

|                   |          |                        |                  |                   |                         |
|-------------------|----------|------------------------|------------------|-------------------|-------------------------|
| 6/9/06<br>DATE IN | SUSPENSE | WILL JONES<br>ENGINEER | LOGGED IN 6/9/06 | TYPE DHC<br>3-725 | APP NO. pTDS06116056/80 |
|-------------------|----------|------------------------|------------------|-------------------|-------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

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

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication  
 NSL  NSP  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  
 [D] Other: Specify \_\_\_\_\_
- [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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

|                    |           |       |      |
|--------------------|-----------|-------|------|
| Print or Type Name | Signature | Title | Date |
|--------------------|-----------|-------|------|

e-mail Address

District I  
1625 N. Fraish Drive, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

District II  
1301 W. Grand Avenue, Artesia, NM 88210

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

2006 JUN 9 AM 11 54  
DHC-3725

Burlington Resources Oil & Gas Company LP P.O.Box 4289 Farmington, NM 87499  
Operator Address

WILMER CANYON 1 Unit M, Sec. 024, 032N, 008W SAN JUAN  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No: 14538 Property Code 10610 API No. 30045205290000 Lease Type:  Federal  State  Fee

| DATA ELEMENT   | UPPER ZONE  | INTERMEDIATE ZONE | LOWER ZONE                                  |
|--|---|-------------------|---|
| Pool Name  | NORTH LOS PINOS<br>FRUITLAND SAND                                     |                   | BLANCO MESAVERDE                            |
| Pool Code  | 80640   |                   | 72319                                       |
| Top and Bottom of Pay Section<br>(Perforated or Open-Hole Interval)  | 3440'-3460'   |                   | 5876-6178'                                  |
| Method of Production<br>(Flowing or Artificial Lift)   | FLOWING   |                   | FLOWING                                     |
| Bottomhole Pressure<br>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)       | Original - 1448 psi<br>Current - 1000 psi<br>(Offset SJ 32-8 Unit 36) |                   | Original - 1530 psi<br>Current - 1147 psi   |
| Oil Gravity or Gas BTU<br>(Degree API or Gas BTU)  | BTU 997   |                   | BTU 1104                                    |
| Producing, Shut-In or<br>New Zone  | SHUT-IN   |                   | PRODUCING                                   |
| Date and Oil/Gas/Water Rates of<br>Last Production.<br>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: Nov 2003<br>Rates: 63.4 MCFD                                    |                   | Date: Dec 2005<br>Rates: 50.9 MCFD          |
| Fixed Allocation Percentage<br>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)                     | Oil Gas<br>Will be supplied upon completion                           | Oil Gas           | Oil Gas<br>Will be supplied upon completion |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No   
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No

Are all produced fluids from all commingled zones compatible with each other? Yes  No

Will commingling decrease the value of production? Yes  No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Cory McKee TITLE Engineer DATE 6/7/2006  
TYPE OR PRINT NAME Cory McKee, Engineer TELEPHONE NO. (505) 326-9700  
E-MAIL ADDRESS cmckee2@br-inc.com

## Wilmer Canyon #1

The Wilmer Canyon #1 well is completed in the Fruitland Sand and Mesaverde. The well was originally completed as a dual well with a packer separating the Mesaverde and the Fruitland Sand. It is intended to commingle this wellbore for more efficient production. A separator test will be used to distinguish the Mesaverde Production from the Fruitland Sand by using a tubing string with a packer. ConocoPhillips will utilize the subtraction method to identify the Fruitland Sand and Mesaverde contributions using results from the separator testing.

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-11  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

|  |   |                                   |                          |                           |                                  |
|--|---|-----------------------------------|--------------------------|---------------------------|----------------------------------|
| Operator<br><b>Astec Oil &amp; Gas Company</b>   |   | Section<br><b>32N 8W San Juan</b> |                          |                           | Well No.<br><b>1</b>             |
| Map Number<br><b>M</b>   | Section<br><b>24</b>                          | Range<br><b>32N</b>               | Meridian<br><b>8W</b>    | County<br><b>San Juan</b> |                                  |
| Actual well location (T.W. No.)<br><b>1150</b> Direction<br><b>South</b> Distance<br><b>900</b> Direction to<br><b>West</b> Line |   |                                   |                          |                           |                                  |
| Tract No.<br><b>6667</b>   | Tract Description<br><b>Dakota Escarpment</b> |                                   | Tract No. (if different) |                           | Tract Description (if different) |

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

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (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.



