

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
CONOCO INC.

3. Address and Telephone No.

10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5400

4. Location of Well (Footage, Sec., T. R. M. or Survey Description)

Section 31, T-28-N, R-7-W, B
990' FNL & 1650' FEL

5. Lease Designation and Serial No.

SF 079298 B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

San Juan 28-7 Unit # 68

9. API Well No.

30-039-60071

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal, Blanco PC

11. County or Parish, State

Rio Arriba, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Subsequent Repon | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input checked="" type="checkbox"/> Other Down Hole Commingle |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracuring |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Repon 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, Inc. proposes to downhole commingle the Fruitland Coal & Pictured Cliffs in this well.

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

Signed

Kay Maddox

Title

Kay Maddox

Regulatory Agent

Date

April 7, 1999

(This space for Federal or State office use)

Approved by

/s/ Duane W. Spencer

Title

Team Lead, Petroleum Management

Date

APR 21 1999

Conditions of approval if any:

BLM(6), NMOCD(1), SHEAR, PONCA, COST ASST, FILE ROOM

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side
NMOCD

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241 1980

DISTRICT II

811 South First St. Artesia NM 88210 2835

DISTRICT III

1006 Rio Brazos Rd. Aztec, NM 87410 1893

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-86

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

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

Operator

Address

Jicarilla 28-7 (NP)

68

Section 31, T-28-N, R-7-W, B

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

OGRID NO. 005073

Property Code

016608

API NO.

30-039-60071

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 South 72439 |
| 2. TOP and Bottom of Pay Section (Perforations) | 2297-2466' | | 2493-2568' |
| 3. Type of production (Oil or Gas) | Gas | | Gas |
| 4. Method of Production (Flowing or Artificial Lift) | Expected Flowing | | Expected Flowing |
| 5. Bottomhole Pressure | a. (Current) | a. | a. |
| Oil Zones - Artificial Lift: Estimated Current | 432 | | 360 |
| Gas & Oil - Flowing: Measured Current | b. (Original) | b. | b. |
| 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 | | To be Completed |
| Production Marginal? (yes or no) | Expected Yes | | Expected 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 |
| | Expect IP - 150-250 MCFD | | Expect IP - 200-300 MCFD |
| 8. Fixed Percentage Allocation Formula - % of each zone | Oil % Gas % 0 % 43 % | Oil % Gas % | Oil % Gas % 100 % 57 % |

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. NMOC 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

