

DATE IN <u>10.26.11</u>	SUSPENSE	ENGINEER <u>WNT</u>	LOGGED IN <u>10.26.11</u>	TYPE <u>DHC</u>	APP NO. <u>1129957821</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED OCD
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ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Arleen Kellywood
Print or Type Name

Arleen Kellywood
Signature

Staff Regulatory Tech 10/25/11
Title Date

Waller 1B
30.045-35196

arleen.r.kellywood@conocophillips.com
e-mail Address

PC

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
X Single Well
____ Establish Pre-Approved Pools
EXISTING WELLBORE
____ Yes X No

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil & Gas P.O.Box 4289 Farmington, NM 87499
Operator Address
Waller 1B Unit P, Sec. 11, 032N, 011W San Juan
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No: 14538 Property Code 18637 API No. 30045351960000 Lease Type: State X Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO MESAVERDE	BASIN MANCOS	BASIN DAKOTA
Pool Code	72319	97232	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4860'-5700' estimated	6400'-7400' estimated	7770'-7900' estimated
Method of Production (Flowing or Artificial Lift)	New Zone	New Zone	New Zone
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	850 psi	3050 psi	2900 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1000	BTU 1000	BTU 1000
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone
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: N/A Rates: N/A	Date: N/A Rates: N/A	Date: N/A Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes _____ No X
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes X No _____
Are all produced fluids from all commingled zones compatible with each other? Yes X No _____
Will commingling decrease the value of production? Yes _____ No X
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application? Yes X No _____
NMOCD Reference Case No. applicable to this well: _____

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 working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE [Signature] TITLE Engineer DATE 10/9/11
TYPE OR PRINT NAME Bill Akwari, Engineer TELEPHONE NO. (505) 326-9700
E-MAIL ADDRESS Bill.N.Akwari@conocophillips.com

Waller 1B

Surface - Unit P, Section 11, T032N, R011W

Bottom Hole – Unit J, Section 11, T032N, R011W

The Waller 1B is a Blanco Mesaverde, Basin Dakota and Basin Mancos new drill. A cased hole neutron log will be run prior to completion to identify the Mesaverde, Dakota and Mancos zones. If the Mesaverde, Dakota and Mancos horizons can be isolated, a spinner test will be performed and the allocation will be assigned. In the event that the Mesaverde, Dakota and Mancos can not be tested separately, a volumetric calculation will be performed to determine the allocation percentages between the Basin Mesaverde, Basin Dakota and Basin Mancos. All documentation will be submitted to the Aztec NMOCD office.

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 7 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35196	² Pool Code 72319/71599/97232	³ Pool Name BLANCO MESAVERDE / BASIN DAKOTA / MANCOS	BASIN
⁴ Property Code 18637	⁵ Property Name WALLER		⁶ Well Number 1B
⁷ OGRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP		⁹ Elevation 6563

¹⁰ SURFACE LOCATION

UL or lot no. P	Section 11	Township 32-N	Range 11-W	Lot Idn	Feet from the 905	North/South line SOUTH	Feet from the 932	East/West line EAST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. J	Section 11	Township 32-N	Range 11-W	Lot Idn	Feet from the 1860	North/South line SOUTH	Feet from the 1760	East/West line EAST	County SAN JUAN
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¹² Dedicated Acres 334.0	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

BOTTOM HOLE NAD 83 LAT: 36.997351° N LONG: 107.956375° W NAD 27 LAT: 36°59.840929' N LONG: 107°57.345152' W		LA PLATA CO., COLORADO SAN JUAN CO., NEW MEXICO	
LOT 4 LOT 3 LOT 2 LOT 1		BLM 1953 BLM 1953 BLM 1953 BLM 1953	
SECTION 11, T-32-N, R-11-W S/2 DEDICATED ACRES S 89°53'28" W S 89°47' W		FEE LEASE NMSF-078119-A 932' 905' 5130.4' (M) 5132.2' (R)	
WELL FLAG NAD 83 LAT: 36.994735° N LONG: 107.953544° W NAD 27 LAT: 36°59.684000' N LONG: 107°57.175274' W		BLM 1953 BLM 1953	

BASIS OF BEARING IS THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, WEST ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION AND NGS/OPUS SOLUTION.