CERTIFICATION

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

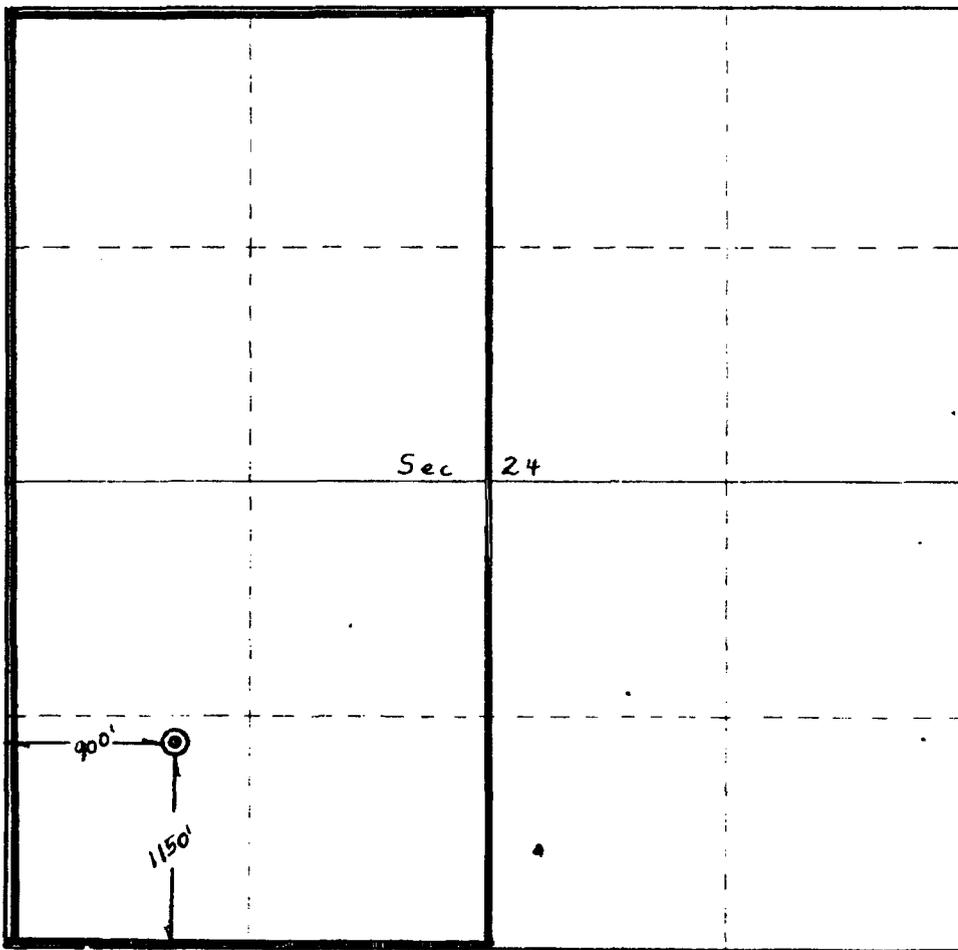
Operator \_\_\_\_\_  
 Location \_\_\_\_\_  
 Date \_\_\_\_\_

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.

June 26, 1969

*Fred B. Kerr Jr.*  
Fred B. Kerr Jr.

3950



330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960

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

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

*ok @*

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

|   |                                       |  |                 |                                 |
|---|---------------------------------------|--|-----------------|---------------------------------|
| Operator<br>Southland Royalty Company   |                                       | Lease<br>Wilmer Canyon                           |                 | Well No.<br>1                   |
| Unit Lease<br>M   | Section<br>24                         | Township<br>32 North                             | Range<br>8 West | County<br>NMPM San Juan         |
| Actual Footage Location of Well:<br>1150 feet from the South line and 900 feet from the West line |                                       |  |                 |                                 |
| Ground level Elev.<br>6667'   | Producing Formation<br>Fruitland Sand | Pool<br>Los Pinos Ft North Ft <del>DE</del> Sand |                 | Dedicated Acreage:<br>760 Acres |