April 6, 1999

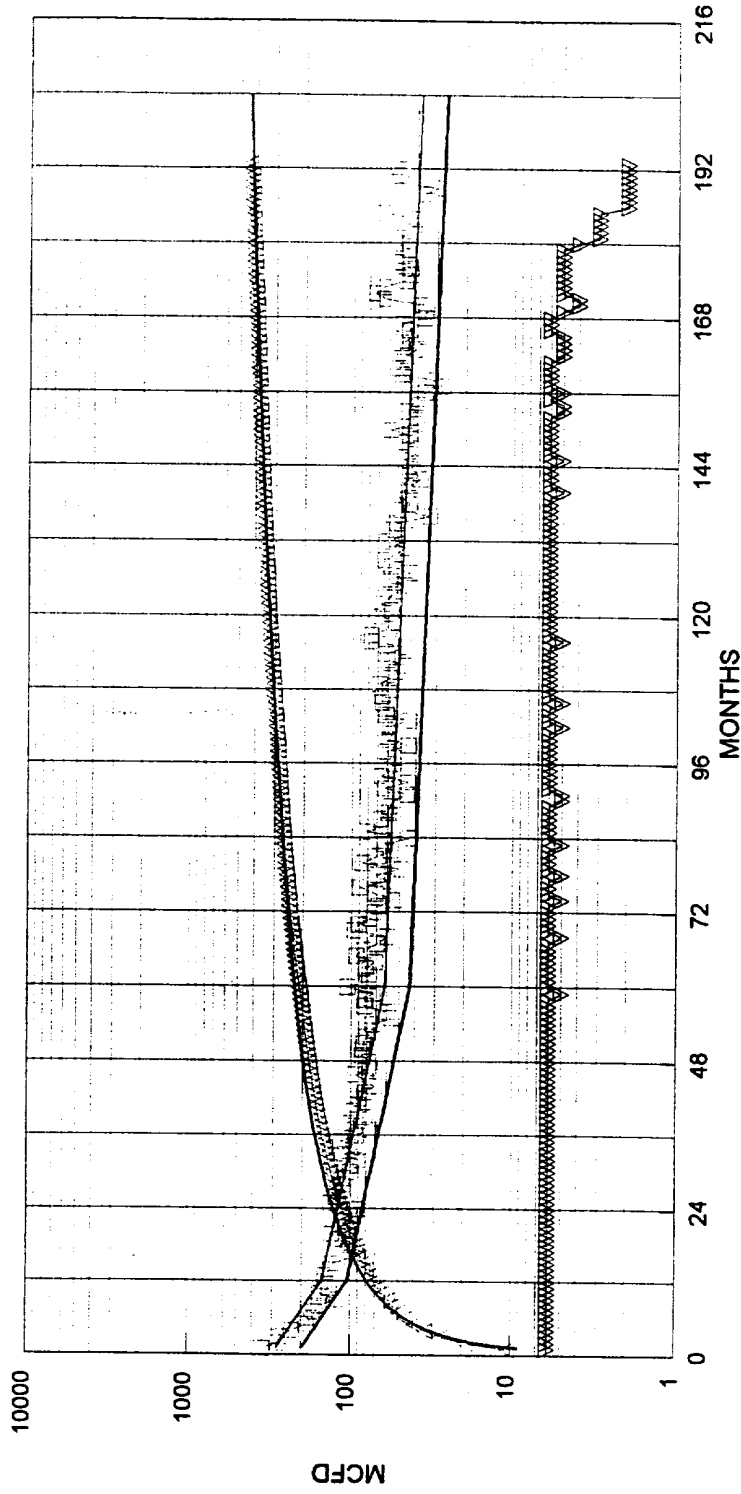
TYPE OR PRINT NAME Kay Maddox

TELEPHONE NO.

(915)

686-5798

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



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

NORMALIZED AVG:

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

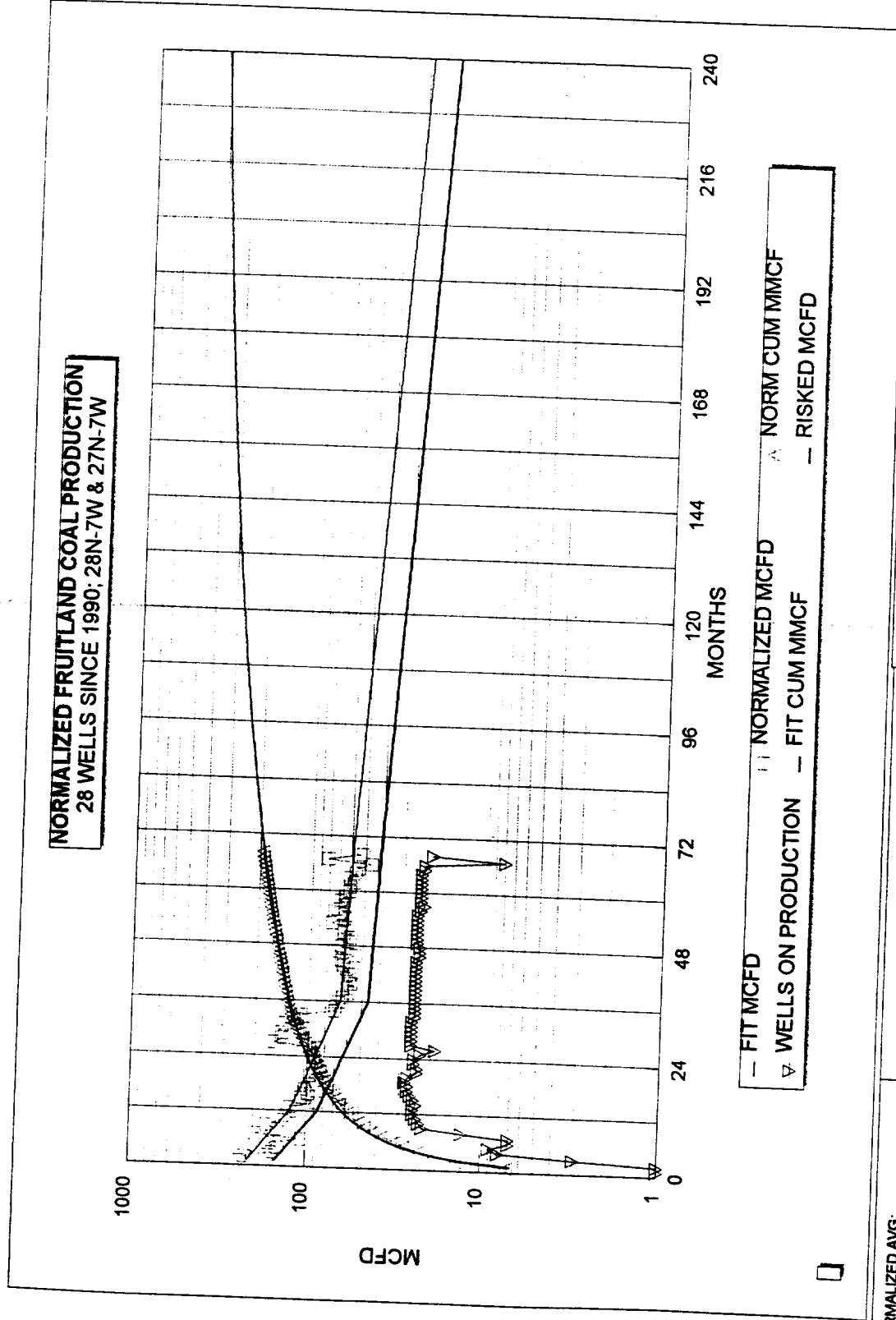
300 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 20% DECLINE, NEXT 48 MONTHS
 4% FINAL DECLINE

