

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

Operator
Conoco Inc.

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

San Juan 28-7 Unit

7

Section 35, T-28-N, R-7-W-A

Rio Arriba, NM

Lease

Well No

Unit Ltr Sec Twp Rge

County

OGRID NO. 005073

Property Code 016608

API NO.

30-039-07265

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	Basin Fruitland Coal 71629		Blanco Pictured Cliffs 72439
2. TOP and Bottom of Pay Section (Perforations)	2584-2800"		2816-2882'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Expected to Flow		Flowing
5. Bottomhole Pressure	a (Current)		
Oil Zones - Artificial Lift: Estimated Current	432		360
Gas & Oil - Flowing: Measured Current	b (Original)		
All Gas Zones: Estimated Or Measured Original	1167		1119
6. Oil Gravity (*API) or Gas BT Content	1045		1189
7. Producing or Shut-In?	To Be completed		Producing
Production Marginal? (yes or no)	Expected to be		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, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Expected IP 150-250 MCFD Allocation by test upon completion		4/99 105 MCFD
8. Fixed Percentage Allocation Formula - % of 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?

If not, have all working, overriding, and royalty interests been notified by certified mail?

Have all offset operators been given written notice of the proposed downhole commingling?

X Yes ___ No
___ Yes ___ No
X Yes ___ No

11. Will cross-flow occur? X 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. X Yes ___ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each others X Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes X 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. X 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.

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

May 11, 1999

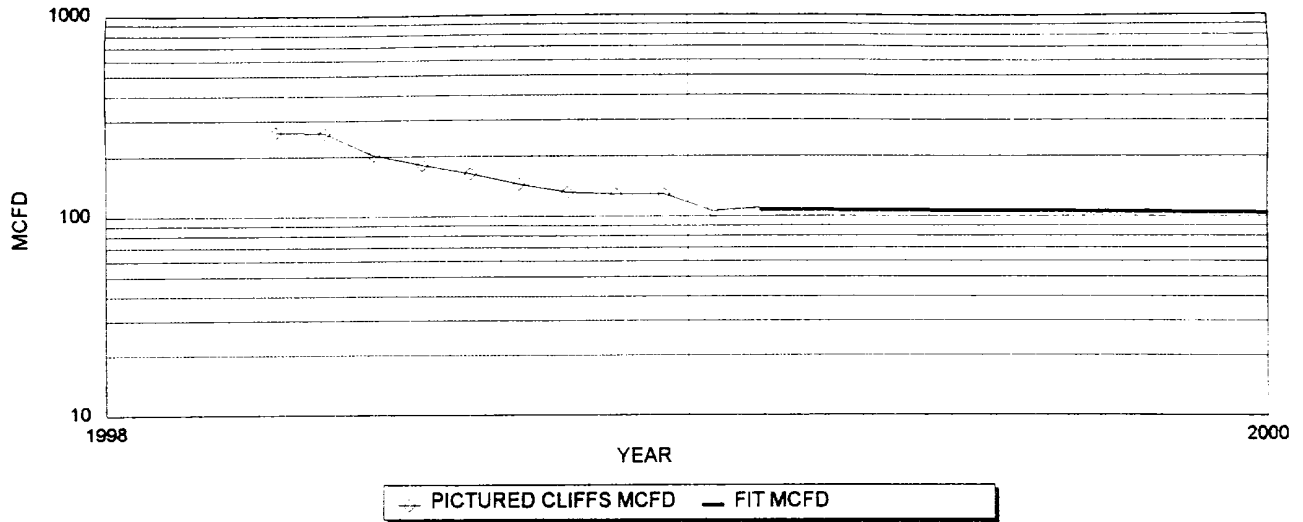
TYPE OR PRINT NAME Kay Maddox

TELEPHONE NO.

