

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

2090

[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

Regulatory Agent
 Title

6/6/98
 Date

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 I First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

APPROVAL PROCESS:
☒ Administrative ☐ Hearing
EXISTING WELLBORE
☒ YES ☐ NO

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500
Lease Buttram Well No #3 Unit Ltr Sec Twp Rge Section 23, T-26-N, R-6-W, C County Rio Arriba
OGRID NO. 005073 Property Code 003145 API NO. 30-039-06426 Spacing Unit Lease Types: (check 1 or more)
Federal ☒ State ☐ (and/or) Fee ☐

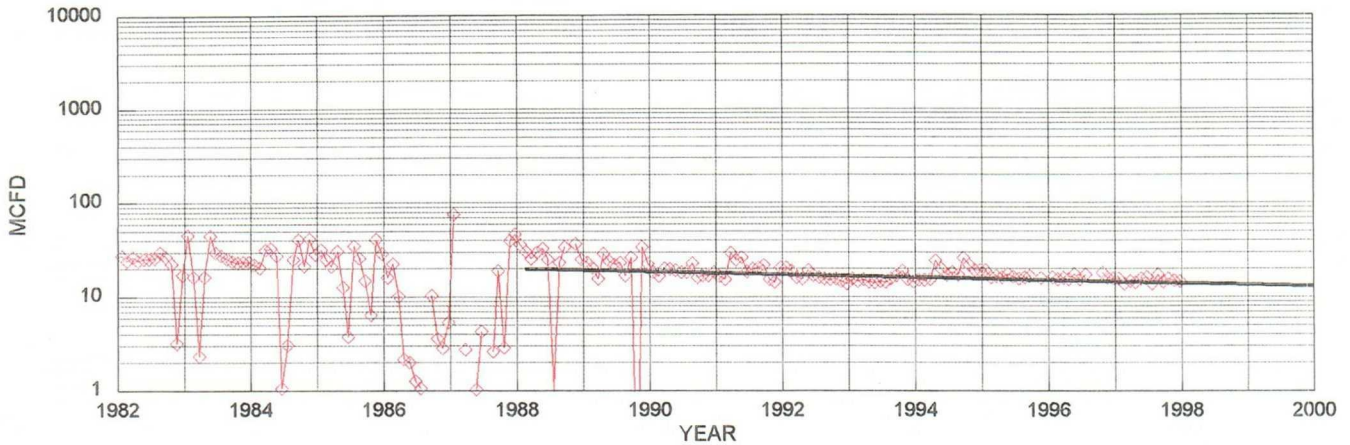
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal 71629		Blanco Pictured Cliffs South 72439
2. TOP and Bottom of Pay Section (Perforations)	2858-3148'		3155-3242
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	1160		301
Gas & Oil - Flowing: Measured Current	b (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1160		1197
6. Oil Gravity (°API) or Gas BT Content	1250		1180
7. Producing or Shut-In?	To be completed		Producing
Production Marginal? (yes or no)	Expected to be		Yes
• 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 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	Date Rates	Date Rates
	Incremental Prod by Subtraction - Estimated 1st year 135 MCFD, 0 BW, 0 BO		Mid-Year Avg rates-See table - 6/98 14 MCFD, 0 BW, 0 BO
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? ☒ 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 8/11/98
TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