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Arleen Kellywood
Signature
Arleen Kellywood

Printed Name
arleen.r.kellywood@conocophillips.com

Title and E-mail Address

10/5/2011

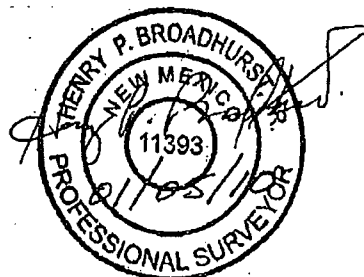
Date

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: 01/06/2010

Signature and Seal of Professional Surveyor:



Certificate Number: NM 11393

WALKER 1B MV Data: Oct.2011-Oct.2011

Operator: Unknown

Field:

Zone:

Type:

Group: None

No

Active

Forecast

Production Cums

Oil: 0 MSTB

Gas: 0 MMSCF

Water: 0 MSTB

Cond: 0 MSTB

Oil Rate - Bbl/d

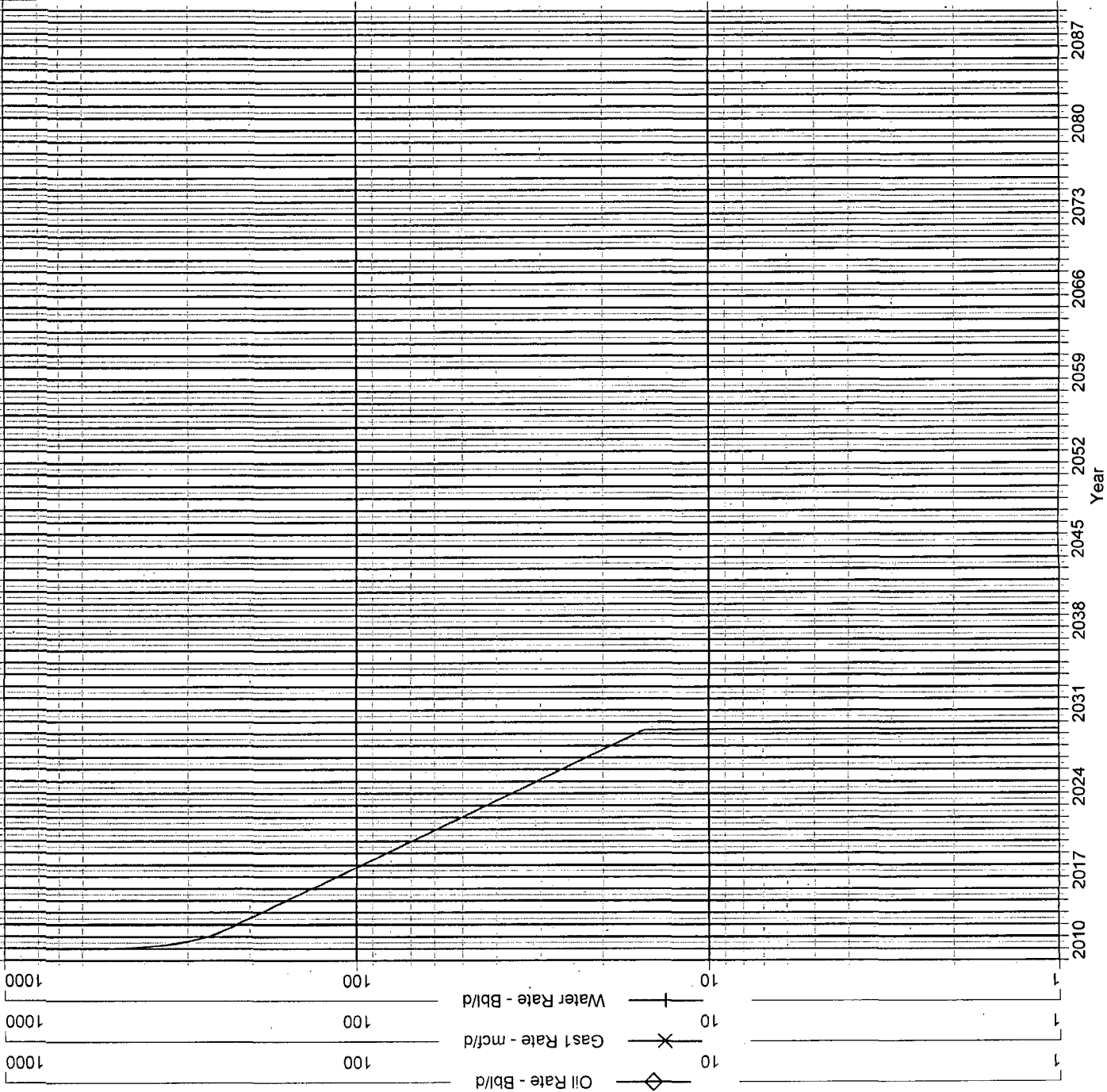
Cum: 0.00

Gas1 Rate - mcf/d

Cum: 0.00

Water Rate - Bbl/d

Cum: 0.00



WALKER 1B DK Data: Oct.2011-Oct.2011

Operator: Unknown

Field:

Zone:

Type: Other

Group: None

No

Active

Forecast

Production Cums

Oil: 0 MSTB

Gas: 0 MMSCF

Water: 0 MSTB

Cond: 0 MSTB

Oil Rate - Bbl/d

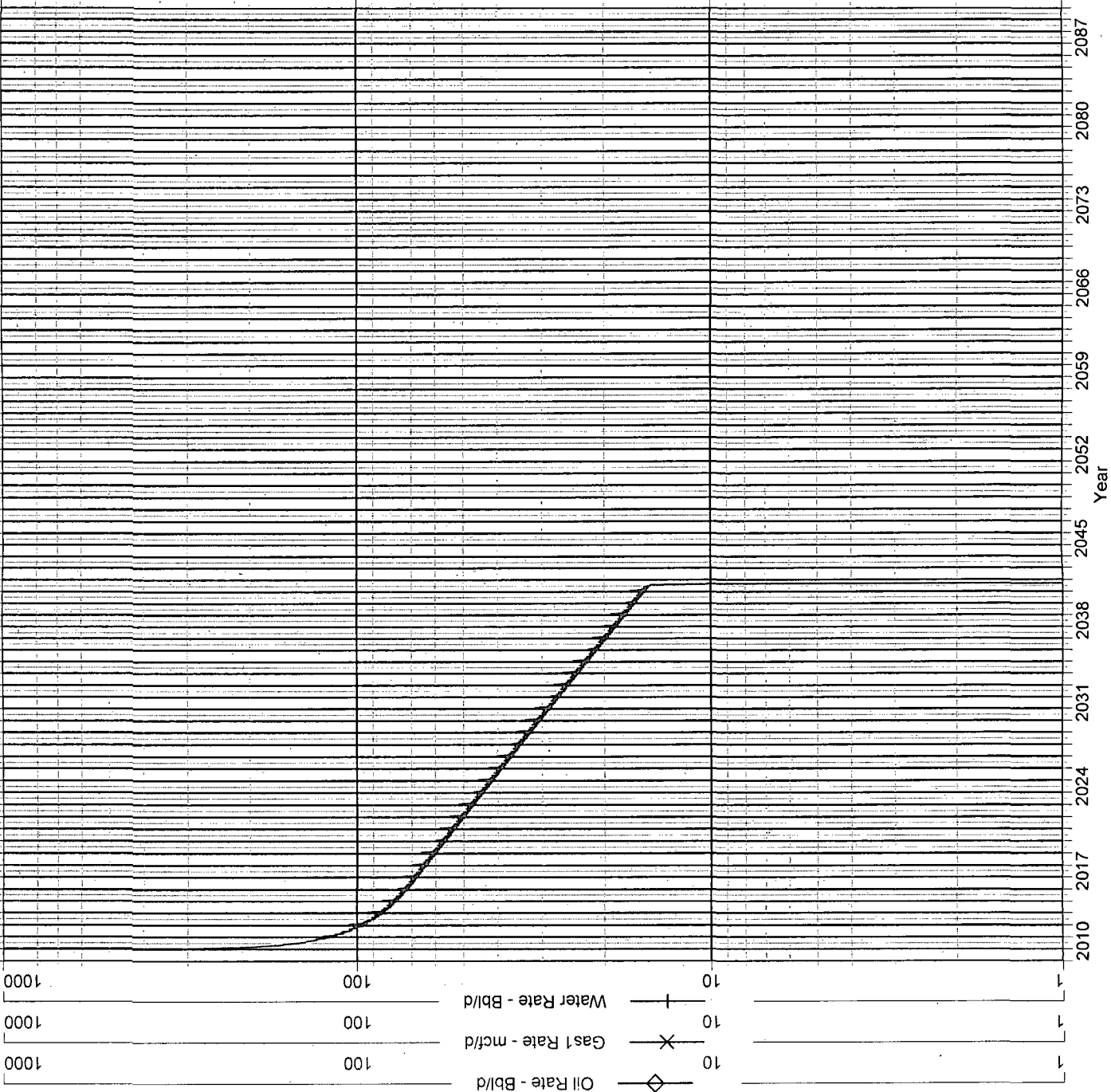
Cum: 0.00

Gas1 Rate - mcf/d

Cum: 0.00

Water Rate - Bbl/d

Cum: 0.00



FNAME	ADDRESS1	ADDRESS2	CITY	State Code	Zip Code
BONANZA CREEK MINERALS LLC	ATTN RICHARD D HUGHES MANAGER	2321 CANDELARIA NW	ALBUQUERQUE	NM	87107
BP AMERICA PRODUCTION COMPANY		PO BOX 848103	DALLAS	TX	75284-8103
BRIAN DOWNING GIBSON		PO BOX 22459	SANTA FE	NM	87502
CHARLES H CULPEPPER					
IRREVOCABLE TRUST		PO BOX 958	FARMINGTON	NM	87499-0958
CULPEPPER MINERALS LLC	ATTN OPERATIONS	PO BOX 5383	DENVER	CO	80217
DONA LISA JOHNSON TRUST U/A DTD 10/29/91					
	C/O KEN ROSEN CPA	3100 OAK RD STE 300	WALNUT CREEK	CA	94597-7777
ELIZABETH H WHITE FAMILY TRUST	LINDA PAYNE TRUSTEE	P O BOX 780099	DALLAS	TX	75378-0099
FAYE M WALLER TRUST	STACEY L JOHNSON TRUSTEE	28415 AVENEDA CONDESA	CATHEDRAL CITY	CA	92234
GIBSON FAMILY TRUST	JAFFA D WAHLBERG & GEORGE ANNE SCHARHAGCO-TRUSTEES --	PO BOX 769	ARCATA	CA	95518
GURDON RANSOM MILLER III		704 CANYON CREST DR	SIERRA MADRE	CA	91024
LANIER FAMILY MINERAL CONTROL AGENCY					
	MA076 FROST NATL BANK AGENT	PO BOX 1600	SAN ANTONIO	TX	78296
MABEL GLENN HAM REVOC TRUST	KATHLYN NORA BLACK TRUSTEE	921 GRECIAN NW	ALBUQUERQUE	NM	87107
MINERALS MGT SERVICE	ONSHORE FEDERAL 17555	P O BOX 5810	DENVER	CO	80217-5810
SUPPLEMENTAL CARE TR FBO					
BOBBY G HOWARD	MARTHA HOWARD ALCORTA TRUSTEE	548 SUMMIT DR	RICHARDSON	TX	75081
V F NEUHAUS PROPERTIES INC		3503 N TAYLOR RD	MISSION	TX	78573
XTO ENERGY INC		PO BOX 730586	DALLAS	TX	75373-0586

BURLINGTON

RESOURCES Oil & Gas Company LP
3401 E. 30th St.
P.O. Box 4289
Farmington, NM 87499-4289

October 10, 2011

Subject well: Waller 1B

It has come to our attention that some interest owners may find the Down Hole Commingle application process slightly confusing. We hope this letter will clarify some of the questions you as an interest owner may have.

ConocoPhillips' (or Burlington's) plans are to add gas pay to the subject well and down hole commingle production. As required by regulation, we have enclosed a copy of the Commingling Application for your review. No action by you is required at this time unless you object.

