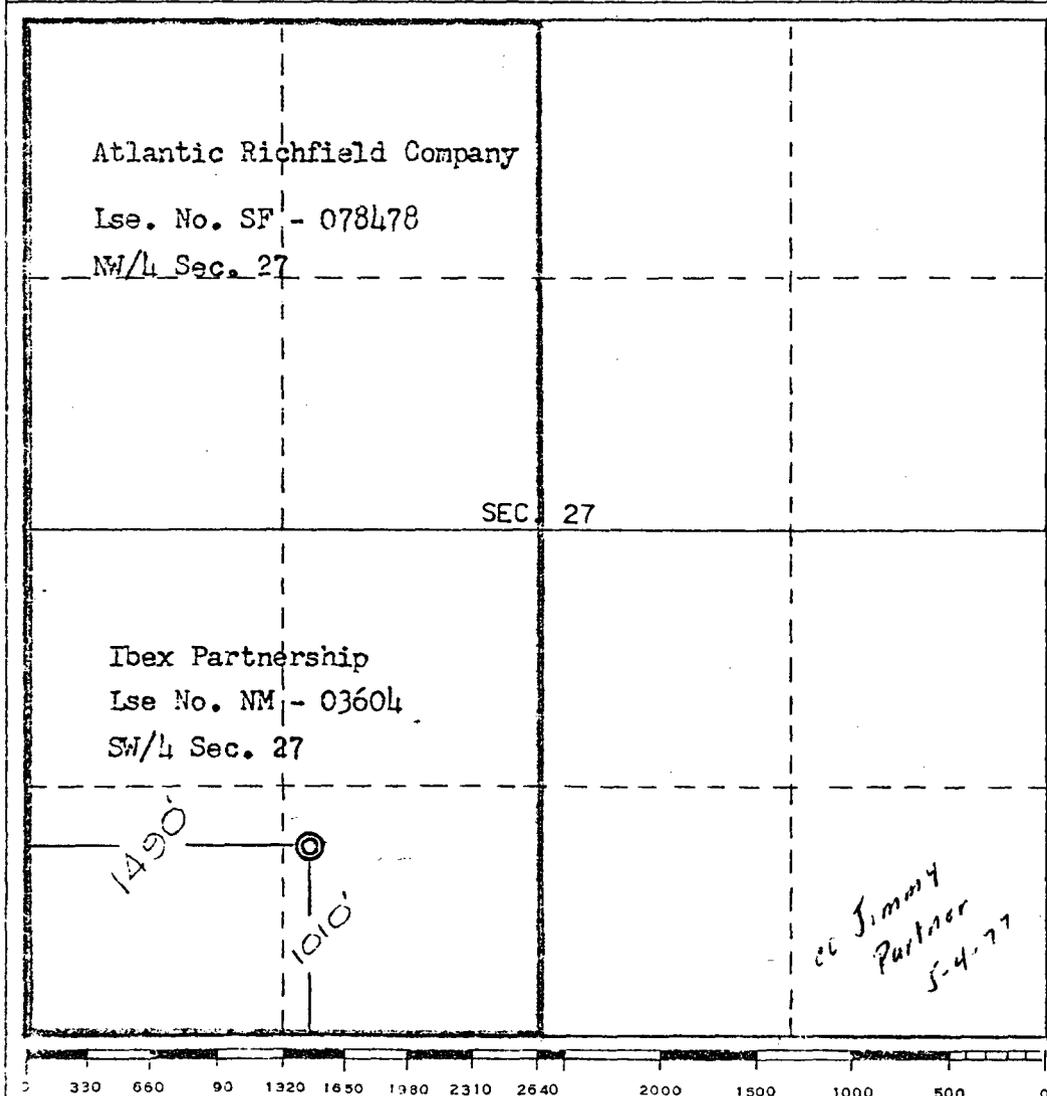
All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>			Lease <b>Marron WN Federal Com.</b>		Well No. <b>1</b>
Unit Letter <b>N</b>	Section <b>27</b>	Township <b>27 North</b>	Range <b>8 West</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1010</b> feet from the <b>South</b> line and <b>1490</b> feet from the <b>West</b> line					
Ground Level Elev. <b>6728</b>	Producing Formation <b>Mesaverde &amp; Chacra</b>		Pool <b>Blanco Mesaverde &amp; Largo Chacra</b>	Dedicated Acreage: <b>320 &amp; 160</b> 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). **Both Federal Leases**
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? **\* Operating Agreement has been executed. Communitization Agmt. being prepared.**  
 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.



**CERTIFICATION**

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

*W.A. Walther, Jr.*  
Name **W. A. Walther, Jr.**  
Position **Operations Manager**  
Company **Atlantic Richfield Company**  
Date **April 15, 1977**

I hereby certify that the location shown on this plat was plotted from field notes of a Reg. No. **3602** under my supervision, and that the same are true and correct to the best of my knowledge and belief.

**REGISTERED LAND SURVEYOR**  
**WEST V. ECHOHAWK**

Date Surveyed **March 31, 1977**  
Registered Professional Engineer and/or Land Surveyor  
*E.V. Echhawk*  
Certificate No. **3602**  
**E.V. Echhawk LS**

*cc Jimmy Partner 5-4-77*

Conoco, Inc  
10 Desta Dr Suite 100W  
Midland, TX 79705

RE: Downhole Commingle C-107A Application  
Marron WN Federal COM #1  
Section 27, T-27-N, R-7-W  
API # 30-045-22518  
Rio Arriba County, NM

**OFFSET OPERATORS:**

Union Oil Of California  
PO Box 850  
Bloomfield, NM 87413