

ABOVE THIS LINE FOR DIVISION USE ONLY

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



**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 OOD  
MAY 11 11:00

[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 \_\_\_\_\_

- PL-1295  
 - Conoco Phillips Company  
 217 817  
 Well  
 - State Commodity  
 30-045-24867

[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

Pool  
 - Aztec Pictorial  
 CLIFFS  
 71280  
 - Otter  
 Chaco (GAS)  
 82329

[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.

Crystal Walker  
 Print or Type Name

*Crystal Walker*  
 Signature

Regulatory Coordinator  
 Title

5/3/16  
 Date

crystal.walker@cop.com  
 e-mail Address

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-045-24867
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. Fee
7. Lease Name or Unit Agreement Name State Com C
8. Well Number 6
9. OGRID Number 217817
10. Pool name or Wildcat Aztec Pictured Cliffs / Otero Chacra

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
ConocoPhillips Company

3. Address of Operator  
P.O. Box 4289; Farmington, NM 87499-4289

4. Well Location  
 Unit Letter: L; 1410 feet from the SOUTH lined 950 line and West      feet from line  
 Section 32 Township 29N Range 09W NMPM SAN JUAN County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>CLOSED-LOOP SYSTEM <input type="checkbox"/></p> <p>OTHER: SURFACE COMMINGLE <input checked="" type="checkbox"/></p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER <input type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ConocoPhillips Company requests permission to surface commingle the gas from the subject well to produce the Aztec Pictured Cliffs (pool 71280) and the Otero Chacra (pool 82329).

Surface commingling production from the Aztec Pictured Cliffs and the Otero Chacra will not reduce the economic life of the well.

The commingled gas will be sent through compression prior to entering the sales meter.

The working interest, royalty and overriding interest owners in the subject wells are identical. Notification is not required. Please see the attached Land Letter. The proposed commingling of production is to reduce operating expenses and will result in an increased economic life of the well.

Spud Date:  Rig Release Date:

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

SIGNATURE Crystal Walker TITLE Regulatory Coordinator DATE: 5/3/2016

Type or print name Crystal Walker E-mail address: crystal.walker@conocophillips.com PHONE: 505-326-9837  
**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of Approval (if any): \_\_\_\_\_

dlb

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., 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

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: ConocoPhillips Company

OPERATOR ADDRESS: PO Box 4289, Farmington, NM 87499-4289

APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Aztec Pictured Cliffs - 71280	1087 BTU	1111 BTU			
Otero Chacra - 82329	1165 BTU				

- (2) Are any wells producing at top allowables?  Yes  No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
 (4) Measurement type:  Metering  Other (Specify)  
 (5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code.  
 (2) Is all production from same source of supply?  Yes  No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
 (4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply?  Yes  No  
 (2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

