

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

DEC 20 1996

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
SuterWell No.
4AUnit Ltr. - Sec - Twp - Rge
E-15-32N-11WCounty
San Juan

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 03290 API NO. 30-045-21731 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 Pictured Cliffs - 72359		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	3250' - 3278'		4782' - 5695'
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) 322 psia b. (Original) 1007 psia	a. b.	a. 297 psia b. 1168 psia
6. Oil Gravity (°API) or Gas BTU Content	1201 BTU		1171 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: 9/96 avg. Rates: 283 MCFGPD .1 BOPD	Date: Rates:	Date: 9/96 avg. Rates: 269 MCFGPD .6 BOPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 14 % Gas: 51 %	Oil: % Gas: %	Oil: 86 % Gas: 49 %

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 ☐ No11. 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.

SIGNATURE Jerry W. Hoover Sr. Conservation
TITLE Coordinator DATE 12/17/96TYPE 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.

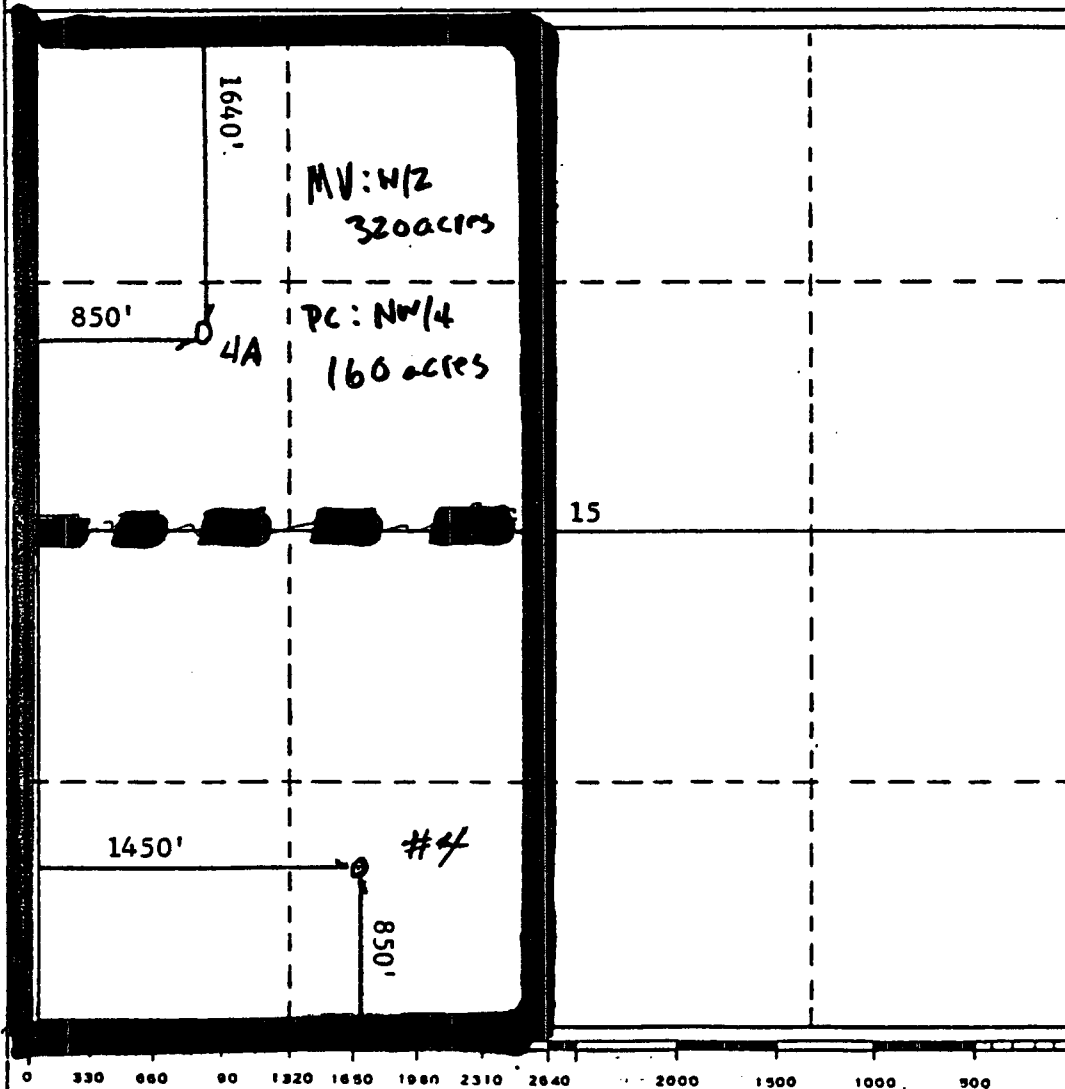
Operator Mesa Petroleum Co.			Lease Suter		Well No. 4A
Unit Letter E	Section 15	Township 32 North	Range 11 West	County San Juan	
Actual Footage Location of Well: 1640 feet from the North line and 850 feet from the West line					
Ground Level Elev. 6530'	Producing Formation Pictured Cliffs		Pool Bianco		Dedicated Acreage: 160 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.

