

DHC

6/19/96

1283

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 87410-1893

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 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr., Ste 100W, Midland TX 79705Lease State Com AK Well No. 35 Unit Ltr. - Sec - Twp - Rge B-36-32N-12W County San Juan

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 003263 API NO. 30-045-20070 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	Blanco Mesaverde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4503' - 5324'		7406' - 7622'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Plunger Lift		SI under RBP
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 274 psi b. (Original) 1173 psi	a. b.	a. 616 psi b. 2415 psi
6. Oil Gravity ($^{\circ}$ API) or Gas BTU Content	1256 BTU		1112 BTU
7. Producing or Shut-In?	Producing		SI
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: 9/94 Rates: .0004 bbl/mcf 67 mcf/gpd, 0 bwpd
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 1/96 Rates: .0014 bbl/mcf 80 mcf/gpd, 0 bwpd	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 81 % Gas: 54 %	Oil: % Gas: %	Oil: 19 % Gas: 46 %

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?

Yes ☒ No ☐Yes ☒ No ☐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 ☐ No13. 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) _____

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.

Sr. Conservation

SIGNATURE Jerry W. Hoover TITLE Coordinator DATE 5/17/96TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. 715) 686-6548

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

API Number 30-045-20027		Pool Code 72319	Pool Name Blanco Mesaverde
Property Code 003263	Property Name State Com AK		Well Number 35
OGRID No. 005073	Operator Name CONOCO INC.		Elevation 6364'

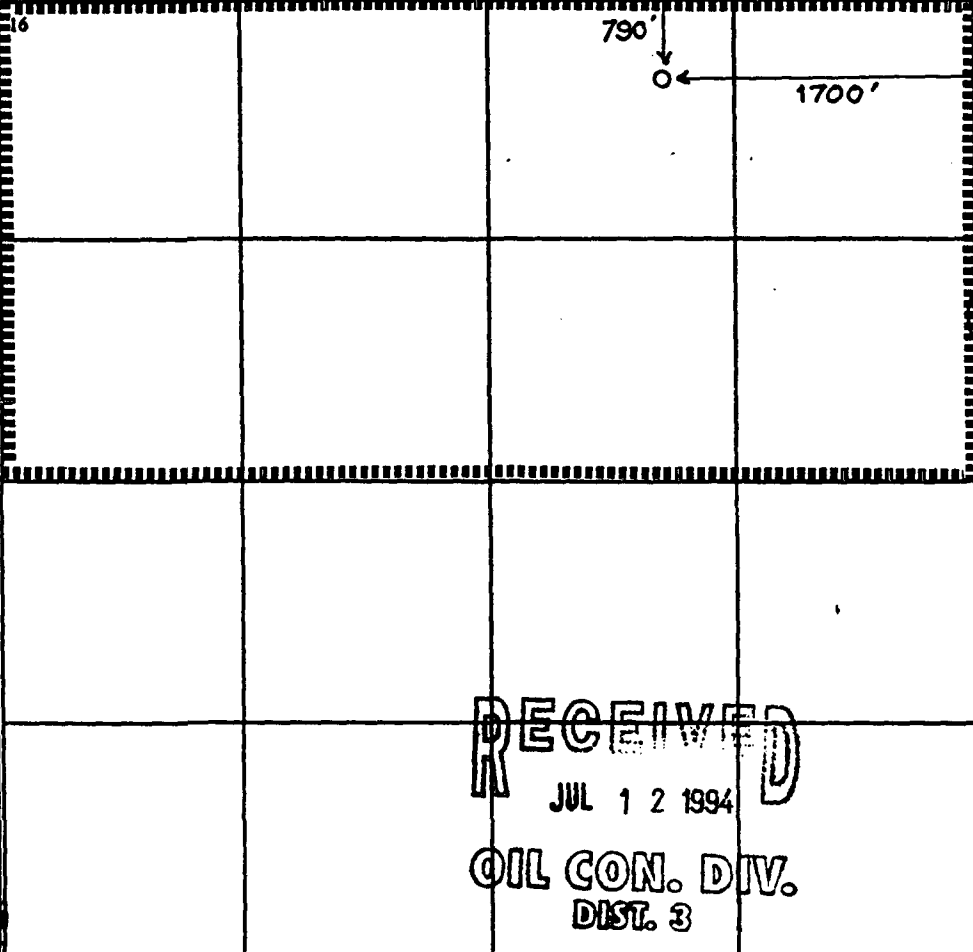
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	36	32N	12W		790	North	1700	East	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	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

