DATE IN 5/12/98	SUSPENSE 6/1/98	ENGINEER DC	LOGGED MV	TYPE DHC

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

GLH

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]

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MAY 12 1998
OIL CONSERVATION DIVISION

[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.

Peggy Bradfield		Regulatory/Compliance Administrator	
Print or Type Name	Signature	Title	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

APPLICATION FOR DOWNHOLE COMMINGLING

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

APPROVAL PROCESS :
_X_ Administrative __Hearing

EXISTING WELLBORE
_X_ YES ___ NO

BURLINGTON RESOURCES OIL & GAS COMPANY — PO Box 4289, Farmington, NM 87499
Operator — Address

Huerfanito Unit	#87	K 1-26-9	San Juan, New Mexico
Lease	Well No.	Unit Ltr. - Sec - Twp - Rge	County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7137 API NO. 30-045-06023 Federal _X_, 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)	4240' - 4274'		6288' - 6478'
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. 301 psia (Original) b. 1348 psia	a. b.	Measured a. 258 psia b. 2488 psia
6. Oil Gravity (°API) or Gas BTU Content	1330		1233
7. Producing or Shut-In?	Producing		Producing
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	Date: N/A Rates:	Date: Rates:	Date: N/A Rates:
* If Producing, give data and oil/gas/water water of recent test (within 60 days)	Date: 498 Rates: 1.0 BOD / 195 MCFD	Date: Rates:	Date: 4/98 Rates: 0.2 BOD / 60 MCFD
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 __X_No
If not, have all working, overriding, and royalty interests been notified by certified mail? _X_Yes ___No
Have all offset operators been given written notice of the proposed downhole commingling? _X_Yes ___No

11. Will cross-flow occur? _X_ 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. __X__ Yes _____No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? _X_ Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes _X_ 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. _X_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 Kevin Midkiff TITLE Production Engineer DATE 05-09-98

TYPE OR PRINT NAME Kevin Midkiff TELEPHONE NO. (505) 326-9700

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

Operator	Lease	Well No.
EL PASO NATURAL GAS COMPANY	HUERFANITO UNIT	87 (MD)

Unit Letter	Section	Township	Range	County
K	1	26 North	9 West	San Juan

Actual Footage Location of Well:
1550 feet from the South line and 1750 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6147	Mesa Verde-Dakota	Blanco Mesa Verde Ext.- Basin Dakota	320.18 (MV) 320 (Dak.) 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 ~~consoli~~dated by communitization, unitization, force-pooling. etc?

