

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

1926

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

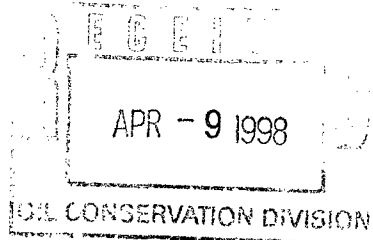
Check One Only for [B] and [C]

[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

4/6/98
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

Conoco Inc.

10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Operator

Address

San Juan Unit 28-7

#214M

Section 4, T-27-N, R-7-W, P

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 16608 API NO. 30-039-25793 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)	4940-5890'		7540-7777'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	457		713
Gas & Oil - Flowing: Measured Current	b (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1230		2946
6. Oil Gravity (°API) or Gas BT Content	1270		1236
7. Producing or Shut-In?	To be Completed		To be Completed
Production Marginal? (yes or no)	Yes (expected)		Yes (expected)
• 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
	350 MCFD Anticipated 1st Yr average		330 MCFD Anticipated 1st Yr Average
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) R-10476 B NSL 3950

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.

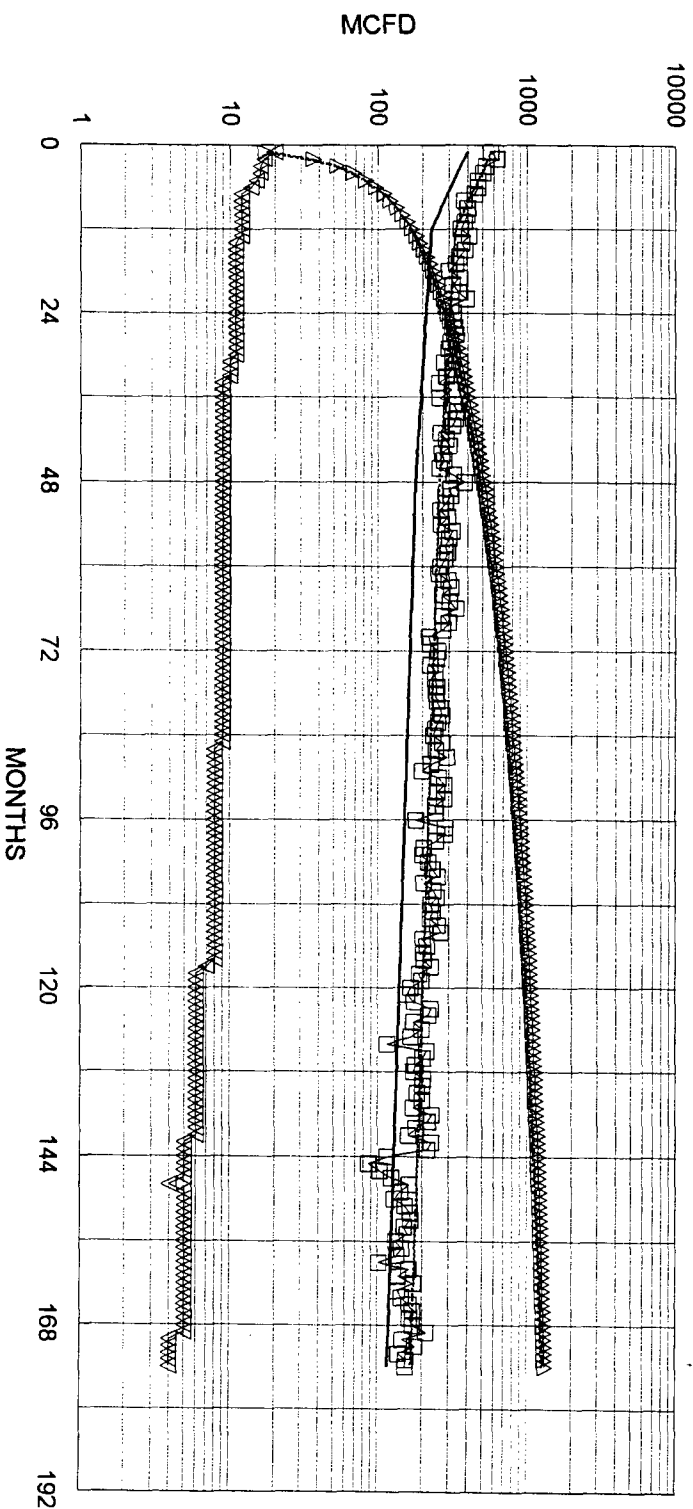
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE 4/6/98

