

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2039

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]

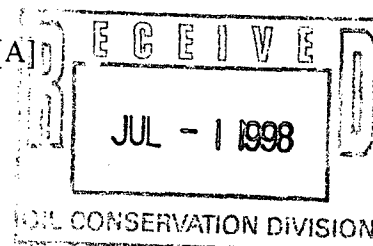
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[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

6/29/98
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 San Juan 28-7 Unit Well No # 153 E Section 18, T-27-N, R-7-W, O County Rio Arriba
OGRID NO. 005073 Property Code 016608 API NO. 30-039-25883 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)	5197-5560'		7266-7495'
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) 558 b(Original) 1161	a. b.	a. 736 b. 255
6. Oil Gravity (°API) or Gas BT Content	1347		1319
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	Date Rates	Date Rates	Date Rates
• If Producing, date and oil/gas/water rates of recent test (within 60 days)	Est 1st Yr Average 144 MCFD-Final to be supplied upon completion	Date Rates	Est 1st Yr Average 252 MCFD-Final to be supplied upon completion
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

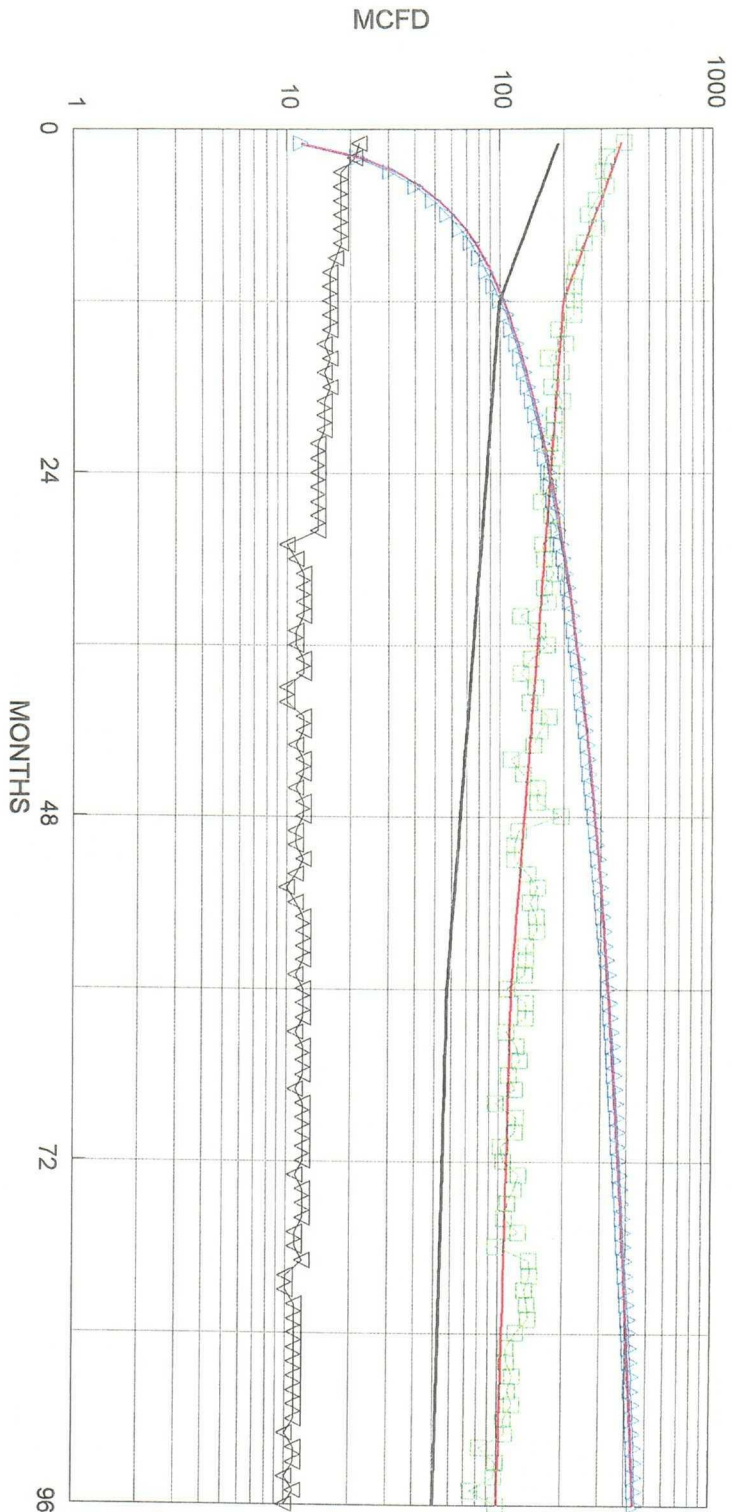
16. ATTACHMENTS

- * 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 June 29, 1990
TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

NORMALIZED MESAVERDE PRODUCTION
PROD. SINCE 1972; 22 MV WELLS LOCATED IN 27N-7W AND 27N-8W AREA



Expected MV Prod - #92M, 100M, 101M, 110M, 110M, 111M, 113M, 153E
 Expected 1st Yr. Avg. Rate = 144M/MCFD Wells are expected to follow "50% risk case"

NORMALIZED AVG:

1130 MMCF EUR
 800 MMCF IN 20 YRS
 25 MCFD E.L.
 0.0091 bbl/mcf oil yield

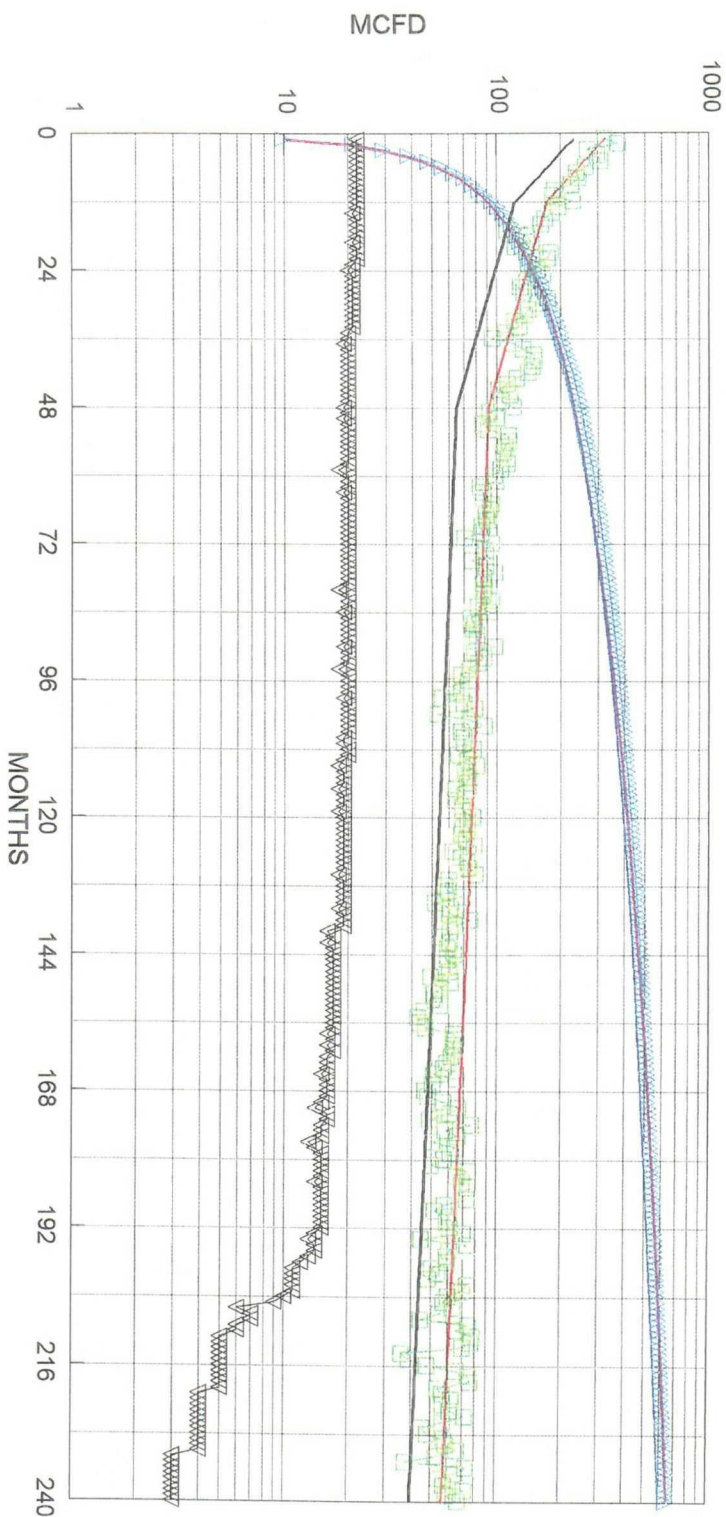
400 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 13% DECLINE, NEXT 48 MONTHS
 4% FINAL DECLINE

