

DATE IN 11/10/97	SUSPENSE 12/1/97	ENGINEER DC	LOGGED MV	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

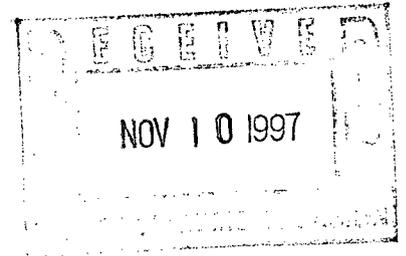
1758

**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.

Peggy Bradfield *Peggy Bradfield* Regulatory/Compliance Administrator  
 Print or Type Name Signature Title

11/7/97  
Date

# BURLINGTON RESOURCES

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SAN JUAN DIVISION

November 7, 1997

SENT FEDERAL EXPRESS

Mr. William LeMay  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: San Juan 28-6 Unit #160M  
1175'FNL, 1365'FWL, Section 30, T-28-N, R-6-W, Rio Arriba County, NM  
API # 30-039-25742

Dear Mr. LeMay:

This is a request for administrative approval for downhole commingling the Blanco Mesa Verde and Basin Dakota pools in the subject well. This is a new drill Mesa Verde/Dakota well for the 1997 Program.

To comply with the New Mexico Oil Conservation Division rules, Burlington Resources Oil & Gas Company is submitting the following for your approval of this commingling:

1. Form C107A - Application for Downhole Commingling;
2. C-102 plat for each zone showing its spacing unit and acreage dedication;
3. Expected production curve for both Mesa Verde and Dakota;
4. Notification list of offset operators;
5. Shut in wellhead pressure and calculated down hole pressure of surrounding wells;
6. Nine-section plats for the Mesa Verde and Dakota.

Notification of Mesa Verde and Dakota interest owners is covered under Order R-10696 dated November 12, 1996.

We will consult with the Supervisor of the Aztec District Office of the New Mexico Oil Conservation Division to establish an allocation formula.

Please let me know if you require additional data.

Sincerely,



Peggy Bradfield  
Regulatory/Compliance Administrator

xc: Bureau of Land Management  
NMOCD - Aztec

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

DISTRICT II  
811 South First St., Artesia, NM 88210-2835

OIL CONSERVATION DIVISION

APPROVAL PROCESS :

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

Administrative  Hearing

DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410-1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE  
 YES  NO

Burlington Resources Oil & Gas Company

PO Box 4289, Farmington, NM 87499

Operator	Address		
San Juan 28-6 Unit	160M	C 30-28N-6W	Rio Arriba
Lease	Well No.	Unit Ltr. - Sec - Twp - Rge	County
Spacing Unit Lease Types: (check 1 or more)			
OGRID NO. <u>14538</u>	Property Code <u>7462</u>	API NO. <u>30-039-25742</u>	Federal <input checked="" type="checkbox"/> , State <u>      </u> , (and/or) Fee <u>      </u>

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)	will be supplied upon completion		will be supplied upon completion
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 853 psi (see attachment)	a.	a. 1096 psi (see attachment)
	(Original) b. 1219 psi (see attachment)	b.	b. 3203 psi (see attachment)
6. Oil Gravity (°API) or Gas BTU Content	BTU 1196		BTU 1055
7. Producing or Shut-In?	shut-in		shut-in
Production Marginal? (yes or no)	no		yes
* If Shut-In 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	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
* If Producing, give data and oil/gas/water of recent test (within 60 days)	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil:        Gas: %            % will be supplied upon completion	Oil:        Gas: %            %	Oil:        Gas: %            % will be supplied upon completion

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 other?  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-10696
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 Sean Woolverton TITLE Production Engineer DATE 11-10-97

TYPE OR PRINT NAME Sean C. Woolverton TELEPHONE NO. (505) 326-9700

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

District II  
PO Drawer 00, 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  
Revised February 21  
Instructions 0  
Submit to Appropriate District  
State Lease - 4  
Fee Lease - 3

AMENDED RE

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-039-		'Pool Code 72319/71599		'Pool Name Blanco Mesaverde/Basin Dakota	
'Property Code 7462		'Property Name San Juan 28-6 Unit			'Well Number 160M
'OGRID No. 14538		'Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			'Elevation 6602'

