

DATE IN 6/3/99	SUSPENSE 6/23/99	ENGINEER DC	LOGGED BY RV	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2370

### 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*

Regulatory Agent  
 Title

6/2/99  
 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 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 San Juan 28-7 Unit Well No #10 Unit Ltr Sec Twp Rge Section 36, T-28-N, R-7-W, M County Rio Arriba, NM

OGRID NO. 005073 Property Code 016608 API NO. 30-039-07223 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)	2563-2754'		2774-2828'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Expected to Flow		Expected 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)  432	a.  	a.  360
	b(Original)  1167	b.  	b.  1119
6. Oil Gravity (*API) or Gas BT Content	1045		1189
7. Producing or Shut-In?	To be Completed		To be Completed
Production Marginal? (yes or no)  • 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  • If Producing, date and oil/gas/water rates of recent test (within 60 days)	Expected yes		Expected yes
	Date Rates	Date Rates	Date Rates
	Est 150-250MCFD Allocation by test upon completion	Date Rates	Est 200-300 MCF Allocation by test upon completion
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

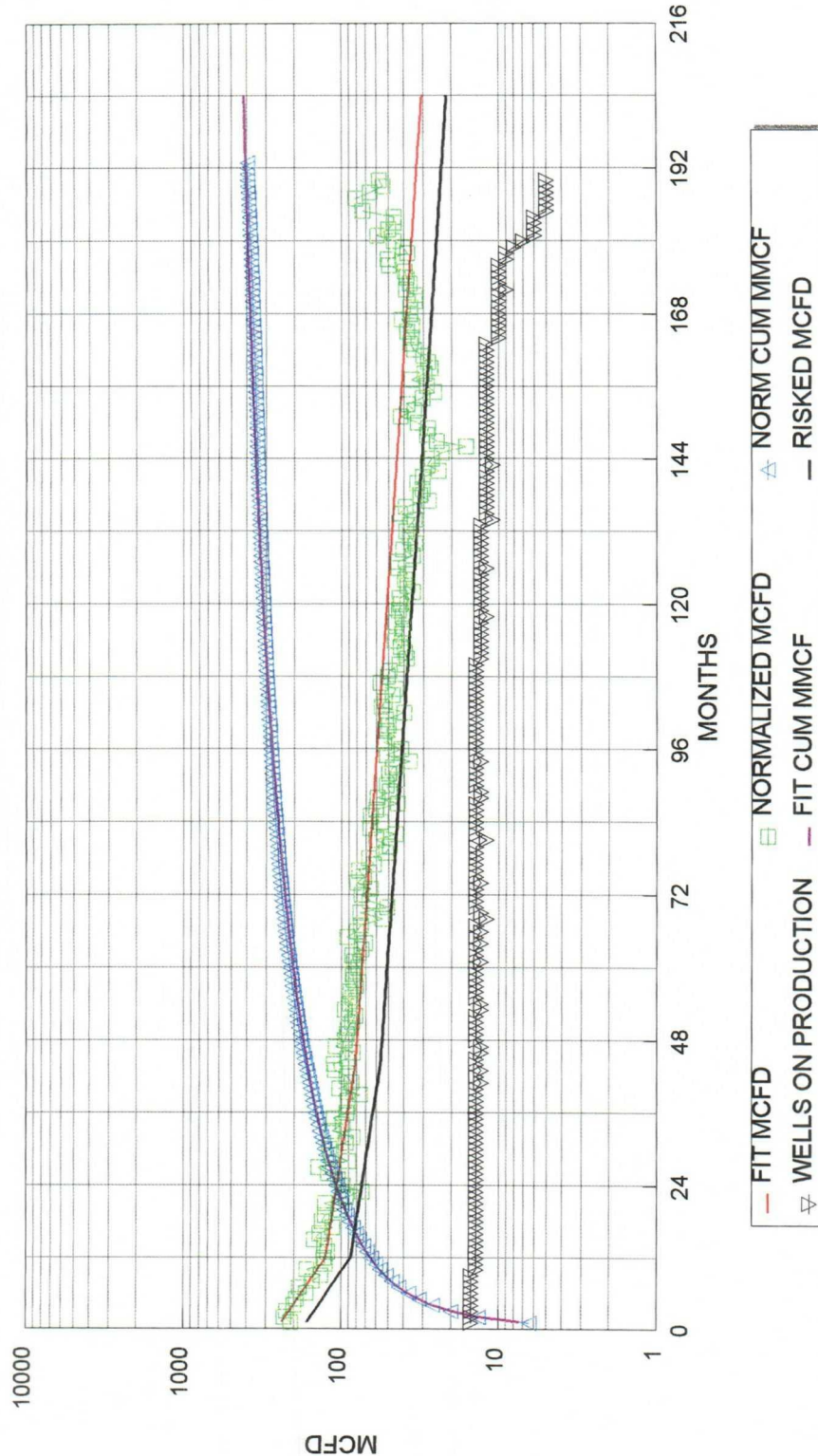
- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- \* Production curve for each zone for at least one year. (If not available, attach explanation.)
- \* For zones with no production history, estimated production rates and supporting data.
- \* Data to support 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 6/2/99

