DATE IN 3/9/99	SUSPENSE 3/29/99	ENGINEER DC	LOGGED BY KV	TYPE DHC

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2040 South Pacheco, Santa Fe, NM 87505

2256

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATION FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

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

RECEIVED
MAR - 9 1999
OIL CONSERVATION DIVISION

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

[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** - Certification

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 (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.***

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	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

APPLICATION FOR DOWNHOLE COMMINGLING

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

APPROVAL PROCESS :
_X_ Administrative ___Hearing

EXISTING WELLBORE
__YES __x_ NO

Burlington Resources Oil & Gas Company — Operator
PO Box 4289, Farmington, NM 87499 — Address

Kaime — Lease
2M — Well No.
D 20-26N-06W — Unit Ltr. - Sec - Twp - Rge
Rio Arriba — County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7477 API NO. 30-039-XXXXX Federal X State (and/or) Fee X

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Otero Chacra - 82329	Blanco Mesaverde - 72319	Basin Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	will be supplied upon completion	will be supplied upon completion	6568-6667
3. Type of production (Oil or Gas)	gas	gas	gas
4. Method of Production (Flowing or Artificial Lift)	flowing	flowing	flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 421 psi (see attachment)	a. 467 psi (see attachment)	a. 901 psi (see attachment)
	(Original) b. 1032 psi (see attachment)	b. 1928 psi (see attachment)	b. 3047 psi (see attachment)
6. Oil Gravity (API) or Gas BTU Content	BTU 1146	BTU 1247	BTU 1171
7. Producing or Shut-In?	shut in	shut in	shut in
Production Marginal? (yes or no)	no	no	yes
* If Shut-In 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	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
* If Producing, give data and oil/gas/water water of recent test (within 60 days)	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % will be supplied upon completion	Oil: % Gas: %	Oil: % Gas: % will be supplied upon completion

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? _X_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? _X_Yes ___No

11. Will cross-flow occur? _x__ 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. __x___ Yes _____No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? __x_ Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes _X_ 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. _X__Yes ___ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). ___Reference Order _____

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 Wayne Fletcher TITLE: Production Engineer DATE: 03-08-99

TYPE OR PRINT NAME: Wayne Fletcher TELEPHONE NO.: (505) 326-9871

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

[1] API Number	[2] Pool Code	[3] Pool Name
30-039-	72319/82329/71599	Basin Dakota Blanco Mesaverde/Otero Chacra

[4] Property Code	[5] Property Name	[6] Well Number
7477	KAIME	2M

[7] OGRID No.	[8] Operator Name	[9] Elevation
14538	BURLINGTON RESOURCES OIL & GAS COMPANY	6633'

