

DATE IN 5/14/01	SUBMITTER 6/4/01	ENGINEER DC	LOGGED IN KW	TYPE DHC	APP NO. 113546700
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



2915

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET 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

[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 reviewed the 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 (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.

Eric Dahlgren
Print or Type Name

Eric Dahlgren
Signature

Reservoir Engineer
Title

5/9/01
Date

ewdahlg@ppco.com
e-mail Address

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

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

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

APPLICATION FOR DOWNHOLE COMMINGLING

PHILLIPS PETROLEUM COMPANY 5525 Hwy. 64, Farmington, NM 87401
Operator Address
San Juan 32-8 Unit #45A F, Section 14, T32N, R8W San Juan County
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 017654 Property Code 009261 API No. 30-045-30301 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Albino Pictured Clfs		Blanco Mesaverde
Pool Code	70120		72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	estimated between 3754' & 4213'		estimated between 4213' & 6673'
Method of Production (Flowing or Artificial Lift)	flowing		flowing
Bottomhole Pressure (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)	estimated 1414 psig		estimated 1148 psig
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1133		1009
Producing, Shut-In or New Zone	New zone		New zone
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.)	Date: estimated to be Rates: 671 mcf/d after 6 mo	Date: Rates:	Date: estimated to be Rates: 296 mcf/d after 6 mo
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas estimated to be % 69 %	Oil Gas % %	Oil Gas estimated to be % 31 %

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? w/original Yes ☒ No ☐
Ref. case
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: R-11189

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 Eric Dahlgren TITLE Reservoir Engineer DATE 5/9/01
TYPE OR PRINT NAME Eric Dahlgren TELEPHONE NO. (505) 599-3455



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

May 9, 2001

New Mexico Oil & Gas Conservation Div.
1220 S. St. Francis Drive
Santa Fe, NM 87504

Downhole Commingling Allocation Method
on the San Juan 32-8 Unit #45A

Dear Sirs:

Phillips Petroleum is proposing to commingle the Mesaverde and Pictured Cliffs formations on the subject well. This is a newly drilled well in which neither zone has been completed to date. The Mesaverde will be completed first and production tested for several weeks to several months, whatever time period is necessary to establish a stabilized production rate. A production forecast will be determined on the stabilized production rate.

We will then isolate the Mesaverde interval and the Pictured Cliffs interval will be completed and tested separately for several months and the production forecast will be determined based on the stabilized production rate. When the zones are ready to commingle, Phillips is proposing to utilize the ratio method immediately. We feel this will be most accurate method of allocating production considering the Mesaverde and Pictured Cliffs intervals will both be stabilized before commingling occurs.

Attached are production forecasts for both zones based on near by production. Before the Mesaverde and Pictured Cliffs zones for this well are commingled Phillips will submit the final production forecasts based on actual production.

Sincerely,
PHILLIPS PETROLEUM COMPANY

A handwritten signature in cursive script, appearing to read "Eric W. Dahlgren".

Eric W. Dahlgren
Reservoir Engineer

EWD/pc

cc: OCD - Aztec
 BLM- Farmington
 NM Commissioner Of Public Lands - Santa Fe

District I
P.O. Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1800 N. 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

Revised October 18, 1999
Instructions on back
Submit to Appropriate District Office:
State Lease - 4 Copies
Fee Lease - 3 Copies

200 JUL 14 PM 1:48

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. A11 Number 30-045-30301		2. Pool Code 72319		3. Pool Name Blanco Mesaverde	
4. Property Code 009261		5. Property Name SAN JUAN 32-8 UNIT			6. Well Number 45A
7. OGRID No. 017654		8. Operator Name PHILLIPS PETROLEUM COMPANY			9. Elevation 7026'

10. Surface Location

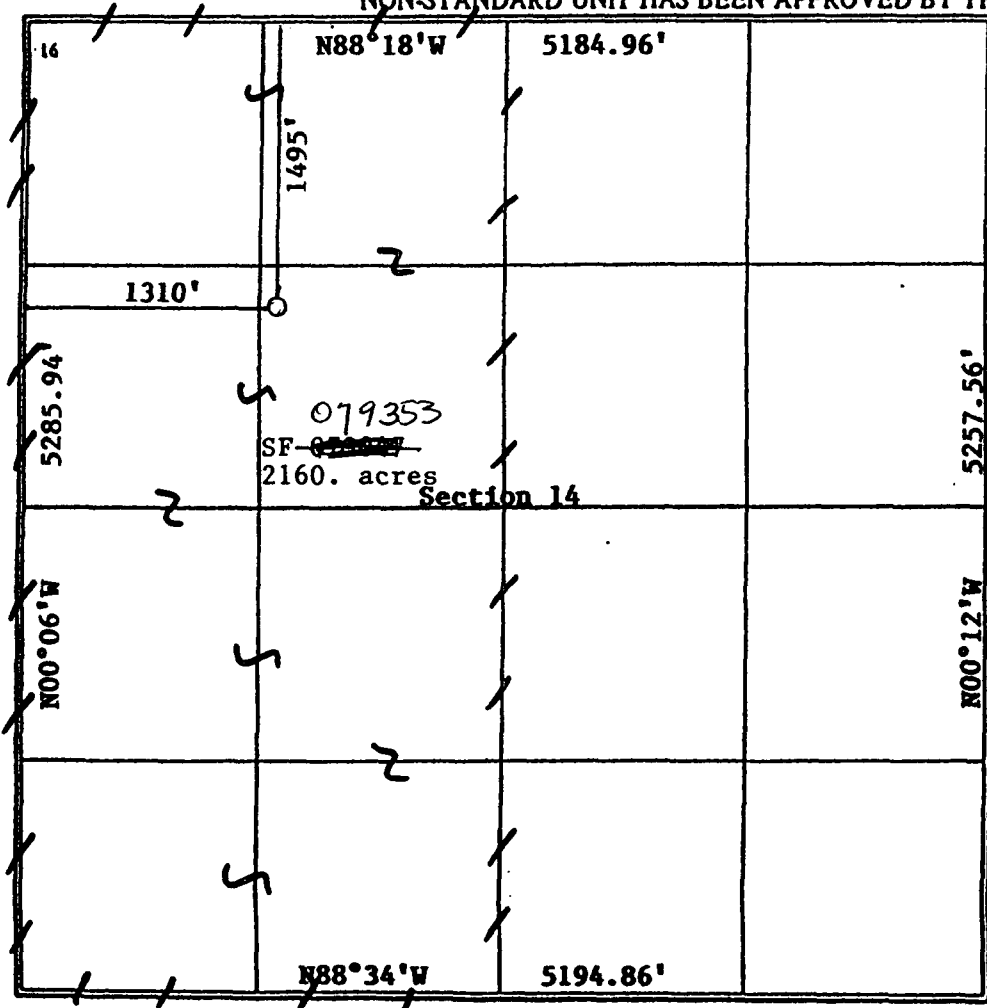
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	14	32N	8W		1495'	NORTH	1310'	WEST	SAN JUAN

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
F									

12. Dedicated Acres 320 W/2	13. Joint or Infill Y	14. Consolidation Code U	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

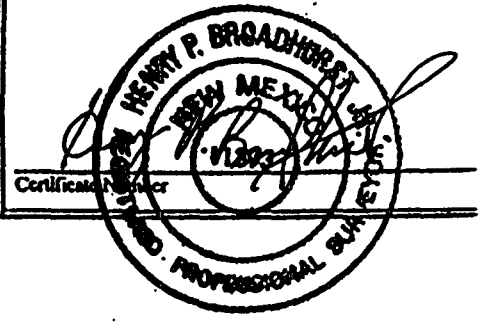


17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Patsy Clugston
Signature
Patsy Clugston
Printed Name
Sr. Regulatory/Proration Clerk
Title
July 13, 2000
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.

