

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1940

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

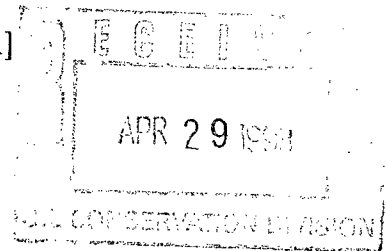
Check One Only for [B] and [C]

[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

Signature

Kay Maddox

Title

Regulatory Agent

Date

4/24/98

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

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

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

☐ YES ☒ NO

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

Lease Jicarilla B Well No 16 Unit Ltr Sec Twp Rge Section 25, T-26-N, R-4-W, I County Rio Arriba

OGRID NO. 005073 Property Code _____ 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)	5946-6418'		8013-8231'
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	645		1090
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1326		2483
6. Oil Gravity (°API) or Gas BT Content	1281		1308
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	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, 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 Anticipated 1st Yr Average 268 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

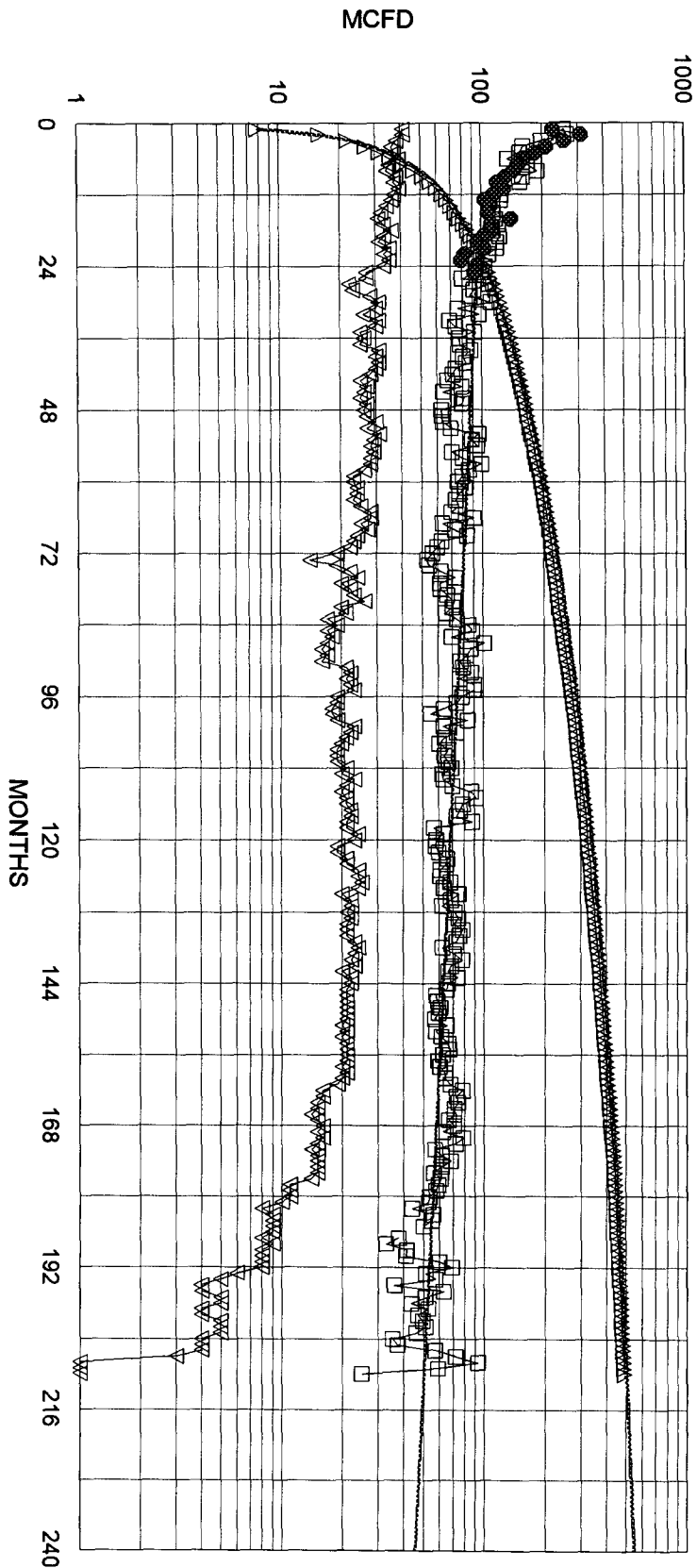
APPLICATION FOR DOWNHOLE COMMINGLING

Jicarilla B 16, Unit Letter I, Section 25-T26N-R4W

Rio Arriba County, New Mexico

As shown in the attached production plot for offsets to the Jicarilla B 16, 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 MESAUVERDE PRODUCTION
41 WELLS SINCE 1980; TOWNSHIP 26N RANGE 4W



