

DATE IN 7/24/97	SUSPENSE 8/13/97	ENGINEER DC	LOGGED BY <i>M</i>	TYPE DHC
-----------------	------------------	-------------	--------------------	----------

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.

Ann E. Ritchie  
Print or Type Name

*[Signature]*  
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

Reames COM

2M

I-19-T26N-R6W

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 16606 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	Blanco Mesa Verde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4880-5225' OA		6920-7290' OA
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	606 psia		806 psia
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1033 psia		2925 psia
6. Oil Gravity (*API) or Gas BTU Content	1326 BTU		1197 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 To be determined from tests on completion	Date Rates To be determined from tests on completion
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.

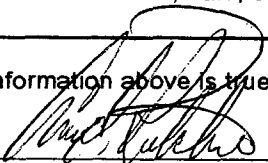
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No  
Have all offset operators been given written notice of the proposed downhole commingling? ☒ 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 ☐ 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. 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 7-14-97

TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. (915) 686-6548/684-6381

District I  
PO Box 1988, Hobbs, NM 88241-1988  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Adec, 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		Pool Code	Pool Name
		72319/71599	Blanco Mesaverde/Basin Dakota
Property Code	Property Name		Well Number
016606	Reams Com		2M
OGRID No.	Operator Name		Elevation
05073	CONOCO, INC.		6420'

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
I	19	26-N	6-W		1360	South	790	East	R.A.

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
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
E / 320									

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	1347.06'	1333.20'	2667.06'
1			
2			
3			
4			
1361.58'	1330.56'	2661.12'	

17 OPERATOR CERTIFICATION

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

Signature: Jerry W. Hoover

Printed Name: Jerry W. Hoover

Title: Sr. Conservation Coordinator

Date: 3/20/97

18 SURVEYOR CERTIFICATION

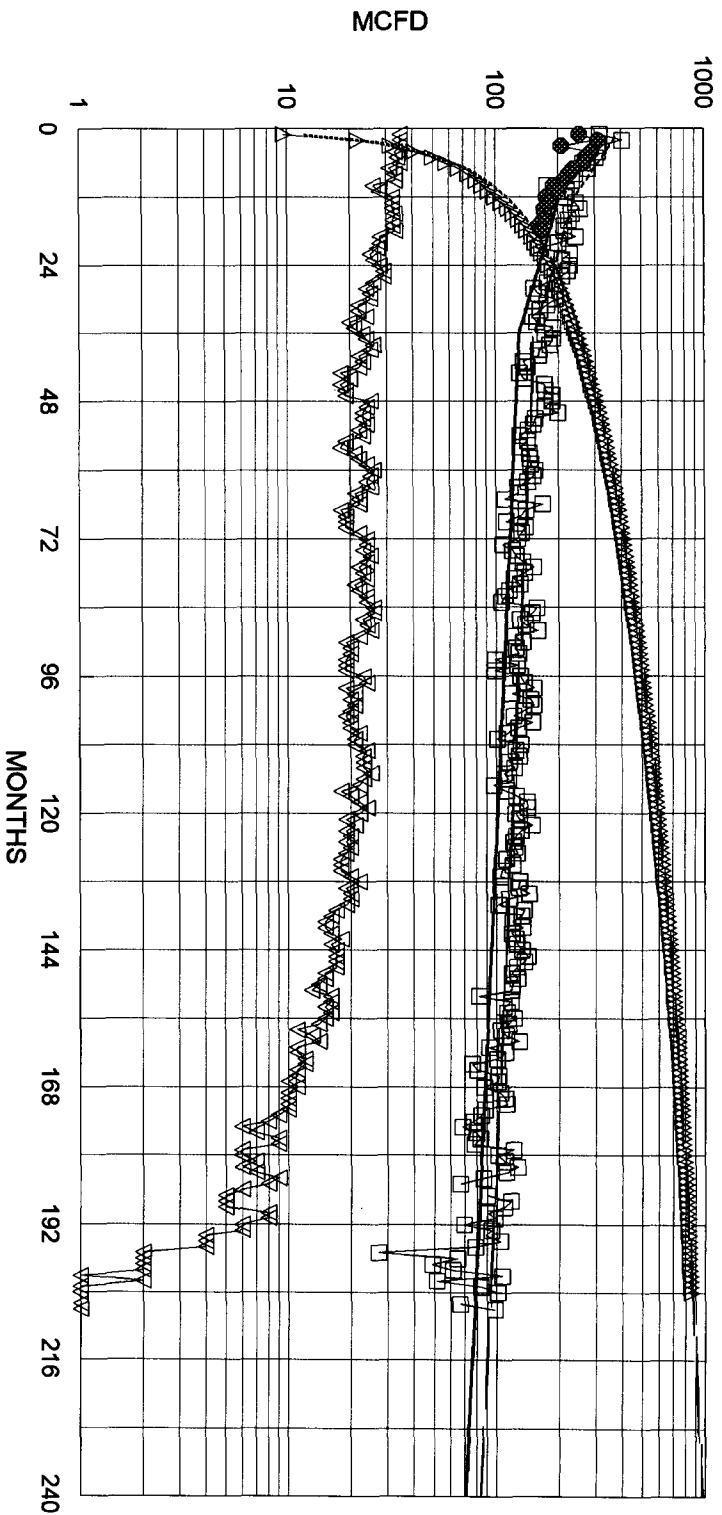
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 1/09/97

