

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

DHC 11/16/99

Form C-107-A  
Revised March 17, 1999

APPROVAL PROCESS:

Administrative  
 Hearing

OCT 27 1999

EXISTING WELLBORE

YES  NO

Conoco Inc. P.O. Box 2197, DU 3066 Houston, TX 77552-2197

Operator San Juan 28-7 Unit #104 Section 3, T-27-N, R-7-W, M Rio Arriba, NM

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 005073 Property Code 016608 API NO. 30-039-07160 Federal  State (and/or) Fee

2519

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal 71629		Blanco Pictured Cliffs South 72439
2. Top and Bottom of Pay Section (Perforations)	3025' - 3260' OA		3274' - 3326' OA
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 432	a.	a. 360
	b. (Original) 1167	b.	b. 1119
6. Oil Gravity (EAPI) or Gas BTU Content	1045		1189
7. Producing or Shut-in?	To be completed		Producing
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:	Date: Rates:	Date: Rates:
	Date: Rates: Est. 150-250MCFD	Date: Rates:	Date: Rates: 14 MCFD during '99
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	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 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.

RECEIVED  
AUG 06 1999  
OIL CON. DIV.  
DIST. 3

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

SIGNATURE Yolanda Perez TITLE Regulatory Analyst DATE 7/23/99

TYPE OR PRINT NAME Yolanda Perez TELEPHONE NO. ( 281 ) 293-1613

District I  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-102  
Revised March 17, 1999

District II  
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe. NM 87505

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

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

District IV  
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-039-07160	<sup>2</sup> Pool Code 71629, 72439	<sup>3</sup> Pool Name Basin Fruitland Coal, Blanco Pictured Cliffs South
<sup>4</sup> Property Code 016608	<sup>5</sup> Property Name San Juan 28-7 Unit	<sup>6</sup> Well Number 104
<sup>7</sup> OGRID No. 005073	<sup>8</sup> Operator Name Conoco Inc. P.O. Box 2197, DU 3066 Houston, TX 77252-2197	<sup>9</sup> Elevation 6711'

<sup>10</sup> 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		800	South	1150	West	Rio Arriba

<sup>11</sup> 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
N/A									

<sup>12</sup> Dedicated Acres 319.99, 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code U	<sup>15</sup> 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

<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*

Signature: *Yolanda Perez*

Printed Name: Yolanda Perez

Title: Regulatory Analyst

Date: 07/23/99

<sup>18</sup> SURVEYOR CERTIFICATION

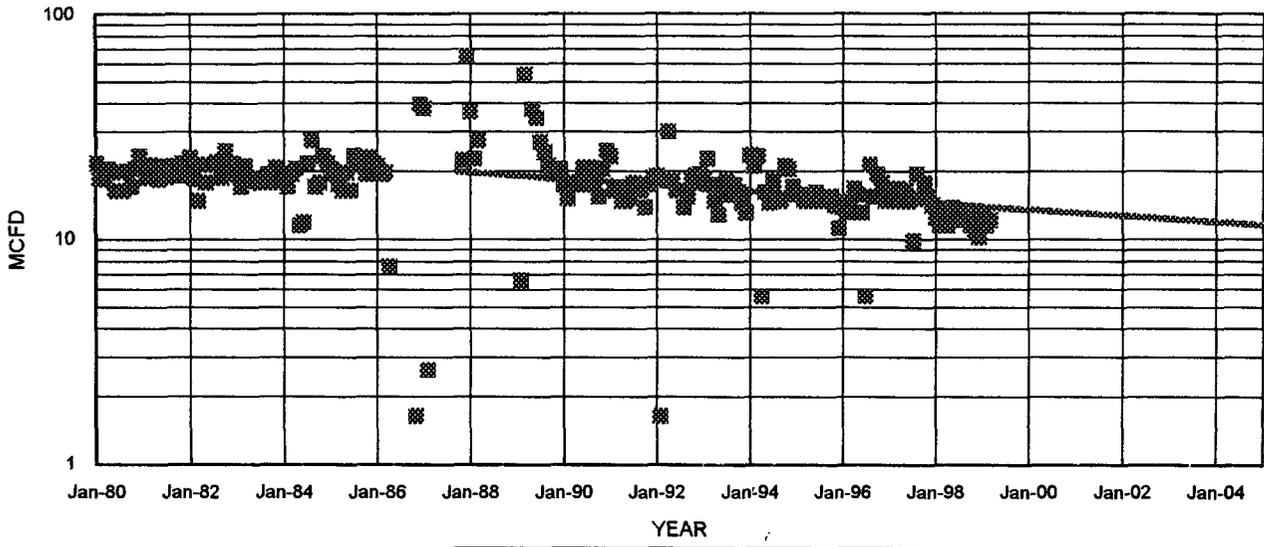
*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

