

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 2040 South Pacheco, Santa Fe, NM 87505



2315

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]

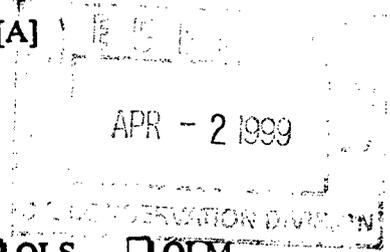
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

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



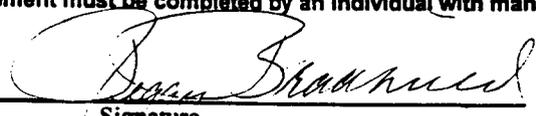
[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [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, F 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

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

APPROVAL PROCESS :

X Administrative Hearing

EXISTING WELLBORE

YES X NO

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil & Gas Company

PO Box 4289, Farmington, NM 87499

Operator

Address

KAIME

2

A 20-26N-06W

Rio Arriba

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code

API NO. 30-039-26137

Federal x State

(and/or) Fee x

Table with 4 columns: The following facts are submitted in support of downhole commingling, Upper Zone, Intermediate Zone, Lower Zone. Rows include Pool Name, Pay Section, Type of production, Method of Production, Bottomhole Pressure, Oil Gravity, Producing or Shut-In, Production Marginal?, and Fixed Percentage Allocation.

- 9. If allocation formula is based upon something other than current or past production...
10. Are all working, overriding, and royalty interests identical in all commingled zones?
11. Will cross-flow occur?
12. Are all produced fluids from all commingled zones compatible with each other?
13. Will the value of production be decreased by commingling?
14. If this well is on, or communitized with, state or federal lands...
15. NMOC Reference Cases for Rule 303(D) Exceptions:
16. ATTACHMENTS:

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

SIGNATURE [Signature] TITLE: Production Engineer DATE: 03-29-99

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-10.
Revised February 21, 1998
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-		2 Pool Code 71599		3 Pool Name Otero Chacra/Blanco Mesaverde/Basin Dakota	
4 Property Code		5 Property Name KAIME		6 Well Number 2	
7 OGRID No. 14538		8 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		9 Elevation 6387'	

10 Surface Location

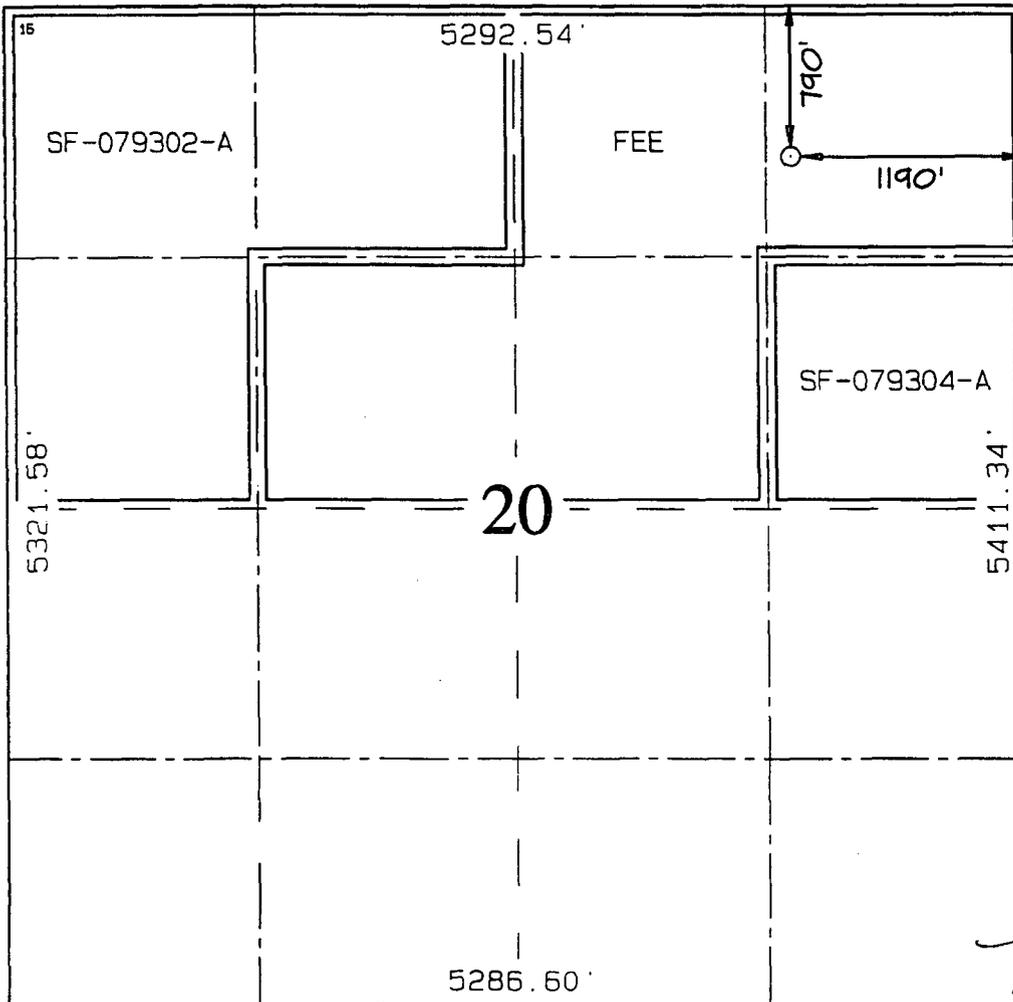
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	26N	6W		790	NORTH	1190	EAST	RIO ARRIBA