[10] Surface Location

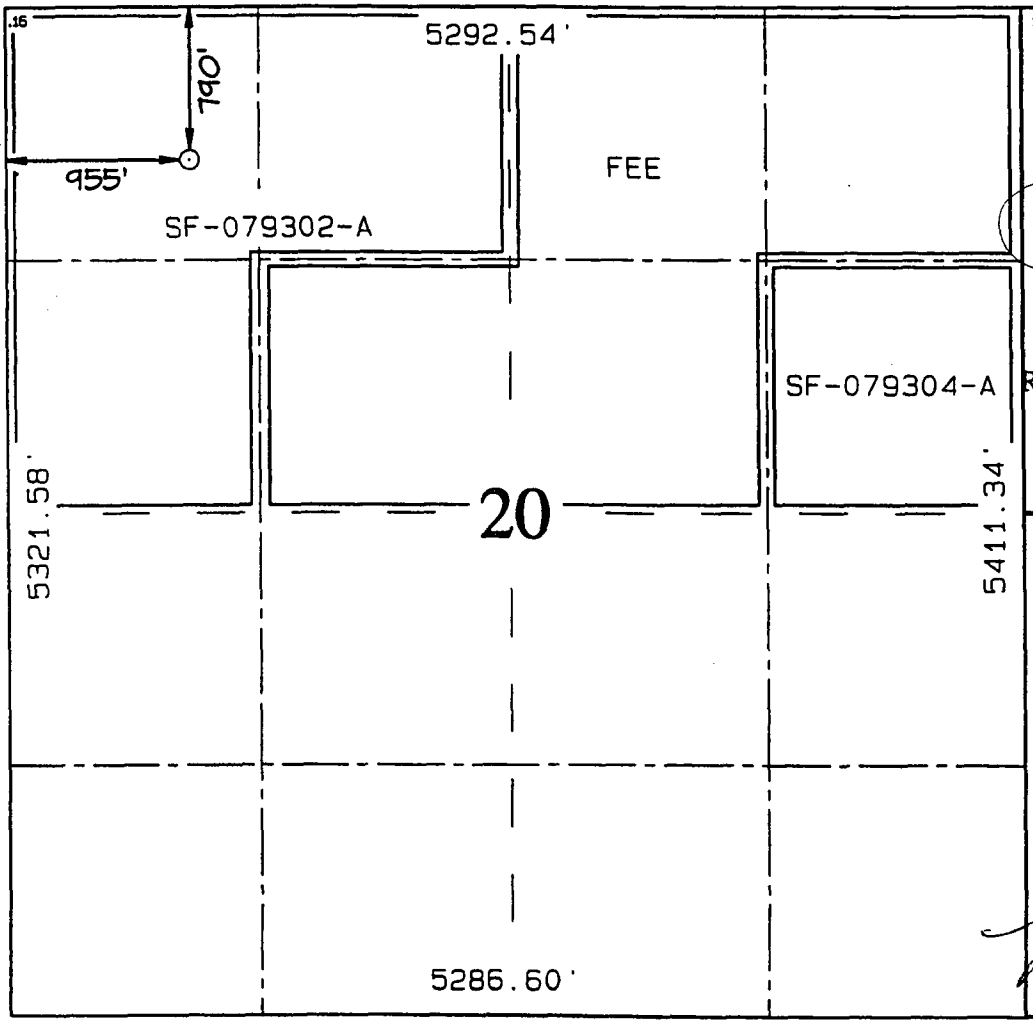
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	26N	6W		790	NORTH	955	WEST	RIO ARRIBA

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
MV-N/320 DK-N/320 Cha - 160			

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

Peggy Bradfield
Printed Name

Regulatory Administrator
Title

1-27-99
Date

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this pla was plotted from field notes of actual surveys made by m or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 23, 1998
Date of Surve

