

RECEIVED
DISTRICT I
P.O. Box 980, Hobbs, NM 88241-1980
JUN - 3 1996
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 87505-6429

Form 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 79705

Lease AXI Apache J Well No. 23 Unit Ltr. - Sec - Twp - Rge D-8-25N-5W County Rio Arriba

Spacing Unit Lease Types: (check 1 or more)
OGRID NO. 005073 Property Code 003132 API NO. 30-039-20439 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	<u>Otero Chacra</u> <u>82329</u>		<u>Blanco Mesaverde</u> <u>72319</u>
2. Top and Bottom of Pay Section (Perforations)	<u>3769' - 3781'</u>		<u>5048' - 5220'</u>
3. Type of production (Oil or Gas)	<u>Gas</u>		<u>Gas</u>
4. Method of Production (Flowing or Artificial Lift)	<u>Flowing</u>		<u>Flowing</u>
5. Bottomhole Pressure	a. (Current) <u>238 psia</u>	a.	a. <u>268 psia</u>
Oil Zones - Artificial Lift: Estimated Current	b. (Original) <u>780 psia</u>	b.	b. <u>1332 psia</u>
Gas & Oil - Flowing: Measured Current			
All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity (° API) or Gas BTU Content	<u>1233 BTU</u>		<u>1249 BTU</u>
7. Producing or Shut-In?	<u>Producing</u>		<u>Producing</u>
Production Marginal? (yes or no)	<u>Yes</u>		<u>Yes</u>
* 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, give date and oil/gas/water rates of recent test (within 60 days)	Date: <u>1996 mid/yr</u> Rates: <u>.0004 bbl/mcf</u> <u>44 mcf/gpd, 0 bwpd</u>	Date: Rates:	Date: <u>1996 mid/yr</u> Rates: <u>.0132 bbl/mcf</u> <u>68 mcf/gpd, 0 bwpd</u>
8. Fixed Percentage Allocation Formula - % for each zone	Oil: <u>0</u> % Gas: <u>39</u> %	Oil: <u> </u> % Gas: <u> </u> %	Oil: <u>100</u> % Gas: <u>61</u> %

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). _____
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 Jerry W. Hoover Sr. Conservation
Coordinator DATE 5/31/96

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6549

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator CONOCO INC.		Lease AXI APACHE J		Well No. 23
Unit Letter D	Section 8	Township 25-N	Range 5-W	County RIO ARriba
Actual Footage Location of Wells 920 feet from the NORTH line and 790 feet from the WEST line				
Ground Level Elev. 6710'	Producing Formation MESAVERDE	Pool BLANCO MESAVERDE	Dedicated Acreage 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 _____

If answer is "no," list the owners and tract descriptions which have actually been 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.

Wm A. Thibault
Name

Position
Administrative Supervisor

Company
CONOCO INC.

Date
6/28/83

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.

ACCEPTED FOR RECORD
Date Surveyed

Registered Professional Engineer and/or Land Surveyor
1983

FARMINGTON
Certificate No. *AK*

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator CONTINENTAL OIL COMPANY		Lease XXXXXXXXXX AXI APACHE "J"		Well No. 23
Unit Letter	Section 8	Township 25 NORTH	Range 5 WEST	County RIO ARriba
Actual Footage Location of Well: 920'		feet from the NORTH line and 790'		feet from the WEST line
Ground Level Elev 6712.0		Producing Formation		Dedicated Acreage 160 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 _____
 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.

