

ABOVE THIS LINE FOR DIVISION USE ONLY

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

*2091*

**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

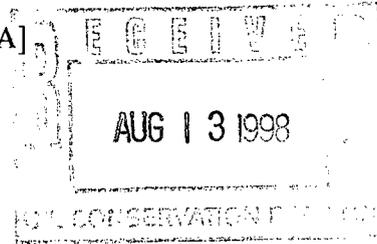
Check One Only for [B] and [C]

[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

8/11/98  
~~8/13/98~~  
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

APPROVAL PROCESS:  
 Administrative  Hearing

DISTRICT III  
 1000 Rio Brazos Rd. Aztec, NM 87410 1693

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

EXISTING WELLBORE  
 YES  NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease Buttram Well No #4 Unit Ltr Sec Twp Rge Section 23, T-26-N, R-6-W, I County Rio Arriba

OGRID NO. 005073 Property Code 003145 API NO. 30-039-06377 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	Basin Fruitland Coal 71629		Blanco Pictured Cliffs South 72439
2. TOP and Bottom of Pay Section (Perforations)	2410-2700'		2710-2800'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones:	a (Current) Estimated Current Measured Current	a.	a.
	b(Original) Estimated Or Measured Original	b.	b.
6. Oil Gravity (°API) or Gas BT Content	1250		1180
7. Producing or Shut-In?	To be completed		Producing
Production Marginal? (yes or no)	Expected to be		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
	Incremental Prod by Subtraction - Estimated 1st year 135 MCFD, 0 BW, 0 BO	Date Rates	Mid-Year Avg rates-See table - 6/98 12 MCFD, 0 BW, 0 BO
8. Fixed Percentage Allocation Formula -% for each zone	oil: % Gas %	oil: % Gas %	oil: % Gas %

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

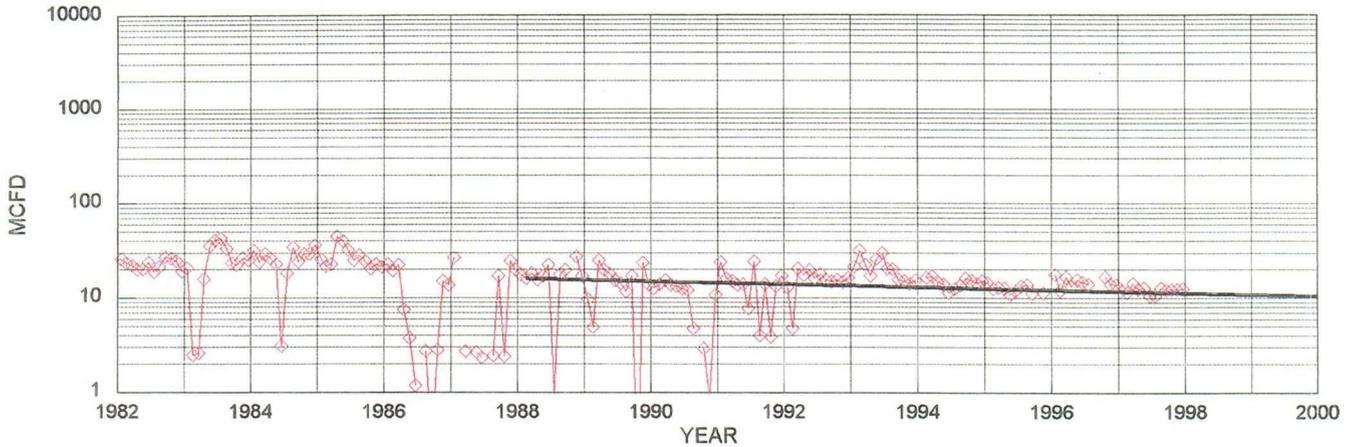
- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- \* Production curve for each zone for at least one year. (If not available, attach explanation.)
- \* For zones with no production history, estimated production rates and supporting data.
- \* Data to support 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 8/11/98

