

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

0349

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

MAY 13 1999

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

5/11/99
Date

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241 1980
DISTRICT II
811 Southl 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 # 7 Section 35, T-28-N, R-7-W, A County Rio Arriba, NM
Unit Ltr Sec Twp Rge

OGRID NO. 005073 Property Code 016608 API NO. 30-039-07265 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 72439
2. TOP and Bottom of Pay Section (Perforations)	2584-2800"		2816-2882'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Expected to Flow		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	432		360
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1167		1119
6. Oil Gravity (*API) or Gas BT Content	1045		1189
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 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 IP 150-250 MCFD Allocation by test upon completion	Date Rates	Date Rates 4/99 105 MCFD
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). _____

16. ATTACHMENTS

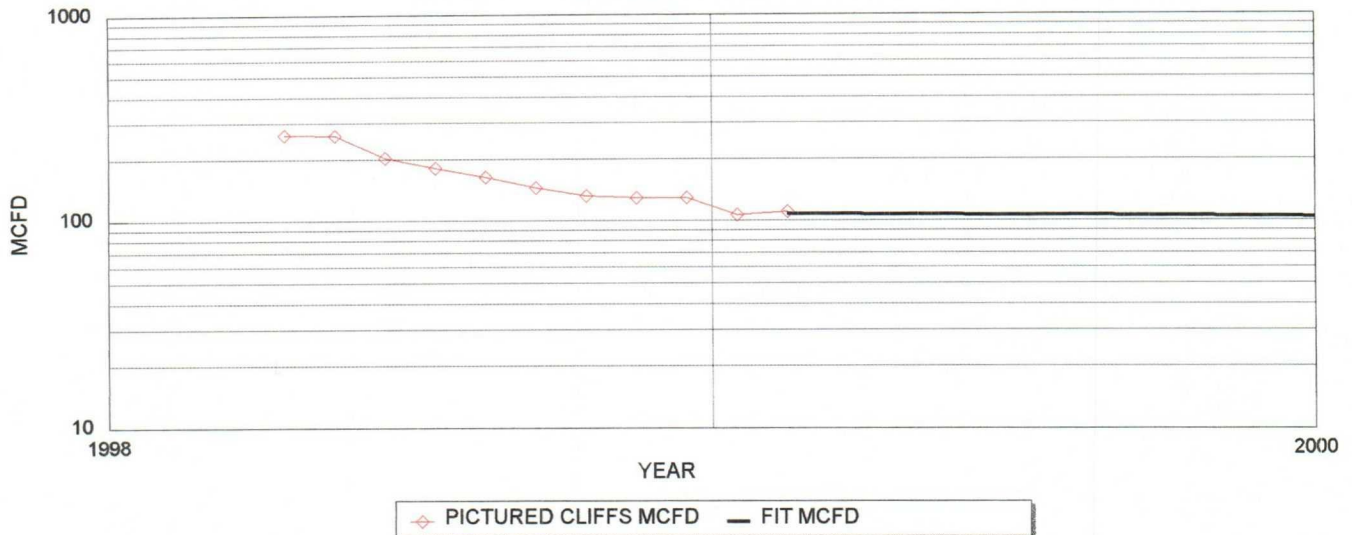
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 May 11, 1999

