

ABOVE THIS LINE FOR DIVISION USE ONLY

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

*2008*

**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

REG  
FEB 16 1999

[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                      2/11/99  
 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 San Juan 28-7 Unit Well No # 130 Unit Ltr Sec Twp Rge Section 2, T-27-N, R-7-W, L County Rio Arriba

OGRID NO. 005073 Property Code 016608 API NO. 30-039-07180 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)	Estimated 4266-5086'		6893-7076'
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 457	a.	a. 751
	b(Original) 1230	b.	b. 2946
6. Oil Gravity (°API) or Gas BT Content	1259		1212
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  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
	Date Rates Production allocated by subtraction - See attached chart	Date Rates	Date Rates 1/99 104 MCFD
8. Fixed Percentage Allocation Formula - % or each zone	Oil: % Gas %	Oil: % Gas %	Oil: % Gas %

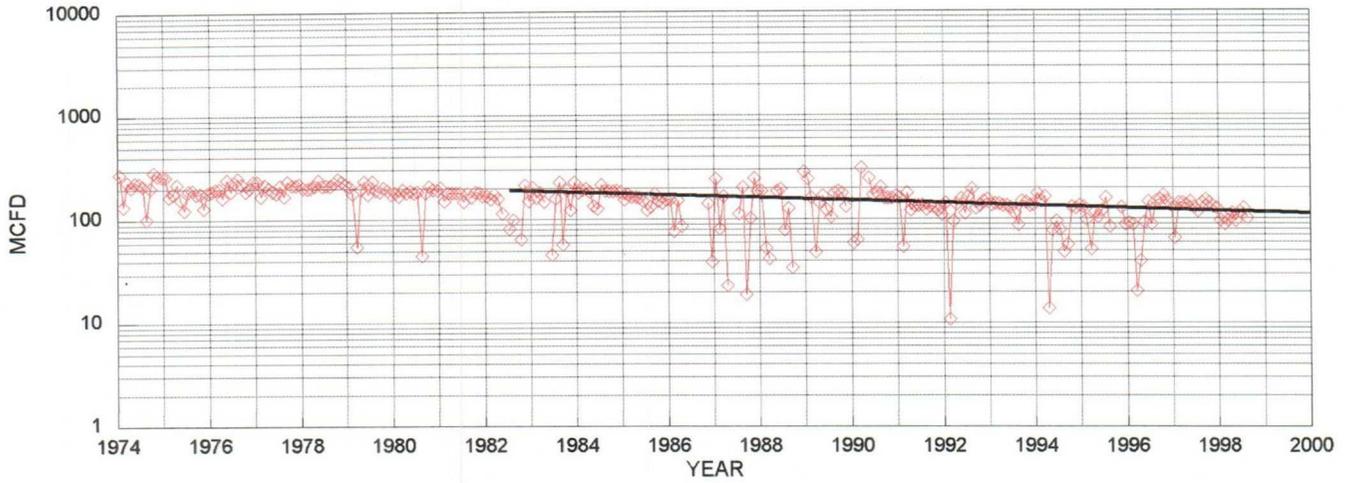
9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical 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 February 11, 1999