<div>¹⁶</div> 	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>[Signature]</i> Signature Jerry W. Hoover Printed Name Sr. Conservation Coordinator Title 7/8/94 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyer:</p>
	<p>RECEIVED JUL 12 1994 OIL CON. DIV. DIST. 3</p> <p>Certificate Number</p>

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator PUBCO PETROLEUM CORP.			Lease State Com. AK			Well No. 35		
Unit Letter B	Section 36	Township 32 N	Range 12 W	County SAN JUAN				
Actual Footage Location of Well: 790 feet from the north line and 1700 feet from the east line								
Ground Level Elev. 6364	Producing Formation DAKOTA			Pool BASIN	Dedicated Acreage: EAST $\frac{1}{2}$ 320 Acres			

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?.

(☒) Yes (☐) No If answer is "yes," type of consolidation **Communitization**

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

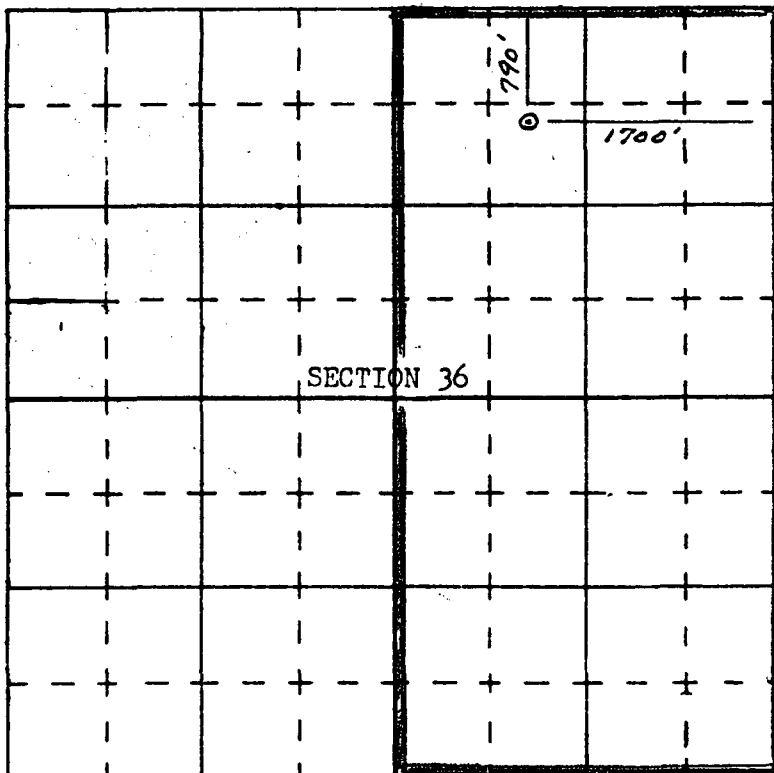
CERTIFICATION

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

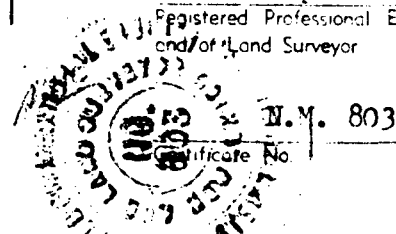
Charles E. Ramsey, Jr.
 Name **Charles E. Ramsey, Jr.**
 Position **Area Production Manager**
 Company **Pubco Petroleum Corp.**
 Date **Box 869, Albuquerque, N.M.**
February 6, 1967

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.

February 6, 1967
 Date Surveyed *Stephen H. Kinney*
Stephen H. Kinney
 Registered Professional Engineer
 and of Land Surveyor