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

**SAN JUAN 28 7 UNIT #7 PICTURED CLIFFS PRODUCTION
SECTION 35A-28N-07W**

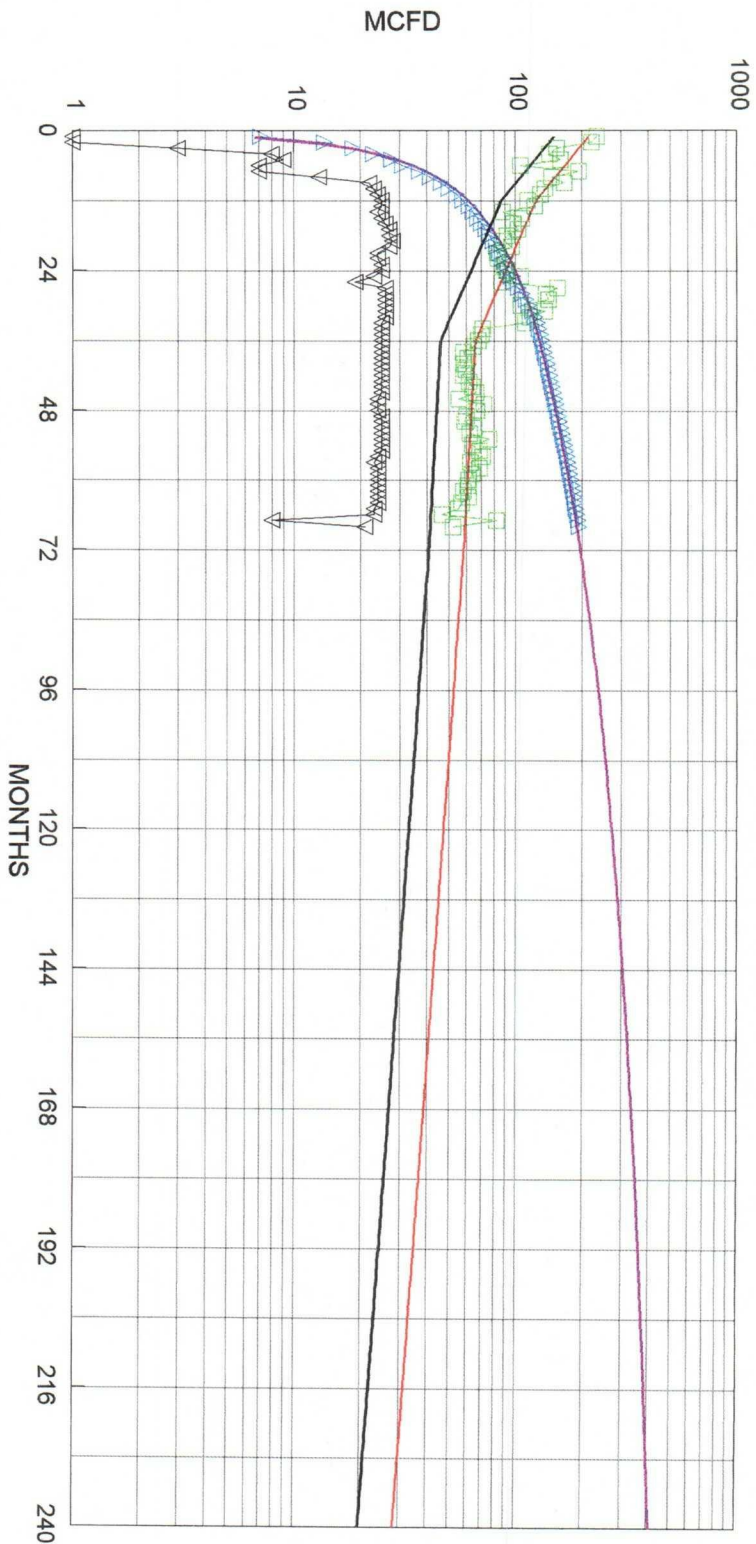


PC HISTORICAL DATA:		1ST PROD: 04/98		PC PROJECTED DATA	
OIL CUM:	0.00	MBO		1/1/99 Qi:	108 MCFD
GAS CUM:	55.2	MMCF		DECLINE RATE:	4.0% (EXPONENTIAL)
CUM OIL YIELD:	0.0000	BBL/MCF			

