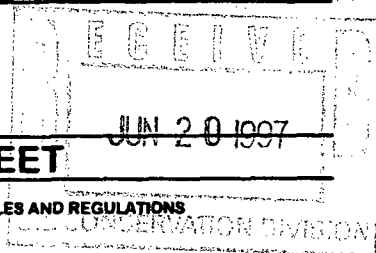


DATE IN 6/20/97	SUSPENSE 7/10/97	ENGINEER DC	LOGGED BY MW	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -



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 87505-6429Form 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

Federal

11E

P-23, T-26-N, R-6-W

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 003170 API NO. 30-039-22255 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	Mesa Verde 72319		Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4922-5044'		6934-7234'
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	578 PSIA		748 PSIA
Gas & Oil - Flowing: Measured Current	b (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1027 PSIA		2914 PSIA
6. Oil Gravity (*API) or Gas BTU Content	1302		1164
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	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 7/1/97 est 55 MCFD, Rates 0.9 BOPD, 0 BWPD	Date Rates	Date 7/1/97 est 110 MCFD Rates 0.4 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	oil: 69 % Gas 33 %	oil: % Gas %	oil: 31 % Gas 67 %

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 others ☒ 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 TITLE Sr. Conservation Coord. DATE 6/12/97TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

CONSERVATION DIVISION

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

P. O. BOX 7088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

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

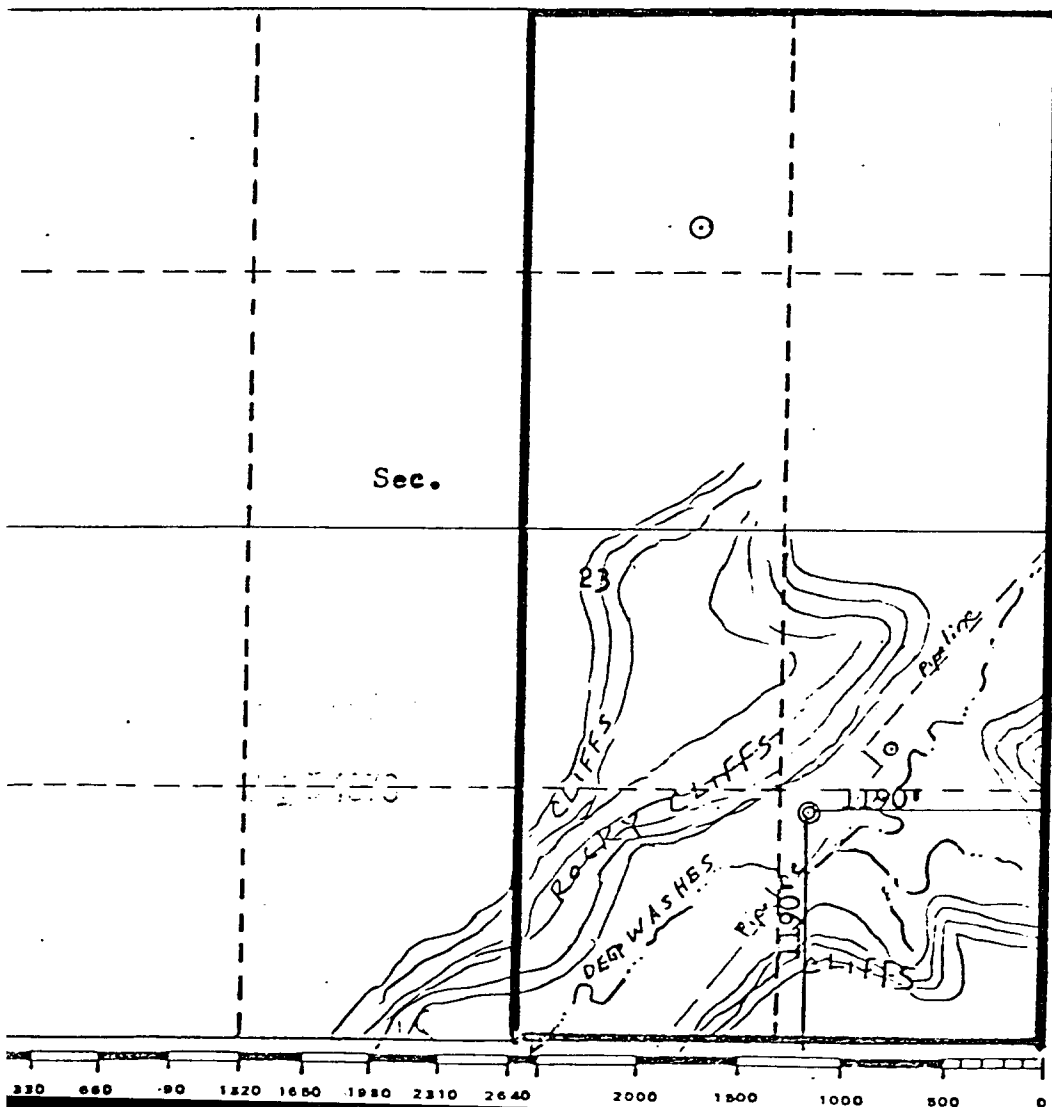
Operator MESA PETROLEUM COMPANY			Lease FEDERAL			Well No. 11-K		
Well Letter P	Section 23	Township 26N	Range 6W	County Rio Arriba				
Actual Footage Location of Well:								
1190		feet from the South		line and 1190		feet from the East		line
Ground Level Elev. 6370	Producing Formation Dakota		Pool Basin Dakota			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.