NORMALIZED AVG. & EXPECTED AVG. NEW COMPLETION RATES:

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

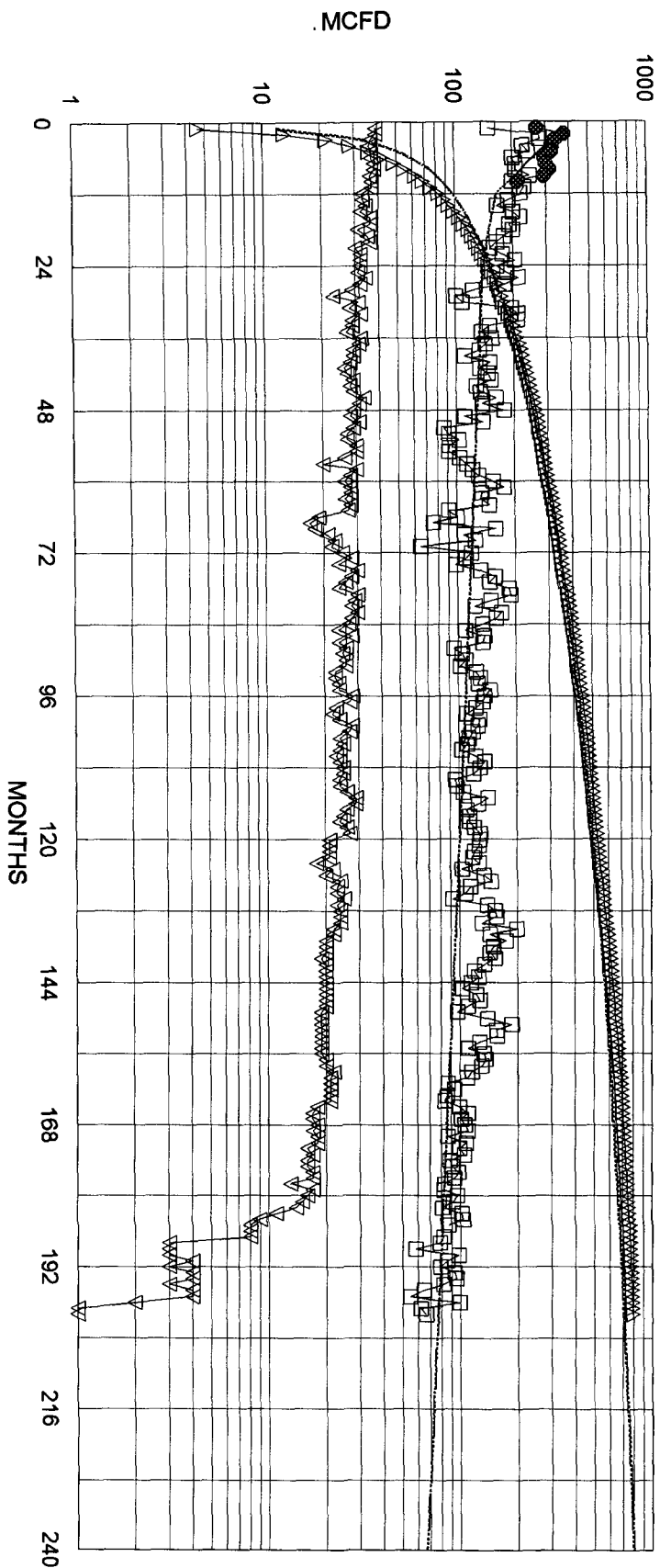
280 MCFD IP
60% DECLINE, 1ST 12 MONTHS
15% DECLINE, NEXT 12 MONTHS
4.0% FINAL DECLINE

RECENT WELLS IN 26N 04W (1993 AND NEWER)

JICARILLA A	13	13E-26N-4W	JICARILLA E	10E	22E-26N-4W
JICARILLA E	7E	15E-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 (MERIT 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

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

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.