5/31/00
Date of Survey
Signature and Seal of Professional Surveyor:



District I
P.O. Box 1980, Hobbs, NM 88241-1980
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

Revised October 18, 1999
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Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

250 JUL 14 PM 1:43

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-045-30301		Pool Code 70120	Pool Name Albino Pictured Cliffs
Property Code 009261	Property Name SAN JUAN 32-8 UNIT		Well Number 45A
OGRII No. 017654	Operator Name PHILLIPS PETROLEUM COMPANY		Elevation 7026'

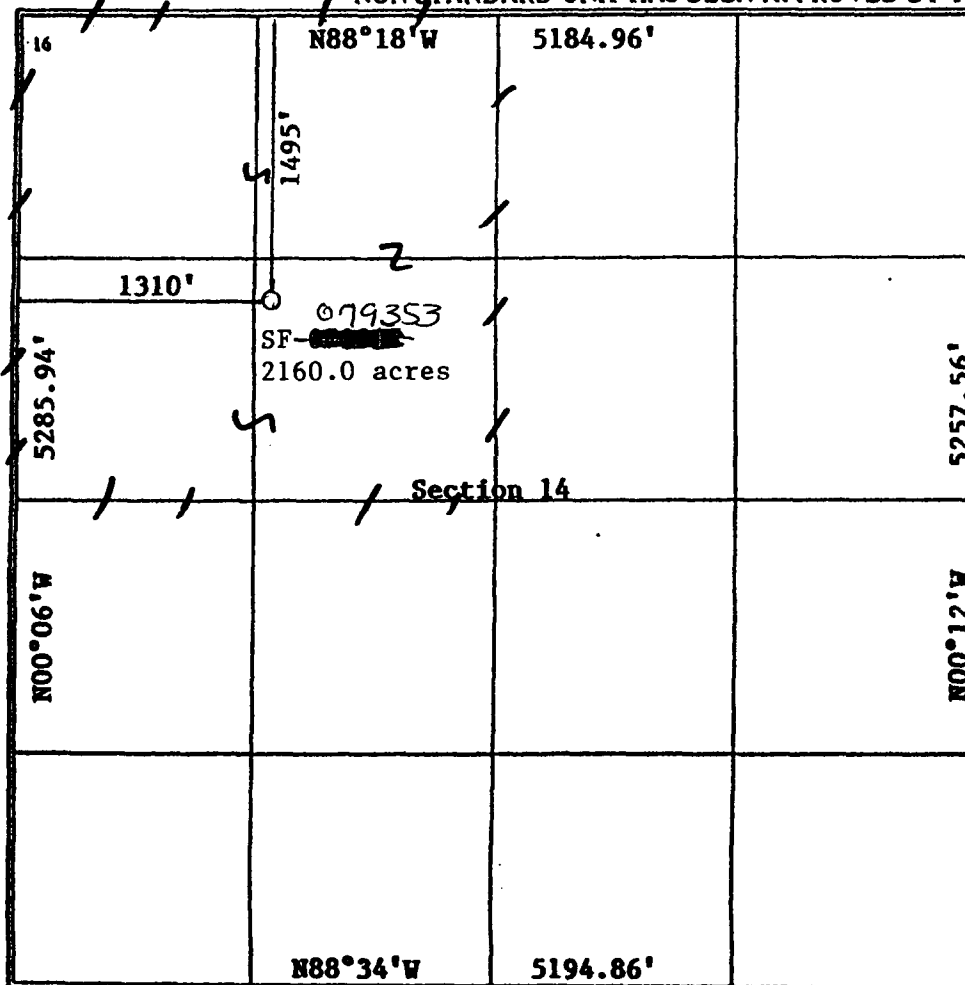
10 Surface Location

UL or lot no. F	Section 14	Township 32N	Range 8W	Lot Ida	Feet from the 1495'	North/South line NORTH	Feet from the 1310'	East/West line WEST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

UL or lot no. F	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160 NW/4		Joint or Infill Y	Consolidation Code U	Order No.					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR /
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

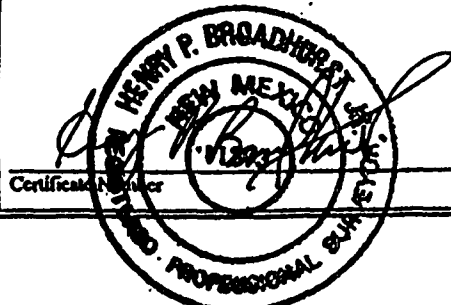


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Signature
Patsy Clugston
Printed Name
Sr. Regulatory/Proration Clerk
Title
July 13, 2000
Date

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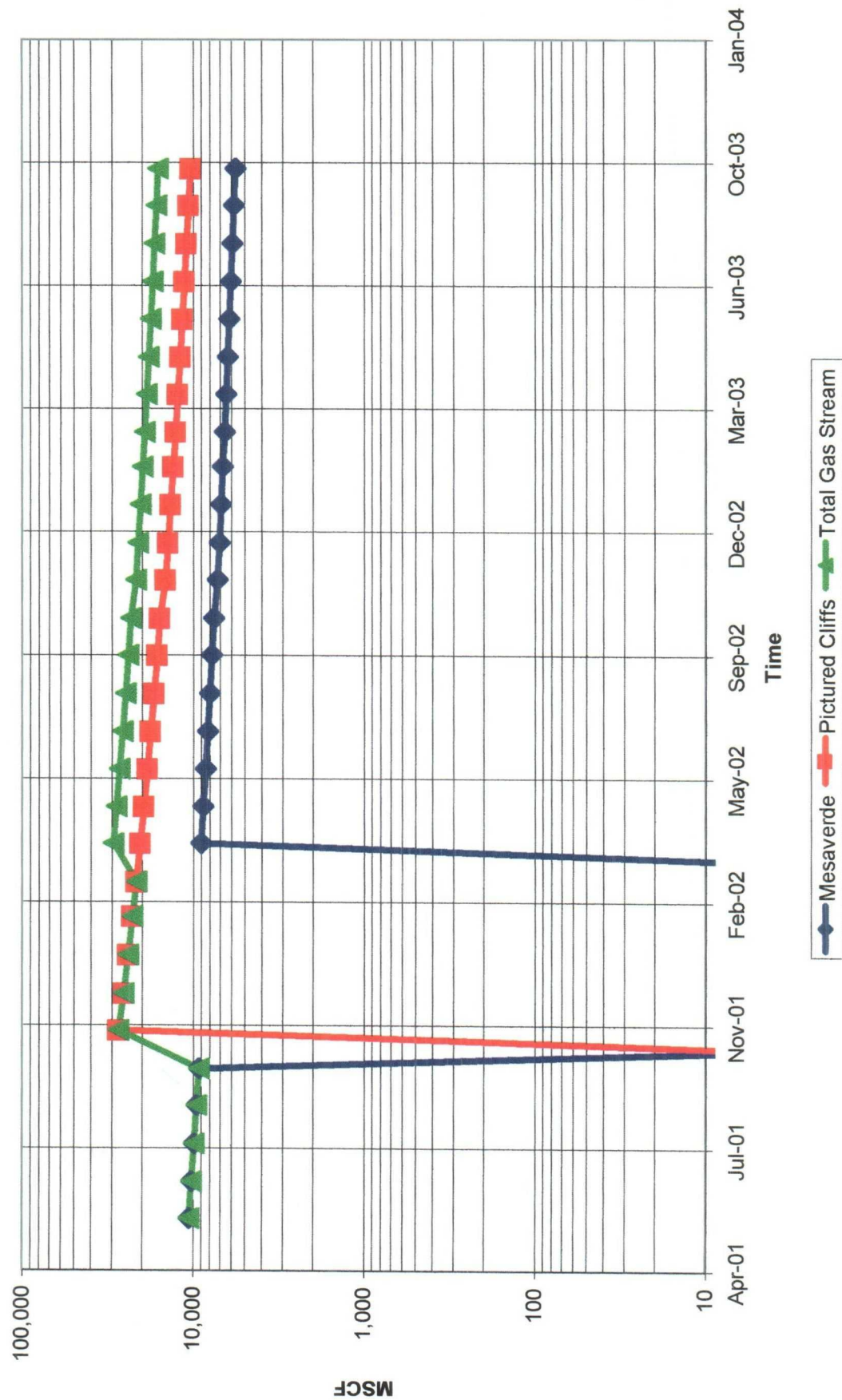
5/31/00
Date of Survey
Signature and Seal of Professional Surveyor:



32-8 #45A Production Summary

Date	Mesaverde		Pictured Cliffs		Total	
	MSCF/D	MSCF/M	MSCF/D	MSCF/M	MSCF/D	MSCF/M
Jun-01	350	10,651	0	0	350	10,651
Jul-01	338	10,276	0	0	338	10,276
Aug-01	326	9,927	0	0	326	9,927
Sep-01	316	9,601	0	0	316	9,601
Oct-01	305	9,295	0	0	305	9,295
Nov-01	0	0	900	27,387	900	27,387
Dec-01	0	0	843	25,637	843	25,637
Jan-02	0	0	792	24,098	792	24,098
Feb-02	0	0	747	22,733	747	22,733
Mar-02	0	0	707	21,514	707	21,514
Apr-02	296	9,009	671	20,420	967	29,428
May-02	287	8,739	639	19,431	926	28,170
Jun-02	279	8,486	609	18,534	888	27,019
Jul-02	271	8,246	582	17,715	853	25,962
Aug-02	264	8,020	558	16,966	821	24,986
Sep-02	257	7,806	535	16,278	791	24,084
Oct-02	250	7,603	514	15,644	764	23,246
Nov-02	237	7,227	477	14,512	714	21,739
Dec-02	232	7,052	460	14,006	692	21,058
Jan-03	226	6,886	445	13,534	671	20,420
Feb-03	221	6,728	430	13,092	651	19,820
Mar-03	216	6,576	417	12,678	633	19,255
Apr-03	211	6,431	404	12,290	615	18,722
May-03	207	6,293	392	11,925	599	18,218
Jun-03	202	6,160	381	11,581	583	17,741
Jul-03	198	6,033	370	11,256	568	17,289
Aug-03	194	5,911	360	10,949	554	16,860
Sep-03	190	5,794	350	10,658	541	16,452
Oct-03	187	5,681	341	10,382	528	16,064