<sup>10</sup>Surface Location

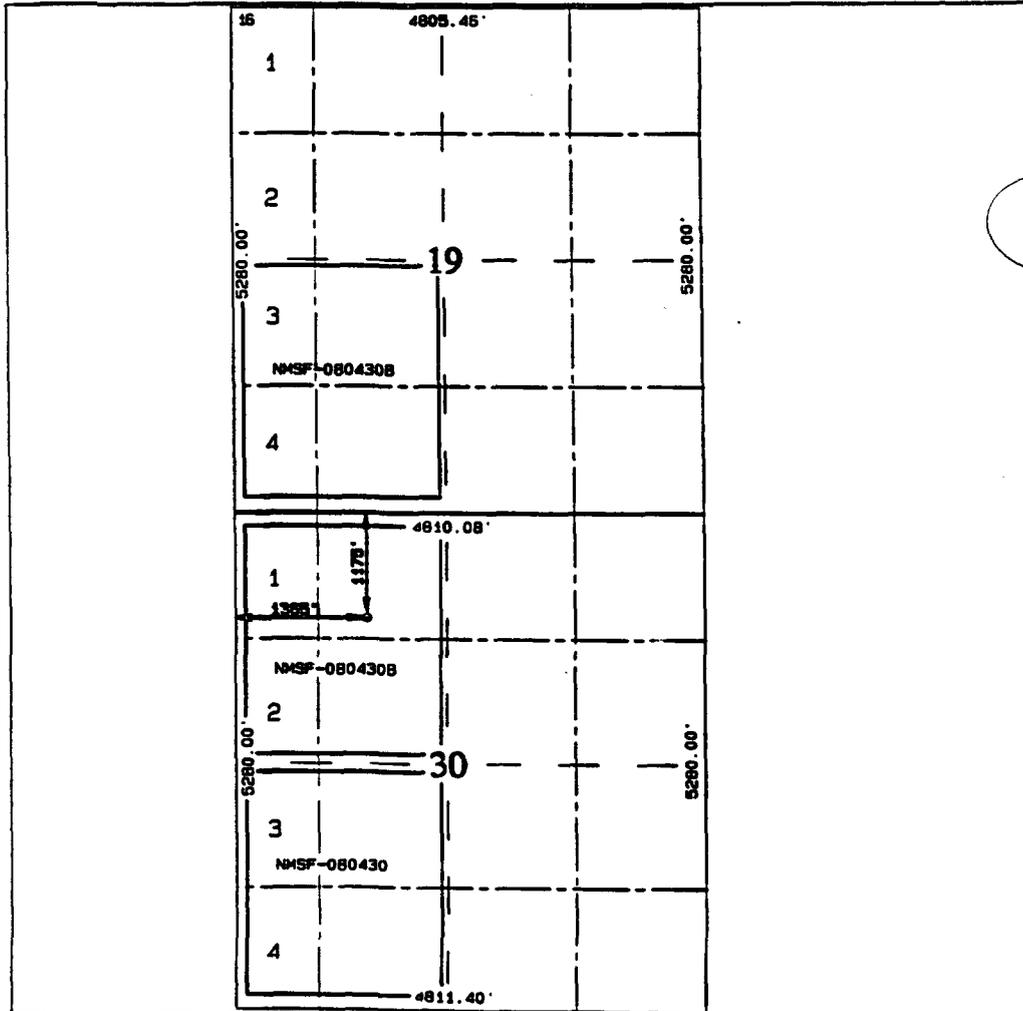
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	30	28N	6W		1175	North	1365	West	Rio Ar

<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> Dedication Acres MV-W 263 DK-W 328	<sup>13</sup> Joint or Infill 12 77	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<sup>17</sup> OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Peggy Bradfield*  
Signature