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

**SAN JUAN 28 7 UNIT #130 DAKOTA PRODUCTION  
SECTION 2L-27N-07W**



◇ DAKOTA MCFD    — FIT MCFD

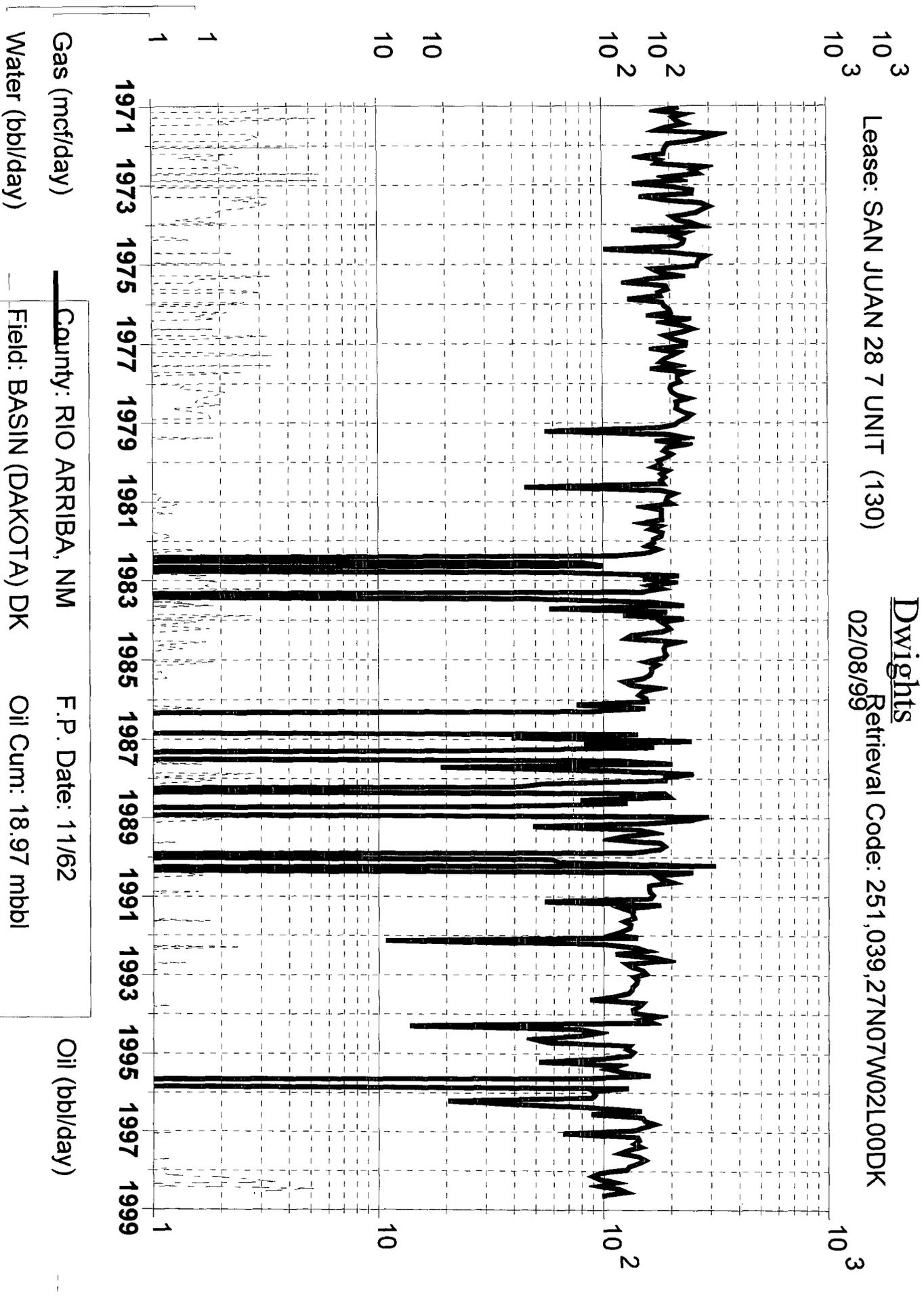
<b>DAKOTA HISTORICAL DATA:</b>		<b>1ST PROD: 11/62</b>		<b>DAKOTA PROJECTED DATA</b>	
OIL CUM:	18.97 MBO	1/1/99 Qi:	116 MCFD		
GAS CUM:	2453.0 MMCF	DECLINE RATE:	3.0% (EXPONENTIAL)		
CUM OIL YIELD:	0.0077 BBL/MCF				
OIL YIELD:	0.0053 BBL/MCF, LAST 3 YRS				
AVG. USED:	0.0065 BBL/MCF				

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1999	114.2	0.7
2000	110.7	0.7
2001	107.4	0.7
2002	104.2	0.7
2003	101.1	0.7
2004	98.0	0.6
2005	95.1	0.6
2006	92.2	0.6
2007	89.5	0.6
2008	86.8	0.6
2009	84.2	0.6
2010	81.7	0.5
2011	79.2	0.5
2012	76.8	0.5
2013	74.5	0.5
2014	72.3	0.5
2015	70.1	0.5
2016	68.0	0.4
2017	66.0	0.4
2018	64.0	0.4
2019	62.1	0.4
2020	60.2	0.4
2021	58.4	0.4
2022	56.7	0.4
2023	55.0	0.4
2024	53.3	0.3
2025	51.7	0.3
2026	50.2	0.3
2027	48.7	0.3
2028	47.2	0.3
2029	45.8	0.3
2030	44.4	0.3
2031	43.1	0.3
2032	41.8	0.3
2033	40.5	0.3

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

Lease: SAN JUAN 28 7 UNIT (130)

Dwights  
Retrieval Code: 251,039,27N07W02L00DK  
02/08/99



Gas (mcf/day)

Water (bbl/day)

County: RIO ARRIBA, NM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

F.P. Date: 11/62

Oil Cum: 18.97 mbbl

Gas Cum: 2453 mmcf

Location: 2L 27N 7W

Oil (bbl/day)

NEW MEXICO OIL CONSERVATION COMMISSION  
Well Location and Acreage Dedication Plat

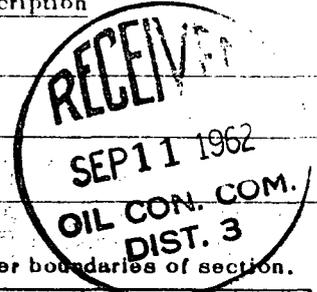
Date SEPTEMBER 6, 1962

Section A.

