DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
7/15/03	7/15/03	DRC	7/15/03	DHC	pDRC0319649

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

3165

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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]

RECEIVED
JUL 15 2003
Oil Conservation Division

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

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [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

[D] Other: Specify _____

[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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Peggy Cole	Peggy Cole	Regulatory Supv.	7-14-03
Print or Type Name	Signature	Title	Date

pcole@br-inc.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A
Revised May 15, 2000

APPLICATION TYPE
___Single Well
___Establish Pre-Approved Pools
EXISTING WELLBORE
_Y_ Yes ___No

BURLINGTON RESOURCES OIL & GAS COMPANY **PO BOX 4289, FARMINGTON, NM 87499**

Operator | Address

State 16	**#1**	**E-16-28N-9W**	**San Juan**
Lease	Well No.	Unit Letter-Section-Township-Range	County

OGRID No. 14538 Property Code 7532 API No. 30-045-25639 Lease Type: ___Federal _X_State ___Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	OTERO CHACRA		POTTER GALLUP
Pool Code	82329		50387
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	WILL BE SUPPLIED UPON COMPLETION		5732'-6558'
Method of Production (Flowing or Artificial Lift)	NEW ZONE		ARTIFICIAL LIFT PLUNGER
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Original 449 psi From Jicarilla 150 #12 offset (see attachment)		Original 358 psi Current 220 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1240 From Jicarilla 150 #12 offset		BTU 1269
Producing, Shut-In or New Zone	New Zone		Producing
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.)	Date: N/A Rates: See Attachment		Date: 5/31/03 Rates: 83 Mcfd
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	WILL BE SUPPLIED UPON COMPLETION		WILL BE SUPPLIED UPON COMPLETION

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes _X_ No_____

Are all produced fluids from all commingled zones compatible with each other? Yes _X_ No_____

Will commingling decrease the value of production? Yes_____ No_X_

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes _X_ No_____

NMOCD Reference Case No. applicable to this well: _____

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.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE L. Tom Loveland TITLE Senior Reservoir Engr. DATE 7/14/03
nxo
TYPE OR PRINT NAME L. Tom Loveland TELEPHONE NO. (505) 326-9700

District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102

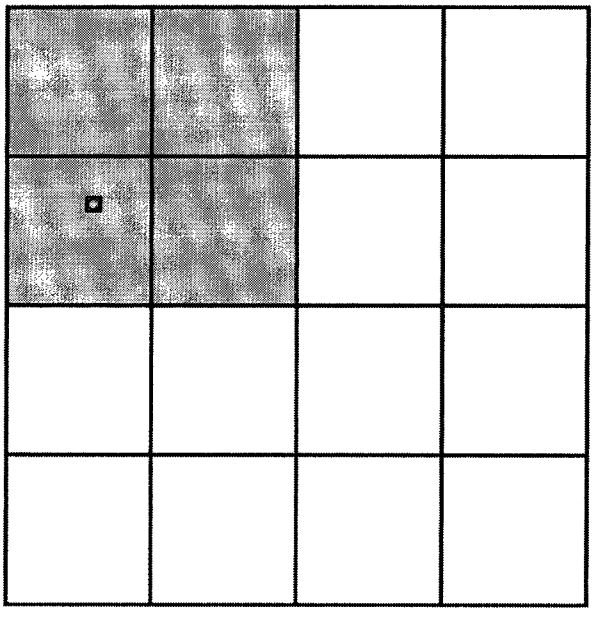
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Name	Pool Code
30-045-25639	OTERO CHACRA (GAS)	82329
Property Code	**Property Name**	**Well No.**
7532	STATE 16	001
OGRID No.	**Operator Name**	**Elevation**
14538	Burlington Resources Oil and Gas Company	5986

Surface And Bottom Hole Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	16	28N	09W		1761	N	790	W	San Juan

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			



OPERATOR CERTIFICATION

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

Electronically Signed By:

Title:

Date:

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.