Name _____

Position _____

Administrative Supervisor

Company _____

Continental Oil Company

Date _____

November 15, 1971

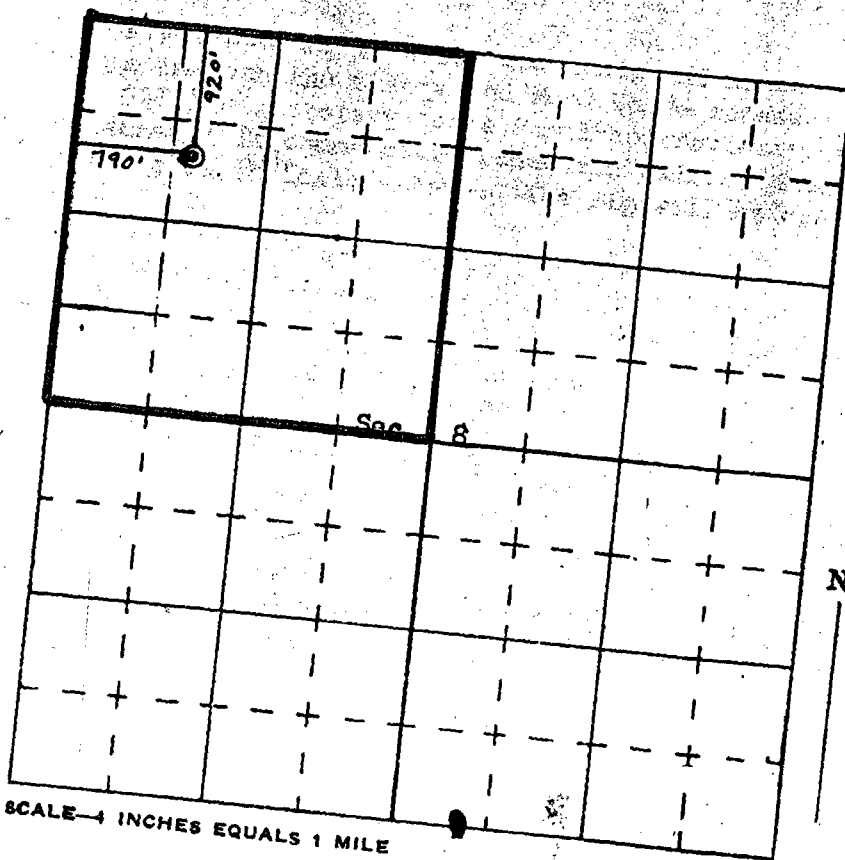
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

3 September, 1971

Date Surveyed _____

James P. Leese
 Registered Professional Engineer
 and/or Land Surveyor
JAMES P. LEESE
1463

Certificate No. _____



SCALE—4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLATForm C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