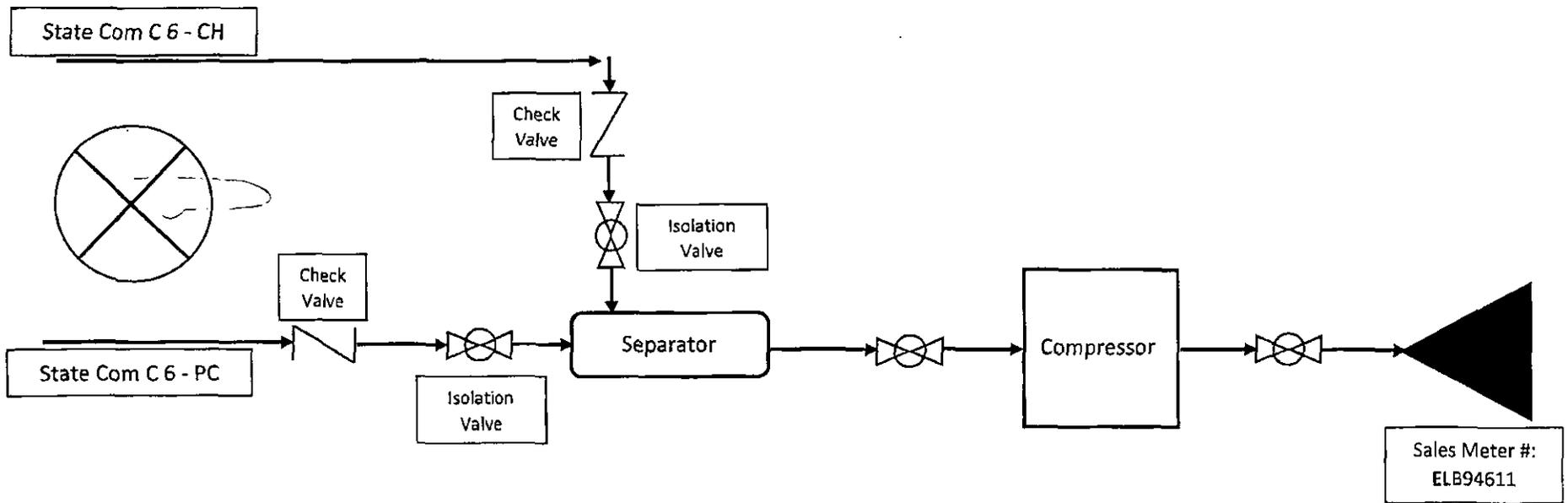
- (1) A schematic diagram of facility, including legal location.  
 (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
 (3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: \_\_\_\_\_ TITLE: Regulatory Coordinator DATE: \_\_\_\_\_

TYPE OR PRINT NAME Crystal Walker TELEPHONE NO.: 505-326-9837

E-MAIL ADDRESS: crystal.walker@cop.com





ConocoPhillips  
San Juan Business Unit  
Land Department  
P.O. Box 4289  
Farmington, NM 87499-4289

Michelle Blankenship  
Tel: 505-326-9751  
Fax: 505-326-9781

To: Crystal Walker, ConocoPhillips Regulatory Coordinator

From: Michelle Blankenship, ConocoPhillips Staff Landman

Date: April 27, 2016

Subject: Surface Commingle - State Com C 6  
API: 3004524867  
Sec 32-T29N-R9W NWSW  
San Juan County, New Mexico

As a Landman for ConocoPhillips Company, Operator of the State Com C 6 well, I hereby attest that the well ownership, in both the Chacra and the Pictured Cliffs producing formations, is identical. The attached ownership report, pulled from our Division Order system on 4/26/2016, provides the ownership detail.

If you have any questions, please feel free to contact me at 505-326-9751.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michelle Blankenship".

Michelle Blankenship  
Staff Landman, RPL

Report No: DOMDO-03B  
Universe: IWSMART

Page: 1 of 1  
Run Date: 4/26/2016  
Run Time: 4:02:33 PM  
Requestor: blankmd

Property No	Owner	Property	Int Type Code	Gross Interest	Net Revenue Int
A751982	CONOCOPHILLIPS COMPANY	STATE COM C 6 (CHACRA)	ORI		0.00683594
A751982	IMINERALS LLC	STATE COM C 6 (CHACRA)	ORI		0.02421875
A751982	SOUTHLAND ROYALTY COMPANY LLC	STATE COM C 6 (CHACRA)	ORI		0.05390625
A751982	STATE OF NEW MEXICO	STATE COM C 6 (CHACRA)	RI		0.10156250
A751982	CONOCOPHILLIPS COMPANY	STATE COM C 6 (CHACRA)	WI	0.68106338	0.51780546
A751982	EVKO DEVELOPMENT COMPANY	STATE COM C 6 (CHACRA)	WI	0.12500000	0.10937500
A751982	MESA ROYALTY TR	STATE COM C 6 (CHACRA)	WI	0.00643301	0.00562888
A751982	PIONEER NATURAL RESOURCES USA INC	STATE COM C 6 (CHACRA)	WI	0.00000191	0.00000168
A751982	SILVERADO OIL & GAS LLP	STATE COM C 6 (CHACRA)	WI	0.00000170	0.00000149
A751982	SOUTHLAND ROYALTY COMPANY LLC	STATE COM C 6 (CHACRA)	WI	0.18750000	0.18066406