Signature and Seal of Professional Surveyor: NEALE C. EDWARDS

Certificate Number: 6857

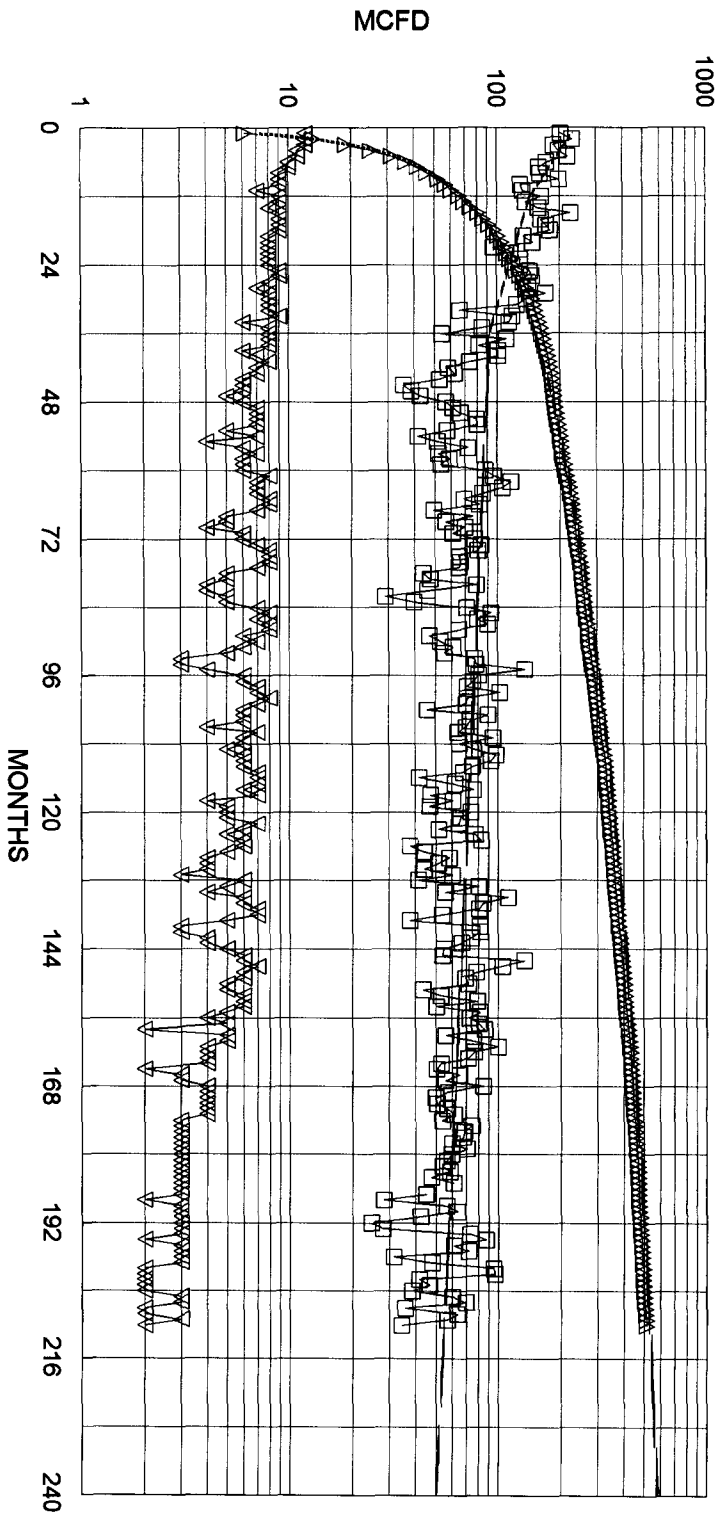
**NORMALIZED DAKOTA PRODUCTION OFFSET TO REAMES COM LEASE; 19-26-6**  
 25 SECTION AREA; 35 WELLS SINCE 1980; 5 WELLS SINCE 1994



