

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 3-12-96

APPROVAL PROCESS:
___ Administrative ___ Hearing
EXISTING WELLBORE
___ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Phillips Petroleum Company 5525 Hwy. 64, Farmington, NM 87401
Operator Address

San Juan 32-7 Unit 14 H, 28, T32N, R7W San Juan
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 017654 Property Code 009260 API NO. 30-045-11251
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	80690 So. Los Pinos Fruitland Sands PC		72319 Blanco Mesaverde
2. Top and Bottom of Pay Section (Perforations)			
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 1487 (est.) b. (Original) 1700 (est.)	a. b.	a. 578 (est.) b. 1360 (est.)
6. Oil Gravity (°API) or Gas BTU Content	1145		1005
7. Producing or Shut-in?			Producing
Production Marginal? (yes or no)	Yes		Yes
• If Shut-In, give 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: Rates:	Date: Rates:	Date: Rates:
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: estimate Rates: 150 mcf/d	Date: Rates:	Date: 5/31/98 Rates: 26 mcf/d
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 other? ☒ 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. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-11210
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 Clinton H. Hutchinson TITLE Reservoir Engr. DATE 7/23/99

TYPE OR PRINT NAME Clint Hutchinson TELEPHONE NO. (505) 599-3423



PHILLIPS PETROLEUM COMPANY
FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 23, 1999

New Mexico Oil & Gas Conservation Div.
2040 South Pacheco
Santa Fe, New Mexico 87505-6429

Downhole Commingling Allocation Method
on the San Juan 32-7 Unit #14

Dear Sirs:

Phillips Petroleum is proposing to produce the Pictured Cliffs approximately one month before commingling the zones. This will provide an isolated test of the Pictured Cliffs and allow the pressure in the Pictured Cliffs to decrease before the zone is commingled with the Mesaverde. After the zones are commingled, Phillips Petroleum is proposing to utilize the subtraction method on the subject well for approximately twelve months after actual commingling occurs. After the 12th month period we will convert to the ratio method as indicated in our commingling application. We believe this will be a more accurate method of allocating production considering that the Dakota interval has been producing for years and that the production will not be stabilized on the Mesaverde for several months.

Mesaverde Production Forecast

August 1999	921	September 1999	885
October 1999	909	November 1999	874
December 1999	897	January 2000	891
February 2000	829	March 2000	880
April 2000	846	May 2000	869
June 2000	836	July 2000	858

For example, if the total volume for August 1999 were 2,540 mcf, then the Mesaverde would be allocated 921 mcf and the Pictured Cliffs 1,619 mcf. And subsequently, the Mesaverde would be allocated (921/2,540) or 36.26% and Mesaverde would be allocated (1,619/2540) or 63.74%.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Clint Hutchinson
Reservoir Engineer

CH/pc

cc: OCD – Aztec ✓
 BLM- Farmington
 NM Commissioner of Public Lands – Santa Fe

District I
PO Box 1960, Hobbs, NM 88241-1960
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

Form C-102
Revised October 18, 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 30-045-11251		2 Pool Code 80690		3 Pool Name So. Los Pinos Fruitland Sands PC	
4 Property Code 009260		5 Property Name San Juan 32-7 Unit			6 Well Number 14
7 OGRID No. 017654		8 Operator Name Phillips Petroleum Company			9 Elevation 6669'

10 Surface Location

UL or lot no. H	Section 28	Township 32N	Range 7W	Lot Idn	Feet from the 1650	North/South line North	Feet from the 990	East/West line East	County San Juan
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11 Bottom Hole Location If Different From Surface

UL or lot no. H	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 160 ac NE/4	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

16 	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature Patsy Clugston Printed Name Regulatory Assistant Title 7-23-99 Date	
	18 SURVEYOR CERTIFICATION <i>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.</i> May 8, 1956 Date of Survey Signature and Seal of Professional Surveyer: See original C128 dated 5/22/56 Signed by James P. Leese 1463 Certificate Number	