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 MV-N/320 DK-N/320 Cha-160	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

Peggy Bradfield
Printed Name

Regulatory Administrator
Title

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.

MARCH 2, 1999

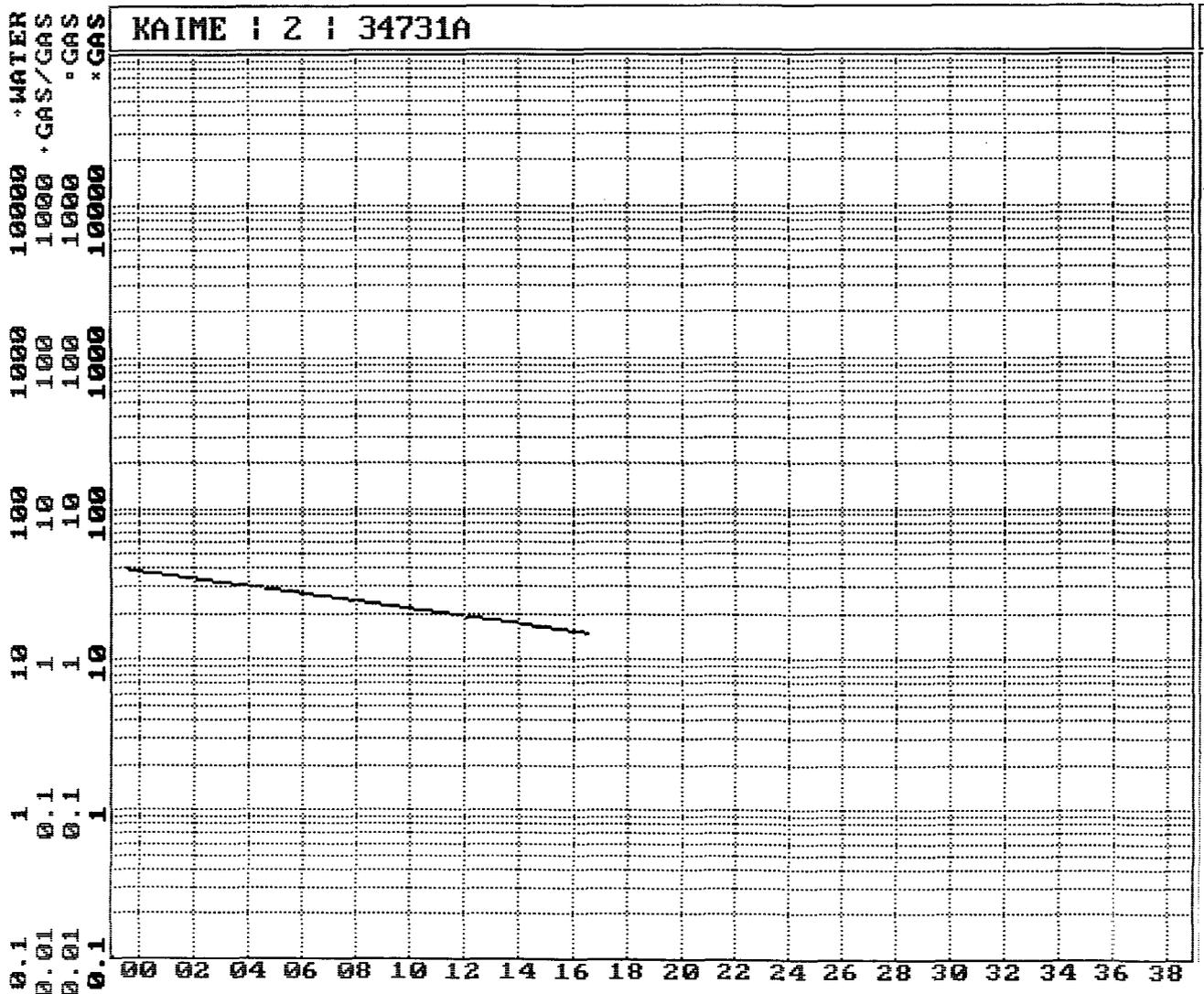
Date of Survey

Signature and Seal of Professional Surveyor

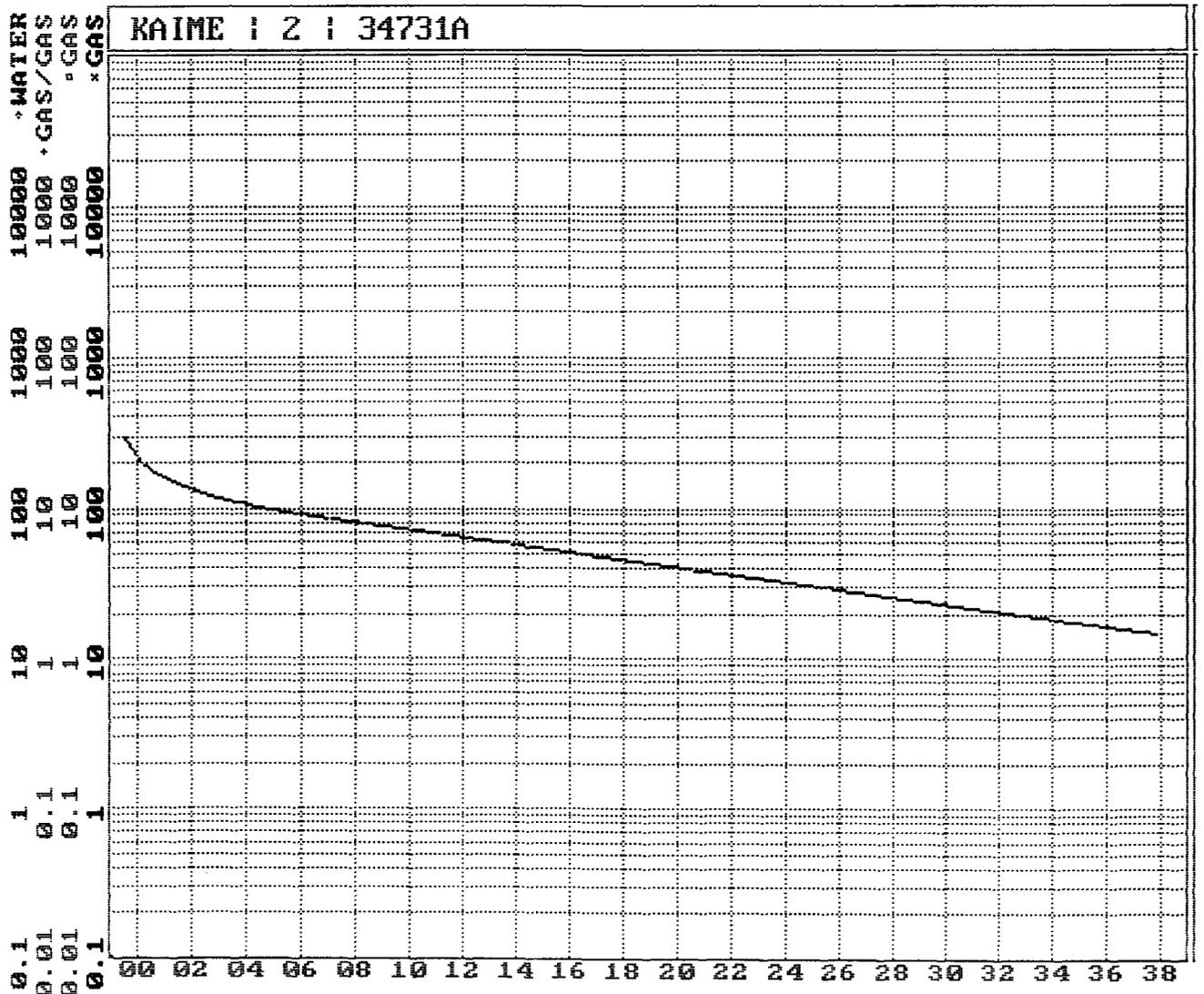


Certificate Number 6857

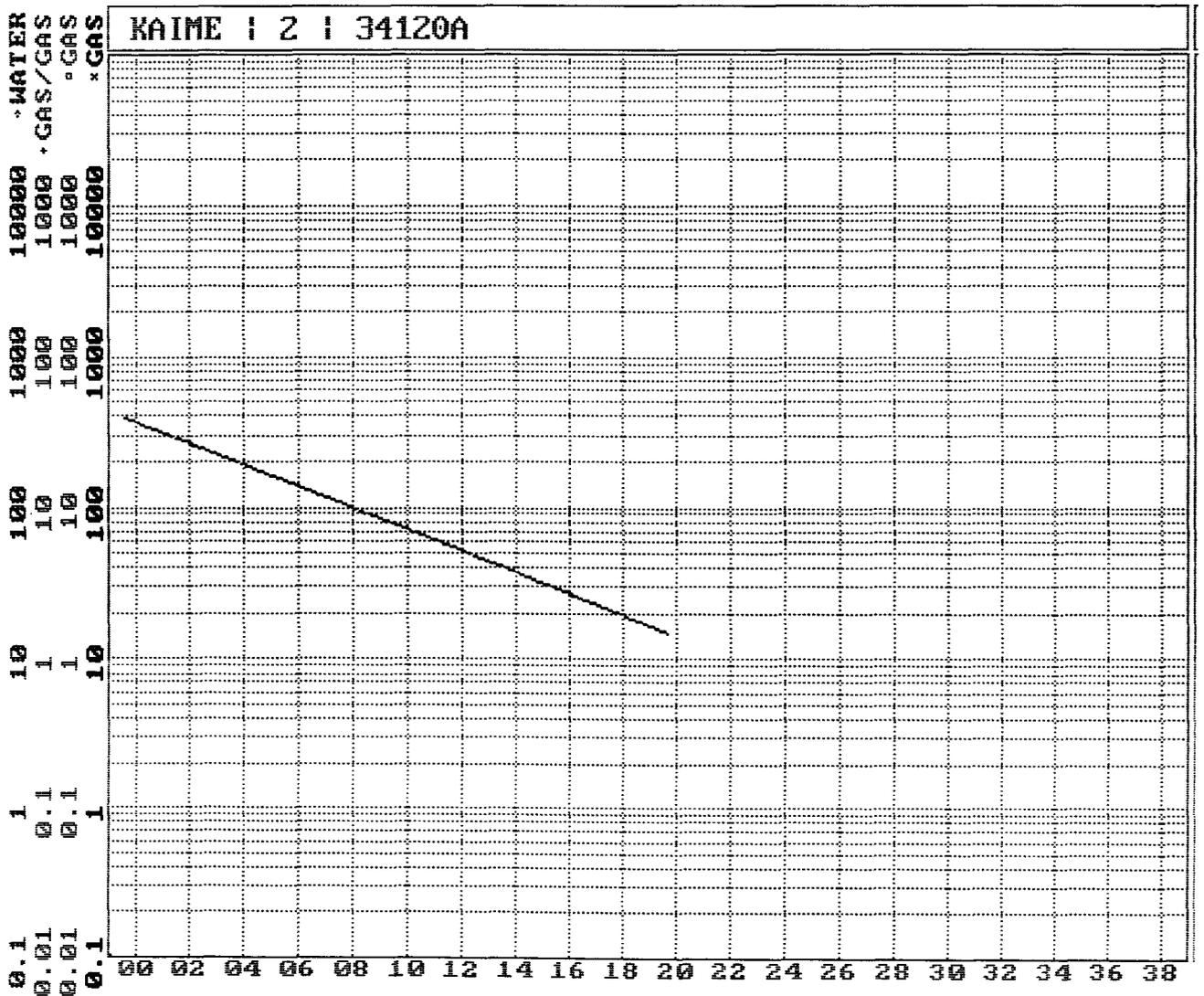
Kaime #2
Expected Production Curve
Chacra Formation



Kaime #2
 Expected Production Curve
 Mesaverde Formation



Kaime #2
 Expected Production Curve
 Dakota Formation



Kaime #2
Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method
 Version 1.0 3/13/94