John Alexander
Name

JOHN ALEXANDER

Position

AGENT

Company

MESA PETROLEUM CO.

Date

November 14, 1979

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

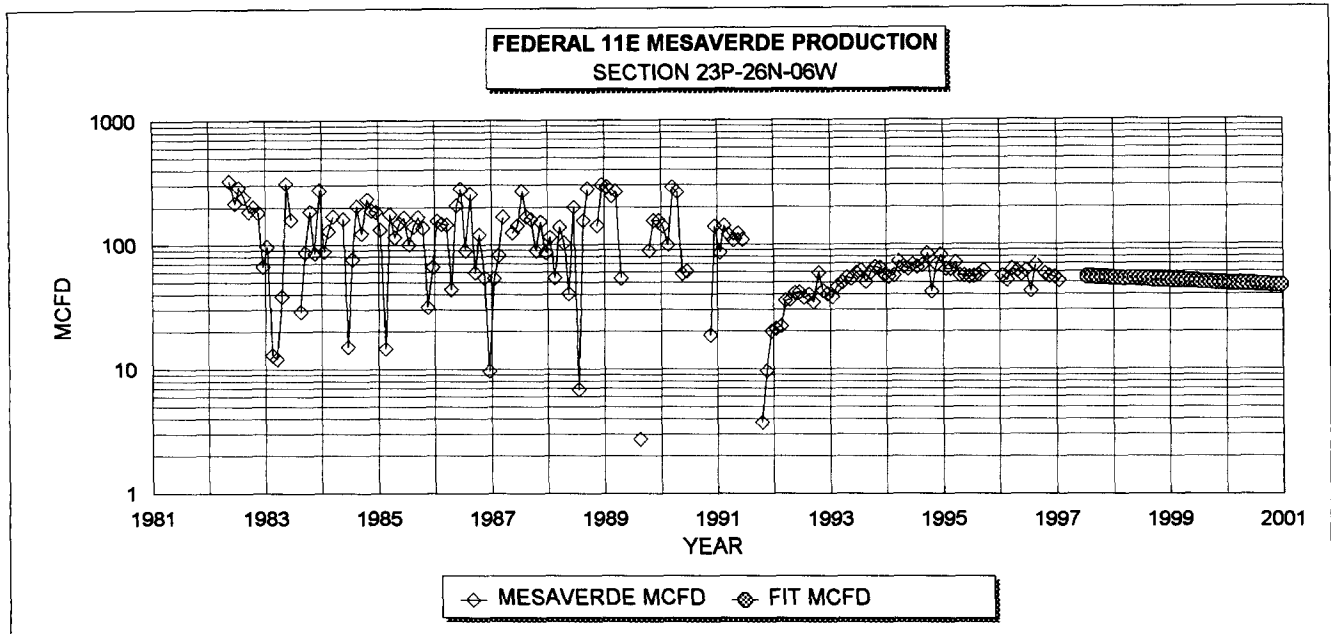
November 10, 1979

Registered Professional Engineer
and/or Land Surveyor

Fred B. Kerr Jr.
Fred B. Kerr Jr.

