

DATE IN 12/16/99	SUSPENSE 1/5/00	ENGINEER DC	LOGGED BY KV	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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.

Deborah Moore (281) 293-1005
 Print or Type Name

Signature

Title

Regulatory Analyst

Date

12/14/99

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

Form C-107-A
Revised August 1999

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

☒ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

P.O. Box 2197 Houston, TX 77252-2197

Operator

Address

SAN JUAN 28-7

231E

K, SEC 16, T-28N, R7W

RIO ARRIBA

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073

Property Code 016608

API NO. 30-039-22436

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 Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4535' - 5446' Proposed		7184' - 7384'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 540 b. (Original) 1250	a. b.	a. 790 b. 3150
6. Oil Gravity (EAPI) or Gas BTU Content	1250		1120
7. Producing or Shut-In?	To be completed		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
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)	Date: Rates: Expected rate: 350-450 MCFD	Date: Rates:	Date: Rates: Current rate: 70 mcf/d
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 ___

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 Ref. Cases for Rule 303(D) Exceptions: ORDER NOS. R-10476-B

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 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

12/14/99

Deborah Moore

TYPE OR PRINT NAME

TELEPHONE NO. (281) 293-1005

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
CONOCO, INC.

3. Address and Telephone No.
P.O. Box 2197 DU 3066 Houston, TX 77252-2197 (281) 353-0792

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
K, Sec. 16, T-28N, R-7W
1915' FSL & 1930' FWL

5. Lease Designation and Serial No.

SF 078417

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

891000459B

8. Well Name and No.

San Juan 28-7 #231E

9. API Well No.

30-029-22436

10. Field and Pool, or Exploratory Area
Blanco Mesaverde 72319

Basin Dakota 71599

11. County or Parish, State

Rio Arriba, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other DHC
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

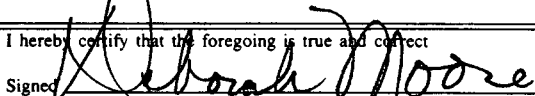
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Conoco proposes to DHC this well in the Blanco Mesaverde & Basin Dakota.

14. I hereby certify that the foregoing is true and correct

Signed



Title Regulatory Analyst

Date 12/14/99

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

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

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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--039-22436	² Pool Code 71599/72319	³ Pool Name Basin Dakota / Blanco Mesaverde
⁴ Property Code 016608	⁵ Property Name San Juan 28-7	⁶ Well Number 231E
⁷ OGRID No. 005073	⁸ Operator Name Conoco, Inc.	⁹ Elevation

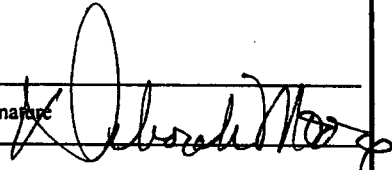
¹⁰ Surface Location

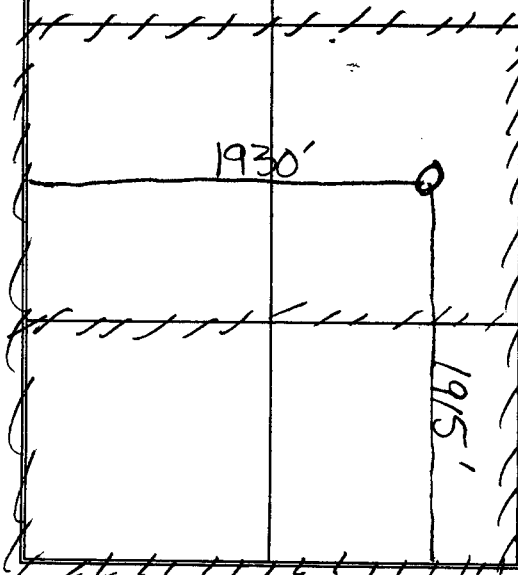
UL or lot no. K	Section 16	Township 28N	Range 7W	Lot Idn	Feet from the 1915	North/South line south	Feet from the 1930	East/West line west	County Rio Arriba
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¹¹ Bottom Hole Location If Different From Surface