N



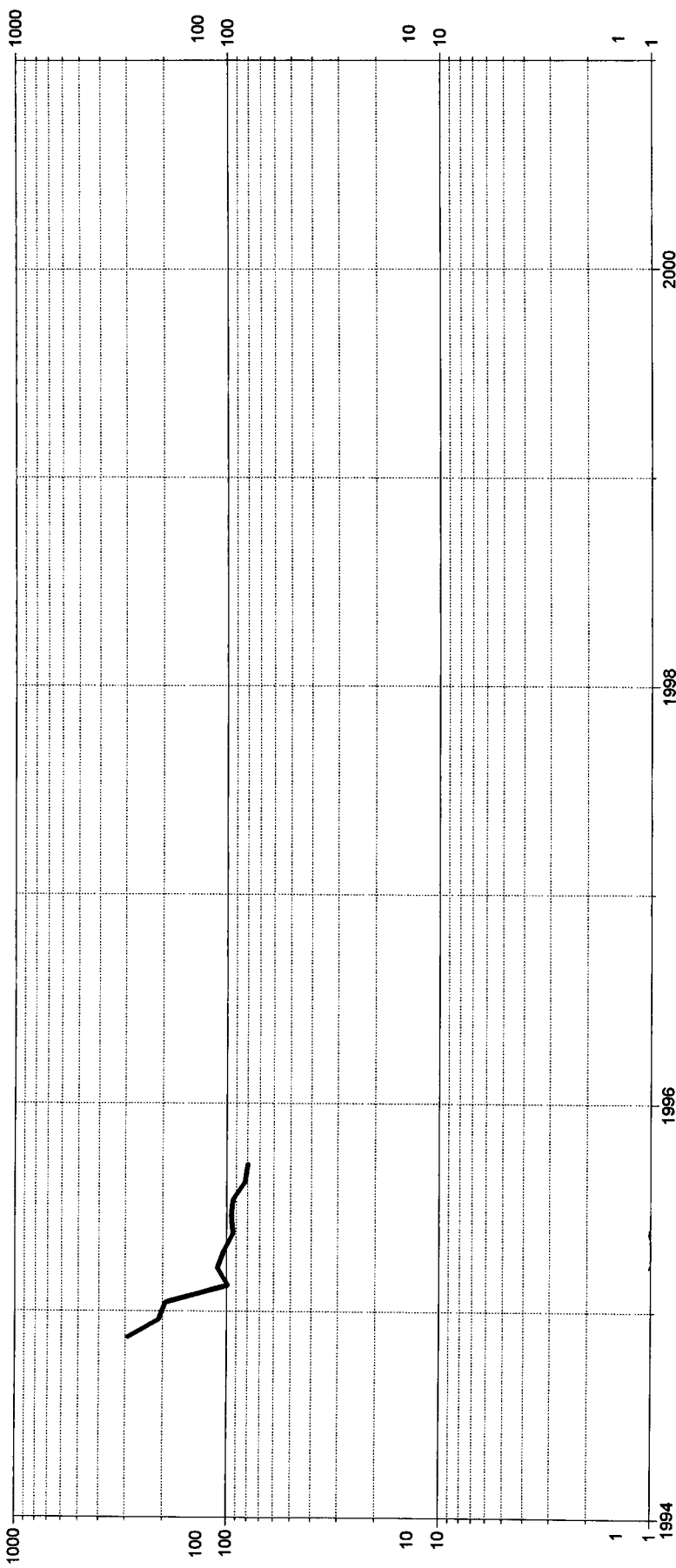
Dwights

1000 Lease: STATE COM AK 035

Retrieval Code: 251,045,045200277231

1000

1000



County: SAN JUAN

Field: BLANCO (MESAVERDE) MV

Reservoir: MESAVERDE

Operator: CONOCO INC

State: NM

Oil Cum: 62 bbl

Gas Cum: 43955 mcf

Location: 36B 32N 12W

F.P. Date: 11/94

Water (bbl/day)

Gas (mcf/day)

Date: 02/20/96

Well Count

Oil (bbl/day)

