

DATE IN 8/9/99	SUSPENSE 8/30/99	ENGINEER DC	LOGGED BY KV	TYPE DHC
----------------	------------------	-------------	--------------	----------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2443

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]

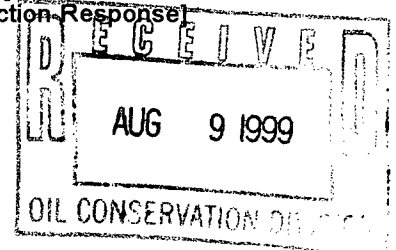
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[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.

Deborah Moore
Print or Type Name

Deborah Moore
Signature

Regulatory Agent
Title

7/23/99
Date

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

DISTRICT IV

2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A
Revised March 17, 1999

APPROVAL PROCESS:

☒ Administrative
☐ Hearing

EXISTING WELLBORE

☐ YES ☒ NO

Conoco Inc.

P.O. Box 2197 DU#3066 Houston, TX 77252-2197

Operator

San Juan 28-7 Unit

Address

Section 10, T-28N, R-7-W

Rio Arriba, NM

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County
Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code N/A API NO. N/A 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)	4955' - 5555'		7565' - 7815'
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	a. (Current) 540	a.	a. 790
Oil Zones - Artificial Lift: Estimated Current			
Gas & Oil - Flowing: Measured Current	b. (Original) 1250	b.	b. 1129
All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity (EAPI) or Gas BTU Content	1250		1120
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: est. 650mcf + 1bopd	Date: Rates:	Date: Rates: est. 550mcf + 1bopd
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %s to equal 100%)	To be determined Oil: % Gas: %	Oil: % Gas: %	To be determined 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 ☒ No11. 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 other? ☒ Yes ☐ No13. 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 Deborah Moore TITLE Regulatory Analyst DATE 07/22/99TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 293-1005

District I
PO Box 1980, 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		235M
*OGRIID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6580'

10 Surface Location

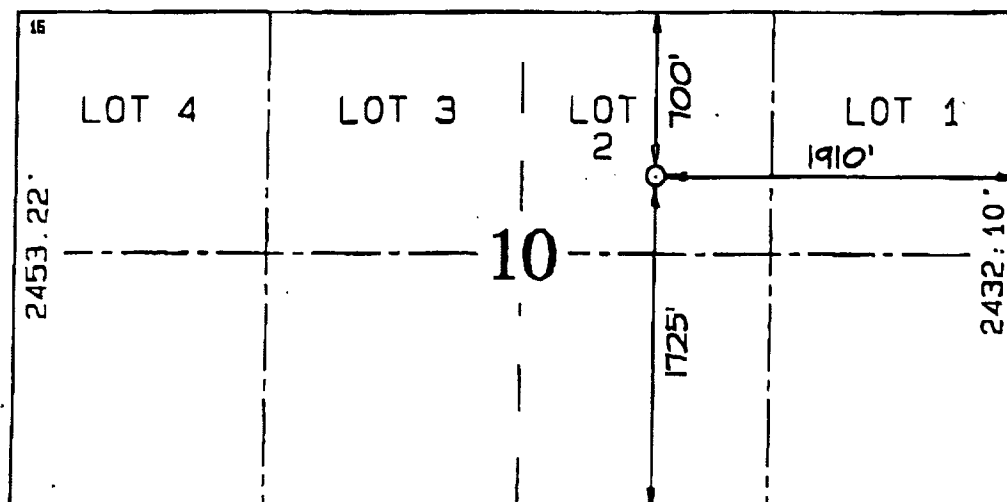
W. or Lot no.	Section	Township	Range	Lot 10	Feet from the	North/South line	Feet from the	East/West line	County
J	10	28N	7W	-	1725	SOUTH	1910	EAST	RIO ARriba

11 Bottom Hole Location If Different From Surface

W. or Lot no.	Section	Township	Range	Lot 10	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.			

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

5297.82'



17 OPERATOR CERTIFICATION

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

Mike L. Mankin
Signature
Mike L. Mankin
Printed Name
Right-Of-Way Agent
Title
6-16-99
Date

