

DHC

1338 8/1/96

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

DISTRICT II
811 South First St., Artesia, NM 88210 2835

JUL 12 1996

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative Hearing

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr., Ste 100W, Midland TX 79705

Lease Jicarilla E Well No. 7E Unit Ltr. - Sec - Twp - Rge B-15-26N-4W County Rio Arriba

Spacing Unit Lease Types: (check 1 or more)

GRID NO. 005073 Property Code 18022 API NO. 30-039-25422 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)	5191'-5770'		7711'-7891'
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) 1055 psia	a.	a. 1667 psia
	b. (Original) 1353 psia	b.	b. 2634 psia
6. Oil Gravity (°API) or Gas BTU Content	1273 BTU		1299 BTU
7. Producing or Shut-In?	Producing		Shut-in
8. Production Marginal? (yes or no) * 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 * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Yes		Yes
	Date: Rates:	Date: Rates:	Date: 7/95 Rates: rates proj. to mid-yr. 1996
	Date: 1996 mid-yr Rates: 78 mcf/gpd .3 bopd, 0 bwpd	Date: Rates:	Date: 1996 mid-yr Rates: 334 mcf/gpd 8 bopd, 0 bwpd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 4 % Gas: 19 %	Oil: % Gas: %	Oil: 96 % Gas: 81 %

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 TITLE Sr. Conservation Coordinator DATE 6/28/96

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

Albuquerque, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
100 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

95 JUL - 2 AM 10:12
WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-039-25422		2 Pool Code 72319		3 Well Name BLANCO MESA VERDE			
4 Property Code 007691		5 Property Name JICARILLA E				6 Well Number 7E	
7 OGRID No. 014591		8 Operator Name Merit Energy Company				9 Elevation 6840 GR	

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
B	15	26N	4W		1010	North	1450	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

12 Dedicated Acres	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

16	17 OPERATOR CERTIFICATION		
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief		
	 Signature Sheryl J. Carruth Printed Name Regulatory Manager Title 6/28/95 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			
Signature and Seal of Professional Surveyor:			
Certificate Number			

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
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 1000 Rio Brazos Rd., Aztec, NM 87410
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 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-10
 Revised February 21, 1995
 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		Pool Code	Pool Name
		71599	Basin Dakota
Property Code	Property Name		Well Number
007691	Jicarilla E		7E
OGRID No.	Operator Name		Elevation
014591	Merit Energy Company		6840

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
B	15	26N	4W		1010	North	1450	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

¹² Dedicated Acres	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

16				<p>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></p> <p>Signature: <i>Sheryl J. Carruth</i> Printed Name: Sheryl J. Carruth Title: Regulatory Manager Date: 8-1-94</p>
	<p>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></p> <p>Date of Survey: _____ Signature and Seal of Professional Surveyor: _____</p>			
	Certificate Number			

Dwights

Lease: JICARILLA E 7E

Retrieval Code: 251,039,0392542272319

05/23/96

10^3
 10^3

10^3
 10^3

10^2
 10^2

10^2
 10^2

10
10

10
10

1
1

1
1

1995

1997

1999

2001

Gas (mcf/day)

Water (bbl/day)

Oil (bbl/day)

