

DATE IN 6/20/97	SUSPENSE 7/10/97	ENGINEER DC	LOGGED BY RW	TYPE DHC
-----------------	------------------	-------------	--------------	----------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

JUN 20 1997

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Jerry W. Hoover
 Print or Type Name


 Signature

Sr. Conservation Coordinator 6-13-97
 Title Date

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 87505-6429

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

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

10 Desta Dr., Ste 100W, Midland, TX 79705-4500

Operator

Address

Axi Apache J

18A

P-8-T25N-R5W

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 003132 API NO. 30039-2044000 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	<i>Chero</i> Chacra 82329		Mesa Verde 72319
2. TOP and Bottom of Pay Section (Perforations)	3726'-3748'		4989'-5214'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottom hole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	294 PSIA		858 PSIA
Gas & Oil - Flowing: Measured Current	b (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	946 PSIA		1334 PSIA
6. Oil Gravity (°API) or Gas BTU Content	1209		1285
7. Producing or Shut-In?	Producing		Shut - in
Production Marginal? (yes or no)	Yes		Yes
• If Shut-In give date and oil/gas/water rates of last production	Date Rates	Date Rates:	Date Rates
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)	Date Rates 6/97 22 MCFD 0 BOPD, 0 BWPD	Date Rates	Date Rates 6/97 25 MCFD 1 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	oil: 0 % Gas 47 %	oil: % Gas %	oil: 100 % Gas 53 %

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 others ☒ 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 Coord. DATE 6/12/97

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

NE MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-83

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

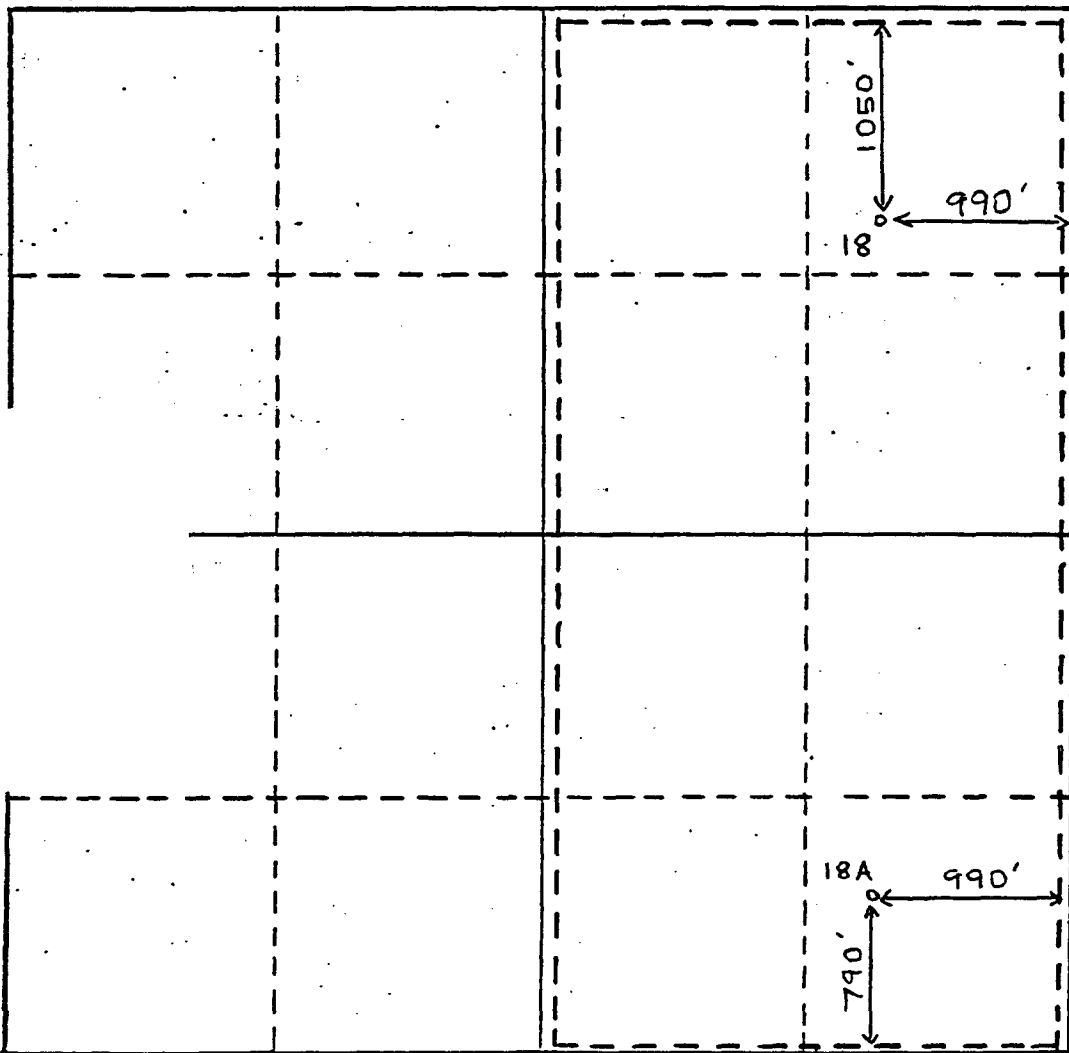
Operator CONOCO INC.			Lease AXI APACHE J		Well No. 18A
Unit Letter P	Section 8	Township 25-N	Range 5-W	County RIO ARriba	
Actual Footage Location of Wells: 790 feet from the SOUTH line and 990 feet from the EAST line					
Ground Level Elev. 6680'	Producing Formation MESAVERDE		Pool BLANCO MESAVERDE	Dedicated Acreage: 320 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.

