

ABOVE THIS LINE FOR DIVISION USE ONLY

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

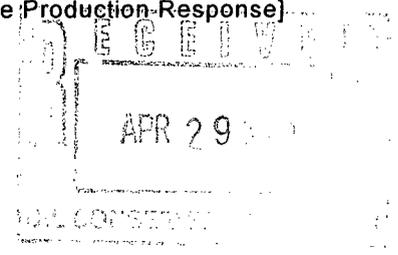
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**ADMINISTRATIVE APPLICATION COVERSHEET**

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                      Kay Maddox                      Regulatory Agent                      4/27/98  
 Print or Type Name                      Signature                      Title                      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

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

APPROVAL PROCESS:  
 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 Omler A Well No #7E Unit Ltr Sec Twp Rge Section 36, T-28-N, R-10-W, J County San Juan

OGRID NO. 005073 Property Code \_\_\_\_\_ API NO. 30-045-24118 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		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	3058-3073'		6407-6517'
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) 534	a.	a. 566
	b(Original) 682	b.	b. 2211
6. Oil Gravity (°API) or Gas BT Content	1150		1200
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
	3/15/98 15 MCFD, 0 BOPD, 0.6 BWPD		3/15/98 53 MCFD, 0.3 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas 21 %	Oil: % Gas %	Oil: 100 % Gas 79 %

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.

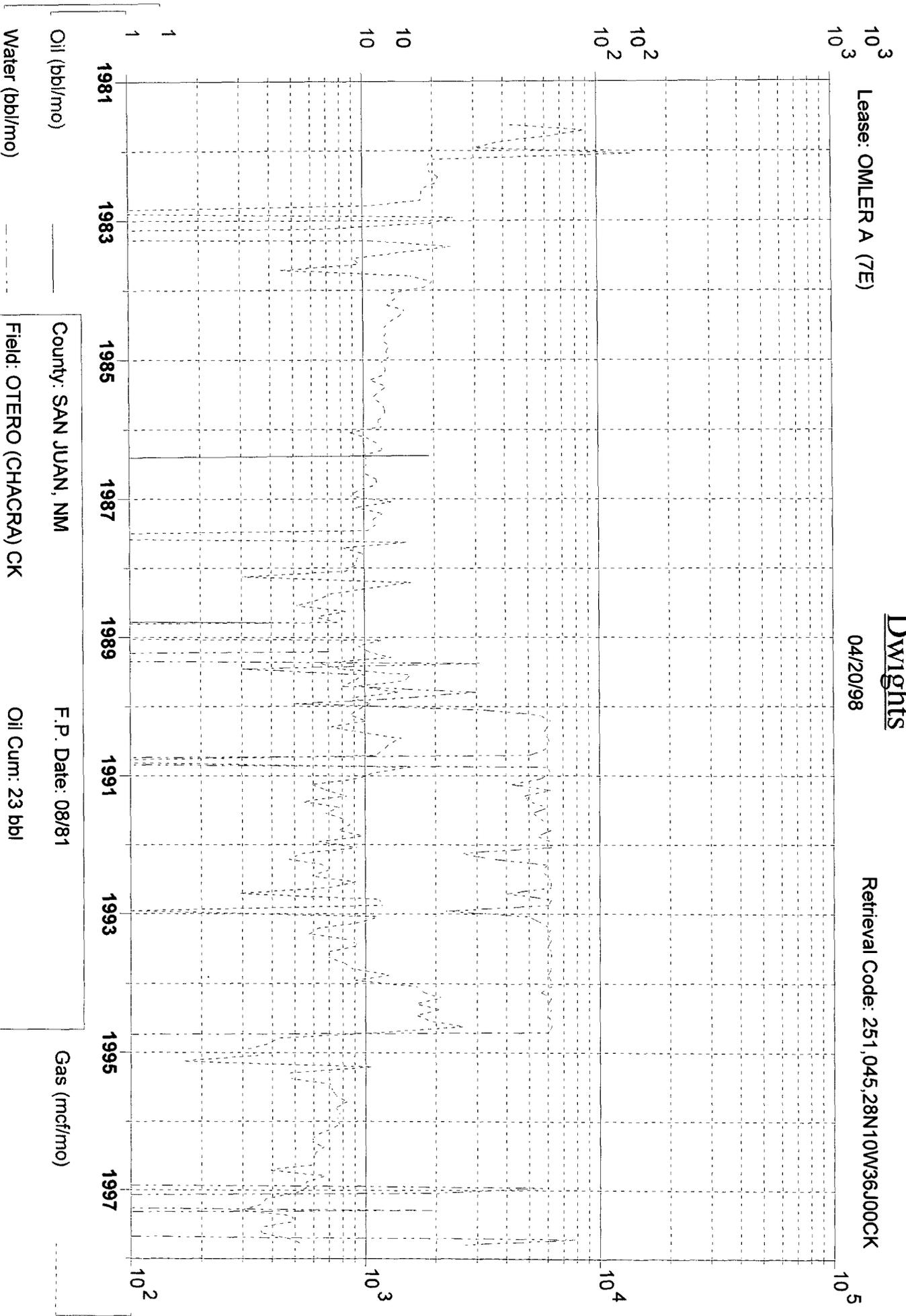
I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
SIGNATURE Kay Maddox TITLE Regulatory Agent DATE 4/27/98  
TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