Peggy Bradfield  
Printed Name

Regulatory Administrator  
Title

7-11-97  
Date

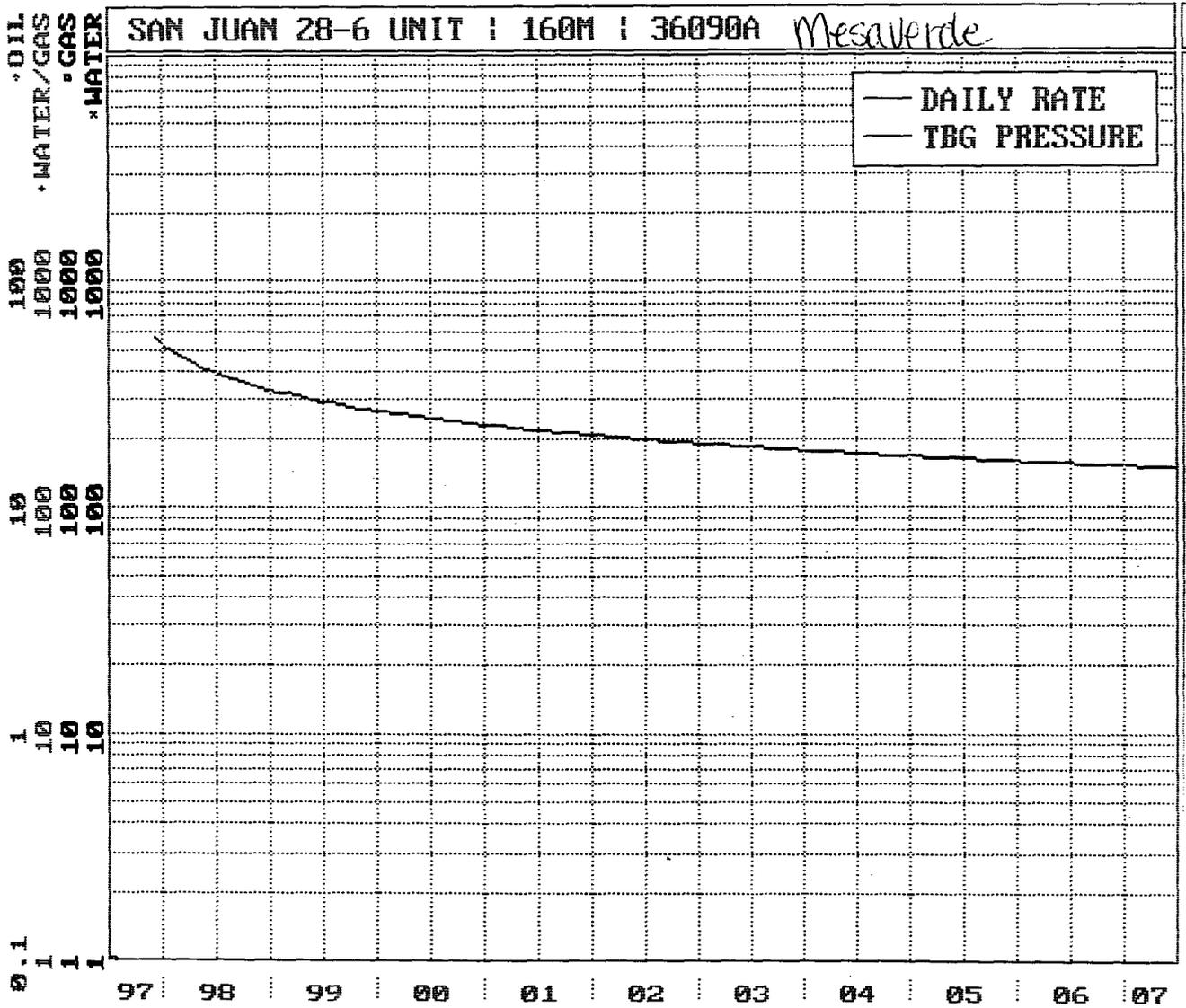
<sup>18</sup> SURVEYOR CERTIFICATION  
I hereby certify that the well location on this plat was plotted from field notes actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

