

DATE IN 3.19.12	SUSPENSE	ENGINEER WUT	LOGGED IN 3.19.12	TYPE WUT	APP NO. 1207941615
-----------------	----------	--------------	-------------------	----------	--------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



RECEIVED  
 2/78/7  
 2012 MAR 14 A 11:45

**ADMINISTRATIVE APPLICATION CHECKLIST** 30-039-30673

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

Signature

Staff Regulatory Tech  
 Title

Date

Federal 11M  
 30-039-30673

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

1625 N. French Drive, Hobbs, NM 88240

Form C-107A  
Revised June 10, 2003

1301 W. Grand Avenue, Artesia, NM 88210

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

X Single Well

1000 Rio Brazos Road, Aztec, NM 87410

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

## APPLICATION FOR DOWNHOLE COMMINGLING

## EXISTING WELLBORE

Yes      X      No

P.O.Box 4289 Farmington, NM 87499

Operator

Address

FEDERAL

11M

Unit I. Sec. 23. 026N. 006W

RIO ARRIBA

## Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No: 217817    Property Code 31535    API No. 30039306730000    Lease Type: X    Federal    State    Fee

### ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes      No      X     

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  TITLE Engineer DATE 3/2/12

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

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

90

Federal 11M  
Unit I, Section 23, T026N, R006W

The Federal 11M 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. Initial Oil allocation will be the same as the gas initial allocation until the first liquid sale is completed. After completing the first liquid sale and using known Dakota and Mesaverde liquid yields from offset Stand Alone wells a system of linear equations will be solved for Mancos liquid yield, and that Mancos liquid yield will be used in conjunction with the Mesaverde and Dakota liquid yields to calculate the oil allocations. The oil allocation will be calculated in a way that is a function of individual formation Gas production and Individual formation liquid yields. All documentation will be submitted to the Aztec NMOCD office.

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
1220 South 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 - 4 Copies  
Fee Lease - 3 Copies

☒ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-30673		*Pool Code 71599/72319/97232	Pool Name BASIN DAKOTA / BLANCO MESAVERT / MANCOS	BASIN
*Property Code 31535	*Property Name FEDERAL			*Well Number 11M
*GRID No. 217817	Operator Name CONOCOPHILLIPS COMPANY			Elevation 6405'

#### 10 Surface Location

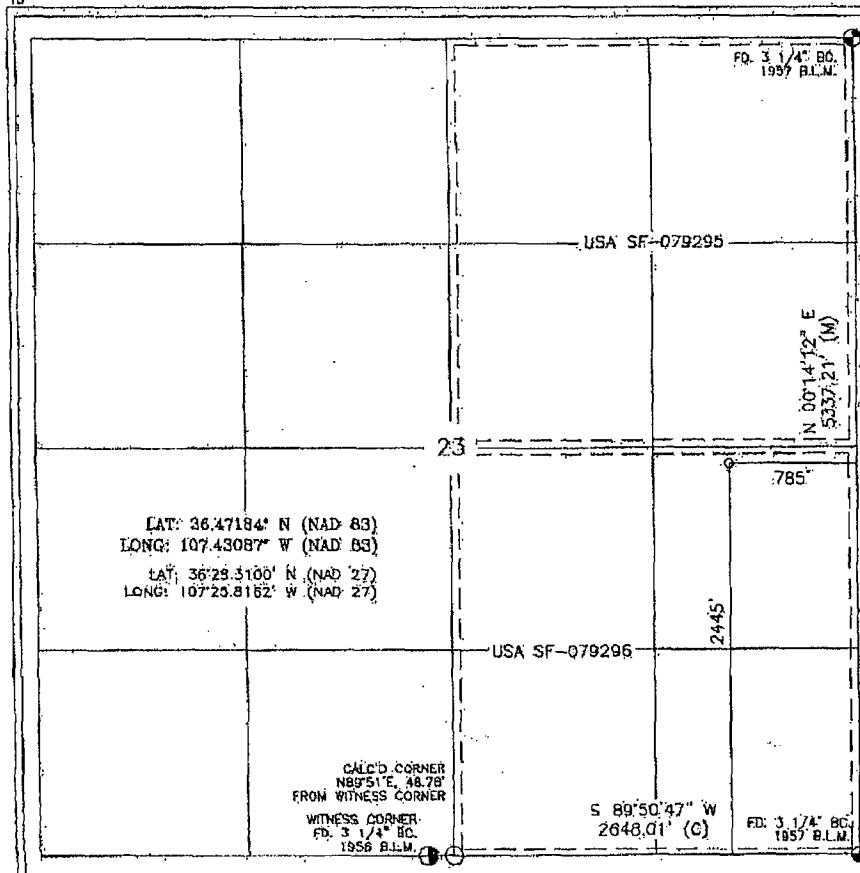
UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
1	23	26-N	8-W		2445	SOUTH	785	EAST	RIO ARriba

