

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 87410-1693

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 79705

Lease State Com C Well No. 6 Unit Ltr. - Sec - Twp - Rge K-32-29N-9W County San Juan

OGRID NO. 005073 Property Code 016725 API NO. 30-045-24867 Spacing Unit Lease Types: (check 1 or more)
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	Aztec PC 71280		Otero Chacra 82329
2. Top and Bottom of Pay Section (Perforations)	2204' - 2257'		3160' - 3292'
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) 205 psi b. (Original) 752 psi	a. b.	a. 274 psi b. 977 psi
6. Oil Gravity ($^{\circ}$ API) or Gas BTU Content	1197 BTU		1185 BTU
7. Producing or Shut-In?	Producing		Producing
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: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 1/96 Rates: .0001 bbl/mcf 35 mcf/gpd, 0 bwpd	Date: Rates:	Date: 1/96 Rates: .0000 bbl/mcf 12 mcf/gpd, 0 bwpd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 100 % Gas: 74 %	Oil: % Gas: %	Oil: 0 % Gas: 26 %

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 5/31/96

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

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

P. O. BOX 2058
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

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

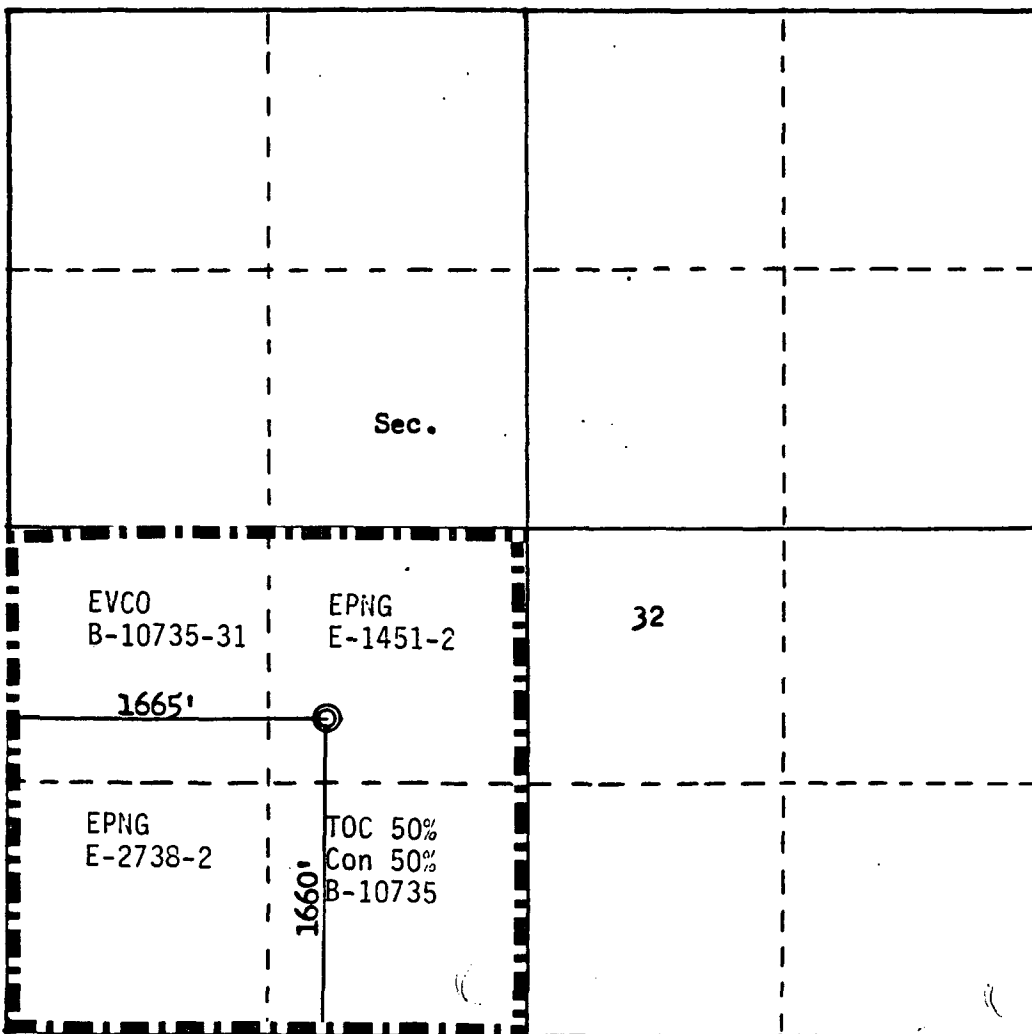
Operator TENNECO OIL COMPANY			Lease State Com "C"		Well No. 6
Unit Letter K	Section 32	Township 29N	Range 9W	County San Juan	
Actual Footage Location of Well: 1660 feet from the South line and 1665 feet from the West line					
Ground Level Elev. 5866	Producing Formation Pictured Cliffs/Chacra		Pool Aztec Pictured Cliffs/Chacra	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 Communitized