6-3-97  
Date of Survey

Signature and Seal of Professional Surveyor

NEALE C. EDWARDS  
NEW MEXICO  
6857  
Certificate Number

# EXPECTED PRODUCTION CURVE



# EXPECTED PRODUCTION CURVE

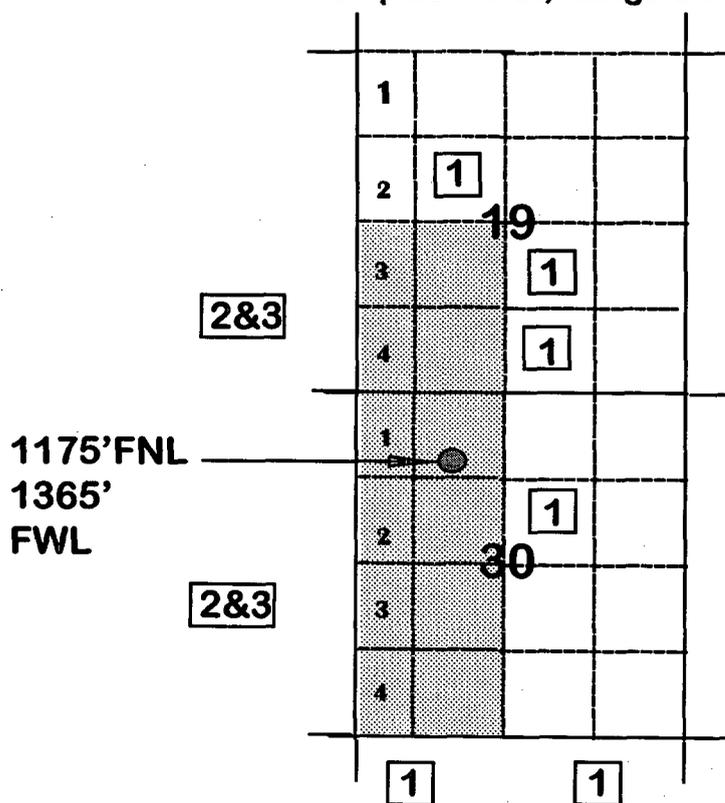


**BURLINGTON RESOURCES OIL AND GAS COMPANY**

**SAN JUAN 28-6 UNIT #160M**

**OFFSET OPERATOR \ OWNER PLAT  
NONSTANDARD LOCATION**

**Mesaverde / Dakota Formations Commingle Well  
Mesaverde (W/2 Sec. 30) / Dakota (Nonstandard dedication covering  
SW/4 Sec. 19, NW/4. N/2SW/4 Sec. 30)  
Township 28 North, Range 6 West**



- 1) Burlington Resources Oil and Gas Company.
- 2) Amoco Production Company  
Bruce Zimney  
1670 Broadway  
P. O. Box 800  
Denver, Colorado 80201
- 3) Conoco  
10 Desta Drive, Suite 100W  
Midland, Texas 79705-4500

# San Juan 28-6 Unit #160M

Bottom Hole Pressures  
Flowing and Static BHP  
Cullender and Smith Method  
Version 1.0 3/13/94

