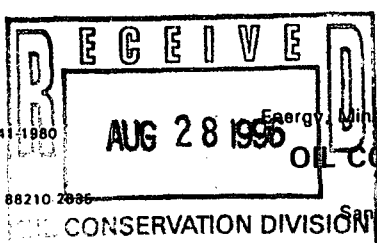


DHC 1372 9/17/96

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980  
DISTRICT II  
811 South First St., Artesia, NM 88210-2086  
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 87505-6429  
APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A  
New 3-12-96  
APPROVAL PROCESS:  
☒ Administrative ☐ Hearing  
EXISTING WELLBORE  
☒ YES ☐ NO

Operator Conoco Inc. Address 10 Desta Dr, Ste 100W, Midland TX 79705  
State N Well No. 1M Unit Ltr. - Sec - Twp - Rge D-32-29N-9W County San Juan  
Lease 005073 Property Code 71599 API NO. 30-045-25419 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  | Blanco Mesa Verde<br>72319                     |                   | Basin Dakota<br>71599                         |
| 2. Top and Bottom of Pay Section (Perforations)   | 3974' - 4495'                                  |                   | 6500' - 6631'                                 |
| 3. Type of production (Oil or Gas)  | Gas  |                   | Gas   |
| 4. Method of Production (Flowing or Artificial Lift)  | Plunger Lift                                   |                   | Flowing                                       |
| 5. Bottomhole Pressure<br>Oil Zones - Artificial Lift:<br>Gas & Oil - Flowing:<br>All Gas Zones:<br>Estimated Current<br>Measured Current<br>Estimated Or Measured Original   | a. (Current)<br>340 psia                       | a.                | a.<br>546 psia                                |
|   | b. (Original)<br>1140 psia                     | b.                | b.<br>2426 psia                               |
| 6. Oil Gravity (°API) or Gas BTU Content  | 1335 BTU                                       |                   | 1265 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<br><br>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data<br><br>* If Producing, give date and oil/gas/water rates of recent test (within 60 days) | Date:<br>Rates:                                | Date:<br>Rates:   | Date:<br>Rates:                               |
|   | 1/1/96<br>0.0014 bbl/mcf<br>105 mcf/gpd, 0 bwd | Date:<br>Rates:   | 1/1/96<br>0.0073 bbl/mcf<br>90 mcf/gpd, 0 bwd |
| 8. Fixed Percentage Allocation Formula - % for each zone  | Oil: 18 % Gas: 54 %                            | Oil: % Gas: %     | Oil: 82 % 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? ☒ 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 8/26/96  
TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. ( 915 ) 686-6548