If you object, you will need to send notice Burlington Resources/ConocoPhillips, PO Box 4289, Farmington, NM 87499 or New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505 within twenty (20) days. Again, if you do not object, you ***do not need*** to sign or return any paperwork at this time.

All interest owners have been notified by certified mail on 10/10/2011.

Thank you,

Arleen Kellywood
Staff Regulatory Technician
ConocoPhillips Company
505-326-9517

District I
1615 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

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1000 Rio Brazos Road, Aztec, NM 87410

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil & Gas P.O.Box 4289 Farmington, NM 87499
Operator Address

Waller 1B Unit P, Sec. 11, 032N, 011W San Juan
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No: 14538 Property Code 18637 API No. 30045351960000 Lease Type: ☒ Federal ☐ State ☐ Fee

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Producing, Shut-In or New Zone	New Zone	New Zone	New Zone
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: N/A Rates: N/A	Date: N/A Rates: N/A	Date: N/A Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☐ No ☒
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☒ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

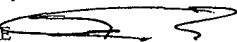
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Engineer DATE 10/9/11

TYPE OR PRINT NAME Bill Akwari, Engineer TELEPHONE NO. (505) 326-9700

E-MAIL ADDRESS Bill.N.Akwari@conocophillips.com

Waller 1B

Surface - Unit P, Section 11, T032N, R011W

Bottom Hole – Unit J, Section 11, T032N, R011W

The Waller 1B is a Blanco Mesaverde, Basin Dakota and Basin Mancos new drill. A cased hole neutron log will be run prior to completion to identify the Mesaverde, Dakota and Mancos zones. If the Mesaverde, Dakota and Mancos horizons can be isolated, a spinner test will be performed and the allocation will be assigned. In the event that the Mesaverde, Dakota and Mancos can not be tested separately, a volumetric calculation will be performed to determine the allocation percentages between the Basin Mesaverde, Basin Dakota and Basin Mancos. All documentation will be submitted to the Aztec NMOCD office.