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

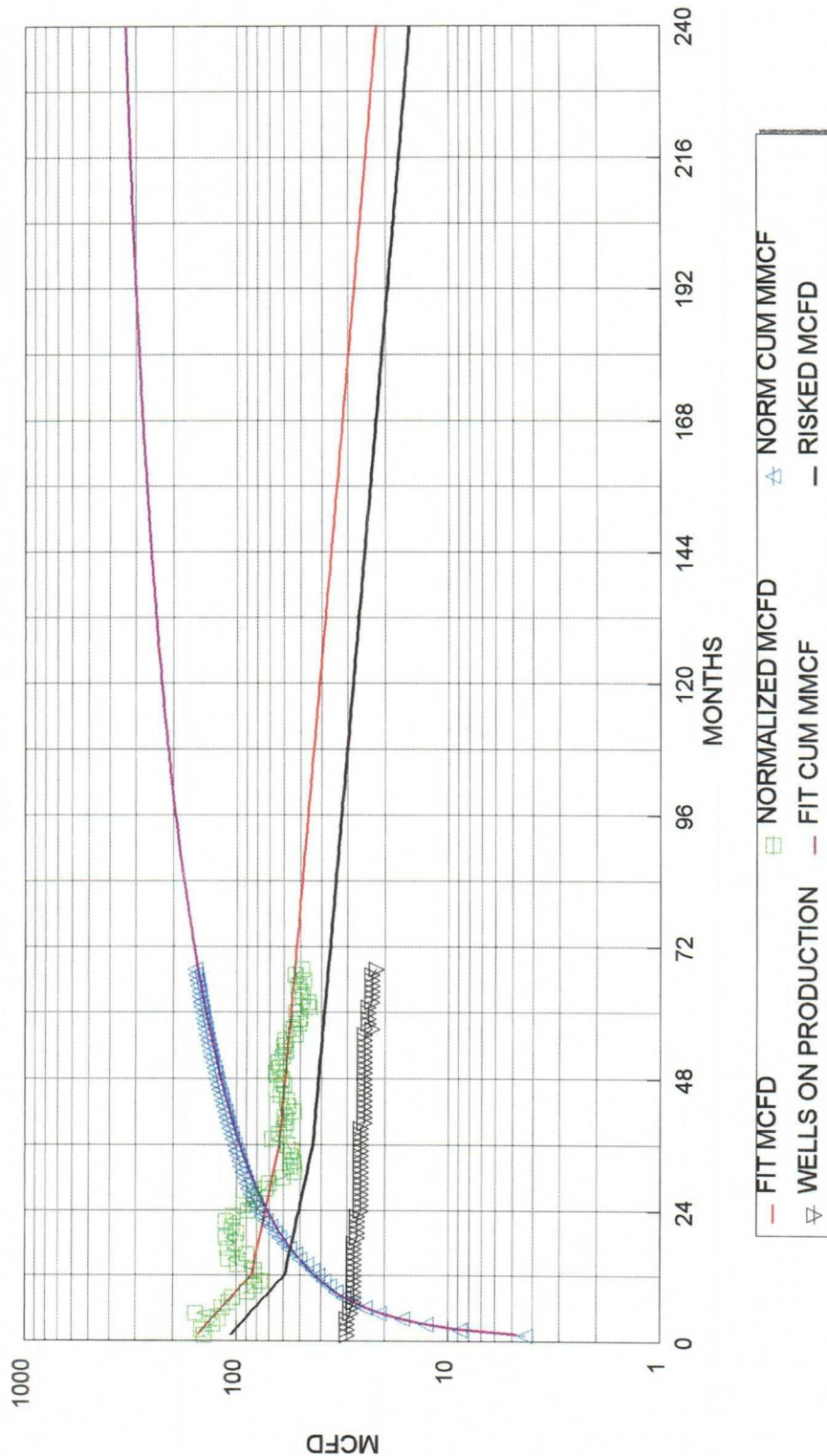
**NORMALIZED PICTURED CLIFFS PRODUCTION**  
 PROD. SINCE 1980; 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)