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.



Scale: 1"=1000'

CERTIFICATION

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

Name
Ken Russell

Position
Sr. Production Analyst

Company
Tenneco Oil Company

Date
October 15, 1982

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.

Date Surveyed
October 5, 1982

Registered Professional Engineer and Land Surveyor
Fred B. Kery Jr.

Certificate No. **4282**
2050

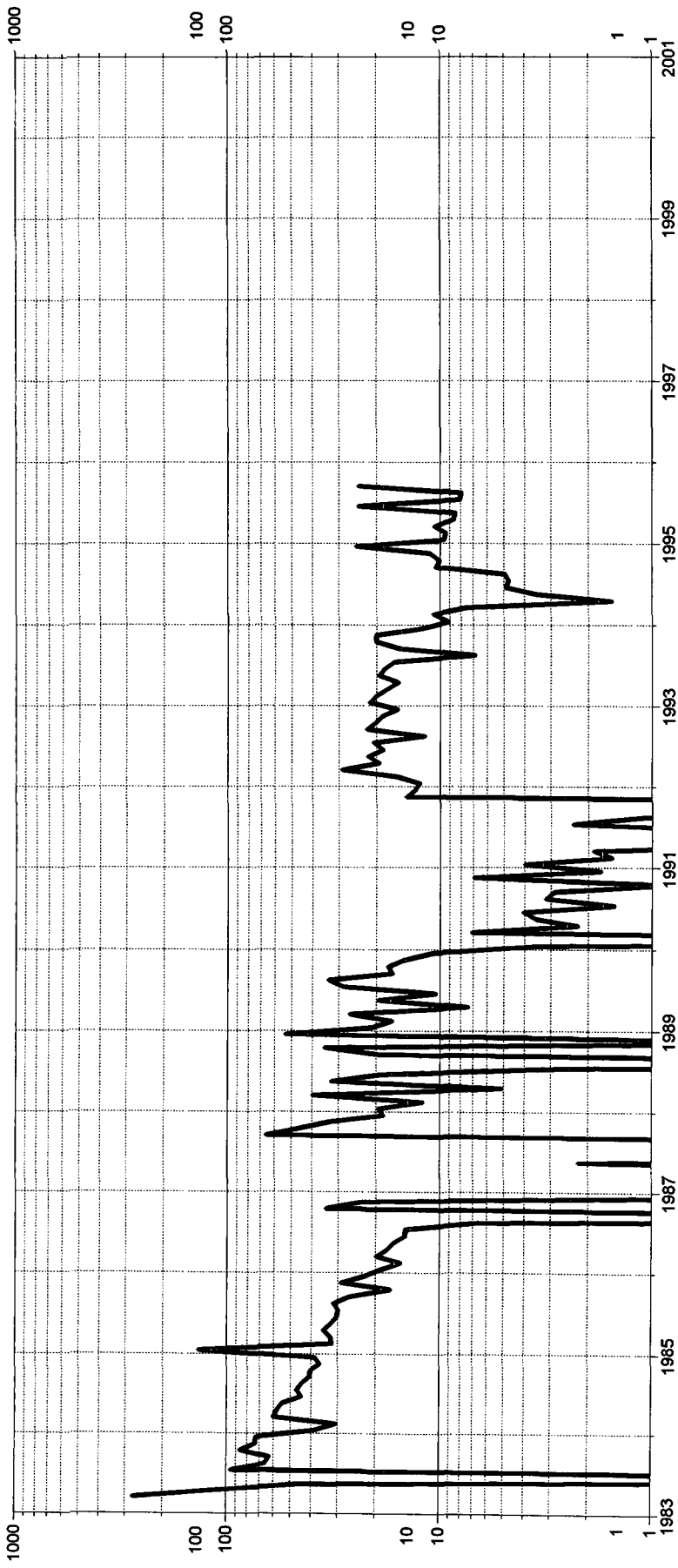
Dwights

1000 Lease: STATE COM C 000006

Retrieval Code: 251,045,29N09W32L00C

1000

1000



County: SAN JUAN

Field: OTERO (CHACRA) CK

Reservoir: CHACRA

Operator: CONOCO INC

State: NM

Oil Cum: 0 bbl

Gas Cum: 103462 mcf

Location: 32L 29N 9W

F.P. Date: 03/83

Water (bbl/day)

Gas (mcf/day)

Date: 02/20/96

Well Count

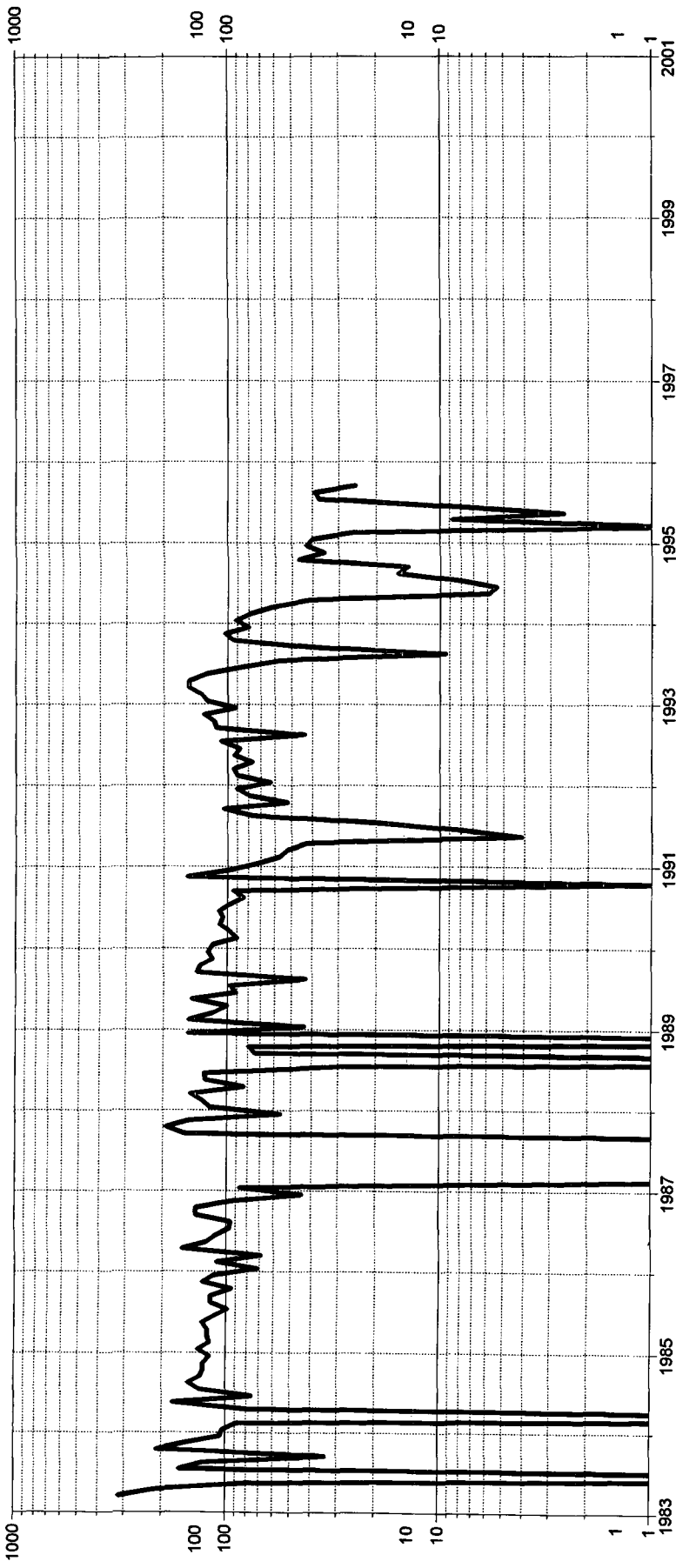
Oil (bbl/day)