(915)

686-5798

**SAN JUAN 28 7 UNIT #7 PICTURED CLIFFS PRODUCTION
SECTION 35A-28N-07W**

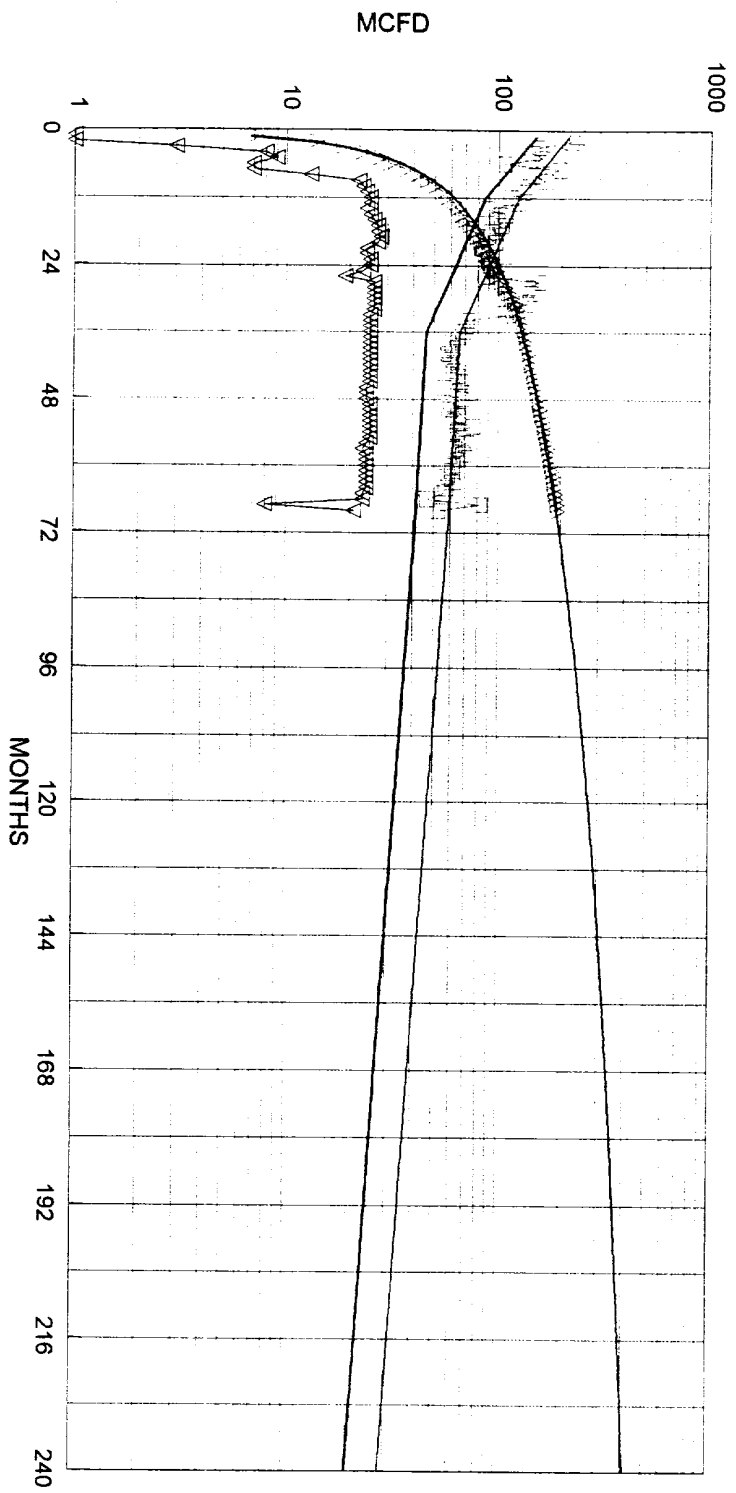


PC HISTORICAL DATA:		1ST PROD: 04/98	PC PROJECTED DATA	
OIL CUM:	0.00	MBO	1/1/99 Q1:	108 MCFD
GAS CUM:	55.2	MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
CUM OIL YIELD:	0.0000	BBL/MCF		