Date of Survey: \_\_\_\_\_

Signature and Seal of Professional Surveyer: \_\_\_\_\_

Certificate Number: \_\_\_\_\_

**SJ 28-7 #104 PICTURED CLIFFS PRODUCTION  
SECTION 3M-27N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



■ PICTURED CLIFFS MCFD
----- FIT MCFD

<b>PICTURED CLIFFS PRODUCTION</b>		<b>1ST PROD: 11/59</b>	<b>PICTURED CLIFFS PROJECTED DATA</b>	
OIL CUM:	0.00	MBO	Jan.99 Qi:	14
GAS CUM:	361.9	MMCF	DECLINE RATE:	3.1%
OIL YIELD:	0.0000	BBL/MCF		MCFD (EXPONENTIAL)

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

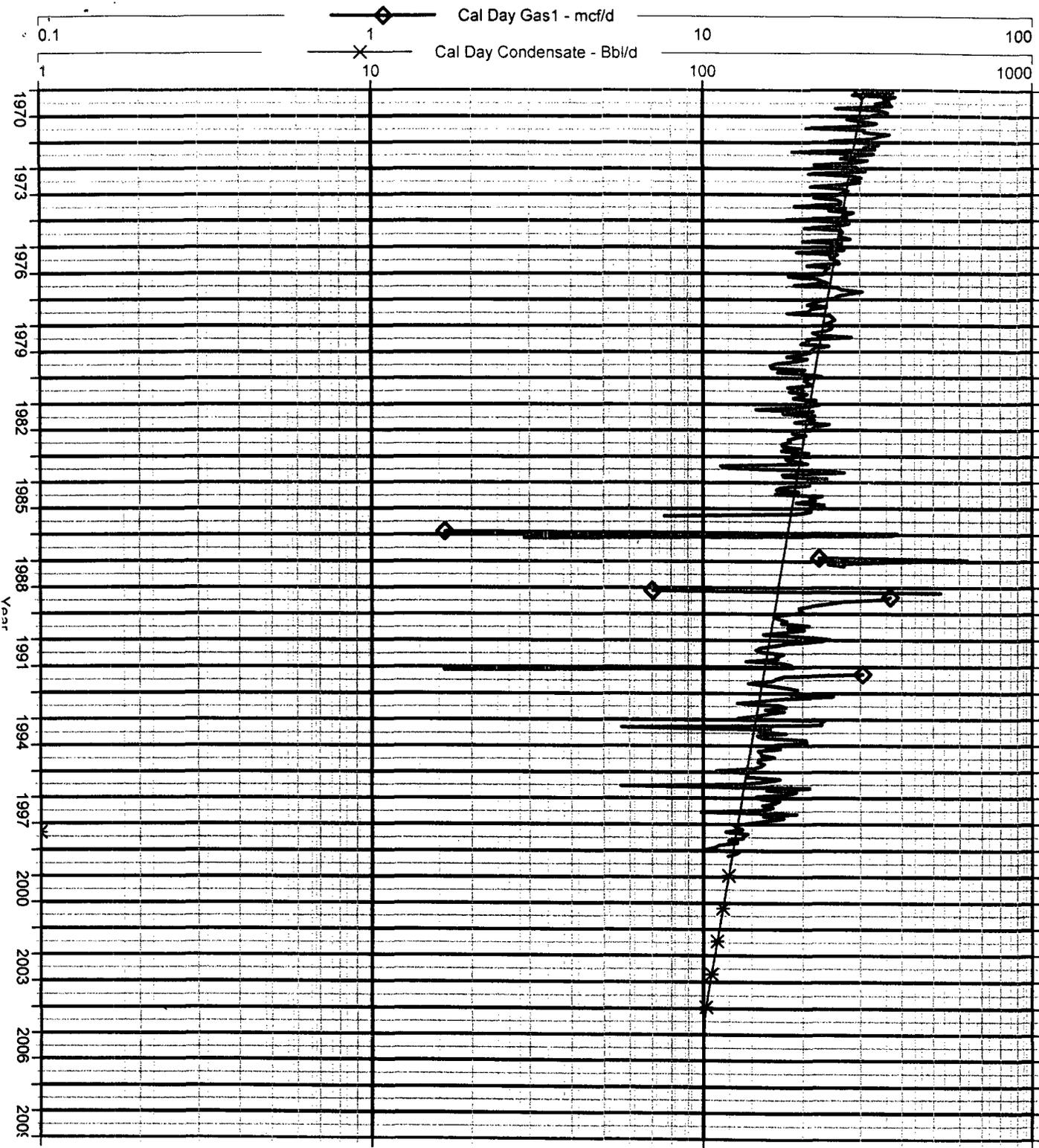
YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1999	14	0
2000	13	0
2001	13	0
2002	12	0
2003	12	0
2004	12	0
2005	11	0
2006	11	0
2007	11	0
2008	10	0
2009	10	0
2010	10	0
2011	9	0
2012	9	0
2013	9	0
2014	9	0
2015	8	0
2016	8	0
2017	8	0
2018	8	0
2019	7	0
2020	7	0
2021	7	0
2022	7	0
2023	6	0
2024	6	0
2025	6	0
2026	6	0