BUTTRAM NO. 3 PICTURED CLIFFS PRODUCTION
SECTION 23C-26N-06W



PICTURED CLIFFS MCFD — FIT MCFD

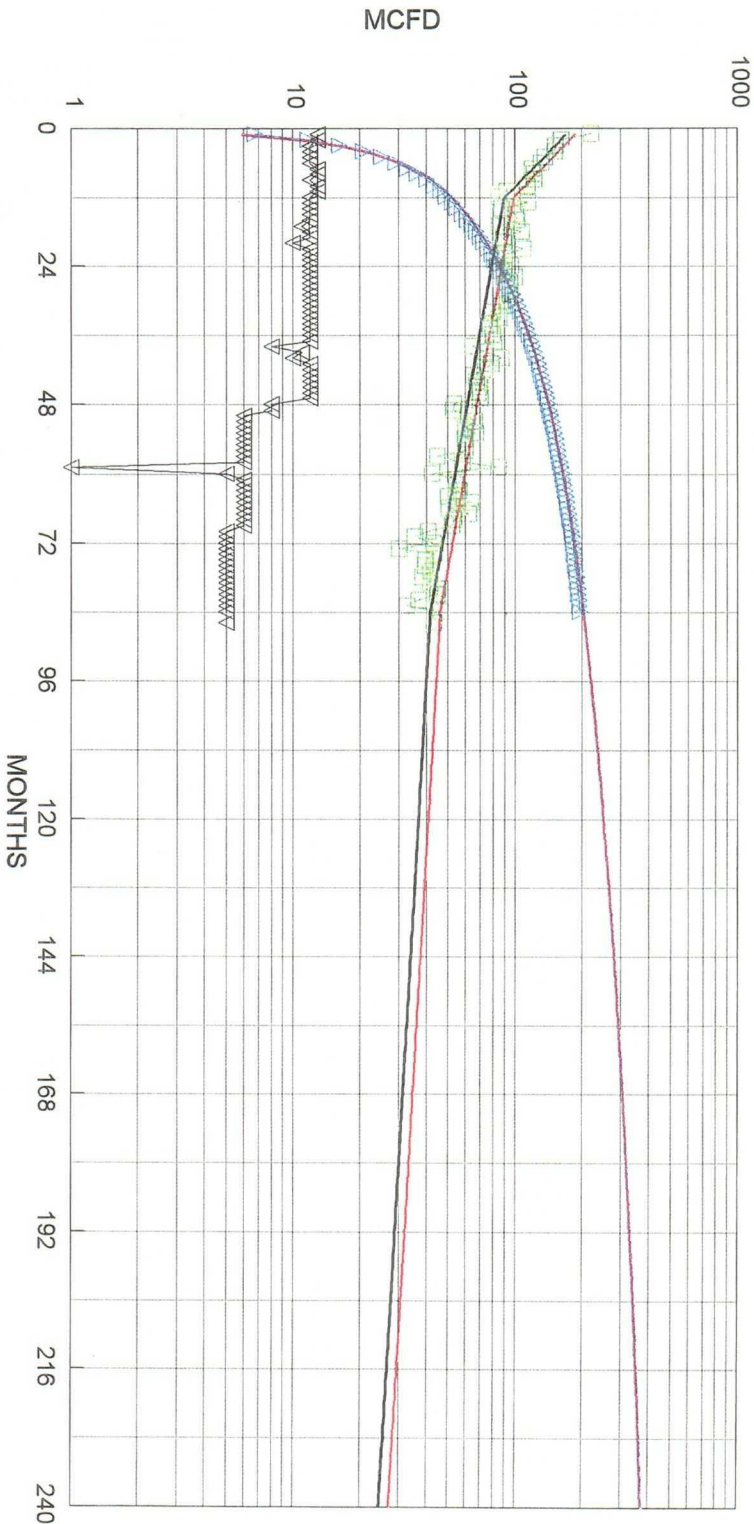
FIELD : BLANCO SOUTH (PICTURED CLIFFS)

PC HISTORICAL DATA:		1ST PROD: 12/53	PC PROJECTED DATA	
OIL CUM:	0.00	MBO	1/1/98 Qi:	14 MCFD
GAS CUM:	355.6	MMCF (SINCE '70)	DECLINE RATE:	3.5% (EXPONENTIAL)
CUM OIL YIELD:	0.0000	BBL/MCF		
OIL YIELD:	0.0000	BBL/MCF, LAST 3 YRS		
AVG. USED:	0.0000	BBL/MCF		
GAS CUM:	1205.5	MMCF (SINCE '53)		