Name
Wm. A. Theisen
Position
Administrative Supervisor

Company
CONOCO INC.

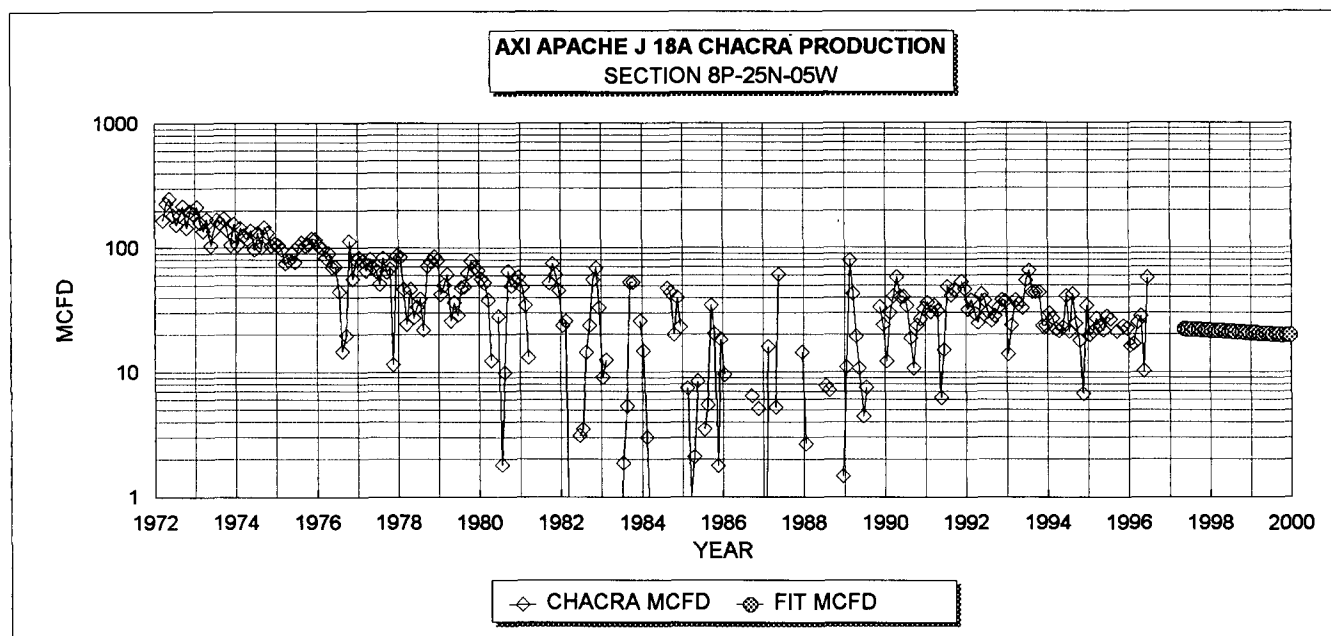
Date
6/28/83

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.