Well Count

County: RIO ARRIBA, NM

F.P. Date: 07/95

Field: BLANCO (MESAVERDE) MV

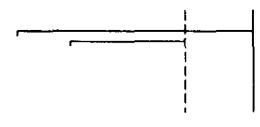
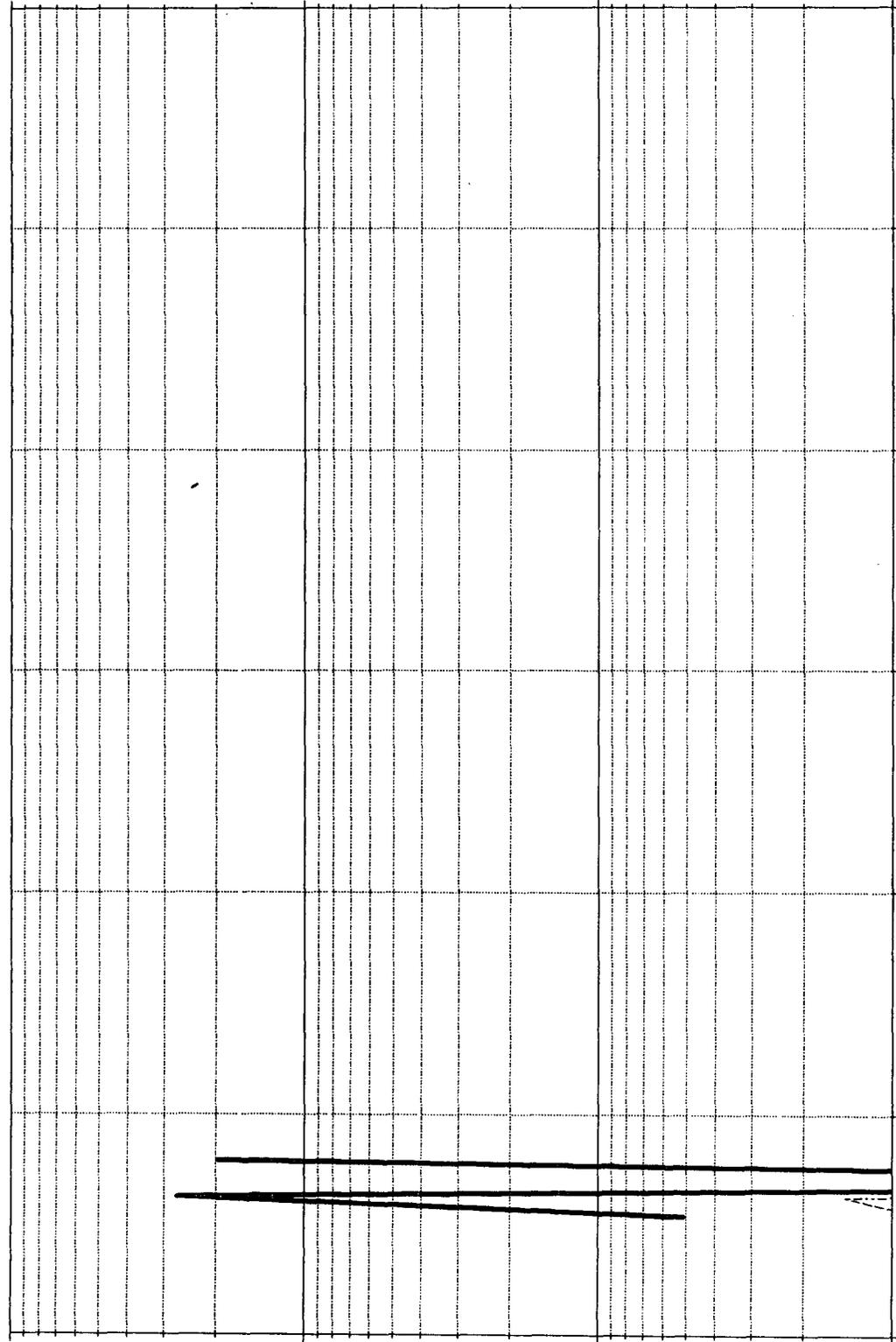
Oil Cum: 86 bbl