<b>Mesaverde</b>	<b>Dakota</b>																																																
<b><u>MV-Current</u></b>	<b><u>DK-Current</u></b>																																																
<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">GAS GRAVITY</td><td style="text-align: right; border-bottom: 1px solid black;">0.7</td></tr> <tr><td>COND. OR MISC. (C/M)</td><td style="text-align: right; border-bottom: 1px solid black;">C</td></tr> <tr><td>%N2</td><td style="text-align: right; border-bottom: 1px solid black;">0.28</td></tr> <tr><td>%CO2</td><td style="text-align: right; border-bottom: 1px solid black;">0.79</td></tr> <tr><td>%H2S</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>DIAMETER (IN)</td><td style="text-align: right; border-bottom: 1px solid black;">2</td></tr> <tr><td>DEPTH (FT)</td><td style="text-align: right; border-bottom: 1px solid black;">5692</td></tr> <tr><td>SURFACE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">60</td></tr> <tr><td>BOTTOMHOLE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">137</td></tr> <tr><td>FLOWRATE (MCFPD)</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>SURFACE PRESSURE (PSIA)</td><td style="text-align: right; border-bottom: 1px solid black;">732</td></tr> <tr><td>BOTTOMHOLE PRESSURE (PSIA)</td><td style="text-align: right; border: 1px solid black;">853.3</td></tr> </table>	GAS GRAVITY	0.7	COND. OR MISC. (C/M)	C	%N2	0.28	%CO2	0.79	%H2S	0	DIAMETER (IN)	2	DEPTH (FT)	5692	SURFACE TEMPERATURE (DEG F)	60	BOTTOMHOLE TEMPERATURE (DEG F)	137	FLOWRATE (MCFPD)	0	SURFACE PRESSURE (PSIA)	732	BOTTOMHOLE PRESSURE (PSIA)	853.3	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">GAS GRAVITY</td><td style="text-align: right; border-bottom: 1px solid black;">0.615</td></tr> <tr><td>COND. OR MISC. (C/M)</td><td style="text-align: right; border-bottom: 1px solid black;">C</td></tr> <tr><td>%N2</td><td style="text-align: right; border-bottom: 1px solid black;">0.14</td></tr> <tr><td>%CO2</td><td style="text-align: right; border-bottom: 1px solid black;">1.24</td></tr> <tr><td>%H2S</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>DIAMETER (IN)</td><td style="text-align: right; border-bottom: 1px solid black;">1.5</td></tr> <tr><td>DEPTH (FT)</td><td style="text-align: right; border-bottom: 1px solid black;">7841</td></tr> <tr><td>SURFACE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">60</td></tr> <tr><td>BOTTOMHOLE TEMPERATURE (DEG F)</td><td style="text-align: right; border-bottom: 1px solid black;">198</td></tr> <tr><td>FLOWRATE (MCFPD)</td><td style="text-align: right; border-bottom: 1px solid black;">0</td></tr> <tr><td>SURFACE PRESSURE (PSIA)</td><td style="text-align: right; border-bottom: 1px solid black;">922</td></tr> <tr><td>BOTTOMHOLE PRESSURE (PSIA)</td><td style="text-align: right; border: 1px solid black;">1095.5</td></tr> </table>	GAS GRAVITY	0.615	COND. OR MISC. (C/M)	C	%N2	0.14	%CO2	1.24	%H2S	0	DIAMETER (IN)	1.5	DEPTH (FT)	7841	SURFACE TEMPERATURE (DEG F)	60	BOTTOMHOLE TEMPERATURE (DEG F)	198	FLOWRATE (MCFPD)	0	SURFACE PRESSURE (PSIA)	922	BOTTOMHOLE PRESSURE (PSIA)	1095.5
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Page No.: 4

Print Time: Thu Oct 09 11:30:01 1997

Property ID: 1871

Property Name: SAN JUAN 28-6 UNIT | 160 | 52424A-1

Table Name: K:\ARIES\RR98PDP\TEST.DBF

--DATE-- ---CUM GAS-- M SIWHP  
Mcf Psi

DATE	CUM GAS	M	SIWHP
00/17/77	487557		647.0
00/17/77	487557		647.0
00/17/77	487557		647.0
06/09/71	0	2668.0	- original
12/03/71	73762	1284.0	
08/08/72	159929	984.0	
09/04/73	251212	904.0	
05/05/75	379466	764.0	
10/17/77	540611	647.0	
06/28/79	633049	669.0	
07/13/81	739595	654.0	
10/12/83	833989	699.0	
06/27/85	911446	692.0	
10/04/88	1005882	712.0	
05/08/90	1070379	727.0	
05/28/92	1131501	922.0	- current