32-8 #45A Monthly Gas Production



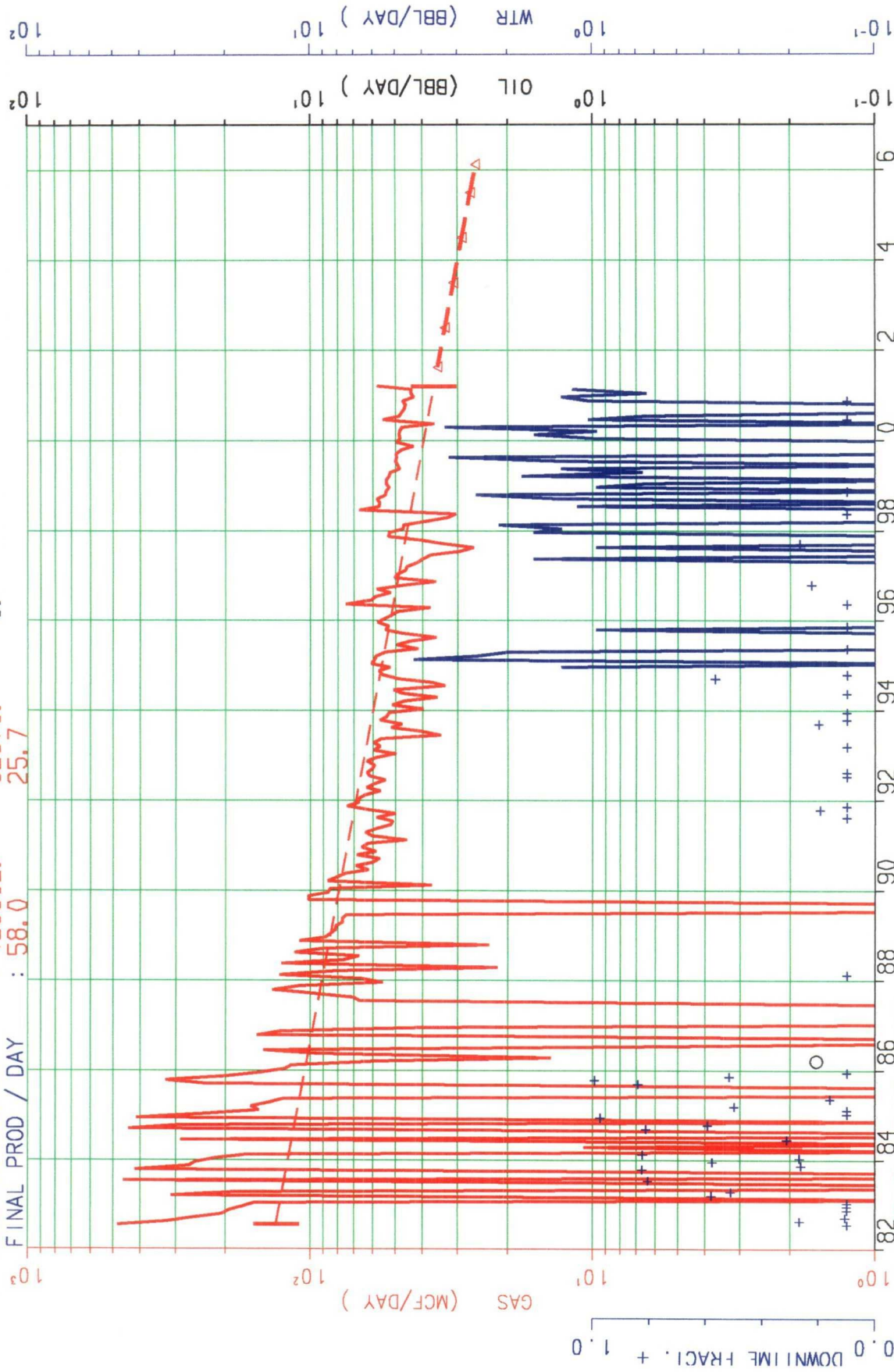
7/82-3/1 4/1-LIFE 426832. MCF GAS
 : 133.1 36.3 5. BBL OIL
 REMAINING LIFE : 18.75 5.00 1398. BBL WTR
 EXP (0.00) DECL % : 7.36 7.36
 CUM PRODUCTION : 426832. 52670.
 FINAL PROD / DAY : 58.0 25.7

ASSOC.

4/1-LIFE

7/82-3/1

Current Cums



F012002
 ZONE-650117002000045 F012002
 API-30045251280000 THRU 2/01

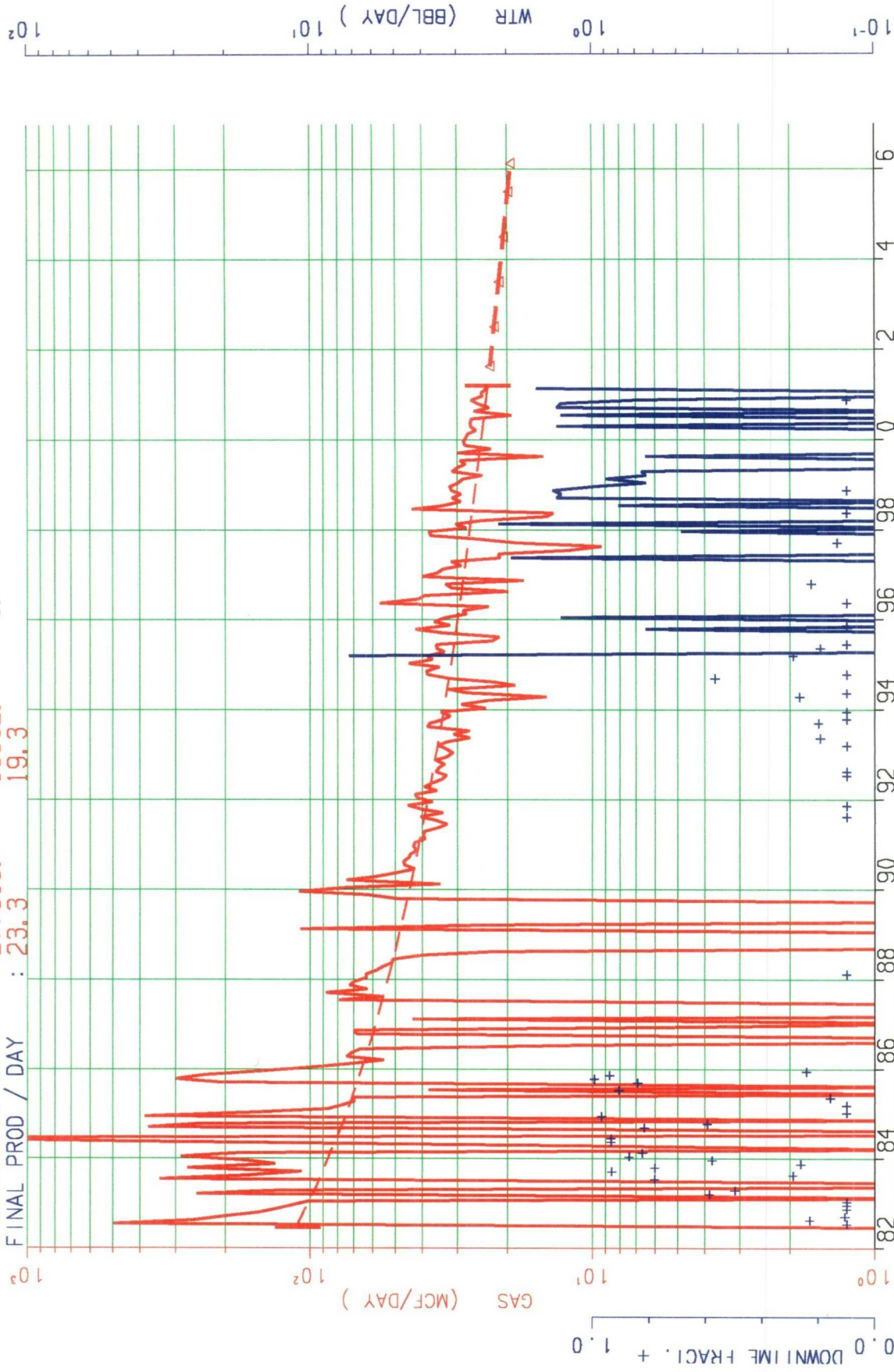
LEASE- 650117 : SAN JUAN 32-8 MESA VERDE
 RESVR- 002 : BLANCO
 WELL - 000045 CUM MCF =426839.

INITIAL PROD / DAY : 113.2
 REMAINING LIFE : 18.83
 HARM(1.00) DECL % : 22.23
 CUM PRODUCTION : 277338.
 FINAL PROD / DAY : 23.3

6/82-3/1 4/1-LIFE
 23.3
 5.00
 4.58
 35532.
 19.3

ASSOC. 0.0
 0.