[Signature]
Name **J. L. Farrell**

Position
Operations Manager

Company
Mesa Petroleum Co.

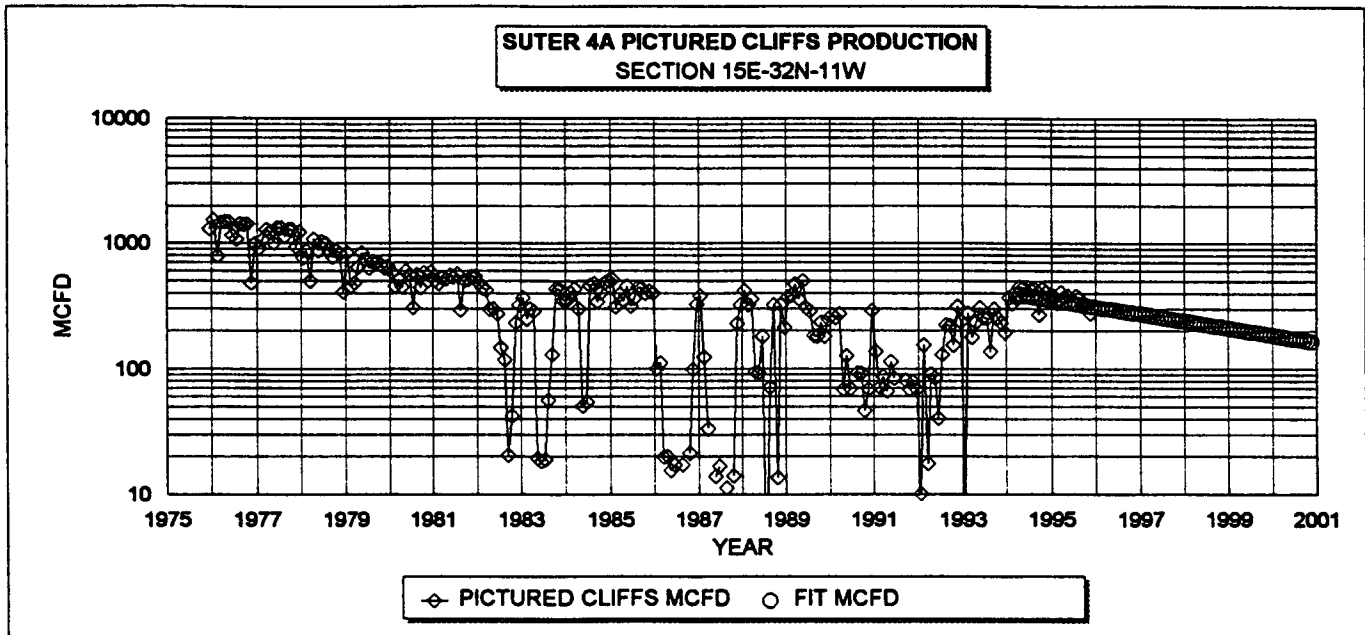
Date
11/7/75