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

District II
PO Box 100, Aztec, NM 88211-0719

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
		72319/71599	Blanco Mesaverde/Basin Dakota
*Property Code	*Property Name		*Well Number
	JICARILLA B		16
*GRID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		7185'

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
I	25	26N	4W		1540	South	1185	East	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			

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

15	5278.68'	5280.00'	25	5266.80'	1540'	1185'	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
								Mike L. Mankin
								Printed Name
								Right-Of-Way Agent
								Title
								3-3-98
								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.
								NOVEMBER 18, 1997
								Date of Survey
								Signature and Seal of Professional Surveyor
								NEALE C. EDWARDS
								NEW MEXICO
								6857
								6857
								Certificat

Jicarilla B #16
Section 25, T-26-N, R-4-W, I
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
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CONOCO, INC.

3a. Address

P.O. BOX 2197HOUSTONTX77252

3b. Phone No. (include area code)

(281)293-1005

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

NESE, SEC.25 T26N R4W
1540' FSL & 1185' FEL

5. Lease Serial No.

CONT 106

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

JICARILLA B #2A

9. API Well No.

30-039-25845

10. Field and Pool, or Exploratory Area

BLANCO MV / TAPACITO PICTURE

11. County or Parish, State

RIO ARRIBA

NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>dhc</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Conoco proposed to downhole commingle in the Tapacito Pictured Cliffs and Blanco Mesaverde as per the attached.

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

Name (Printed/Typed)

DEBORAH MARBERRY

Title

REGULATORY ANALYST

Signature

Date

04/26/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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.

(Instructions on reverse)

Pictured Cliffs Recompletion

Jicarilla B-2A

API 30-039-25845

26N-4W-25-I

Lat: 36°27'17.96" Long: 108°48'10.15

Objective: Fracture stimulate the Pictured Cliffs formation, clean out to PBTD, and DHC Mesa Verde and Pictured Cliffs formations. Resume plunger lift operations.

Well Information: Spud Date: 8/15/00 TD: 8245' PBTD: 6155'

Casing: 10 3/4"; 40.50 lb/ft; K-55 set at 509'
10.050 ID"; Drift diameter – 9.894"
Capacity – 0.0981 bbls/ft (4.1209 gal/ft)
Cement circulated to surface

7"; 26 lb/ft; M-95; set at 5536'
6.276" ID; Drift diameter - 6.151"
Capacity - 0.0382 bbls/ft (1.607 gal/ft)

7"; 23 lb/ft; M-95; set at 8242'
6.366" ID; Drift diameter - 6.241"
Capacity – 0.0393 bbls/ft (1.6535 gal/ft)

Stage 1 Cement circulated; 5825'-8240'
DV Tool at 5825'
Stage 2 Cement circulated; 3607'-5825'
DV Tool at 3607'
Stage 3 Cement circulated to surface;
Cement plug – 8240'-8245'
Cement plug – 6155'-6190'

Current Tubing: 2 3/8"; 4.70 lb/ft; J-55 set at 5962'
1.995" ID; Drift diameter – 1.901"
Capacity - .00387 bbls/ft (0.1624 gals/ft)
Pump Seating Nipple – 2 3/8" (1.780" ID)
Mule Shoe Collar – 2 3/8" (1.995" ID)

CIBP – 6190'-6192' (over Dakota)

Current Perforations: Mesa Verde – 5940'-6071'
Dakota – 8140'-8231' (abandoned)

Proposed Perforation: Pictured Cliffs – 3786'-3838'
3857'-3864'

Procedure:

1. Conduct pre-job safety meeting. Inform all crew members and personnel on location of all potential hazards and review daily procedures. Work safely!
2. Prepare location for work. Test deadmen anchor.
3. Kill well with minimum 1% KCL water. Kill water should be treated with biocide.
4. Move in and rig up pulling unit.
5. Nipple down wellhead. Nipple up and test BOP.
6. POOH with 2 3/8" tubing.
7. Pick up cast iron bridge plug for 7" production casing and RIH.
8. Set plug at +/- 3964' (100' below proposed PC perforations).
9. Pressure test plug and casing to 3000# (verify with maximum pressure to be seen during frac)
10. RIH with wireline and perforate Pictured Cliffs formation as per recommendation. Correlate perforations to TDT log.
11. Have surface equipment available for flowback.
12. Rig up frac unit and fracture stimulate as per Lucas Bazan's recommendation.
13. Rig down frac unit.
14. Flowback the well to clean up frac fluid.
15. RIH with 2 3/8" tubing, land at 3820' and obtain a stabilized C-104 test. Report results of test.
16. RIH with mill and drill out CIBP at 3914'.
17. Tag for fill. If fill is present, clean out to PBTD (PBTD = 6155'). POOH and lay down mill.
18. RIH with 2 3/8" production string, seating nipple, and mule shoe collar. Drift tubing as running in hole to insure of no crimped connections. Land at approximately 5962'.
Torque requirements for 2 3/8" 4.7lb/ft; J-55 external upset tubing: (confirm tubing type)
Min: 970 ft-lb Opt: 1290 ft-lb Max: 1610 ft-lb
19. Make a plunger run before rigging down.
20. Nipple down BOP and nipple up wellhead.
21. Connect to sales and swab in well.

