

ABOVE THIS LINE FOR DIVISION USE ONLY

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

*223a*

**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]

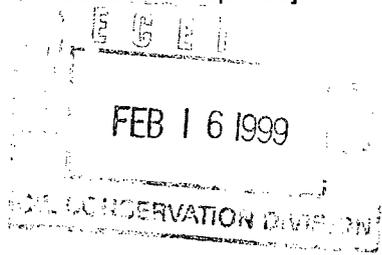
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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                      *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

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 San Juan 28-7 Unit Well No # 181 Unit Ltr Sec Twp Rge Section 3, T-27-N, R-7-W, M County Rio Arriba

OGRID NO. 005073 Property Code 016608 API NO. 30-039-20775 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 5020-5735'		7620-7828'
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	1247		1230
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
	Production allocated by subtraction - See attached chart		1/99 94 MCFD
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) R-10476 - B

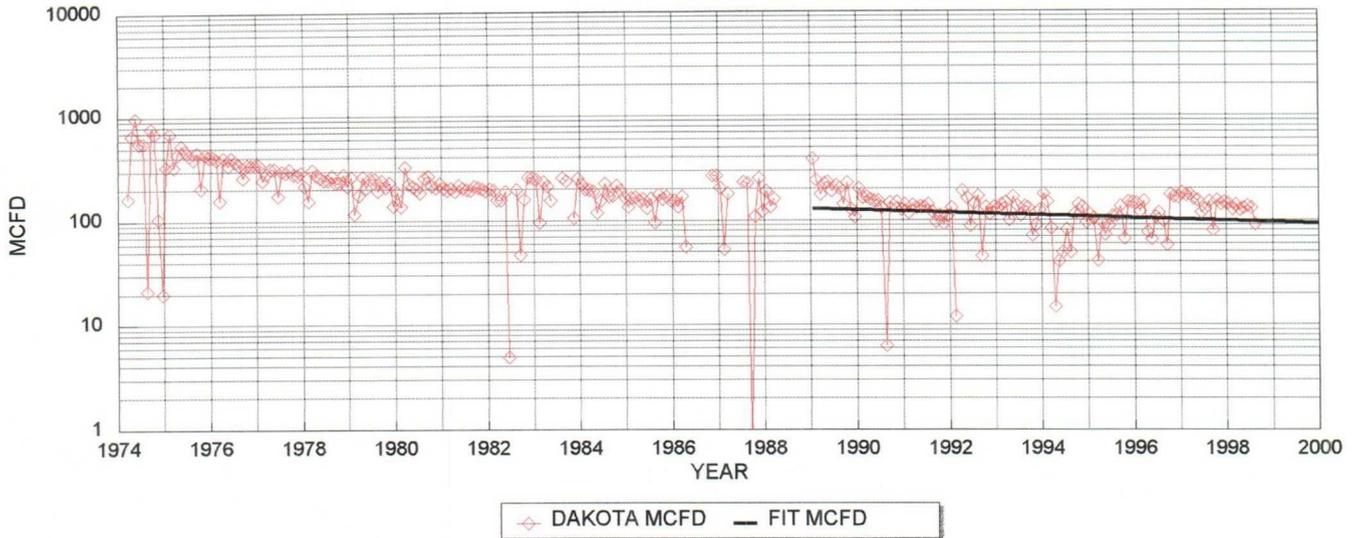
16. ATTACHMENTS
- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
  - \* Production curve for each zone for at least one year. (If not available, attach explanation.)
  - \* For zones with no production history, estimated production rates and supporting data.
  - \* 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 #181 DAKOTA PRODUCTION  
SECTION 3M-27N-07W**



DAKOTA HISTORICAL DATA:		1ST PROD: 03/74		DAKOTA PROJECTED DATA	
OIL CUM:	13.33	MBO	1/1/99 Qi:	95	MCFD
GAS CUM:	1615.1	MMCF	DECLINE RATE:	3.0%	(EXPONENTIAL)
CUM OIL YIELD:	0.0083	BBL/MCF			
OIL YIELD:	0.0074	BBL/MCF, LAST 3 YRS			
AVG. USED:	0.0078	BBL/MCF			

