

DATE IN 7/24/97	SUSPENSE 8/13/97	ENGINEER DC	LOGGED BY KW	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

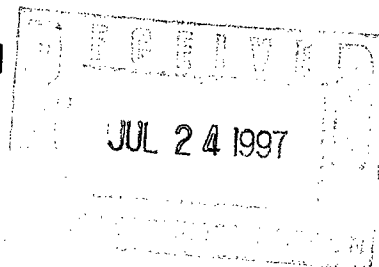
**Application Acronyms:**

☐ [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]

1652  
C

**[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.

Ann E. Ritchie  
Print or Type Name

Signature

Regulatory Agent  
Title

7-14-97  
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

Newsom

17E

P-20-T26N-R8W

San Juan

Lease

Well No

Unit Ltr Sec Twp Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073

Property Code

18109

API NO.

30 045 24722

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	Fruitland Coal		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	1900-2115'		6585-6770'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flow		Flowing
5. Bottom hole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	BHP 343 psia		BHP 624 psia
Gas & Oil - Flowing: Measured Current	b (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	BHP 693 psia		BHP 2567 psia
6. Oil Gravity (*API) or Gas BTU Content	1150 BTU		1321 BTU
7. Producing or Shut-In?	To Be Completed		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 Rates Incremental Production by subtraction - see attached data	Date Rates	Date Rates Mid-Year Average Producing Rates - See Attached Table
8. Fixed Percentage Allocation Formula - % for each zone	oil: % Gas %	oil: % Gas %	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 ☐ 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. NMOC 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

TITLE Regulatory Agent DATE 7-17-97

TYPE OR PRINT NAME

Ann E. Ritchie

TELEPHONE NO.

(915) 686-6548

EXHIBIT "A" - Location and Elevation Plat

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

Owner <b>Supron Energy</b>		Lease <b>SF-078433 (Newsom)</b>		Well No. <b>Newsom #17E</b>
Section <b>20</b>	Township <b>26 North</b>	Range <b>8 West</b>	County <b>San Juan</b>	

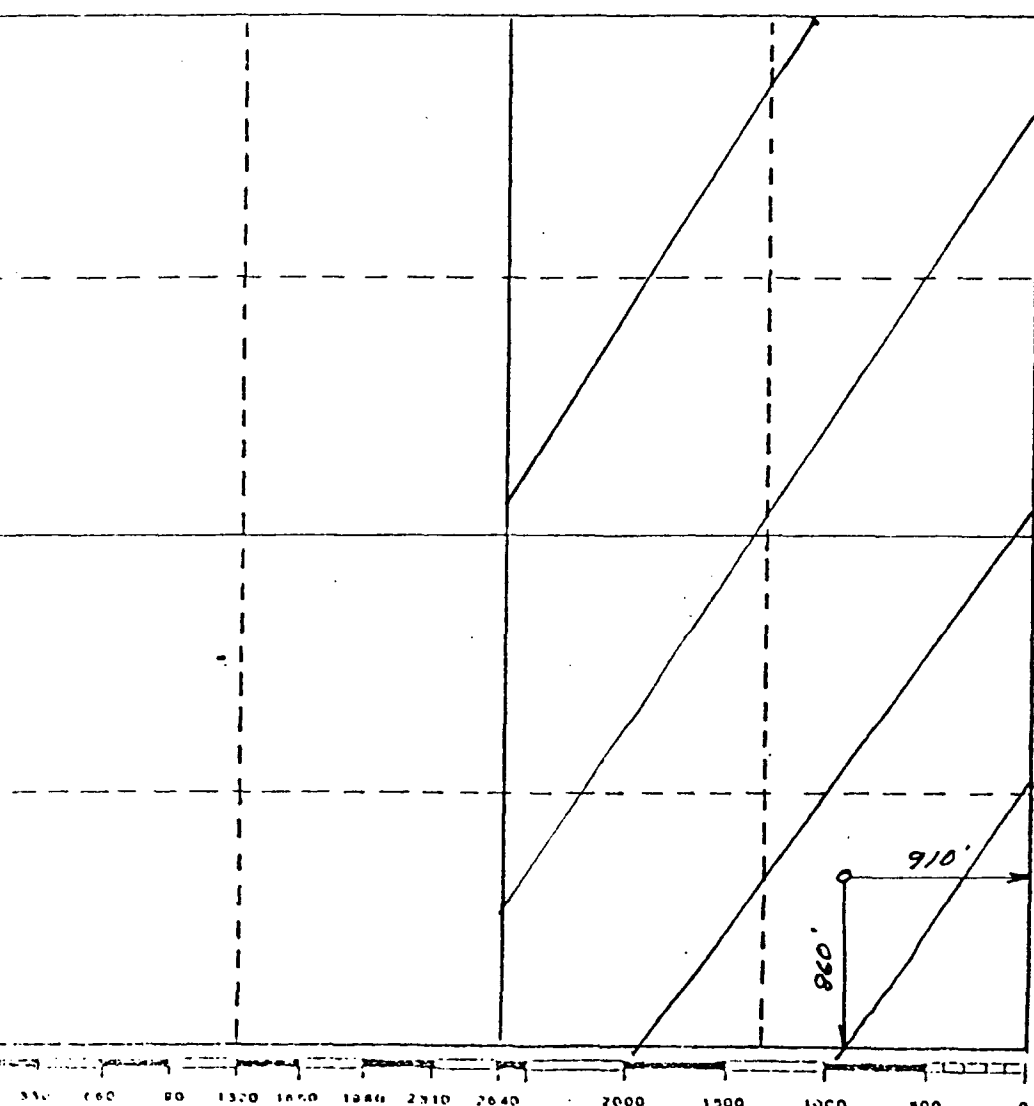
Well Location of Well: <b>860</b> feet from the <b>South</b> line and <b>910</b> feet from the <b>East</b> line		Line
Well Elev. <b>6368'</b>	Producing Formation <b>Dakota</b>	Pool <b>Basin Dakota</b>
Dedicated Acreage: <b>320</b>		Acreage

