

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2170

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

DEC 17 1998

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

12/15/98
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

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

- APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

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

San Juan 28-7 Unit # 251 Section 31, T-28-N, R-7-W, G Rio Arriba
Lease Well No Unit Ltr Sec Twp Rge County

OGRID NO. 005073 Property Code 016608 API NO. 30-039-21652 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	Blanco Mesaverde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4217-4994'		6824-7002'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Expected Flowing		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	457		751
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1230		2946
6. Oil Gravity (°API) or Gas BT Content	1196		1263
7. Producing or Shut-In?	To be Completed		Producing
Production Marginal? (yes or no)	Expected Yes		Yes
• If Shut-In give date and oil/gas/water rates of last production	Date Rates	Date Rates	Date Rates
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 Allocation method by subtraction - See attached Chart.	Date Rates	12/15/98 28 MCFD, O BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % or 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). R-10476-B

16. ATTACHMENTS

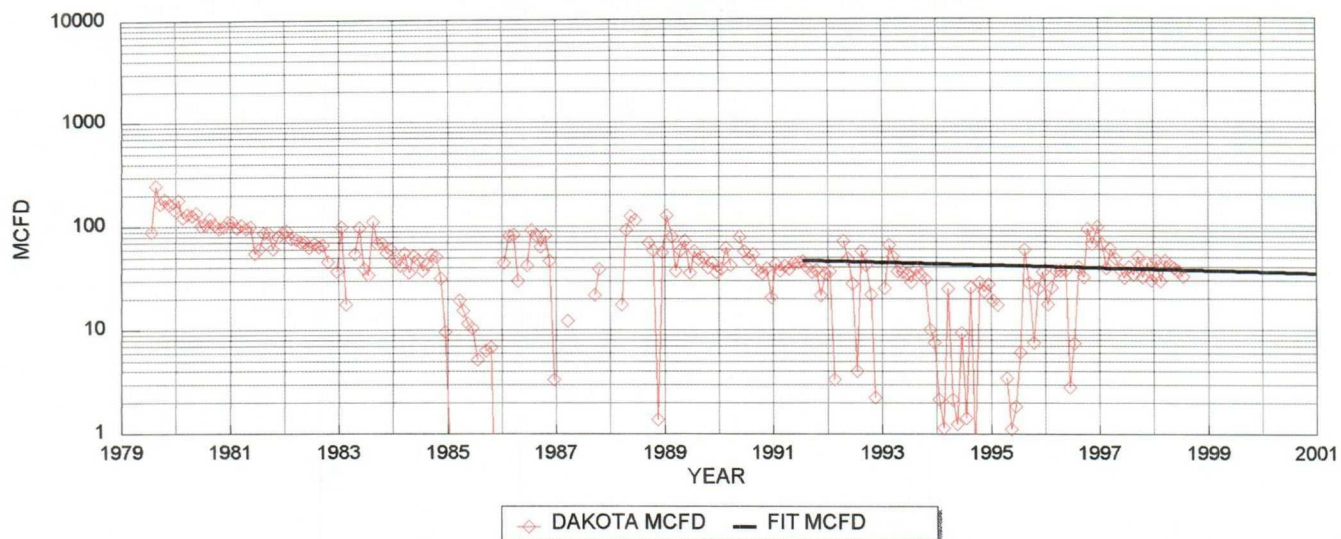
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 December 15, 1998

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

SAN JUAN 28 7 UNIT #251 DAKOTA PRODUCTION
SECTION 31G-28N-07W



DAKOTA HISTORICAL DATA: 1ST PROD: 07/79

OIL CUM: 2.20 MBO
GAS CUM: 326.8 MMCF
CUM OIL YIELD: 0.0067 BBL/MCF
OIL YIELD: 0.0042 BBL/MCF, LAST 3 YRS
AVG. USED: 0.0055 BBL/MCF

