

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

1942

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

APR 29 1998
NEW MEXICO OIL CONSERVATION DIVISION

[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

4/24/98
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

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500
Lease Jicarilla E Well No # 12M Unit Ltr Sec Twp Rge Section 22, T-26-N, R-4-W, O County Rio Arriba
OGRID NO. 005073 Property Code 18022 API NO. _____ 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	Blanco Mesaverde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	5590-6059'		7634-7868'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 640 b(Original) 1316	a. b. 	a. 1081 b. 2463
6. Oil Gravity (°API) or Gas BT Content	1280		1332
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 should 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 Anticipated 1st Yr average 183 MCFD, 1.4 BOPD	Date Rates Date Rates 	Date Rates Anticipated 1st Yr Average 288 MCFD, 4.5 BOPD
8. Fixed Percentage Allocation Formula - % or 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? X 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? X Yes No
11. Will cross-flow occur? X 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. X Yes No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each others X Yes No
13. Will the value of production be decreased by commingling? Yes X 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. X 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.

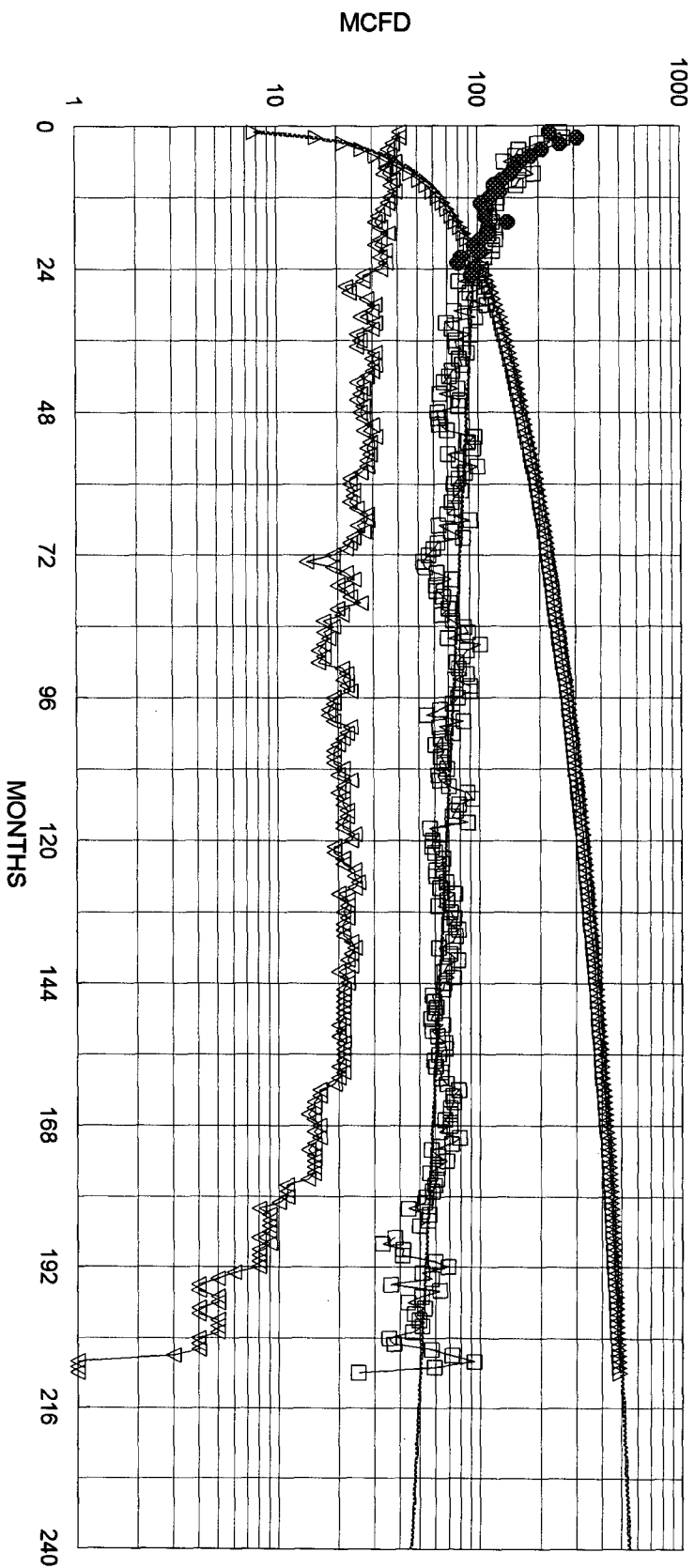
SIGNATURE Kay Maddox TITLE Regulatory Agent DATE 4/24/98
TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