Current Cums
 277338. MCF GAS
 859. BBL WTR

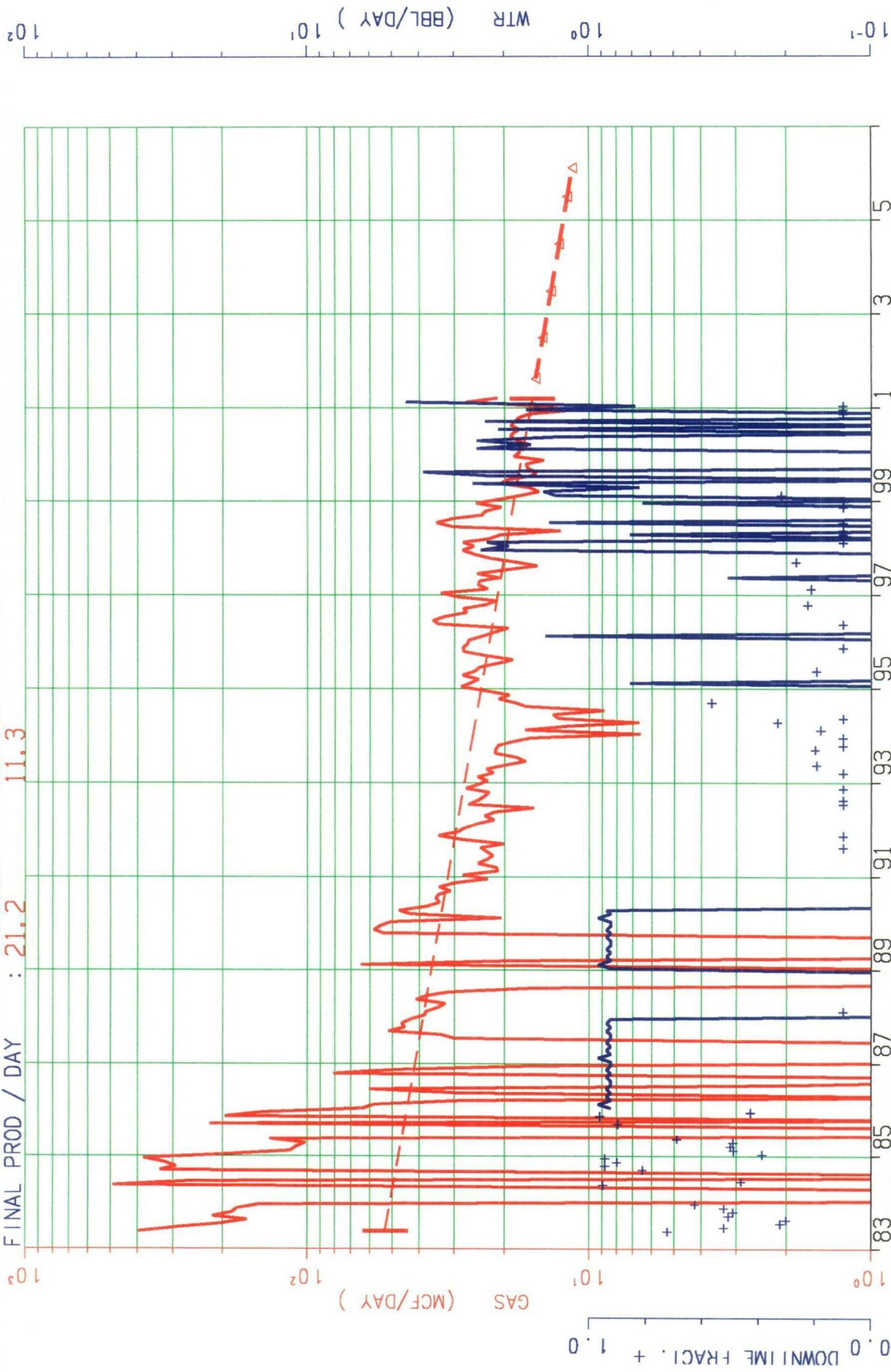


AVERAGE ONTIME = 0.920

LEASE- 650117 : SAN JUAN 32-8 MESA VERDE
 RESVR- 002 : BLANCO
 WELL - 000046 CUM MCF = 277462.

F050402
 ZONE-650117002000046 F050402
 API-30045251270000 THRU 2/01

5/83-3/1 4/1-LIFE ASSOC. Current Cums
 INITIAL PROD / DAY : 53.2 15.9 0.0 175792. MCF GAS
 REMAINING LIFE : 17.92 5.00
 EXP (0.00) DECL % : 7.35 7.35 2310. BBL WTR
 CUM PRODUCTION : 175792. 22570.
 FINAL PROD / DAY : 21.2 11.3



AVERAGE ON TIME = 0.918

LEASE- 650117 : SAN JUAN 32-8 MESA VERDE
 RESVR- 002 : BLANCO MESAVERDE
 WELL - 000049 CUM MCF = 175871.

F049301
 ZONE-650117002000049 F049301
 API-30045253940000 THRU 2/01

4/81-6/0 7/0-LIFE 'SSOC. Current Cums

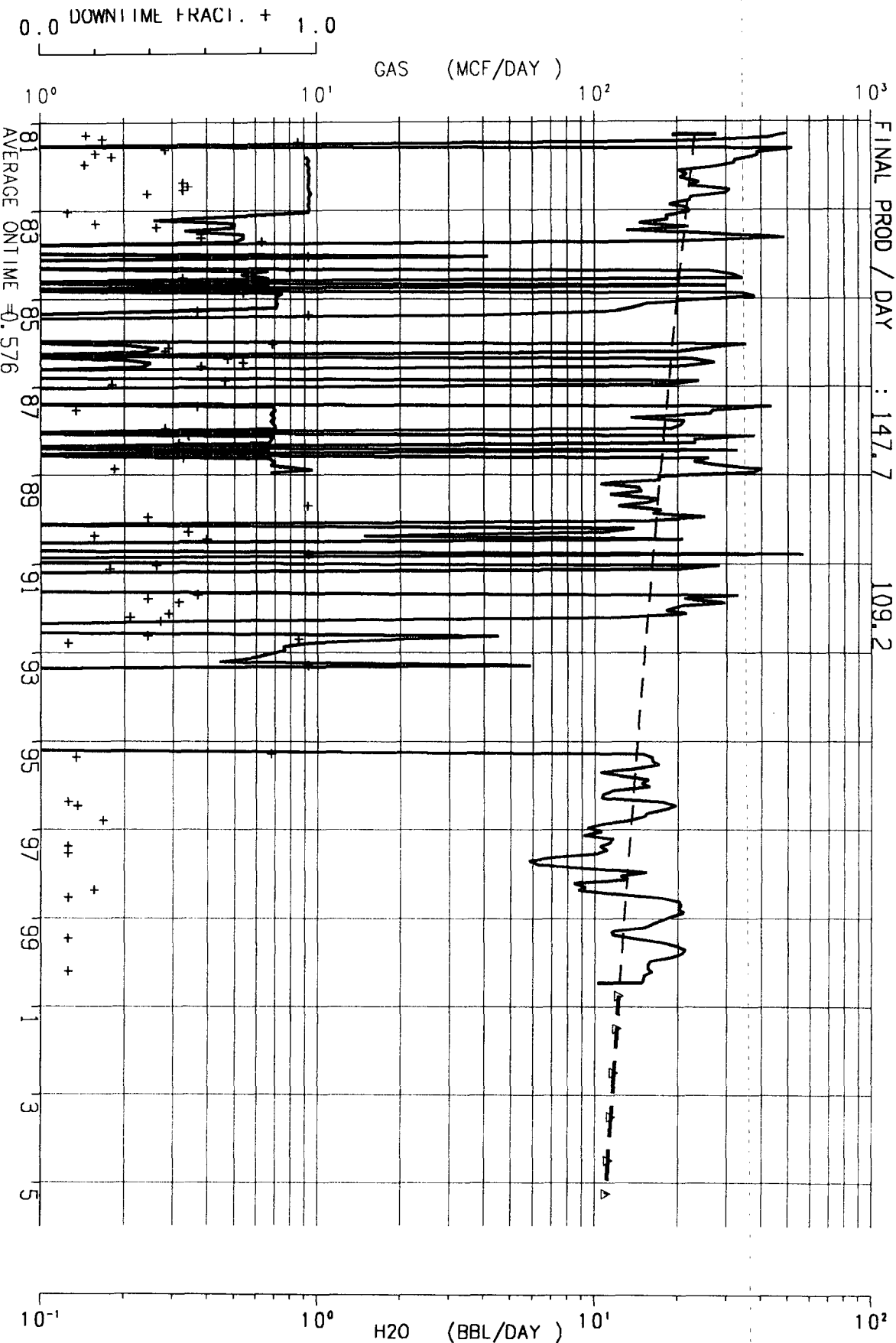
INITIAL PROD / DAY : 232.5 123.1 720089. MCF GAS

REMAINING LIFE : 19.25 5.00

HYPR(0.89) DECL % : 7.71 4.38

CUM PRODUCTION : 720089. 121811. 869. BBL H2O

FINAL PROD / DAY : 147.7 109.2 0.