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

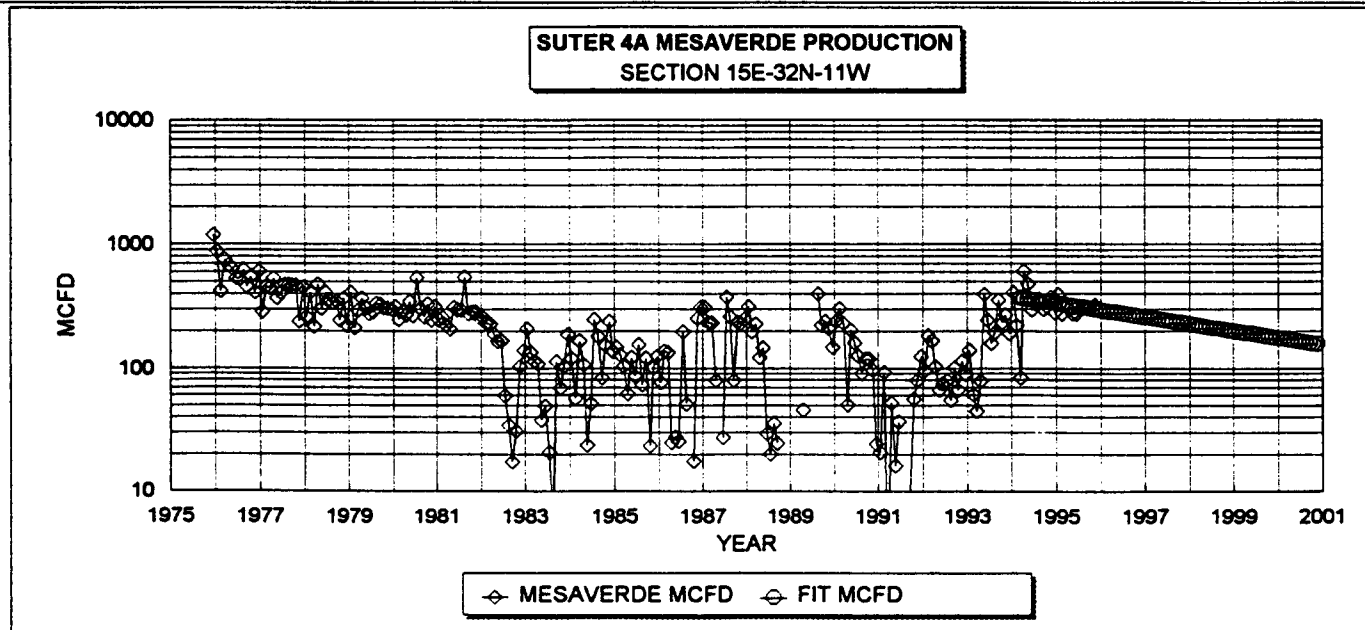
Registered Professional Engineer and/or Land Surveyor

Certificate No.