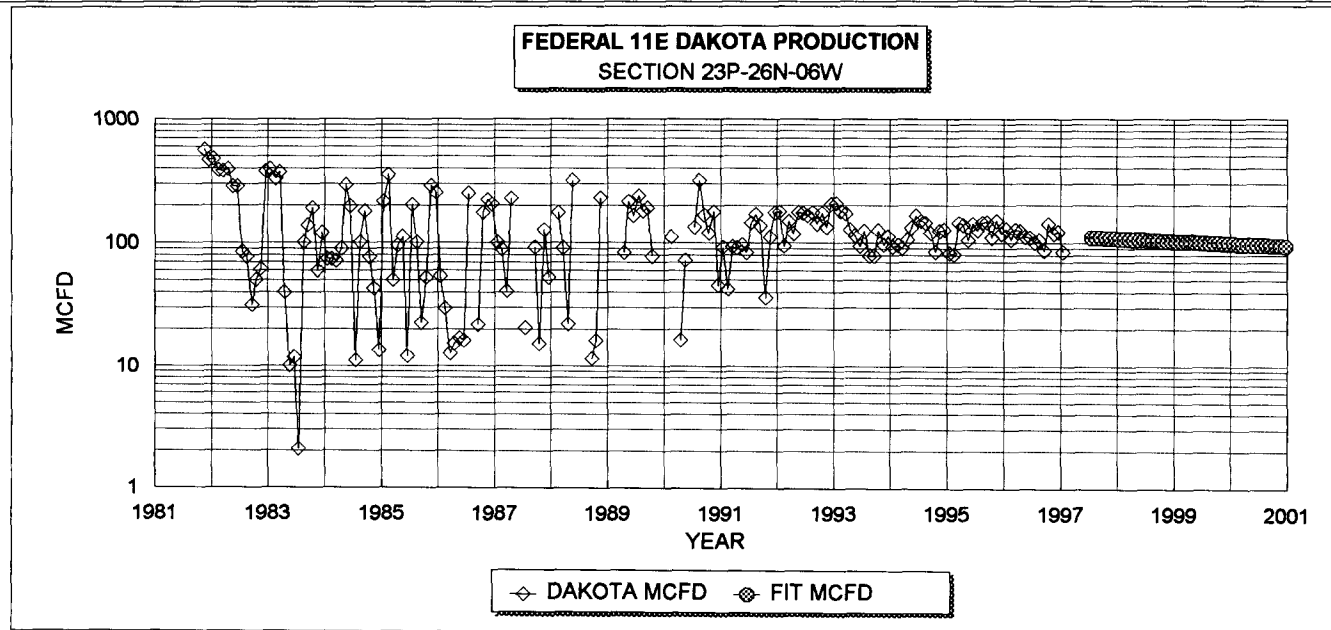
Certificate No. W. MEX.

3950 FRED B. KERR, JR.



MESAVERDE HISTORICAL DATA: 1ST PROD: 04/82
 OIL CUM: 8.44 MBO
 GAS CUM: 507.2 MMCF
 OIL YIELD: 0.0166 BBL/MCF

MESAVERDE PROJECTED DATA
 7/1/97 Qi: 55 MCFD
 DECLINE RATE: 4.5% (EXPONENTIAL)



DAKOTA HISTORICAL DATA 1ST PROD: 11/81
 OIL CUM: 2.57 MBO
 GAS CUM: 689.6 MMCF
 OIL YIELD: 0.0037 BBL/MCF

DAKOTA PROJECTED DATA
 7/1/97 Qi: 110 MCFD
 DECLINE RATE: 4.5% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE:	33%	69%
DAKOTA	67%	31%