Chacra	
<u>CH-Current</u>	
GAS GRAVITY	<u>0.678</u>
COND. OR MISC. (C/M)	<u>C</u>
%N2	<u>0.5</u>
%CO2	<u>0.23</u>
%H2S	<u>0</u>
DIAMETER (IN)	<u>2.875</u>
DEPTH (FT)	<u>3039</u>
SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>137</u>
FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>384</u>
BOTTOMHOLE PRESSURE (PSIA)	<input style="width: 50px;" type="text" value="413.4"/>
<u>CH-Original</u>	
GAS GRAVITY	<u>0.678</u>
COND. OR MISC. (C/M)	<u>C</u>
%N2	<u>0.5</u>
%CO2	<u>0.23</u>
%H2S	<u>0</u>
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SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>137</u>
FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>954</u>
BOTTOMHOLE PRESSURE (PSIA)	<input style="width: 50px;" type="text" value="1034.8"/>

Kaime #2
 Bottom Hole Pressures
 Flowing and Static BHP
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 Version 1.0 3/13/94

Mesaverde	Dakota																																																
<u>MV-Current</u>	<u>DK-Current</u>																																																
<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">GAS GRAVITY</td><td style="text-align: right; border-bottom: 1px solid black;">0.692</td></tr> <tr><td>COND. OR MISC. (C/M)</td><td style="text-align: right; border-bottom: 1px solid black;">C</td></tr> <tr><td>%N2</td><td style="text-align: right; border-bottom: 1px solid black;">1.01</td></tr> <tr><td>%CO2</td><td style="text-align: right; border-bottom: 1px solid black;">0.19</td></tr> <tr><td>%H2S</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>DIAMETER (IN)</td><td style="text-align: right; border-bottom: 1px solid black;">2.375</td></tr> <tr><td>DEPTH (FT)</td><td style="text-align: right; border-bottom: 1px solid black;">5265</td></tr> <tr><td>SURFACE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">60</td></tr> <tr><td>BOTTOMHOLE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">137</td></tr> <tr><td>FLOWRATE (MCFPD)</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>SURFACE PRESSURE (PSIA)</td><td style="text-align: right; border-bottom: 1px solid black;">647</td></tr> <tr><td>BOTTOMHOLE PRESSURE (PSIA)</td><td style="text-align: right; border: 1px solid black;">742.4</td></tr> </table>	GAS GRAVITY	0.692	COND. OR MISC. (C/M)	C	%N2	1.01	%CO2	0.19	%H2S	0	DIAMETER (IN)	2.375	DEPTH (FT)	5265	SURFACE TEMPERATURE (DEG F)	60	BOTTOMHOLE TEMPERATURE (DEG F)	137	FLOWRATE (MCFPD)	0	SURFACE PRESSURE (PSIA)	647	BOTTOMHOLE PRESSURE (PSIA)	742.4	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">GAS GRAVITY</td><td style="text-align: right; border-bottom: 1px solid black;">0.722</td></tr> <tr><td>COND. OR MISC. (C/M)</td><td style="text-align: right; border-bottom: 1px solid black;">C</td></tr> <tr><td>%N2</td><td style="text-align: right; border-bottom: 1px solid black;">0.55</td></tr> <tr><td>%CO2</td><td style="text-align: right; border-bottom: 1px solid black;">0.57</td></tr> <tr><td>%H2S</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>DIAMETER (IN)</td><td style="text-align: right; border-bottom: 1px solid black;">2.375</td></tr> <tr><td>DEPTH (FT)</td><td style="text-align: right; border-bottom: 1px solid black;">7107</td></tr> <tr><td>SURFACE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">60</td></tr> <tr><td>BOTTOMHOLE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">198</td></tr> <tr><td>FLOWRATE (MCFPD)</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>SURFACE PRESSURE (PSIA)</td><td style="text-align: right; border-bottom: 1px solid black;">837</td></tr> <tr><td>BOTTOMHOLE PRESSURE (PSIA)</td><td style="text-align: right; border: 1px solid black;">1010.4</td></tr> </table>	GAS GRAVITY	0.722	COND. OR MISC. (C/M)	C	%N2	0.55	%CO2	0.57	%H2S	0	DIAMETER (IN)	2.375	DEPTH (FT)	7107	SURFACE TEMPERATURE (DEG F)	60	BOTTOMHOLE TEMPERATURE (DEG F)	198	FLOWRATE (MCFPD)	0	SURFACE PRESSURE (PSIA)	837	BOTTOMHOLE PRESSURE (PSIA)	1010.4
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Page No.: 1
Print Time: Tue Feb 09 13:02:47 1999
Property ID: 3575
Property Name: REAMES COM | 2 | 53251A-1
Table Name: K:\ARIES\RR99PDP\TEST.DBF

--DATE--	---CUM GAS--	M SIWHP
.....Mcf.....Psi.....