**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.

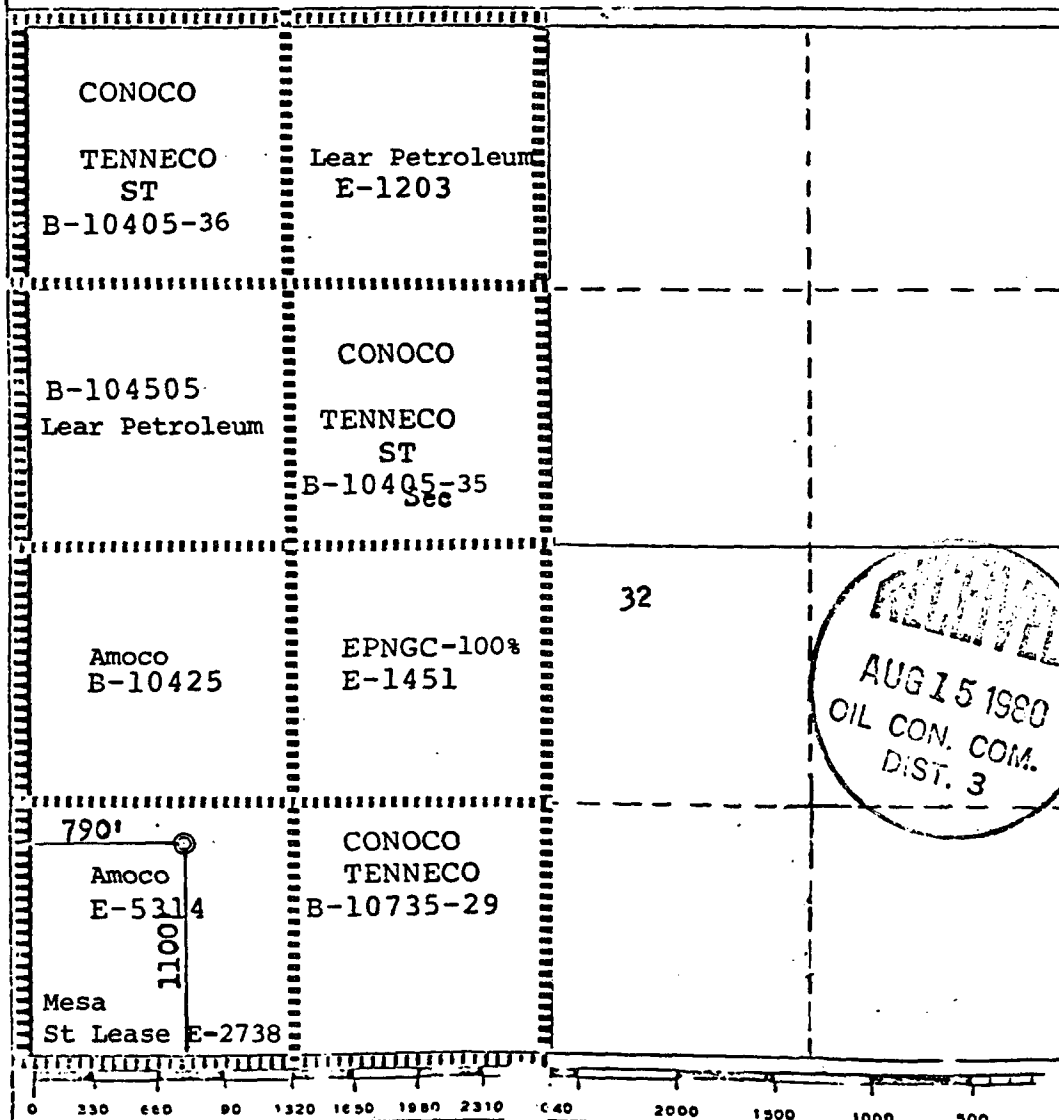
|  |                                      |                        |                             |                           |  |
|--|--------------------------------------|------------------------|-----------------------------|---------------------------|--|
| Operator<br><b>TENNECO OIL COMPANY</b>   |                                      |                        | Lease<br><b>STATE "NM"</b>  |                           | Well No.<br><b>1</b>                   |
| Unit Letter<br><b>M</b>  | Section<br><b>32</b>                 | Township<br><b>29N</b> | Range<br><b>9W</b>          | County<br><b>San Juan</b> |  |
| Actual Footage Location of Wells:<br><b>1100</b> feet from the <b>South</b> line and <b>790</b> feet from the <b>West</b> line |                                      |                        |                             |                           |  |
| Ground Level Elev.<br><b>5873</b>  | Producing Formation<br><b>Dakota</b> |                        | Pool<br><b>Basin Dakota</b> |                           | Dedicated Acreage:<br><b>320</b> 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 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.