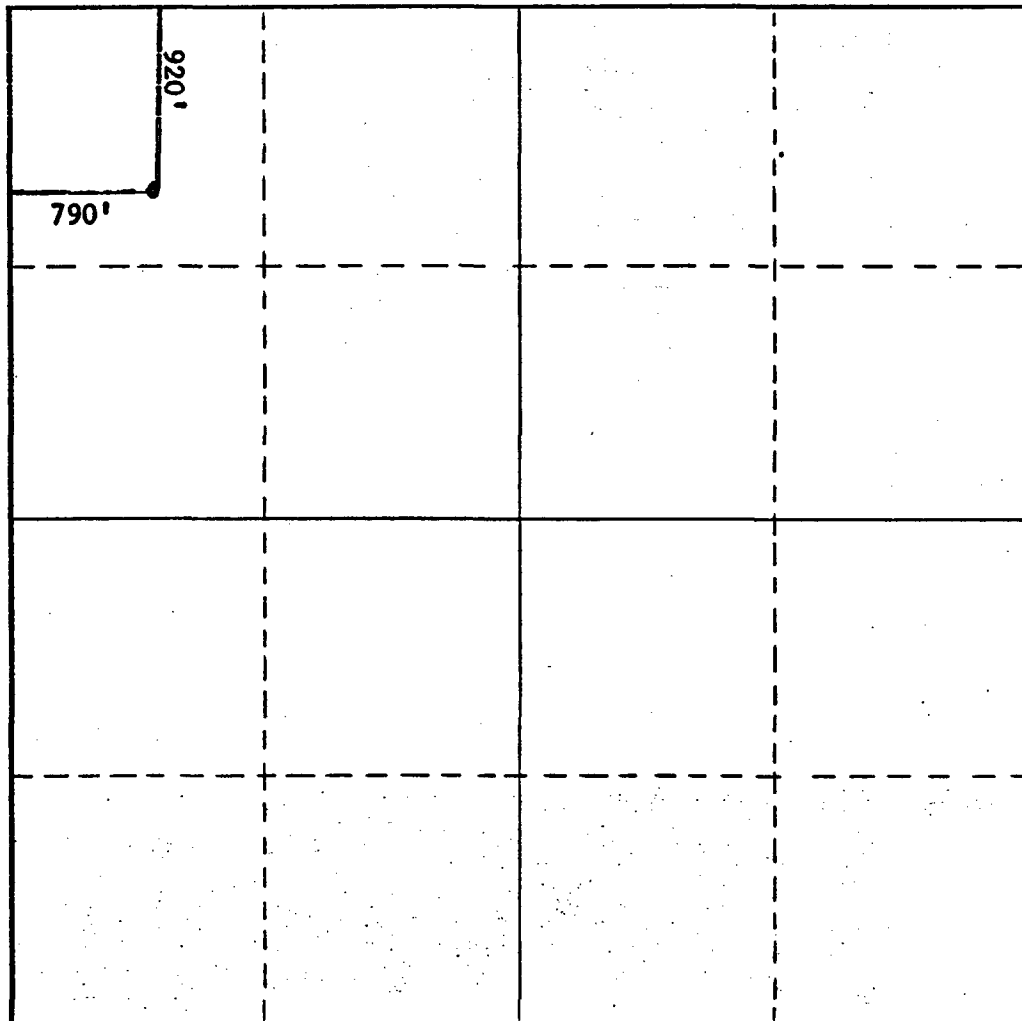
Operator Continental Oil Company			Lease AXI Apache "J"			Well No. 23		
Unit Letter "D"	Section 8	Township 25N		Range 5W	County Rio Arriba			
Actual Footage Location of Well: 920 feet from the north line and 790 feet from the west line								
Ground Level Elev.		Producing Formation Otero Chacra & Undesignated Mesa Verde			Pool Otero Chacra & Undesignated Mesa Verde		Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) 100% - Continental Oil Company

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.

Name

Position

Administrative Supervisor

Company

Continental Oil Company

Date

January 13, 1972

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.