PICT. CLIFFS HISTORICAL DATA: 1ST PROD: 12/76
OIL CUM: 0.31 MBO
GAS CUM: 2976.2 MMCF
OIL YIELD: 0.0003 BBL/MCF

PICTURED CLIFFS PROJECTED DATA
9/1/96 Qi: 283 MCFD
DECLINE RATE: 12.0% (EXPONENTIAL)



MESAVERDE HISTORICAL DATA 1ST PROD: 12/76
OIL CUM: 3.6 MBO
GAS CUM: 1598.1 MMCF
OIL YIELD: 0.0022 BBL/MCF

MESAVERDE PROJECTED DATA
9/1/96 Qi: 269 MCFD
DECLINE RATE: 12.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE:	49%	87%
PICTURED CLIF	51%	13%

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

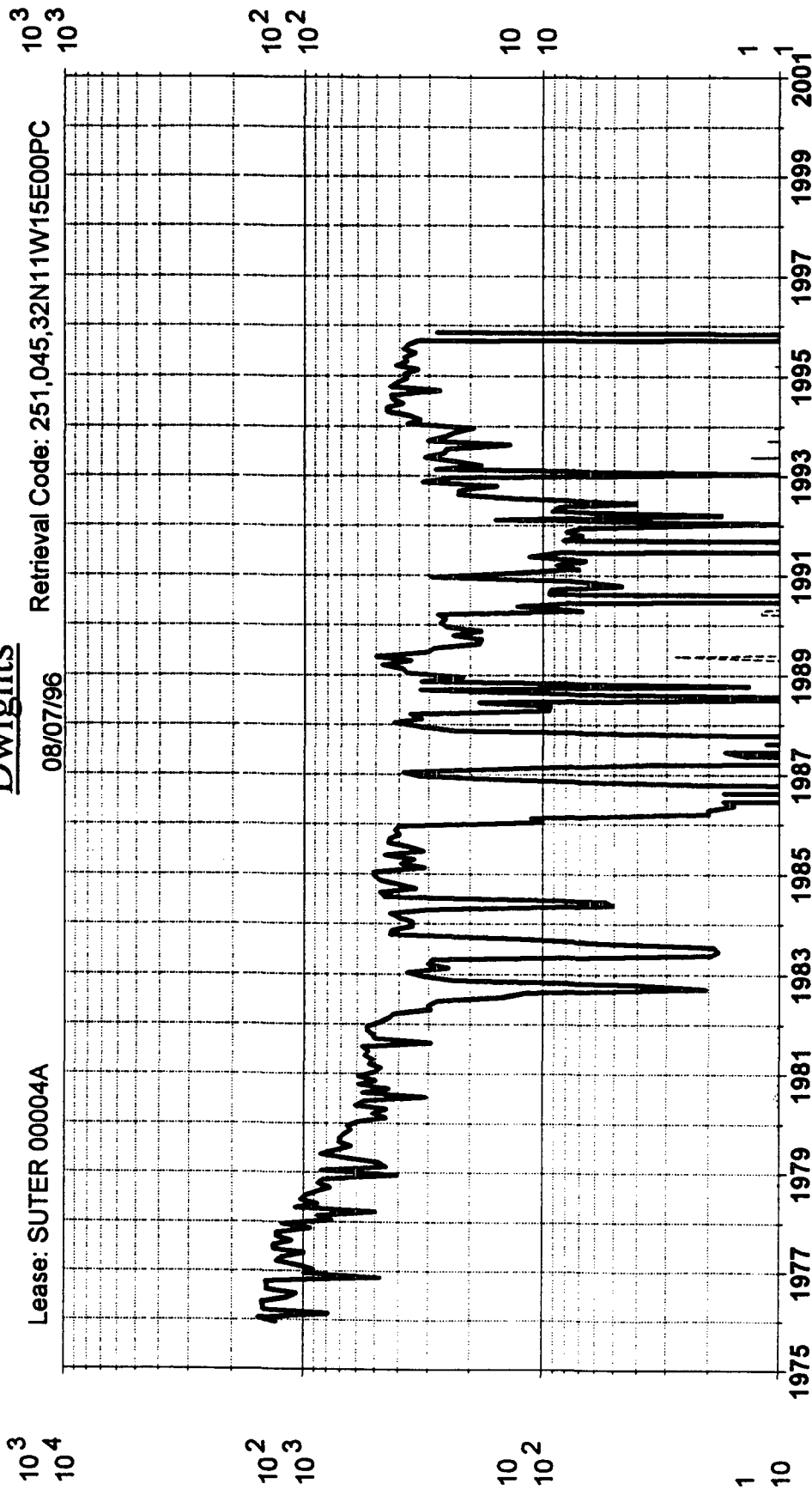
NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Dwights