# Dwights

Lease: OMLER A (7E)

04/20/98

Retrieval Code: 251,045,28N10W36J00CK



County: SAN JUAN, NM

F.P. Date: 08/81

Field: OTERO (CHACRA) CK

Oil Cum: 23 bbl

Reservoir: CHACRA

Gas Cum: 226.0 mmcf

Operator: AMOCO PRODUCTION CO

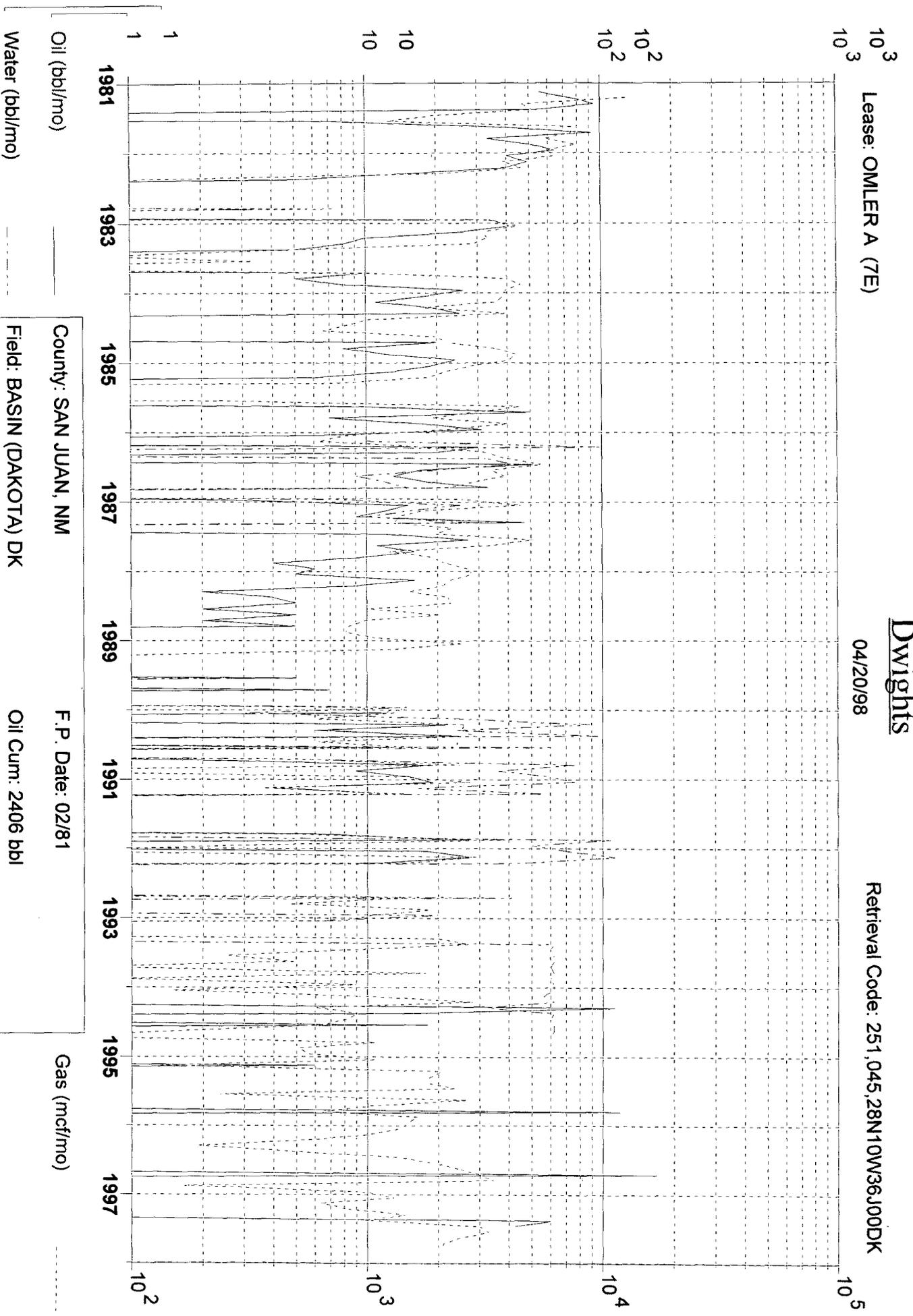
Location: 36J 28N 10W

# Dwights

04/20/98

Retrieval Code: 251,045,28N10W36J00DK

Lease: OMLER A (7E)