Report No: DOMDO-03B  
Universe: IWSMART

Page: 1 of 1  
Run Date: 4/26/2016  
Run Time: 4:04:39 PM  
Requestor: blankmd

Property No	Owner	Property	Int Type Code	Gross Interest	Net Revenue Int
A706557	CONOCOPHILLIPS COMPANY	STATE COM C 6 (PICTURED CLIFFS)	ORI		0.00683594
A706557	IMINERALS LLC	STATE COM C 6 (PICTURED CLIFFS)	ORI		0.02421875
A706557	SOUTHLAND ROYALTY COMPANY LLC	STATE COM C 6 (PICTURED CLIFFS)	ORI		0.05390625
A706557	STATE OF NEW MEXICO	STATE COM C 6 (PICTURED CLIFFS)	RI		0.10156250
A706557	CONOCOPHILLIPS COMPANY	STATE COM C 6 (PICTURED CLIFFS)	WI	0.68106338	0.51780546
A706557	EVKO DEVELOPMENT COMPANY	STATE COM C 6 (PICTURED CLIFFS)	WI	0.12500000	0.10937500
A706557	MESA ROYALTY TR	STATE COM C 6 (PICTURED CLIFFS)	WI	0.00643301	0.00562888
A706557	PIONEER NATURAL RESOURCES USA INC	STATE COM C 6 (PICTURED CLIFFS)	WI	0.00000191	0.00000168
A706557	SILVERADO OIL & GAS LLP	STATE COM C 6 (PICTURED CLIFFS)	WI	0.00000170	0.00000149
A706557	SOUTHLAND ROYALTY COMPANY LLC	STATE COM C 6 (PICTURED CLIFFS)	WI	0.18750000	0.18066406

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-78

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

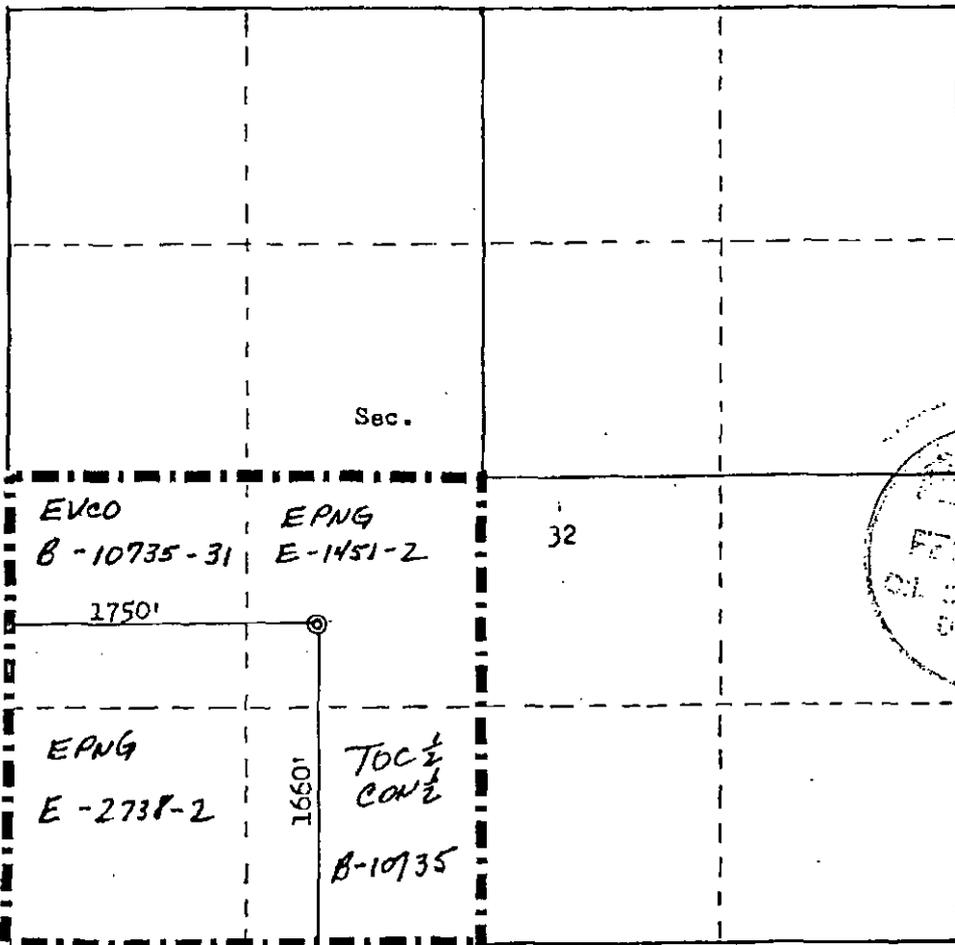
Operator <b>TENNECO OIL COMPANY</b>		Lease <b>STATE "C" COM</b>		Well No. <b>6</b>
Unit Letter <b>K</b>	Section <b>32</b>	Township <b>29N</b>	Range <b>9W</b>	County <b>San Juan</b>
Actual Footage Location of Well: <b>1660</b> feet from the <b>South</b> line and <b>1750</b> feet from the <b>West</b> line				
Ground Level Elev: <b>5863</b>	Producing Formation <b>PICTURED CLIFFS/CHACRA</b>	Pool <b>ATEC PICTURED CLIFFS/CHACRA</b>	Dedicated Acreage <b>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).
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 COMMUNITIZATION