Operator EL PASO NATURAL GAS COMPANY Lease SAN JUAN 28-7 UNIT E-290-28  
Well No. 130 Unit Letter L Section 2 Township 27-N Range 7-W NMPM  
Located 1668 Feet From SOUTH Line, 800 Feet From WEST Line  
County RIO ARRIBA G. L. Elevation 6165 Dedicated Acreage 308 318.96 Acres  
Name of Producing Formation DAKOTA Pool BASIN DAKOTA

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?  
Yes  No
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communization agreement or otherwise? Yes  No  If answer is "yes", Type of Consolidation.
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner	Land Description



Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

**El Paso Natural Gas Company**

(Operator)

**ORIGINAL SIGNLD H.E. McANALLY**

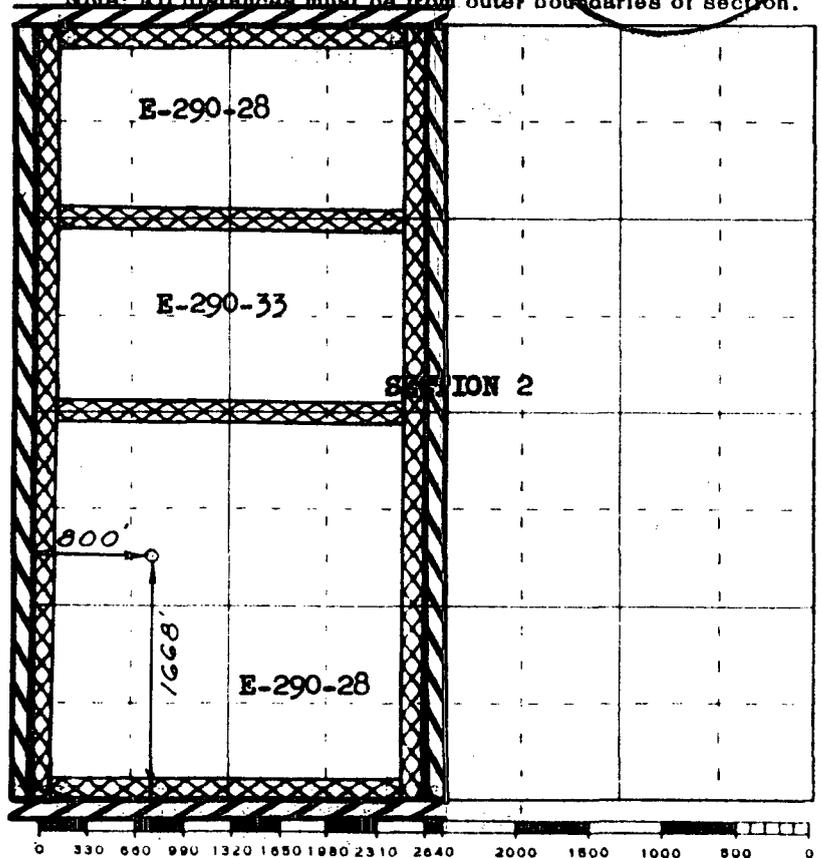
(Representative)

**Box 990**

(Address)

**Farmington, New Mexico**

Note: All distances must be from outer boundaries of section.



Scale 4 inches equal 1 mile

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed AUGUST 28, 1962

*David O. Silver*  
Registered Professional Engineer and/or Land Surveyor

(Seal)

Farmington, New Mexico

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

Form C-102

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 30-039-07180		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number # 130
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6165'

