

ABOVE THIS LINE FOR DIVISION USE ONLY

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

*244*

**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]

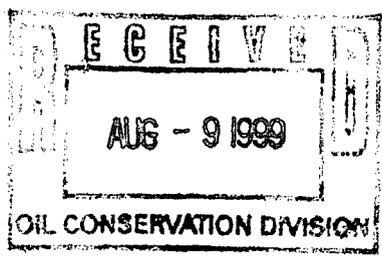
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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.

Debrah Moore                      Debrah Moore                      Regulatory Agent                      7/23/99  
 Print or Type Name                      Signature                      Title                      Date

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

DISTRICT IV

2040 S. Pacheco, Santa Fe, NM 87505

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  
Revised March 17, 1999

APPROVAL PROCESS:

Administrative  
 Hearing

EXISTING WELLBORE

YES  NO

Conoco Inc.

P.O. Box 2197 DU #3066 Houston, TX 77252-2197

Operator

San Juan 28-7 Unit

Address

Section 11, T-28-N, R-7-W

Rio Arriba, NM

Lease

Well No. 247M

Unit Ltr. - Sec - Twp - Rge

County Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code N/A API NO. N/A 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)	4550' - 5550'		7178' - 7428'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Expected to flow		Expected to flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 540	a.	a. 790
	b. (Original) 1250	b.	b. 3150
6. Oil Gravity (EAPI) or Gas BTU Content	1250		1120
7. Producing or Shut-In?	To be completed		To be completed
Production Marginal? (yes or no)  * 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, give date and oil/gas/water rates of recent test (within 60 days)	Expected yes		Expected yes
	Date: Rates: est. 650mcf + 1bopd	Date: Rates:	Date: Rates: est. 550 mcf + 1bopd
	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %s to equal 100%)	To be determined by test Oil: % Gas: %	Oil: % Gas: %	To be determined by test 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 other?  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). \_\_\_\_\_
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 Deborah Moore TITLE Regulatory Analyst DATE 07/22/99

TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 293-1005

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		*Pool Code	*Pool Name
		72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA
*Property Code	*Property Name		*Well Number
016608	SAN JUAN 28-7 UNIT		247M
*OGAID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6232'

<sup>10</sup> Surface Location

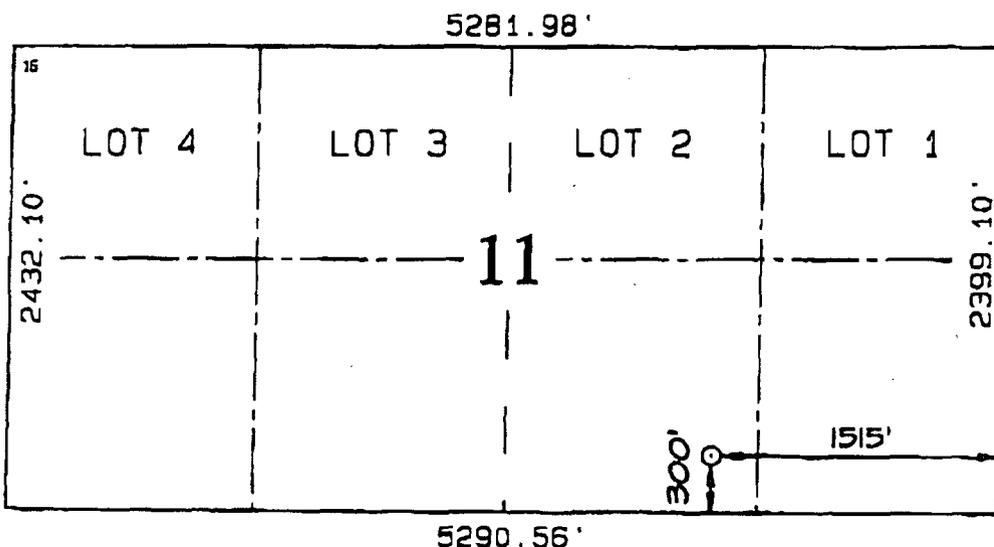
UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
0	11	28N	7W	-	300	SOUTH	1515	EAST	RIO ARRIBA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<sup>17</sup> OPERATOR CERTIFICATION

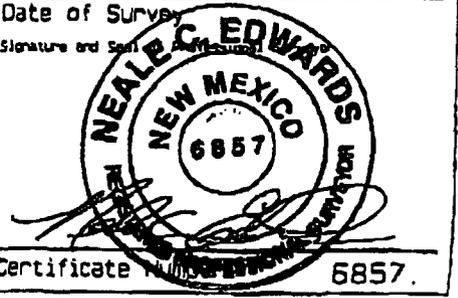
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Mike L. Mankin*  
Signature  
Mike L. Mankin  
Printed Name  
Right-of-Way Agent  
Title  
6-16-99  
Date