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

**BUTTRAM NO. 4 PICTURED CLIFFS PRODUCTION  
SECTION 23I-26N-06W**



◆ PICTURED CLIFFS MCFD    — FIT MCFD

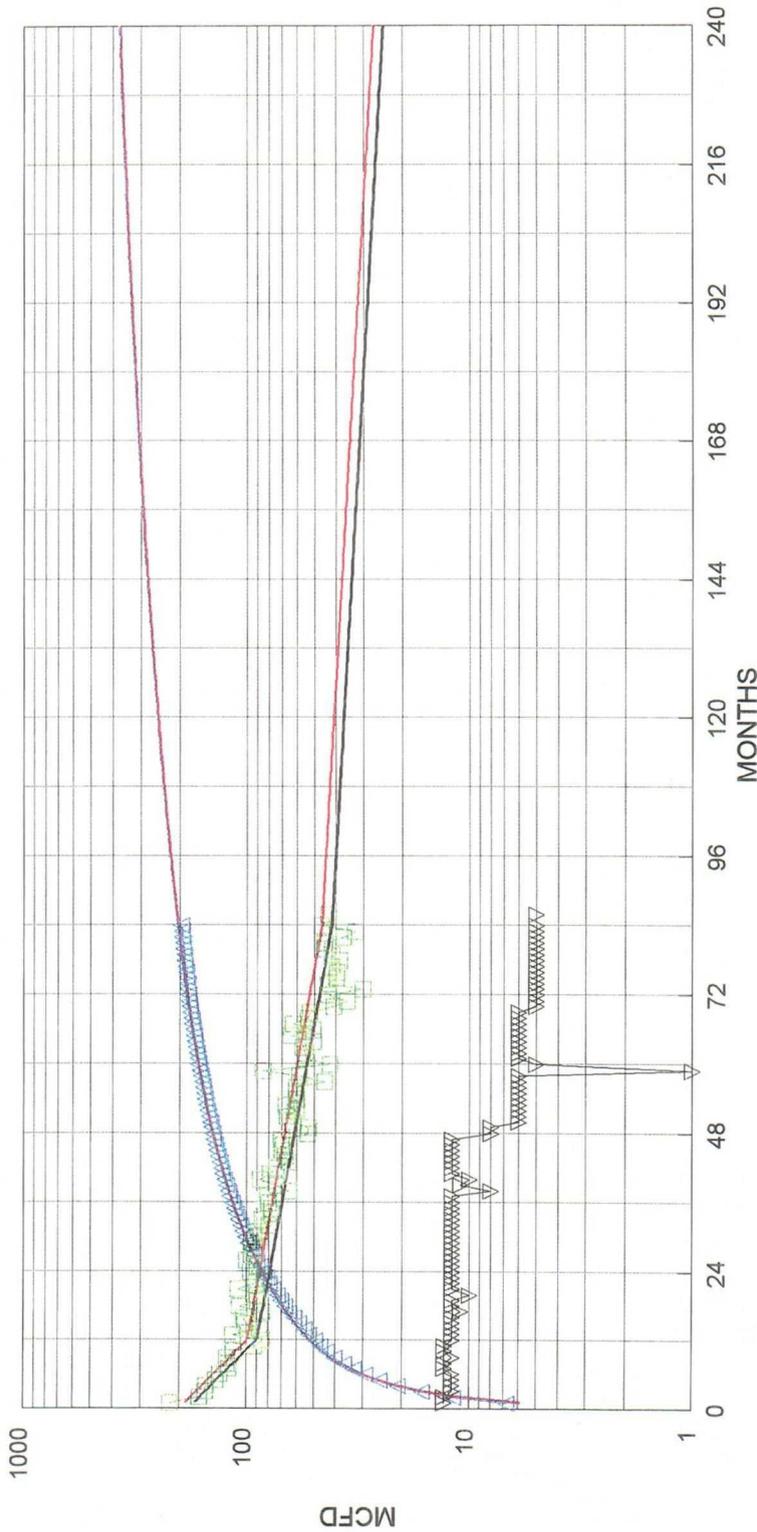
FIELD : BLANCO SOUTH (PICTURED CLIFFS)