September 3, 1971

Date Surveyed

/s/ James P. Leese

Registered Professional Engineer
and/or Land Surveyor

1463

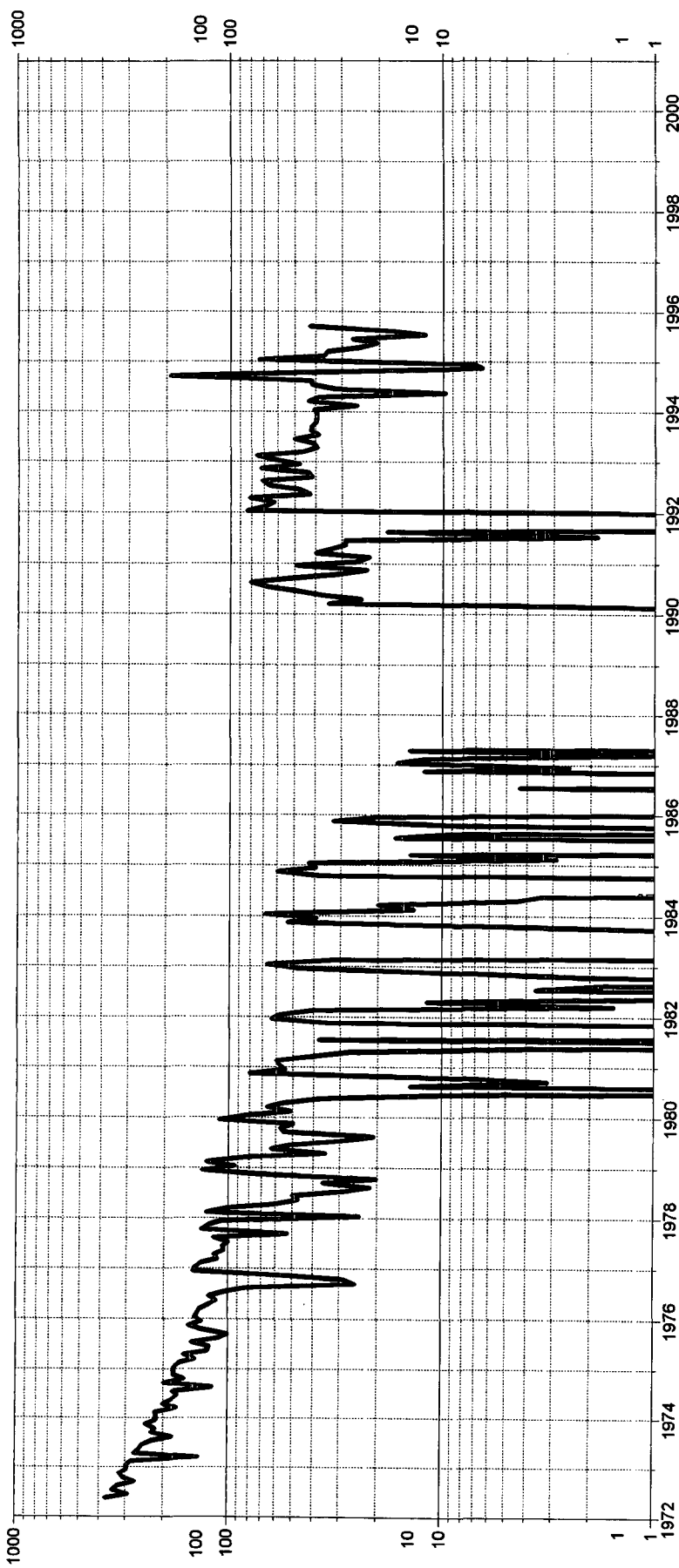
Certificate No.

Dwights

1000 Lease: AXI APACHE J 000023

Retrieval Code: 251,039,25N05W08D00C

1000



County: RIO ARriba

Field: OTERO (CHACRA) CK

Reservoir: CHACRA

Operator: CONOCO INC

State: NM

Oil Cum: 232 bbl

Gas Cum: 533987 mcf

Location: 8D 25N 5W

F.P. Date: 05/72

Date: 04/22/96

Water (bbl/day)

Well Count

Gas (mcf/day)

Oil (bbl/day)