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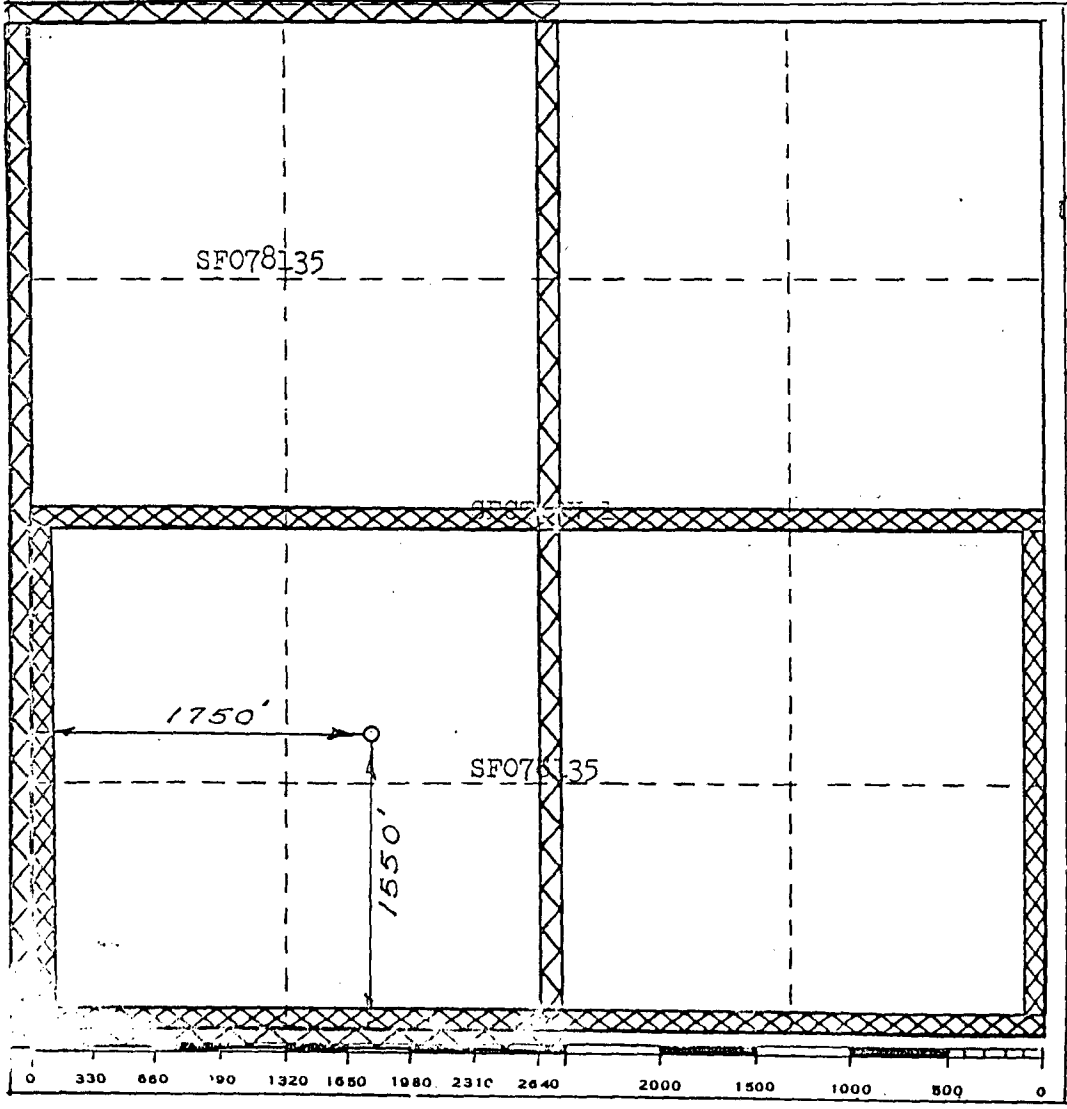
MAR 31 1965
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization

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.

ORIGINAL SIGNED E. S. OBERLY

Name
Petroleum Engineer
Position
El Paso Natural Gas Company
Company
March 31, 1965
Date

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.

Date Surveyed
March 4, 1965
Registered Professional Engineer and/or Land Surveyor

Certificate No.
1760

HUNTMAN ITO UNIT : 87 : DAKOTA
Prop Zbl *
GAS Mcf/d
OIL Bbl/d
OIL/GAS
WATER Bbls/d
Rate Time
Semi Log
Major = GAS
GAS
OIL
OIL/GAS
WATER
100
10
1
0.1
82
84
86
88
90
92
94
96
98
00
02
04
06
08

HUERFANITO UNIT | 07 | MESAVERDE
Prop 204 *
GAS Mcf/d
OIL Bbl/d
OIL/GAS
WATER Bbls/d
Rate Time
Semi Log
Major = GAS
82
84
86
88
90
92
94
96
98
00
02
04
06
08
10
GAS
OIL
OIL/GAS
WATER
100
10
1
0.1
100
10
1
0.1
100
10
1
0.1
100
10
1
0.1

Huerfanito Unit #87
Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method

Version 1.0 3/13/94

Mesaverde

MV-Current

GAS GRAVITY	0.793
COND. OR MISC. (C/M)	C
%N2	1.08
%CO2	0.54
%H2S	0
DIAMETER (IN)	5.5
DEPTH (FT)	4257
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	129
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	267
BOTTOMHOLE PRESSURE (PSIA)	301.4

MV-Original

GAS GRAVITY	0.793
COND. OR MISC. (C/M)	C
%N2	1.08
%CO2	0.54
%H2S	0
DIAMETER (IN)	5.5
DEPTH (FT)	4257
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	129
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1160
BOTTOMHOLE PRESSURE (PSIA)	1347.8

Dakota

DK-Current

GAS GRAVITY	0.731
COND. OR MISC. (C/M)	C
%N2	0.20
%CO2	1.27
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	6383
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	163
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	220
BOTTOMHOLE PRESSURE (PSIA)	258.1

DK-Original

GAS GRAVITY	0.731
COND. OR MISC. (C/M)	C
%N2	0.20
%CO2	1.27
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	6383
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	163
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	2030
BOTTOMHOLE PRESSURE (PSIA)	2488.7