PC HISTORICAL DATA:		1ST PROD: 12/53		PC PROJECTED DATA	
OIL CUM:	0.00	MBO		1/1/98 Qi:	11.3 MCFD
GAS CUM:	382.4	MMCF (SINCE '70)		DECLINE RATE:	3.5% (EXPONENTIAL)
CUM OIL YIELD:	0.0000	BBL/MCF			
OIL YIELD:	0.0000	BBL/MCF, LAST 3 YRS			
AVG. USED:	0.0000	BBL/MCF			
GAS CUM:	2167.6	MMCF (SINCE '53)			

YEAR	MID-YEAR	
	AVG. MCFD	AVG. BOPD
1998	11.1	0.0
1999	10.7	0.0
2000	10.3	0.0
2001	9.9	0.0
2002	9.6	0.0
2003	9.3	0.0
2004	8.9	0.0
2005	8.6	0.0
2006	8.3	0.0
2007	8.0	0.0
2008	7.7	0.0
2009	7.5	0.0
2010	7.2	0.0
2011	7.0	0.0
2012	6.7	0.0
2013	6.5	0.0
2014	6.3	0.0
2015	6.0	0.0
2016	5.8	0.0
2017	5.6	0.0
2018	5.4	0.0
2019	5.2	0.0
2020	5.1	0.0
2021	4.9	0.0
2022	4.7	0.0
2023	4.5	0.0
2024	4.4	0.0
2025	4.2	0.0
2026	4.1	0.0
2027	3.9	0.0
2028	3.8	0.0
2029	3.7	0.0
2030	3.5	0.0
2031	3.4	0.0
2032	3.3	0.0