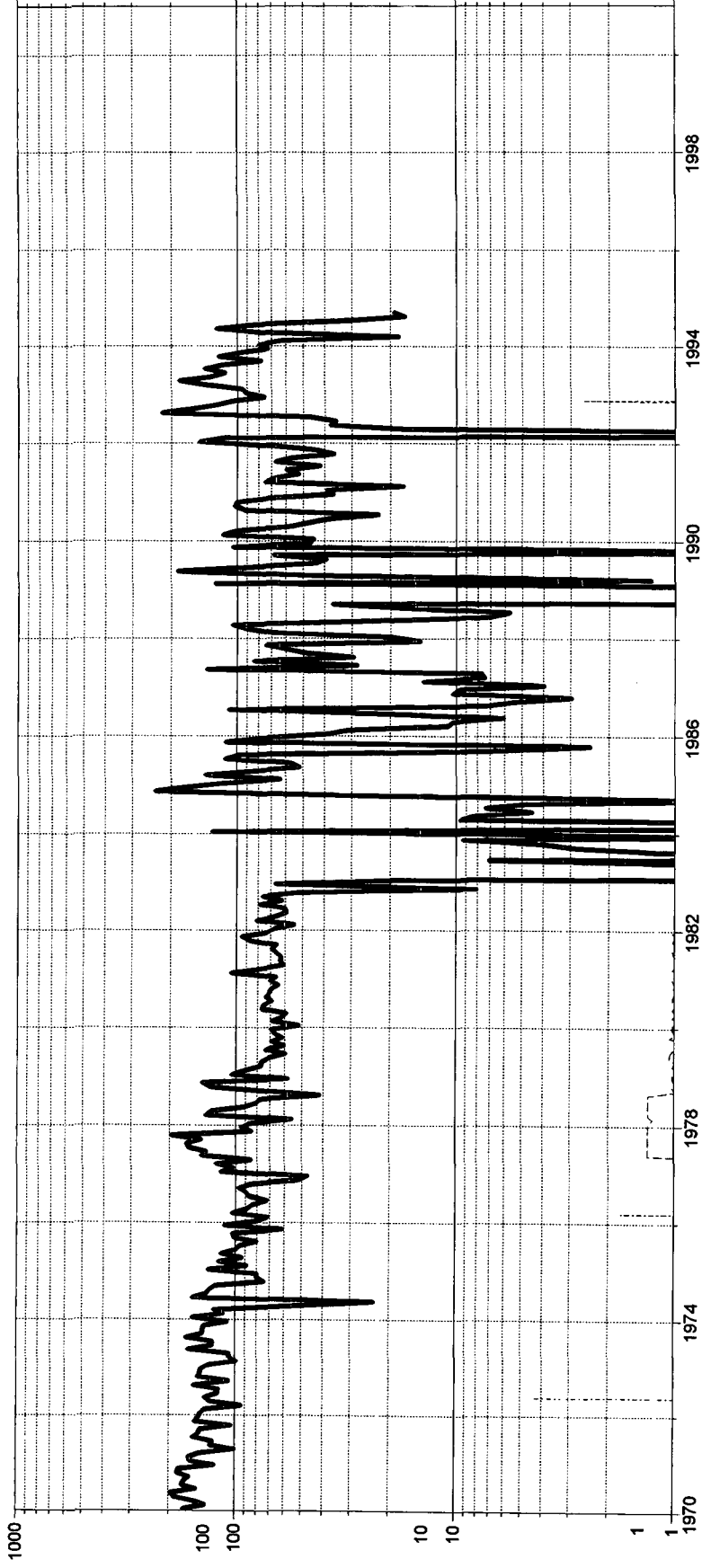
Dwights

1000 Lease: STATE COM AK 000035

Retrieval Code: 251,045,32N12W36B00D

1000

1000



County: SAN JUAN

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

State: NM

Oil Cum: 403 bbl

Gas Cum: 997153 mcf

Location: 36B 32N 12W

F.P. Date: 06/67

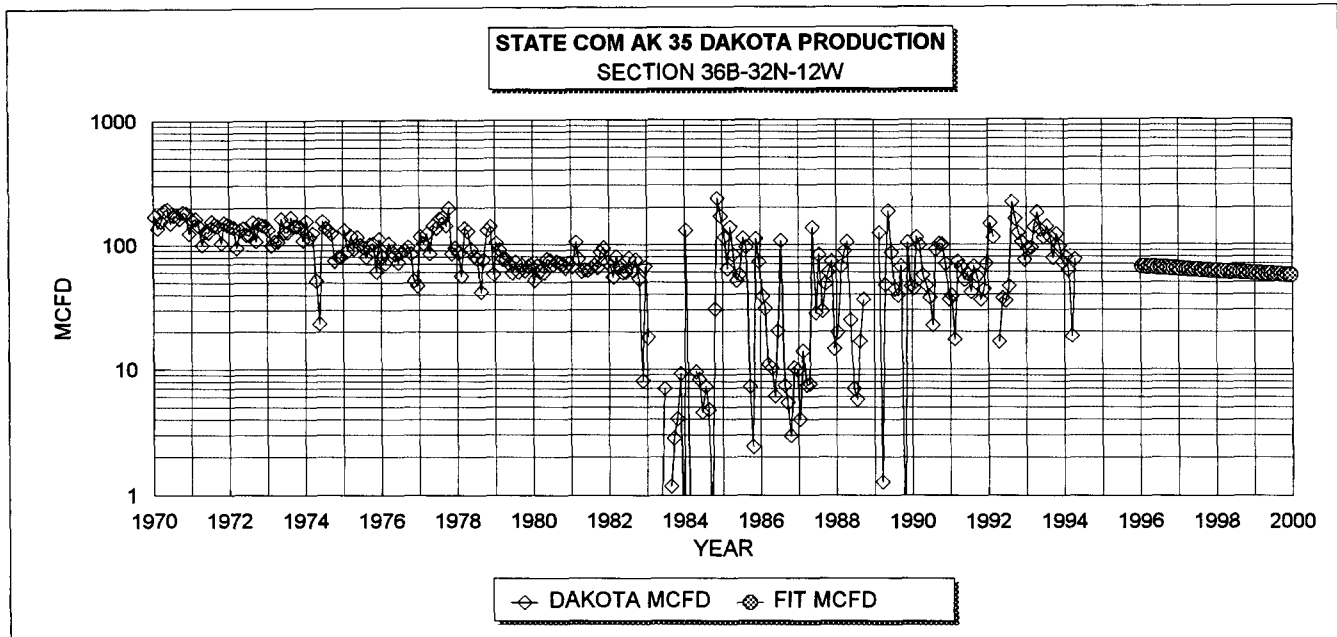
Water (bbl/day)