Page No.: 1
Print Time: Wed Dec 24 14:16:36 1997
Property ID: 281
Property Name: HUERFANITO UNIT | 87 | DAKOTA
Table Name: S:\ARIES\1ROS\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi	
04/22/65	0	2030.0	Original
05/03/65	0	2017.0	
07/27/66	108000	1373.0	
02/20/67	198000	890.0	
01/30/68	339000	777.0	
02/17/69	468753	586.0	
06/04/70	601321	706.0	
07/09/71	697638	654.0	
07/03/72	782219	512.0	
05/02/73	846621	544.0	
06/25/75	975192	438.0	
06/06/77	1086030	423.0	
08/15/79	1189783	561.0	
06/10/81	1271187	350.0	
02/02/84	1356782	275.0	
06/10/85	1401625	521.0	
03/04/88	1463424	436.0	
04/09/90	1520836	343.0	
10/31/97	1693658	220.0	Current Estimated From P/Z Data

Page No.: 4
Print Time: Wed Dec 24 14:16:37 1997
Property ID: 284
Property Name: HUERFANITO UNIT | 87 | MESAVERDE
Table Name: S:\ARIES\1ROS\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi	
04/22/65	0	1160.0	Original
06/04/70	1346000	694.0	
07/09/71	1570107	649.0	
07/03/72	1843083	573.0	
05/02/73	2050028	525.0	
04/19/74	2248252	482.0	
05/18/76	2623954	422.0	
05/10/78	2917176	373.0	
05/28/80	3145523	361.0	
05/18/82	3290823	385.0	
01/02/85	3434555	327.0	
06/18/86	3461912	375.0	
09/07/89	3513201	392.0	
07/15/91	3534500	433.0	
11/29/93	3555367	291.0	
10/31/97	3735994	267.0	Current Estimated from P/Z Data

Package Preparation
Volume Data

DPNo: 30027 **HUERFANITO UNIT** **87** **Form: MV**

Supt: 60 KEN RAYBON **FF:** 337 STEVE FLOREZ **MS:** 373 SHAWN FINCHER
Pipeline: EPNG **Plunger:** No **Dual:** Yes **Compressor:** No

Ownership (No Trust)

	Gas	Oil
GWI:	86.2081%	86.2081%
GNI:	71.3425%	71.8053%

Volumes (Days On)	MCFD	BOPD
7 Day Avg	191	9.6
30 Day Avg	195	1.0
60 Day Avg	197	0.9
3 Mo Avg	205	0.9
6 Mo Avg	211	1.0
12 MoAvg	224	1.0

Volumes (Days in Month)	MCFD	BOPD
30 Day Avg	195	1.0
60 Day Avg	197	0.9
3 Mo Avg	205	0.9
6 Mo Avg	206	0.9
12 Mo Avg	217	1.0

	Prior Year			Current Year		
	MCF/M	BOPM	Days On	MCF/M	BOPM	Days On
Jan	4,835	66.0	31	6,428	33.0	31
Feb	5,451	43.0	28	5,617	22.0	28
Mar	8,560	37.0	31	0	0.0	31
Apr	7,412	33.0	30	0	0.0	0
May	6,976	21.0	31	0	0.0	0
Jun	5,918	23.0	26.1	0	0.0	0
Jul	5,558	33.0	26.2	0	0.0	0
Aug	7,084	28.0	31	0	0.0	0
Sept	6,663	36.0	30	0	0.0	0
Oct	6,587	37.0	30.3	0	0.0	0
Nov	5,880	16.0	27.7	0	0.0	0
Dec	6,397	29.0	31	0	0.0	0
Total	77,321	402.0		12,045	55.0	

Print Form

Exit Volumes Data

4/28/1998

Package Preparation
Volume Data

DPNo: 30052 **HUERFANITO UNIT** **87** **Form: DK**

Supt: 60 KEN RAYBON **FF:** 337 STEVE FLOREZ **MS:** 373 SHAWN FINCHER
Pipeline: EPNG **Plunger:** No **Dual:** Yes **Compressor:** No

Ownership (No Trust)

	Gas	Oil
GWI:	95.2909%	95.2909%
GNI:	77.3850%	78.2635%

Volumes (Days On)	MCFD	BOPD
7 Day Avg	61	1.9
30 Day Avg	60	0.2
60 Day Avg	63	0.3
3 Mo Avg	74	0.4
6 Mo Avg	81	0.5
12 MoAvg	92	0.6