WELL - 6 REESE MESA

BLANCO MESAVERDE

CUM MCF=720371. N 32.0W 8.0

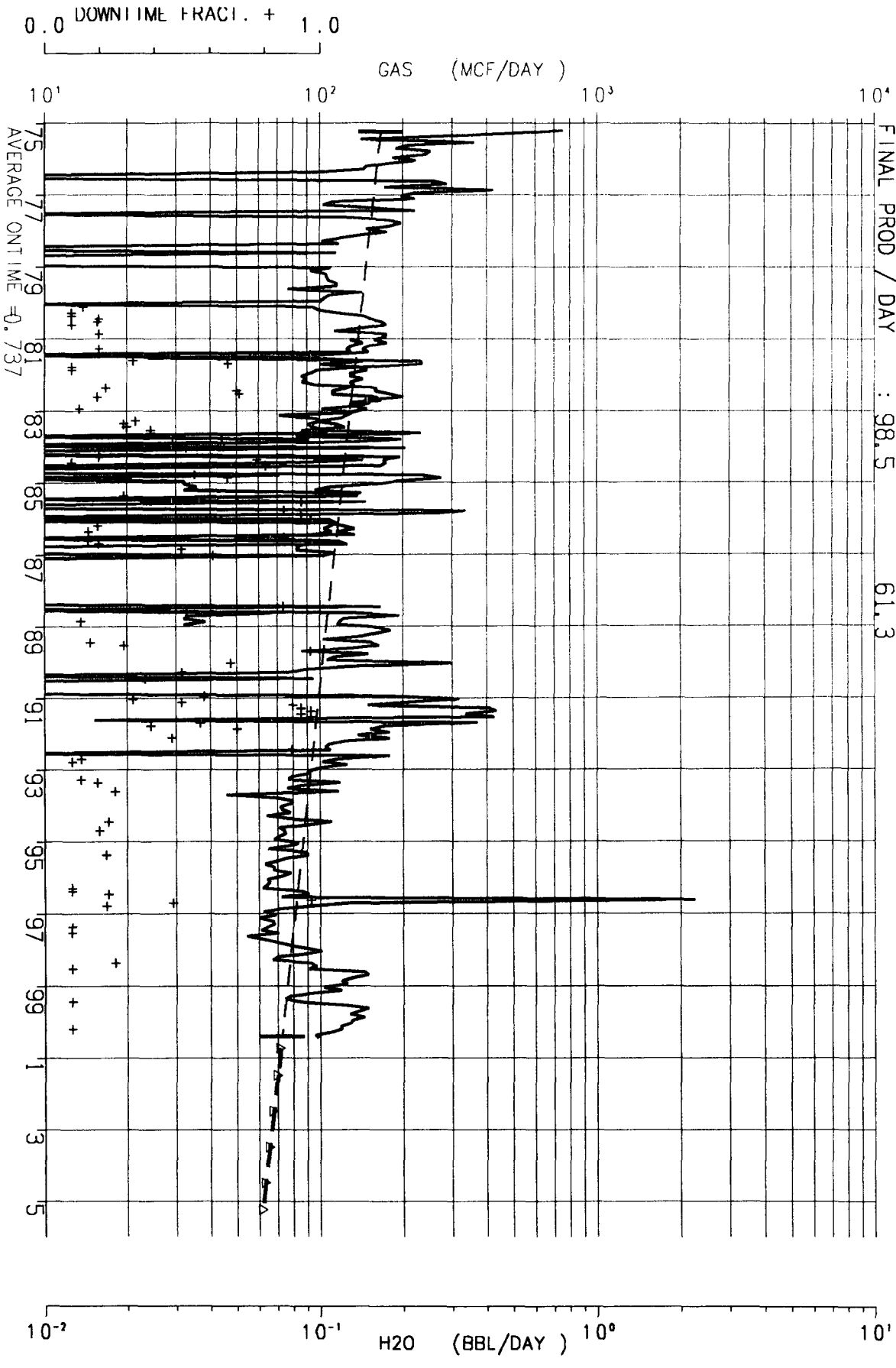
DWIGHTS A

PI-230043045236227231 API-300452362200

BURLINGTON RESOURCES THRU 6/00

See 10

INITIAL PROD / DAY : 375-6/0
REMAINING LIFE : 72.3
EXP (0.00) DECL % : 5.00
CUM PRODUCTION : 4.48
FINAL PROD / DAY : 877076.0
89615.0
SSOC. : 0.
Current Cums : 877076.0 MCF GAS
148. BBL H2O



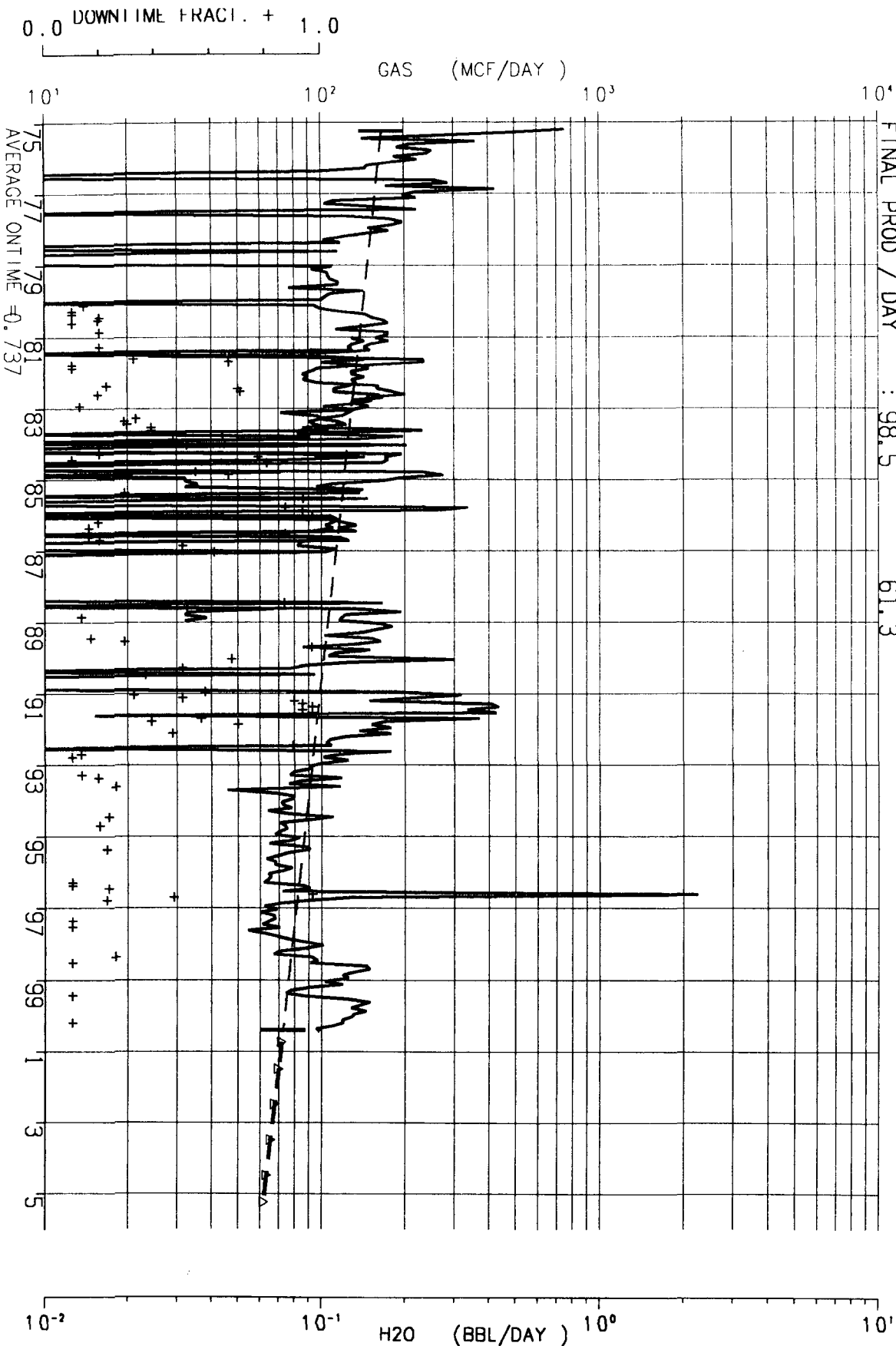
WELL - 4

revised See 1-1

EMDA 2001/02/02 08:19 5

EMDA 2001/02/02 08:19 7

INITIAL PROD / DAY	: 166.9	3/75-6/0	7/0-LIFE	72.3	SSOC.	Current Cums
REMAINING LIFE	: 25.33			5.00	0.0	877076. MCF GAS
EXP (0.00) DECL %	: 4.48			4.48		148. BBL H2O
CUM PRODUCTION	: 877076.			89615.	0.	
FINAL PROD / DAY	: 98.5			61.3		