#### 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
*Dedicated Acres E/2 - 320 ACRES		*Joint or Infill		*Consolidation Code		*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, 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* 12/2/11  
Signature Date  
Arleen Kellywood  
Printed Name

#### 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 knowledge and belief.

APRIL 25 2008  
Date of Survey  
ROY A. RUSSELL  
Surveyor  
NEW MEXICO  
8894  
02-08  
Certification Number

FEDERAL 11M DK      Data: Feb.2012-Feb.2012

Operator: Unknown

Field:

Zone:

Type: Other

Group: None

No

Active

Forecast

Production Cums

Oil: 0 Bbl

Gas: 0 MSCF

Water: 0 Bbl

Cond: 0 Bbl

◇ Oil Rate - Bbl/d

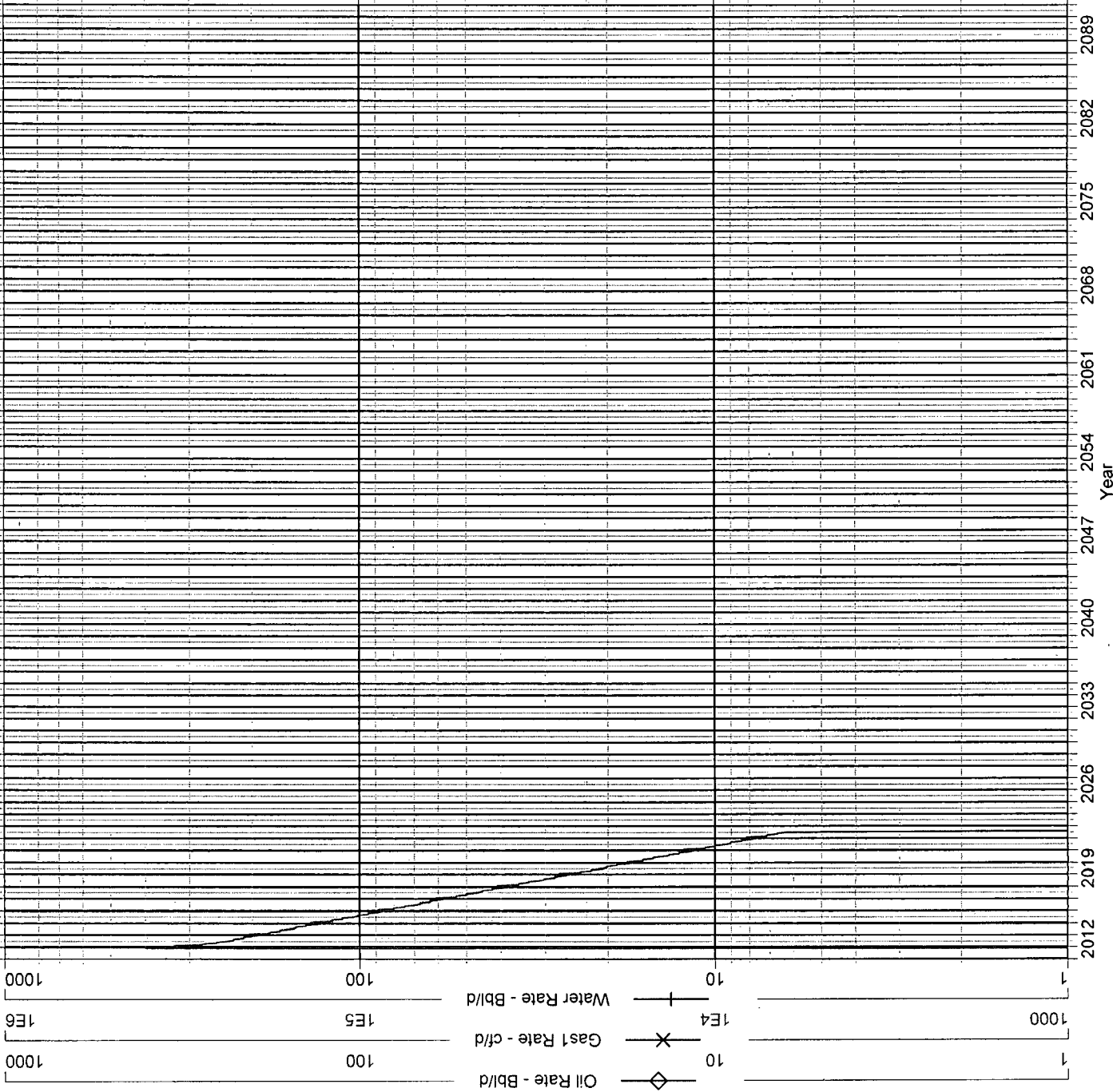
Cum: 0.00

\* Gas1 Rate - cfd

Cum: 0.00

— Water Rate - Bbl/d

Cum: 0.00



FEDERAL 11M MC      Data: Feb.2012-Feb.2012

Operator: Unknown

Field:

Zone:

Type: Other

Group: None

No

Active

Forecast

Production Cums

Oil: 0 Bbl

Gas: 0 MSCF

Water: 0 Bbl

Cond: 0 Bbl

◇ Oil Rate - Bbl/d

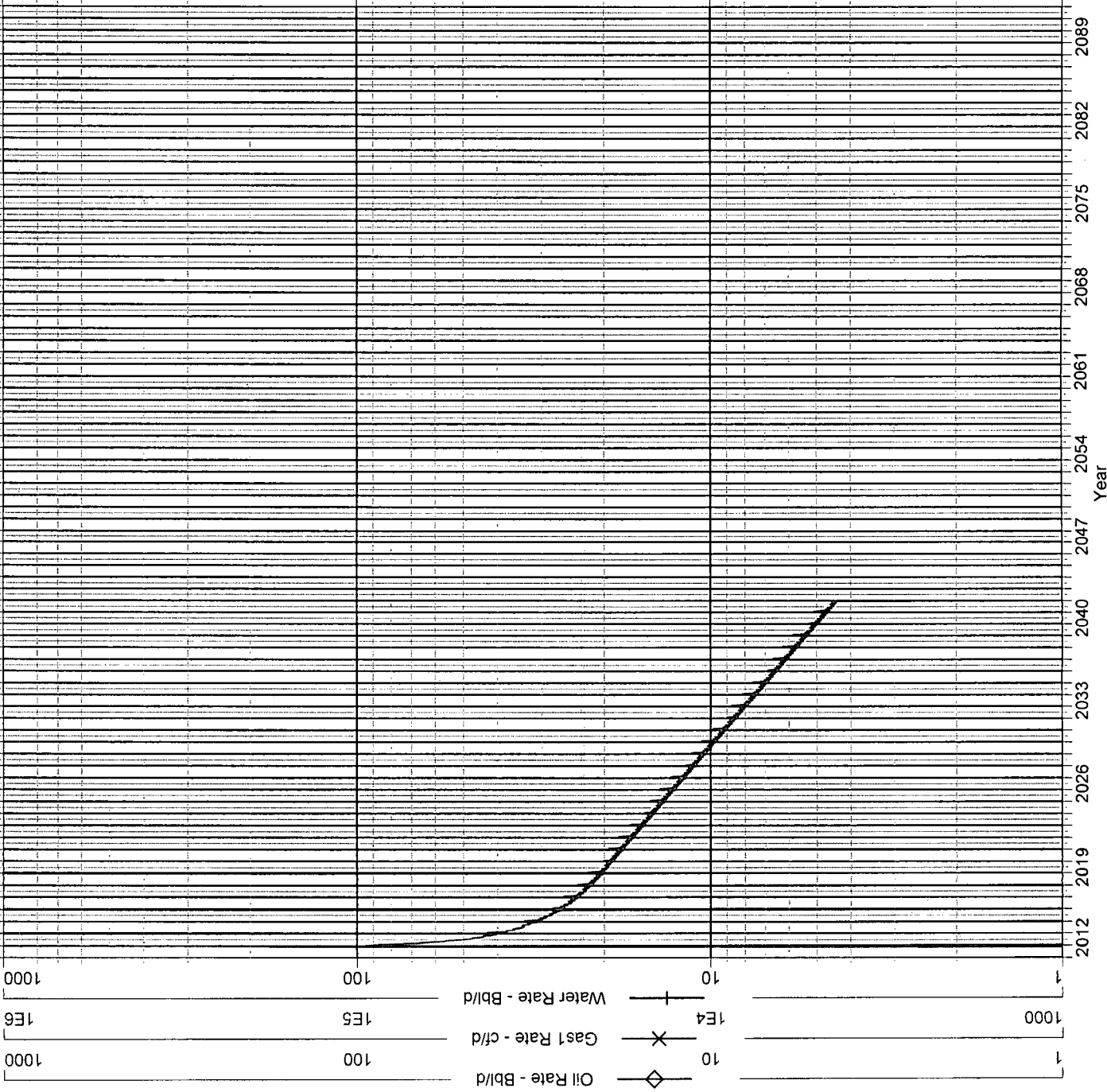
Cum: 0.00

\* Gas1 Rate - c/d

Cum: 0.00

+ Water Rate - Bbl/d

Cum: 0.00



FEDERAL 11M MV      Data: Feb.2012-Feb.2012

Operator: Unknown

Field:

Zone:

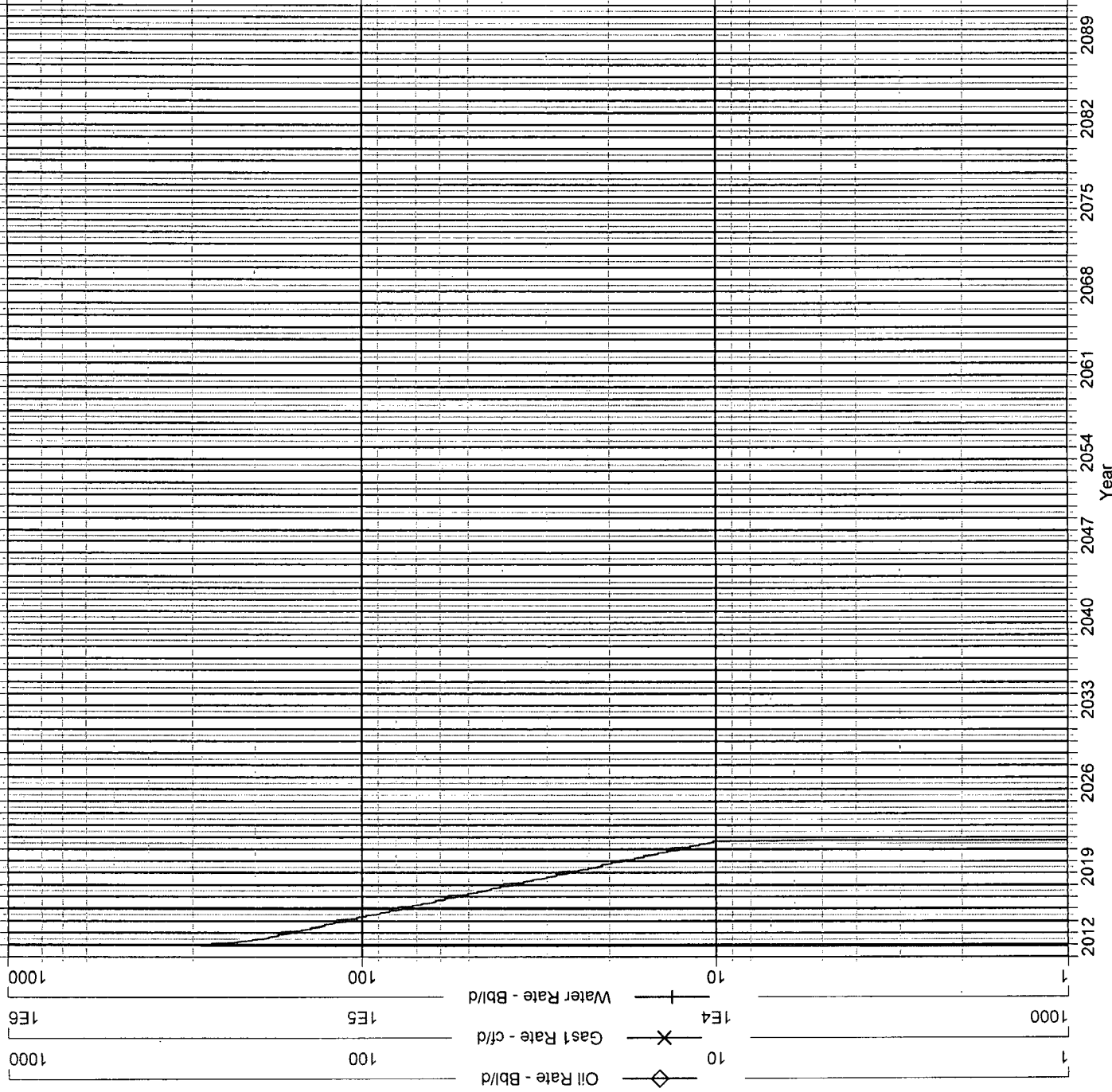
Type: Other

Group: None

No  
Active  
Forecast

Production Cums  
Oil: 0 Bbl  
Gas: 0 MSCF  
Water: 0 Bbl  
Cond: 0 Bbl

◇ Oil Rate - Bbl/d  
Cum: 0.00  
✱ Gas1 Rate - cf/d  
Cum: 0.00  
— Water Rate - Bbl/d  
Cum: 0.00



**BURLINGTON**

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

March 13, 2012

Subject well: Federal 11M

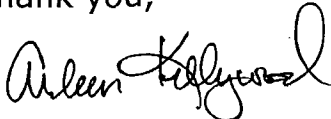
It has come to our attention that some interest owners may find the Down Hole Commingle application process slightly confusing. We hope this letter will clarify some of the questions you as an interest owner may have.

