

DHC

11/17/97

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

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W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

October 27, 1997

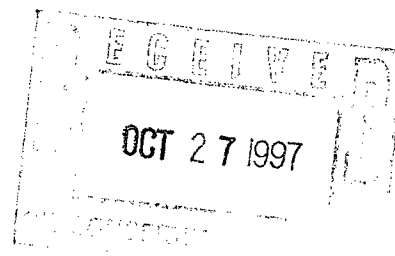
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**HAND DELIVERED**

Mr. David Catanach  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87502

Re: **ADMINISTRATIVE DHC APPLICATIONS**

Application of Conoco Inc. for  
Downhole Commingling Approval for  
four wells in the San Juan 28-7 Unit  
Rio Arriba County, New Mexico



Dear Mr. Catanach:

On behalf of Conoco Inc., please find enclosed four administrative applications for approval to downhole commingled production in the following wells:

Unit Well No. 224M, Unit I Section 28, T28N, R7W;  
Unit Well No. 226M, Unit D Section 28, T28N, R7W;  
Unit Well No. 227M, Unit J Section 36, T28N, R7W;  
Unit Well No. 232M, Unit I Section 20, T28N, R7W;

Very truly yours,

W. Thomas Kellahin

cfx: Conoco Inc.

Attn: Jerry Hoover

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

San Juan 28-7 Unit 226M D-28-T28N-R7W Rio Arriba  
Lease Well No Unit Ltr Sec Twp Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 016608 API NO. 30-039-25694 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 Mesaverde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4472'-5161' est.		7076'-7283' est.
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottom hole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 900 psia	a.	a. 1700 psia
	b (Original) 1267 psia	b.	b. 3288 psia
6. Oil Gravity (°API) or Gas BTU Content	1242 BTU		1152 BTU
7. Producing or Shut-In?	to be drilled		to be drilled
Production Marginal? (yes or no)	No		Yes
• If Shut-In give date and oil/gas/water rates of last production  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	Date Rates:	Date Rates
	Rates to be determined after completion & submitted to Aztec Office for allocation	Date Rates	Rates to be determined after completion & submitted to Aztec Office for allocation
8. Fixed Percentage Allocation Formula - % for each zone	oil: NA % Gas NA %	oil: % Gas %	oil: NA % Gas NA

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 ☐  
Conoco is the only offset operator

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). R-10476-B

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 Sr. Conservation Coord. DATE 10-23-97

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

District I  
PO Box 1980, Hobbs, NM 88241-1980  
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		Pool Code	Pool Name
		72319/71599	Blanco Mesaverde/Basin Dakota
Property Code	Property Name		Well Number
	San Juan 28-7 Unit		226M
OGRID No.	Operator Name		Elevation
05073	CONOCO, INC.		6149'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	28-N	7-W		790	North	790	West	R.A.

<sup>11</sup> Bottom Hole Location If Different From Surface

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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
W/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

<p>16</p> <p>5280.00'</p> <p>790'</p> <p>790'</p> <p>5431.80'</p> <p>36</p> <p>5406.72'</p> <p>5293.20'</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Jerry W. Hoover</i></p> <p>Signature</p> <p>Jerry W. Hoover</p> <p>Printed Name</p> <p>Sr. Conservation Coordinator</p> <p>Title</p> <p>5/15/97</p> <p>Date</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10/31/96</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>6857</p> <p>Certificate Number</p> <p>NEALE C. EDWARDS NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 6857</p>