— FIT MCFD      □ NORMALIZED MCFD      ▴ NORM CUM MMCF      ▴ WELLS ON PRODUCTION  
 — FIT CUM MMCF      — RISKED MCFD      ◆ 5 NEW WELLS (>94)

NORMALIZED AVG:		RISKED AVG: 15% RISK (DEPLETION)	
1624 MMCF EUR	400 MCFD IP	1360 MMCF EUR	340 MCFD IP
973 MMCF IN 20 YRS	40% DECLINE, 1ST 12 MONTHS	827 MMCF IN 20 YR	40.0% DECLINE, 1ST 12 MONTHS
20 MCFD E.L.	20% DECLINE, NEXT 24 MONTHS	20 MCFD E.L.	20.0% DECLINE, NEXT 24 MONTHS
0.0088 bbl/mcf oil yield	3.5% FINAL DECLINE	0.0088 bbl/mcf oil yield	3.5% FINAL DECLINE

NORMALIZED MESAVERDE PRODUCTION  
13 WELLS SINCE 1980: OFFSET TO SECTION 19-26-06: (REAMES COM LEASE OFFSETS)



NORMALIZED AVG:	
893 MMCF EUR	240 MCFD IP
584 MMCF IN 20 YRS	40% DECLINE, 1ST 12 MONTHS
20 MCFD E.L.	20% DECLINE, NEXT 24 MONTHS
0.0159 bbl/mcf oil yield	3.5% FINAL DECLINE

RISKED AVG:		0% RISK	
893 MMCF EUR	240 MCFD IP	893 MMCF EUR	240 MCFD IP
584 MMCF IN 20 YR	40.0% DECLINE, 1ST 12 MONTHS	584 MMCF IN 20 YR	40.0% DECLINE, 1ST 12 MONTHS
20 MCFD E.L.	20.0% DECLINE, NEXT 24 MONTHS	20 MCFD E.L.	20.0% DECLINE, NEXT 24 MONTHS
0.0159 bbl/mcf oil yield	3.5% FINAL DECLINE	0.0159 bbl/mcf oil yield	3.5% FINAL DECLINE

Conoco, Inc.  
C-107-A  
Offset Operator List

RE: Reames COM, Well #2M, Rio Arriba County, New Mexico

1. Burlington Resources Oil & Gas Co.  
P. O. Box 4289  
Farmington, NM 87499
2. Caulkins Oil Co.  
1600 Broadway Ste. 2100  
Denver, CO 80202
3. Conoco, Inc.  
10 Desta Dr., Suite 100W  
Midland, Texas 79705-4500

P 497 368 607

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided

Burlington Resources Oil & 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**

No Insurance Coverage Provided

Chateau Oil & 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