YEAR	MID-YEAR	
	AVG. MCFD	AVG. BOPD
1999	93.7	0.7
2000	90.9	0.7
2001	88.1	0.7
2002	85.5	0.7
2003	82.9	0.6
2004	80.4	0.6
2005	78.0	0.6
2006	75.7	0.6
2007	73.4	0.6
2008	71.2	0.6
2009	69.1	0.5
2010	67.0	0.5
2011	65.0	0.5
2012	63.1	0.5
2013	61.2	0.5
2014	59.3	0.5
2015	57.5	0.5
2016	55.8	0.4
2017	54.1	0.4
2018	52.5	0.4
2019	50.9	0.4
2020	49.4	0.4
2021	47.9	0.4
2022	46.5	0.4
2023	45.1	0.4
2024	43.7	0.3
2025	42.4	0.3
2026	41.2	0.3
2027	39.9	0.3
2028	38.7	0.3
2029	37.6	0.3
2030	36.4	0.3
2031	35.3	0.3
2032	34.3	0.3
2033	33.3	0.3

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

Dwights

Lease: SAN JUAN 28 7 UNIT (181)

Retrieval Code: 251,039,27N07W03M00DK

02/08/99

10<sup>3</sup>  
10<sup>3</sup>

10<sup>3</sup>

10<sup>2</sup>  
10<sup>2</sup>

10<sup>2</sup>

10  
10

10

1  
1

1

1971 1973 1975 1977 1979 1981 1983 1985 1987 1989 1991 1993 1995 1997 1999

Gas (mcf/day)

Water (bbl/day)

Oil (bbl/day)

County: RIO ARRIBA, NM	F.P. Date: 03/74
Field: BASIN (DAKOTA) DK	Oil Cum: 13.33 mbbl
Reservoir: DAKOTA	Gas Cum: 1615 mmcf
Operator: CONOCO INC	Location: 3M 27N 7W