**CERTIFICATION**

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

*M. L. Freeman*  
Name

M. L. Freeman

Pestligh  
Staff Production Analyst

Company  
Tenneco Oil Company

Date  
August 12, 1980

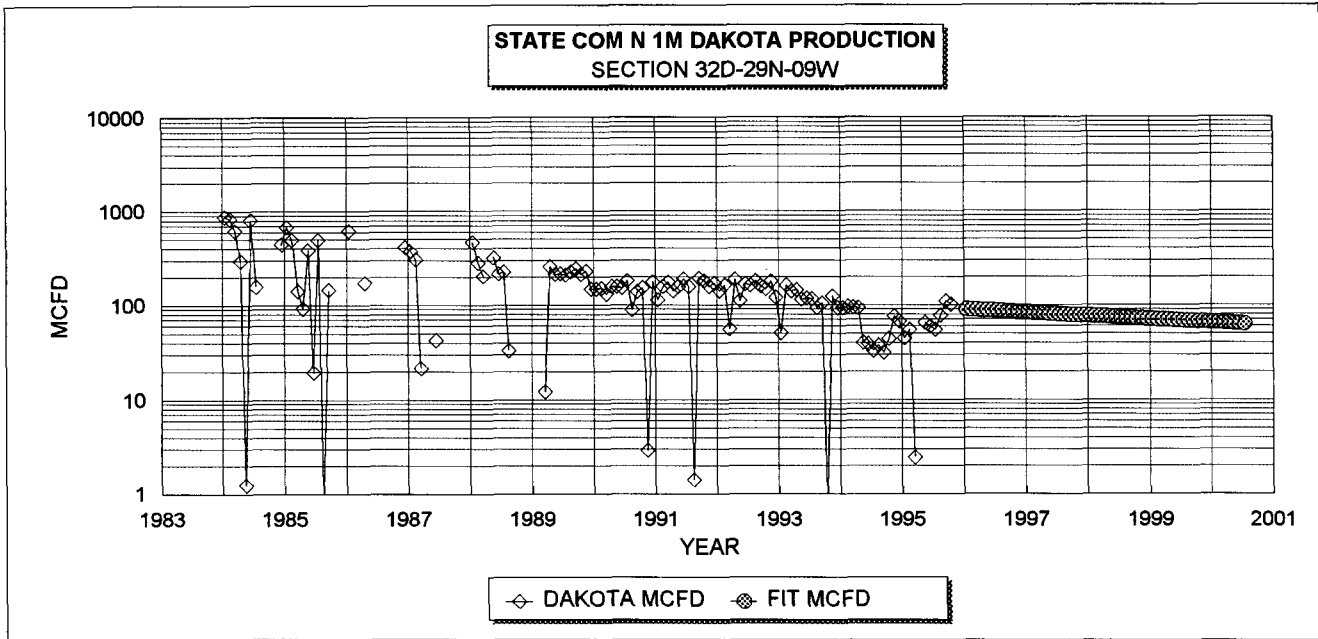
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
October 17, 1978

Registered Professional Engineer  
and/or Land Surveyor  
*Fred B. Kerr Jr.*  
Fred B. Kerr Jr.

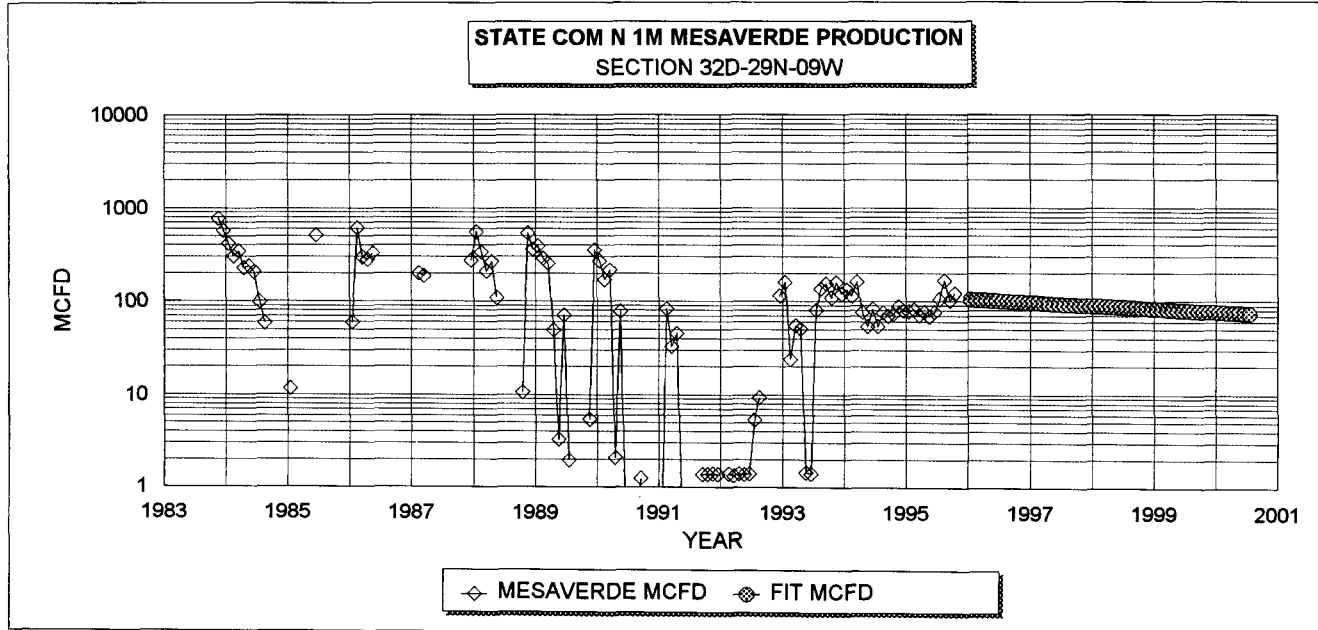
Certificate No. Mexico  
3950

*Copy retained by Div.*



**DAKOTA HISTORICAL DATA:**    **1ST PROD: 6/67**  
**OIL CUM:**                    **4.42 MBO**  
**GAS CUM:**                    **604.48 MMCF**  
**OIL YIELD:**                  **0.0073 BBL/MCF**