APPLICATION FOR DOWNHOLE COMMINGLING

Jicarilla E 12M, Unit Letter O, Section 22-T26N-R4W
Rio Arriba County, New Mexico

As shown in the attached production plot for offsets to the Jicarilla B 12M, estimated ultimate recoveries and initial production rates from infill wells to the Dakota and Mesaverde formations are clearly marginal in this area. Mesaverde estimated recoveries in particular do not justify drilling stand alone wells (549 MMCF recovery in 20 years, 777 MMCF ultimate recovery). Furthermore, production plots from each zone indicate a similar decline profile and a fixed allocation formula can be utilized. Upon completion, both zones will be tested and stabilized flow rates will be used to allocate production from each zone. This procedure is common practice in Conoco's 28-7 Unit and reference is made to Order R-10476-B as it applies to downhole commingling of marginal zones and the allocation of production between such zones.

NORMALIZED MESAVERDE PRODUCTION
41 WELLS SINCE 1980; TOWNSHIP 26N RANGE 4W



— FIT MCFD □ NORMALIZED MCFD △ NORM CUM MMCF
 ▽ WELLS ON PRODUCTION --- FIT CUM MMCF ◆ 7 RECENT CONOCO WELLS

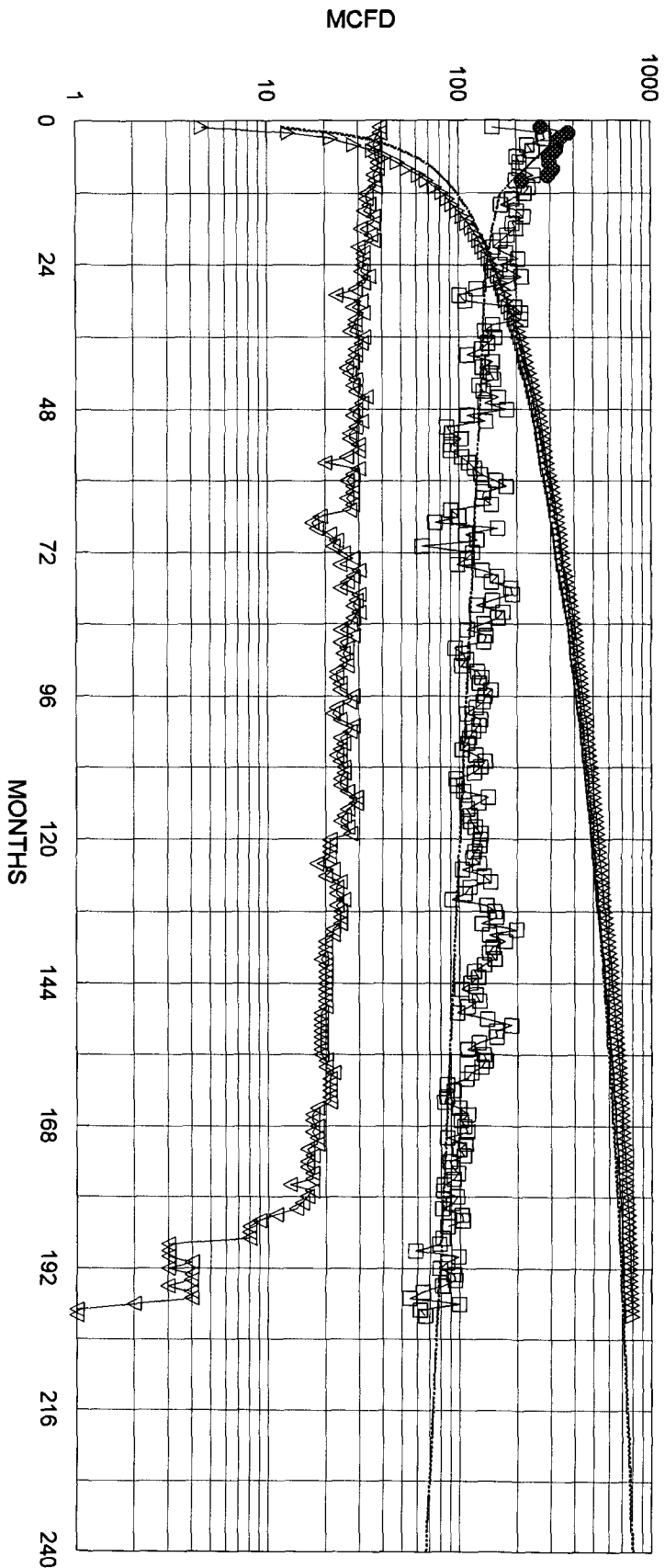
NORMALIZED AVG. & EXPECTED NEW COMPLETION RATES:

777 MMCF EUR
 649 MMCF IN 20 YR
 20 MCFD E.L.
 0.0077 bbl/mcf oil yield

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

RECENT WELLS IN 26N 04W (1993 AND NEWER)					
JICARILLA A	13	13E-26N-4W	JICARILLA E	10E	22B-26N-4W
JICARILLA E	7E	16B-26N-4W	JICARILLA A	10	23O-26N-4W
JICARILLA E	8M	15K-26-4W	JICARILLA B	9A	26D-26N-4W
JICARILLA E	9	16B-26N-4W			

NORMALIZED DAKOTA PRODUCTION
39 WELLS SINCE 1980; 26N-4W (MERT JICARILLA A,B,&E OFFSETS)



— FIT MCFD □ NORMALIZED MCFD △ NORM CUM MMCF
 ▣ WELLS ON PRODUCTION - - - FIT CUM MMCF ◆ JICARILLA E 7E & 8M

NORMALIZED AVG AND EXPECTED NEW COMPLETION AVG:

1221 MMCF EUR
 804 MMCF IN 20 YRS
 20 MCFD E.L.
 0.0167 bbl/mcf oil yield

410 MCFD IP
 60% DECLINE, 1ST 12 MONTHS
 15% DECLINE, NEXT 12 MONTHS
 4% FINAL DECLINE

RECENT WELLS (1993 AND NEWER):

JICARILLA E 7E 15K-26N-4W
 JICARILLA E 8M 15B-26N-4W

OIL CONSERVATION DIVISION
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
18022	JICARILLA E		12M
*OGRIID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6797'