NEW MEXICO OIL CONSERVATION COMMISSION  
 WELL LOCATION AND ACREAGE DEDICATION AT

Form O-112  
 Supersedes O-11  
 Effective 1-1-61

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

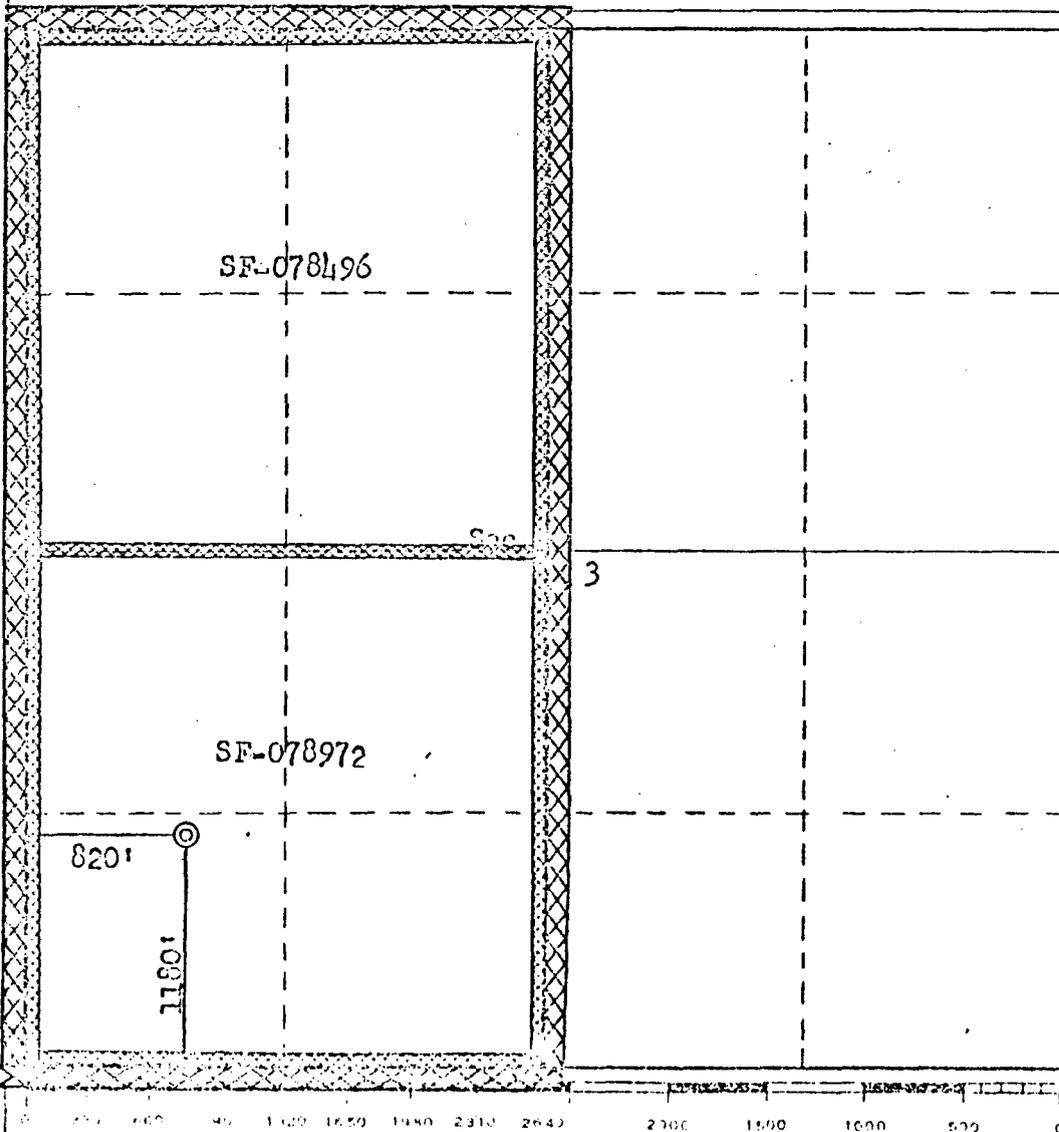
Operator <b>El Paso Natural Gas Company</b>			Lease <b>San Juan 28-7 Unit (SF-078972)</b>		Well No. <b>181</b>
Unit Letter <b>M</b>	Section <b>3</b>	Township <b>27N</b>	Range <b>7W</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well: <b>1180</b> feet from the <b>South</b> line and <b>820</b> feet from the <b>West</b> line					
Ground Level Elev. <b>6776</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin Dakota</b>		Dedicated Acreage: <b>319.99</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 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.



<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>A. H. Dease</i>	
Name	<b>Drilling Clerk</b>
Position	<b>El Paso Natural Gas Company</b>
Company	<b>September 12, 1973</b>
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	<b>July 27, 1973</b>
Registered Professional Surveyor and/or Land Surveyor	
<i>Julius King</i>	
3950	

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 30-039-20775		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number # 181
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6776'