Electronically Signed By: Michael Daly

Date of Survey: 2/28/1983

Certificate Number: 5992

State 16 #1
Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method

Version 1.0 1/14/98

Chacra

CH-Current

GAS GRAVITY	0
COND. OR MISC. (C/M)	C
%N2	0
%CO2	0
%H2S	0
DIAMETER (IN)	0
DEPTH (FT)	0
SURFACE TEMPERATURE (DEG F)	0
BOTTOMHOLE TEMPERATURE (DEG F)	0
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	0
BOTTOMHOLE PRESSURE (PSIA)	#DIV/0!

CH-Original

GAS GRAVITY	0.719
COND. OR MISC. (C/M)	C
%N2	0.00573
%CO2	0.00865
%H2S	0
DIAMETER (IN)	7
DEPTH (FT)	1959
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	92.7
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	425
BOTTOMHOLE PRESSURE (PSIA)	448.5

Gallup

GL-Current

GAS GRAVITY	0.737
COND. OR MISC. (C/M)	C
%N2	0.00
%CO2	0.00911
%H2S	0
DIAMETER (IN)	4.5
DEPTH (FT)	6145
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	149.1
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	188
BOTTOMHOLE PRESSURE (PSIA)	219.8

GL-Original

GAS GRAVITY	0.699
COND. OR MISC. (C/M)	C
%N2	0.31
%CO2	0.91
%H2S	0
DIAMETER (IN)	4.5
DEPTH (FT)	6145
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	149.1
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	308
BOTTOMHOLE PRESSURE (PSIA)	358.1