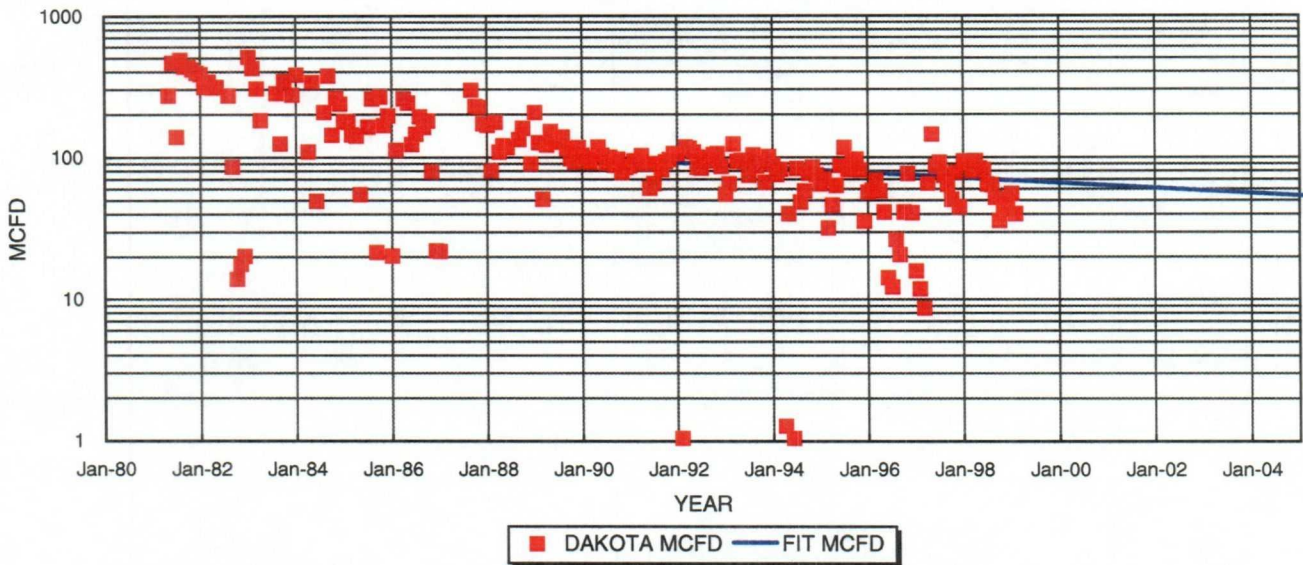
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 80/160	¹³ Joint or Infill I	¹⁴ Consolidation Code U	¹⁵ Order No.						

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

16					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature  Regulatory Analyst Title Date 12/14/99
					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. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number



**SJ 28-7 #231E DAKOTA PRODUCTION
SECTION 16K-28N-07W, RIO ARriba COUNTY, NEW MEXICO**



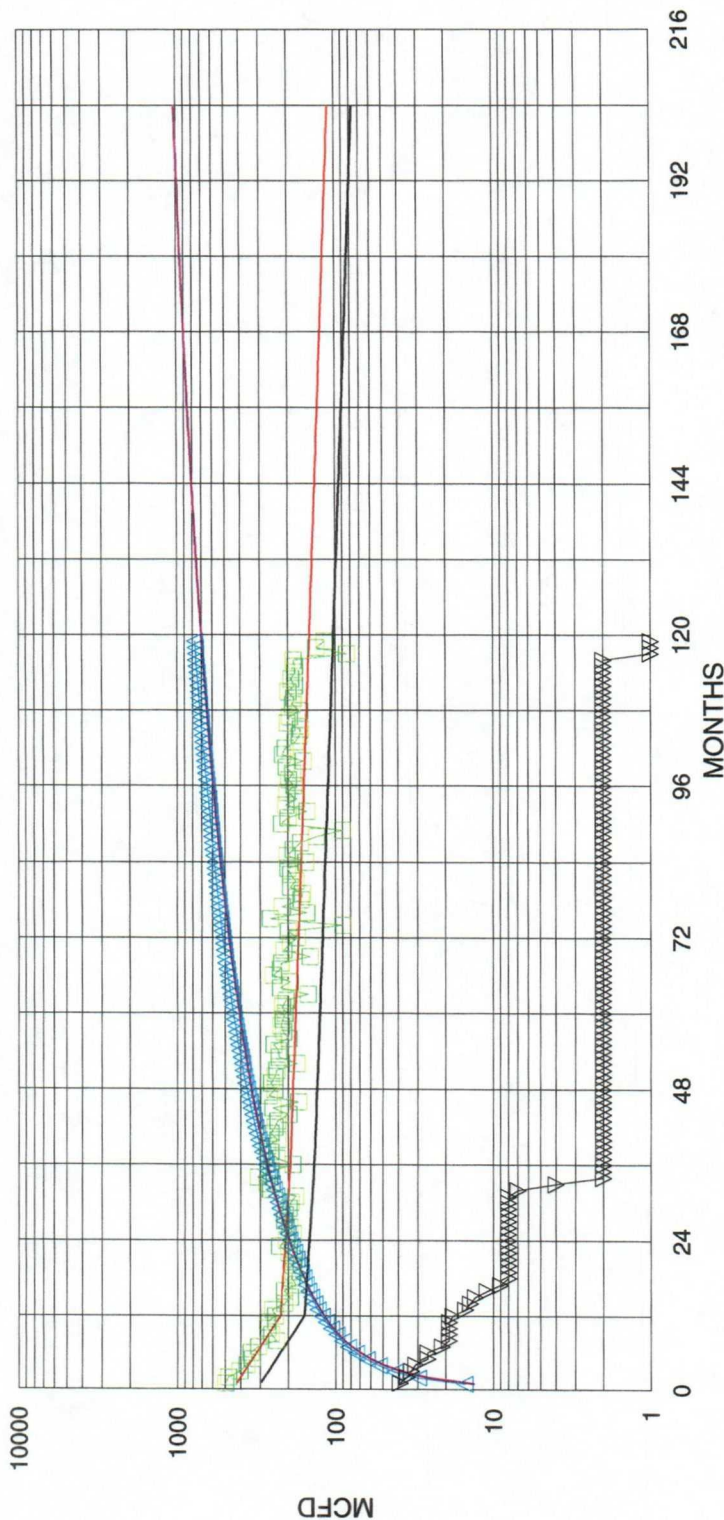
DAKOTA PRODUCTION		1ST PROD: 05/81	DAKOTA PROJECTED DATA	
OIL CUM:	6.66	MBO	Jan.00 Qi:	66 MCFD
GAS CUM:	750.2	MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0089	BBL/MCF	API #30-039-22436	