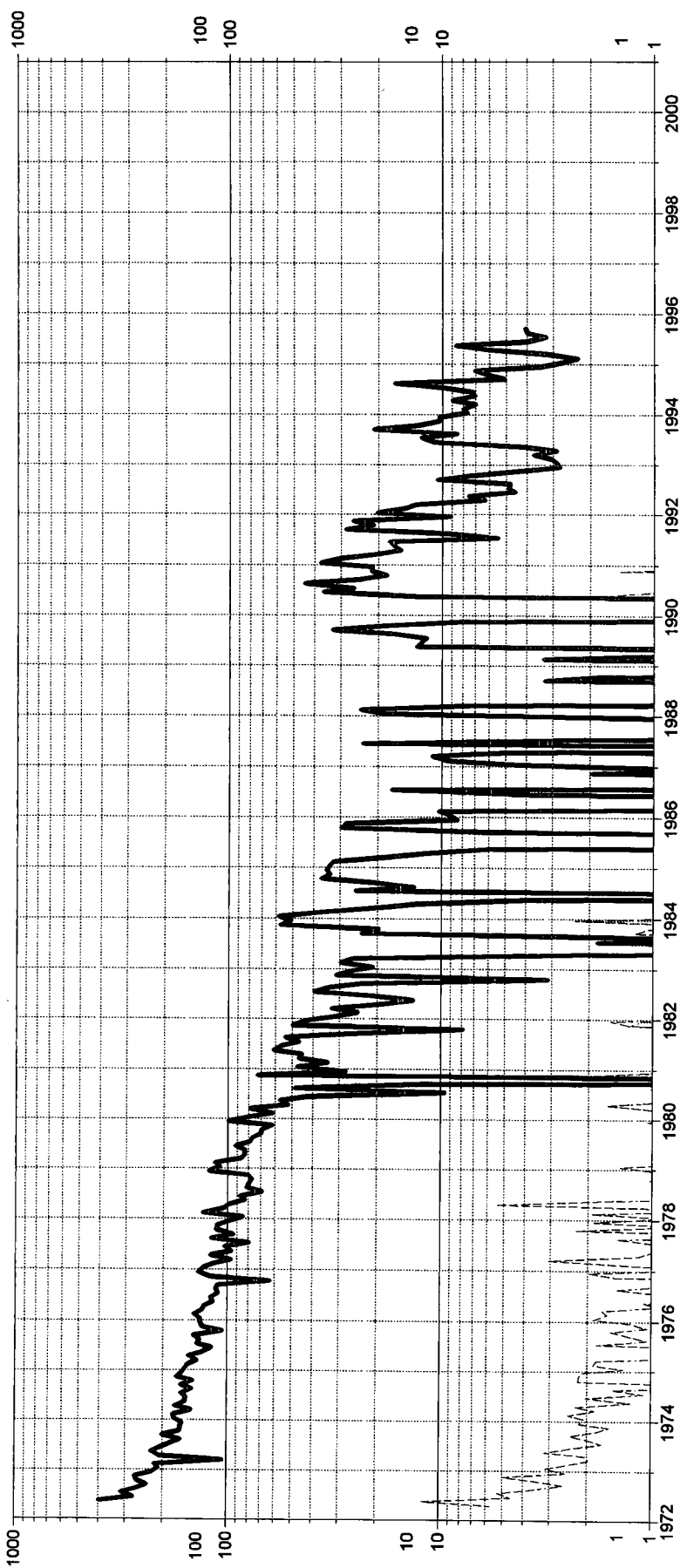
Dwight

Dwights

1000 Lease: AXI APACHE J 000023

Retrieval Code: 251,039,25N05W08D00M

1000 1000 100 100 10 10 1 1



County: RIO ARRIBA

Field: BLANCO (MESAVERDE) MV

Reservoir: MESAVERDE

Operator: CONOCO INC

State: NM

Oil Cum: 6420 bbl

Gas Cum: 484670 mcf

Location: 8D 25N 5W

F.P. Date: 04/72

Date: 04/22/96

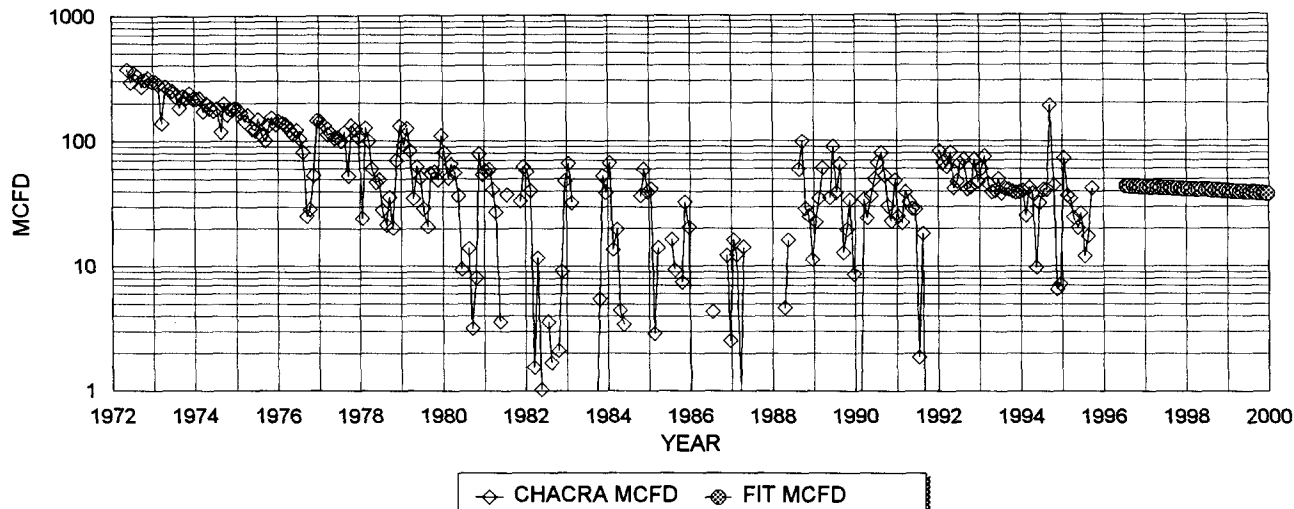
Water (bbl/day)