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1999	105.9	0.0
2000	101.6	0.0
2001	97.6	0.0
2002	93.7	0.0
2003	89.9	0.0
2004	86.3	0.0
2005	82.9	0.0
2006	79.6	0.0
2007	76.4	0.0
2008	73.3	0.0
2009	70.4	0.0
2010	67.6	0.0
2011	64.9	0.0
2012	62.3	0.0
2013	59.8	0.0
2014	57.4	0.0
2015	55.1	0.0
2016	52.9	0.0
2017	50.8	0.0
2018	48.7	0.0
2019	46.8	0.0
2020	44.9	0.0
2021	43.1	0.0
2022	41.4	0.0
2023	39.7	0.0
2024	38.2	0.0
2025	36.6	0.0
2026	35.2	0.0
2027	33.8	0.0
2028	32.4	0.0
2029	31.1	0.0
2030	29.9	0.0
2031	28.7	0.0
2032	27.5	0.0
2033	26.4	0.0

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NORMALIZED FRUITLAND COAL PRODUCTION
28 WELLS SINCE 1990; 28N-7W & 27N-7W



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

NORMALIZED AVG:

540 MMCF EUR
 539 MMCF IN 40 YRS
 10 MCFD E.L.
 0.0000 bbl/mcf oil yield

225 MCFD IP

45.0% DECLINE, 1ST 12 MONTHS
 27.0% DECLINE, NEXT 24 MONTHS
 5.0% FINAL DECLINE

RISKED AVG:

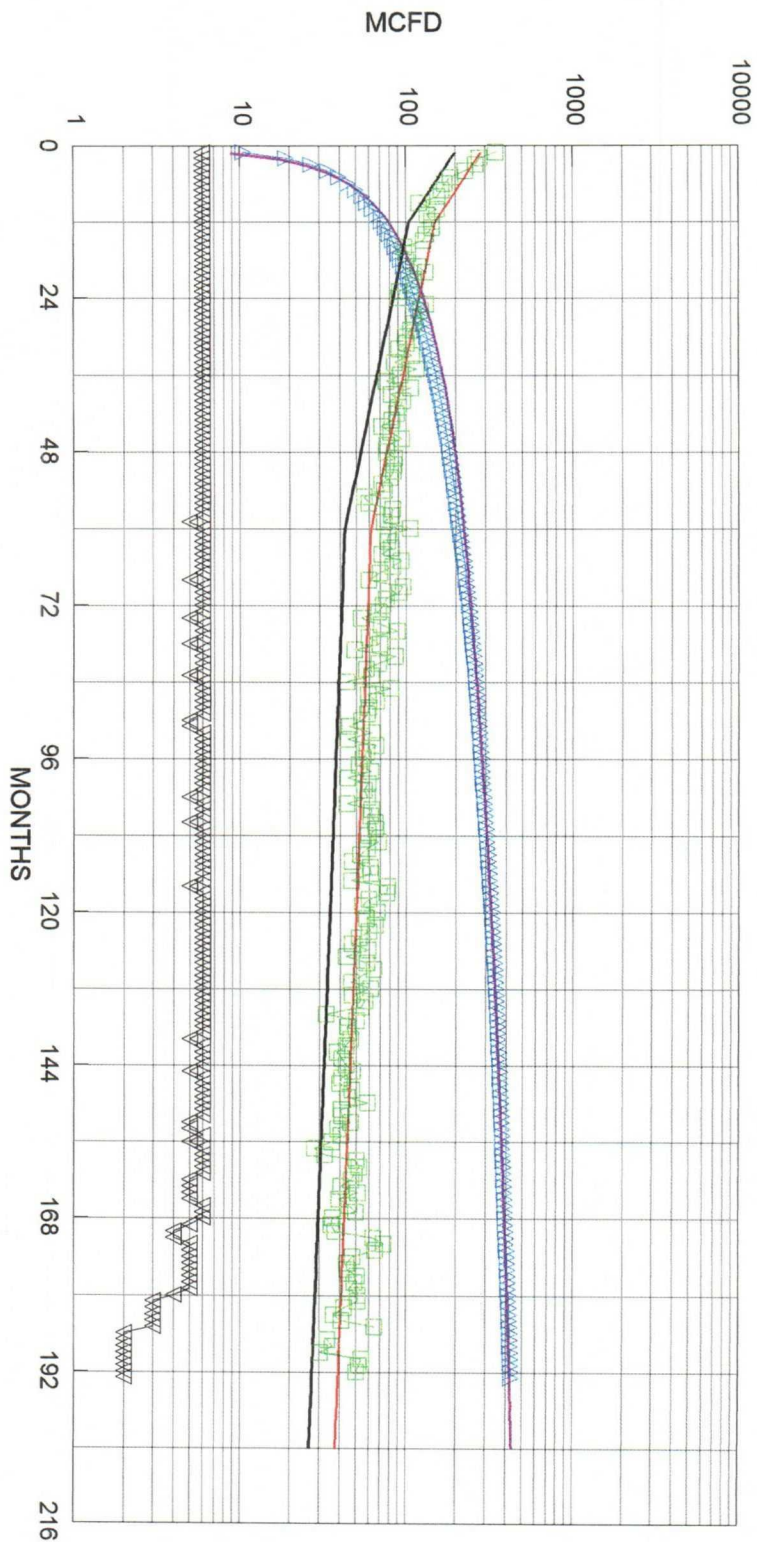
30% RISK

357 MMCF EUR
 354 MMCF IN 33 YRS
 10 MCFD E.L.
 0.0000 bbl/mcf oil yield

158 MCFD IP

45.0% DECLINE, 1ST 12 MONTHS
 27.0% DECLINE, NEXT 24 MONTHS
 5.0% FINAL DECLINE

NORMALIZED PICTURED CLIFFS PRODUCTION
 PROD. SINCE 1974; 6 PC WELLS LOCATED IN 28N-7W



— FIT MCFD
 ▣ WELLS ON PRODUCTION
 — FIT CUM MMCF
 — RISKED MCFD

NORMALIZED AVG:

684 MMCF EUR
 642 MMCF IN 40 YRS
 10 MCFD E.L.
 0.0001 bbl/mcf oil yield

RISKED AVG:

30% RISK

300 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 20% DECLINE, NEXT 48 MONTHS
 4% FINAL DECLINE