Lease: SUTER 00004A

08/07/96

Retrieval Code: 251,045,32N11W15E00PC



Gas (mcf/day)
Water (bbl/day)

Oil (bbl/day)
Well Count

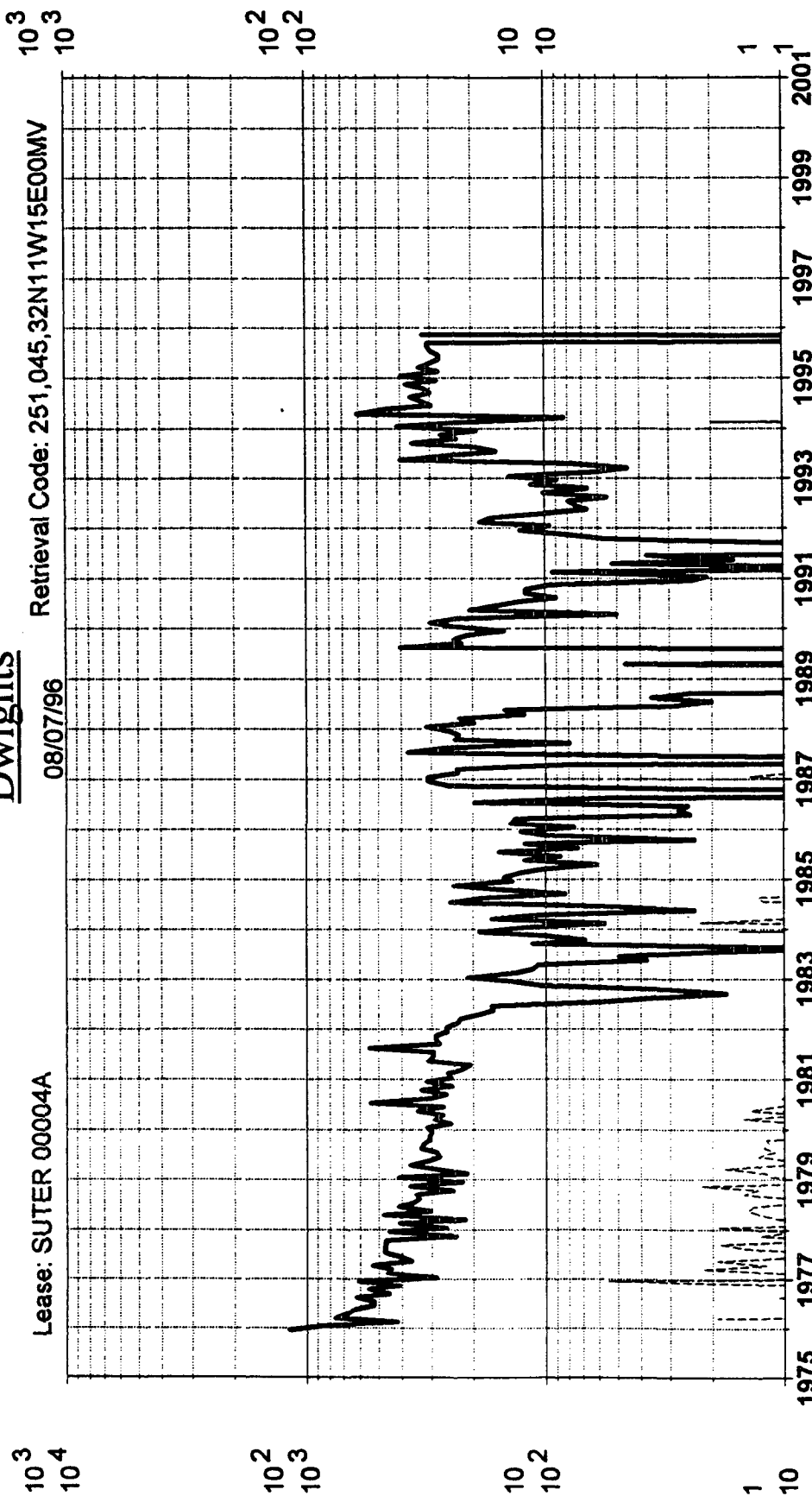
County: SAN JUAN, NM
Field: BLANCO (PICTURED CLIFFS) PC
Reservoir: PICTURED CLIFFS
Operator: CONOCO INC
F.P. Date: 12/75
Oil Cum: 910 bbl
Gas Cum: 2976 mmcf
Location: 15E 32N 11W