SJ 28-6 #160M

DK offset

Page No.: 1

Print Time: Thu Oct 09 11:29:59 1997

Property ID: 10534

Property Name: SAN JUAN 28-6 UNIT | 16 | 49034A-1

Table Name: K:\ARIES\RR98PDP\TEST.DBF

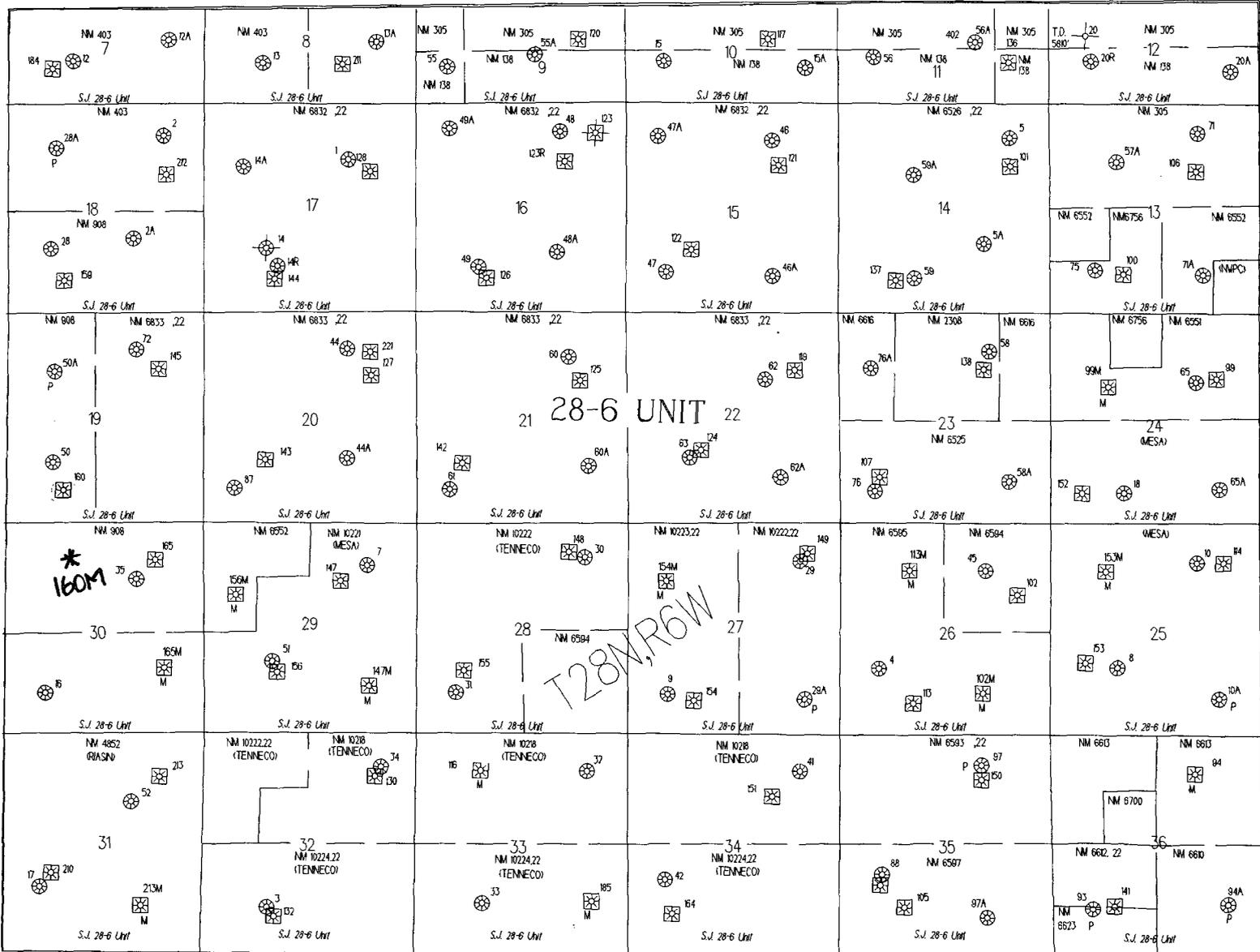
*SJ 286 #160M*

--DATE-- ---CUM GAS-- M SIWHP  
■■■■■■■■■■ ■■■■■■■■■■ ■■■■■■■■■■ ■■■■■■■■■■  
■■■■■■■■■■ ■■■■■■■■■■ ■■■■■■■■■■ ■■■■■■■■■■