**DAKOTA PROJECTED DATA**  
**1/1/96 Q1:**                  **90 MCFD**  
**DECLINE RATE:**              **7.5% (EXPONENTIAL)**



**MESAVERDE HISTORICAL DATA**    **1ST PROD: 11/9**  
**OIL CUM:**                    **0.06 MBO**  
**GAS CUM:**                    **43.96 MMCF**  
**OIL YIELD:**                  **0.0014 BBL/MCF**

**MESAVERDE PROJECTED DATA**  
**1/1/96 Q1:**                  **105 MCFD**  
**DECLINE RATE:**              **7.5% (EXPONENTIAL)**

**FIXED COMMINGLE ALLOCATION FACTORS:**

|            | GAS | OIL |
|------------|-----|-----|
| MESAVERDE: | 54% | 18% |
| DAKOTA:    | 46% | 82% |

**GAS ALLOCATION BASED ON PROJECTED 1996 RATES**  
**OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS**

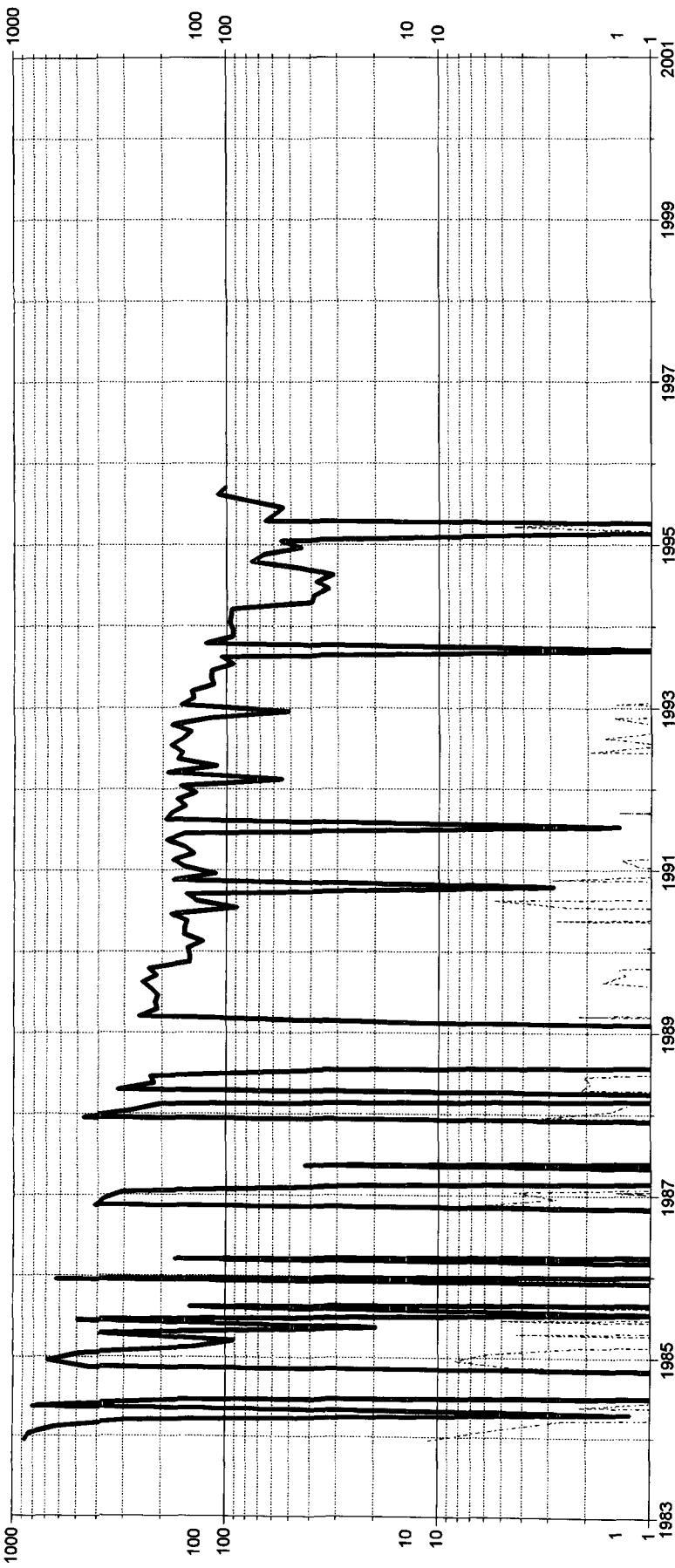
**NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA**