County: SAN JUAN, NM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

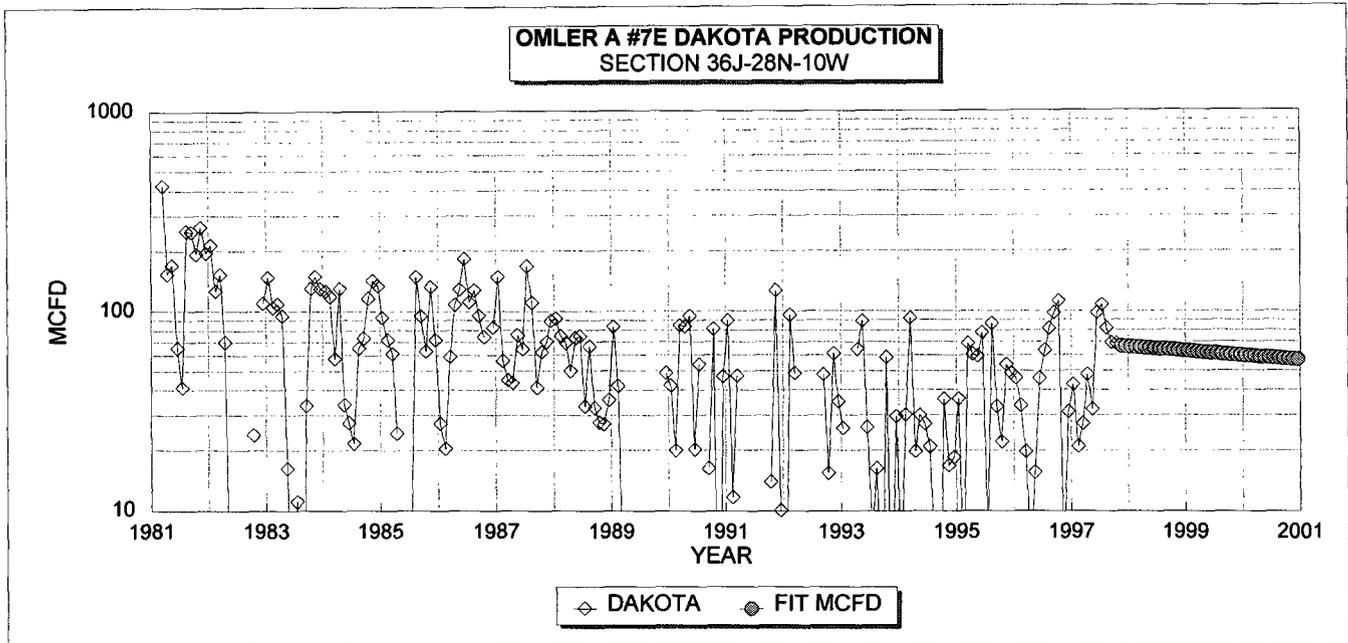
Operator: AMOCO PRODUCTION CO

F.P. Date: 02/81

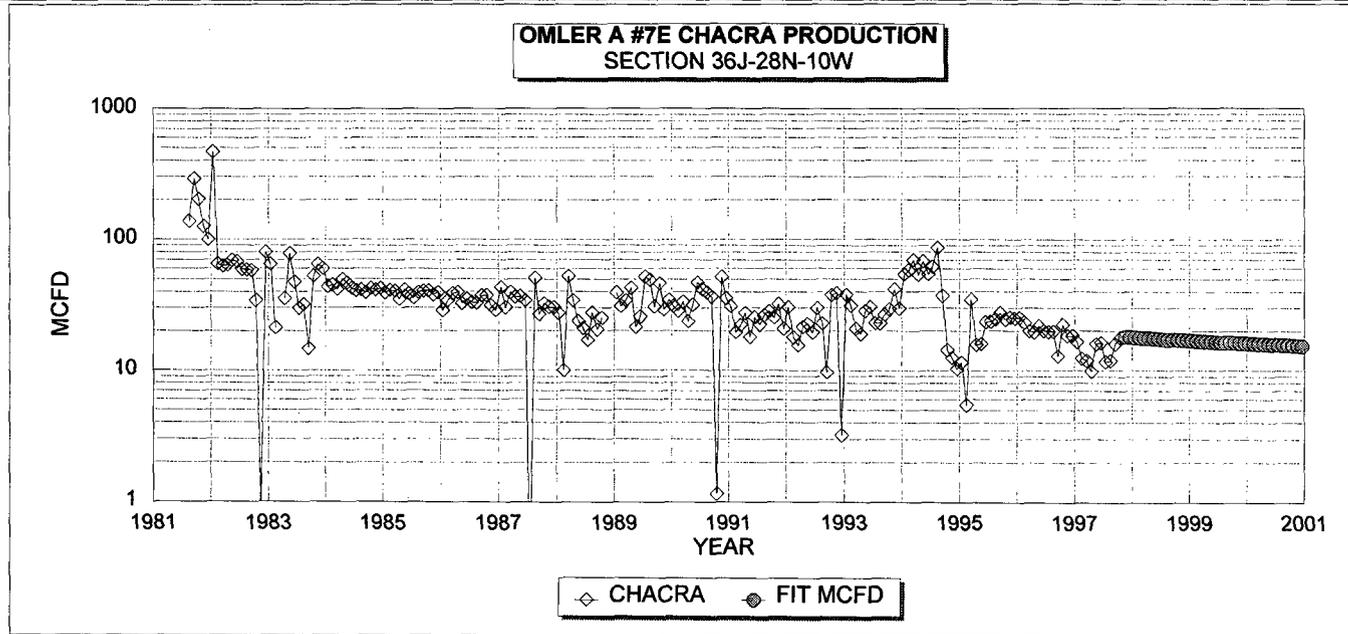
Oil Cum: 2406 bbl

Gas Cum: 356.6 mmcf

Location: 36J 28N 10W



<b>DAKOTA HISTORICAL DATA:</b>		<b>1ST PROD: 02/81</b>		<b>DAKOTA PROJECTED DATA</b>	
OIL CUM:	2.41 MBO	1/1/98 Qi:	66 MCFD	0.44 BOPD	
GAS CUM:	356.6 MMCF	DECLINE RATE:	5.0% (EXPONENTIAL)		
OIL YIELD:	0.0067 BBL/MCF				



<b>CHACRA HISTORICAL DATA</b>		<b>1ST PROD: 08/81</b>		<b>CHACRA PROJECTED DATA</b>	
OIL CUM:	0.0 MBO	1/1/98 Qi:	18 MCFD	0.00 BOPD	
GAS CUM:	226.0 MMCF	DECLINE RATE:	5.0% (EXPONENTIAL)		
OIL YIELD:	0.0001 BBL/MCF				

<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>		
	GAS	OIL
DAKOTA	79%	100%
CHACRA	21%	0%

GAS ALLOCATION BASED ON PROJECTED 1998 RATES  
 OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS  
**NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA**

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Revised February 21, 1994  
instructions on back

District II  
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III  
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088  
Santa Fe, NM 87504-2088

State Lease - 4 Copies

District IV  
PO Box 2088, Santa Fe. NM 87504-2088

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-24118		2 Pool Code 82329		3 Pool Name Otero Chacra	
4 Property Code		5 Property Name Olmer A			6 Well Number # 7E
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 5937'

