

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 South First St. Artesia NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410-1693

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
New 3-12-98

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

San Juan 28-7 Unit

157

Section II, T-27-N, R-7-W, B-1

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rgs

County

OGRID NO 005073

Property Code

016608

API NO.

30-039-20429

Spacing Unit Lease Types (check 1 or more)

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) | Estimated 4838-5548' | | 7440-7650' |
| 3. Type of production (Oil or Gas) | Gas | | Gas |
| 4. Method of Production (Flowing or Artificial Lift) | To flow | | Flowing |
| 5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original | a (Current) 457 b(Original) 1230 | a. b. OIL CONSERV. DIV. FEB 23 1999 | 751 2946 |
| 6. Oil Gravity (*API) or Gas BT Content | 1218 | | 1190 |
| 7. Producing or Shut-In? | To be completed | | Producing |
| Production Marginal? (yes or no) | Expected Yes | | Yes |
| • If Shut-In give date and oil/gas/water rates of last production <small>Note For new zones with no production history applicant shall be required to attach production estimates and supporting data.</small> | Date Rates | Date Rates | Date Rates |
| • If Producing, date and oil/gas/water rates of recent test (within 60 days) | Date Rates Production allocated by subtraction - See attached chart | Date Rates | 1/99 69 MCFD |
| 8. Fixed Percentage Allocation Formula - % for each zone | | | |

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 others ☒ 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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) 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 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 Kay Maddox TITLE Regulatory Agent DATE February 11, 1999

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798