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

**NORMALIZED FRUITLAND COAL PRODUCTION**  
 13 WELLS SINCE 1990; TOWNSHIP 26N RANGE 6&7 W

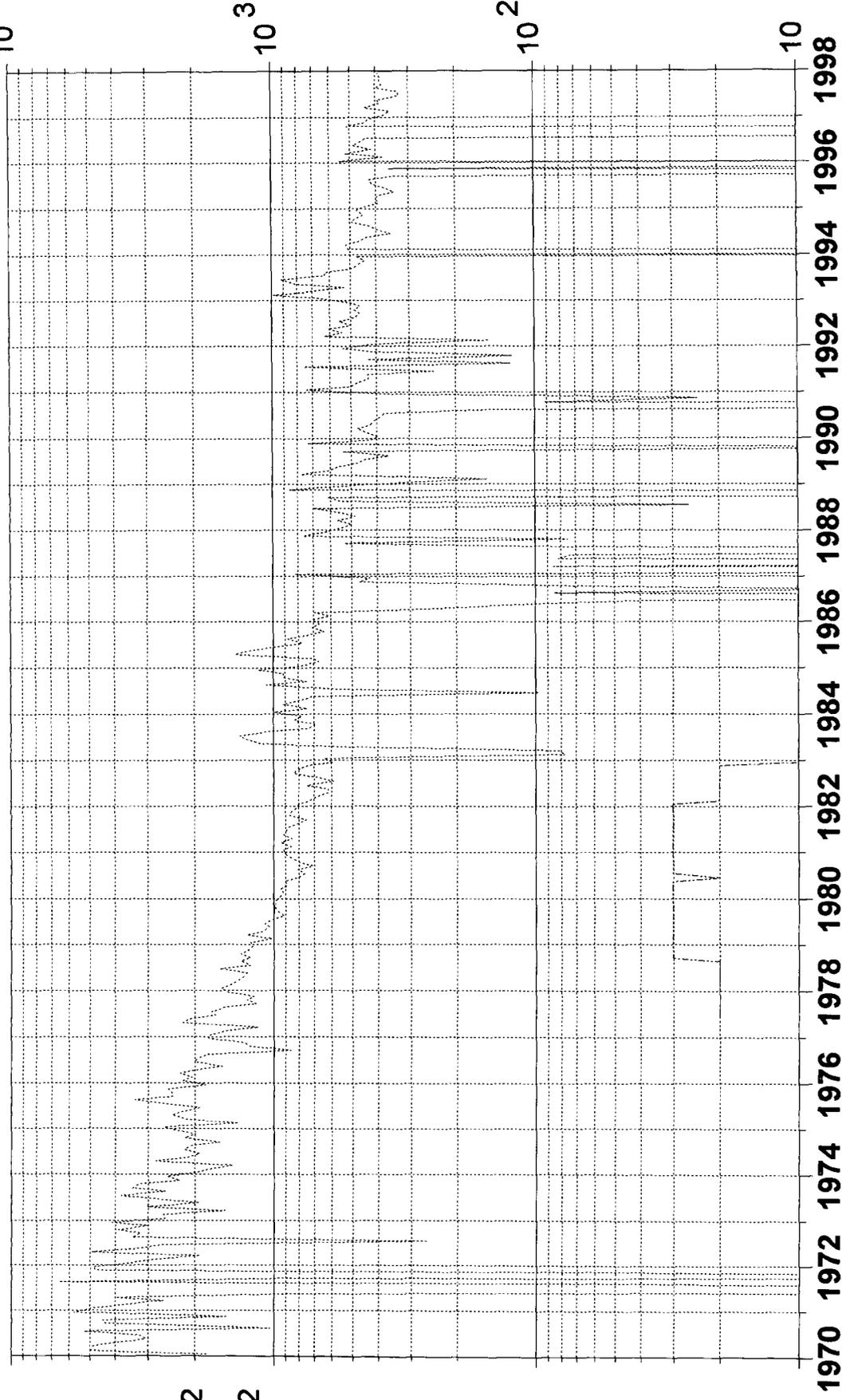


— FIT MCFD    ▴ NORMALIZED MCFD    — NORM CUM MMCF  
▴ WELLS ON PRODUCTION    — FIT CUM MMCF    — RISKED MCFD

NORMALIZED AVG:	10% RISK
442 MMCF EUR	380 MMCF EUR
377 MMCF IN 20 YRS	340 MMCF IN 20 YRS
20 MCFD E.L.	20 MCFD E.L.
0.0000 bbl/mcf oil yield	0.0000 bbl/mcf oil yield
200 MCFD IP	180 MCFD IP
50% DECLINE, 1ST 12 MONTHS	50.0% DECLINE, 1ST 12 MONTHS
12% DECLINE, NEXT 72 MONTHS	12.0% DECLINE, NEXT 72 MONTHS
4% FINAL DECLINE	4.0% FINAL DECLINE

Lease: BUTTRAM (4)  
 10<sup>3</sup>  
 10<sup>3</sup>

Dwights  
 Retrieval Code: 251,039,26N06W23I00PC  
 07/24/98



Oil (bbbl/mo)  
 Water (bbbl/mo)

Gas (mcf/mo)

County: RIO ARRIBA, NM	F.P. Date: 12/53
Field: BLANCO SOUTH (PICTU)	Oil Cum: 0 bbl
Reservoir: PICTURE CLIFFS	Gas Cum: 2168 mmcf
Operator: CONOCO INC	Location: 23I 26N 6W

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd. Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Revised February 21, 1994  
instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-06377		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 003145		5 Property Name Buttram			6 Well Number #4
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6372'