<sup>18</sup> SURVEYOR CERTIFICATION

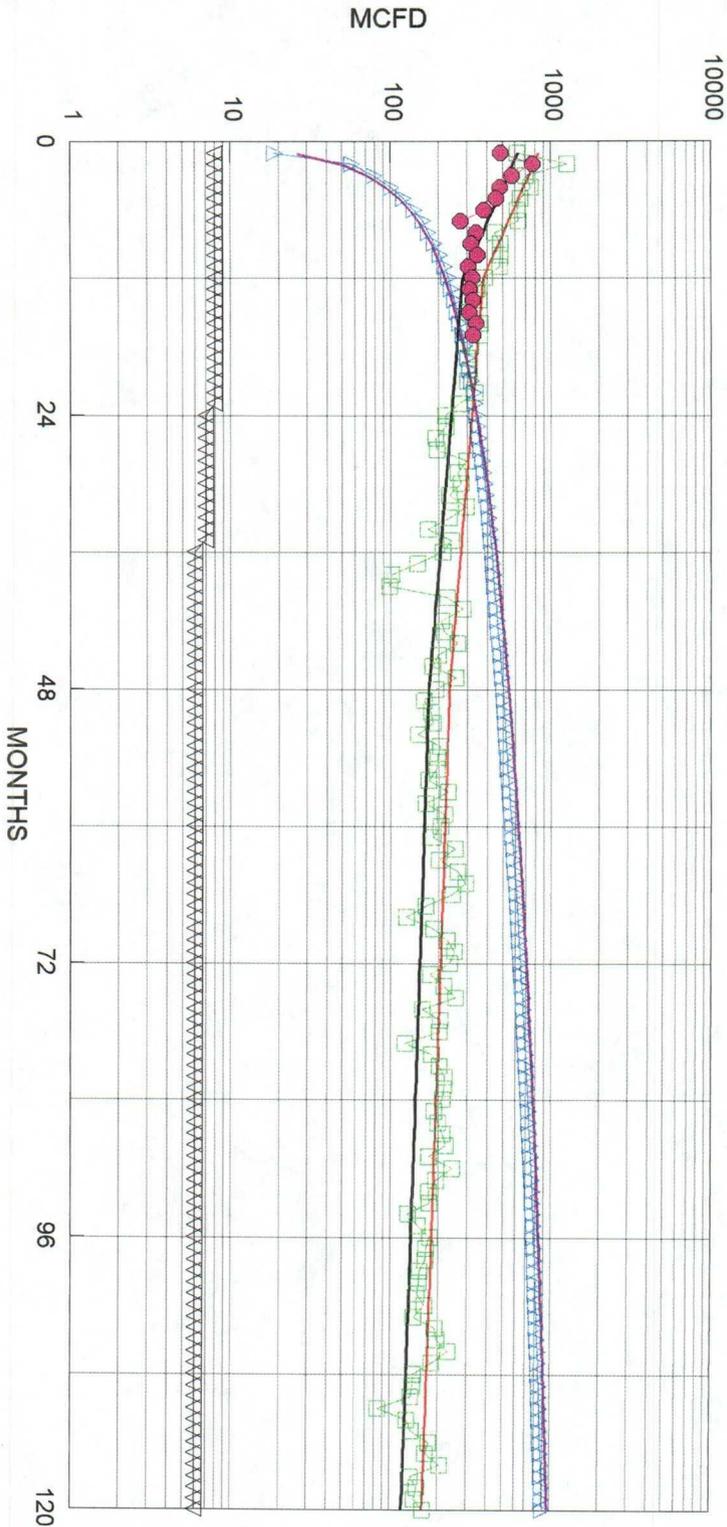
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