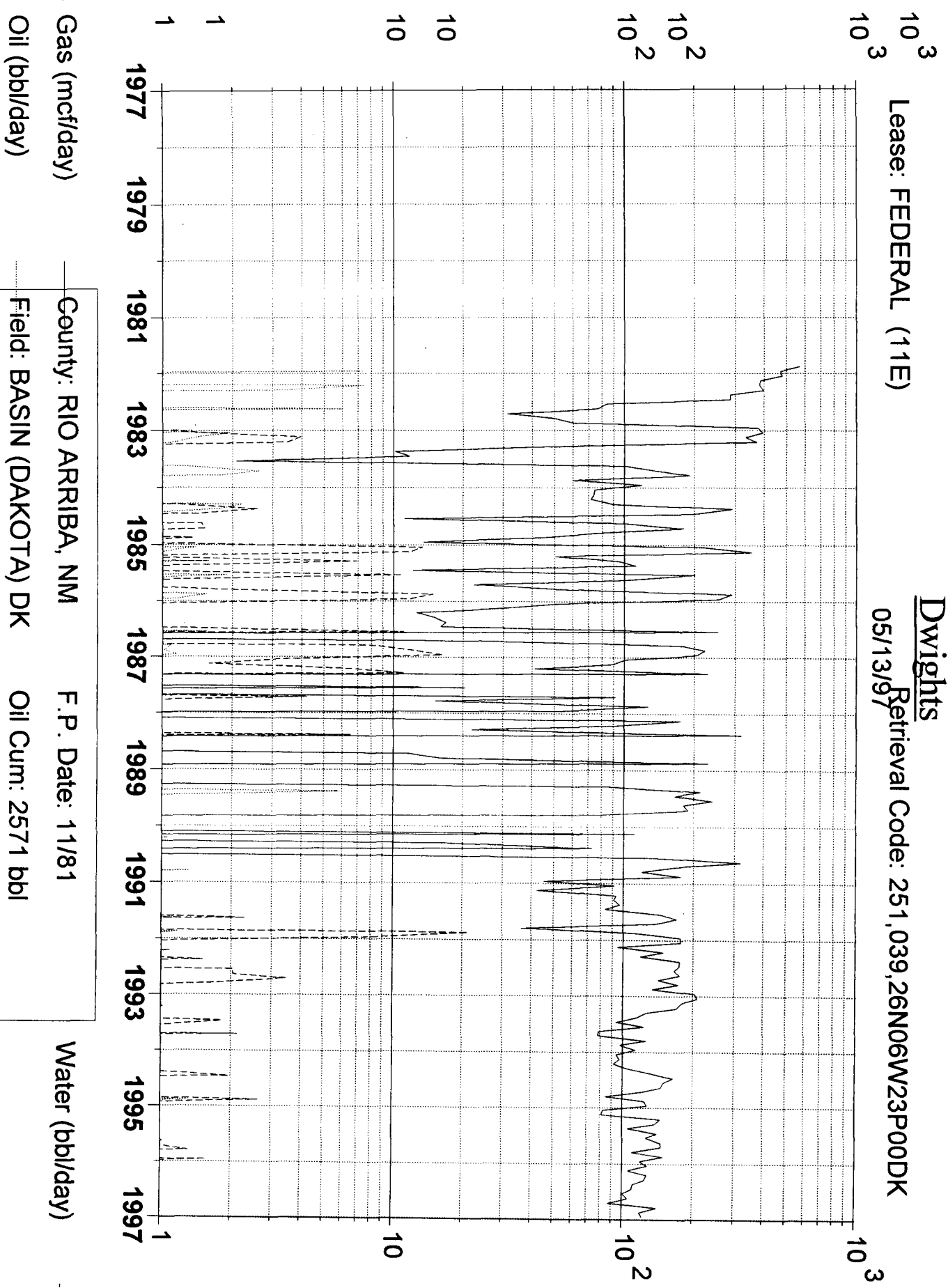
GAS ALLOCATION BASED ON PROJECTED 1997 RATES
 OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Lease: FEDERAL (11E)