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Division



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

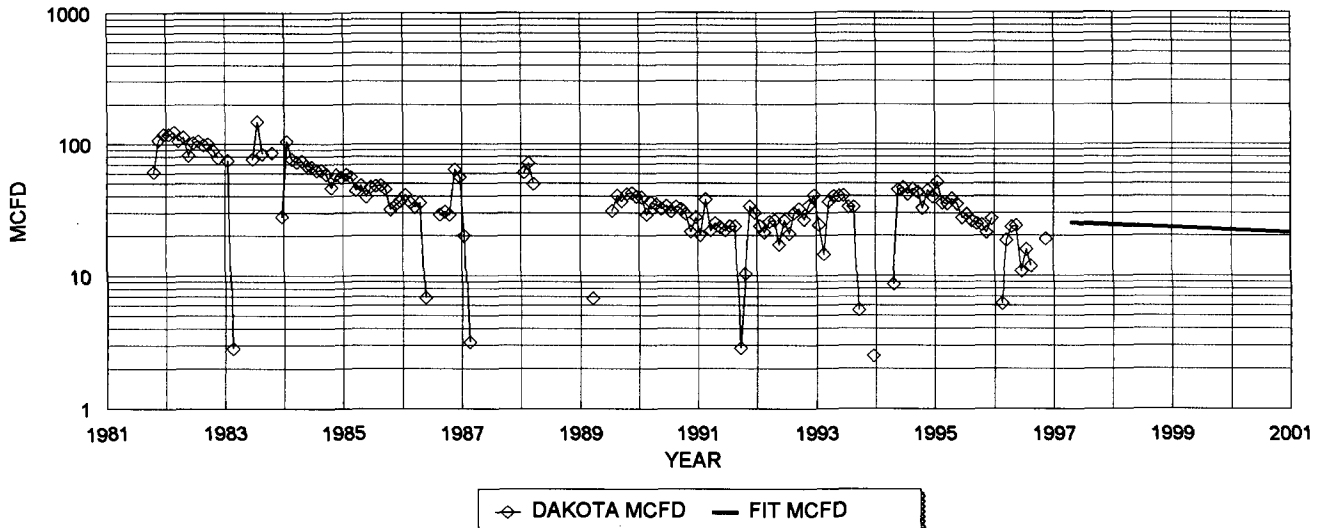
*George Lapaseotes*  
Name **George Lapaseotes**  
V. President Powers Elevation  
Position  
Agent Consultant for  
Company  
**Supron Energy Corporation**  
Date  
**November 14, 1980**