¹⁰ Surface Location

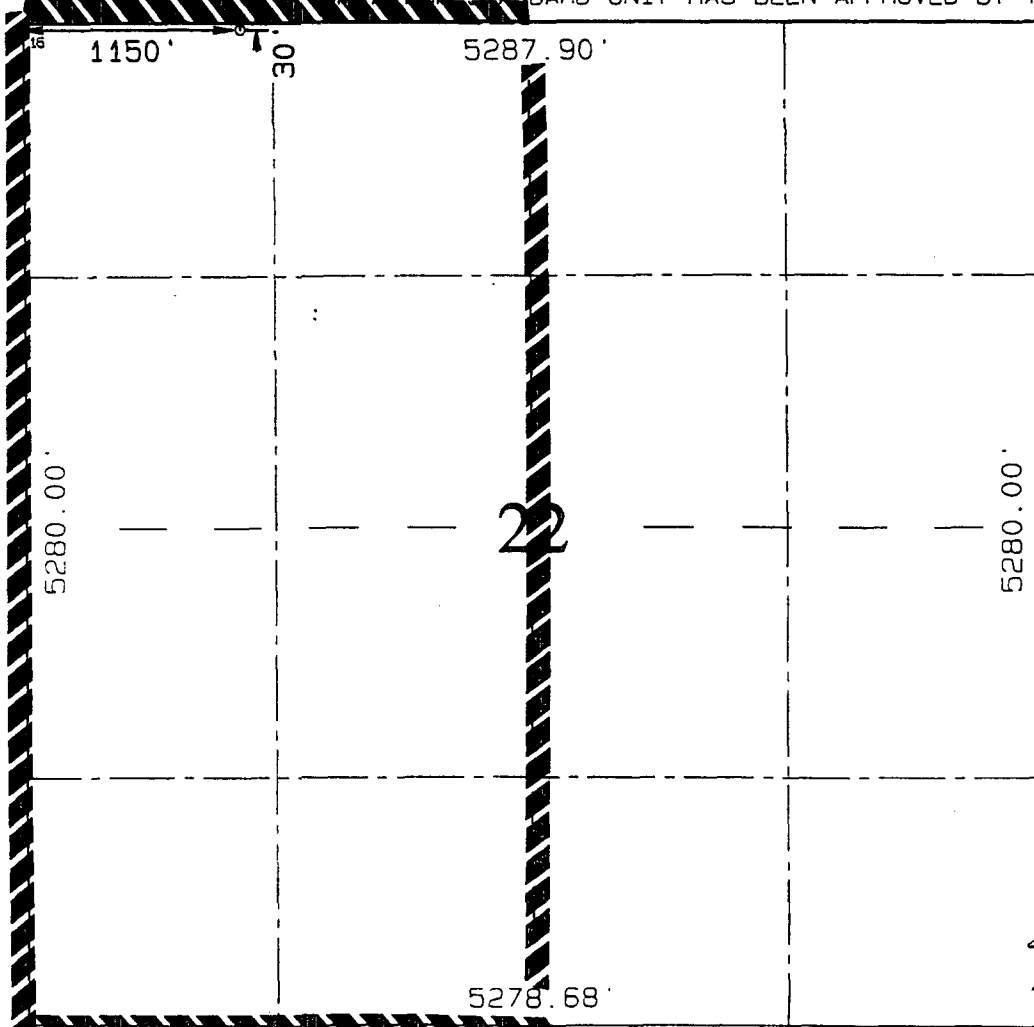
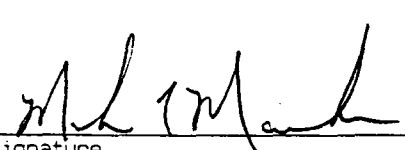
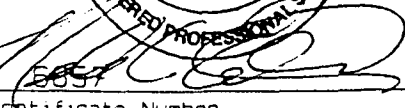
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	22	26N	4W		30	North	1150	West	RIO ARriba

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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320			Non Standard Location has been 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>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></p> <p>Signature Mike L. Mankin</p> <p>Printed Name Right-of-way Agent</p> <p>Title 2-16-98</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>NOV 18 1997</p> <p>Date of Survey</p> <p></p> <p>Signature of Professional Surveyor</p> <p>NEAL C. EDWARDS NEW MEXICO 6857 REGISTERED PROFESSIONAL SURVEYOR</p> <p>Certificate Number</p>		

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FOR FILING IN THE FIELD
OTHER INFORMATION (SEE INSTRUCTIONS)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

2. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SHALLOW ☐

MULTIPLE ZONE ☐

3. NAME OF OPERATOR

Conoco Inc.

4. ADDRESS AND TELEPHONE NO.

10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500

915-686-5794

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)

At surface

30' FNL & 1150' FWL

At proposed prod. zone

30' FNL & 1150' FWL

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE *

7. LEASE DESIGNATION AND SERIAL NO.

CONT 104

8. IF INDIAN, ALLOTTEE OR TRIBE NAME

JICARILLA

9. UNIT AGREEMENT NAME

10. FARM OR LEASE NAME WELL NO.

JICARILLA E #12M

11. API WELL NO.

12. FIELD AND POOL, OR WILDCAT

Blanco MV/Basin Dakota

13. SEC. T. R. M. OR BLK. AND SURVEY OR AREA

Sec. 22. T26N. R4W

14. COUNTY OR PARISH

Rio Arriba

15. STATE

NM

16. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit line, if Any)

17. NO. OF ACRES IN LEASE

18. NO. OF ACRES ASSIGNED
TO THIS WELL

320

19. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

20. PROPOSED DEPTH

8168'

21. ROTARY OR CABLE TOOLS

Rotary

22. ELEVATIONS (Show whether DF, RT, GR, etc.)

6797' GR

23. APPROX. DATE WORK WILL START*

4/15/98

24.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	K-55, 8-5/8"	24#	300'	130 sxs, circ.
7-7/8"	K-55, 5-1/2"	15.5#	7868'	1150 sxs, circ.