Normalized plot for supporting SJ 28-7 PC recompletions

<b>NORMALIZED AVG:</b> 522 MMCF EUR 524 MMCF/ 33.5/YRS 10 MCFD E.L. 0.000158 bbl/mcf oil yield	<b>250 MCFD IP</b> 50% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS 7% FINAL DECLINE	<b>RISKED AVG:</b> 350 MMCF EUR 349 MMCF/ 27.8 YRS 10 MCFD E.L. 0.000158 bbl/mcf oil yield	<b>30% RISK</b> 175 MCFD IP 50% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS 7% FINAL DECLINE
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**NORMALIZED FRUITLAND COAL PRODUCTION**  
30 WELLS SINCE 1990; 28N-7W & 27N-7W



Normalized plot for supporting SJ 28-7 FC recompletions

<p><b>NORMALIZED AVG:</b></p> <p>408 MMCF EUR 337 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield</p>	<p>160 MCFD IP 47% DECLINE, 1ST 12 MONTHS 14% DECLINE, NEXT 24 MONTHS 6% FINAL DECLINE</p>	<p><b>RISKED AVG:</b></p> <p>268 MMCF EUR 237 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield</p>	<p>30% RISK</p> <p>112 MCFD IP 47% DECLINE, 1ST 12 MONTHS 14% DECLINE, NEXT 24 MONTHS 6% FINAL DECLINE</p>
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District I  
PO Box 1980, Hobbs, NM 88241-198

State of New Mexico  
Energy, Minerals & Natural Resources Department

Revised February 21, 1994  
instructions on back

District II  
PO Drawer DD, Artesia, NM 88211-071

## OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III  
1000 Rio Brazos Rd. Aztec, NM 8741

PO Box 2088  
Santa Fe, NM 87504-2088

State Lease - 4 Copies  
Fee Lease - 3 Copies

District IV  
PO Box 2088, Santa Fe, NM 87504-208

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-07223		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 016608		5 Property Name San Juan 28-7			6 Well Number #10
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation

## 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
M	36	28N	7W		990'	South	1120'	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  
Printed Name  
Regulatory Agent  
Title  
June 2, 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

District I  
PO Box 1980, Hobbs, NM 88241-198

**State of New Mexico**  
Energy, Minerals & Natural Resources Department

Revised February 21, 1994  
instructions on back

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PO Drawer DD, Artesia, NM 88211-071  
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PO Box 2088, Santa Fe, NM 87504-208

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-039-07223		2 Pool Code 72439		3 Pool Name Blanco Pictured Cliffs South	
4 Property Code 016608		5 Property Name San Juan 28-7			6 Well Number #10
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	28N	7W		990'	South	1120'	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 160	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

*Kay Maddox*

Signature

Kay Maddox

Printed Name

Regulatory Agent

Title

June 2, 1999

Date

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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

Conoco, Inc  
San Juan 28-7 #10  
Section 36, T-28-N, r-7-W, M  
990' FSL & 1120' FWL  
Rio Arriba, NM

RE: Application to Downhole Commingle (C-107A)

**Notification of Offset Operators:**

Conoco, Inc. is the only offset operator.