RISKED AVG:

50% RISK (Based on actual 99/100/101/110/111)
 453 MMCF EUR
 400 MMCF IN 20 YRS
 25 MCFD E.L.
 0.0091 bbl/mcf oil yield

200 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 13.0% DECLINE, NEXT 48 MONTHS
 4.0% FINAL DECLINE

NORMALIZED DAKOTA PRODUCTION
PROD. SINCE 1975; 22 DAKOTA COMPLETIONS



Expected DK Prod - #98M, 100M, 101M, 110M, 111M, 113M, 153E
Expected 1st Yr. Avg. Rate = 252 MCFD Wells expected to follow "Normalized case"

NORMALIZED AVG:

1049 MMCF EUR
666 MMCF IN 20 YRS
25 MCFD E.L.
0.0134 bbl/mcf oil yield

350 MCFD IP

50% DECLINE, 1ST 12 MONTHS

19% DECLINE, NEXT 36 MONTHS

3% FINAL DECLINE

RISKED AVG:

30% RISK

644 MMCF EUR
466 MMCF IN 20 YRS
25 MCFD E.L.
0.0134 bbl/mcf oil yield

245 MCFD IP

50.0% DECLINE, 1ST 12 MONTHS

19.0% DECLINE, NEXT 36 MONTHS

3.0% FINAL DECLINE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

98 JUN -8 AM 11:25

b. TYPE OF WELL

OIL WELL ☐GAS WELL ☒OTHER ☐SINGLE ZONE ☒MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Conoco Inc. 005073

3. ADDRESS AND TELEPHONE NO

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

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

At surface

1460' FSL & 795' FEL

At proposed prod. zone

1460' FSL & 795' FEL

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

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

16 NO OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED
TO THIS WELL8. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

20. ROTARY OR CABLE TOOLS

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

6566' GR

22. APPROX. DATE WORK WILL START*

6/30/98

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#	3227'	395 sxs, circ.
6-1/4"	K-55, 4-1/2"	9.5#	7495'	515 sxs, toc @ 3000'

It is proposed to drill a vertical wellbore to the Blanco Mesaverde and Basin Dakota Pools. An NOS was filed 10/13/97. 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. Pipeline Tie Specifications with plat.

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

RECEIVED
JUN 12 1998
OIL CON. DIV.
DIST. 3

This application includes ROW's for the well pad, cathodic protection and pipeline.

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

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

*Jo Ann Johnson*TITLE
Jo Ann Johnson
Sr. Property Analyst

DATE

5-28-98

(This space for Federal or State office use)

PERMIT NO

APPROVAL DATE

JUN 10 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

Carol G. Taylor

TITLE

Patricia Taylor

DATE

JUN 10 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.

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

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

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
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		153E
*OGRID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6566'

¹⁰ Surface Location

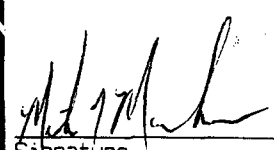
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	20	27N	7W		1460	South	795	East	RIO ARriba

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	Y	U	

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

¹⁶	5267.20'	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 Date
	5281.98'	
5283.30'	20	795'
	5270.10'	1460'

San Juan 28-7 Unit # 153 E
Section 20, T-27-N, R-7-W, I
Rio Arriba , New Mexico
API # 30-039-25883

RE: Application to Downhole Commingle (C 107 A)

OFFSET OPERATOR:

Conoco, Inc. is the only offset operator