Reservoir: MESAVERDE

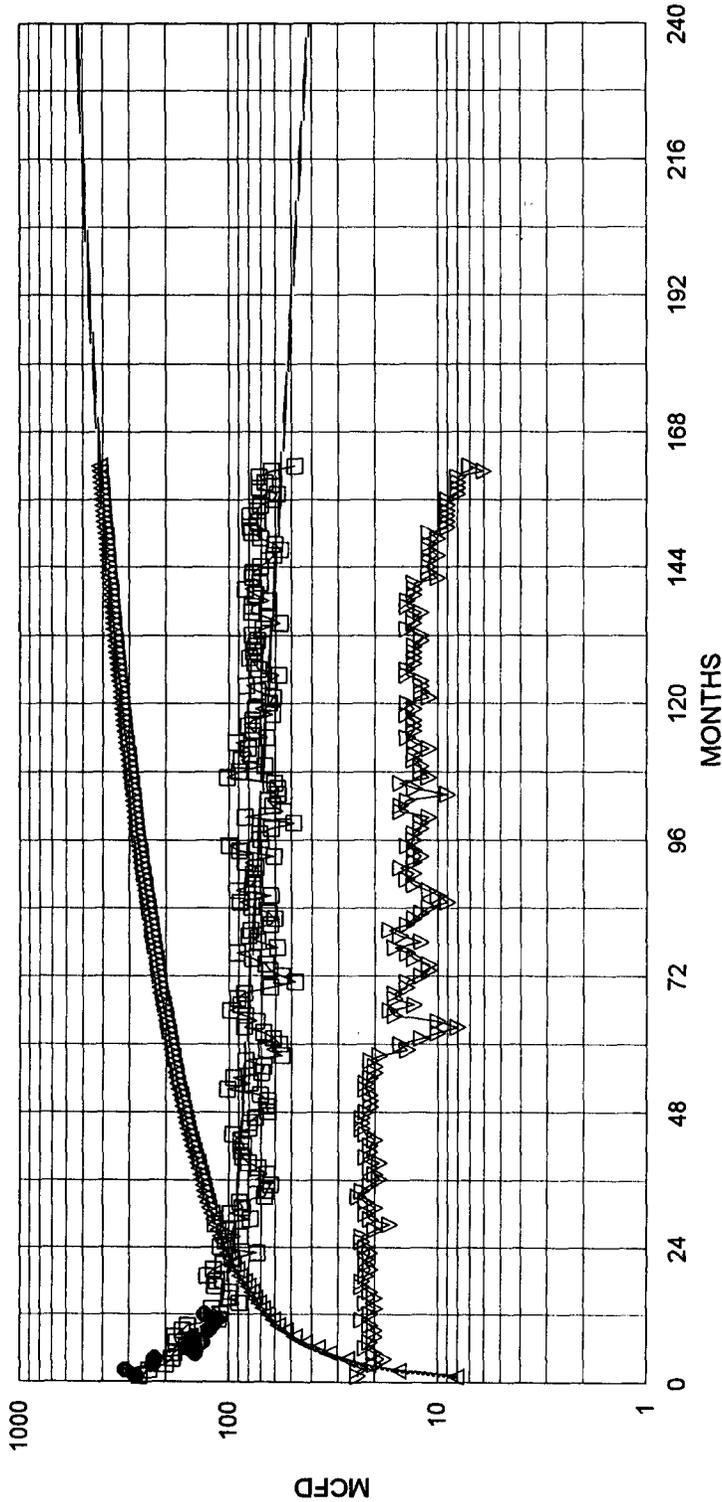
Gas Cum: 14.38 mmcf

Operator: CONOCO INC

Location: 15B 26N 4W



NORMALIZED MESAVERDE PRODUCTION
 25 WELLS SINCE 1980; 26N 4W SEC 7-36



- FIT MCFD
- ▽ WELLS ON PRODUCTION
- ◻ NORMALIZED MCFD
- - FIT CUM MMCF
- ▲ NORM CUM MMCF
- 7 NEW MERIT RECOMPLETIONS

NORMALIZED AVG:	
701 MMCF EUR	280 MCFD IP
531 MMCF IN 20 YRS	60% DECLINE, 1ST 12 MONTHS
20 MCFD E.L.	15% DECLINE, NEXT 12 MONTHS
	4.5% FINAL DECLINE