SAN JUAN 28 7 UNIT - 104 (251-039-27N07W03M00PC) Data: Jul. 1959-Mar. 1999

Operator: CONOCO INC  
 Field: BLANCO SOUTH (PICTURE CLIFFS)  
 Zone: PICTURE CLIFFS  
 Type: Other  
 Group: S/287pc

Cal Day Gas FC 1 (Rate-Time)  
 qi: 30.8576 mcf/d, Jan. 1970  
 qf: 10 mcf/d, Jul. 2005  
 di(Exp): 3.12165 CTD: 361.794 MMSCF  
 RR: 25.3864 MMSCF Tot: 387.18 MMSCF

Production Curns  
 Oil: 0 MSTB  
 Gas: 361.794 MMSCF  
 Water: 0 MSTB  
 Cond: 0 MSTB

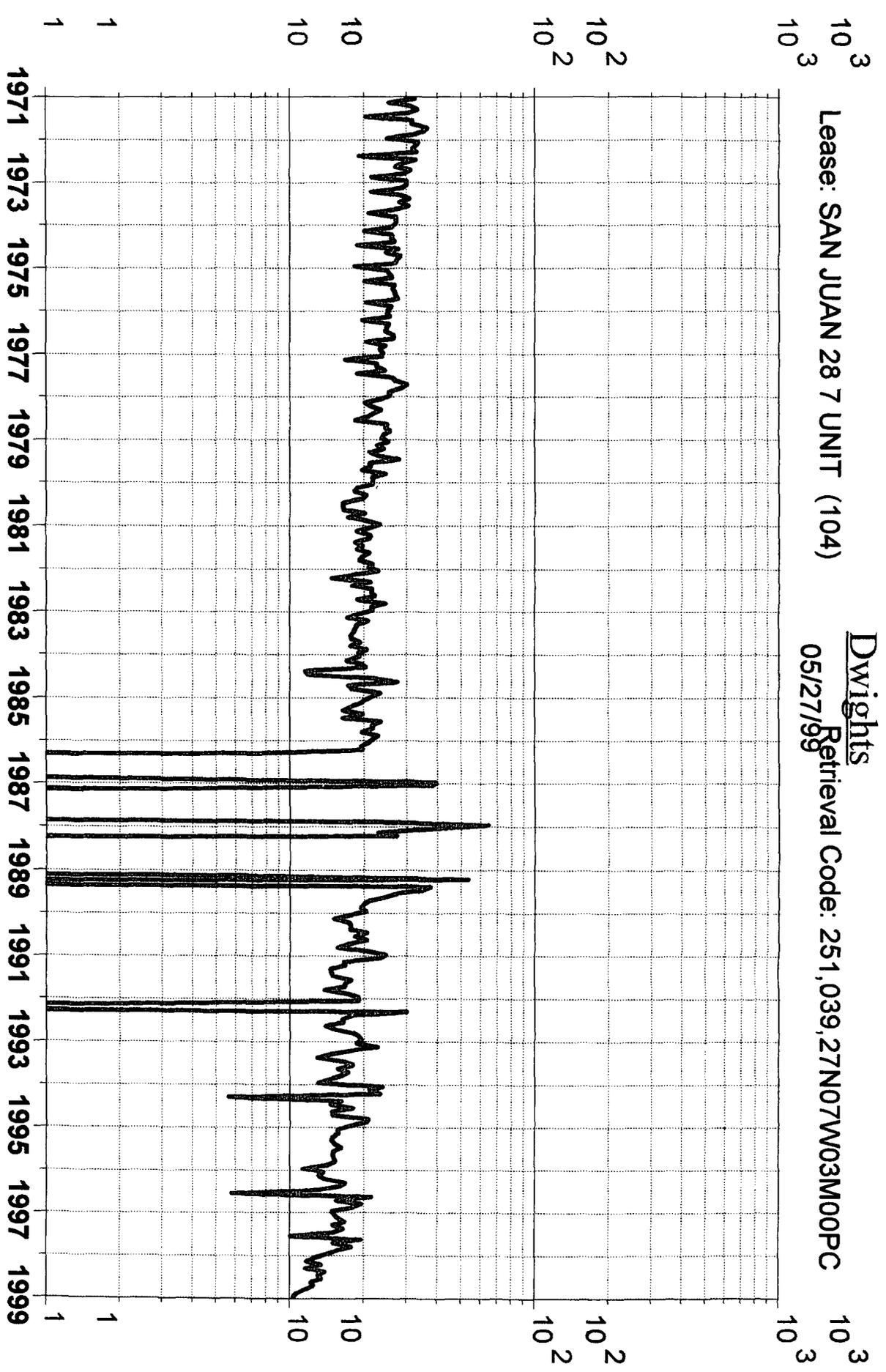


◆ Cal Day Gas1 - mcf/d  
 Cum: 361.794 MMSCF  
 \* Cal Day Gas FC 1 - mcf/d  
 Qi: 30.8576 mcf/d, Jan. 1970  
 Qf: 10 mcf/d, Jul. 2005  
 Di:(Exponential) : 3.12165  
 RR: 25.3864 MMSCF  
 EUR: 387.18 MMSCF  
 \* Cal Day Condensate - Bbl/d  
 Cum: 0 MSTB

Lease: SAN JUAN 28 7 UNIT (104)

Dwights  
05/27/99

Retrieval Code: 251,039,27N07W03M00PC



Gas (mcf/day)

Water (bbl/day)

County: RIO ARRIBA, NM

Field: BLANCO SOUTH (PICTU Oil Cum: 0 bbl

Reservoir: PICTURE CLIFFS

Operator: CONOCO INC

F.P. Date: 11/59

Gas Cum: 360.7 mmcf

Location: 3M 27N 7W

Oil (bbl/day)

Well Count

July 23, 1999

San Juan Unit #104  
Section 3, T-27N, R-7W, M  
Rio Arriba, NM

RE: Application C-107A to Downhole Commingle

**Notification of Offset Operators:**

Conoco is it's own offset.