It is proposed to drill vertical wellbore to be downhole commingled in the Blanco Mesaverde and Basin Dakota Pools following the acquisition of sufficient production test data for allocation purposes. A downhole commingling application will be filed with the BLM and NMOCD prior to commingling. A NOS was filed 10/31/97. This well will drilled and equipped according to the following attachments:

1. Well Location & Acreage Dedication Plat (C-102) and other associated plats.
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan with Production Facility Layout.
6. Pipeline survey plat.

This application includes ROW's for the wellpad and access road.

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.

24.

SIGNED

TITLE

Mike L. Mankin
Right-of-Way Agent

DATE

March 4, 1998

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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

*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.

Jicarilla E #12M
Section 22, T-26-N, R-4-W, O
Rio Arriba, New Mexico

RE: Downhole Commingle C107A Application

Notification of Offset Operators:

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

Burlington Resources
PO Box 4289
Farmington, NM 87499

A copy of the C-107A has been sent to the above listed party/parties.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

CONT 104

6. If Indian, Allottee or Tribe Name

Jicarilla

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Jicarilla E #12 A

9. API Well No.

30-039-25844

10. Field Name and Well No.

Blanco Mesa Verde (72319)
Basin Dakota (71599)

11. County or Parish, State

Rio Arriba, New Mexico

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CONOCO INC.

3. Address and Telephone No.

10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5424

4. Location of Well (Footage, Sec., T. R. M. or Survey Description)

Section 22, T-26-N, R-4-W, D
30' FNL & 1150' FWL

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Repon
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☒ Altering Casing
☐ Other Name Change
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracrunng
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

Note: Repon result of multiple completion on well
Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This well was originally given the name Jicarilla E # 12 M. Since completion this well became an infill producer to the Mesaverde but not to the Dakota because the "parent" well did not ever produce out of the Dakota, consequently the proper suffix is an A.

Old Name: Jicarilla E # 12 M

New Name: Jicarilla E # 12 A

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title Regulatory Agent Date May 27, 1998

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval if any _____

BLM(6), NMOC(1), SHEAR, PONCA, COST ASST, FILE ROOM

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

*See Instruction on Reverse Side

Jicarilla E #12A Sundry Notice

Name Change

This well was originally given the name "Jicarilla E #12M" since it was to be drilled as a Mesaverde/Dakota infill well to an existing Mesaverde/Dakota penetration, the Jicarilla E #12 (stand-up, W/2 dedication). Note that APD, Downhole Commingle, and Non-standard Location paperwork were filed for with the OCD and BLM with the original name; and that NSL-3974 was issued under the original name.

Further investigation revealed that the 'parent' well penetrated, but did not produce from the Dakota, making the subject well an infill as to the Mesaverde but not the Dakota. Because the "M" suffix is reserved to denote an infill well in multiple pools, its use in the original well name was improper. Since the subject well will be an infill producer to the Mesaverde but not the Dakota, it should properly carry an "A" suffix. Therefore, the original "Jicarilla E #12M" should be changed to:

Jicarilla E #12A



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 17, 1998

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-4500
Attention: Kay Maddox

Administrative Order NSL-3974

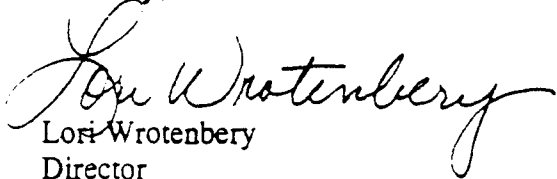
Dear Ms. Maddox:

Reference is made to your application dated February 19, 1998, which was received by the Division in Santa Fe on February 23, 1998, for an unorthodox gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for the proposed Jicarilla "E" Well No. 12-M to be drilled 30 feet from the North line and 1150 feet from the West line (Unit D) of Section 22, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

The existing standard 320-acre gas spacing and proration unit in the Blanco-Mesaverde Pool comprising the W/2 of said Section 22, which is presently dedicated to Conoco Inc.'s Jicarilla "E" Well No. 12 (API No. 30-039-21515), located at a standard gas well location 1850 feet from the South and West lines (Unit K) of said Section 22, and the W/2 of said Section 22 being a standard 320-acre gas spacing and proration unit for the Basin Dakota Pool, are to be dedicated to said well.