# Dwights

1000 Lease: STATE N 00001M

Retrieval Code: 251,045,29N09W32D00D

1000



County: SAN JUAN

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

State: NM

Oil Cum: 4417 bbl

Gas Cum: 604478 mcf

Location: 32D 29N 9W

F.P. Date: 12/83

Water (bbl/day)

Gas (mcf/day)

Date: 02/20/96

Well Count

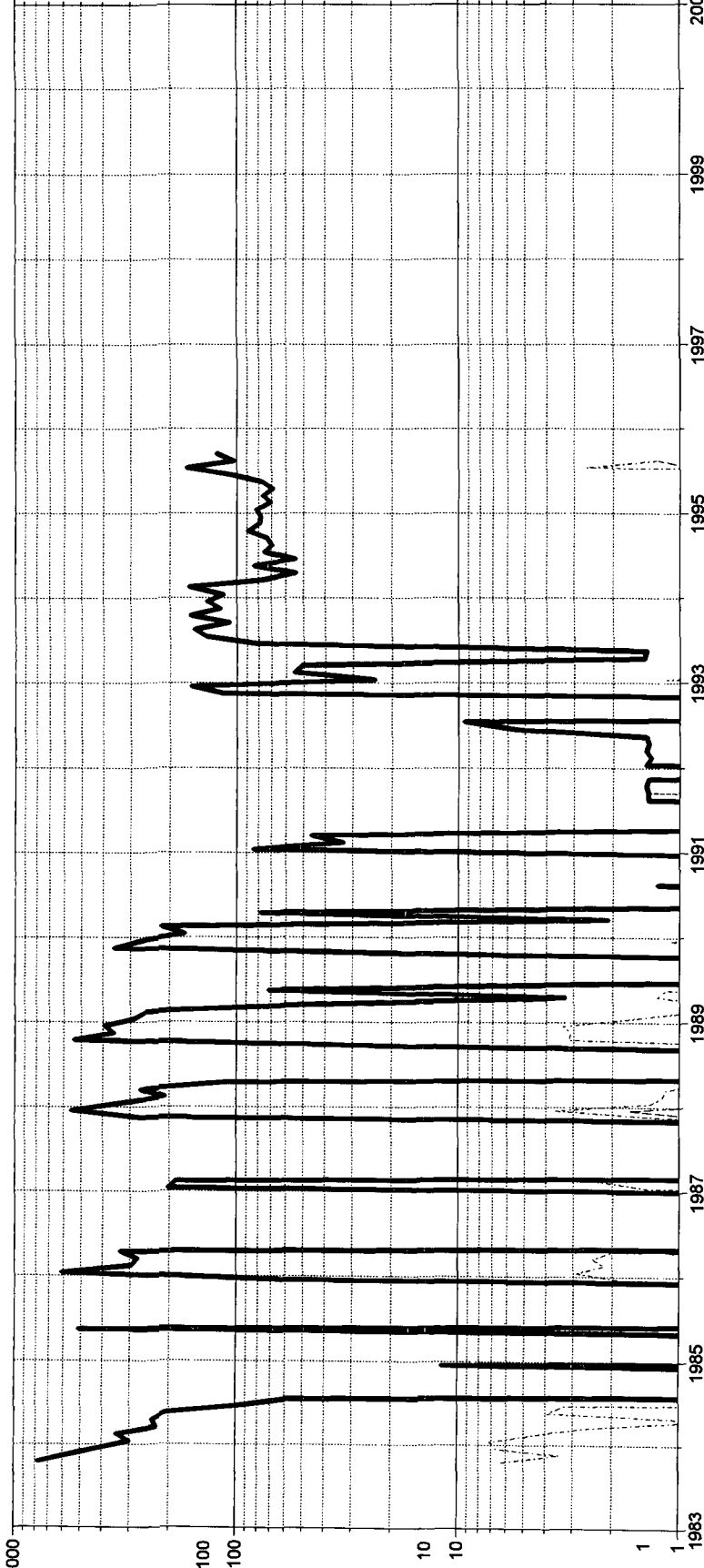
Oil (bbl/day)

