

DATE IN 7/14/97	SUSPENSE 8/4/97	ENGINEER DC	LOGGED BY MN	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]

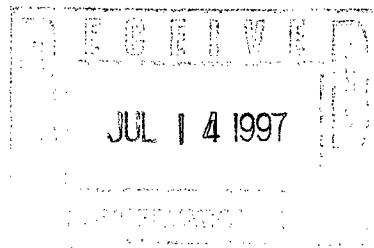
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [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
Title

7-11-97
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

State

32E

A36-T30N-R11W

San Juan

Lease

Well No

Unit Ltr Sec Twp Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 3251 API NO. N/A 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)	4450'-4700' (est.)		6750'-6850' (est.)
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5. Bottom hole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	543 psia		602 psia
Gas & Oil - Flowing: Measured Current	b (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1032 psia		2481 psia
6. Oil Gravity (*API) or Gas BTU Content	1200 BTU		1200 BTU
7. Producing or Shut-In?	To be drilled		To be drilled
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 To be determined from tests on completion	Date Rates	Date Rates To be determined from tests on completion
8. Fixed Percentage Allocation Formula -% for each zone	Will be supplied upon completion oil: % Gas %	oil: % Gas %	Will be supplied upon completion oil: % Gas %

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). _____

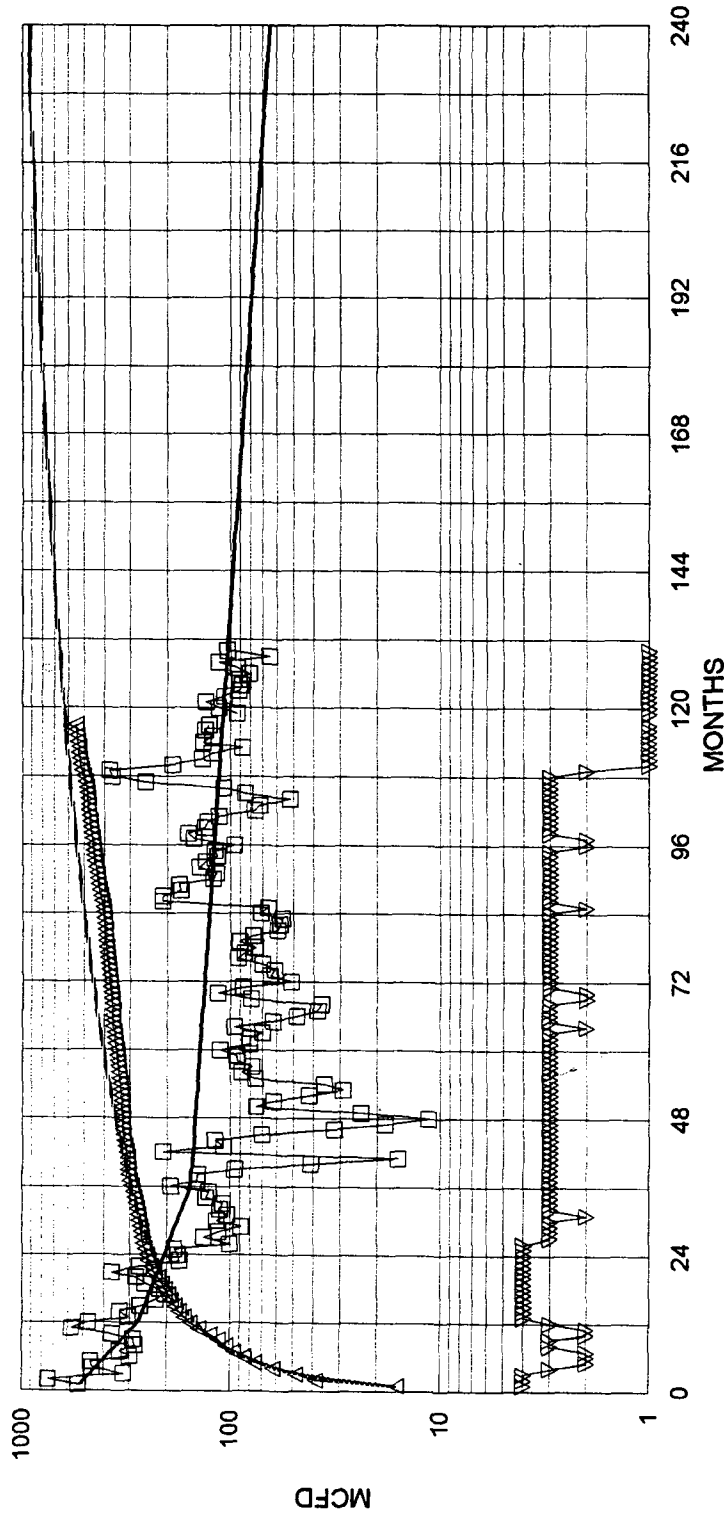
16. ATTACHMENTS

- * 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.