10 Surface Location

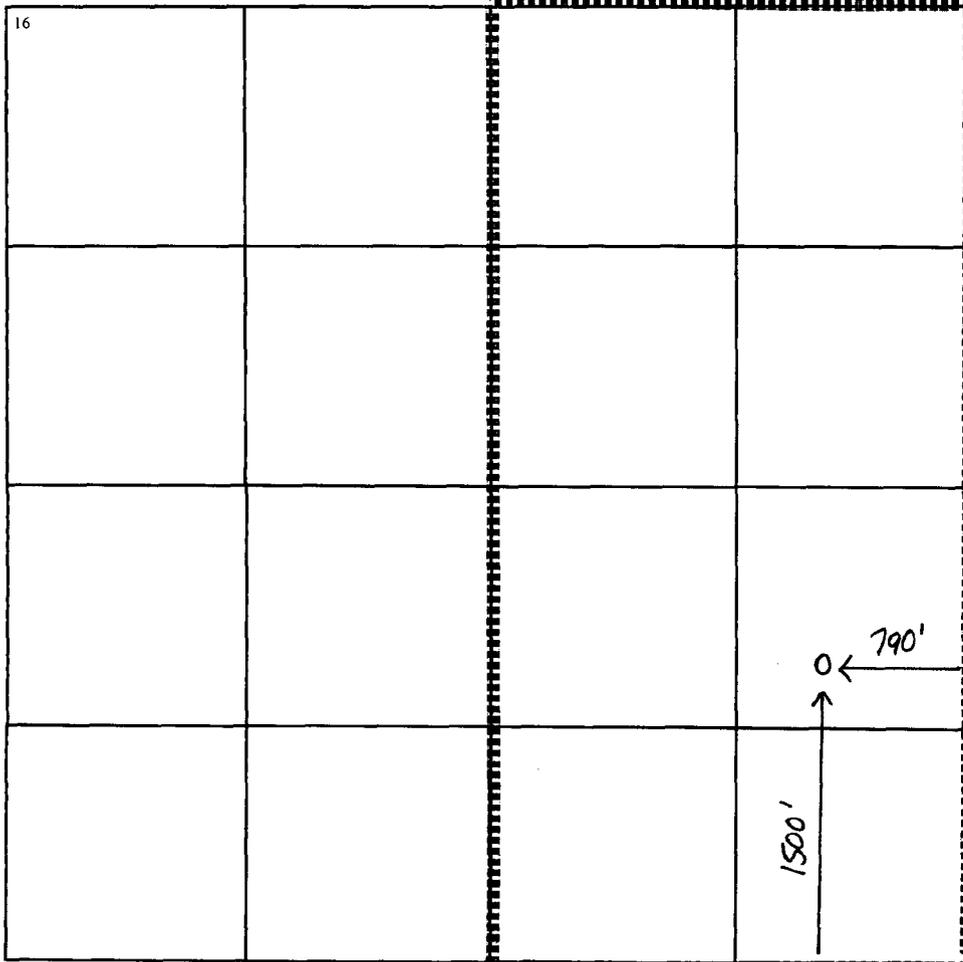
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	23	26N	6W		1500'	South	790'	East	Rio Arriba

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 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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

July 29, 1998  
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

NEW MEXICO  
OIL CONSERVATION COMMISSION

Gas Well Plat

Date ~~March 16, 1954~~

~~Pubco Development, Inc.~~ ~~Federal-Dutton~~ ~~234~~  
Operator Lease Well No. #4

Name of Producing Formation ~~Pictured Cliffs~~ So. Blasco Pool ~~Pictured Cliffs~~

No. Acres Dedicated to the Well 16.7

Indicate Land Ownership Status. (Federal, State, Patented)  
~~XXXXXXXXXX~~

SECTION 23 TOWNSHIP 24N RANGE 6E


RECEIVED  
MAR 29 1954  
PUBCO DEVELOPMENT, INC.

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

Name W. E. Malwood  
Position Asst. Prod. Dept.  
Representing Pubco Development, Inc.  
Address Box 361, Arco, New Mexico

(over)

Buttram #4  
Section 23, T-26-N, R-6-W, I  
Rio Arriba County, NM  
API # 30-039 -06377

RE: Application to Downhole Commingle

**Offset Operators:**

Burlington Resources  
PO Box 4289  
Farmington, NM 87499

Little Oil & Gas  
PO Box 258  
Farmington, NM 87499-1258

Caulkins Oil Co.  
1600 Broadway STE 1400  
Denver, CO 80202-4927