10 Surface Location

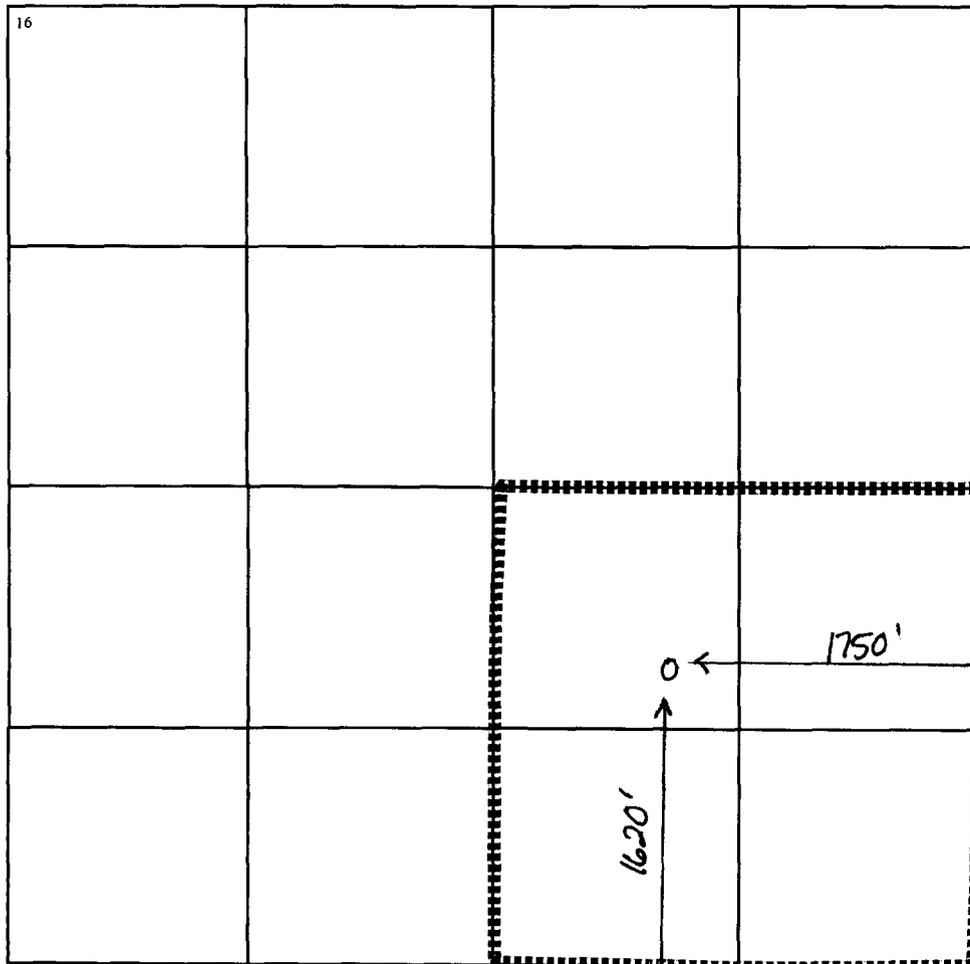
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	36	28N	10W		1620	South	1750	East	San Juan

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 160	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