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	65	1
2001	63	0
2002	60	0
2003	58	0
2004	55	0
2005	53	0
2006	51	0
2007	49	0
2008	47	0
2009	45	0
2010	43	0
2011	42	0
2012	40	0
2013	38	0
2014	37	0
2015	35	0
2016	34	0
2017	33	0
2018	31	0
2019	30	0
2020	29	0
2021	28	0
2022	27	0
2023	25	0
2024	24	0
2025	23	0
2026	23	0
2027	22	0

NORMALIZED MESAVERDE PRODUCTION

PROD. SINCE 1985; 39 MV WELLS LOCATED IN 28N-7W (37 wells are 1990's completions)



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

Expected Mesaverde Production - 325 MCFD for Yr. 1

NORMALIZED AVG:

1788 MMCF EUR
 1145 MMCF IN 20 YRS
 25 MCFD E.L.
 0.0139 bbl/mcf oil yield

450 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 7% DECLINE, NEXT 24 MONTHS
 4% FINAL DECLINE

RISKED AVG:

1184 MMCF EUR
 802 MMCF IN 20 YRS
 25 MCFD E.L.
 0.0139 bbl/mcf oil yield

30% RISK

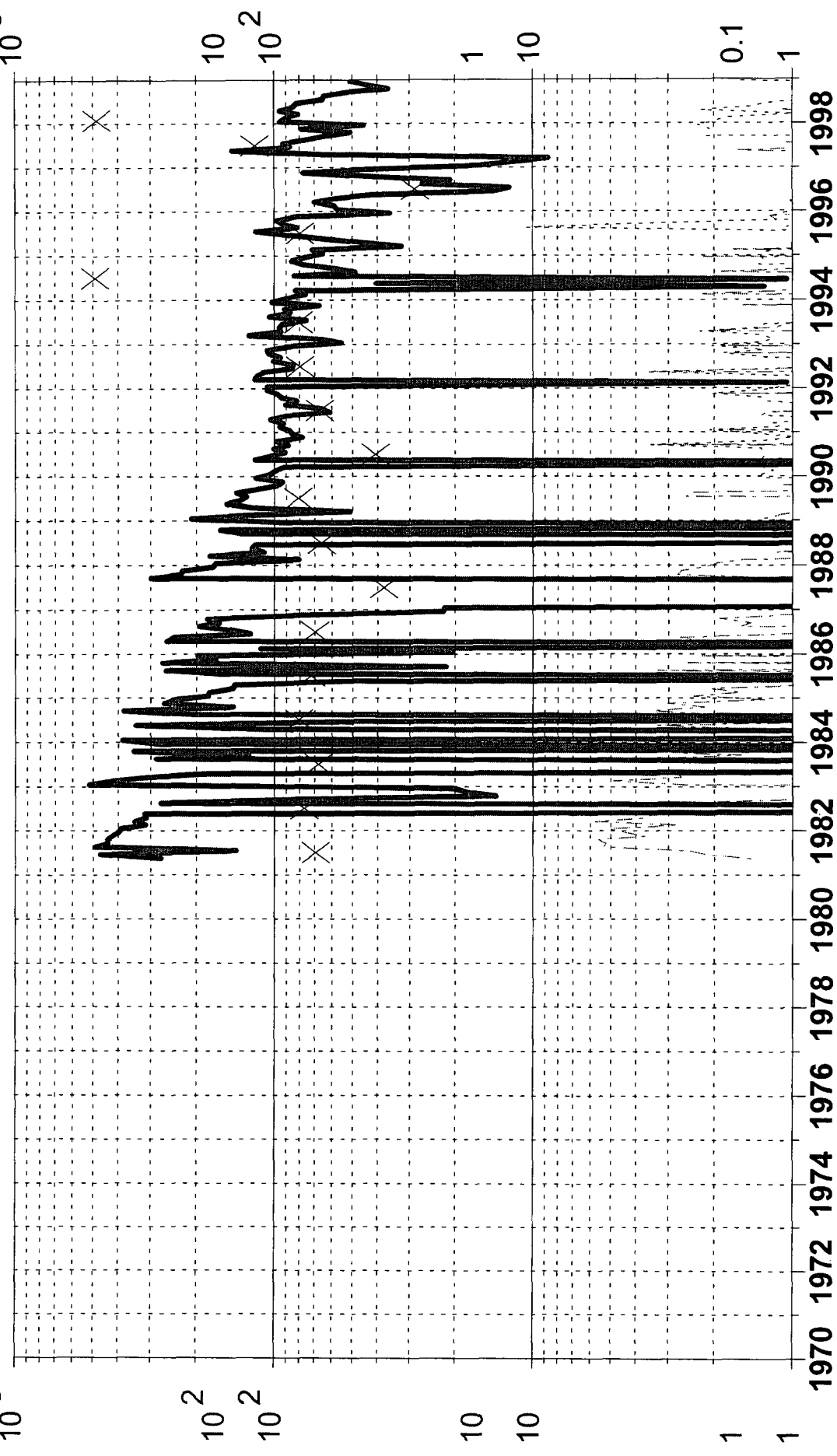
315 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 7.0% DECLINE, NEXT 24 MONTHS
 4.0% FINAL DECLINE

Dwights

Lease: SAN JUAN 28 7 UNIT (231E)