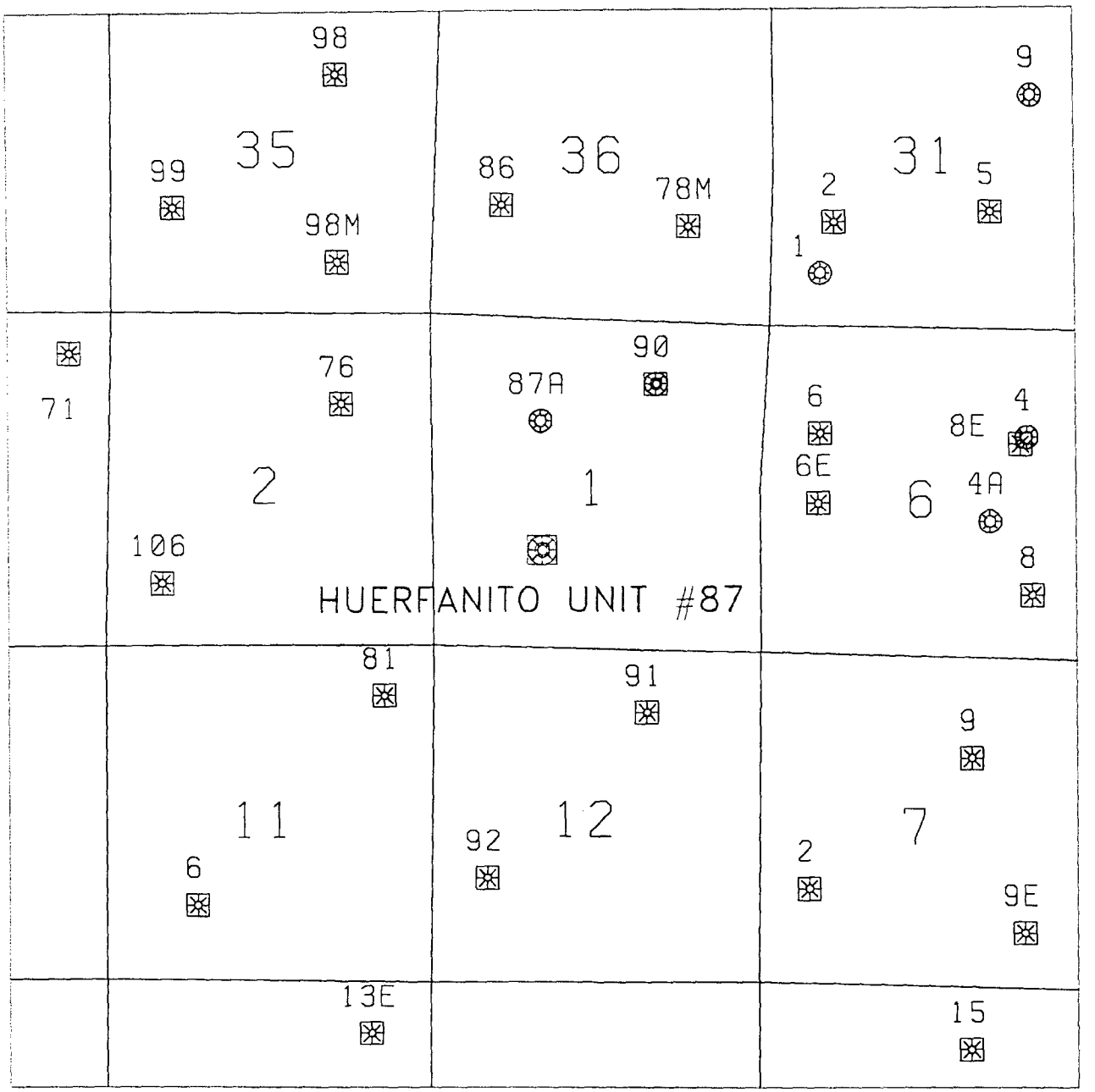
Volumes (Days in Month)	MCFD	BOPD
30 Day Avg	60	0.2
60 Day Avg	63	0.3
3 Mo Avg	74	0.4
6 Mo Avg	78	0.5
12 Mo Avg	88	0.6

