

DATE IN 11/3/97	SUSPENSE 11/24/97	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 -

1746

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

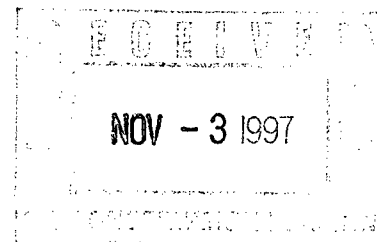
Check One Only for [B] and [C]

[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.

Kay Maddox
Print or Type Name

Kay Maddox
Signature

Regulatory Agent
Title

Oct 30, '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 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease Jicarilla A Well No 17 Section 14, T26N, R4W, E County Rio Arriba

OGRID NO. 005073 Property Code 18018 API NO. 30-039-21030 Spacing Unit Lease Types: (check 1 or more)
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	Tapacito Pictured Cliffs 85920		Blanco Mesaverde 72319
2. TOP and Bottom of Pay Section (Perforations)	3675-3705'		5730-6219'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 330 psia	a.	a. 593 psia
	b(Original) 660 psia	b.	b. 1377 psia
6. Oil Gravity (°API) or Gas BT Content	1268		1290
7. Producing or Shut-In?	Producing		To be completed
Production Marginal? (yes or no)	Yes		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, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Estimated 1/98 20 MCFD/ 0 Oil/ 0 BW Prod by subtraction - see attached table	Date Rates	Est. 1/98, Initial rate 28 MCFD/ 1 BO/ 0BW Prod by subtraction - 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 ☐ No

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) _____

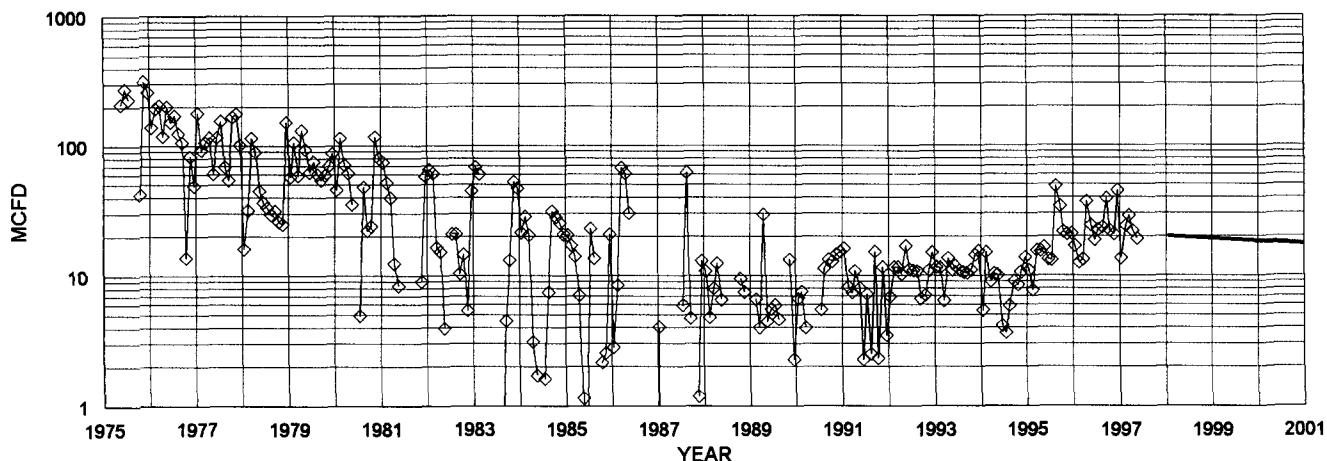
16. ATTACHMENTS
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - * Production curve for each zone for at least one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - * 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 Kay Maddox TITLE Regulatory Agent DATE Oct 30, 1997

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

**JICARILLA A 17 PICTURED CLIFFS PRODUCTION
SECTION 14E-26N-04W**



◇ PICTURED CLIFFS MCFD — FIT MCFD

PICTURED CLIFFS HISTORICAL DATA: 1ST PROD: 5/75

OIL CUM: 0.00 MBO
 GAS CUM: 277.4 MMCF
 CUM OIL YIELD: 0.0000 BBL/MCF
 OIL YIELD: 0.0000 BBL/MCF, LAST 3 YRS
 AVG. USED: 0.0000 BBL/MCF