Dwights

Lease: JICARILLA E 007E

05/23/96

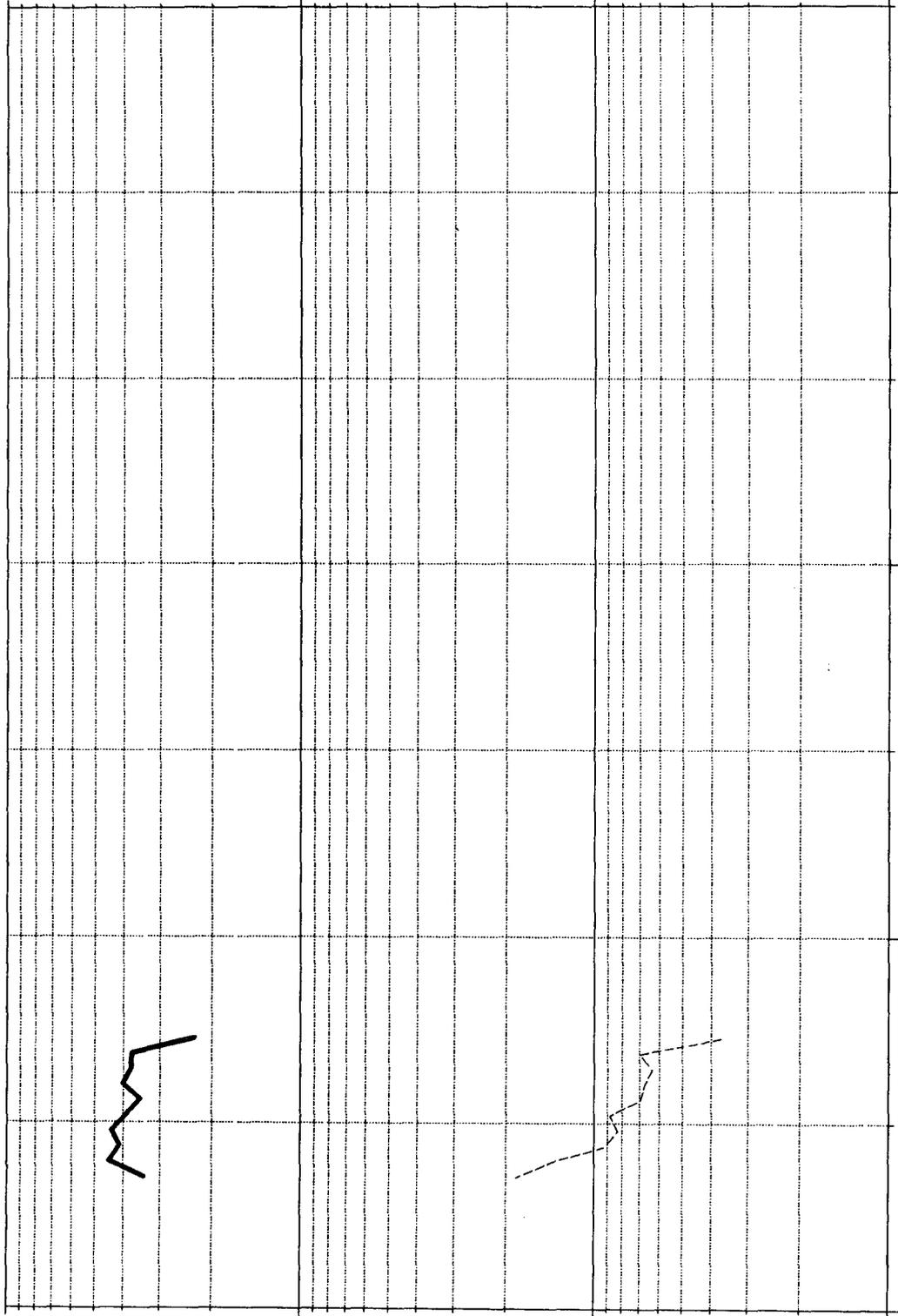
Retrieval Code: 251,039,0392542271599

10^3
 10^3

10^2
 10^2

10
10

1
1



1994

1996

1998

2000

Gas (mcf/day)