Gas (mcf/day)

Date: 02/20/96

Well Count

Oil (bbl/day)



DAKOTA HISTORICAL DATA: **1ST PROD: 6/67**

OIL CUM: 0.40 MBO

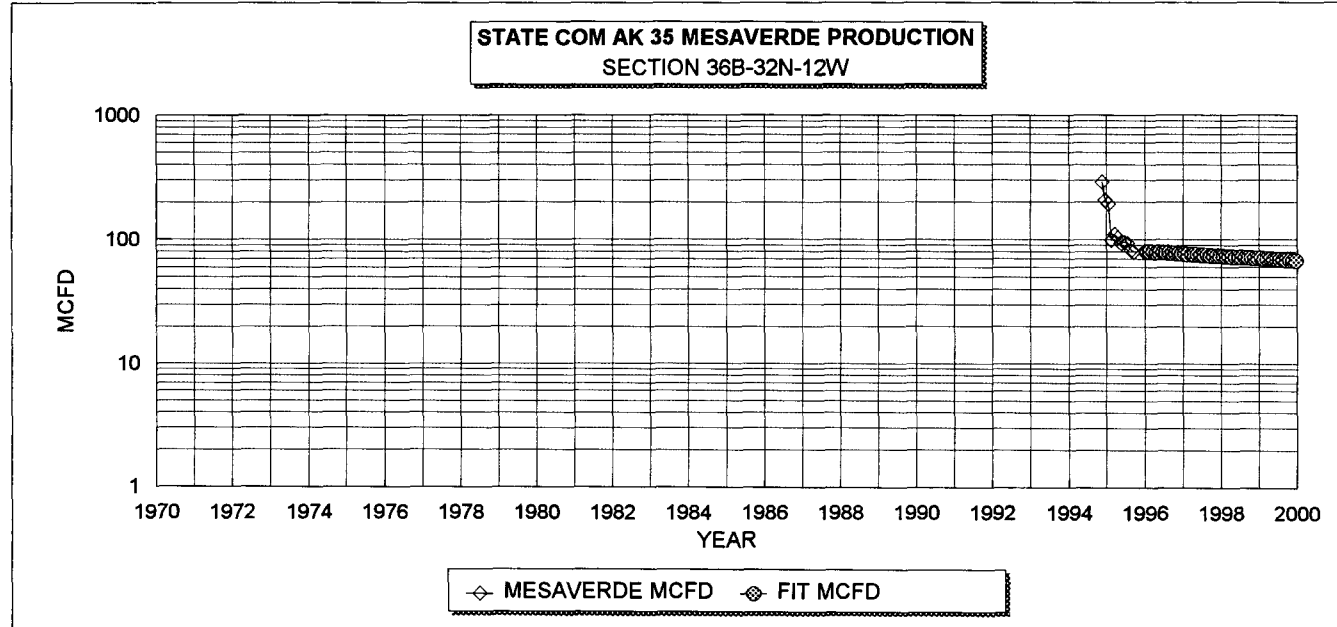
GAS CUM: 997.15 MMCF

OIL YIELD: 0.0004 BBL/MCF

DAKOTA PROJECTED DATA

1/1/96 Qi: 67 MCFD

DECLINE RATE: 4.2% (EXPONENTIAL)