Signature and Seal of Professional Surveyor

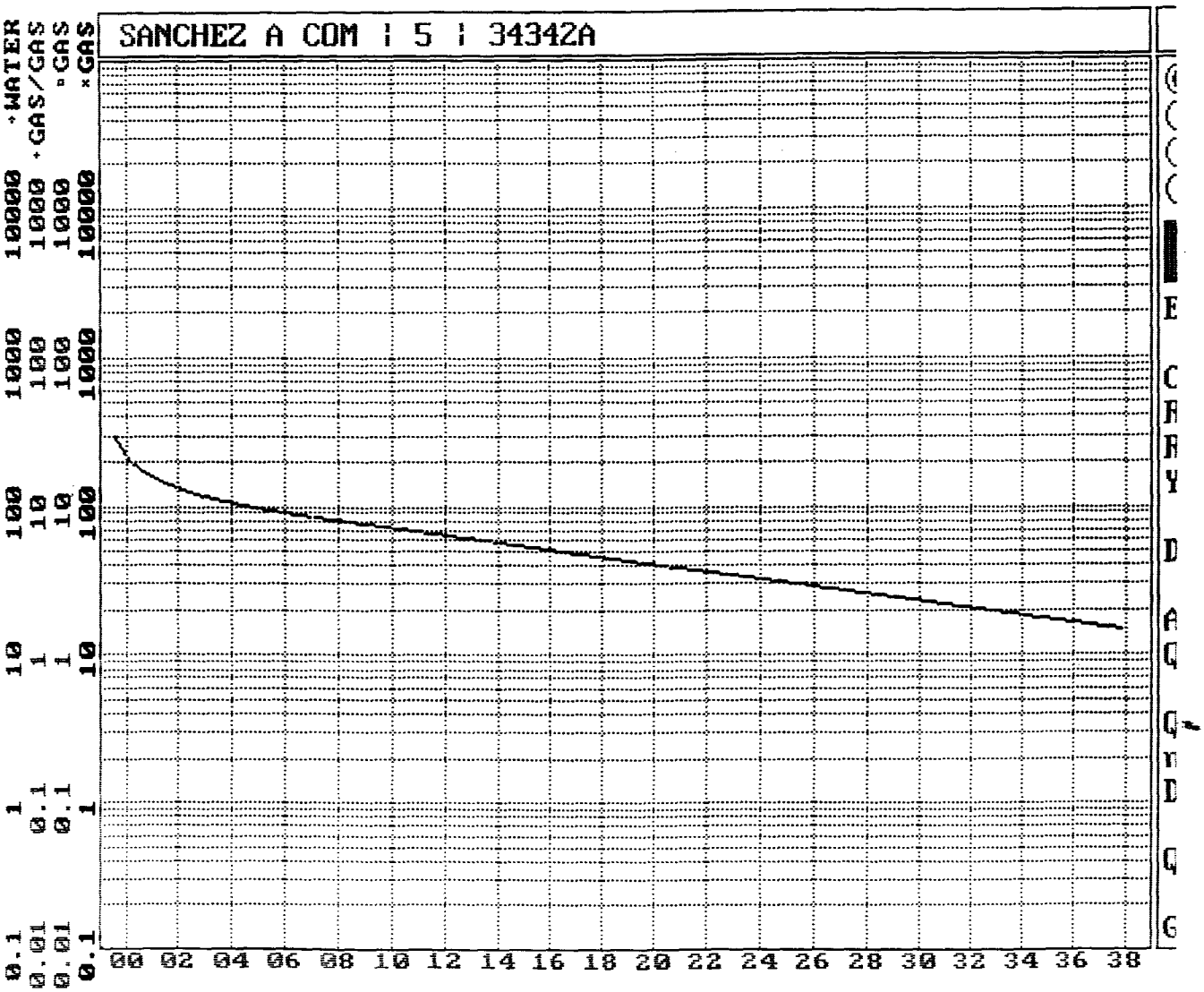
NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