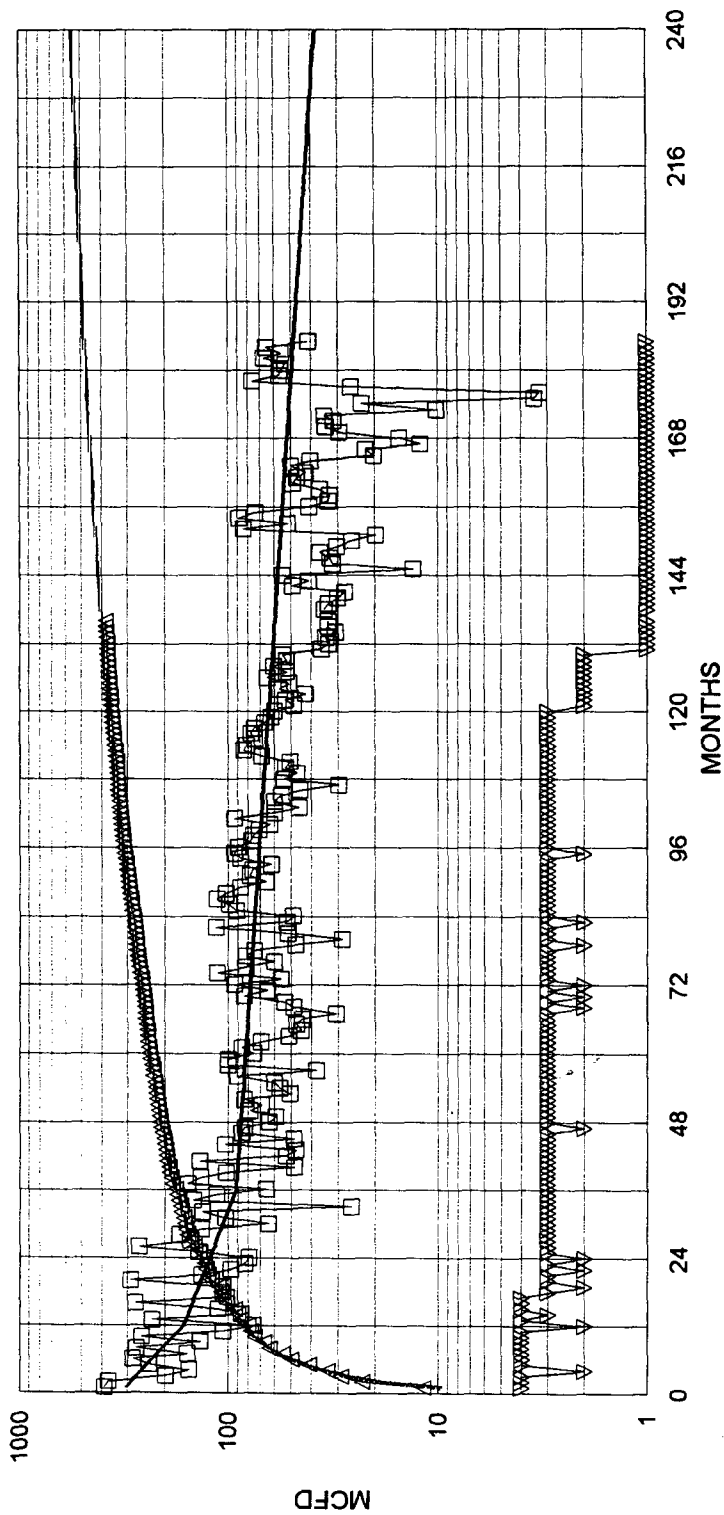
SIGNATURE Jerry W. Hoover TITLE Sr. Conservation Coord. DATE 7/11/97TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

NORMALIZED MESAVERDE PRODUCTION
4 WELLS SINCE 1980; OFFSET TO SECTION 36-30N-11W; (STATE 32 OFFSETS)



NORMALIZED AVG: 1220 MMCF EUR 940 MMCF IN 20 YRS 25 MCFD E.L. 0.0021 bbl/mcf oil yield	0% RISK 1220 MMCF EUR 940 MMCF IN 20 YR 25 MCFD E.L. 0.0021 bbl/mcf oil yield	50% DECLINE, 1ST 12 MONTHS 25% DECLINE, NEXT 24 MONTHS 5.0% FINAL DECLINE 550 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 25.0% DECLINE, NEXT 24 MONTHS 5.0% FINAL DECLINE
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NORMALIZED DAKOTA PRODUCTION
4 WELLS SINCE 1980; OFFSET TO SECTION 36-30N-11W; (STATE 32 OFFSETS)