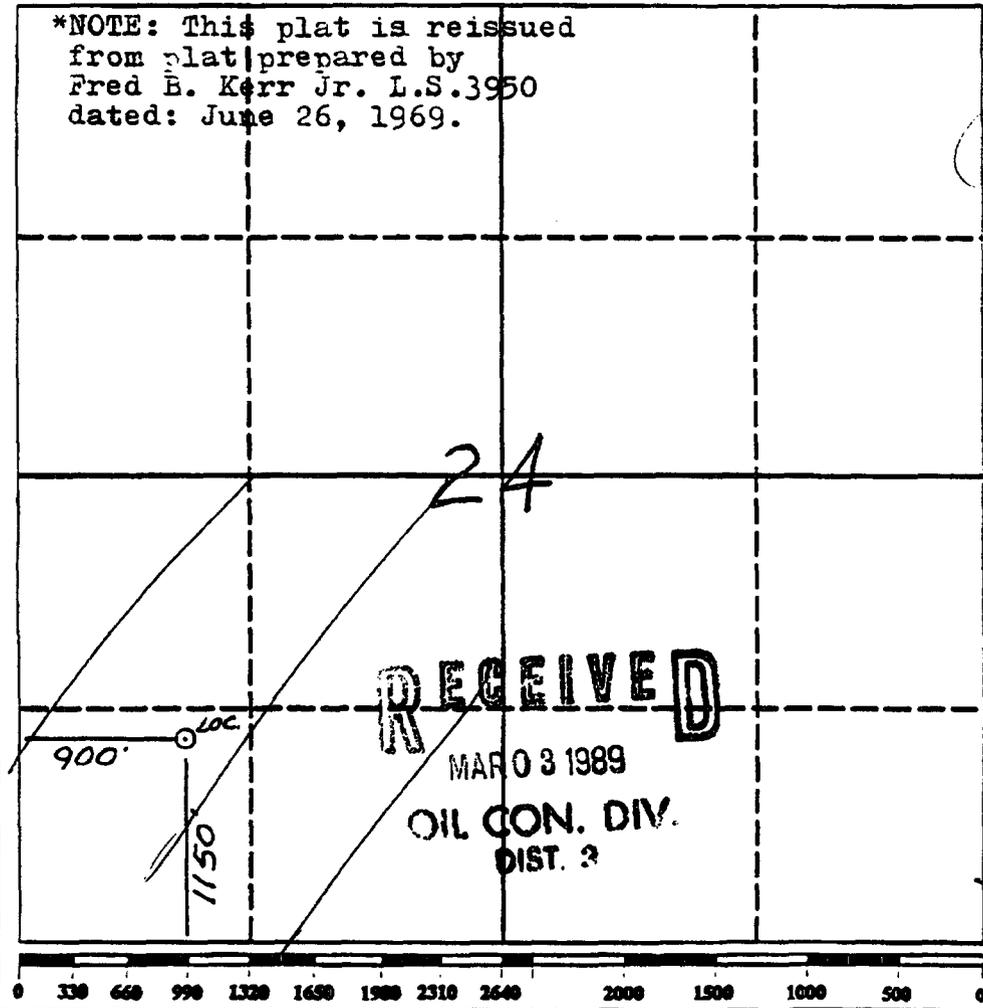
- Outline the acreage dedicated to the subject well by colored pencil or hectare marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 

Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

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, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

\*NOTE: This plat is reissued from plat prepared by Fred B. Kerr Jr. L.S. 3950 dated: June 26, 1969.



**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: Peggy Bradfield  
 Position: Regulatory Affairs  
 Company: Southland Royalty Co.  
 Date: March 1, 1989

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes 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: 2-16-89  
 Neale C. Edwards  
 Signature & Seal of Professional Surveyor

*Neale C. Edwards*  
 Certificate No. 6857



# SJD Daily Production Graph by Meter

Meter Numbers matching ( 86632 )