Retrieval Code: 251,039,28N07W16K00DK
11/12/99

10³
10²
10³



Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

Yield (bbl/mmcf) Av

Operator: CONOCO INC

Location: 16K 28N 7W

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

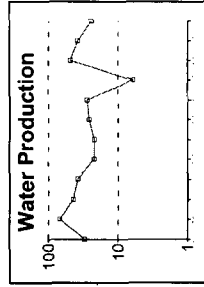
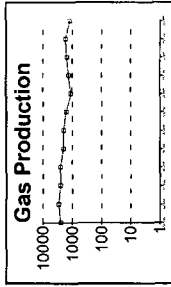
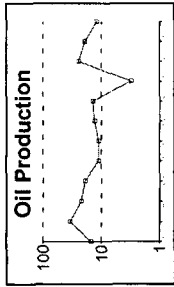
F.P. Date: 05/81

Oil Cum: 6657 bbl

Gas Cum: 750.2 mmcf

L.P. Date: 02/99

Lease:	SAN JUAN 28 7 UNIT	Well #:	231E	FP Date:	81-05
Field:	BASIN (DAKOTA) DK	Location:	16K 28N 7W	LP Date:	99-02
Operator:	CONOCO INC	Liquid Cum:	6,657 bbls	Liq Since:	FPDATE
RCI #:	251,039,28N07W16K00DK	Gas Cum:	750,171 mcf	Gas Since:	FPDATE
API #:	30-039-22436-00	Status:	ACT GAS		



DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
03/1998	15	2,444	30	1
04/1998	34	2,883	68	1
05/1998	22	2,555	44	1
06/1998	19	2,488	38	1
07/1998	11	1,973	22	1
08/1998	11	1,950	22	1
09/1998	13	1,594	26	1
10/1998	14	1,100	28	1
11/1998	3	1,328	6	1
12/1998	24	1,541	48	1
01/1999	19	1,695	38	1
02/1999	12	1,227	24	1
Total	197	22,778	394	