

DATE 2/1/99	SUSPENSE 2/22/99	ENGINEER DC	LOGGED BY KN	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

## ADMINISTRATIVE APPLICATION COVERSHEET

FEB 1 1999

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

1/28/99  
Date

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241 1980

DISTRICT II  
811 South I 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 28-7 Unit #230M Section 29, T-28-N, R-7-W, J Rio Arriba  
Lease Well No Unit Ltr Sec Twp Rge County

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)	4479-5460'		7090-7328'
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		751
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	1267		1265
7. Producing or Shut-In?	To be completed		To be completed
Production Marginal? (yes or no)	Expected Yes		Expected 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 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 Expected rates 350-450 MCFD	Date Rates	Date Rates Expected rates 400-500 MCFD
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) 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.

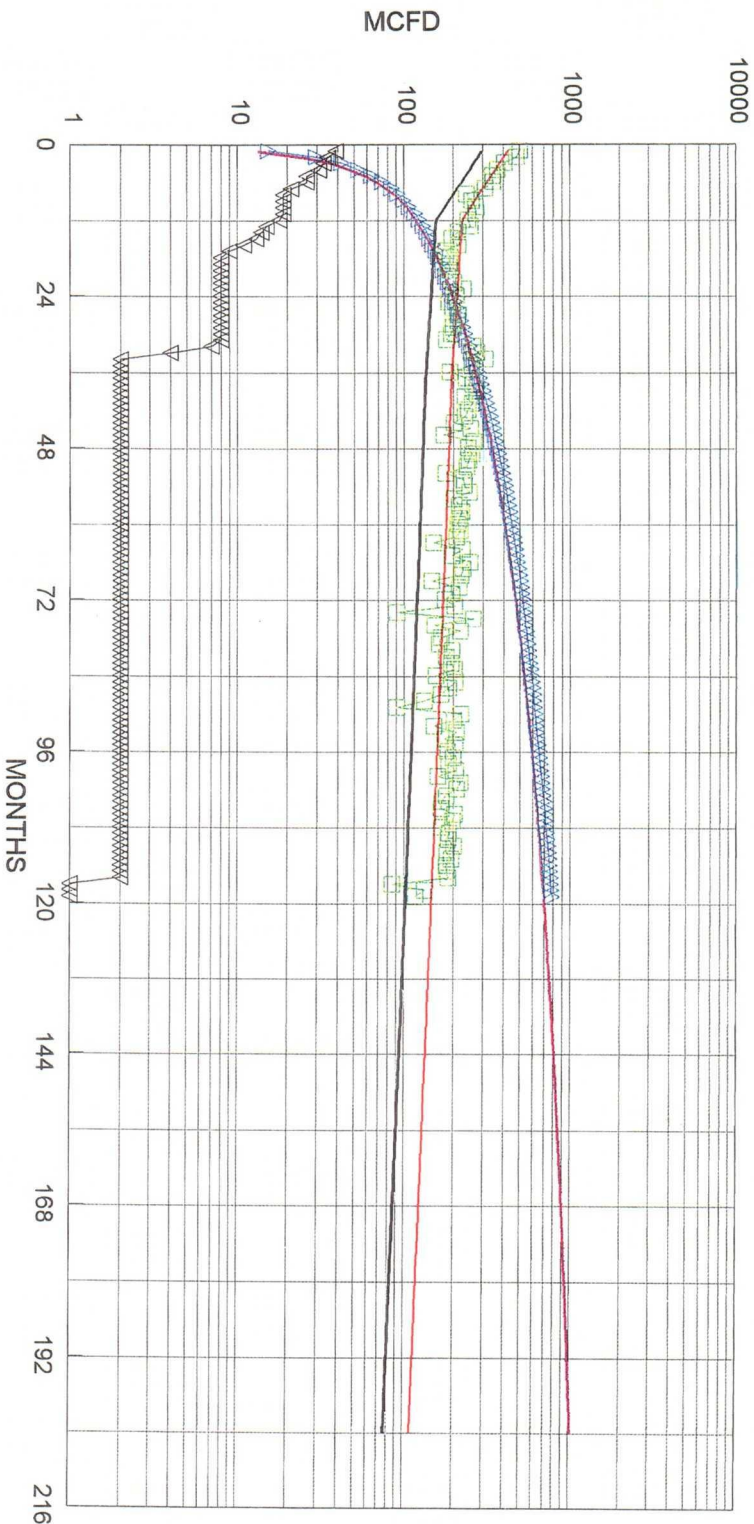
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE January 28, 1999