6857
Certificate Number

Kaime #2M

Expected Production Curve

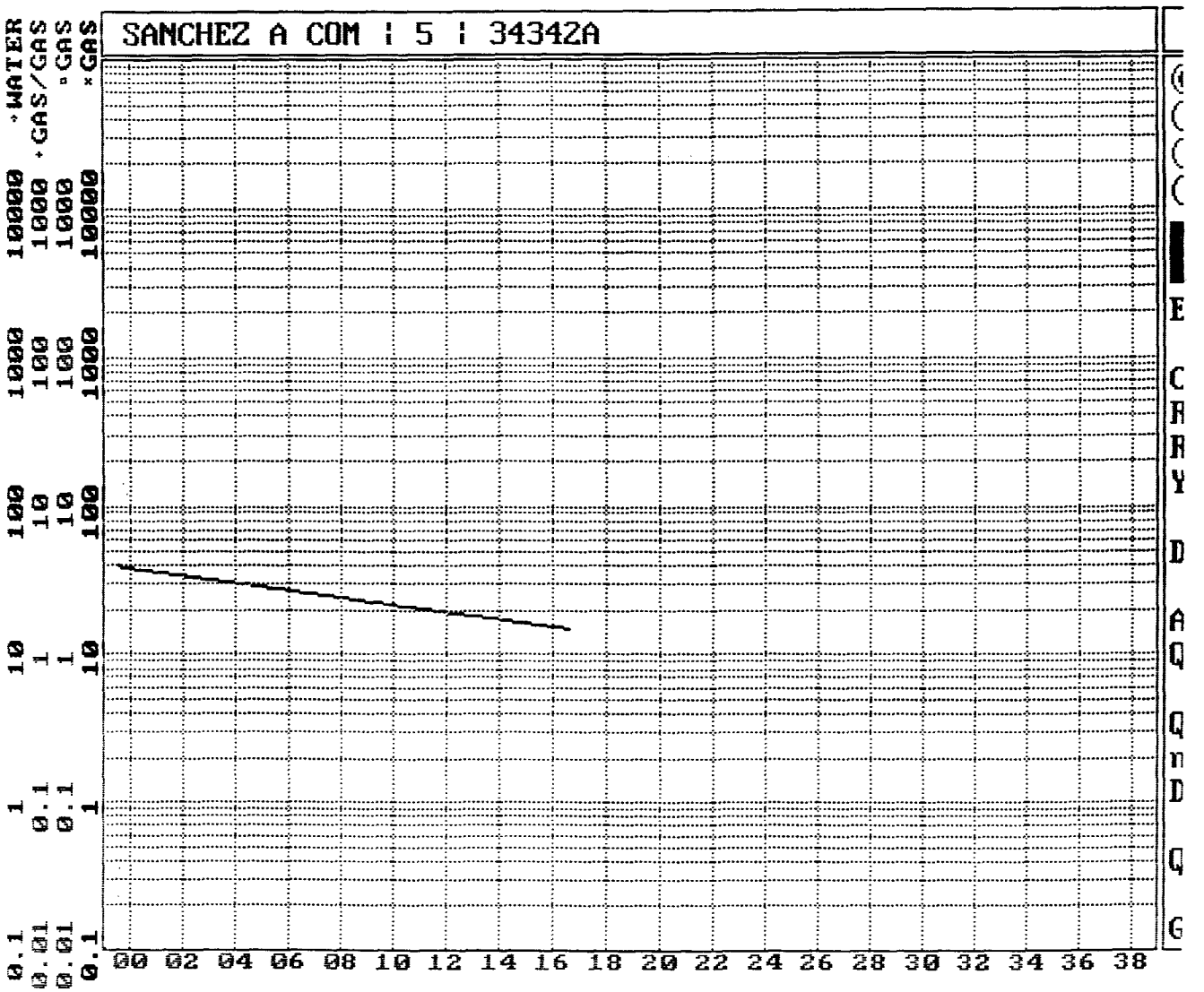
Mesaverde Formation



Kaime #2M

Expected Production Curve

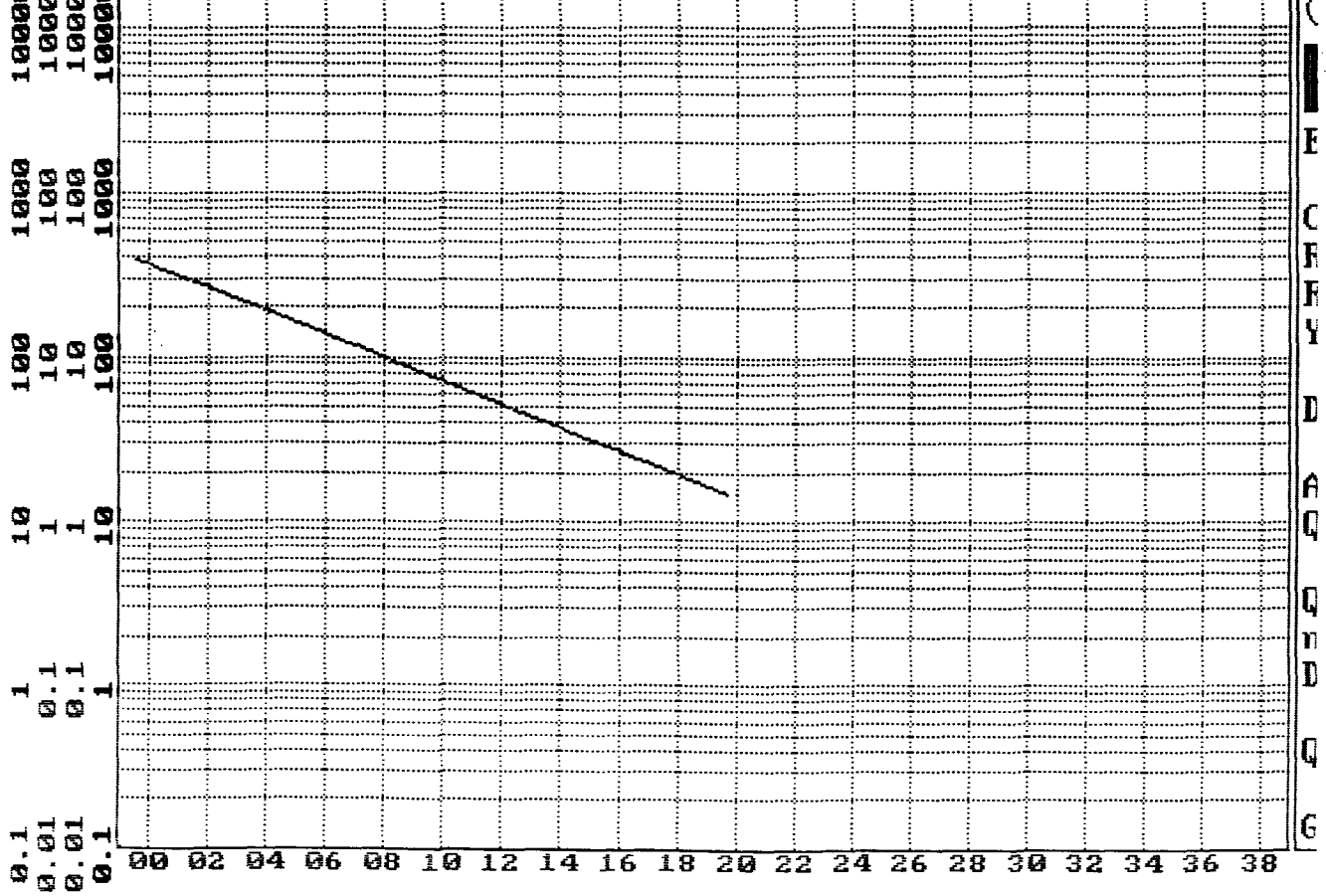
Chacra Formation



Kaime #2M

Expected Production Curve

Dakota Formation



Page No.: 2
Print Time: Mon Feb 08 07:27:13 1999
Property ID: 7901
Property Name: SANCHEZ A | 3 | 53555B-1
Table Name: K:\ARIES\RR99PDP\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi
06/17/68	0	954.0
10/25/68	12000	709.0
05/29/69	48932	539.0
03/05/70	89042	472.0
07/14/71	140815	457.0
08/01/72	180799	391.0
08/28/73	213530	380.0
02/21/75	254951	397.0
04/28/75	259422	394.0
03/01/93	514552	384.0

Kaime #2M

Chacra Offset

Page No.: 1
Print Time: Mon Feb 08 08:18:47 1999
Property ID: 158
Property Name: VAUGHN | 12M | 54439A-1
Table Name: Q:\ARIES\FDBAR367\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi
12/10/85	0	1520.0
02/10/86	68962	1257.0
05/05/86	115170	565.0
10/08/87	525228	563.0
02/25/90	747649	592.0
03/29/92	951654	462.0
05/31/94	1111609	385.0

Kaime #2M

Mesaverde Offset

Page No.: 1
Print Time: Mon Feb 08 08:19:26 1999
Property ID: 155
Property Name: KLEIN | 27 | 43963A-1
Table Name: Q:\ARIES\FDBAR367\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi
09/20/78	0	2473.0
12/04/78	30459	1464.0
06/18/79	89015	1494.0
09/03/80	206954	1228.0
06/11/81	258732	1167.0
10/19/83	392940	968.0
12/04/85	510477	1002.0
12/05/88	628424	1012.0
04/09/90	685688	750.0

Kaime #2M

Dakota Offset

Kaime #2M

Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method
Version 1.0 3/13/94

Chacra

CH-Current

GAS GRAVITY	0.661
COND. OR MISC. (C/M)	C
%N2	0.52
%CO2	0.23
%H2S	0
DIAMETER (IN)	2.875
DEPTH (FT)	3908
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	384
BOTTOMHOLE PRESSURE (PSIA)	421.2

CH-Original

GAS GRAVITY	0.661
COND. OR MISC. (C/M)	C
%N2	0.52
%CO2	0.23
%H2S	0
DIAMETER (IN)	2.875
DEPTH (FT)	3039
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	954
BOTTOMHOLE PRESSURE (PSIA)	1032.1

Mesaverde

MV-Current

GAS GRAVITY	0.737
COND. OR MISC. (C/M)	C
%N2	0.3
%CO2	1.01
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	7184
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	385
BOTTOMHOLE PRESSURE (PSIA)	466.6

MV-Original

GAS GRAVITY	0.737
COND. OR MISC. (C/M)	C
%N2	0.3
%CO2	1.01
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	7184
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1520
BOTTOMHOLE PRESSURE (PSIA)	1928.3