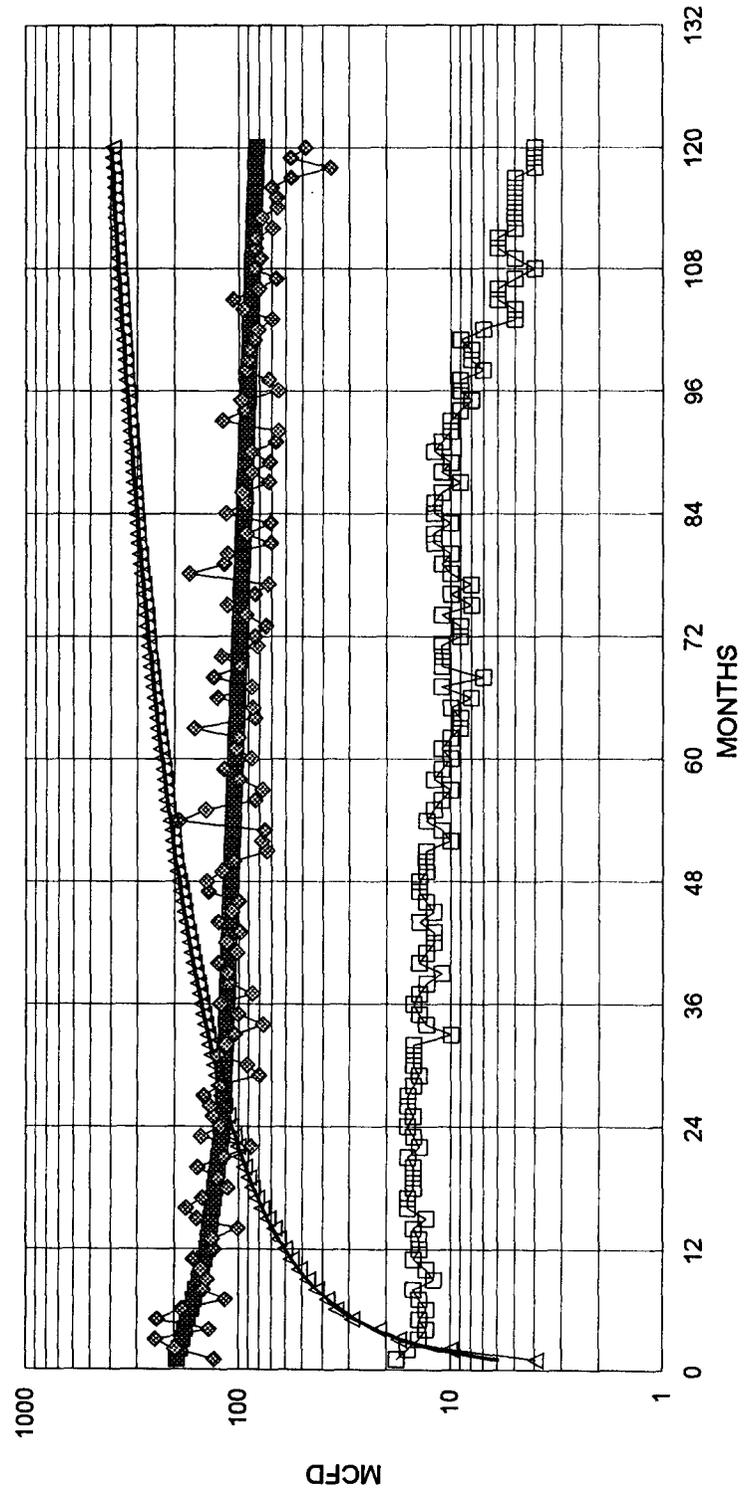
Water (bbl/day)

Oil (bbl/day)

