

DISTRICT II

811 South First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

DISTRICT III

1000 Rio Brazos Rd. Aztec NM 87410 1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

☒ YES ☐ NO

Conoco Inc.

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

San Juan 28-7 Unit

157

Section 11, T-27-N, R-7-W, B-

Rio Arriba

Lease

Well No

Unit Ctr Sec Twp Rgt

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	a (Current) 457		751
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing Measured Current All Gas Zones Estimated Or Measured Original	b(Original) 1230		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	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	Date Rates 1/99 69 MCFD
8. Fixed Percentage Allocation Formula - % for each zone	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 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