Dwights

1000 Lease: STATE COM C 000006

Retrieval Code: 251,045,29N09W32L00P

1000
1000



County: SAN JUAN

State: NM

F.P. Date: 03/83

Date: 02/20/96

Field: AZTEC (PICTURED CLIFFS) PC

Oil Cum: 40 bbl

Reservoir: PICTURED CLIFFS

Gas Cum: 397633 mcf

Water (bbl/day)

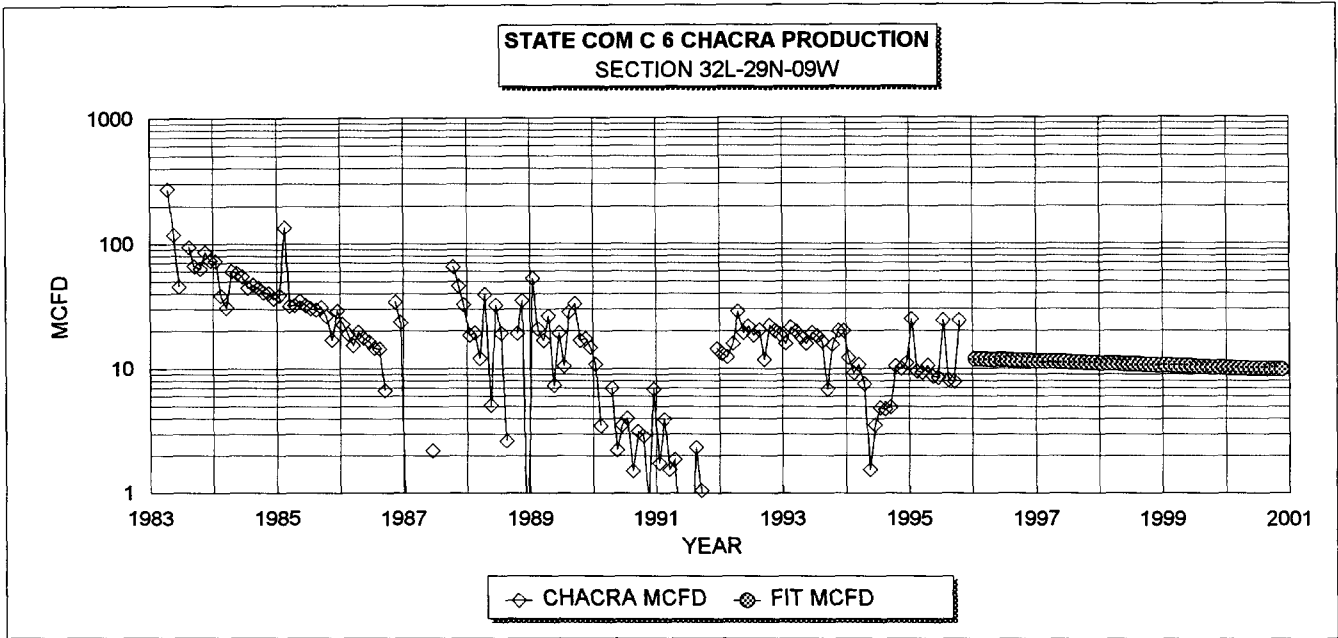
Well Count

Operator: CONOCO INC

Location: 32L 29N 9W

Gas (mcf/day)