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1998	13.3	0.0
1999	13.3	0.0
2000	12.8	0.0
2001	12.4	0.0
2002	12.0	0.0
2003	11.5	0.0
2004	11.1	0.0
2005	10.7	0.0
2006	10.4	0.0
2007	10.0	0.0
2008	9.7	0.0
2009	9.3	0.0
2010	9.0	0.0
2011	8.7	0.0
2012	8.4	0.0
2013	8.1	0.0
2014	7.8	0.0
2015	7.5	0.0
2016	7.3	0.0
2017	7.0	0.0
2018	6.8	0.0
2019	6.5	0.0
2020	6.3	0.0
2021	6.1	0.0
2022	5.9	0.0
2023	5.7	0.0
2024	5.6	0.0
2025	5.3	0.0
2026	5.1	0.0
2027	4.9	0.0
2028	4.7	0.0
2029	4.6	0.0
2030	4.4	0.0
2031	4.3	0.0
2032	4.1	0.0

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NORMALIZED FRUITLAND COAL PRODUCTION
13 WELLS SINCE 1990; TOWNSHIP 26N RANGE 6&7 W



— FIT MCFD
 ▲ WELLS ON PRODUCTION
 — FIT CUM MMCF
 — NORMALIZED MCFD
 ▲ NORM CUM MMCF
 — RISKED MCFD

NORMALIZED AVG:

442 MMCF EUR
 377 MMCF IN 20 YRS
 20 MCFD E.L.
 0.0000 bbl/mcf oil yield

RISKED AVG:

10% RISK

380 MMCF EUR
 340 MMCF IN 20 YRS
 20 MCFD E.L.
 0.0000 bbl/mcf oil yield

180 MCFD IP

50.0% DECLINE, 1ST 12 MONTHS

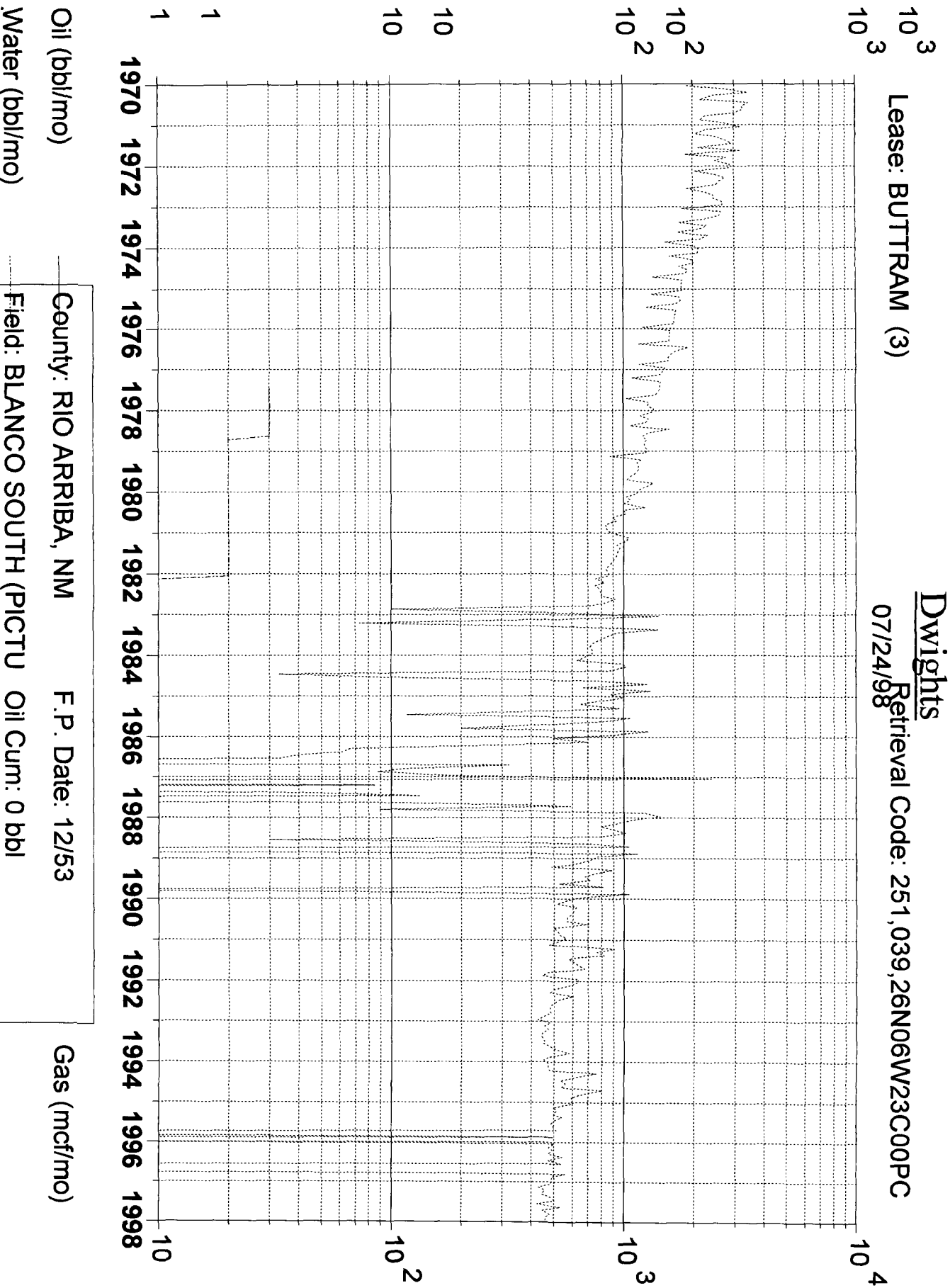
12.0% DECLINE, NEXT 72 MONTHS

4.0% FINAL DECLINE

Dwights

Lease: BUTTRAM (3)

Retrieval Code: 251,039,26N06W23C00PC
07/24/98



Oil (bbl/mo)

Water (bbl/mo)

County: RIO ARRIBA, NM

F.P. Date: 12/53

Gas (mcf/mo)

Field: BLANCO SOUTH (PICTU

Oil Cum: 0 bbl

Reservoir: PICTURE CLIFFS

Gas Cum: 1205 mmcf

Operator: CONOCO INC

Location: 23C 26N 6W

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

District II
PO Drawer DD, 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

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-06426		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 003145		5 Property Name Buttram			6 Well Number #3
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation DF 6809'

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
C	23	26N	6W		990'	North	1650'	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 320	13 Joint or Infill	14 Consolidation Code	15 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

17 OPERATOR CERTIFICATION

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

Kay Maddox
Signature

Kay Maddox
Printed Name

Regulatory Agent
Title

July 29, 1998
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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date March 16, 1954

~~Pubco Development, Inc.~~ ~~Federal Buttram~~ ~~21-2~~
Operator Lease Well No. #3

Name of Producing Formation So. Blanco Pool Pictured Cliffs
~~Pictured Cliffs~~

No. Acres Dedicated to the Well 160

Indicate Land Ownership Status. (Federal, State, Patented)
~~XXXXXXXXXXXX~~

SECTION 22 TOWNSHIP 26N RANGE 6W

	0		

RECEIVED
MAR 29 1954
PUBCO DEVELOPMENT, INC.

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

Name W. E. Maxwell Jr.
Position Asst. Prod. Mgr.
Representing Pubco Development, Inc.
Address Box 844, Artes, New Mexico

(over)

Buttram #3
Section 23, T-26-N, r-6-W, C
Rio Arriba County, NM
API # 30-039-06426

RE: Application to Downhole Commingle

Offset Operators:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Little Oil & Gas
PO Box 258
Farmington, NM 87499-1258

Caulkins Oil Co.
1600 Broadway STE 1400
Denver, CO 80202-4927