WELL - 4

REESE MESA

BLANCO

CUM MCF=877277. N 32.0W 8.0

MESAVERDE

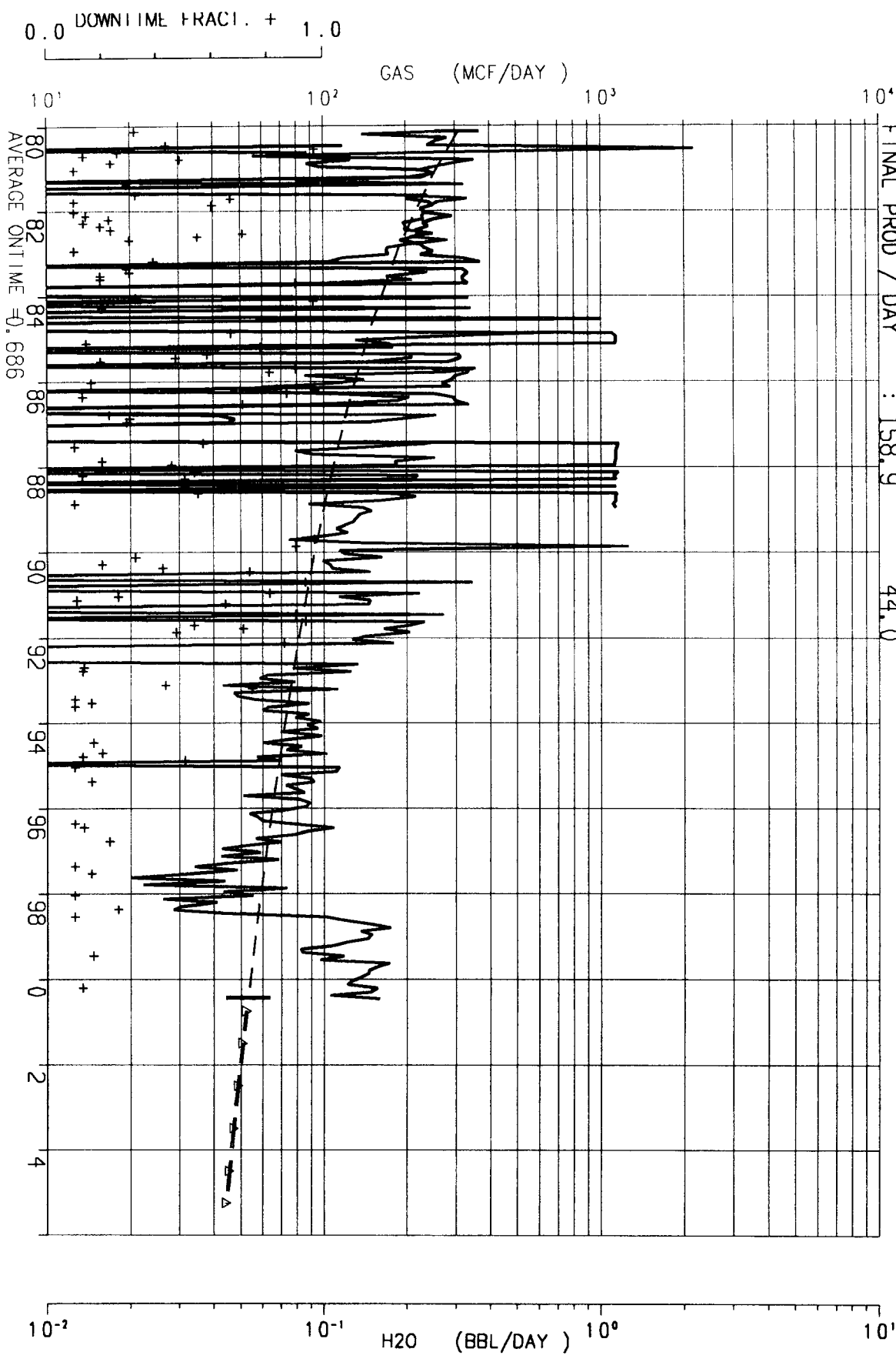
DWIGHTS A

PI-230043045213017231 API-300452130100

BURLINGTON RESOURCES THRU 6/00

mv/DK See 11

INITIAL PROD / DAY	: 313.8	2/80-6/0	7/0-LIFE	52.9	SSOC	Current Cums
REMAINING LIFE	: 20.42			5.00	U.0	663855. MCF GAS
HARM(1.00) DECL %	: 35.16			5.93		814. BBL H2O
CUM PRODUCTION	: 663855.			60355.		
FINAL PROD / DAY	: 158.9			44.0	0.	