MESAVERDE HISTORICAL DATA **1ST PROD: 11/94**

OIL CUM: 0.06 MBO

GAS CUM: 43.96 MMCF

OIL YIELD: 0.0014 BBL/MCF

MESAVERDE PROJECTED DATA

1/1/96 Qi: 80 MCFD

DECLINE RATE: 4.2% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

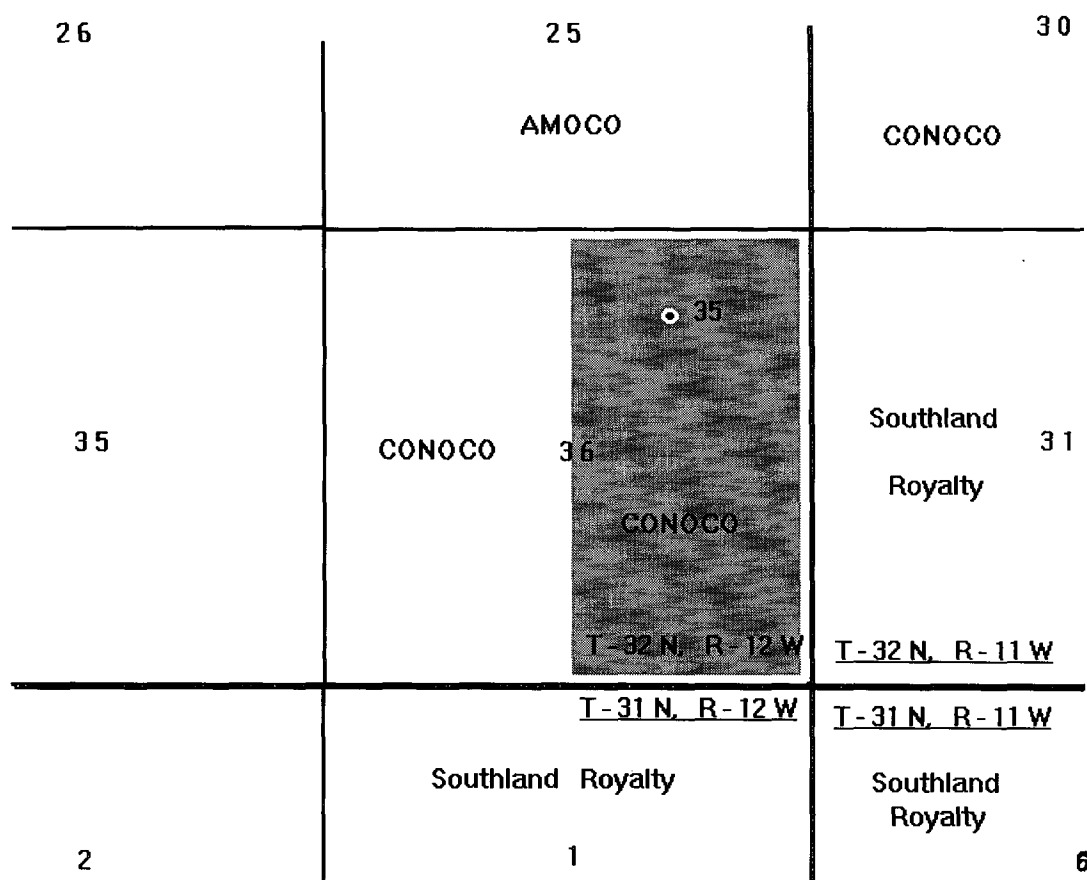
	GAS	OIL
MESAVERDE:	54%	81%
DAKOTA:	46%	19%

GAS ALLOCATION BASED ON PROJECTED 1996 RATES

OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

STATE COM AK #35



OFFSET OPERATORS

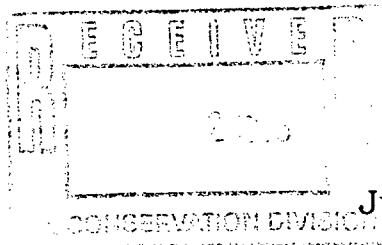
STATE COM AK NO. 35

Working Interests and Carried Working Interests Royalty Interest and Overriding Royalty Interests