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

NORMALIZED MESAVERDE PRODUCTION

PROD. SINCE 1975: 20 MV WELLS LOCATED IN W 2/3 OF 28N-7W AND N/3 OF 27N-7W



Expected Mesaverde Production - #145M, 156M, 199E, 214M, 215M, 249M
Expected Avg. Rate for Yr. 1 = 452MCFD

WELL LOCATION AND ACREAGE DEDICATION PLAT
PO Box 2088
Santa Fe, NM 87504-2088

☐ 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		214M
*GPRID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		5707'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
P	4	27N	7W		870	South	270	East	RIO ARriba

11 Bottom Hole Location If Different From Surface

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

*Dedicated Acres	*Joint or Infill	*Consolidation Code	*Order No.
E/320	Y	U	Non-Standard Location (Applied for)

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>15</p> <p>2635.38'</p> <p>1364.22'</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p> <p>1371.48'</p> <p>2742.96'</p> <p>5292.54'</p>				<p>2591.16'</p> <p>1352.34'</p> <p>1346.40'</p> <p>2692.14'</p> <p>870'</p>		<p>17 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>Mike L. Mankin</i></p> <p>Signature</p> <p>Mike L. Mankin</p> <p>Printed Name</p> <p>Right of Way Agent</p> <p>Title</p> <p>2-5-98</p> <p>Date</p> <p>18 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>OCTOBER 29, 1997</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>NEALE C. EDWARDS</p> <p>NEW MEXICO</p> <p>6857</p> <p>REGISTERED PROFESSIONAL SURVEYOR</p>
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>				5. LEASE DESIGNATION AND SERIAL NO SF 078570	
2. NAME OF OPERATOR Conoco Inc. 5073				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS AND TELEPHONE NO 10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500				7. UNIT AGREEMENT NAME 16608 San Juan 28-7	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 870' FSL & 270' FEL At proposed prod. zone 870' FSL & 270' FEL				8. FARM OR LEASE NAME WELL NO 214M	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*				9. API WELL NO 30-039-25793	
5. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if Any)		16. NO OF ACRES IN LEASE		17. NO. OF ACRES ASSIGNED TO THIS WELL E/320 16/320.17	
8. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 7777'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc) 6707' GR				22. APPROX. DATE WORK WILL START* 3/1/98	
23. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
12-1/4"	K-55, 9-5/8"	36#	250'	145 sxs, circ.	
8-3/4"	K-55, 7"	23#	3565'	470 sxs, circ.	
6-1/4"	K-55, 4-1/2"	9.5#	7777'	530 sxs, toc @ 3400'	
It is proposed to drill a vertical wellbore to the Blanco Mesaverde and Basin Dakota Pools. An NOS was filed 10/10/97. The well will be drilled and equipped according to the following additional attachments:					
1. Well Location & Acreage Dedication Plat (C-102). 2. Proposed Well Plan Outline. 3. Cementing Plan. 4. Blowout Preventer Hookup. 5. Surface Use Plan with Production Facility layout. 6. Temporary Pipeline Tie Specifications.					
This application includes ROW's for the well pad, access road, cathodic protection and pipeline.					
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.					
SIGNED <u>Mike L. Mankin</u>		TITLE <u>Right of Way Agent</u>		DATE <u>2-5-98</u>	

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE FEB 24 1998
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY

APPROVED BY _____ TITLE _____ DATE 2/24/98

*See Instructions On Reverse Side

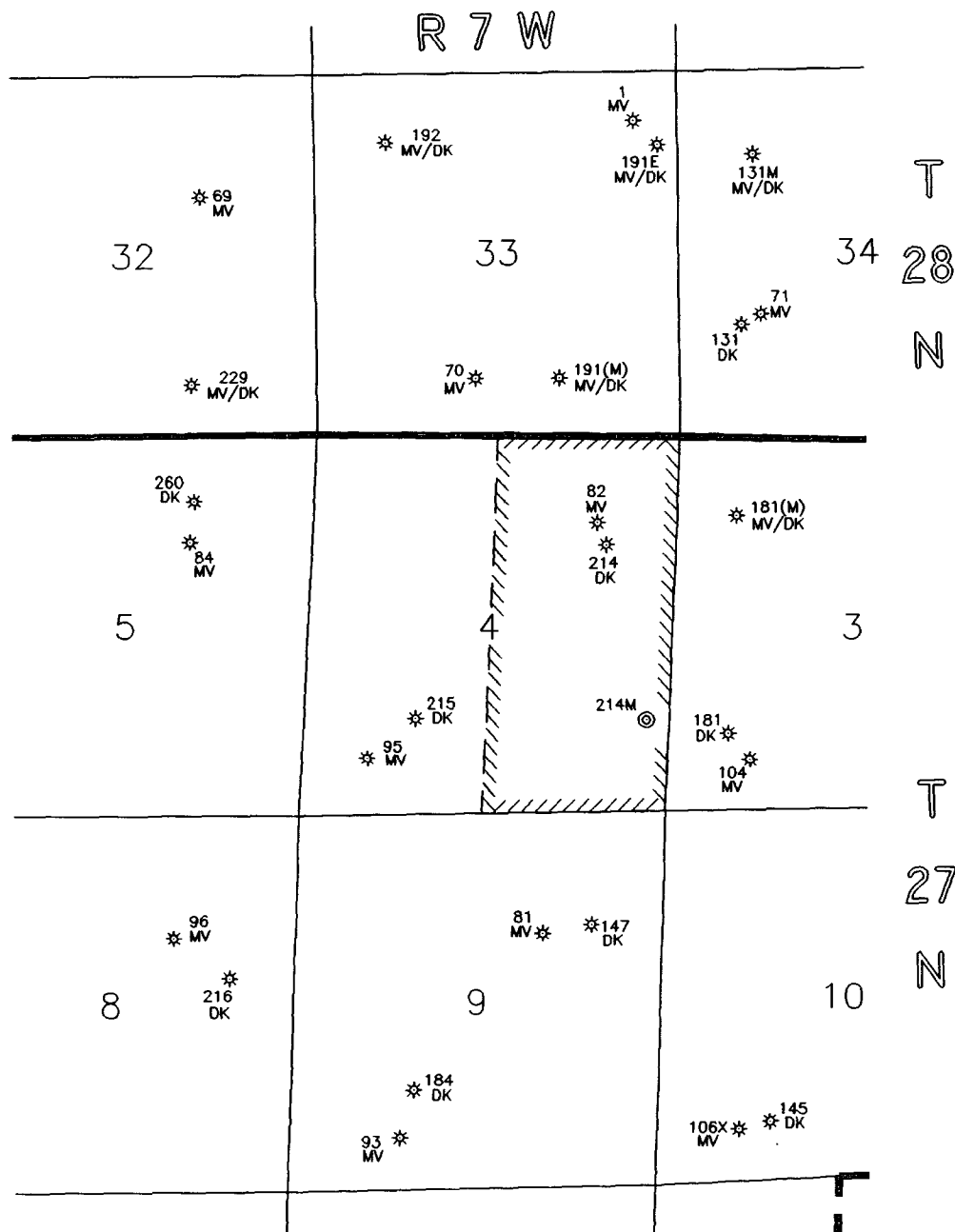
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

HOLD C-102 FOR NSL (E) NMCO

RECEIVED
FEB 27 1998
OIL CON. DIV.
DIST. 3

RECEIVED
OIL CON. DIV.
FEB 26 PM 3:04
DIST. 3

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"



**SAN JUAN 28-7 UNIT
RIO ARRIBA CO., N.M.**

NOTES

CONOCO OPERATES ALL MESAVERDE AND DAKOTA WELLS WITHIN THE 28-7 UNIT.

MAP SHOWS ONLY MESAVERDE AND DAKOTA WELLS

DATE: 02/06/98

DRAWN BY: GLG

CHECKED BY:

APPROVED BY:

SCALE: 1" = 2640'

STATE PLANE COORDINATES REFERRED TO
NAD27 - N.M. WEST
STATE PLANE COORDINATES
ZONE - 3003

conoco EPNGNA
MIDLAND DIVISION

CONOCO 28-7 UNIT
MESAVERDE & DAKOTA PRODUCERS
San Juan 28-7 Unit #214M
Non-Standard Location

STATE ^{API} COUNTY
039 \ 30

DRAWING
28-7_214

CONOCO INC. OFFICE
10 DESTA DRIVE WEST
MIDLAND, TEXAS 79705

April 6, 1998

RE: Application C-107A to Downhole Commingle

Notification Of Offset Operators:

Conoco, Inc. is the only offset operator