*MV offset*

11/01/54	0	1039.0	<i>-original</i>
07/07/55	44000	885.0	
08/24/56	97000	917.0	
04/24/57	123000	868.0	
10/29/58	180000	853.0	
08/22/59	210000	767.0	
03/29/60	238000	742.0	
03/28/61	262000	704.0	
04/23/62	294000	687.0	
02/22/63	321000	678.0	
02/24/64	341000	703.0	
02/25/65	369000	663.0	
01/04/66	396000	665.0	
07/10/67	448000	622.0	
01/02/68	462000	620.0	
08/19/70	544269	594.0	
05/10/71	566974	576.0	
08/08/72	611437	549.0	
04/16/74	649513	595.0	
08/21/95	904759	732.0	<i>-current</i>

# San Juan 28-6 Unit #160M Blanco Mesaverde / Basin Dakota 28N-06W-30C



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 11628  
ORDER NO. R-10696

APPLICATION OF BURLINGTON RESOURCES  
OIL & GAS COMPANY FOR THE ESTABLISHMENT  
OF A DOWNHOLE COMMINGLING "REFERENCE  
CASE" FOR ITS SAN JUAN 28-6 UNIT PURSUANT  
TO DIVISION RULE 303.E. AND THE ADOPTION  
OF SPECIAL ADMINISTRATIVE RULES THEREFOR,  
SAN JUAN COUNTY, NEW MEXICO..

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 17 and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 12th day of November, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-6 Unit, San Juan County, New Mexico.

(3) Division Rule No. 303.E., amended by Order No. R-10470-A, currently states:

- c) establish a "reference case" whereby the Division utilizes the data presented in the immediate case to endorse or approve certain methods of allocating production whereby the applicant need not submit additional data or justification when proposing a certain method of allocating production on Form C-107-A's subsequently filed for wells within the San Juan 28-6 Unit; and,
- d) establish a "reference case" or an administrative procedure for authorizing the downhole commingling of existing or future drilled wells within the San Juan 28-6 Unit without additional notice to each affected interest owner as required by Division Rule No. 303.D.

(7) In support of its request to except marginal economic criteria, the applicant presented geologic and engineering evidence and testimony which indicates that within the San Juan 28-6 Unit:

- a) the structure and thickness of the Dakota and Pictured Cliffs formations are very consistent;
- b) the average recoverable Dakota and Pictured Cliffs gas reserves underlying an undeveloped drill block are approximately 449 MMCFG and 186 MMCFG, respectively;
- c) the average initial producing rate for a newly drilled or recompleted Dakota and Pictured Cliffs gas well is approximately 254 MCFGD and 216 MCFGD, respectively; and,
- d) the estimated ultimate gas recoveries and initial producing rates from the Dakota and Pictured Cliffs formations are insufficient to justify drilling stand alone wells and/or dually completed wells to recover such gas reserves.

(8) The evidence and testimony presented by the applicant indicates that the Dakota and Pictured Cliffs formations within the San Juan 28-6 Unit should be properly classified as "marginal".

(9) In support of its request to except pressure criteria within the Dakota and Pictured Cliffs formations within the San Juan 28-6 Unit, the applicant presented engineering evidence and testimony which indicates that:

- c) providing notice to each interest owner within the San Juan 28-6 Unit of subsequent downhole comminglings is unnecessary and is an excessive burden on the applicant;
- d) the downhole commingling of wells within the San Juan 28-6 Unit Area will benefit working, royalty, and overriding royalty interest owners. In addition, the downhole commingling of wells within the San Juan 28-6 Unit should not violate the correlative rights of any interest owner;
- e) no interest owner appeared at the hearing in opposition to the establishment of a "reference case" or administrative procedure for notice.

(14) An administrative procedure should be established within the San Juan 28-6 Unit for obtaining approval for subsequent downhole commingled wells without notice to Unit interest owners, provided however that, all other provisions contained within Division Rule No. 303.C. are complied with.

(15) Approval of the proposed "reference cases" for marginal economic criteria, pressure criteria, allocation formulas and notice will lessen the burden on the applicant insofar as providing the data required pursuant to Division Rule No. 303.D. and Form C-107-A, will provide the applicant a streamlined method for obtaining downhole commingling approvals within the San Juan 28-6 Unit, and will not violate correlative rights.

**IT IS THEREFORE ORDERED THAT:**

(1) The application of Burlington Resources Oil & Gas Company to establish a "reference case" for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-6 Unit, San Juan County, New Mexico, is hereby approved.