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.



Scale: 1"=1000'

CERTIFICATION

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

*R. A. Mishler*  
Name

R. A. Mishler

Position

Sr. Production Analyst

Company

Tenneco Oil Company

Date

February 2, 1981

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

December 21, 1980

Registered Professional Engineer and Surveyor

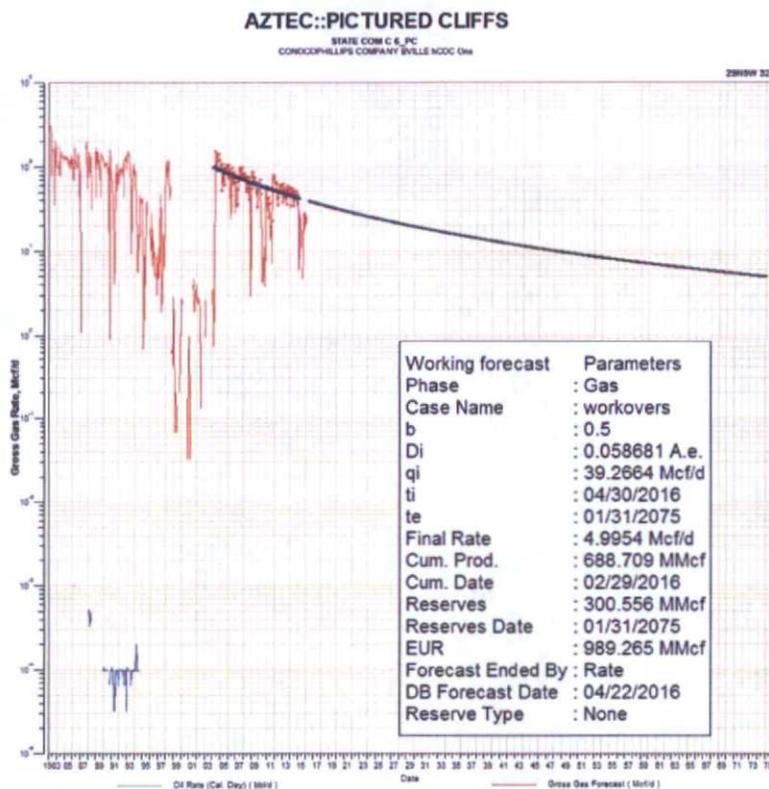
*Fred B. Kerr, Jr.*  
Fred B. Kerr, Jr.

Certificate No. **3950** F. B. KERR, JR.