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

# NORMALIZED MESAVERDE PRODUCTION

PROD. SINCE 1985; 39 MV WELLS LOCATED IN 28N-7W (37 wells are 1990's completions)



Expected Mesaverde Production - 325 MCFD for Yr. 1

NORMALIZED AVG:

1788 MMCF EUR  
1145 MMCF IN 20 YRS  
25 MCFD E.L.  
0.0139 bbl/mcf oil yield

RISKED AVG:

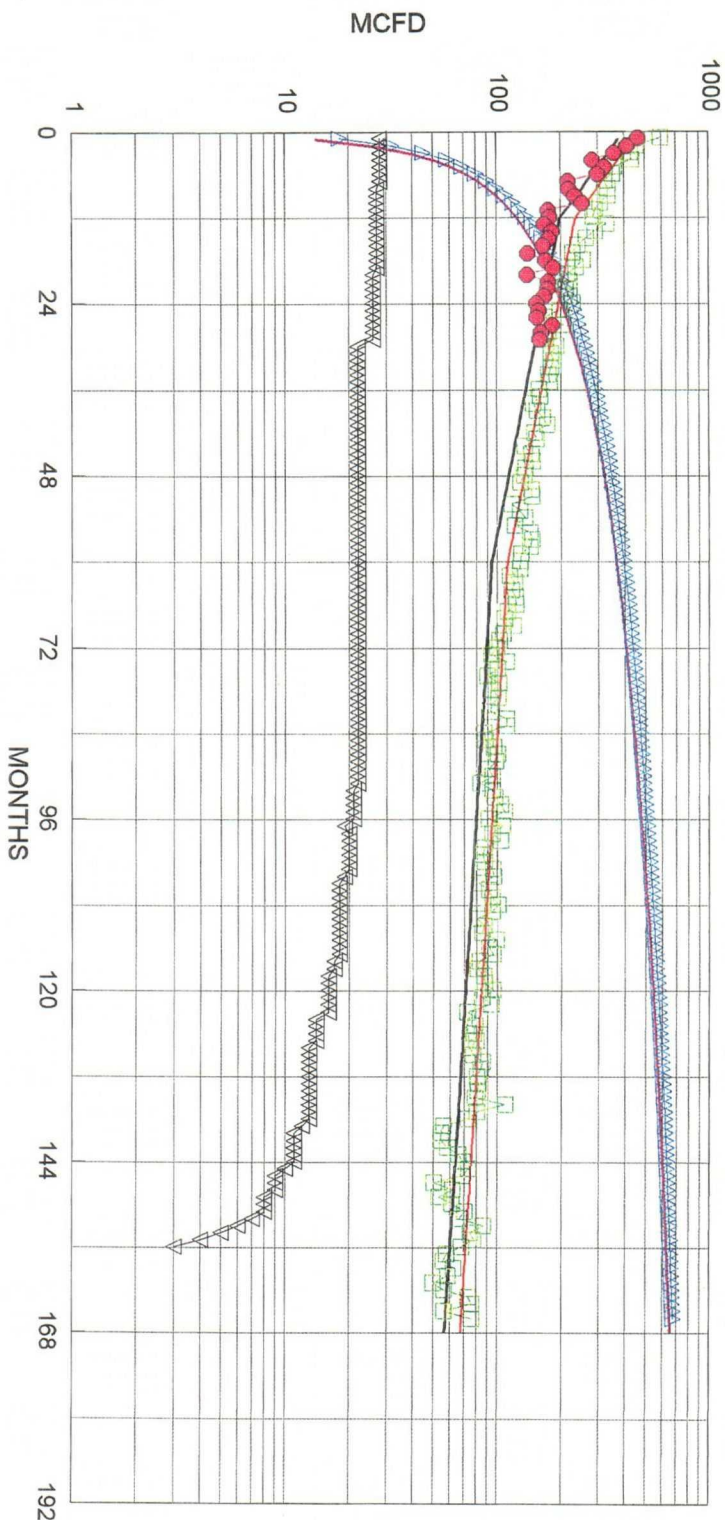
30% RISK

450 MCFD IP  
50% DECLINE, 1ST 12 MONTHS  
7% DECLINE, NEXT 24 MONTHS  
4% FINAL DECLINE

1184 MMCF EUR  
802 MMCF IN 20 YRS  
25 MCFD E.L.  
0.0139 bbl/mcf oil yield

315 MCFD IP  
50.0% DECLINE, 1ST 12 MONTHS  
7.0% DECLINE, NEXT 24 MONTHS  
4.0% FINAL DECLINE

**NORMALIZED DAKOTA PRODUCTION**  
**PROD. SINCE 1980; 29 DK WELLS LOCATED IN W 2/3 OF 28N-7W AND 27N-7W**



Expected Avg. Rate for Yr. 1 = 339 MCFD  
 Expected Avg. Rate for Yr. 1 = 288 MCFD (for 1990's wells)

<b>NORMALIZED AVG:</b>		<b>RISKED AVG:</b>	
924 MMCF EUR	986 MMCF IN 40 YRS	15% RISK	
779 MMCF IN 20 YRS	470 MCFD IP	761 MMCF EUR	400 MCFD IP