# Dwights

1000 Lease: STATE N 00001M

Retrieval Code: 251,045,29N09W32D00M

1000 1000 100 100 10 10 1 1 1983 1985 1987 1989 1991 1993 1995 1997 1999 2001



County: SAN JUAN

State: NM

F.P. Date: 10/83

Date: 02/20/96

Field: BLANCO (MESAVERDE) MV

Oil Cum: 3130 bbl

Reservoir: MESAVERDE

Gas Cum: 421717 mcf

Water (bbl/day)

Well Count

Operator: CONOCO INC

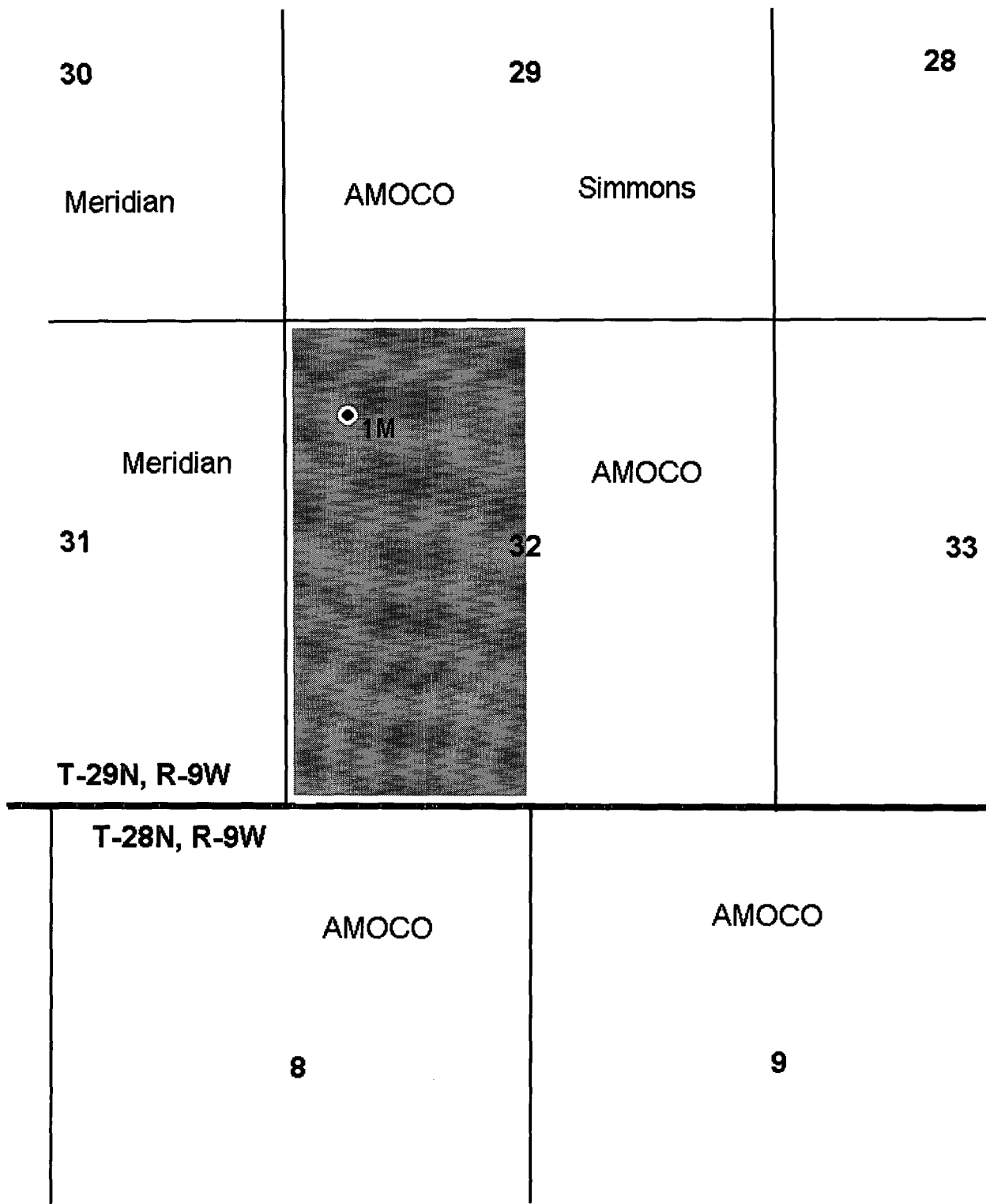
Location: 32D 29N 9W

Gas (mcf/day)

Oil (bbl/day)