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 Signed **11/14/80**  
*G. Huddleston*  
Registered Professional Engineer  
and/or Licensed Surveyor

Certificate No. \_\_\_\_\_

**NEWSOM 17E DAKOTA PRODUCTION  
SECTION 20P-26N-08W**

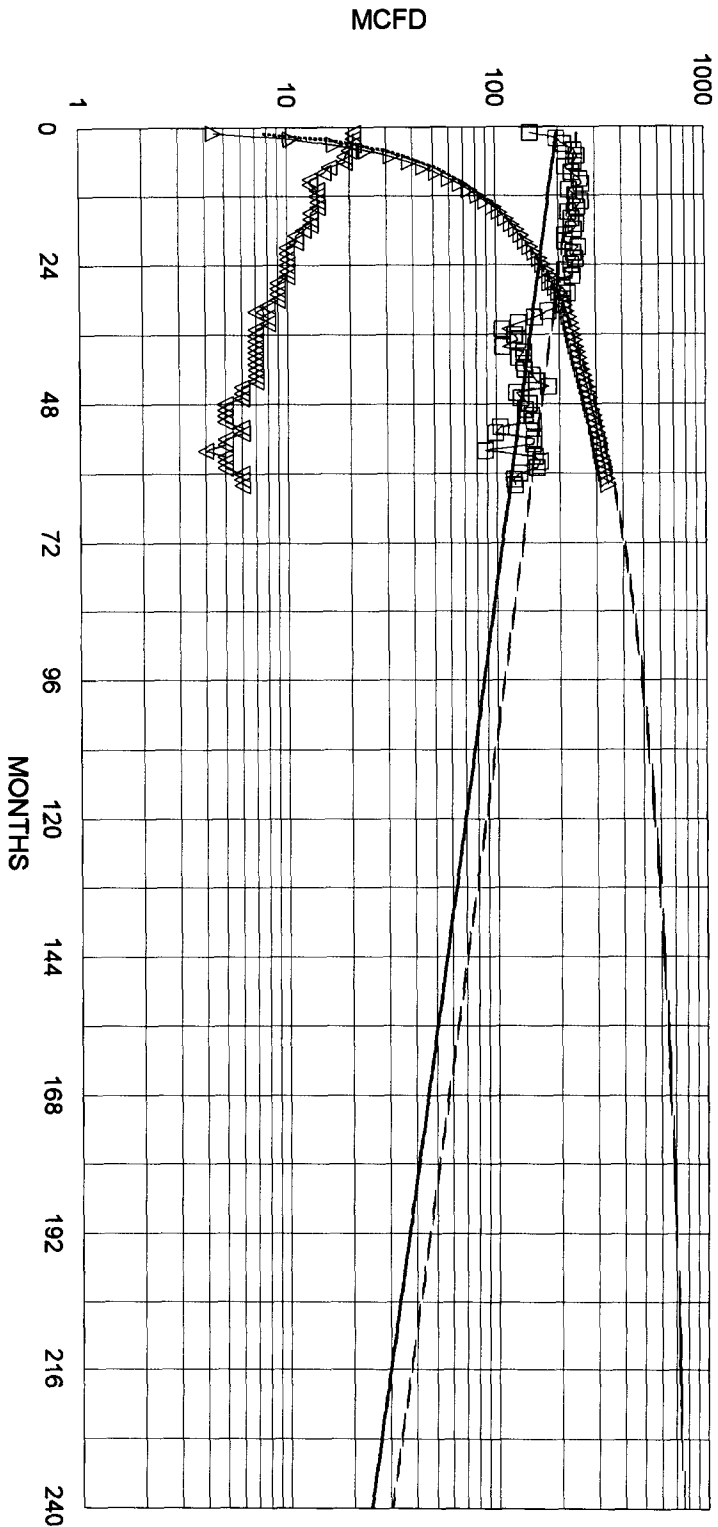


<b>DAKOTA HISTORICAL DATA:</b>		<b>1ST PROD: 09/81</b>	<b>DAKOTA PROJECTED DATA</b>	
OIL CUM:	2.89	MBO	7/1/97 Qi:	25 MCFD
GAS CUM:	186.3	MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
CUM OIL YIELD	0.0155	BBL/MCF		
OIL YIELD:	0.0133	BBL/MCF, LAST 3 YRS		
AVG. USED:	0.0144	BBL/MCF		

**PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION**

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1997	24.5	0.4
1998	23.6	0.3
1999	22.2	0.3
2000	21.2	0.3
2001	20.3	0.3
2002	19.4	0.3
2003	18.5	0.3
2004	17.7	0.3
2005	16.9	0.2
2006	16.1	0.2
2007	15.4	0.2
2008	14.7	0.2
2009	14.0	0.2
2010	13.4	0.2
2011	12.8	0.2
2012	12.2	0.2
2013	11.7	0.2
2014	11.1	0.2
2015	10.6	0.2
2016	10.2	0.1
2017	9.7	0.1
2018	9.3	0.1
2019	8.9	0.1
2020	8.5	0.1
2021	8.1	0.1
2022	7.7	0.1
2023	7.4	0.1
2024	7.0	0.1
2025	6.7	0.1
2026	6.4	0.1
2027	6.1	0.1
2028	5.9	0.1
2029	5.6	0.1
2030	5.3	0.1

**NORMALIZED FRUITLAND COAL PRODUCTION**  
 21 WELLS SINCE 1989; 26N 8W AND EASTERN 26N 9W; SAN JUAN CO. NM



— FIT MCFD      ○ NORMALIZED MCFD      △ NORM CUM MMCF  
 ▽ WELLS ON PRODUCTION      — FIT CUM MMCF      — RISKED MCFD

NORMALIZED AVG:

693 MMCF EUR  
 762 MMCF IN 20 YRS  
 50 MCFD E.L.  
 0.0000 bbl/mcf oil yield

250 MCFD IP  
 10% DECLINE, 1ST 12 MONTHS  
 10% DECLINE, NEXT 72 MONTHS  
 10% FINAL DECLINE

RISKED AVG:

20% RISK

520 MMCF EUR  
 609 MMCF IN 20 YR  
 50 MCFD E.L.  
 0.0000 bbl/mcf oil yield

200 MCFD IP  
 10.0% DECLINE, 1ST 12 MONTHS  
 10.0% DECLINE, NEXT 72 MONTHS  
 10.0% FINAL DECLINE

Conoco Inc.  
C-107-A  
Offset Operator List

RE: Newsom, Well #17E, San Juan County, New Mexico

1. Burlington Resources Oil & Gas Co.  
P. O. Box 4289  
Farmington, NM 87499
2. Chateau Oil & Gas Inc.  
2515 McKinney Ave. Ste. 840  
Dallas, TX 75201
3. Conoco, Inc.  
10 Desta Dr., Suite 100W  
Midland, TX 79705-4500

P 497 368 607

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided

Burlington Resources Oil &amp; Gas Co.

P. O. Box 4289

Farmington, NM 87499

PS Form 3800, April 1995

Postage	\$ 1.70
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	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 4.15</b>
Postmark or Date	7-22-97

P 497 368 608

US Postal Service

**Receipt for Certified Mail**

Chateau Oil &amp; Gas Inc.

2515 McKinney Ave. Ste. 840

Dallas, TX 75201

PS Form 3800, April 1995

Postage	\$ 1.47
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	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.92</b>
Postmark or Date	7-22-97

P 497 368 609

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided

Amoco Production Company

P. O. Box 800

Denver, CO 80202

PS Form 3800, April 1995

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	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.69</b>
Postmark or Date	7-22-97

P 497 368 622

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided

Caulkins Oil Co.

1600 Broadway Ste. 2100

Denver, CO 80202

PS Form 3800, April 1995

Postage	\$ .55
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	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.00</b>
Postmark or Date	7-22-97