25 MCFD E.L.	50% DECLINE, 1ST 12 MONTHS	662 MMCF IN 20 YRS	50.0% DECLINE, 1ST 12 MONTHS
0.0079 bbl/mcf oil yield	17% DECLINE, NEXT 48 MONTHS	25 MCFD E.L.	17.0% DECLINE, NEXT 48 MONTHS
	5.5% FINAL DECLINE	0.0079 bbl/mcf oil yield	5.5% FINAL DECLINE

District I  
PO Box 590, Hobbs, NM 88241-1980

District II  
PO Drawer 00, 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

Form C-102  
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		Pool Code	Pool Name
		72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA
Property Code	Property Name		Well Number
016608	SAN JUAN 28-7 UNIT		230M
GRID No.	Operator Name		Elevation
005073	CONOCO, INC.		6259'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot 10	Feet from the	North/South line	Feet from the	East/West line	County
J	29	28N	7W		2020	SOUTH	1900	EAST	RIO ARriba

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10	Feet from the	North/South line	Feet from the	East/West line	County

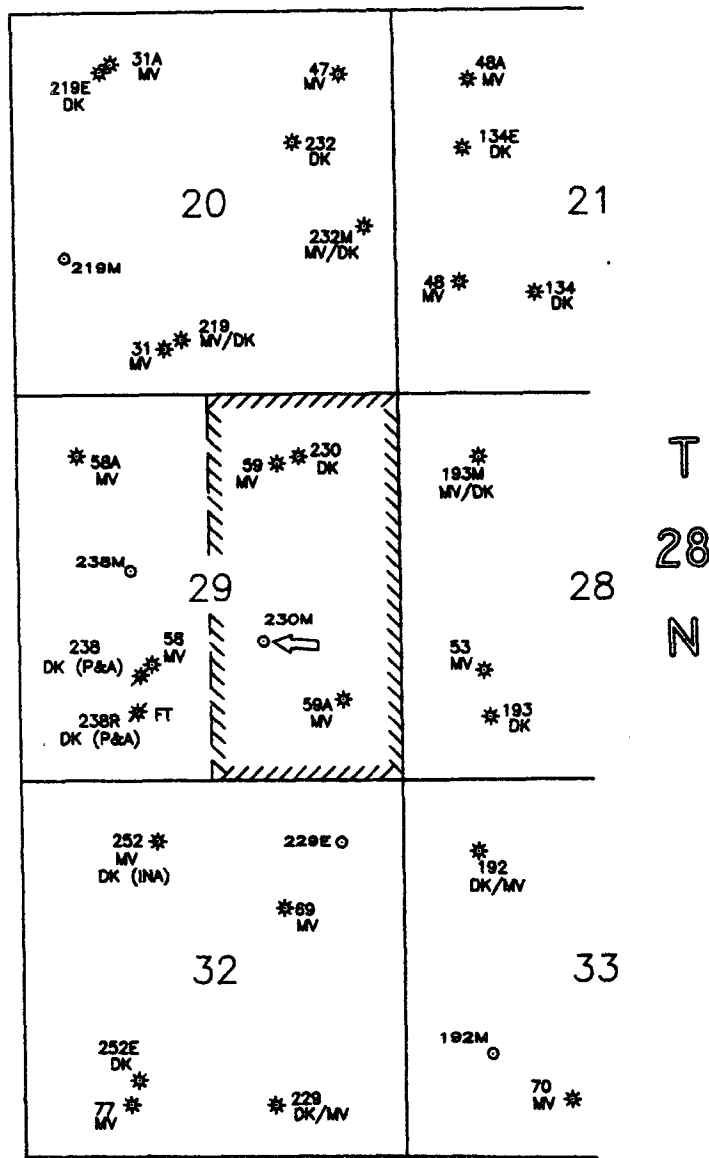
<sup>12</sup> Dedicated Acres					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