# STATE N #1M

## OFFSET OPERATORS



# STATE N NO. 1 & 1M

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

| Name & Address   | Interest Type      | Mesaverde<br>% Interest | Dakota<br>% Interest |
|--|--------------------|-------------------------|----------------------|
| Conoco Inc.<br>10 Desta Dr., Ste 100W<br>Midland, TX 797905                            | Working            | 68.10634                | 49.30642             |
| Conoco A/C Mesa Royalty Trust<br>P. O. Box 1267<br>Ponca City, OK 74602                | Carried<br>Working | .64330                  | 1.28660              |
| Conoco A/C Shirley Bernstein<br>654 Madison Ave<br>New York, NY 10021                  | Carried<br>Working | .00015                  | .00030               |
| Conoco A/C Atwell & Co<br>Box 456 Wall St. Sta.<br>New York, NY 10005                  | Carried<br>Working | .00017                  | .00034               |
| Conoco A/C Kathleen Lipkins<br>812 Park Ave. #4A<br>New York, NY 10021                 | Carried<br>Working | .00004                  | .00009               |
| Meridian Oil Inc.<br>P. O. Box 4289<br>Farmington, NM 87499                            | Working            | 18.75000                | 3.12500              |
| Evko Development Co.<br>4710 Cabrillo Street<br>San Francisco, CA 94121                | Working            | 18.75000                | 12.50000             |
| Elizabeth Turner Calloway<br>4801 St. John's Dr.<br>Dallas, TX 75201                   | Working            | None                    | .59375               |
| Schultz Mgmt Ltd.<br>500 N Akard, Ste 2160<br>Dallas, TX 75202                         | Working            | None                    | 1.56250              |
| CWN & VLM Trust<br>1445 Ross Avenue<br>Ste. 2600, LB 201<br>Dallas, TX 75202           | Working            | None                    | 3.12500              |
| Henrietta E. Schultz, Trustee<br>500 N. Akard, Ste 2160<br>Dallas, TX 75202            | Working            | None                    | 1.56250              |
| Mary F. Turner, Jr. Trust<br>Dallas Oil & Gas<br>P. O. Box 200890<br>Houston, TX 77216 | Working            | None                    | .59375               |

|   |            |      |  |
|---|------------|------|--|
| J. Glenn Turner, Jr.<br>3131 Turtle Creek Blvd.<br>#1201<br>Dallas, TX 75219      | Working    | None | 3.12500                                    |
| John L. Turner<br>P.O. Box 33610<br>Kerrville, TX 78029                           | Working    | None | .59375                                     |
| William G. Webb<br>1600 Pacific Ave.<br>Ste. 250<br>Dallas, TX 75201              | Working    | None | .156250                                    |
| Total Minatome Corp.<br>P. O. Box 201769<br>Houston, TX 77216                     | Working    | None | 25.00000                                   |
| Marcus Duane Adair<br>P. O. Box 66<br>Oklahoma City, OK 73101                     | Overriding | None | Partnership<br>with Total<br>Minatome Corp |
| William T. Brown, Jr.<br>8423 E. Otero Circle<br>Englewood, CO 80112              | Overriding | None | Partnership<br>with Total<br>Minatome Corp |
| Arthur V. Bushman<br>3817 N.W. Expressway<br>Ste. 1020<br>Oklahoma City, OK 73112 | Overriding | None | Partnership<br>with Total<br>Minatome Corp |
| L. J. Doerfler<br>2120 Sea Lion Dr.<br>Las Vegas, NV 89128                        | Overriding | None | Partnership<br>with Total<br>Minatome Corp |
| William E. Dunaway<br>2011 Lazy Grove<br>Kingwood, TX 77339                       | Overriding | None | Partnership<br>with Total<br>Minatome Corp |
| Joe Gill<br>2614 Manila<br>Houston, TX 77043                                      | Overriding | None | Partnership<br>with Total<br>Minatome Corp |
| Ronald L. Lloyd<br>7276 W. Elm Ct.<br>Littleton, CO 80122                         | Overriding | None | Partnership<br>with Total<br>Minatome Corp |
| Meadowbrook Oil Corp<br>3612 S. Epperly Dr.<br>Del City, OK 73115                 | Overriding | None | Partnership<br>with Total<br>Minatome Corp |
| Robert A. Morton<br>7328 Edenborough Dr.<br>Oklahoma City, OK 73132               | Overriding | None | Partnership<br>with Total<br>Minatome Corp |
| William D. Neville<br>#2 Wild Ginger Court<br>Woodlands, TX 77380                 | Overriding | None | Partnership<br>with Total<br>Minatome Corp |