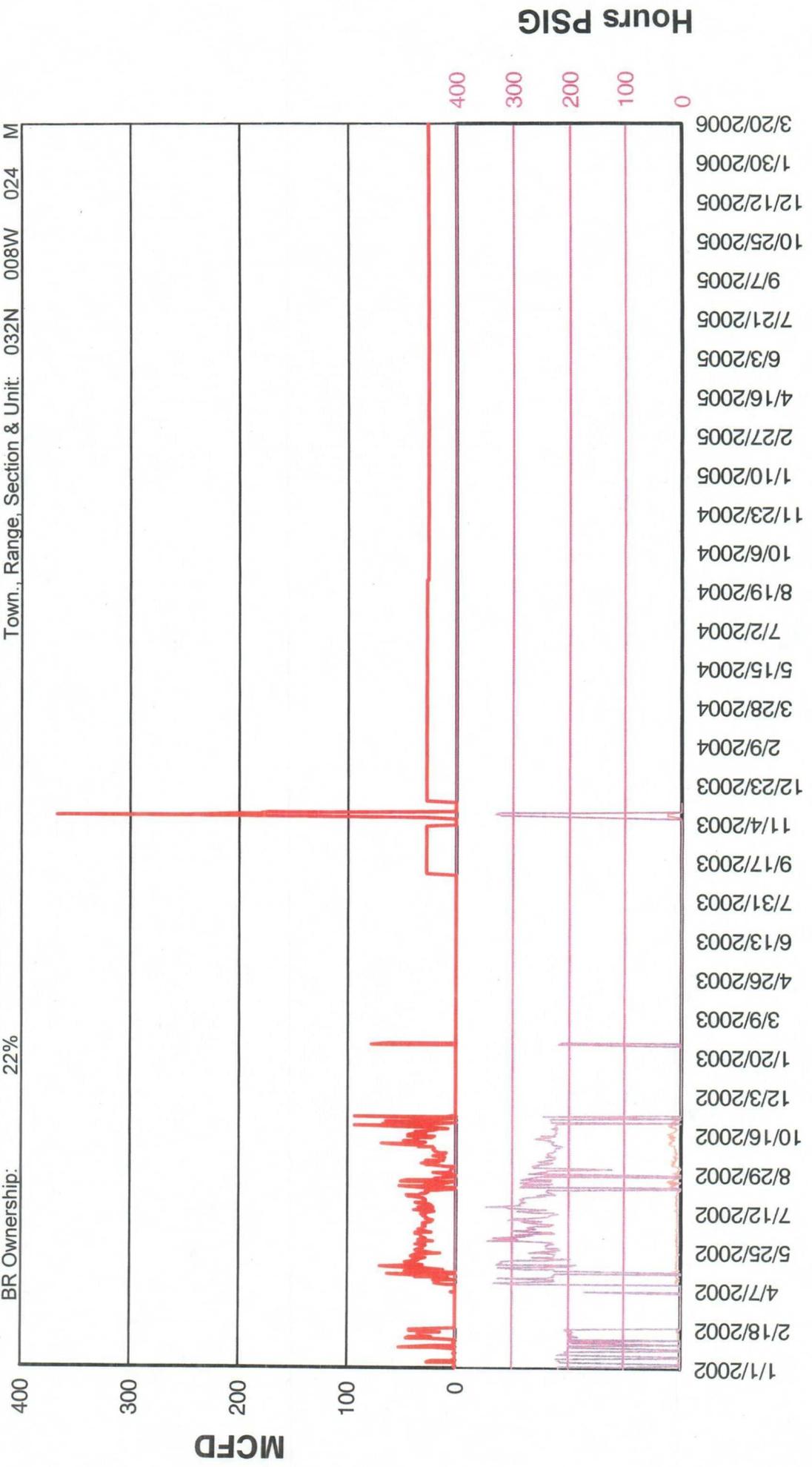
## WILMER CANYON #1 ( METER: 86632 )\*

Internal Use Only

FL-PL

Production Manager: 4258 - DONNIE SPERRY  
 Production Foreman: 42334 - TIM FRIESENHAHN  
 Lease Operator: 42327 - CONTRACTOR - ROGER PERSSON  
 BR Ownership: 22%

Spud Date: 7/4/1969  
 Pipeline, Plant & Trunk: WFS - IGNACIO TRUNKN  
 Town., Range, Section & Unit: 032N 008W 024 M



MCFD — Hours On — Line Pressure

\*Meter Level Graph includes Total MCFD and Average Hours On and Line Pressure for all completions.