WELL - 2A

REESE MESA

BLANCO

CUM MCF=664043. N 32.0W 8.0

MESAVERDE

DWIGHTS A

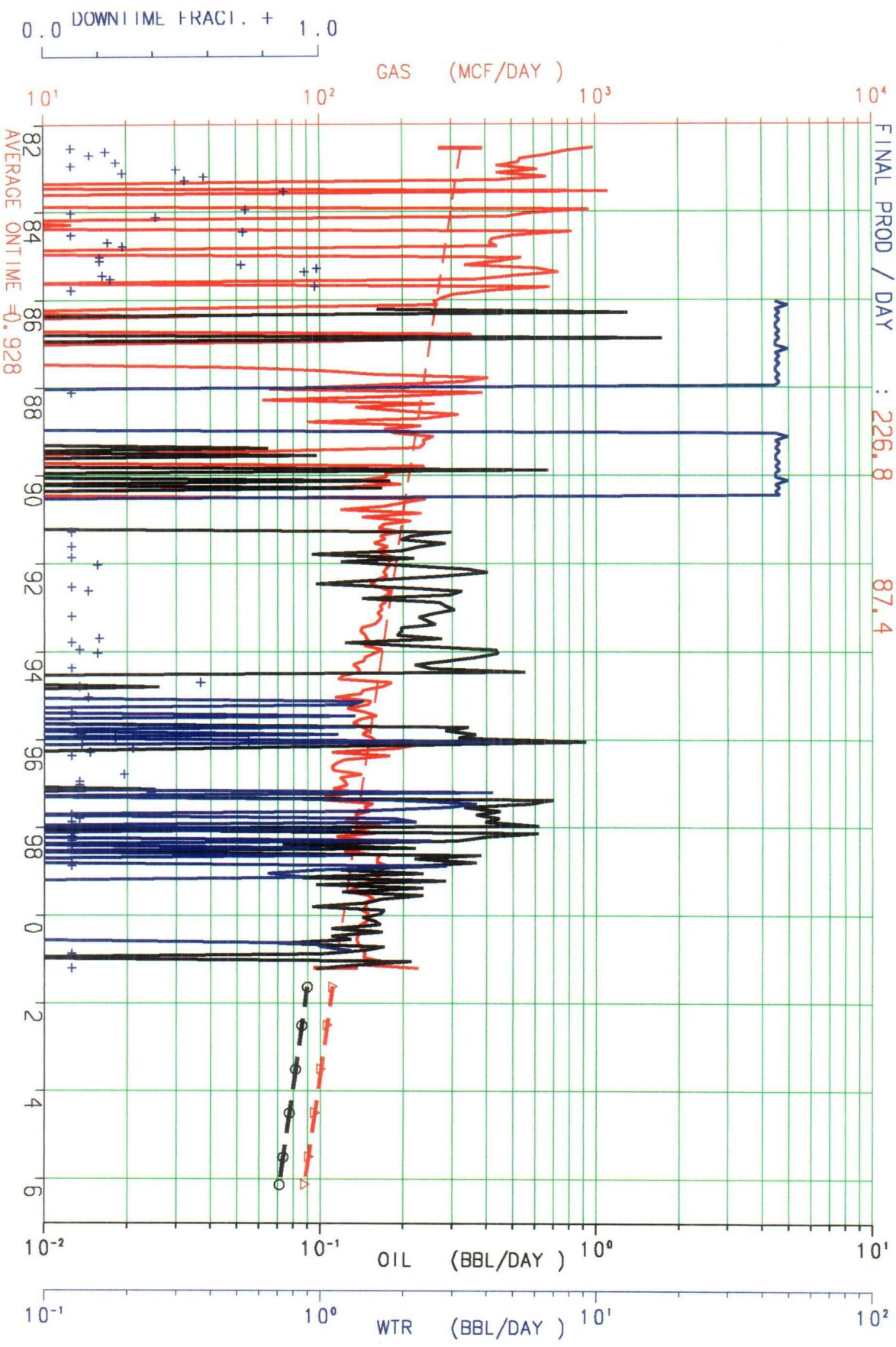
P1-230043045231357231 API-300452313500

BURLINGTON RESOURCES THRU 6/00

MV/PC

Sec 11

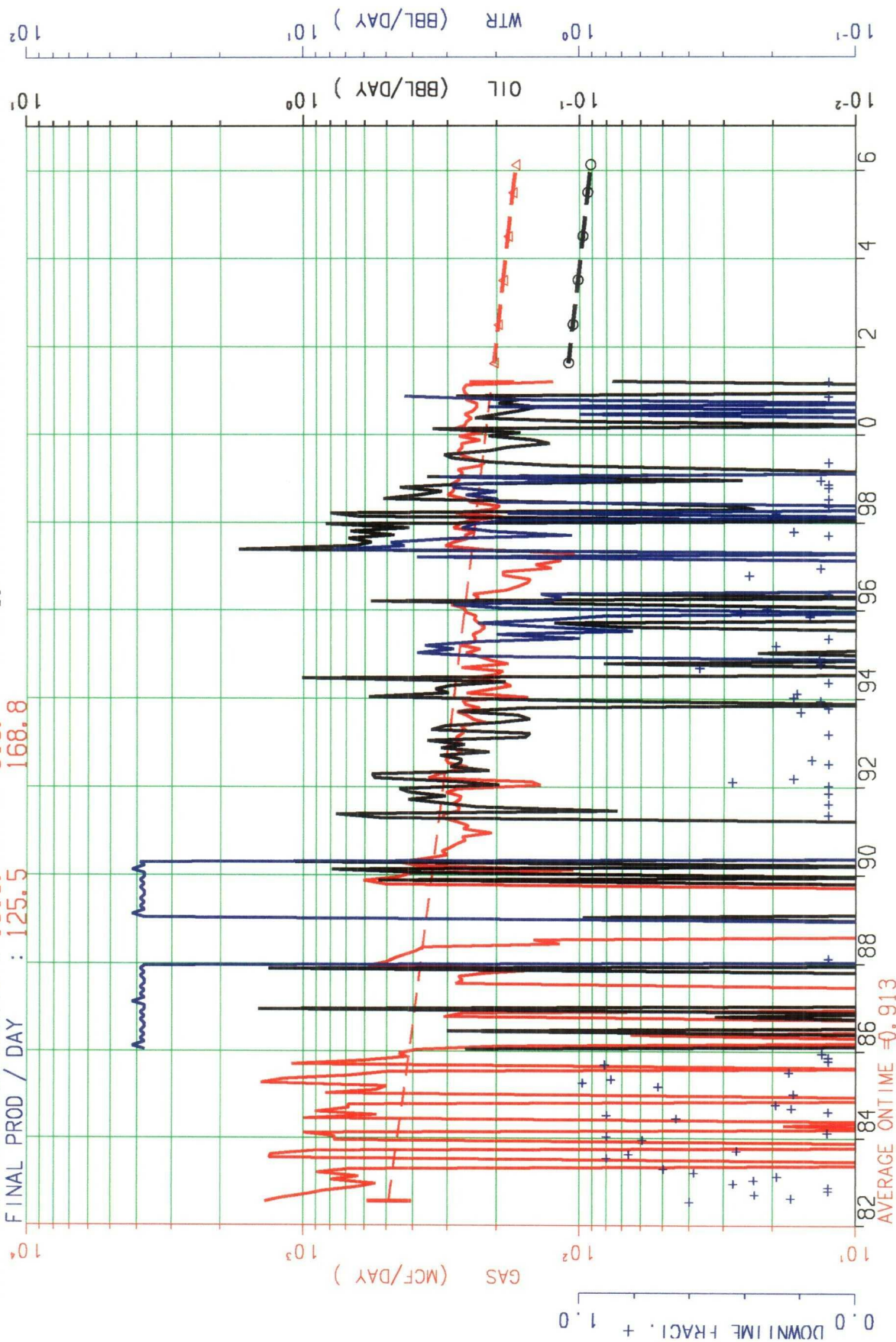
INITIAL PROD / DAY	: 328.2	7/82-3/1	4/1-LIFE	ASSOC.	Current Cums
REMAINING LIFE	: 18.75		113.2	0.1	MMCF GAS
HYPR(0.14) DECL %	: 6.59		5.00		BBL OIL
CUM PRODUCTN-MUNITS	: 1101.		169.		59404. BBL WTR
FINAL PROD / DAY	: 226.8		87.4	0.	



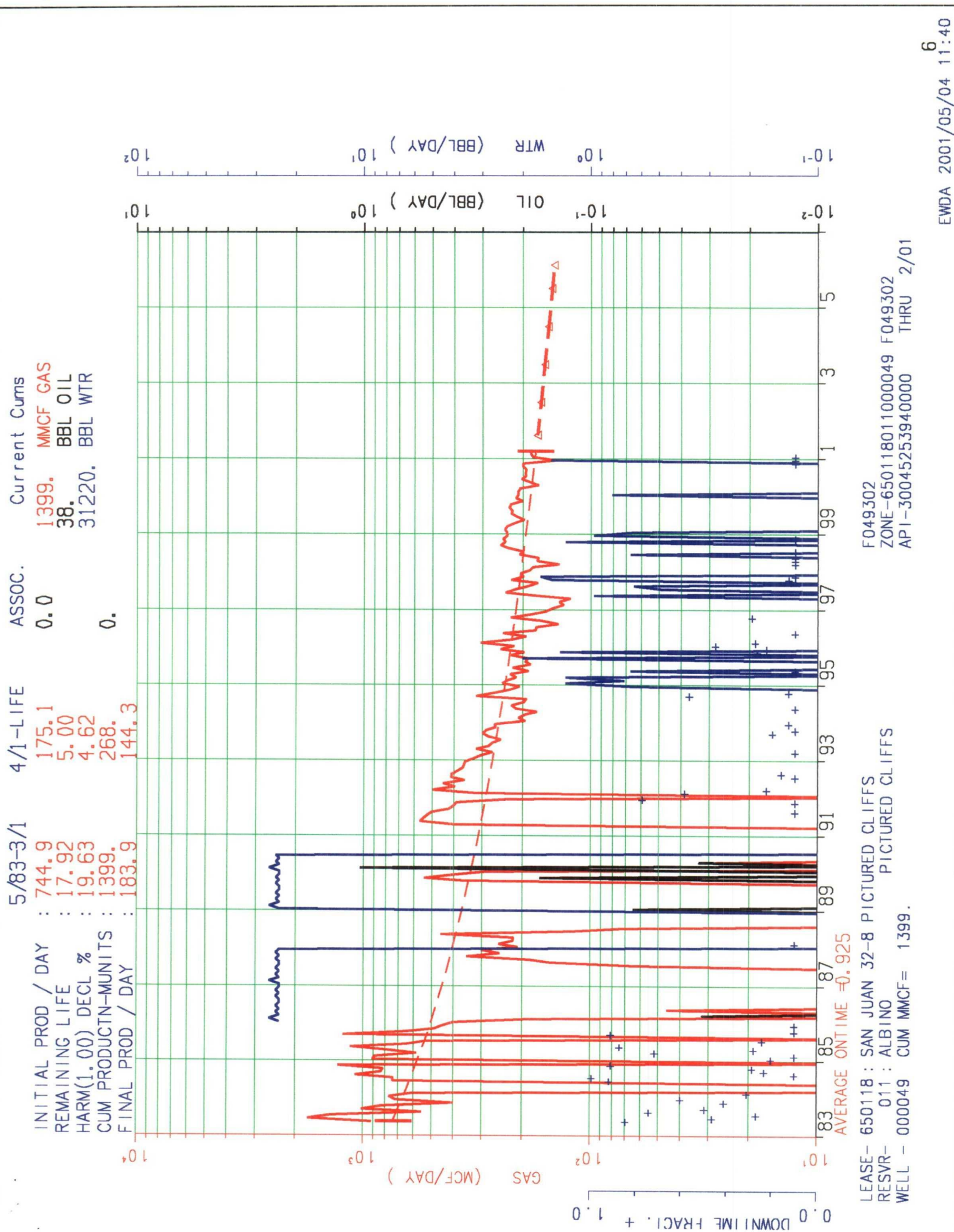
LEASE- 650118 : SAN JUAN 32-8 PICTURED CLIFFS
 RESVR- 011 : ALBINO PICTURED CLIFFS
 WELL - 000045 CUM MMCF = 1101.