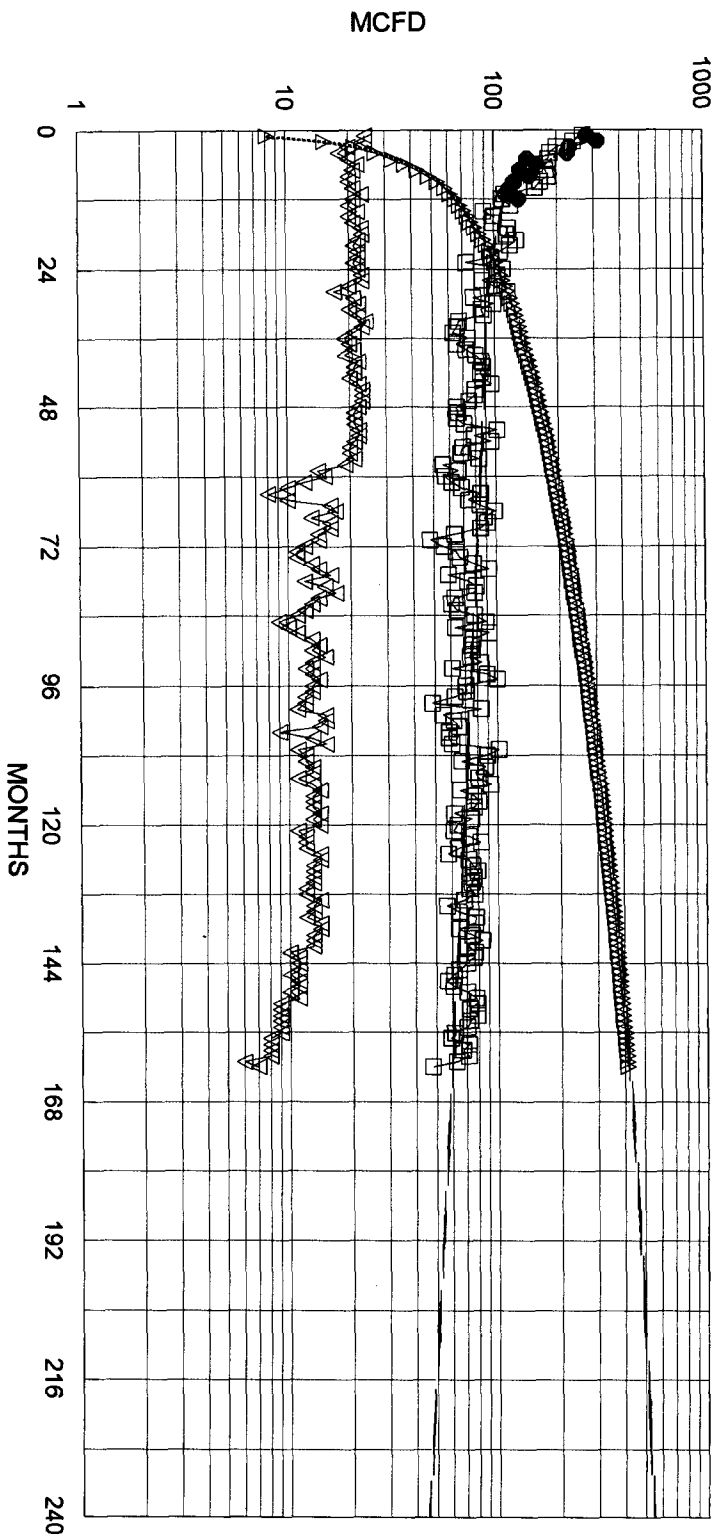
PROJECTED DATA

1/1/98 QI: 20 MCFD
 DECLINE RATE: 4.5% (EXPONENTIAL)

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1998	20	0.0
1997	19	0.0
1996	18	0.0
1995	17	0.0
2000	16	0.0
2001	16	0.0
2002	15	0.0
2003	14	0.0
2004	14	0.0
2005	13	0.0
2006	12	0.0
2007	12	0.0
2008	11	0.0
2009	11	0.0
2010	10	0.0
2011	10	0.0
2012	9	0.0
2013	9	0.0
2014	9	0.0
2015	8	0.0
2016	8	0.0
2017	7	0.0
2018	7	0.0
2019	7	0.0
2020	6	0.0
2021	6	0.0
2022	6	0.0
2023	6	0.0
2024	5	0.0
2025	5	0.0
2026	5	0.0
2027	5	0.0
2028	4	0.0
2029	4	0.0
2030	4	0.0

NORMALIZED MESAVERDE PRODUCTION
25 WELLS SINCE 1980; 26N 4W SEC 7-36



— FIT MCFD □ NORMALIZED MCFD △ NORM CUM MMCF
▽ WELLS ON PRODUCTION — FIT CUM MMCF ◆ 7 NEW MERIT REC. SINCE '94

NORMALIZED AVG:

777 MMCF EUR
549 MMCF IN 20 YRS
20 MCFD E.L.
0.004 BBL/MCF OIL YIELD

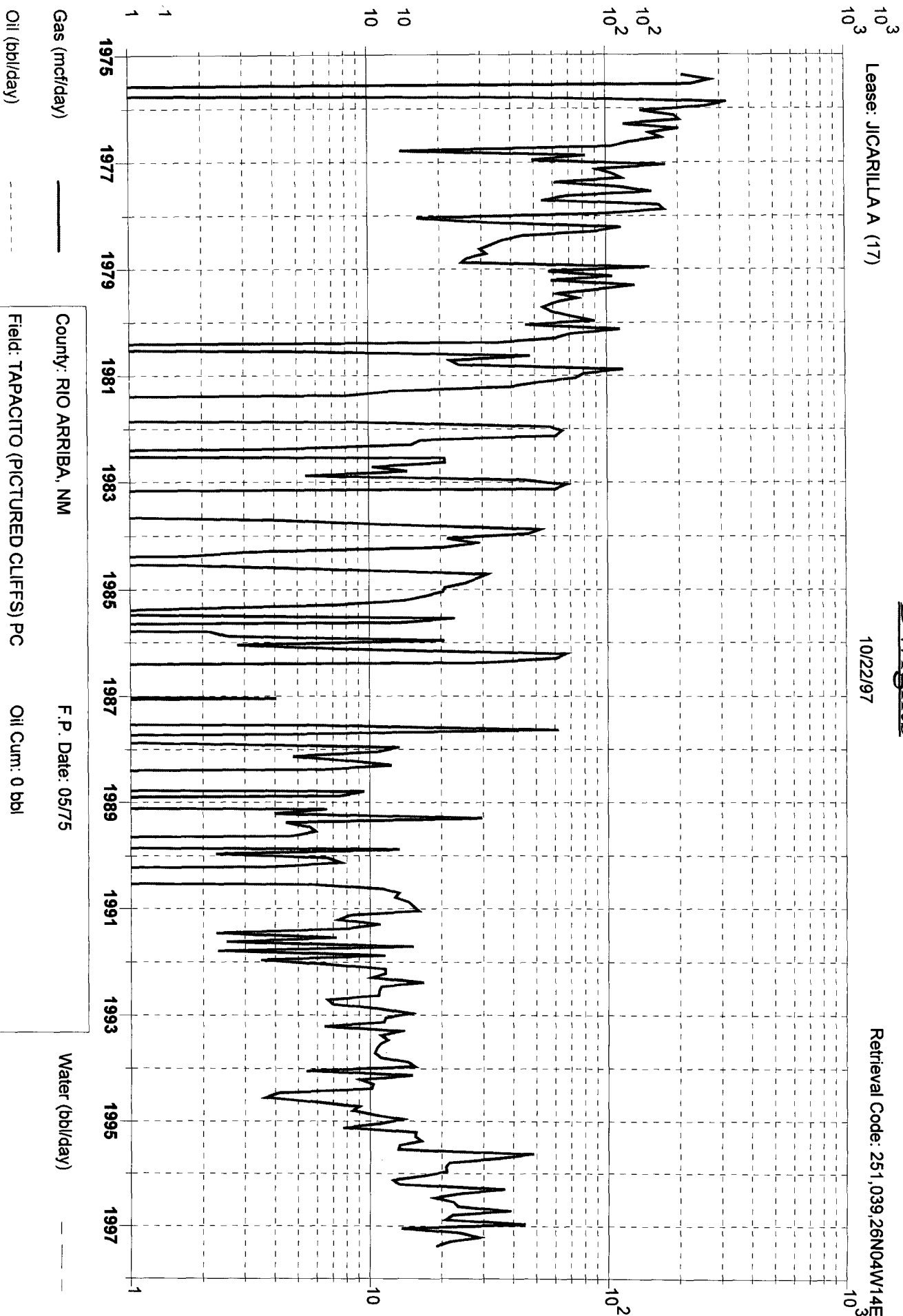
280 MCFD IP
60% DECLINE, 1ST 12 MONTHS
15% DECLINE, NEXT 12 MONTHS
4.0% FINAL DECLINE

Dwights

Lease: JICARILLA A (17)

10/22/97

Retrieval Code: 251,039,26N04W14E00PC



Gas (mcf/day)

F.P. Date: 05/75

Water (bbl/day)

Oil (bbl/day)

Field: TAPACITO (PICTURED CLIFFS) PC

Oil Cum: 0 bbl

Reservoir: PICTURED CLIFFS

Gas Cum: 277.4 mmcf

Operator: CONOCO INC

Location: 14E 26N 4W

County: RIO ARriba, NM

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994
instructions on back

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088

State Lease - 4 Copies

District IV
PO Box 2088, Santa Fe, NM 87504-2088

Santa Fe, NM 87504-2088

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-21030		2 Pool Code 85920		3 Pool Name Tapacito Pictured Cliffs	
4 Property Code 18018		5 Property Name Jicarilla A			6 Well Number 17
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 7168' GL

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	26N	4W		1850	North	790	West	Rio Arriba

11 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

12 Dedicated Acres 160	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

17 OPERATOR CERTIFICATION

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

Kay Maddox
Signature

Kay Maddox

Printed Name

Regulatory Agent

Title

October 24, 1997

Date

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

Signature and Seal of Professional Surveyor.

Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

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instructions on back

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District IV
PO Box 2088, Santa Fe, NM 87504-2088

Santa Fe, NM 87504-2088

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-21030		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 18018		5 Property Name Jicarilla A			6 Well Number 17
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 7168' GL

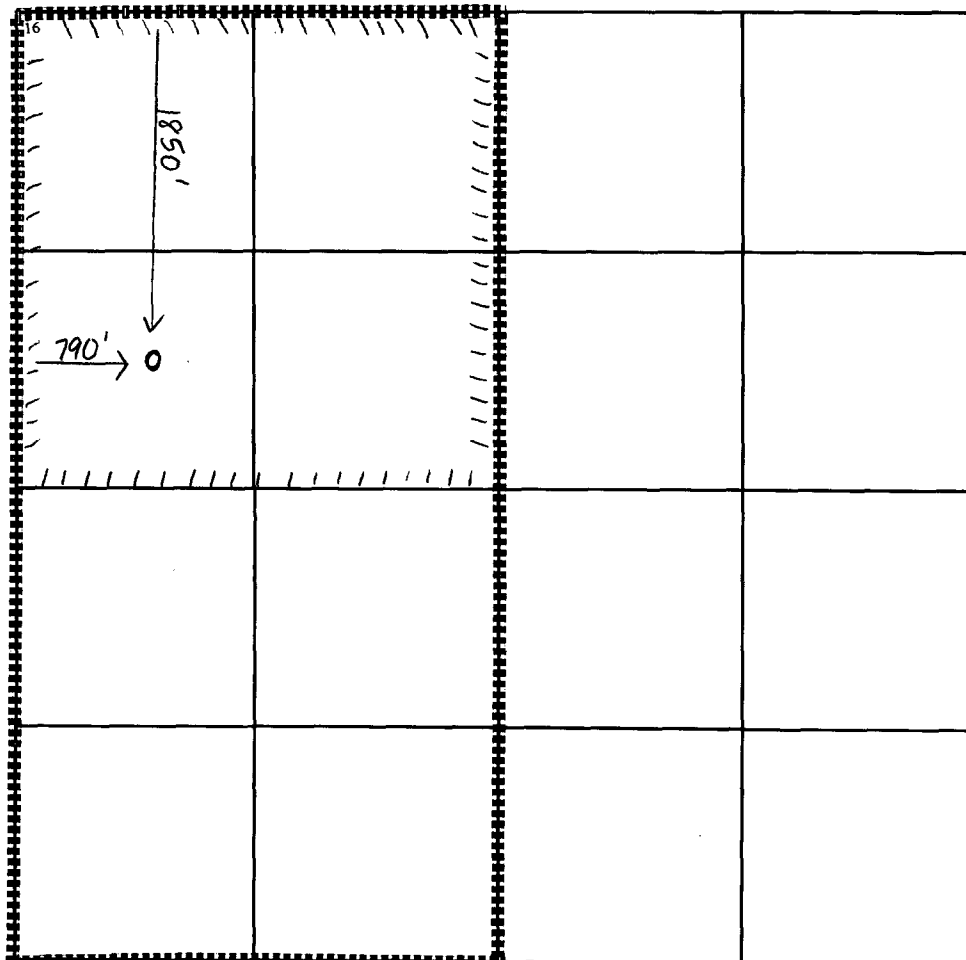
10 Surface Location

UL or lot no. E	Section 14	Township 26N	Range 4W	Lot Idn	Feet from the 1850	North/South line North	Feet from the 790	East/West line West	County Rio Arriba
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11 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
12 Dedicated Acres 320		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

Jicarilla A #17
Section 14, T-26-N, R-4-W, E
1850 FNL & 790 FWL
API # 30-039-21030
Rio Arriba County, NM

RE: Application To Downhole Commingle

OFFSET OPERATORS:

Amoco Production Co.
PO Box 800
Denver, CO 80201

Burlington Oil & Gas Resources Co.
PO Box 4289
Farmington, NM 87499

Chateau Oil & Gas, Inc.
2515 McKinney ave, STE 840
Dallas, TX 75201