|  |            |        |  |
|--|------------|--------|--|
| Gary J. Newman<br>Rte. B, Box 482<br>Edmond, OK 73034  | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Jeffrey R. Orgill<br>9400 North Broadway<br>One Brenham Place, Ste. 120<br>Oklahoma City, OK 73114 | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Paffett Family Trust<br>08 Placitas-Vista De La<br>Montana Pl.<br>Placitas, NM 87043               | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Bryan W. Pershern<br>7305 Roundrock<br>Dallas, TX 75248  | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Jack N. Pierson<br>1711 Westmere Ct.<br>Houston, TX 77077  | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Fred P. Quinn<br>1390 S. Douglas Blvd. #101<br>Midwest City, OK 73130                              | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Lawrence W. Robinette<br>8023 South 88 East Ave.<br>Tulsa, OK 74133                                | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Alan R. Smith<br>5802 Juniper Knoll Lane<br>Kingwood, TX 77345                                     | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Charles L. Stephenson<br>3829 Nantucket<br>Plano, TX 75023   | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Norman A. Tucker<br>P. O. Box 2078<br>Spring, TX 77383   | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| William R. Wolfe<br>12824 St. Andrews Dr.<br>Oklahoma City, OK 73120                               | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Vela Gerald Merit<br>P. O. Box 25189<br>Oklahoma City, OK 73125                                    | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| SABIO Mineral Joint Venture<br>5646 Milton Street<br>305 Meadows building<br>Dallas, TX 75206      | Overriding | None   | Partnership<br>with Total<br>Minatome Corp |
| Total Minatome Corp<br>P. O. Box 2201769<br>Houston, Tx 77216                                      | Overriding | 7.8125 | None                                       |

|   |            |          |         |
|---|------------|----------|---------|
| Conoco Inc.<br>10 Desta Drive, Ste. 100W<br>Midland, Tx 79705                               | Overriding | .68359   | None    |
| Amoco Production Co.<br>P. O. Box 800<br>Denver, CO 80201                                   | Overriding | 1.367187 | .20337  |
| J. C. Larson<br>P. O. Box 54<br>Willmar, MN 56201   | Overriding | None     | .37500  |
| Andra Adams<br>Rte. 2 Box 330<br>Bedford, KY 40006  | Overriding | None     | .093750 |
| Doris King<br>130 Banklick Sta. Rd.<br>Independence, KY 41051                               | Overriding | None     | .09375  |
| Ann Miller<br>859 Bristow Road<br>Independence, KY 41051                                    | Overriding | None     | .09375  |
| Carl Wicklund<br>11 Wayman Drive<br>Independence, KY 41051                                  | Overriding | None     | .09375  |
| Meridian Oil Inc.<br>P. O. Box 840656<br>Dallas, TX 75284                                   | Overriding | None     | .20337  |
| Commissioner of Public Lands<br>State of New Mexico<br>P. O. Box 1148<br>Santa Fe, NM 87504 | Royalty    | 10.15625 | 8.27734 |



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

September 11, 1996

Conoco Inc.  
10 Desta Drive  
Suite 100W  
Midland, Texas 79705-4500

Attn: Mr. Jerry W. Hoover

Re: Downhole Commingling Application  
State N Well No. 1M, Unit Letter D  
Section 32-29N-09W, API No. 30-045-25419  
Blanco Mesaverde and Basin Dakota Pools  
San Juan County, New Mexico

Dear Mr. Hoover:

We are in receipt of your application requesting our approval to downhole commingle the production from the above subject well from the Blanco Mesaverde and Basin Dakota Pools in San Juan County, New Mexico.

It is our understanding that production from the subject wells will be allocated as follows:

| <u>POOL</u>      | <u>ALLOCATION</u> |              |
|------------------|-------------------|--------------|
|                  | <u>Oil %</u>      | <u>Gas %</u> |
| Blanco Mesaverde | 18%               | 54%          |
| Basin Dakota     | 82%               | 46%          |
|                  | -----             | -----        |
|                  | 100               | 100          |

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request

Conoco Inc.  
Page 2  
September 11, 1996

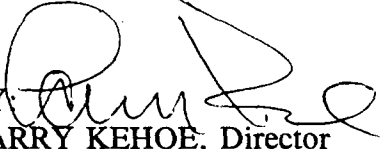
will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please submit your filing fee in the amount of \$30.00.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
LARRY KEHOE, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File

OCD--Attention: David Catanach, Ben Stone