NEW MEXICO
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

Date May 22, 1956

Operator PACIFIC NORTHWEST PIPELINE CORPORATION Lease San Juan 32-7

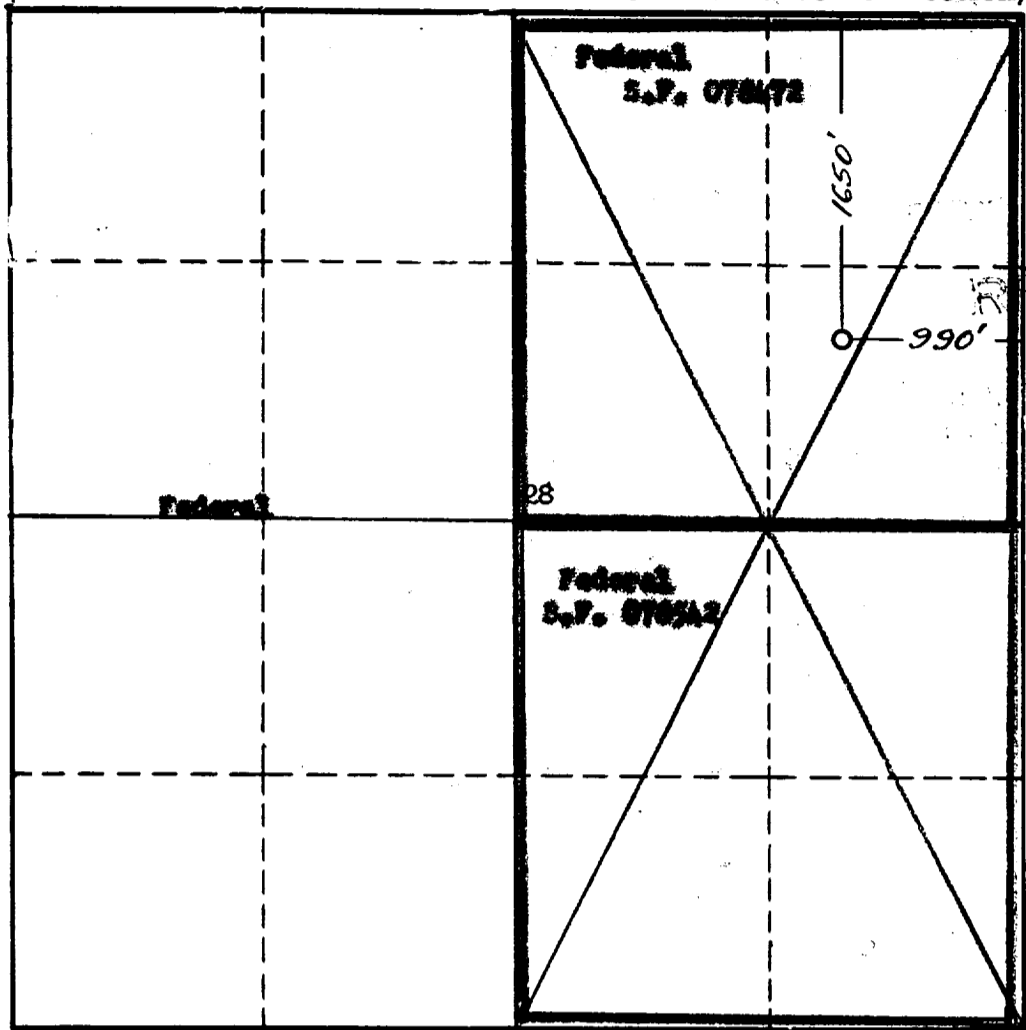
Well No. 11-28 Section 28 Township 32 NORTH Range 7 WEST, NMPM

Located 1650 Feet From the NORTH Line, 990 Feet From the EAST Line

SAN JUAN County, New Mexico. G. L. Elevation 6669.0 UNGRADED

Name of Producing Formation Mano Verde Pool Blanco Dedicated Acreage 120

(Note: All distances must be from outer boundaries of Section)



NOTE

This section of form is to be used for gas wells only.

SCALE: 1"=1000'