Well Count

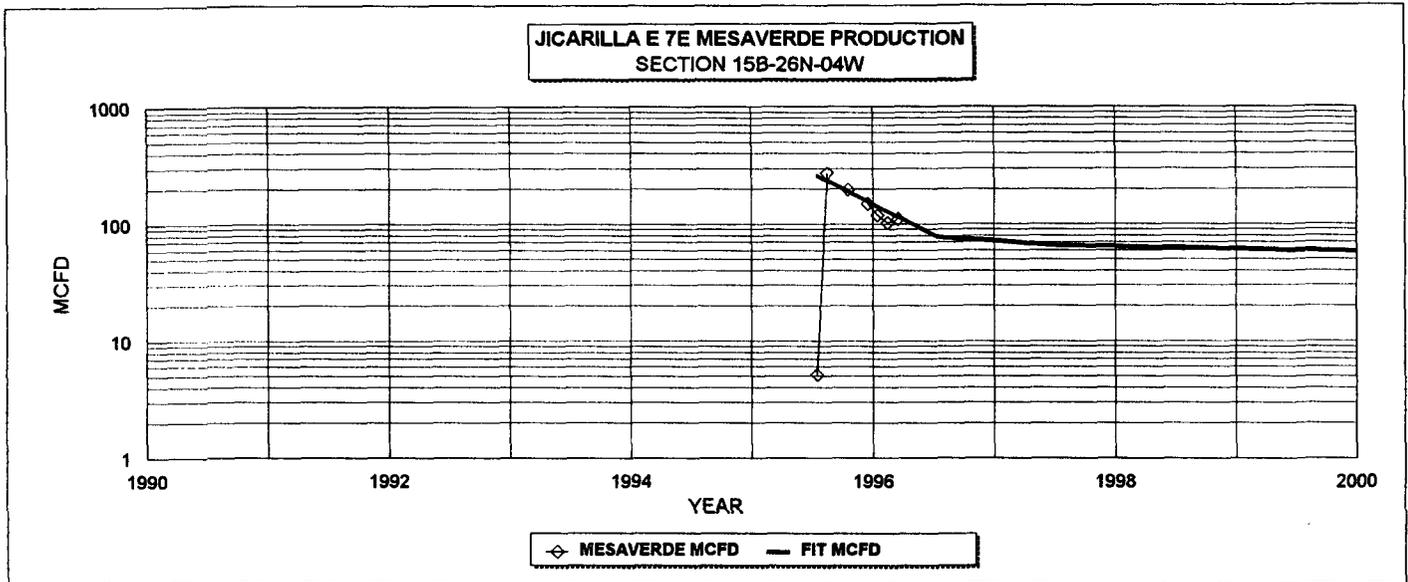
County: RIO ARRIBA, NM
 Field: BASIN (DAKOTA) DK
 Reservoir: DAKOTA
 Operator: CONOCO INC
 F.P. Date: 09/94
 Oil Cum: 2712 bbl
 Gas Cum: 114.5 mmcf
 Location: 15B 26N 4W