Dwights

Lease: SUTER 00004A

Retrieval Code: 251,045,32N11W15E00MV

08/07/96



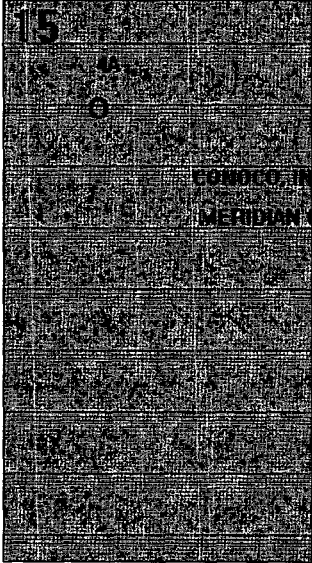
Gas (mcf/day)
Water (bbl/day)

Oil (bbl/day)
Well Count

County: SAN JUAN, NM
Field: BLANCO (MESAVARDE) MV
Reservoir: MESAVARDE
Operator: CONOCO INC
F.P. Date: 12/75
Oil Cum: 3559 bbl
Gas Cum: 1598 mmcf
Location: 15E 32N 11W

SUTER 4A

OFFSET OPERATORS

9 NW PIPELINE	10 MERIDIAN OIL INC SOUTHLAND ROYALTY NW PIPELINE	11 MERIDIAN OIL INC
16 NW PIPELINE	13  CONOCO, INC MERIDIAN OIL INC	14 CONOCO, INC MERIDIAN OIL INC
21 NW PIPELINE	22 EMERALD GAS OPER KIMBARK OIL & GAS AMOCO PROD EL PASO NAT GAS	23 AMOCO PROD EL PASO NAT GAS

Township 32N—Range 11W



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

January 27, 1997

IN REPLY REFER TO:
SW986, 14080012419 (CA)
3162.7-3 (07327)

Mr. Jerry W. Hoover
Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

RE: Downhole Commingling
No. 4A Suter
1640' FNL & 850' FWL, Sec. 15, T. 32 N., R. 11 W.
San Juan County, New Mexico

Dear Mr. Hoover:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your correspondence dated December 17, 1996, for downhole commingling of the Blanco Pictured Cliffs and Blanco Mesaverde Formations in the above referenced well.

The current bottom hole pressures are 297 psia for the Mesaverde and 322 psia for the Pictured. The average daily production for the month of September 1996 was 269 Mcfpd and .6 Bopd for the Mesaverde and 283 Mcfpd and .1 Bopd for the Pictured Cliffs. Using these values, the fixed percentage allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Pictured Cliffs	51%	14%
Mesaverde	49%	86%

Approval to downhole commingle the Blanco Pictured Cliffs and the Blanco Mesaverde formations for the above referenced well is hereby granted.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

/s/ Duane W. Spencer

Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Santa Fe; DOMR; Suspense; AIRS;
CA File NMNM75870, NMNM73368

07237:BWDavis:01/27/97:x6367:ConocoSuter4a.ltr