Dwights
05/13/97

Retrieval Code: 251,039,26N06W23P00DK



Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

County: RIO ARRIBA, NM

F.P. Date: 11/81

Field: BASIN (DAKOTA) DK

Oil Cum: 2571 bbl

Reservoir: DAKOTA

Gas Cum: 689.6 mmcf

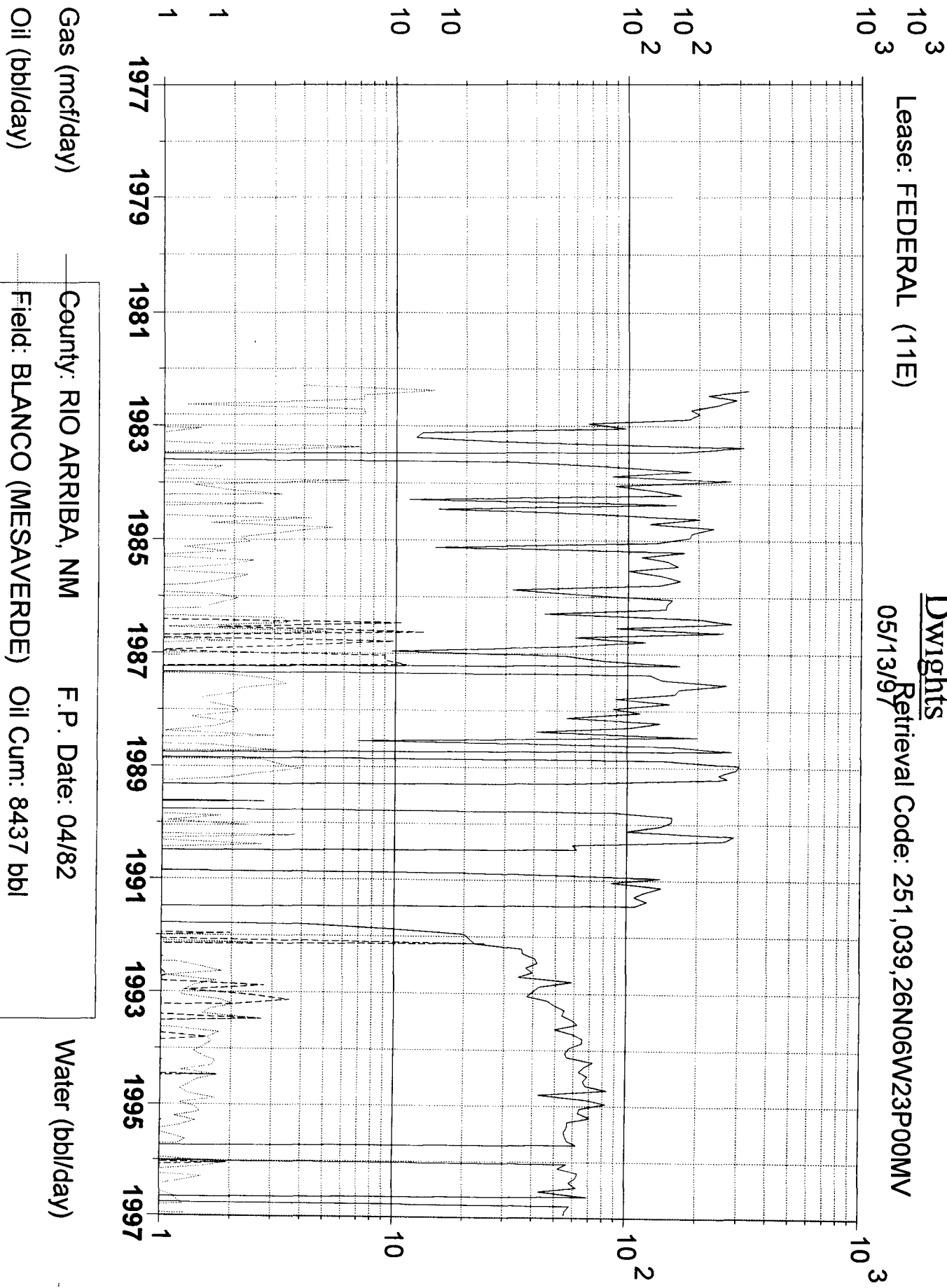
Operator: CONOCO INC

Location: 23P 26N 6W

Lease: FEDERAL (11E)

Dwights
05/13/97

Retrieval Code: 251,039,26N06W23P00MV



County: RIO ARRIBA, NM

F.P. Date: 04/82

Field: BLANCO (MESAVERDE)

Oil Cum: 8437 bbl

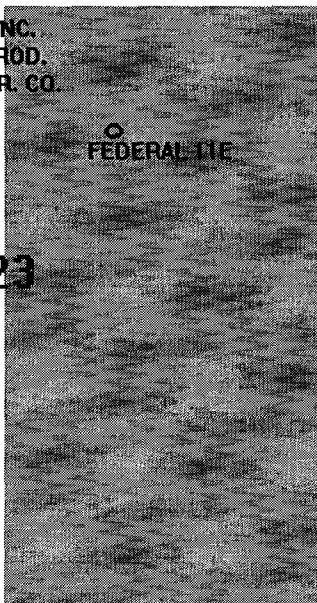
Reservoir: MESAVERDE

Gas Cum: 507.2 mmcf

Operator: CONOCO INC

Location: 23P 26N 6W

FEDERAL 11E
OFFSET OPERATORS

CAULKINS OIL CO. LITTLE CURTIS J. 15	CAULKINS OIL CO 14	CAULKINS OIL CO LITTLE CURTIS J. 13
CAULKINS OIL CO 22	CONOCO, INC. AMOCO PROD. MESA PETR. CO.  23	AMOCO PROD. CAULKINS OIL CO. 24
BURLINGTON RES. 27	BURLINGTON RES. 26	CAULKINS OIL CO. AMOCO PROD. 25

Township 26N --- Range 6W

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 #17
Burlinton Resources
Amoco Production

Jicarilla K, Well #16
Burlington Resources
Amoco Production

Newsom, Well #17E
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