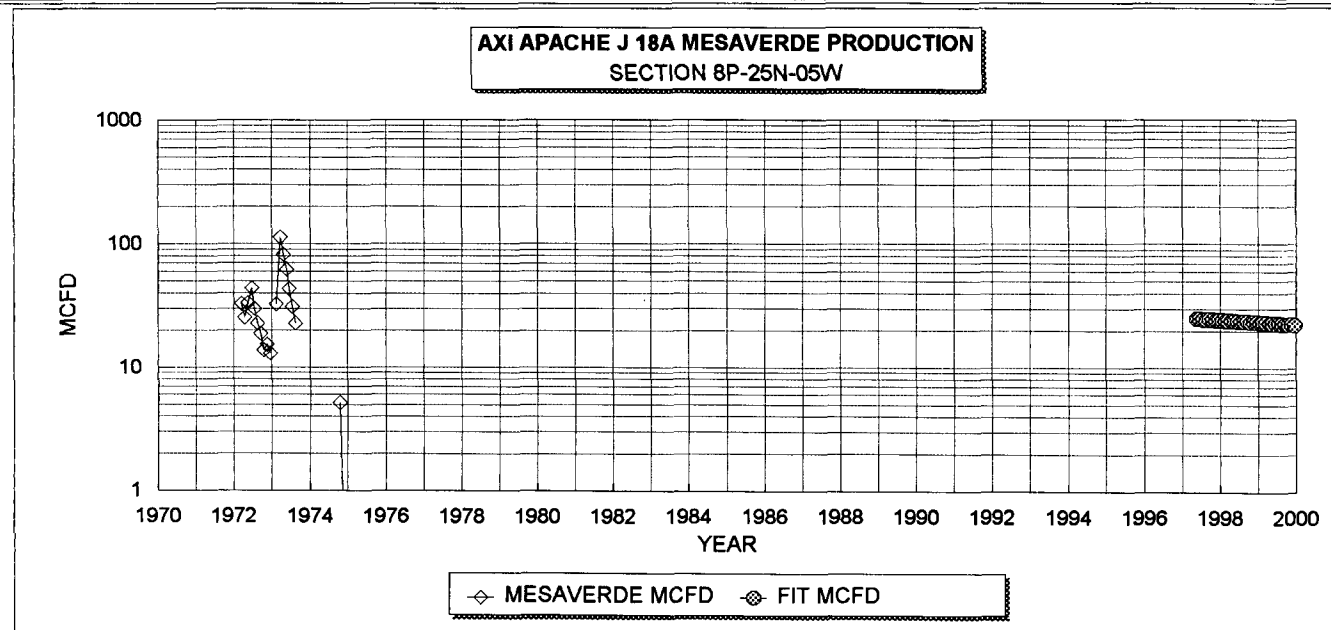


CHACRA HISTORICAL DATA: 1ST PROD: 5/72

OIL CUM: 0.02 MBO
GAS CUM: 406.3 MMCF
OIL YIELD: 0.0000 BBL/MCF

CHACRA PROJECTED DATA

6/1/97 Qi: 22 MCFD
DECLINE RATE: 4.0% (EXPONENTIAL)



MESAVERDE HISTORICAL DATA 1ST PROD: 5/72

OIL CUM: 1.2 MBO
GAS CUM: 19.5 MMCF
OIL YIELD: 0.0596 BBL/MCF

MESAVERDE PROJECTED DATA

6/1/97 Qi: 25 MCFD
DECLINE RATE: 4.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
PICTURED CLIF	47%	0%
MESAVERDE	53%	100%