Well Count

Gas (mcf/day)

Oil (bbl/day)

AXI APACHE J NO. 23 CHACRA PRODUCTION
SECTION 8D-25N-05W



CHACRA HISTORICAL DATA:

1ST PROD: 4/72

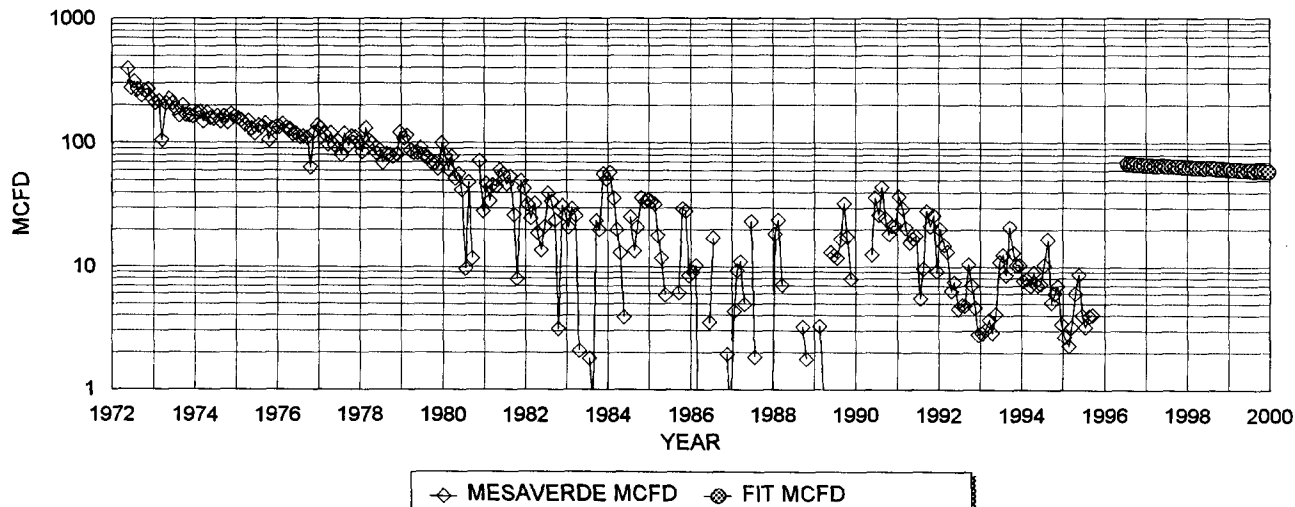
OIL CUM: 0.23 MBO
GAS CUM: 554.3 MMCF
OIL YIELD: 0.0004 BBL/MCF

CHACRA

7/1/96 Qi: 44 MCFD; RISKED ANTICIPATED RATE
DECLINE RATE: 4.0% (EXPONENTIAL)