	Prior Year			Current Year		
	MCF/M	BOPM	Days On	MCF/M	BOPM	Days On
Jan	3,197	14.0	31	2,192	11.0	31
Feb	3,985	22.0	28	1,851	10.0	28
Mar	3,829	17.0	31	0	0.0	31
Apr	3,181	38.0	30	0	0.0	0
May	3,194	11.0	31	0	0.0	0
Jun	1,844	28.0	23.9	0	0.0	0
Jul	2,046	10.0	26.2	0	0.0	0
Aug	3,795	17.0	31	0	0.0	0
Sept	2,402	6.0	30	0	0.0	0
Oct	2,797	38.0	30.3	0	0.0	0
Nov	2,394	8.0	25.7	0	0.0	0
Dec	2,590	19.0	31	0	0.0	0
Total	35,254	228.0		4,043	21.0	

Print Form

Exit Volumes Data

4/28/1998



PLH 1/8/98

HUERFANITO UNIT #87

SEC. 1, T26N, R9W

MESAVERDE/DAKOTA

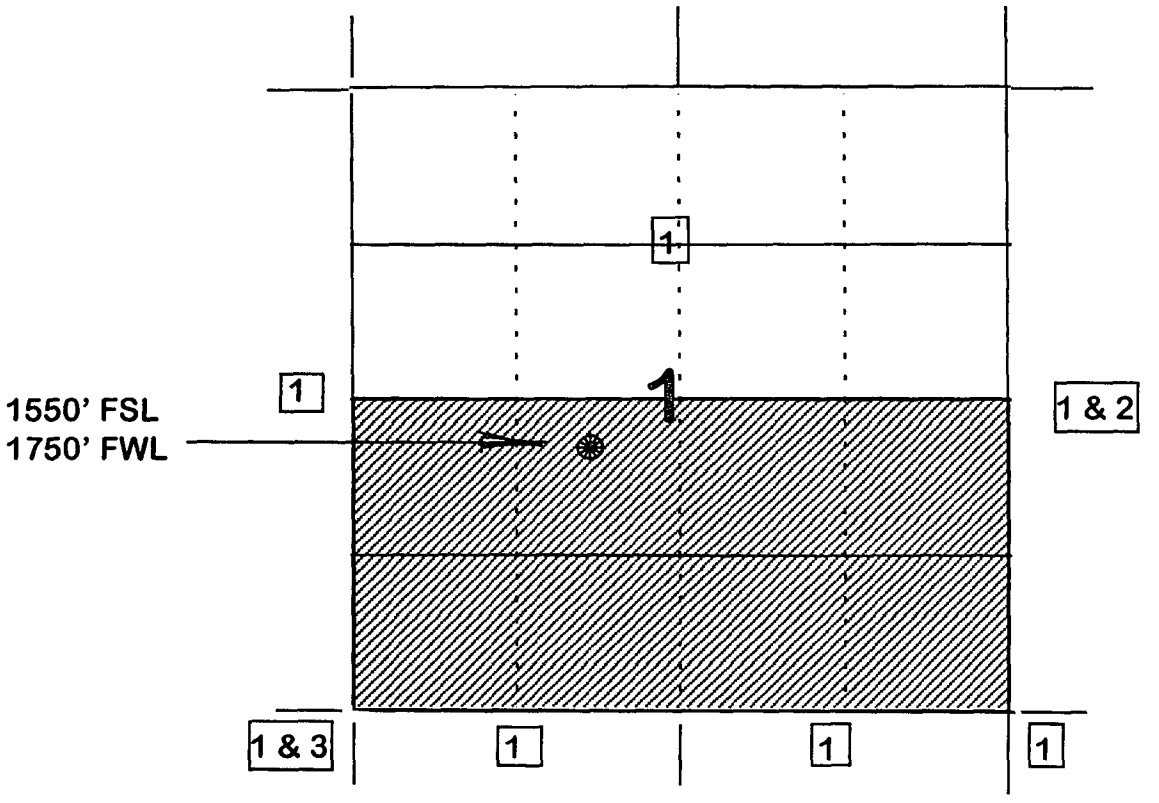
BURLINGTON RESOURCES OIL AND GAS COMPANY

Huerfanito Unit #87

OFFSET OPERATOR \ OWNER PLAT

Mesaverde / Dakota Formations Commingle Well

Township 26 North, Range 9 West



1) Burlington Resources
2) Taurus Exploration USA, Inc.
   2101 6th Avenue North
   Birmingham, Alabama 35203-2784
3) Dugan Production Corp.
   P.O. Box 420
   Farmington, NM 87499