State of New Mexico
Energy, Minerals and Natural Rasources Department DISTRICT I rO Box 1980, Hobbs, NM 88241 198 **APPROVAL PROCESS:** OIL CONSERVATION DIVISION APR 22 1997 STRICT II Administrative Hearing 811 Southi First St. Artesia NM 88210 2835 2040 S. Pacheco Santa Fe, New Mexico 87505-6429 **EXISTING WELLBORE** APPLICATION FOR DOWNHOLE COMMINGLING YES NO 1000 Rio Brazos Rd. Aztec, NM 87410 1693 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500 Conoco Inc. L-20-T27N-R7W Rio Arriba San Juan 28-7 UNITER SOCIWORGO Wall No sase Types: (check 1 or more 005073 16608 30-039-20991 Federal . State (and/or) Fee API NO. Property Code OGRID NO. intermediate Zone Lower The following facts are submitted in support of downhole comminging: Upper Zone 1. Pool Name and Pool Code Dakota 71599 Mesa Verde 72319 2. TOP and Bottom of Pay Section (Perforations) 7293' - 7492' 5512' - 5569' OA Type of production (Oil or Gas) Gas Gas 4. Method of Production {Flowing or Artificial Lilt} Expected to be Flowing **Flowing** 5. Bottomhole Pressure a (Current) a. Oil Zones - Artilicial Lift: Estimated Current 800 psia 475 psia Gas & Oil - Flowing: Measured Current b(Original) b. All Gas Zones: Estimated Or Measured Original 2925 1192 Oil Gravity (*API) or Gas BT Content 1306 1313 7. Producing or Shut-In? To Be Completed **Producing** Yes Yes Production Marginal? (yes or no) If Shut-In give date and oil/gas/ water rates of Isst production Date Note For new zones with no production hiStory applicant shad be required to attach production estimates and supporting dara water rates of recent test (within 60 days) Mid-Year avg. Incremental If Producing, Date Dale Date Production by rates - see Rates Subtraction table 8. Fixed Percentage Allocation Formula -% or each zone % 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. flowed production be recovered, and will the allocation formula be reliable. x Yes No (If No, attach explanation) 12. Are all produced fluids from all commingled zones compatible with each others X_ Yes _ No Yes <u>x</u> No 13. Will the value of production be decreased by commingling? (If Yes, attach explanation) 15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). 16. ATTACHMENTS

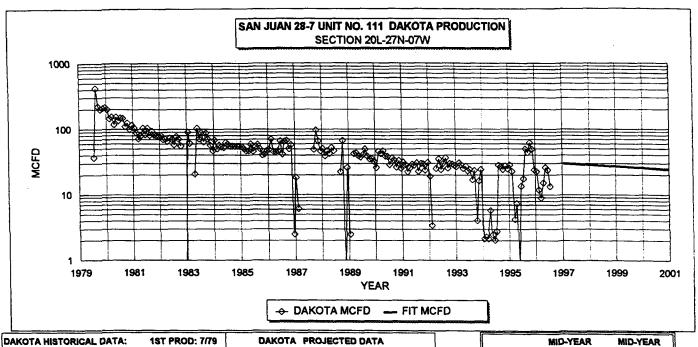
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

* 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 offest operators. 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.



DAKOTA HISTORICAL DATA: 1ST PROD: 7/79

OIL CUM: 3.30 MBO 1/1/97 QI: 30 MCFD

GAS CUM: 313.2 MMCF DECLINE RATE: 5.0% (EXPONENTIAL)

CUM OIL YIELD 0.0105 BBL/MCF

OIL YIELD:

0.0156 BBL/MCF, LAST 3 YRS

AVG. USED:

0.0130 BBL/MCF

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	AVG. MCFD	AVG. BOPD
1996	29	0.4
1997	28	0.4
1998	26	0.3
1999	25	0.3
2000	24	0.3
2001	23	0.3
2002	22	0.3
2003	20	0.3
2004	19	0.3
2005	18	0.2
2006	18	0.2
2007	17	0.2
2008	16	0.2
2009	15	0.2
2010	14	0.2
2011	14	0.2
2012	13	0.2
2013	12	0.2
2014	12	0.2
2015	11	0.1
2016	10	0.1
2017	10	0.1

NEW MEXICO OIL CONSERVATION COMMISSION LOCATION AND ACREAGE DEDIC A PLAT

Form C-102
Supersedes C-129
Ethective 14-65

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

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