PROJECTED DATA

AXI APACHE J NO. 23 MESAVERDE PRODUCTION
SECTION 8D-25N-05W



MESAVERDE HISTORICAL DATA

1ST PROD: 4/72

OIL CUM: 6.4 MBO
GAS CUM: 484.7 MMCF
OIL YIELD: 0.0132 BBL/MCF

MESAVERDE PROJECTED DATA

7/1/96 Qi: 68 MCFD; RISKED ANTICIPATED RATE
DECLINE RATE: 4.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE	61%	100.00%
CHACRA	39%	0%

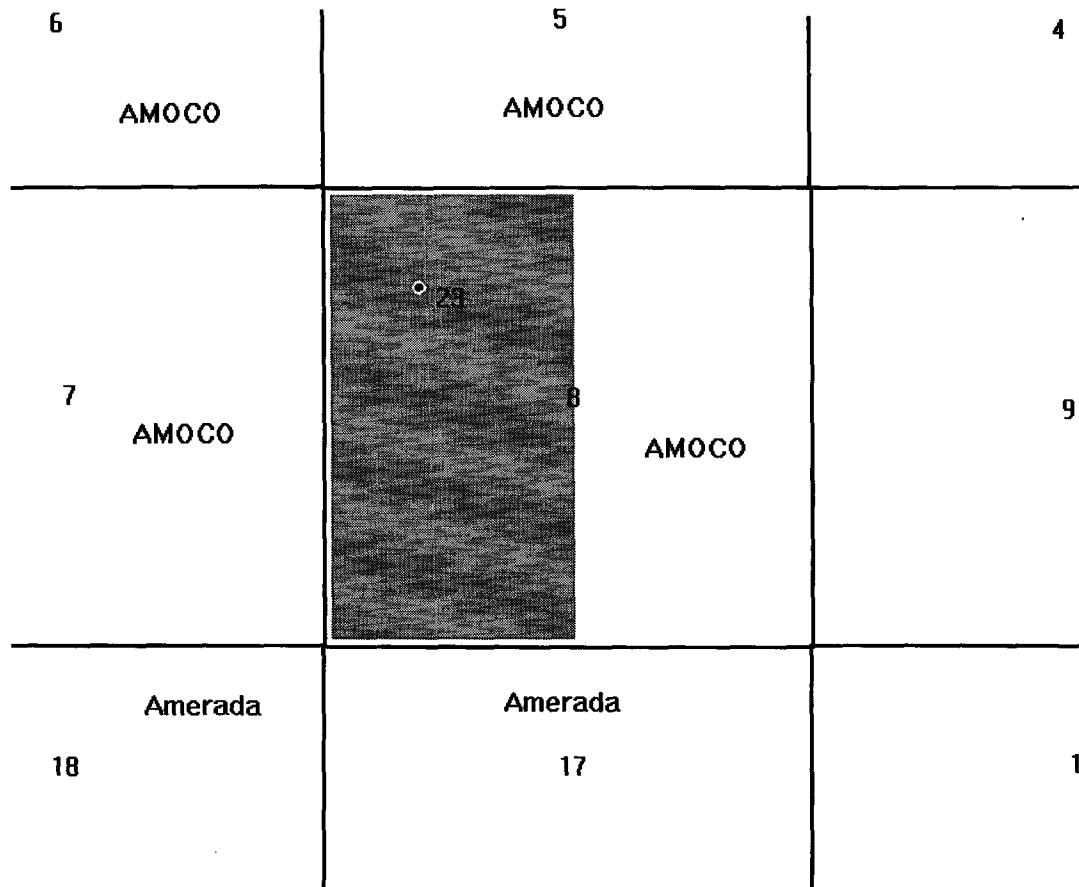
GAS ALLOCATION BASED ON PROJECTED 1996 RATES

OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

AXI APACHE J #23 --- OFFSET OPERATORS

Township 26 North — Range 5 West



OFFSET OPERATORS