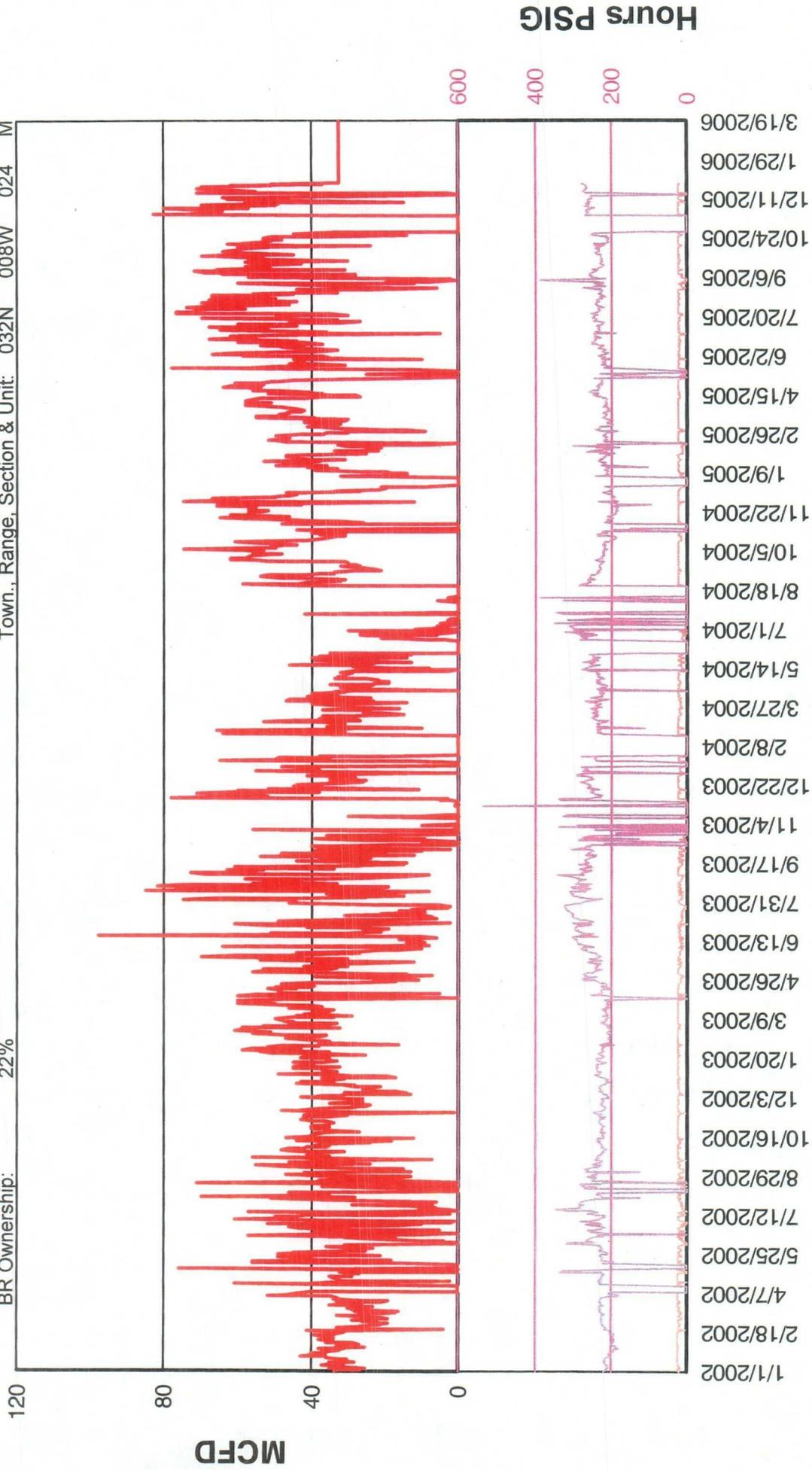
# SJD Daily Production Graph by Meter

Meter Numbers matching ( 86762 )

**WILMER CANYON #1 ( METER: 86762 )\***

Production Manager: 4258 - DONNIE SPERRY  
 Production Foreman: 42334 - TIM FRIESENHAHN  
 Lease Operator: 42327 - CONTRACTOR - ROGER PERSSON  
 BR Ownership: 22%

Spud Date: 7/4/1969  
 Pipeline, Plant & Trunk: WFS - IGNACIO TRUNKN  
 Town., Range, Section & Unit: 032N 008W 024 M



MCFD — Hours On — Line Pressure

\*Meter Level Graph includes Total MCFD and Average Hours On and Line Pressure for all completions.