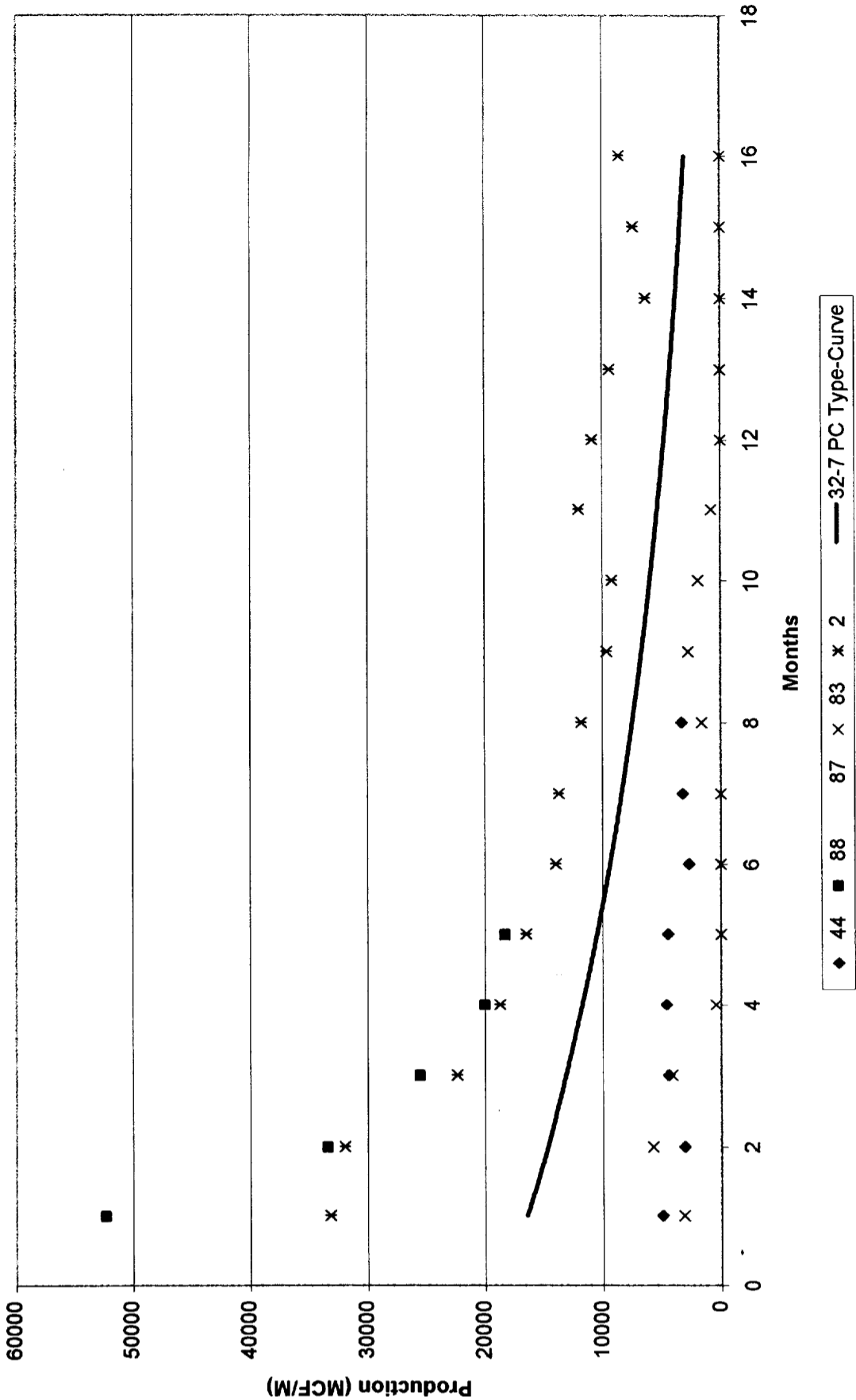
1. Is this Well a Dual Comp. ? Yes No .
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes No .

Name Original signed by T. R. Leese
Position Surveyor
Representing Pacific Northwest Pipeline Corp.
Address 4131 N. 1st, Spokane, Wash.

This is to certify that the above plat was prepared from field notes of actual survey made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed 8 MAY 1956
James P. Leese
Registered Professional Engineer and/or
Land Surveyor James P. Leese
N. Mex. Reg. No. 1463

32-7 Unit Pictured Cliffs



Mesaverde Production Forecast for 32-7 Unit
Well #14

Year	Month	Gas (MCF)
Jun-99	1	903
Jul-99	2	927
Aug-99	3	921
Sep-99	4	885
Oct-99	5	909
Nov-99	6	874
Dec-99	7	897
Jan-00	8	891
Feb-00	9	829
Mar-00	10	880
Apr-00	11	846
May-00	12	869
Jun-00	13	836
Jul-00	14	858
Aug-00	15	852
Sep-00	16	820
Oct-00	17	842
Nov-00	18	809

Initial Rate 30.2 MCF/D

M2Y67-01PARPI - WELLZONE PRODUCTION BROWSEDate: 7/23/99
User: #W9R

MONTHLY TOTALS

Wellzone M6568 01 Yr: 1998 Mth: 11 Property: 650116 SAN JUAN 32-7 MESA V

Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000014

Type: T (T-Total, D-Daily Avg) Field: 0707 BLANCO

Period: M (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20170 MESAVERDE

ADJ	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP	ST	CL	TY
FLG DATE								
1998-11	0.00	1,014	0	30.00	30	11	03	2
1998-12	0.00	990	0	31.00	31	11	03	2
1999-01	0.00	943	0	31.00	31	11	03	2
* 1999-02	0.00	1,113	0	28.00	28	11	03	2
1999-03	0.00	1,034	0	31.00	31	11	03	2
1999-04	0.00	929	0	30.00	30	11	03	2
1999-05	0.00	817	0	31.00	31	11	03	2

NO MORE DATA AVAILABLE

PA1=ICEPF1=HelpPF3=EndPF5=INITIALCUMPF10=Next Well

PF7=BackwardPF8=ForwardPF11=Prev Well