10 Surface Location

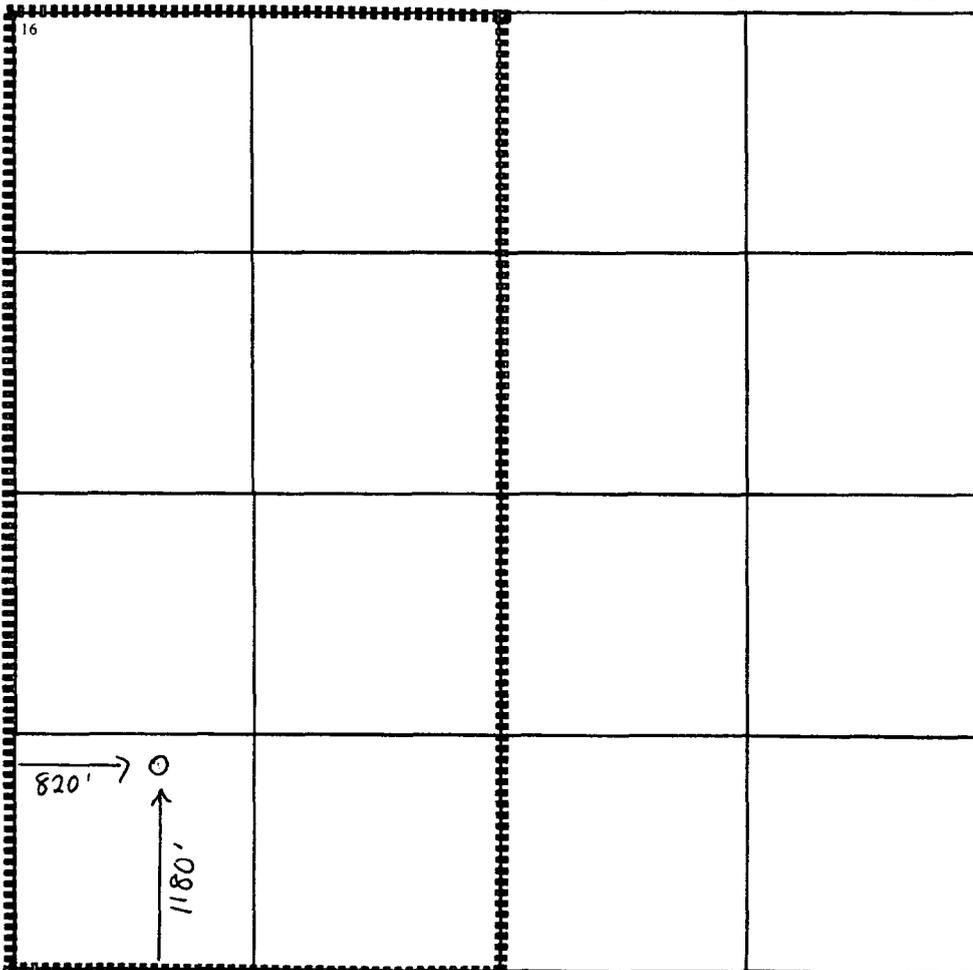
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	3	27N	7W		1180	South	820	West	Rio Arriba

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 319.99	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



**17 OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: *Kay Maddox*  
 Printed Name: Kay Maddox  
 Title: Regulatory Agent  
 Date: January 28, 1999

**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 00, 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

1 API Number 30-039-20775		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number # 181
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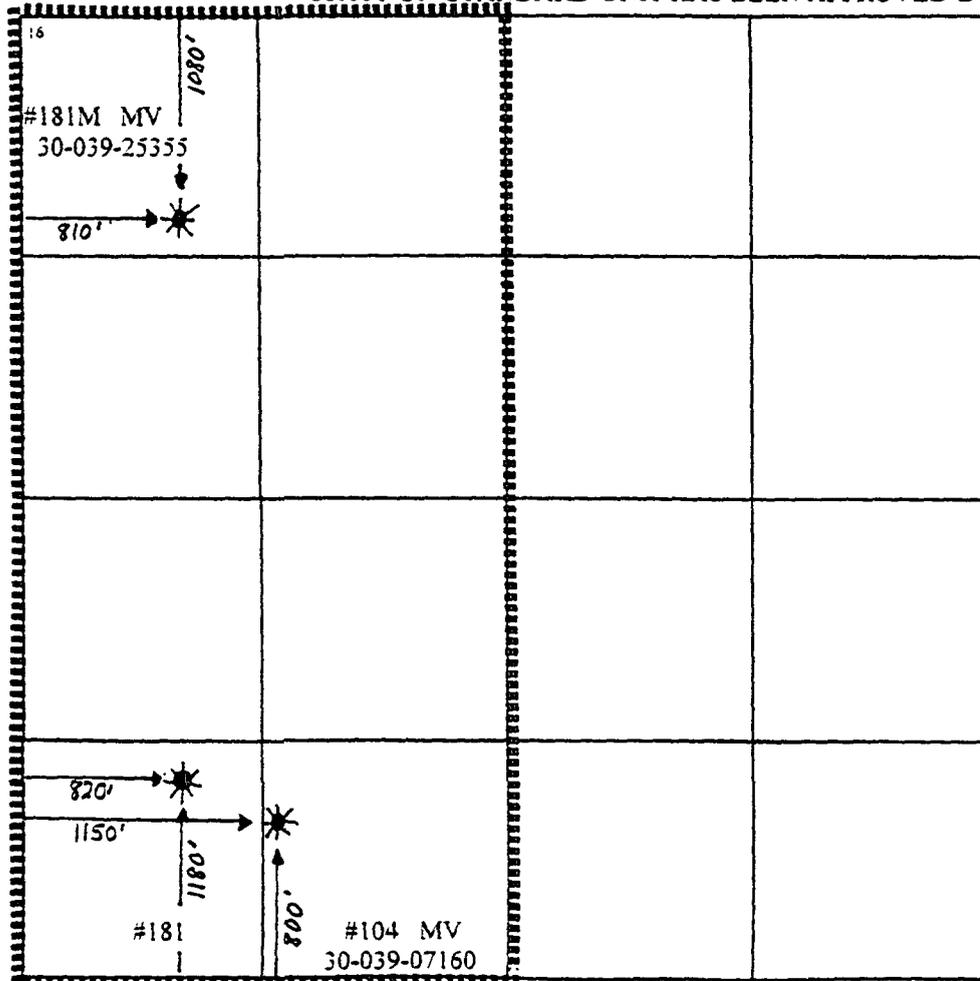
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	3	27N	7W		1180	South	820	West	Rio Arriba