RISKED AVG: 30% RISK

452 MMCF EUR 210 MCFD IP
 432 MMCF IN 36 YRS 50.0% DECLINE, 1ST 12 MONTHS
 10 MCFD E.L. 20.0% DECLINE, NEXT 48 MONTHS
 0.0001 bbl/mcf oil yield 4.0% FINAL DECLINE

PREPARED BY: M. Shannon

12/02/98 10:19 AM 1 287277FD.WK4 1



| | | |
|--|--|--|
| NORMALIZED AVG: 540 MMCF EUR 539 MMCF IN 40 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield | RISKED AVG: 225 MCFD IP 45.0% DECLINE, 1ST 12 MONTHS 27.0% DECLINE, NEXT 24 MONTHS 5.0% FINAL DECLINE | RISKED AVG: 357 MMCF EUR 364 MMCF IN 33 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield |
| 158 MCFD IP 45.0% DECLINE, 1ST 12 MONTHS 27.0% DECLINE, NEXT 24 MONTHS 5.0% FINAL DECLINE | | |

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, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|------------------------------|--|---|--|-------------------------------------|----------------------|
| 1 API Number 30-039-60071 | | 2 Pool Code 71629 | | 3 Pool Name Basin Fruitland Coal | |
| 4 Property Code 016608 | | 5 Property Name San Juan 28-7 Unit (NP) | | | 6 Well Number #68 |
| 7 OGRID No. 005073 | | 8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500 | | | 9 Elevation |

10 Surface Location

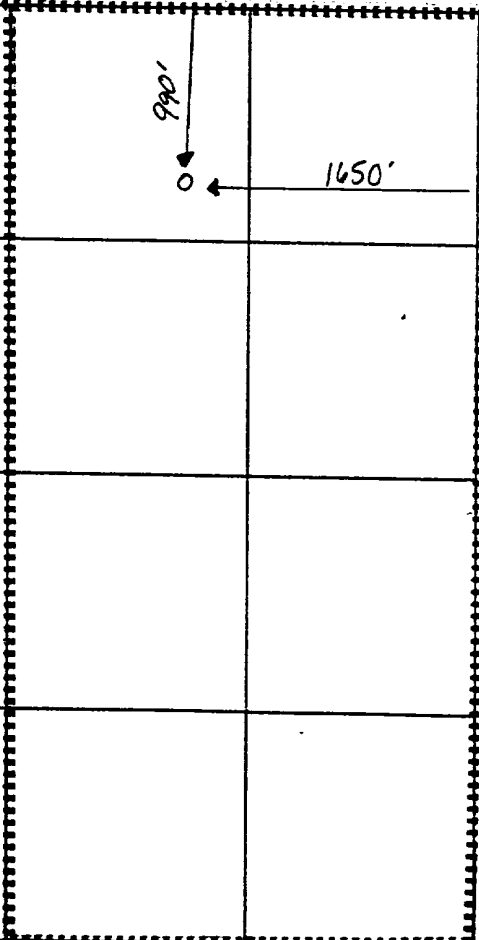
| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| B | 31 | 28N | 7W | | 990' | North | 1650' | 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 320 | 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

| | | | | | | |
|----|---|--|--|--|---|--|
| 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: <i>Kay Maddox</i> | |
| | | | | | Printed Name: Kay Maddox | |
| | | | | | Title: Regulatory Agent | |
| | | | | | Date: 4/7/99 | |
| | | | | | 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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PO Box 1980, Hobbs, NM 88241-1980

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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, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

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|----------------------------|---|----------------------|---------------------------------------|----------------------|
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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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
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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 40 | | 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

| | | | | |
|---|--|--|--|--|
| 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 Kay Maddox | | | | |
| Title Regulatory Agent | | | | |
| Date 4/7/99 | | | | |
| 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 Surveyor: | | | | |
| Certificate Number | | | | |

**San Juan 28-7 Unit Well # 68
API # 30-039-60071
Section 31, T-28-N, R-7-W, B
Rio Arriba County, NM**

RE: Downhole Commingle Application C-107A

Notification of Offset Operators:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Amoco
PO Box 800
Denver, CO 80201

S&G Interests
1331 Lamar STE 501
Houston, TX 77010

Cross Timbers
6001 HWY 64
Farmington, NM 87401

Taurus Exploration Inc.
2101 6th Avenue North
Birmingham, AL 35203-2784

Richardson Operating
1700 Lincoln St. STE 1700
Denver, CO 80203-4501

A copy of the Downhole Commingle Application (C-107A) has been sent to the above listed parties