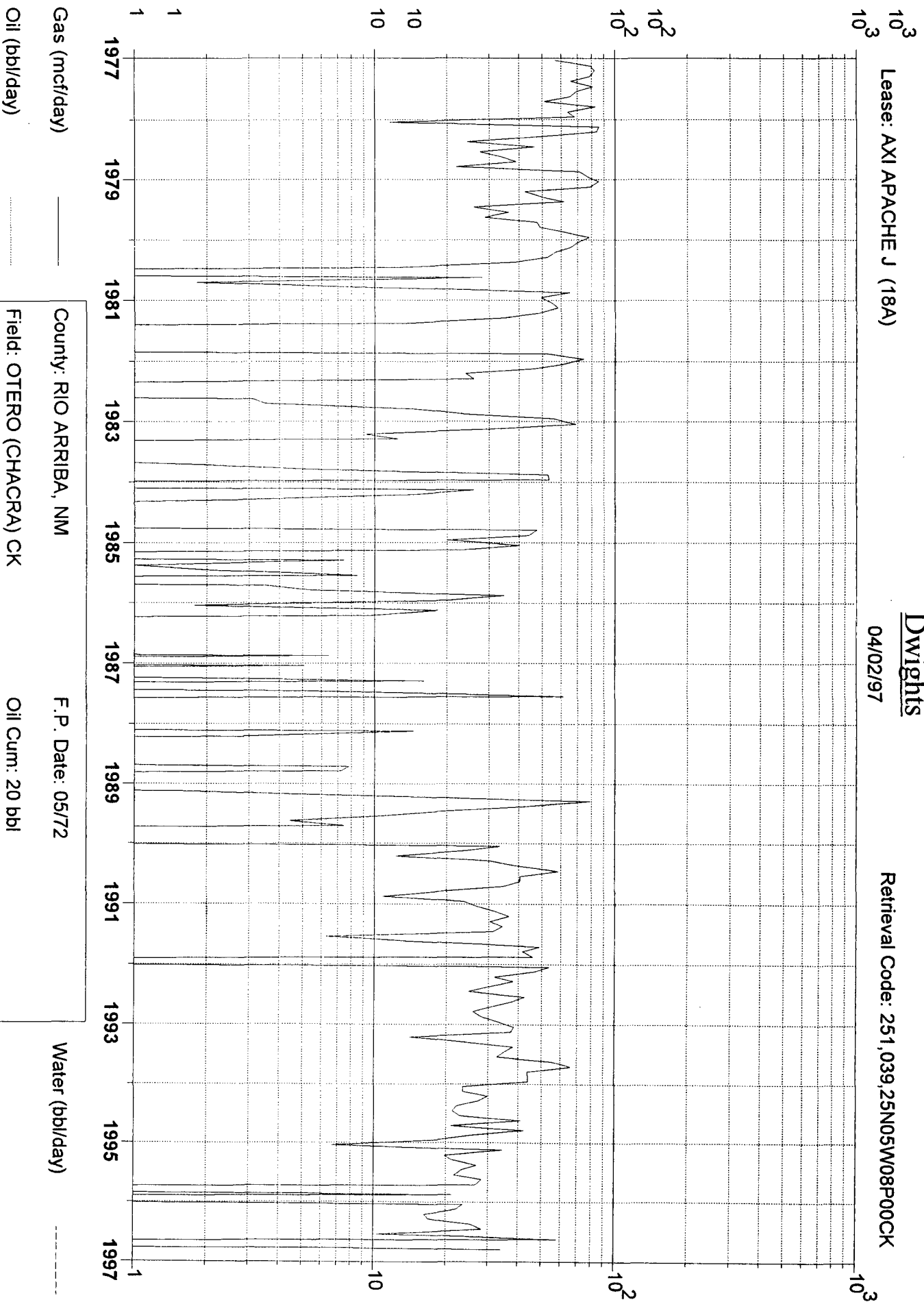
GAS ALLOCATION BASED ON PROJECTED 1997 RATES
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGY DATA

Lease: AXI APACHE J (18A)