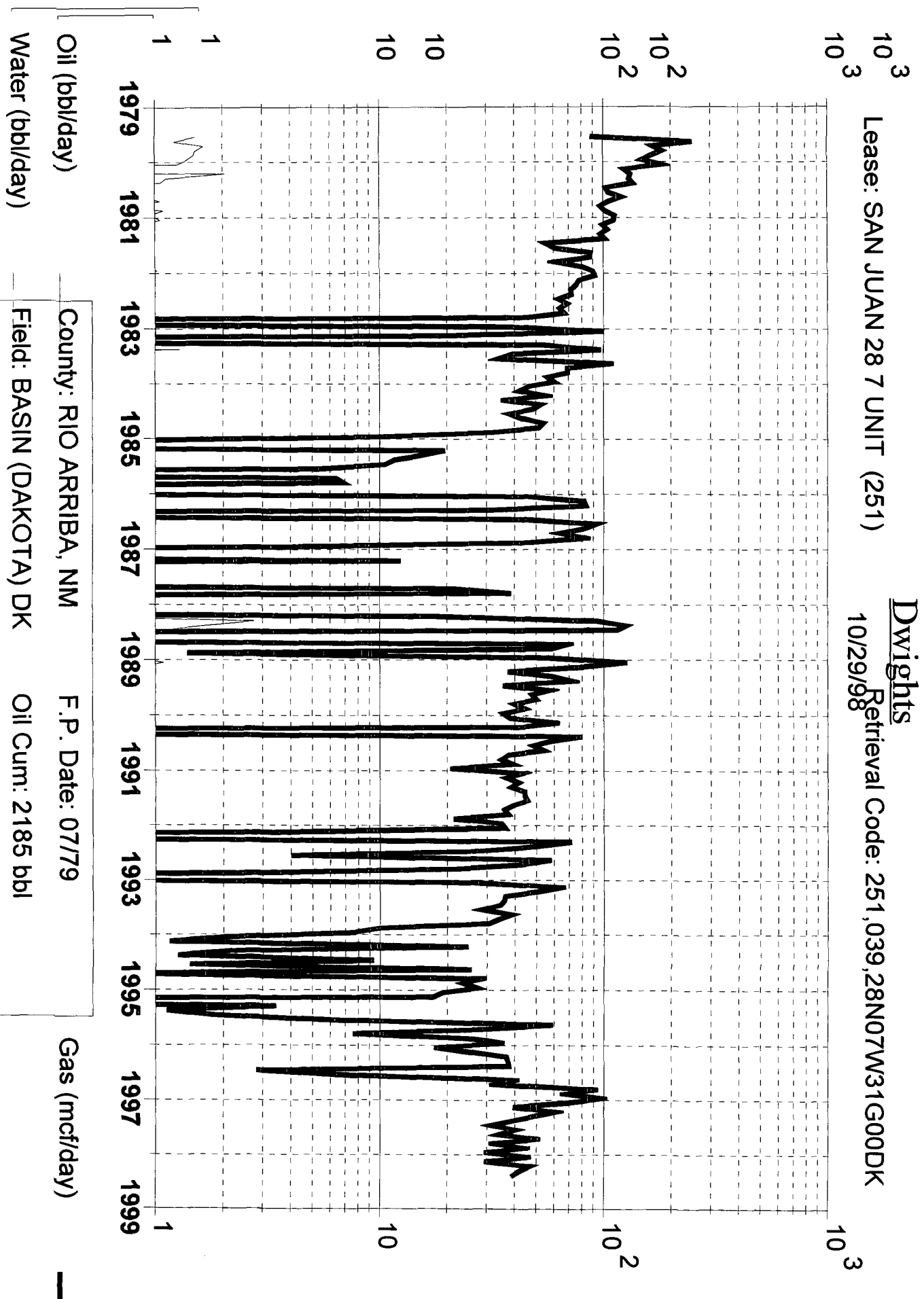
DAKOTA PROJECTED DATA

1/1/99 Qi: 37 MCFD
DECLINE RATE: 3.0% (EXPONENTIAL)