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 03/13/2012.

Thank you,



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



District I  
1635 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

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCOPHILLIPS COMPANY  
Operator

P.O. Box 4289 Farmington, NM 87499  
Address

FEDERAL  
Lease

11M  
Well No.

Unit I, Sec. 23, 026N, 006W  
Unit Letter-Section-Township-Range

RIO ARRIBA  
County

OGRID No: 217817 Property Code 31535 API No. 30039306730000 Lease Type: ☒ Federal ☐ State ☐ 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)	4750'-5300' estimated	5750'-6700' estimated	6985'-7270' 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)	1660psi	3314psi	2107psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1245	BTU 1200	BTU 1231
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?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☐ No ☒  
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 3/2/12

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

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

The Federal 11M 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. Initial Oil allocation will be the same as the gas initial allocation until the first liquid sale is completed. After completing the first liquid sale and using known Dakota and Mesaverde liquid yields from offset Stand Alone wells a system of linear equations will be solved for Mancos liquid yield, and that Mancos liquid yield will be used in conjunction with the Mesaverde and Dakota liquid yields to calculate the oil allocations. The oil allocation will be calculated in a way that is a function of individual formation Gas production and Individual formation liquid yields. All documentation will be submitted to the Aztec NMOCD office.

## FEDERAL 11M DHC NOTIFICATION

First Name	Last Name	Company	Address1	Address2	City	State	Zip
		BILLIE SCHRODER	PO BOX 11863		ALBUQUERQUE	NEW MEXICO	87192-0863
		BUTTRAM ENERGIES INC	501 OIL CENTER WEST	2601 NW EXPRESSWAY	OKLAHOMA CITY	OKLAHOMA	73112-7208
		CLASSICAL GAS & OIL LLC	STE 10C	1499 BLAKE ST	DENVER	COLORADO	80202
EDGAR ALFRED BORING SR		& D EVELYN BORING TRSTE	2205 RIDGECREST DR		FARMINGTON	NEW MEXICO	87401
		ENERGEN RESOURCES CORPORATION	605 RICHARD ARRINGTON JR BLVD		BIRMINGHAM	ALABAMA	35203-2707
		HOWARD BEACH	2028 S ARROWHEAD LN		COTTONWOOD	ARIZONA	86326-5053
		JANICE E ROBERTSON	1745 CERRO CRESTADO DR NW		LOS LUNAS	NEW MEXICO	87031-8361
		JOE DAN BEACH	PO BOX 11863		ALBUQUERQUE	NEW MEXICO	87192-0863
		LINDA MURIEL ADKINS	2916 S MORAIN PL		KENNEWICK	WASHINGTON	99337-2505
		MAHONEY HOLDINGS LLC	7675 W. 14TH AVE.	SUITE 102	LAKEWOOD	COLORADO	80214
		MARIE MCKINNON	10502 MORNINGSTAR DR NE		ALBUQUERQUE	NEW MEXICO	87111
		MESA ROYALTY TR	315 JOHNSTONE 1060 POB		BARTLESVILLE	OKLAHOMA	74004
		MYRA LOUDENE JONES	3915 S ALDON RD		TUCSON	ARIZONA	85735-1107
		OFFICE OF NATURAL RESOURCES REVENUE	PO BOX 25627		DENVER	COLORADO	80225-0627
		PIONEER NATURAL RESOURCES USA INC	ATTN NM PROPERTY MESA ROY TR	315 JOHNSTONE 1060 POB	BARTLESVILLE	OKLAHOMA	74004
		PROFESSIONAL TITLE	620 ROMA NW		ALBUQUERQUE	NEW MEXICO	87102-2037
		RBSM LLC	11033 E. 15TH PLACE		TULSA	OKLAHOMA	74128
		SILVERADO OIL & GAS LLP	PO BOX 52308		TULSA	OKLAHOMA	74152
		XTO ENERGY INC	PO BOX 730586		DALLAS	TEXAS	75373-0586