4/20/98  
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

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

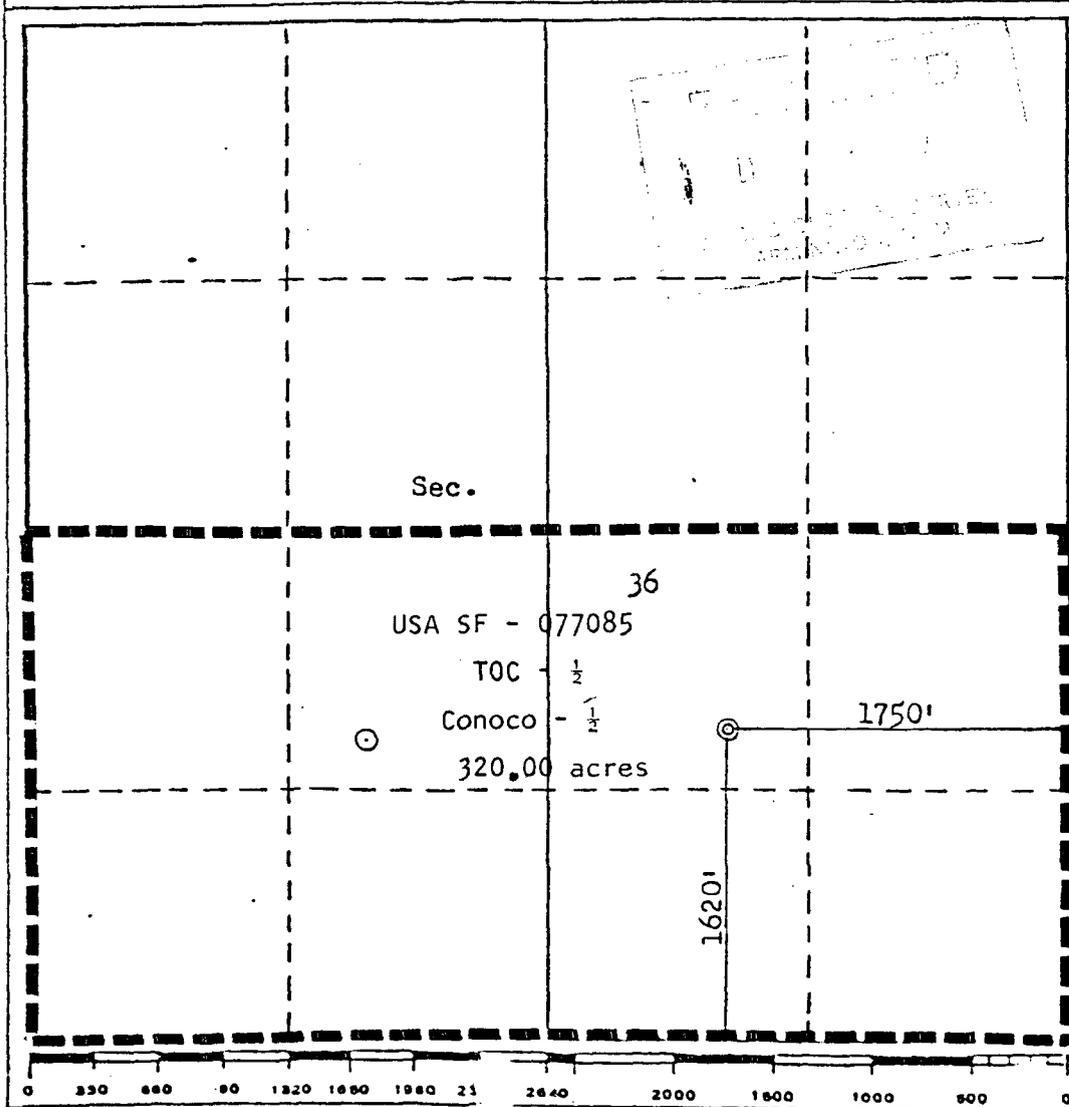
Operator <b>TENNECO OIL COMPANY</b>			Lease <b>OMLER "A"</b>		Well No. <b>7-E</b>
Unit Letter <b>J</b>	Section <b>36</b>	Township <b>28N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1620</b> feet from the <b>South</b> line and <b>1750</b> feet from the <b>East</b> line					
Ground Level Elev. <b>5937</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin Dakota</b>	Dedicated Acreage: <b>320.00</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).
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.



CERTIFICATION

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

*M. Lee Freeman*

Name  
**M. Lee Freeman**

Position  
**Staff Production Analyst**

Company  
**Tenneco Oil Company**

Date  
**December 20, 1979**

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.

ADMN 51051

Date Surveyed  
**September 27, 1979**

Registered Professional Engineer and/or Land Surveyor  
*Frederic E. Kerr, Jr.*

Certification No.  
**3950**  
**B. KERR, JR.**

April 27, 1998

Omler A #7E  
Section 36, T-28-N, R-10-W, J  
San Juan County, New Mexico  
API # 30-045-24118

RE: Application to Downhole Commingle C-107A

**Offset Operators:**

Amoco  
PO Box 800  
Denver, CO 80201

Burlington Resources  
PO Box 4289  
Farmington, New Mexico 87499

Breck Operating Co.  
PO Box 911  
Breckenridge, TX 76024-0911

Kukui Operating Co,  
1415 Louisiana STE 3650  
Wedge Intl Tower  
Houston, TX 77002