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1999	36.6	0.2
2000	35.5	0.2
2001	34.4	0.2
2002	33.4	0.2
2003	32.4	0.2
2004	31.4	0.2
2005	30.5	0.2
2006	29.5	0.2
2007	28.7	0.2
2008	27.8	0.2
2009	27.0	0.1
2010	26.2	0.1
2011	25.4	0.1
2012	24.6	0.1
2013	23.9	0.1
2014	23.2	0.1
2015	22.5	0.1
2016	21.8	0.1
2017	21.1	0.1
2018	20.5	0.1
2019	19.9	0.1
2020	19.3	0.1
2021	18.7	0.1
2022	18.2	0.1
2023	17.6	0.1
2024	17.1	0.1
2025	16.6	0.1
2026	16.1	0.1
2027	15.6	0.1
2028	15.1	0.1
2029	14.7	0.1
2030	14.2	0.1
2031	13.8	0.1
2032	13.4	0.1
2033	13.0	0.1

Lease: SAN JUAN 28 7 UNIT (251)



Oil (bbl/day)

Water (bbl/day)

County: RIO ARRIBA, NM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

F.P. Date: 07/79

Oil Cum: 2185 bbl

Gas Cum: 324.7 mmmcf

Location: 31G 28N 7W

Gas (mcf/day)



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

October 13, 1998

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

RE: Application for Non-Standard Location
San Juan 28-7 Unit Well # 251
2025' FNL & 1325' FEL
T-28-N, R-7-W, Section 31, Unit Letter G
API # 30-039-21652
Rio Arriba County, NM


Dear Mr. Stogner,

Please find attached Non-Standard Location Order # 922 given for the San Juan 28-7 Unit, Well # 251 in the Basin Dakota Pool, Rio Arriba County, NM. This order was given to El Paso Natural Gas February 6, 1978. Conoco, Inc would like to amend this order to include the Blanco Mesaverde. Upon receipt of approval of their Downhole Commingling Application (C107A) Conoco would like to recomplate this well in the Mesaverde and downhole commingle this zone with the currently producing Dakota. This well is only 1325' FEL line and it needs to be at least 1450' FEL to honor the Meaverde/Dakota pool rules of 130' spacing from the $\frac{1}{4}$ section lines. The well is located only 615' away from the half section line rather than the required 790'.

Please note that this non-standard location encroaches to the center half-section line rather than towards the west line of the section the 28-7 unit edge. Conoco, Inc. is the sole operator of the 28-7 Unit. There are no other operators that would be affected by this unorthodox Mesaverde/Dakota location.

To prevent economic waste by producing the Mesaverde in this existing wellbore Conoco, Inc. respectfully requests that an amendment to NSL Order # 922 to include the Blanco Mesaverde be approved. If there are further questions concerning this application please call me at (915) 686-5798.

Sincerely,


Kay Maddox
Regulatory Agent

Cc: Oil Conservation Division- Aztec

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
PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd. Aztec, NM 87410

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-21652		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			
6 Well Number #251					
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			
9 Elevation					

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
G	31	28N	7W		2025'	North	1325'	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.
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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

16					

2025'

1325'

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

Date

12/15/98

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
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-55

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

Operator El Paso Natural Gas Company			Lease San Juan 28-7 Unit (SF-078500-A)		Well No. 251
Unit Letter G	Section 31	Township 28N	Range 7W	County Rio Arriba	
Actual Footage Location of Well:					
2025 feet from the North line and		1325 feet from the East line			
Ground Level Elev. 6072	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 316.50 Acres		