Dwights
04/02/97

Retrieval Code: 251,039,25N05W08P00CK



County: RIO ARRIBA, NM

F.P. Date: 05/72

Field: OTERO (CHACRA) CK

Oil Cum: 20 bbl

Reservoir: CHACRA

Gas Cum: 407.3 mmcf

Operator: CONOCO INC

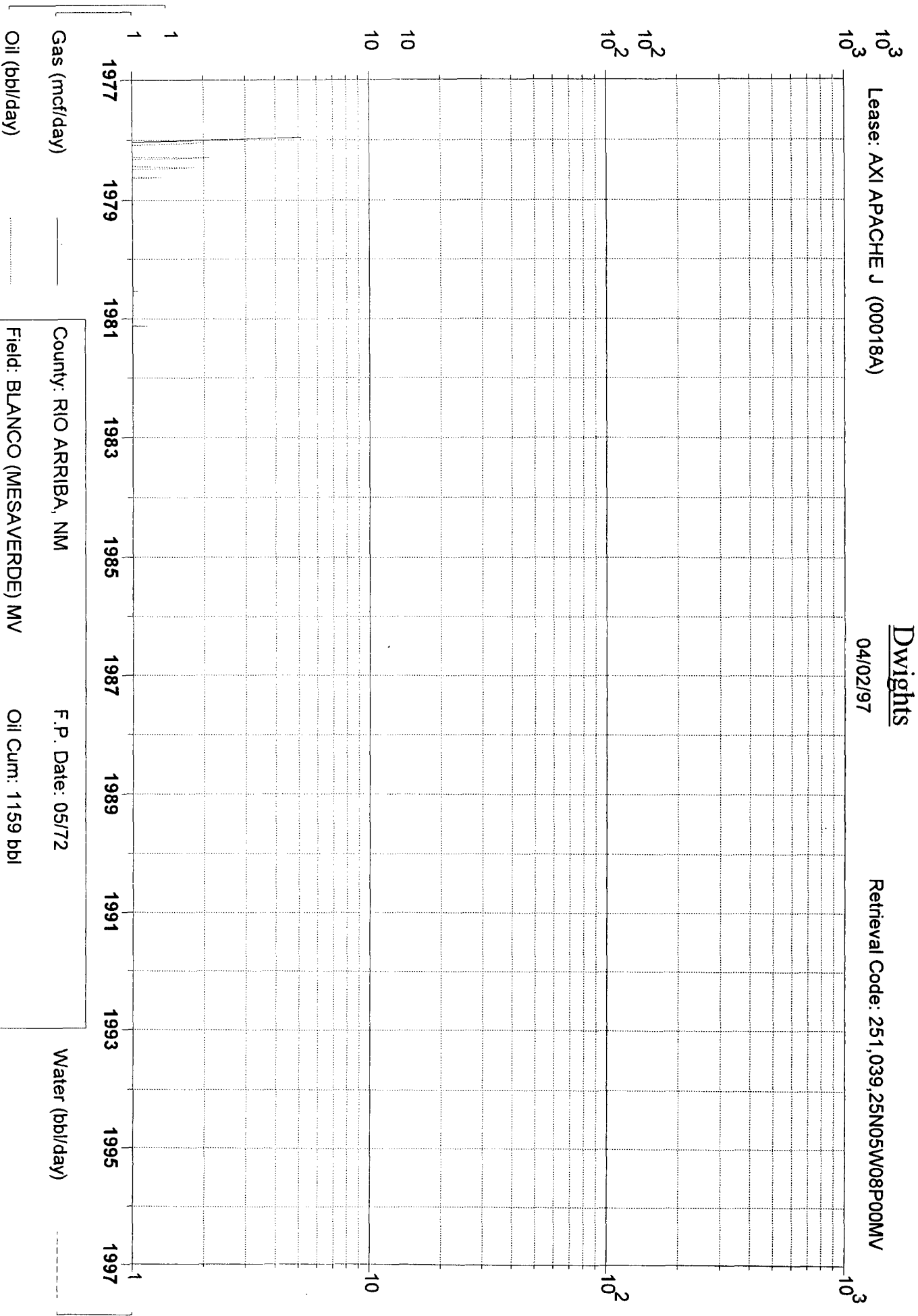
Location: 8P 25N 5W

Dwights

Lease: AXI APACHE J (00018A)

04/02/97

Retrieval Code: 251,039,25N05W08P00MV



County: RIO ARriba, NM F.P. Date: 05/72

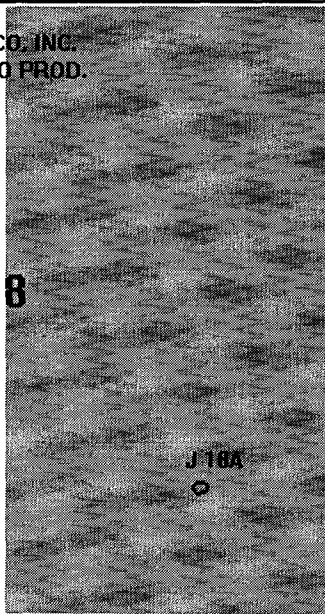
Field: BLANCO (MESAVARDE) MV Oil Cum: 1159 bbl