F012001
 ZONE-650118011000045 F012001
 API-30045251280000 THRU 2/01

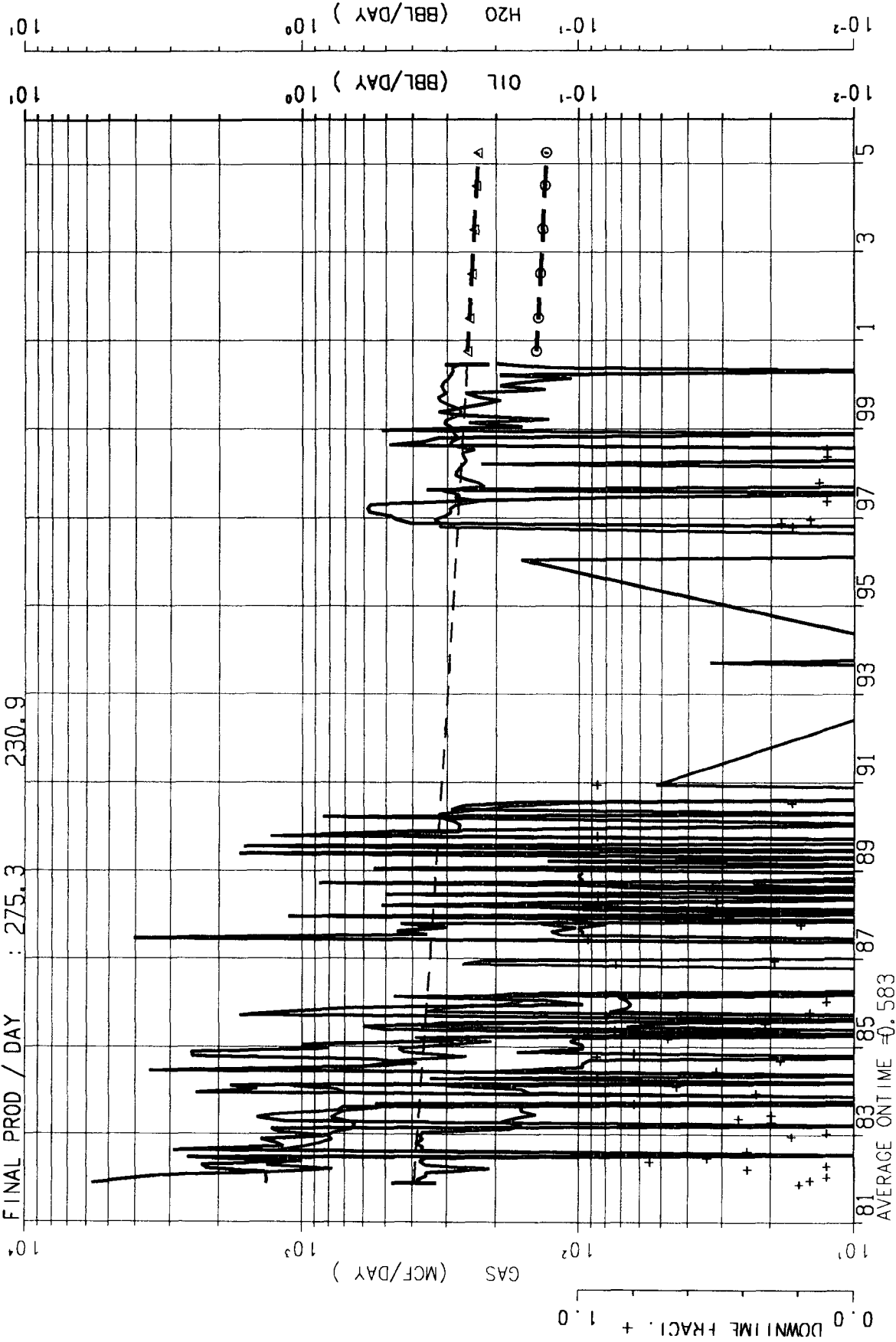
INITIAL PROD / DAY : 490.5
 REMAINING LIFE : 18.75
 HYPR(0.17) DECL % : 5.38
 CUM PRODUCTN-MUNITS : 1610.
 FINAL PROD / DAY : 125.5
 7/82-3/1 4/1-LIFE
 208.1
 5.00
 4.67
 313.
 168.8
 ASSOC. 0.1
 0.
 Current Cums
 1610. MMCF GAS
 976. BBL OIL
 49546. BBL WTR



LEASE- 650118 : SAN JUAN 32-8 PICTURED CLIFFS
 RESVR- 011 : ALBINO
 WELL - 000046 CUM MMCF= 1610.
 F050401
 ZONE-650118011000046 F050401
 API-30045251270000 THRU 2/01



11/81-6/0 7/0-LIFE
 INITIAL PROD / DAY : 395.4 255.1
 REMAINING LIFE : 18.67 5.00
 HYPR(0.61) DECL % : 4.61 3.53
 CUM PRODUCTN-MUNITS : 1175. 258.
 FINAL PROD / DAY : 275.3 230.9
 'SSOC. v.1
 Current Cums
 1175. MMCF GAS
 1879. BBL OIL
 233. BBL H2O



AVERAGE ON TIME = 0.583

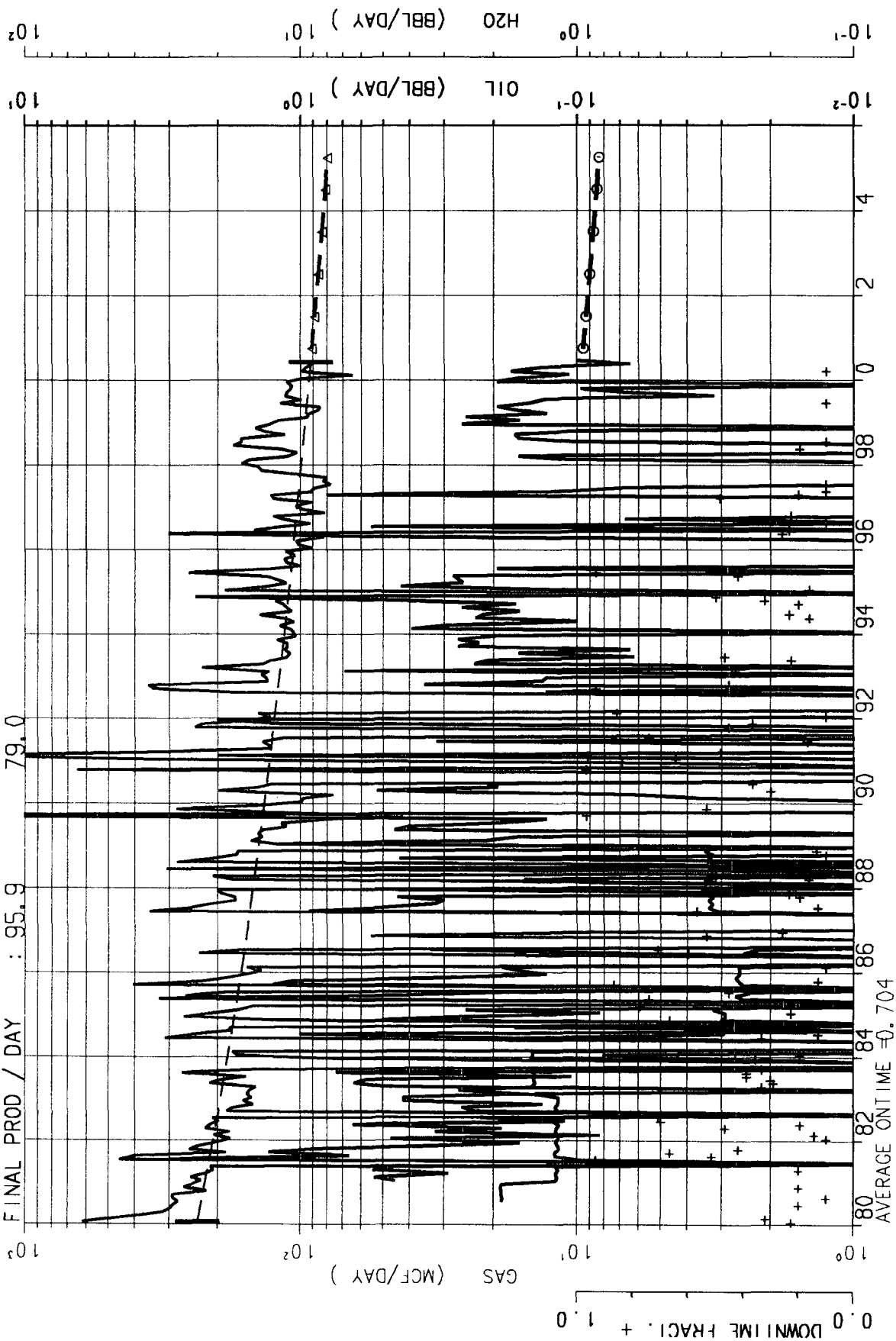
REESE MESA
 ALBINO
 CUM MMCF = 1176. N 32.0W 8.0
 DWIGHTS A
 PI-230043045247097012 API-300452470900
 BURLINGTON RESOURCES THRU 6/00

WELL - 7

See 11

1/80-6/0
 : 237.5
 : 20.50
 : 10.42
 : 821994.
 : 95.9
 7/0-LIFE
 91.5
 5.00
 4.46
 109086.
 79.0
 'SSOC.
 0.1
 80.
 Current Cumis
 821994. MCF GAS
 1216. BBL OIL
 1616. BBL H2O

INITIAL PROD / DAY
 REMAINING LIFE
 HYPR(0.89) DECL %
 CUM PRODUCTION
 FINAL PROD / DAY



DWIGHTS A
 PI-230043045231357012 API-300452313500
 BURLINGTON RESOURCES THRU 6/00

REESE MESA
 ALBINO
 CUM MCF=822173. N 32.0W 8.0

WELL - 2A