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 320	13 Joint or Infill	14 Consolidation Code	15 Order No. R-10987-A
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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



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 10, 1999  
Date

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 # 181

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.

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY**

SUBMIT IN DUPLICATE

(See instructions on reverse side)

Form approved,  
Budget Bureau No. 42-R355.5.

5. LEASE DESIGNATION AND SERIAL NO.

**SF 078972**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

**San Juan 28-7 Unit**

8. FARM OR LEASE NAME  
**San Juan 28-7 Unit**

9. WELL NO.

**181**

10. FIELD AND POOL, OR WILDCAT

**Basin Dakota**

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

**Sec. 3, T-27-N, R-7-W  
NMPM**

12. COUNTY OR PARISH

**Rio Arriba**

13. STATE

**New Mexico**

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG \***

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other \_\_\_\_\_

b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RESVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
**El Paso Natural Gas Company**

3. ADDRESS OF OPERATOR  
**PO Box 990, Farmington, NM 87401**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface **1180'S, 820'W**

At top prod. interval reported below

At total depth

14. PERMIT NO. DATE ISSUED

15. DATE SPOUDED 16. DATE T.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DF, REB, RT, GR, ETC.)\* 19. ELEV. CASINGHEAD  
**11-17-73 11-28-73 1-14-74 6776'GL**

20. TOTAL DEPTH, MD & TVD 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS  
**7866' 7859' → 0-7866'**

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 25. WAS DIRECTIONAL SURVEY MADE  
**7620-7828' (Dakota) NO**

26. TYPE ELECTRIC AND OTHER LOGS RUN 27. WAS WELL CORED  
**Ind. Gamma Ray; Form. Density; Temp. Survey NO**

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	32.3#	241'	13 3/4"	225 cu. ft.	
7"	20#	3688'	8 3/4"	269 cu. ft.	
4 1/2"	10.5#&11.6#	7866'	6 1/4"	642 cu. ft.	

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					1 1/2"	7828'	

31. PERFORATION RECORD (Interval, size and number)  
**7620', 7646', 7648', 7756', 7758', 7784', 7808' and 7828' with one shot per zone**

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
7620-7828'	71,000#sand; 86,010 gal. water

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
		flowing				shut in	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
1-14-74	3	3/4"	→				
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
SI 1245	SI 2615	→		2020 AOF			

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY  
**LW Fothergill**

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED *L. P. Jones* TITLE Drilling Clerk DATE January 23, 1974

\*(See Instructions and Spaces for Additional Data on Reverse Side)

*Open*

**RECEIVED**  
JAN 29 1974  
U. S. GEOLOGICAL SURVEY  
DALLAS, TEXAS