02/28/85	12639	967.0
09/09/86	115733	612.0
10/08/87	186276	489.0
09/08/89	238658	647.0

Kaime #2

Mesaverde Offset

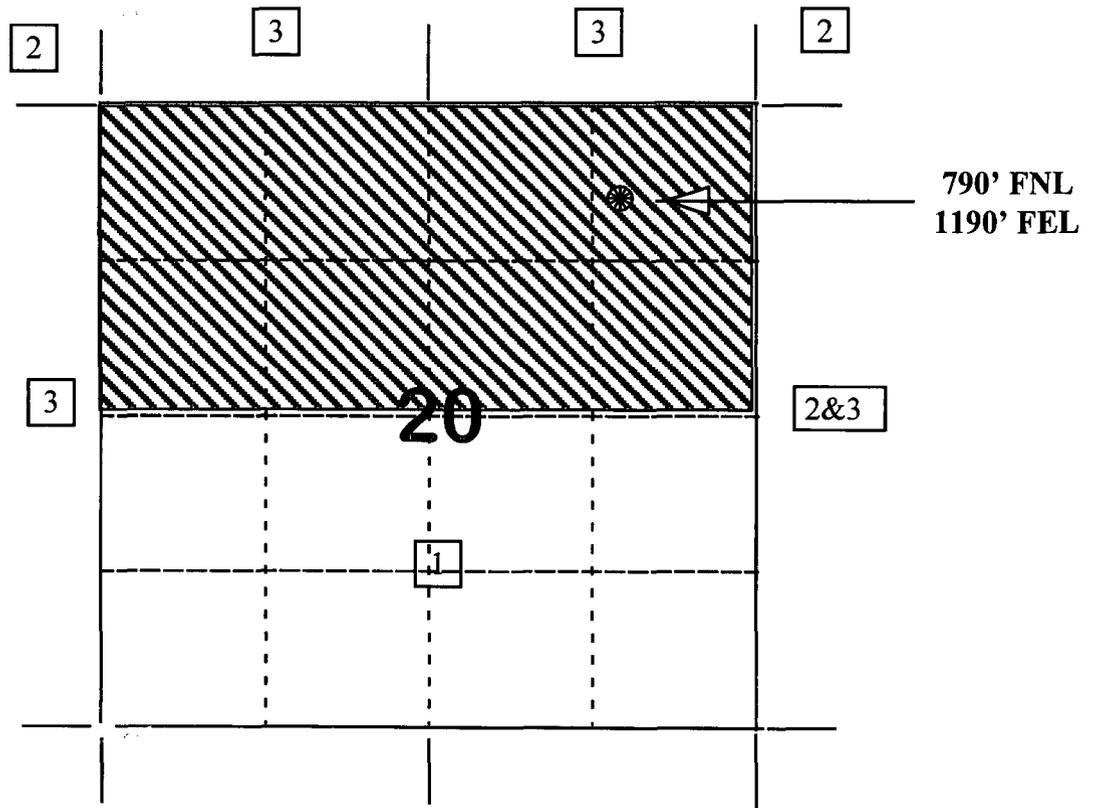
BURLINGTON RESOURCES OIL AND GAS COMPANY

Kaime #2

OFFSET OPERATOR/OWNER PLAT

Chacra / Mesaverde / Dakota Formations Trimmingle 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

BURLINGTON
RESOURCES

SAN JUAN DIVISION
3535 East 30th Street: (87402-8801)
P.O. BOX 4289
Farmington, New Mexico 87499-4289

BURLINGTON
RESOURCES

SAN JUAN DIVISION
3535 East 30th Street: (87402-8801)
P.O. BOX 4289
Farmington, New Mexico 87499-4289

Caulkins Oil Company
PO Box 780
Farmington, NM 87499

x

Mr. Robert Beamon
2603 Augusta, Suite 1050
Houston, TX 77057

BURLINGTON
RESOURCES

SAN JUAN DIVISION
3535 East 30th Street: (87402-8801)
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Rober Walter Lundell
2450 Fondren, Suite 304
Houston, TX 77063

x

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x

