

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

San Juan 28-7 Unit

227M

J-36-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.

30-039-25661

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) | 4492'-5202' est. | | 7119'-7366' est. |
| 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 | 900 psia | | 1700 psia |
| Gas & Oil - Flowing: Measured Current | b (Original) | b. | b. |
| All Gas Zones: Estimated Or Measured Original | 1267 psia | | 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 | 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 | Date Rates | Date Rates |
| | Rates to be determined after completion & submitted to Aztec Office for allocation | | 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 ☐ 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) 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 Jerry W. Hoover TITLE Sr. Conservation Coord. DATE 10-23-97TYPE 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

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

070 FARMINGTON, NM ☐ 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 |
| 016608 | San Juan 28-7 Unit | | 227M |
| OGRID No. | Operator Name | | Elevation |
| 05073 | CONOCO, INC. | | 6174' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J | 36 | 28-N | 7-W | | 1745 | South | 1850 | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| 12 Dedicated Acres | 13 Joint or Infill | 14 Consolidation Code | 15 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 | 5280.00' | | 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>2/17/97</u> | |
| | 36 | | | 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. 10/31/96 Date of Survey Signature and Seal of Professional Surveyor NEALE C. EDWARDS NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 6857 Certificate Number |
| | 5431.80' | | | |
| | 5406.72' | | | |
| 4 | 3 | 2 | 1 | |
| 5293.20' | | 1745' | 1850' | |