Name & Address	Interest Type	Mesverde % Interest	Dakota % Interest
American West 1993 LLC Utah Limited Liability Co. P.O. Box 1020 Morrison CO 80465-5020	Working	4.12500	.00000
Conoco A/C R.K.C. Inc. 152 Hillside Rd. Fairfield CT 06430-2845	Working	6.67081	.00000
Petrox Consulting Inc. 39868 Highway 13 Meeker CO 81641-9635	Working	2.57813	.00000
CONOCO Inc.. 10 Desta Dr., Ste 100W Denver CO 80292-0087	Working	56.13770	71.14441
Tipperary Oil & Gas Corp. 1st Interstate Tr. N. Ste 1550 633 Seventeenth Street Denver CO 80202-3615	Working	9.86150	.00000
Conoco A/C Mesa Royalty Trust P.O. Box 1267 Ponca City OK 74602-1267	Carried Working	4.37446	8.16351
Conoco A/C Shirley Bernstein 654 Madison Ave New York NY 10021-8404	Carried Working	.00102	.00189
Conoco A/C Atwell & Co Box 456 Wall Street Sta. New York NY 10005	Carried Working	.00116	.00217
Conoco A/C Kathleen Lipkins 812 Park Ave, #4A New York NY 10021-2759	Carried Working	.00026	.00052
Commissioner Public Lands P.O. Box 1148 Santa Fe NM 87504-1148	Royalty	12.5000	12.50000
Chilegram Casilla 2021 Santiago Chile	Overriding Royalty	.62500	.00000
Charles B. Gonsales P.O. Drawer 2509 Santa Fe NM 87504-2509	Overriding Royalty	.62500	1.25000

Name & Address	Interest Type	Mesverde % Interest	Dakota % Interest
James Fitz-Gerald III P.O. Box 1565 Midland TX 79702-1565	Overriding Royalty	.15625	.35156
Sharon McAdams Steinberg 1058 Palm Street Seguin TX 78155-3255	Overriding Royalty	1.2500	.93750
B.R. Dansby Test Tr U/W/O P.O. Box 710 Midland TX 79702-0710	Overriding Royalty	.93750	.23438
Michael Fitz-Gerald P.O. Box 710 Midland TX 79702-0710	Overriding Royalty	.15625	.35156
Margaret Allinson Laycock 1511 W. 31st Street Austin TX 78703-1405	Overriding Royalty	.00000	.17550
Thomas R. Lavery 9400 N. Central Expressway 1313 Glen Lakes Twr. Dallas TX 75216-1720	Overriding Royalty	.00000	.30375
James W. Wilson 3412 Timberwood Cir. Austin TX 78703-1013	Overriding Royalty	.00000	.44550
Kitty King Powell C/O Powell Interests 1001 Fannin, Ste 1325 Houston TX 77002-6708	Overriding Royalty	.00000	.89100
J.W. Hershey P.O. Box 130244 Houston Tx 77219-0244	Overriding Royalty	.00000	1.78200
Kitty King Powell Marital Trust 1001 Fannin, Ste 1325 Houston TX 77002-6708	Overriding Royalty	.00000	.89100
John B. Allinson, Jr. 2013 Douglas Dr. San Angelo TX 76904-5025	Overriding Royalty	.00000	.17550
Stanley Neely 2200 Ross Ave, Ste 2200 Dallas TX 75201-6766	Overriding Royalty	.00000	.22275
Kelley A. Murrell 3512 Cornell Dallas TX 75205-2817	Overriding Royalty	.00000	.17550

MERIDIAN OIL



June 11, 1996

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
2040 S. Pacheco Street
Santa Fe, NM 87505

RE: APPLICATION TO DOWNHOLE COMMINGLE
AXI APACHE J #19
SECTION 6, T25N, R05W
AXI APACHE J #22
SECTION 6, T25N, R05W
AXI APACHE J #25
SECTION 7, T25N, R05W
AXI APACHE K #5
SECTION 10, T26N, R05W
RIO ARriba COUNTY, NEW MEXICO

STATE COM AK #35
SECTION 36, T32N, R12W
SAN JUAN COUNTY, NEW MEXICO

Meridian Oil Inc. has no objections to Conoco's request to downhole commingle the above referenced wells.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Dawn Garretson".

Dawn Garretson
Land Associate

DG

Conoco Inc.-Attn: Peggy Sutko

File: Conoco Correspondence