Oil (bbl/day)



CHACRA HISTORICAL DATA: **1ST PROD: 03/83**

OIL CUM: 0.00 MBO

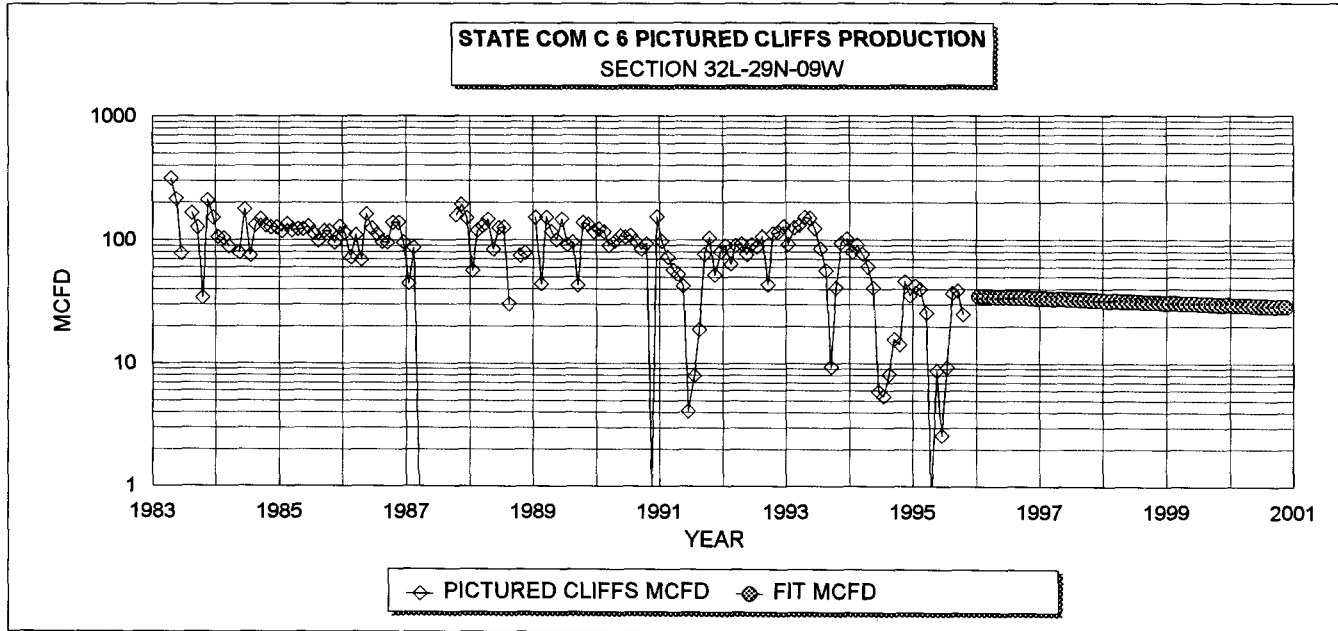
GAS CUM: 103.46 MMCF

OIL YIELD: 0.0000 BBL/MCF

CHACRA PROJECTED DATA

1/1/96 Qi: 12 MCFD

DECLINE RATE: 4.0% (EXPONENTIAL)



PICTURED CLIFFS HIST. DATA **1ST PROD: 03/83**

OIL CUM: 0.04 MBO

GAS CUM: 397.63 MMCF

OIL YIELD: 0.0001 BBL/MCF

PICTURED CLIFF PROJECTED DATA

1/1/96 Qi: 35 MCFD

DECLINE RATE: 4.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
PICTURED CLIFFS	74%	100%
CHACRA:	26%	0%

GAS ALLOCATION BASED ON PROJECTED 1996 RATES

OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

STATE COM C #6

OFFSET OPERATORS

Southland Royalty		AMOCO D.J. Simmons			
31		32		33	
Southland Royalty		<div>CONOCO 6 West Largo</div>		AMOCO	
				<u>Township 29 N</u>	
7	AMOCO		Southland Royalty		<u>Township 29 N</u>
	8				9

Range 9 West