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1999	106.9	0.0
2000	101.6	0.0
2001	97.6	0.0
2002	93.7	0.0
2003	89.9	0.0
2004	86.3	0.0
2005	82.9	0.0
2006	79.6	0.0
2007	76.4	0.0
2008	73.3	0.0
2009	70.4	0.0
2010	67.6	0.0
2011	64.9	0.0
2012	62.3	0.0
2013	59.8	0.0
2014	57.4	0.0
2015	56.1	0.0
2016	52.9	0.0
2017	50.8	0.0
2018	48.7	0.0
2019	46.8	0.0
2020	44.9	0.0
2021	43.1	0.0
2022	41.4	0.0
2023	39.7	0.0
2024	38.2	0.0
2025	36.6	0.0
2026	35.2	0.0
2027	33.8	0.0
2028	32.4	0.0
2029	31.1	0.0
2030	29.9	0.0
2031	28.7	0.0
2032	27.5	0.0
2033	26.4	0.0

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NORMALIZED FRUITLAND COAL PRODUCTION
28 WELLS SINCE 1990: 28N-7W & 27N-7W



— FIT MCFD
▽ WELLS ON PRODUCTION
--- FIT CUM MMCF
... RISKED MCFD

NORMALIZED AVG:

540 MMCF EUR
539 MMCF IN 40 YRS
10 MCFD E.L.
0.0000 bbl/mcf oil yield

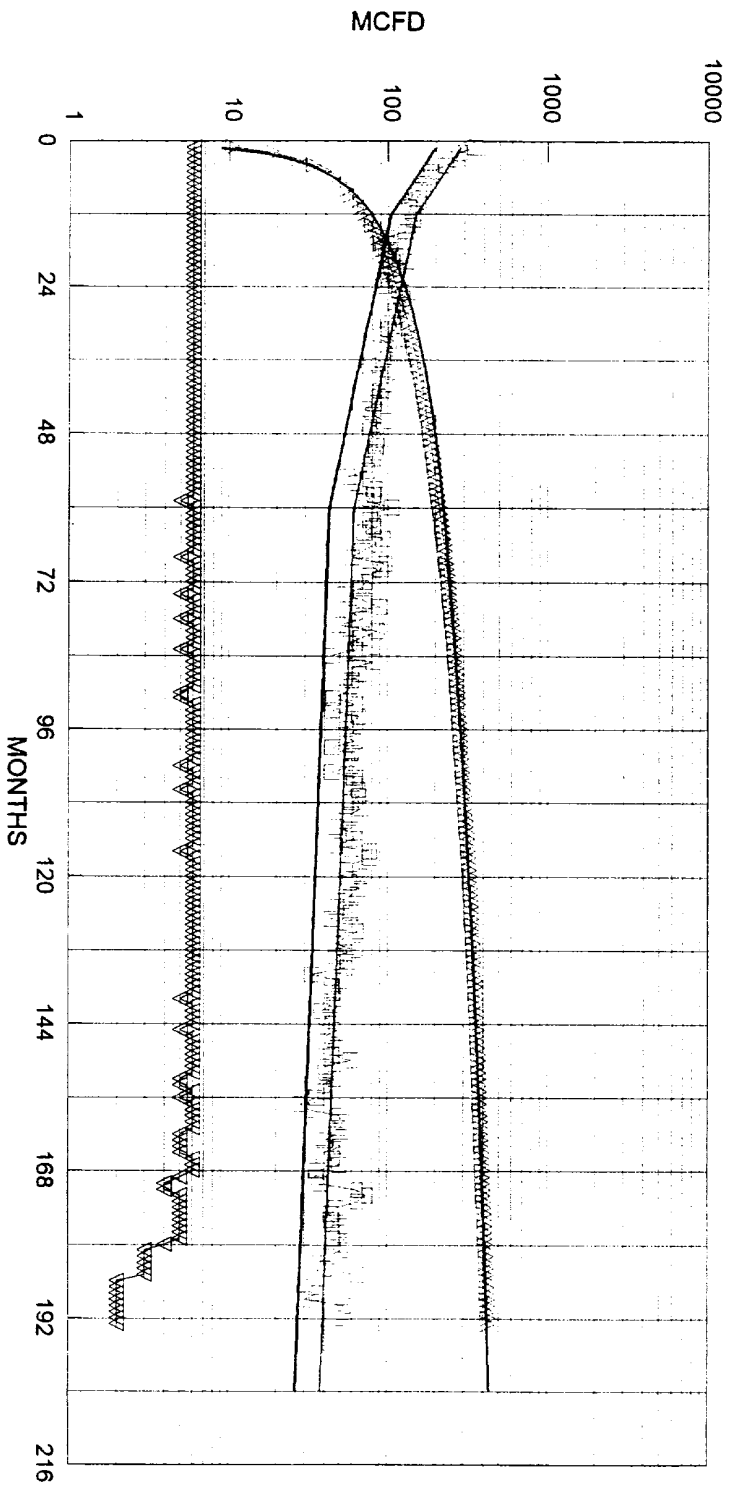
RISKED AVG:

30% RISK

367 MMCF EUR
364 MMCF IN 33 YRS
10 MCFD E.L.
0.0000 bbl/mcf oil yield

168 MCFD IP
46.0% DECLINE, 1ST 12 MONTHS
27.0% DECLINE, NEXT 24 MONTHS
5.0% FINAL DECLINE

NORMALIZED PICTURED CLIFFS PRODUCTION
PROD. SINCE 1974; 6 PC WELLS LOCATED IN 28N-7W



NORMALIZED AVG:

684 MMCF EUR
642 MMCF IN 40 YRS
10 MCFD E.L.
0.0001 bbl/mcf oil yield

RISKED AVG:

300 MCFD IP
50% DECLINE, 1ST 12 MONTHS
20% DECLINE, NEXT 48 MONTHS
4% FINAL DECLINE

30% RISK

462 MMCF EUR
432 MMCF IN 36 YRS
10 MCFD E.L.
0.0001 bbl/mcf oil yield

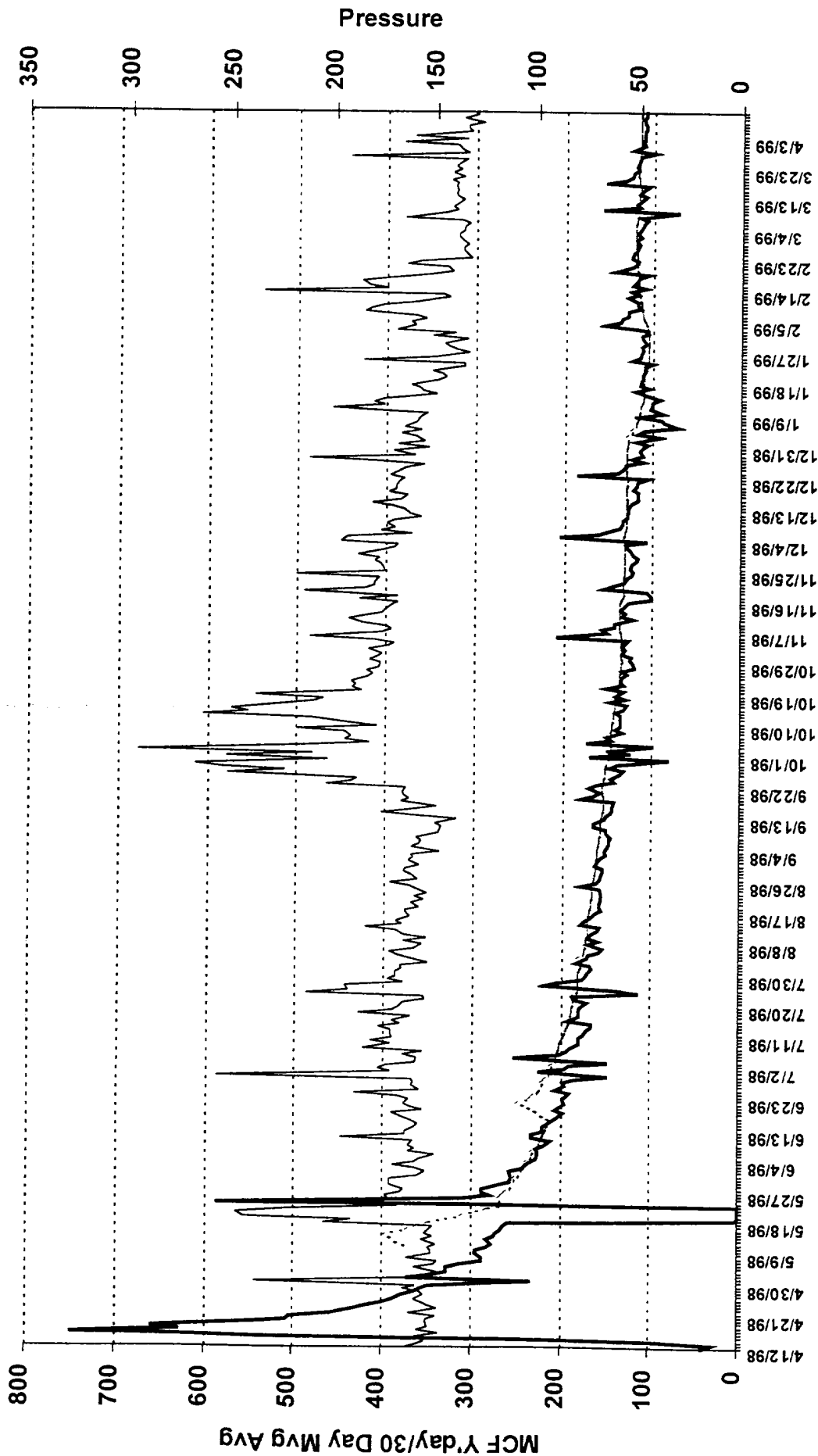
210 MCFD IP
50.0% DECLINE, 1ST 12 MONTHS
20.0% DECLINE, NEXT 48 MONTHS
4.0% FINAL DECLINE



San Juan Gas Production - 365 Day
70-338-01 SANJUAN 28-7 7 MV

Operator: 13 Bob Williams

4/12/99 2:31:24 PM



— MCF Yesterday — Pressure 30 Day Mvg Avg

District I
PO Box 1980, Hobbs. NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe. NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 199-

instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-07265	2 Pool Code 71629	3 Pool Name Basin Fruitland Coal
4 Property Code 016608	5 Property Name San Juan 28-7 Unit	6 Well Number #7
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation 6158'

10 Surface Location

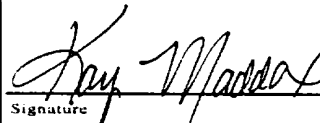
UL or lot no. A	Section 35	Township 28N	Range 7W	Lot Idn	Feet from the 990'	North/South line North	Feet from the 990'	East/West line East	County Rio Arriba
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	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

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 Kay Maddox Printed Name Regulatory Agent Title March 25, 999 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

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Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

APR -2 PM 1:34

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

070 FARMINGTON, NM

API Number 30-039-07265		2 Pool Code 72439		3 Pool Name Blanco Pictured Cliffs South	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number 7
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6158' 3553

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
A	35	28N	7W		990	North	990	East	Rio Arriba

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 160		13 Joint or Infill		14 Consolidation Code		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

<div>16</div>				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Kay Maddox Printed Name Regulatory Agent Title April 1, 1998 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. Date of Survey Signature and Seal of Professional Surveyor	
				Certificate Number	

San Juan 28-7 Unit #7
Section 35, T- 28-N, R-7-W, A
Application to Downhole Commingle C-107A
Rio Arriba, NM

RE: Notification of Offset Operators

Conoco, Inc. is the only operator of the 28-7 unit. This well is interior to the unit boundaries therefore Conoco Inc. is the only offset operator.