State 16 #1 - SICP/Z Data

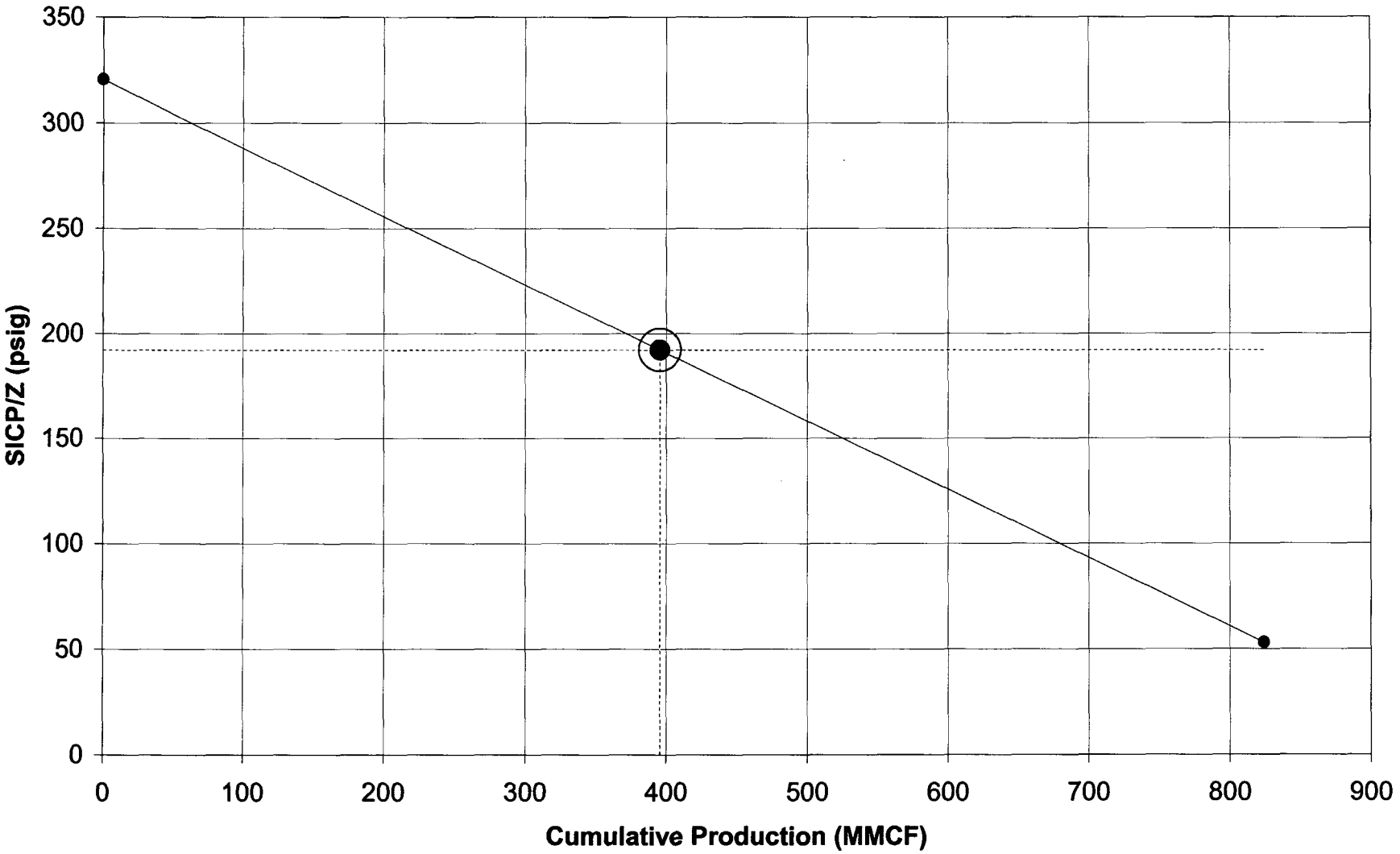
Zone: Gallup

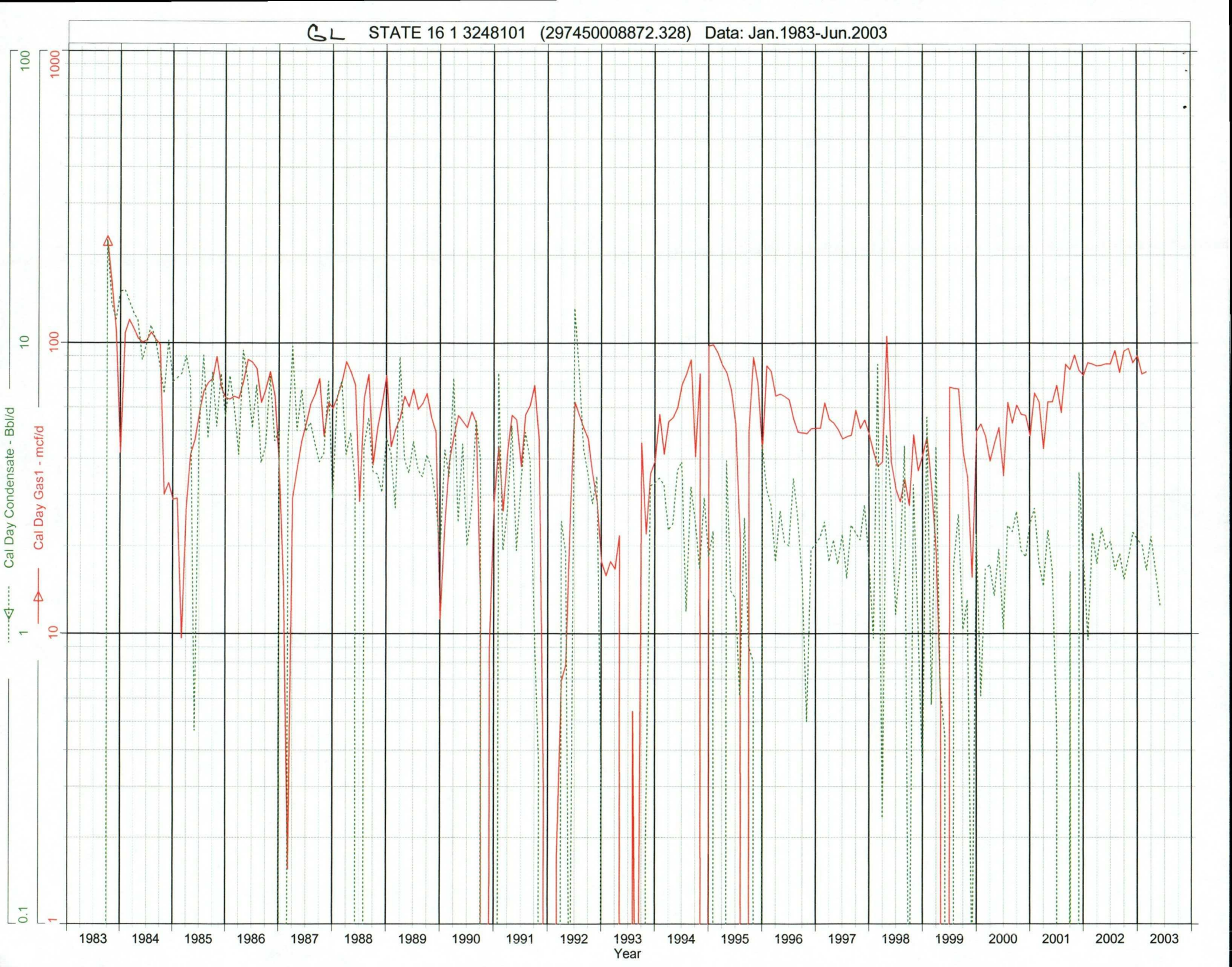
Date	SICP (psig)	Chromatograph Used	Z-Factor	SICP/Z (psig)	Cum Qg (MMCF)	Slope	Y Intercept
9/5/1983	308	10/1/2002	0.961	320	0	N/A	320
???	53	N/A	1	53	823.8766	-0.324684	320
						↓	↓
5/31/2003	???	10/1/2002	???	192	395.578	-0.324684	320