MAY 25, 1999  
Date of Survey  
Signature and Seal



Certificate No. 6857

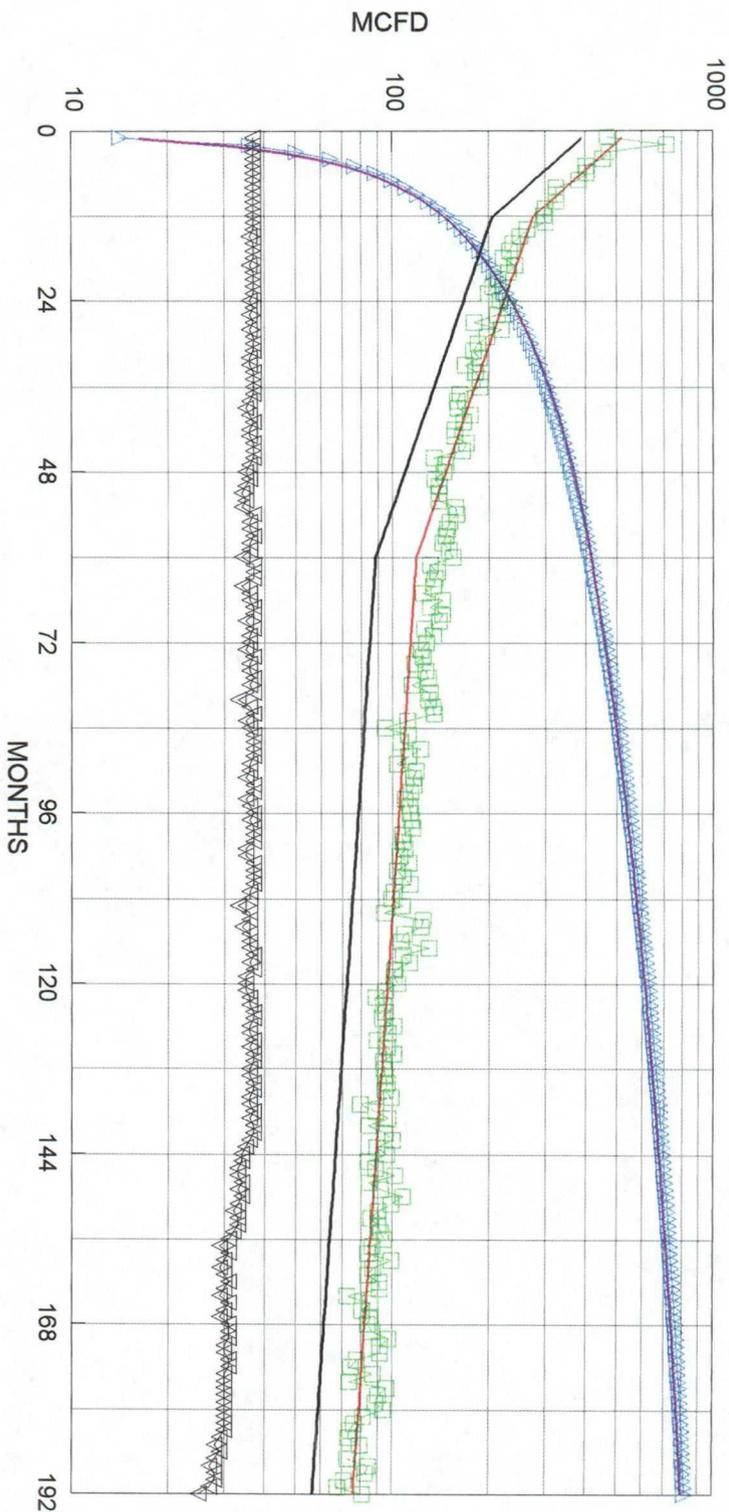
**NORMALIZED MESAVERDE PRODUCTION**  
 PROD. SINCE 1979; 8 MV WELLS LOCATED IN PILOT AREA 29N-7W (MV 160 AC INFILLS)



Expected Mesaverde Production - 602 MCFD for Yr. 1 (160 Ac. Case)  
 Expected Mesaverde Production - 451 MCFD for Yr. 1 (80 Ac. Case)

<b>NORMALIZED AVG:</b>		<b>160 ac locations</b>		<b>RISKED AVG:</b>		<b>25.0% "risk factor" = 80 ac locations</b>	
1769 MMCF EUR	1410 MMCF IN 20 YRS	900 MCFD IP	58% DECLINE, 1ST 12 MONTHS	1290 MMCF EUR	1068 MMCF IN 20 YRS	678 MCFD IP	58.0% DECLINE, 1ST 12 MONTHS
25 MCFD E.L.	0.0033 bbl/mcft oil yield	15% DECLINE, NEXT 36 MONTHS	6% FINAL DECLINE	25 MCFD E.L.	0.0013 bbl/mcft oil yield	16.0% DECLINE, NEXT 36 MONTHS	6.0% FINAL DECLINE

**NORMALIZED DAKOTA PRODUCTION**  
**PROD. SINCE 1970; 37 DK WELLS LOCATED IN AREA OF PROPOSED SJ 28-7 #235M/#247M**



Expected Avg. Rate for Yr. 1 = 397 MCFD  
 Expected Avg. Rate for Yr. 1 = 298 MCFD (for risked case)

— FIT MCFD      □ NORMALIZED MCFD      ▲ NORM CUM MMCF  
 ▲ WELLS ON PRODUCTION      — FIT CUM MMCF      — RISKED MCFD

**NORMALIZED AVG:**

1251 MMCF EUR  
 903 MMCF IN 20 YRS  
 25 MCFD E.L.  
 0.0023 bbl/mcf oil yield

**1221 MMCF IN 40 YRS**

550 MCFD IP  
 50% DECLINE, 1ST 12 MONTHS  
 19% DECLINE, NEXT 48 MONTHS  
 4.0% FINAL DECLINE

**RISKED AVG:**

**25% RISK**

882 MMCF EUR  
 677 MMCF IN 20 YRS  
 25 MCFD E.L.  
 0.0023 bbl/mcf oil yield

**413 MCFD IP**

50.0% DECLINE, 1ST 12 MONTHS  
 19.0% DECLINE, NEXT 48 MONTHS  
 4.0% FINAL DECLINE

July 23, 1999

San Juan Unit #235M  
Section 10, T-28N, R-7W  
Rio Arriba, NM

RE: Application C-107A to Downhole Commingle

**Notification of Offset Operators:**

Burlington Resources  
P. O. Box 4289  
Farmington, NM 87499

A copy of the C-107A has been sent to the above listed parties.