Reservoir: MESAVARDE Gas Cum: 19.46 mmcf

Operator: CONOCO INC Location: 8P 25N 5W

AXI APACHE J #18A

OFFSET OPERATORS

<p>CONOCO, INC. AMOCO PROD. EXXON CO USA</p> <p>6</p>	<p>CONOCO, INC. AMOCO PROD.</p> <p>5</p>	<p>AMOCO PROD.</p> <p>4</p>
<p>CONOCO, INC. AMOCO PROD.</p> <p>7</p>	<p>CONOCO, INC. AMOCO PROD.</p>  <p>8</p>	<p>AMOCO PROD.</p> <p>9</p>
<p>ELM RIDGE RESOURCE</p> <p>18</p>	<p>ELM RIDGE RESOURCE</p> <p>17</p>	<p>ELM RIDGE RESOI AMERADA HESS CO</p> <p>16</p>

Township 25N --- Range 5W

Conoco, Inc.
Form C-107-A, Application for Downhole Commingling
Filing date: June 13, 1997

Offset Operators for Wells as listed below:

Jicarilla K, Well #1
Marathon Oil Co.
Burlington Resources
Amoco Production Co.

Jicarilla K, Well #7
Burlington Resources
Amoco Production

Jicarilla K, Well #6
Burlington Resources
Amoco Production

Newsom, Well #7E
Amoco Production
~~Snyder Oil Co.~~
~~Robert R. Click~~

Jicarilla K, Well #15E
Burlington Resources

Jicarilla E, Well #10
Burlington Resources

Jicarilla E, Well #12
Burlington Resources

Federal, Well #13E
Burlington Resources
Caulkins Oil Co.

AXI Apache J, Well #18A
Amoco Production
Elm Ridge Resources

Federal, Well #11E
Caulkins Oil Co.
Amoco Production
Burlington Resources

Reames COM, Well #2
Caulkins Oil Co.
Burlington Resources

Conoco, Inc.
Form C-107-A, Application for Downhole Commingling
Filing Date: June 13, 1997
Address List for Offset Operators

RE: Jicarilla K, Well #11, Jacarilla K, Well #17, Jicarilla K, Well #16, Newsom, Well #17E, Jicarilla K, Well #15E, Jicarilla E, Well #10, Jicarilla E, Well #12, Federal, Well 313E, AXI Apache J, Well #18A, Federal, Well #11E, Reames COM, Well #2

Marathon Oil Co., Box 552, Midland, Texas 79702

Burlington Resources, c/o Meridian Oil, Inc., Box 51810, Midland, Texas 79710-1810

Amoco Production Co., Exploration & Production Sector, Box 4891, Houston, Texas 77210

Caulkins Oil Co., Box 340, Bloomfield, NM 87413

Elm Ridge Resources, Box 3946, Farmington, NM 87499

Snyder Oil Co., no longer an operator in the New Mexico Aztec District as per District Office.

Robert R. Click, no longer an operator in the New Mexico Aztec District as per District Office.

P 497 368 595

US Postal Service

Receipt for Certified Mail

Amoco Production Co.
Expl. & Prod. Sector
Box 4891
Houston, Texas 77210

Postage	\$ 1.93
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 4.38

Postmark or Date

6-18-97

PS Form 3800, April 1995

P 497 368 594

US Postal Service

Receipt for Certified Mail

Burlington Resources
c/o Meridian Oil, Inc.
Box 51810
Midland, Texas 79710-1810

Postage	\$ 2.90
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 5.35

Postmark or Date

6-18-97

PS Form 3800, April 1995

P 497 368 593

US Postal Service

Receipt for Certified Mail

Marathon Oil Co.
Box 552
Midland, Texas 79702

Postage	\$.78
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.23

Postmark or Date

6-18-97

PS Form 3800, April 1995

P 497 368 597

US Postal Service

Receipt for Certified Mail

Elm Ridge Resources
Box 3946
Farmington, NM 87499

Postage	\$.78
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.23

Postmark or Date

6-18-97

PS Form 3800, April 1995

P 497 368 596

US Postal Service

Receipt for Certified Mail

Caulkins Oil Co.
Box 340
Bloomfield, NM 87413

Postage	\$ 1.24
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.69

Postmark or Date

6-18-97

PS Form 3800, April 1995