10 Surface Location

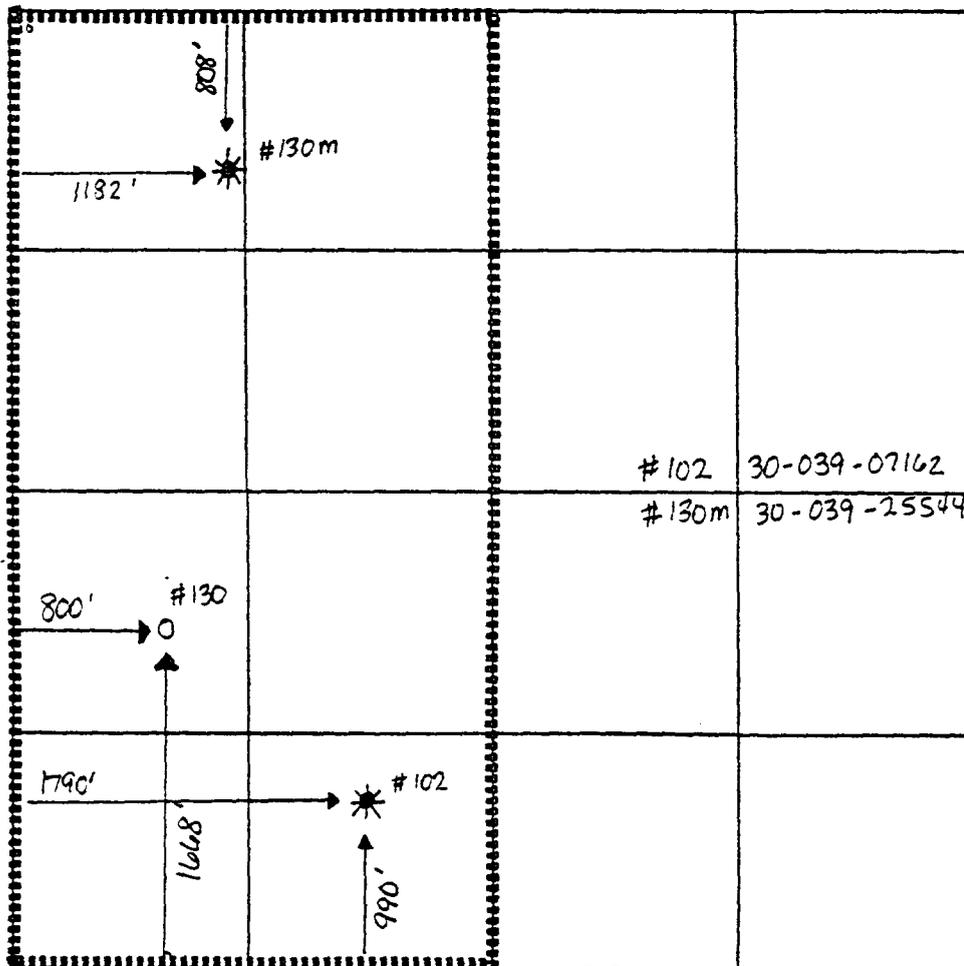
UL or lat no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	2	27N	7W		1668'	South	800'	West	Rio Arriba

11 Bottom Hole Location If Different From Surface

UL or lat 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. R-10987-A
---------------------------	--------------------	-----------------------	---------------------------

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

February 4, 1999  
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

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

Form C-102

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 30-039-07180	2 Pool Code 72319	3 Pool Name Blanco Mesaverde
4 Property Code 016608	5 Property Name San Juan 28-7 Unit	6 Well Number #130
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation 6165'