— FIT MCFD □ NORMALIZED MCFD △ NORM CUM MMCF
 - - - WELLS ON PRODUCTION — FIT CUM MMCF — RISKED MCFD

NORMALIZED AVG:		RISKED AVG:		0% RISK	
648 MMCF EUR	325 MCFD IP	648 MMCF EUR	325 MCFD IP	50.0% DECLINE, 1ST 12 MONTHS	50.0% DECLINE, 1ST 12 MONTHS
555 MMCF IN 20 YRS	25 MCFD E.L.	555 MMCF IN 20 YR	25 MCFD E.L.	25.0% DECLINE, NEXT 24 MONTHS	25.0% DECLINE, NEXT 24 MONTHS
0.0050 bbl/mcf oil yield	5.0% FINAL DECLINE	0.0050 bbl/mcf oil yield	5.0% FINAL DECLINE	5.0% FINAL DECLINE	5.0% FINAL DECLINE

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <u>30-045-29442</u>		Pool Code 72319/71599	Pool Name Blanco Mesaverde/Basin Dakota
Property Code <u>9251</u>	Property Name State		Well Number <u>320 E</u>
OGRID No. 05073	Operator Name CONOCO, INC.		Elevation 5965'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	36	30-N	11-W		1040	North	1095	East	S. J.

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres <u>320/320</u> 80/360	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	5217.96'	1095'	2618.22'	2607.00'	2579.28'	2621.52'	5311.68'	36	RECEIVED MAR 1 9 1997 OIL CONSERVATION DIVISION BML:3	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>Jerry W. Hoover</u> Printed Name <u>Jerry W. Hoover</u> Title <u>Sr. Conservation Coordinator</u> Date <u>3/17/97</u>
										18 SURVEYOR CERTIFICATION 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 belief. <u>1/14/97</u> Date of Survey Signature and Seal of Professional Surveyor <u>NEALE C. EDWARDS</u> NEW MEXICO 6857 REGISTERED PROFESSIONAL SURVEYOR Certificate Number <u>6857</u>

Conoco, Inc.

Offset Operators, Royalty Interest Owners, and Working Interest Owners
Downhole Commingling Permit Application
State Lease, Well #32E, A36, T30N-R11W, San Juan County, New Mexico

Offset Operators:

Amoco Production Company, P.O. Box 800, Denver, CO 80202
Burlington Resources, 3535 E. 30th St., P.O. Box 4289, Farmington, NM 87499
Dugan Production, P.O. Box 420, Farmington, NM 84799-0420

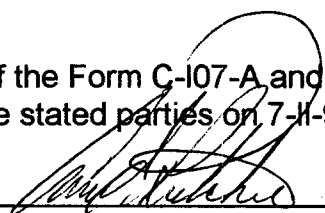
Working Interest Owners:

Conoco, Inc., 10 Desta Dr., Suite 100W, Midland, Texas 79705-4500
Phillips Petroleum Co., 5525 Hwy. #64, Farmington, NM 87401-1578
Burlington Resources Oil & Gas Co., P.O. Box 4289, Farmington, NM 87499
Amoco Production Co., P.O. Box 800, Denver, CO 80202
Sunland Oil Company, 6200 Desert Moon Loop, Tucson, AZ 85715-0997
Williams Production Co., P.O. Box 3102 MS 37-3, One Williams Center, Tulsa,
OK 74101

Royalty Owner:

Commissioner of Public Lands, State of New Mexico, P.O. Box 1148, Santa Fe,
NM 87504-1148

Copies of the Form C-107-A and supporting data were sent by registered mail to
the above stated parties on 7-11-97.



Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, Texas 79705-4500

P 497 368 605

US Postal Service
Receipt for Certified Mail

Williams Production Co.
P. O. Box 3102 MS 37-3
One Williams Center
Tulsa, OK 74101

Postage	\$.32
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	\$2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995

P 497 368 602

US Postal Service
Receipt for Certified Mail

Dugan Production
P. O. Box 420
Farmington, NM 84799-0420

Postage	\$.32
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	\$2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995

P 497 368 604

US Postal Service
Receipt for Certified Mail

Sunland Oil Company
6200 Desert Moon Loop
Tucson, AZ 85715-0997

Postage	\$.32
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	\$2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995

P 497 368 601

US Postal Service
Receipt for Certified Mail

Burlington Resources Oil & Gas
P. O. Box 4289
Farmington, NM 87499

Postage	\$.32
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	\$2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995

P 497 368 603

US Postal Service
Receipt for Certified Mail

Phillips Petroleum Co.
5525 Hwy. #64
Farmington, NM 87401-1578

Postage	\$.32
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	\$2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995

P 497 368 600

US Postal Service
Receipt for Certified Mail

Amoco Production Co.
P. O. Box 800
Denver CO, 80202

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
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Form 3800, April 1995