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

5280.00'	5286.60'	5280.00'	<sup>17</sup> OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.			
	Signature <u>Mike L. Mankin</u> Printed Name <u>Mike L. Mankin</u> Title <u>Right-Of-Way Agent</u> Date <u>12-21-98</u>			
5280.00'	29	5280.00'	<sup>18</sup> 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 <u>OCTOBER 14, 1998</u> Signature and Seal <u>NEALE C. EDWARDS</u> 6857 Certificate No. <u>6857</u>			



R 7 W



**SAN JUAN 28-7 UNIT  
RIO ARriba CO., NM**

**NOTES**

Conoco operates all wells in the 28-7 Unit, NSL is interior to the 28-7 Unit. Map shows only Mesaverde and Dakota wells. NSL is requested in order to accommodate both a primary 160 acre Dakota infill and a '100 acre' Mesaverde infill (Pursuant to an order to be issued out of case 12069).

DATE: 1/7/99

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 # 230M  
Non-Standard Location

STATE	API	COUNTY	WELL	DRAWING
30	\	039	\	28-7_230

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT(Other instructions on  
reverse side)FORM APPROVED  
OMB NO. 1004-0136  
Expires February 28, 1995

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

## b. TYPE OF WELL

OIL  
WELL ☐GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

Conoco Inc.

## a. 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

2020' FSL &amp; 1900' FEL

At proposed prod. zone

2020' FSL &amp; 1900' FEL

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

## 5. LEASE DESIGNATION AND SERIAL NO

SF-078498

## 6 IF INDIAN, ALLOTTEE OR TRIBE NAME

## 7 UNIT AGREEMENT NAME

San Juan 28-7

## 8. FARM OR LEASE NAME WELL NO

230M

## 9. API WELL NO

## 10. FIELD AND POOL, OR WILDCAT

Blanco MV/Basin Dakota

11. SEC. T., R., M., OR BLK.  
AND SURVEY OR AREA

Sec.29, T28N, R7W

## 12 COUNTY OR PARISH

Rio Arriba

## 13. STATE

NM

## 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

320

## 8. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

## 19. PROPOSED DEPTH

7628'

## 20. ROTARY OR CABLE TOOLS

Rotary

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

6259' GR

## 22. APPROX. DATE WORK WILL START\*

2/1/99

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'	150 sxs, circ.
8-3/4"	K-55, 7"	20#	3144'	424 sxs, circ.
6-1/4"	K-55, 4-1/2"	9.5#	7328'	567 sxs, toc @ 3000'

It is proposed to drill a 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 has been filed with the BLM and OCD. (Reference the attached description.) An NOS was filed 10/30/97. 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 including temporary pipeline tie specifications.
6. Production Facility layout.

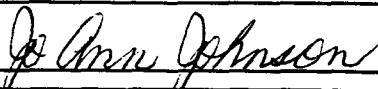
APD/ROW

This application includes ROW's for the well pad, access road, cathodic protection and pipeline. The pipe-wall thickness is .156 and the pipe-wall strength is 42,000# yield.

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

Jo Ann Johnson

Sr. Property Analyst

DATE

1-26-99

(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.

Conoco, Inc. is the only offset operator.