**NORMALIZED DAKOTA PRODUCTION; 26N 4W
18 WELLS SINCE 1980; OFFSET TO MERIT LOCATIONS**

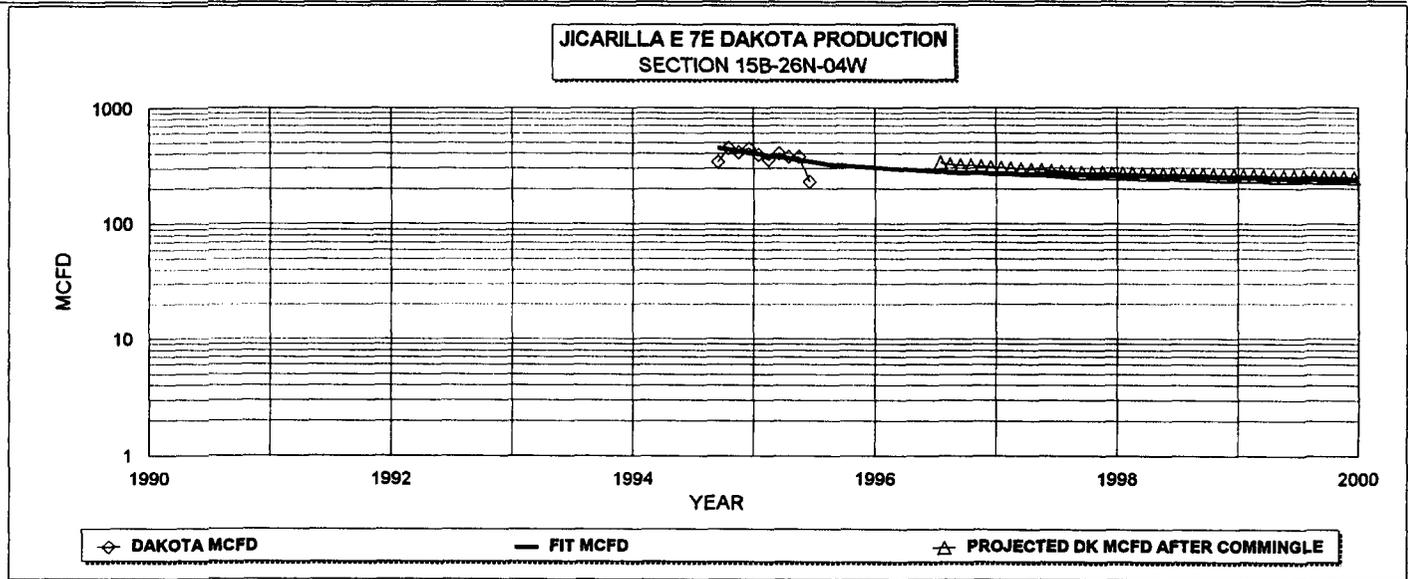


■ FIT MCFD ◆ NORMALIZED MCFD □ WELLS ON PRODUCTION
 - - FIT CUM MMCF ▲ NORMALIZED CUM MMCF

NORMALIZED AVG: 851 MMCF EUR 639 MMCF IN 20 YRS	200 MCFD IP 30.0% DECLINE, 1ST 12 MONTHS 15.0% DECLINE, NEXT 12 MONTHS 4.5% FINAL DECLINE	
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MESAVERDE HISTORICAL DATA:		1ST PROD: 7/95		MESAVERDE PROJECTED DATA	
OIL CUM:	0.12 MBO			7/1/96 Q1:	78 MCFD
GAS CUM:	29.1 MMCF			DECLINE RATE:	15.0% THROUGH 7/97
OIL YIELD:	0.0040 BBL/MCF				4.5% FINAL DECLINE



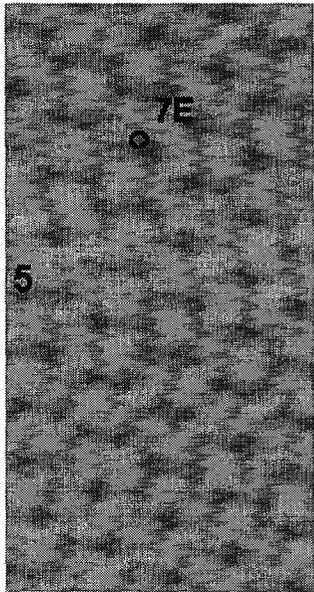
DAKOTA HISTORICAL DATA		1ST PROD: 9/94		DAKOTA PROJECTED DATA		YRLY AVG		YRLY AVG		%		%		
OIL CUM:	2.7 MBO			7/1/96 Q1:	334 MCFD	YRLY AVG:	DK MCFD	YRLY AVG:	MV MCFD	DAKOTA	MV			
GAS CUM:	114.5 MMCF			DECLINE RATE:	15.0% THROUGH 7/97	1996	319	1996	75	81%	19%			
OIL YIELD:	0.0237 BBL/MCF				4.5% FINAL DECLINE	1997	284	1997	68	81%	19%			
FIXED COMMINGLE ALLOCATION FACTORS:								1998	265	63	81%	19%		
	GAS	OIL		GAS ALLOCATION BASED ON TABLE AT RIGHT				1999	253	61	81%	19%		
DAKOTA	81%	96%		OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELD				2000	242	58	81%	19%		
MESAVERDE	19%	4%						2001	231	55	81%	19%		

NOTE: PRODUCTION DATA FROM DWIGHTS ENERGY DATA; LAST 4 MO. MV DATA FROM CONOCO

NOTE: 1996 yrly avg is for 2nd half of year only

Jicarilla "E" No. 7E

OFFSET OPERATORS

9 AMOCO	10 AMOCO	11 Conoco
16 Conoco	15 Conoco 	14 Conoco
21 Conoco	22 Conoco	23 Conoco

Township 26N --- Range 4W