Prepared by Jennye Pusch
March 27, 2002

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 106

6. If Indian, Allottee or Tribe Name

Jicarilla

7. If Unit or C.A. Agreement Designation

8. Well Name and No

Jicarilla B #2 A

9. API Well No.

30-039-25845

10. Field Name (If different from 9)

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 25, T-26-N, R-4-W, I
1540' FSL & 1185' FEL

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 Fracruning
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Repon results 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 B # 16. Conoco filed the APD with this well name in error. There is an existing Mesaverde well in the NE/4 of Section 25 (stand up direction) therefore this well is an infill well to an existing Mesaverde completion which would then denote an A suffix.

Old Name: Jicarilla B #16

New Name: Jicarilla B # 2 A

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

Signed

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 B #2A Sundry Notice

Name Change

This well was originally given the name "Jicarilla B #16" (next highest unused well number on Conoco's Jicarilla "B" lease). APD and Downhole Commingle paperwork were filed for with the OCD and BLM with the original well name.

Since there is an existing Mesaverde well in the NE/4 of Section 25 (stand-up dedication), the subject Mesaverde/Dakota well should properly have been proposed as the Jicarilla B #2A, an infill well to an existing Mesaverde completion. Conoco was in error filing original paperwork for this well as the "Jicarilla B #16", and apologizes for any inconvenience it may have caused. The original name, "Jicarilla B #16", should be changed to:

Jicarilla B #2A

DISTRICT I
700 Box 1980, Hobbs, NM 88241-1980

DISTRICT II

311 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

Jicarilla B

2A 16

Section 25, T-26-N, R-4-W, 1

Rio Arriba

Lease

Well No

Unit Lit Sec Two Rge

County

OGRIID NO 005073

Property Code

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)	5946-6418'		8013-8231'
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	645		1090
Gas & Oil - Flowing Measured Current	b. (Original)	b.	b.
All Gas Zones Estimated Or Measured Original	1326		2483
6. Oil Gravity (°API) or Gas BT Content	1281		1308
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	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, 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 Anticipated 1st Yr Average 268 MCFD, 4.5 BOPD
8. Fixed Percentage Allocation Formula - % of 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 ☐ 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

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
OMB NO. 1004-0136
Expires February 23, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> 2. NAME OF OPERATOR Conoco Inc. <u>5473</u> 3. ADDRESS AND TELEPHONE NO. 10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500 915-686-5794 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 1540' FSL & 1185' FEL At proposed prod. zone 1540' FSL & 1185' FEL 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*			5. LEASE DESIGNATION AND SERIAL NO. CONT 106 6. INDIAN ALLOTTEE OR TRIBE NAME JICARILLA 7. UNIT AGREEMENT NAME 8. FARM OR LEASE NAME WELL NO. 18219 JICARILLA B #18 2A 9. API WELL NO. 30-039-25845 10. FIELD AND POOL OR WILDCAT 72319 71599 Blanco MV/Basin Dakota 11. SEC. T. R. M. OR BLK AND SURVEY OR AREA I Sec. 25, T26N, R4W 12. COUNTY OR PARISH Rio Arriba 13. STATE NM		
5. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drilg. unit line, if any) 6. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7186' GR		16. NO OF ACRES IN LEASE 17. NO OF ACRES ASSIGNED TO THIS WELL 18. PROPOSED DEPTH 8531' 19. ROTARY OR CABLE TOOLS Rotary 22. APPROX. DATE WORK WILL START* 4/15/98			

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#	8231'	1195 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 NMOC 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

23. Mike L. Mankin
 TITLE 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 (Original Signed) HECTOR A. VILLALOBOS TITLE Asst. Field Manager DATE APR 23 1998

*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

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

RECEIVED
 BLM
 98 MAR 10 AM 7:55
 OGC ALBUQUERQUE NM