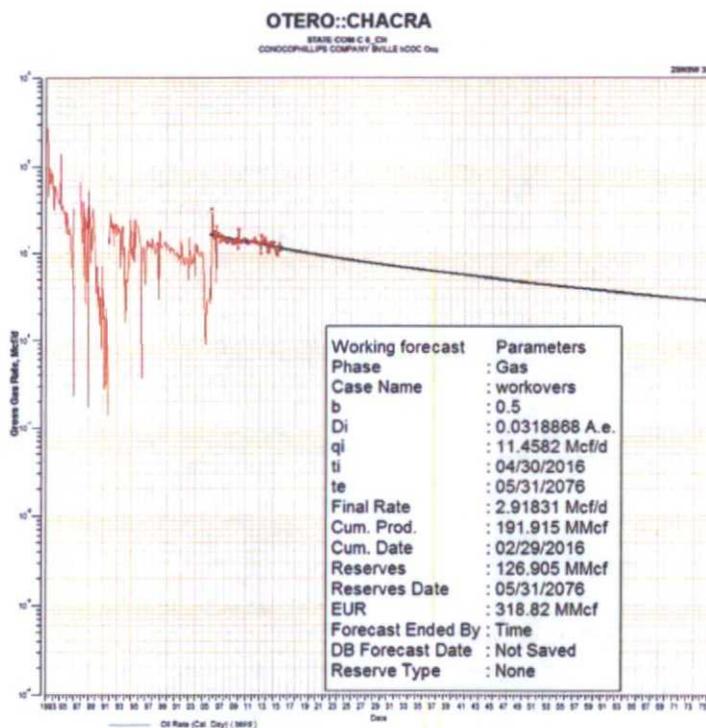
## Gas Forecasts

- Use the *Gas-Resfcst* plot in the Shared Workspace in OFM
- Report Remaining Reserves as of the last production date (not the same as OFM Reserves)

## Pictured Cliffs



## Chacra



## Remaining Reserves Allocation



Wellname: State Com C 6  
Formations: Chacra/PC  
Location: 29N-9W-32  
Date: May 1, 2016  
Engineer(s): Schofield, Ephraim

### ***Gas Allocation***

<b>Formation</b>	<b>Remaining Reserves (MMcf)</b>	<b>Gas Allocation (% - no decimals)</b>
Chacra	127	30
Pictured Cliffs	301	70
<i>Total</i>	<i>428</i>	<i>100</i>

\*Gas forecasts attached

### ***Oil Allocation***

<b>Formation</b>	<b>Yield (bbl/MMcf)</b>	<b>*Oil Reserves (bbls)</b>	<b>Oil Allocation (% - no decimals)</b>
Chacra	0.00	0	50
Pictured Cliffs	0.00	0	50
<i>Total</i>		<i>0</i>	<i>100</i>

\*Oil Reserves calculated by multiplying historical yield by remaining reserves from gas allocation

## McMillan, Michael, EMNRD

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**From:** Schofield, Ephraim W <Ephraim.W.Schofield@conocophillips.com>  
**Sent:** Wednesday, May 04, 2016 5:30 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Walker, Crystal; Bentson, Michelle E  
**Subject:** State Com C 6 Surface Commingle  
**Attachments:** State Com C 6 Surface Commingle Diagram.docx

Mike,

Thanks for calling me today. As we discussed, the State Com C 6 is currently configured as a dual tubing well with one tubing string producing from the Chacra and the second string producing from the Pictured Cliffs. We are proposing to surface commingle the production by combining the production streams at the separator. The individual zones have been metered separately since initial completion. The production will be allocated based on remaining reserves calculated from production trends. I have attached a few diagrams to clarify any confusion.

Please contact myself or Crystal Walker with any further questions.

Thanks,

**Ephraim Schofield**  
*Reservoir Engineer, San Juan Asset*  
*Phone: (505) 326-9826*  
*Ephraim.W.Schofield@ConocoPhillips.com*

API / UWI 3004524867	Surface Legal Location 032-029N-009W-L	Field Name PC/CH DUAL	License No.	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 5,866.00	Original KB-RT Elevation (ft) 5,878.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft) 5,878.00	KB-Tubing Hanger D	

Vertical - Original Hole, 5/4/2016 4:03:14 PM