10 Surface Location

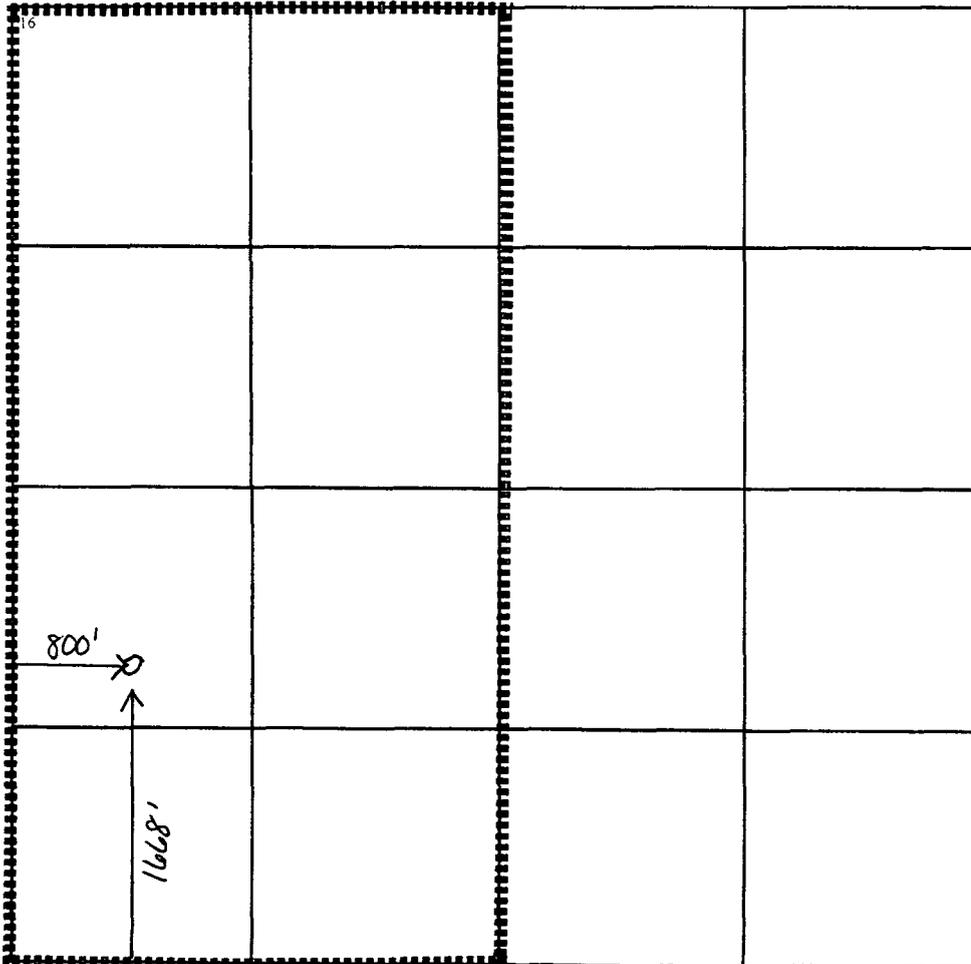
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	2	27N	7W		1668	South	800'	West	Rio Arriba

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 318.96	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  
 January 28, 1999  
 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

February 11, 1999

RE: Notification of Offset Operators of C-107A Application  
San Juan 28-7 Unit Well # 130

Conoco Inc is the sole operator of the San Juan 28-7 Unit. This well does not encroach on any outside unit boundary lines therefore there are no offset operators that require notification.

**NEW MEXICO OIL CONSERVATION COMMISSION**

Santa Fe, New Mexico

**WELL RECORD**

NUMBER OF COPIES RECEIVED	
LAND OFFICE	
TRANSPORTER	
OPERATOR	


Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in **QUINTUPLICATE** If State Land submit 6 Copies

AREA 640 ACRES  
LOCATE WELL CORRECTLY

El Paso Natural Gas Company San Juan 28-7 Unit  
(Company or Operator) (Lease)

Well No. 130, in NW  $\frac{1}{4}$  of SW  $\frac{1}{4}$ , of Sec. 2, T. 27-N, R. 7-W, NMPM.  
Basin Dakota Pool, Rio Arriba County.

Well is 1668 feet from South line and 800 feet from West line of Section 2. If State Land the Oil and Gas Lease No. is E-290-33

Drilling Commenced 9-13, 1962. Drilling was Completed 10-3, 1962.

Name of Drilling Contractor Pico Drilling Company  
Address.....

Elevation above sea level at Top of Tubing Head 6165 G. The information given is to be kept confidential until....., 19.....

**OIL SANDS OR ZONES**

No. 1, from 6998 to 7213 (G) No. 4, from..... to.....  
No. 2, from 7113 to 7282 (G) No. 5, from..... to.....  
No. 3, from..... to..... No. 6, from..... to.....

**IMPORTANT WATER SANDS**

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from..... to..... feet.  
No. 2, from..... to..... feet.  
No. 3, from..... to..... feet.  
No. 4, from..... to..... feet.

**CASING RECORD**

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
10 3/4"	28.4	New	283	HOWCO			Surface
4 1/2"	11.6-10.5	New	7298	Baker			Production casing
2 3/8"	4.7	New	7215	Baker			Prod tubing

**MUDDING AND CEMENTING RECORD**

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. BAGS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
	10 3/4"	298	232	circulated		
	4 1/2"	7309	725	3 stage		

**RECORD OF PRODUCTION AND STIMULATION**

(Record the Process used, No. of Qu. or Gal. used, interval treated or shot.)

7044-48;7064-68 (3 SPF);7159-71(1 SPF);7191-95(3 SPF);7214-20(2 SPF); Frac w/80,000 gallons water, 75,000# sand. Flush 5000 gallons water, I.R. 25 BPM, Max pr 4000#, BDP 2500#, tr pt. 3200-3900#. 4 drops of 12 balls.

Result of Production Stimulation A.O.F. 3188 MCF/D

Depth Cleaned Out 7267