462 MMCF EUR
 432 MMCF IN 36 YRS
 10 MCFD E.L.
 0.0001 bbl/mcf oil yield

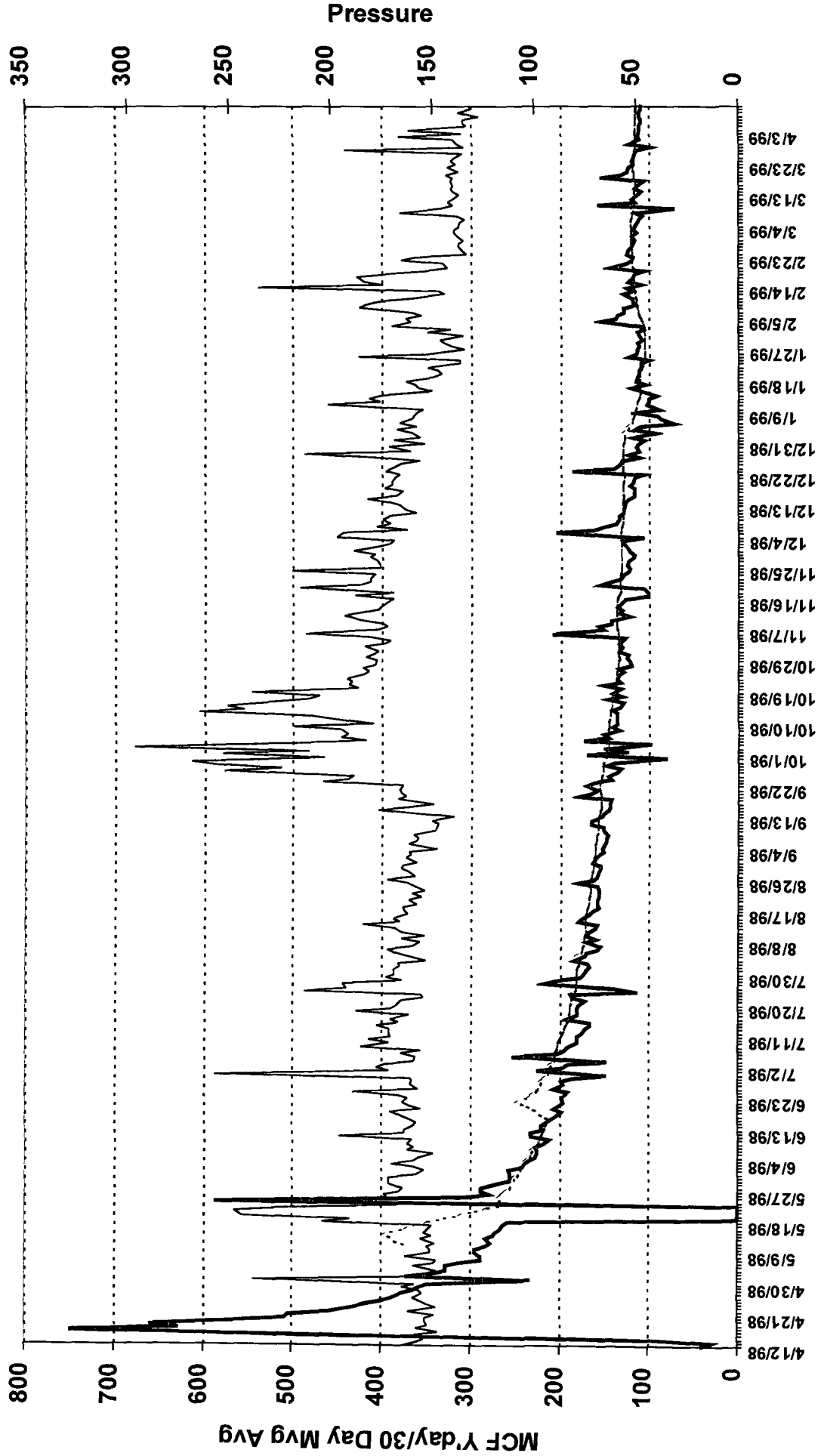
210 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 20.0% DECLINE, NEXT 48 MONTHS
 4.0% FINAL DECLINE

San Juan Gas Production - 365 Day 70-338-01 SANJUAN 28-7 7 MV

4/12/99 2:31:24 PM



Operator: 13 Bob Williams



— MCF Yesterday — 30 Day Mvg Avg

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

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

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

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 30-039-07265		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number #7
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6158'

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
A	35	28N	7W		990'	North	990'	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 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

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
					Signature Kay Maddox	
					Printed Name Regulatory Agent	
					Title March 25, 1999	
			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			

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Energy, Minerals & Natural Resources Department

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Santa Fe, NM 87504-2088

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APR -2 PM 1:34

☐ AMENDED REPORT

070 FARMINGTON, NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-07265		2 Pool Code 72439		3 Pool Name Blanco Pictured Cliffs South	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number 7
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6158' 3555

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
A	35	28N	7W		990	North	990	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 160	13 Joint or Infill	14 Consolidation Code	15 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

16					17 OPERATOR CERTIFICATION	
					I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
					Signature 	
					Printed Name Kay Maddox Title Regulatory Agent Date April 1, 1998	
				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		

San Juan 28-7 Unit #7
Section 35, T- 28-N, R-7-W, A
Application to Downhole Commingle C-107A
Rio Arriba, NM

RE: Notification of Offset Operators

Conoco, Inc. is the only operator of the 28-7 unit. This well is interior to the unit boundaries therefore Conoco Inc. is the only offset operator.