Kaime #2M

Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method
Version 1.0 3/13/94

Dakota

DK-Current

GAS GRAVITY	0.685
COND. OR MISC. (C/M)	C
%N2	0.26
%CO2	0.84
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	6958
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	750
BOTTOMHOLE PRESSURE (PSIA)	901.0

DK-Original

GAS GRAVITY	0.685
COND. OR MISC. (C/M)	C
%N2	0.26
%CO2	0.84
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	6958
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	2473
BOTTOMHOLE PRESSURE (PSIA)	3046.5

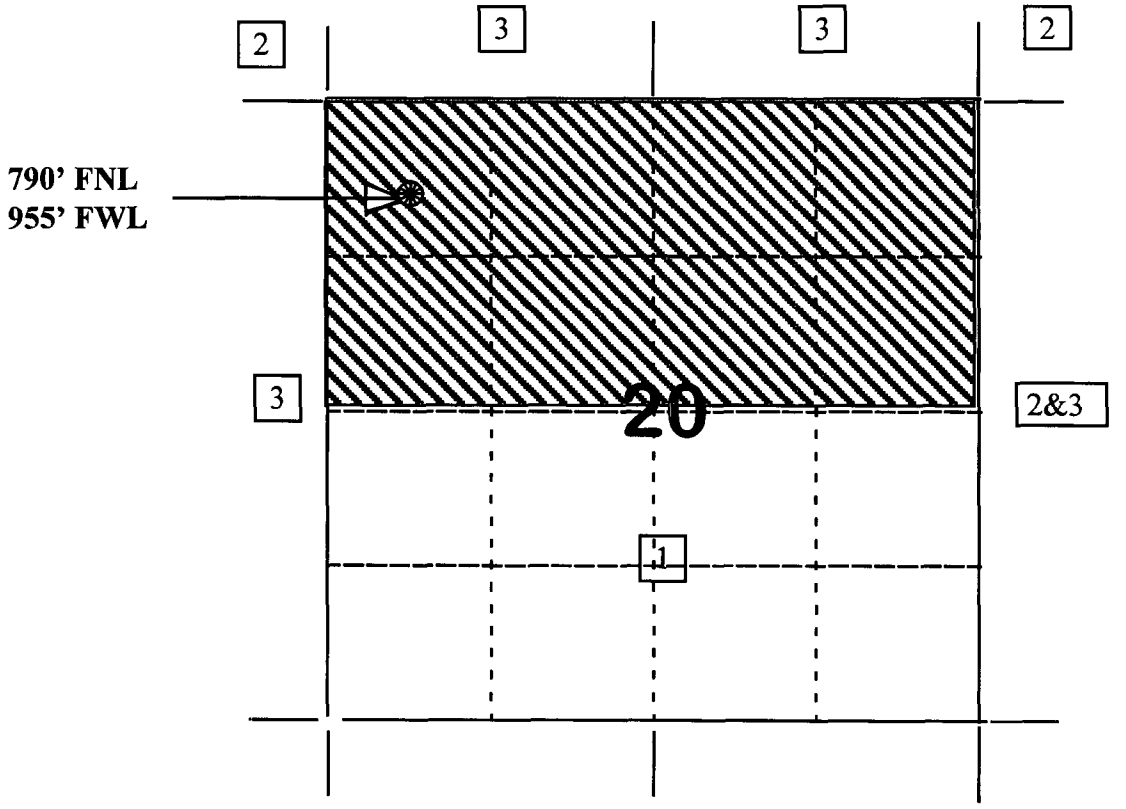
BURLINGTON RESOURCES OIL AND GAS COMPANY

Kaime #2M

OFFSET OPERATOR/OWNER PLAT

Chacra / Mesaverde / Dakota Formations Tri mingle Well

Township 26 North, Range 6 West



1) Burlington Resources

2) Caulkins Oil Company
2100 Colorado Bank Building
Denver, CO 80202

3) Conoco Inc.
Attn: Lori Thorpe
10 Desta Drive, Suite 100W
Midland, TX 79705

Kaime #2M

Chacra / Mesaverde / Dakota

26N - 6W - 20