By the authority granted me under the provisions of Rule 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location for the Jicarilla "E" Well No. 12-M is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
W. Thomas Kellahin, Counsel - Santa Fe
Jimmy D. Carlile, Conoco, Inc. - Midland, Texas

DISTRICT I

P.O. Box 1780, Hobbs, NM 88241-1780

DISTRICT II

511 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 3-12-98

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☒ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

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

Jicarilla E.

12M A

Section 22, T-26-N, R-4-W, O

Rio Arriba

Lease

Well No

Unit Ctr Sec 1 wp Rge

County

OGRID NO 005073

Property Code

18022

API NO

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
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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	640		1081
Gas & Oil - Flowing Measured Current	b. (Original)	b.	b.
All Gas Zones Estimated Or Measured Original	1316		2463
6. Oil Gravity (*API) or Gas BT Content	1280		1332
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 1st production	Date Rates	Date Rates	Date Rates
Note: For new zones with no production history, applicant should be required to attach production estimates and supporting data.			
• If Producing, date and oil/gas/water rates of recent test (within 90 days)	Date Rates Anticipated 1st Yr average 183 MCFD, 1.4 BOPD	Date Rates	Date Rates Anticipated 1st Yr Average 288 MCFD, 4.5 BOPD
8. Fixed Percentage Allocation Formula: % for each zone			

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 ☐ No11. 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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

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- 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.
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- 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

4/24/98

TYPE OR PRINT NAME Kay Maddox

TELEPHONE NO. (915)

686-5798

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
CMB NO. 1004-1136
Expires February 23, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF OPERATION DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		2. NAME OF OPERATOR Conoco Inc. 5073		3. ADDRESS AND TELEPHONE NO. 10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500 913-636-5794		4. LOCATION OF WELL (Specify location clearly and in accordance with any State requirements.) At surface: 30' FNL & 1150' FWL At proposed prod. zone: 30' FNL & 1150' FWL		5. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE		6. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)		7. NO. OF ACRES IN LEASE		8. NO. OF ACRES ASSIGNED TO THIS WELL		9. FIELD AND POOL, OR WILDCAT Blanco MV/Basin Dakota		10. SEC. T. R. M. OR BLK. AND SURVEY OR AREA Sec. 22, T26N, R14W		11. COUNTY OR PARISH Rio Arriba		12. STATE NM	
13. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		14. PROPOSED DEPTH 8168'		15. ROTARY OR CASTLE TOOLS Rotary		16. APPROX. DATE WORK WILL START 4/15/98		17. ELEVATIONS (Show whether OF, RT, GR, etc.) 6797' GR		18. PROPOSED CASING AND CEMENTING PROGRAM		19. SIZE OF HOLE 11"		20. TRACE, SIZE OF CASING K-55, 8-5/8"		21. WEIGHT PER FOOT 24#		22. SETTING DEPTH 300'		23. QUANTITY OF CEMENT 130 sxs, circ.			
24. SIZE OF HOLE 7-7/8"		25. TRACE, SIZE OF CASING K-55, 5-1/2"		26. WEIGHT PER FOOT 15.5#		27. SETTING DEPTH 7868'		28. QUANTITY OF CEMENT 1150 sxs, circ.															

It is proposed to drill vertical wellbore to be downhole commingled in the Blanco Mesaverde and Basin Dakota Pools following the acquisition of sufficient production test data for allocation purposes. A downhole commingling application will be filed with the BLM and NMOCD prior to commingling. A NOS was filed 10/31/97. This well will drilled and equipped according to the following attachments:

1. Well Location & Acreage Dedication Plat (C-102) and other associated plats.
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan with Production Facility Layout.
6. Pipeline survey plat.

RECEIVED
APR 28 1998
OIL CON. DIV.
DIST. 3

RECEIVED
APR 10 AM 7:57
OIL ALBUQUERQUE NM

This application includes ROW's for the wellpad and access road.

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.

APPROVED BY: Mike L. Mankin TITLE: Right-of-Way Agent DATE: March 4, 1998

PERMIT NO. _____ APPROVAL DATE _____

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

(Original Signed) HECTOR A. VILLALOBOS
APPROVED BY: HOLD C-102 FOR N.S. TITLE: Asst. Field Manager DATE: APR 23 1998

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.