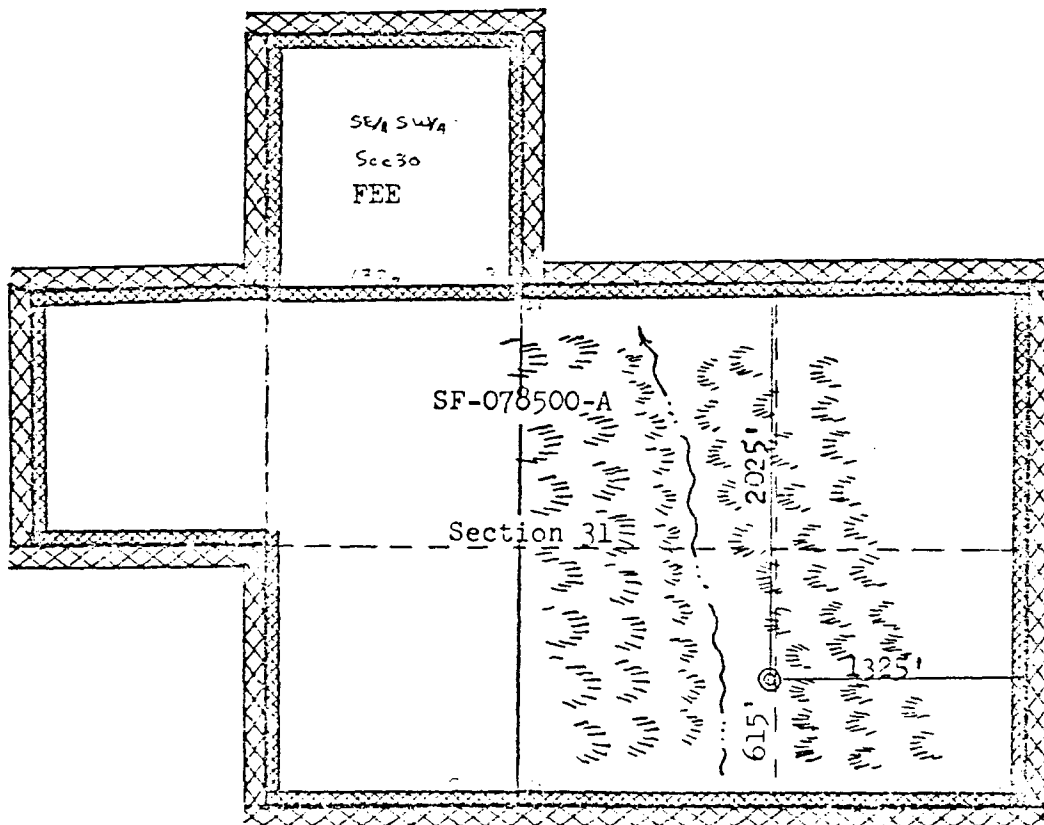
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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 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.

DEDICATION PER N. M. O.C.C. ORDER #R-2948 AUGUST 6, 1965



Center well

Scale: 1" = 1,000'

CERTIFICATION

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

[Signature]

Name
Drilling Clerk

Position
El Paso Natural Gas Co.

Company
January 31, 1978

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
November 30, 1977

Registered Professional Engineer and Land Surveyor

[Signature]
Fred B. Kerr Jr.

Certificate No.
3000



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

February 6, 1978

El Paso Natural Gas Company
P. O. Box 990
Farmington, New Mexico 87401

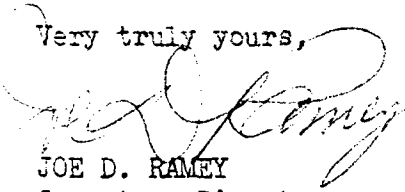
Administrative Order NSL-922

Gentlemen:

Reference is made to your application for approval of a non-standard location for your San Juan 28-7 Unit Well No. 251 to be located 2025 feet from the North line and 1325 feet from the East line of Section 31, Township 28 North, Range 7 West, NMPM, Basin Dakota Pool, Rio Arriba County, New Mexico.

By authority granted me under the provisions of Rule 3 of Order No. R-1670-C of the Commission Rules and Regulations, the above-described unorthodox location is hereby approved.

Very truly yours,


JOE D. RAMEY
Secretary-Director

JDR/RLS/jr

cc: U.S.G.S. - Farmington
State Land Office - Santa Fe
Oil & Gas Engineering Committee - Hobbs
OCC - Aztec

10
11
12

San Juan 28-7 Unit Well # 251
API # 30-039-21652
Section 31, T-28-N, R-7-W, G
Rio Arriba County, NM

RE: Downhole Commingle Application C-107A

Notification of Offset Operators:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Amoco
PO Box 800
Denver, CO 80201

S&G Interests
1331 Lamar STE 501
Houston, TX 77010

Cross Timbers
6001 HWY 64
Farmington, NM 87401

Taurus Exploration Inc.
2101 6th Avenue North
Birmingham, AL 35203-2784

Richardson Operating
1700 Lincoln St. STE 1700
Denver, CO 80203-4501

A copy of the Downhole Commingle Application (C-107A) has been sent to the above listed parties