Z-Factor = 0.98
SICP (psig) = 188

NOTE: THESE ARE ESTIMATES OF THE CURRENT RESERVOIR PRESSURE IN EACH ZONE. IT IS REALIZED THAT THE NEAR-WELLBORE PRESSURES FOR EACH ZONE SHOULD BE SIMILAR, DUE TO THEIR COMMINGLED STATUS.

State 16 #1 (GL)


350
300
250
200
150
100
50
0
SICP/Z (psig)
0
100
200
300
400
500
600
700
800
900
Cumulative Production (MMCF)


GL STATE 16 1 3248101 (297450008872.328) Data: Jan.1983-Jun.2003
Cal Day Condensate - Bbl/d
Cal Day Gas1 - mcf/d
100
10
1
0.1
1000
100
10
1
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
Year

BURLINGTON RESOURCES

Lewis Implementation Team

Memorandum

TO: **New Mexico Oil Conservation Division**

FROM: **Lewis Implementation Team, Burlington Resources**

DATE: **December 2, 2002**

RE: **2003 Chacra Recompletion Program Expected Production**

Chacra-only production from 73 wells completed after 1970 was normalized and forecasted to result in the production model presented in Table 1. A graphical representation of this normalized production forecast is shown in the attached Figure 1. These wells are located in or near the Chacra Fairway in T-27-N, R-08-W; T-27-N, R-09-W; T-28-N, R-08-W; T-28-N, R-09-W; T-28-N, R-10-W; T-28-N, R-11-W; T-29-N, R-09-W; T-29-N, R-10-W; and T-29-N, R-11-W. Actual results from the individual payadds will certainly vary, but this production model represents the average results that should be achieved. Further delineation in the area will be made in 2003.

Table 1: 2003 Chacra production model.

Decline Type	Hyp to Exp
Initial Incremental Rate (MCF/D)	260
Initial Decline (%/yr, effective)	62
Final Decline (%/yr, effective)	1.6
Final Incremental Rate (MCF/D)	15
Hyperbolic Exponent, n	2.0
EUR (MMCF)	496

Figure 1. Graphical representation of the 2003 Chacra production model.