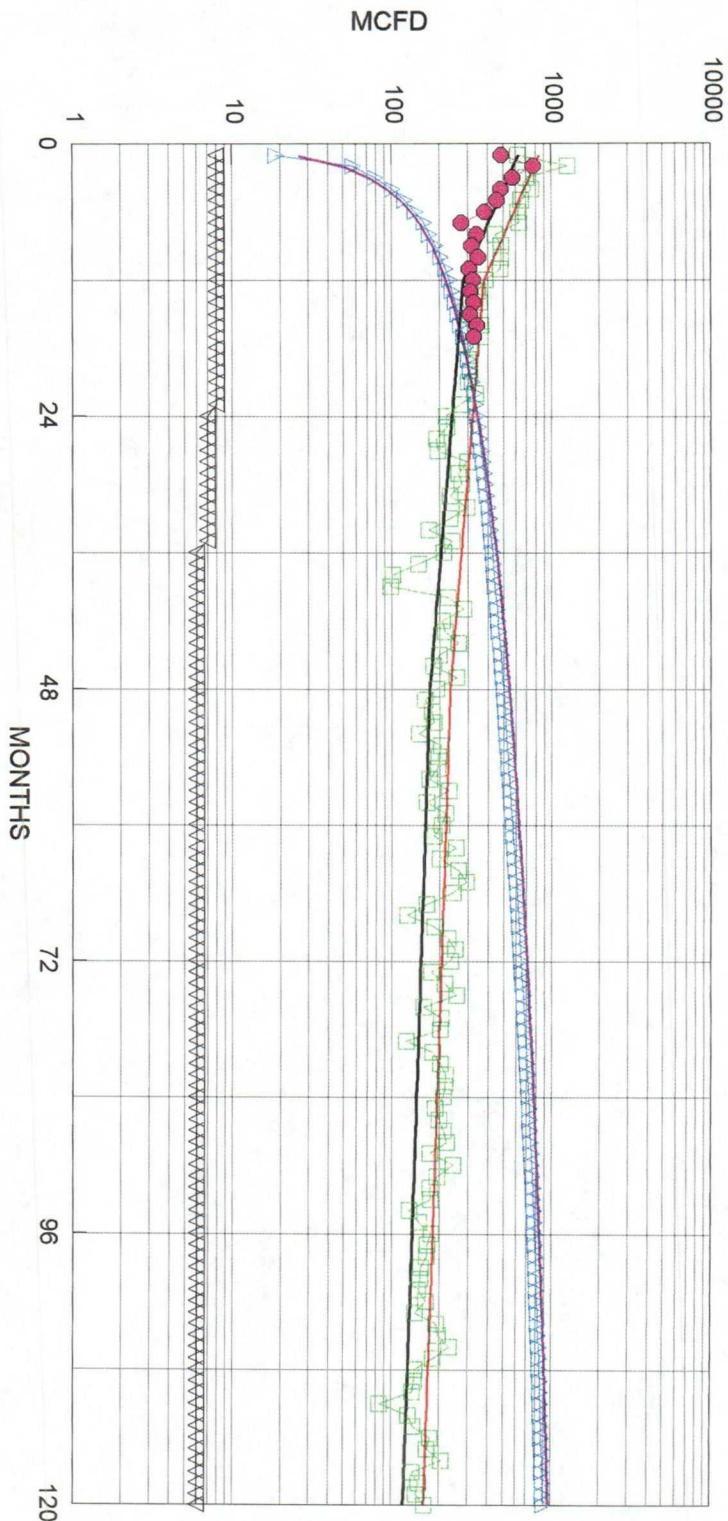
18 SURVEYOR CERTIFICATION

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.

MAY 25, 1999
Date of Survey
Signature and Seal of Surveyor
NEALE C. EDWARDS
NEW MEXICO
6857
Certificate Number 6857

NORMALIZED MESAVERDE PRODUCTION

PROD. SINCE 1979; 8 MV WELLS LOCATED IN PILOT AREA 29N-7W (MV 160 AC INFILLS)

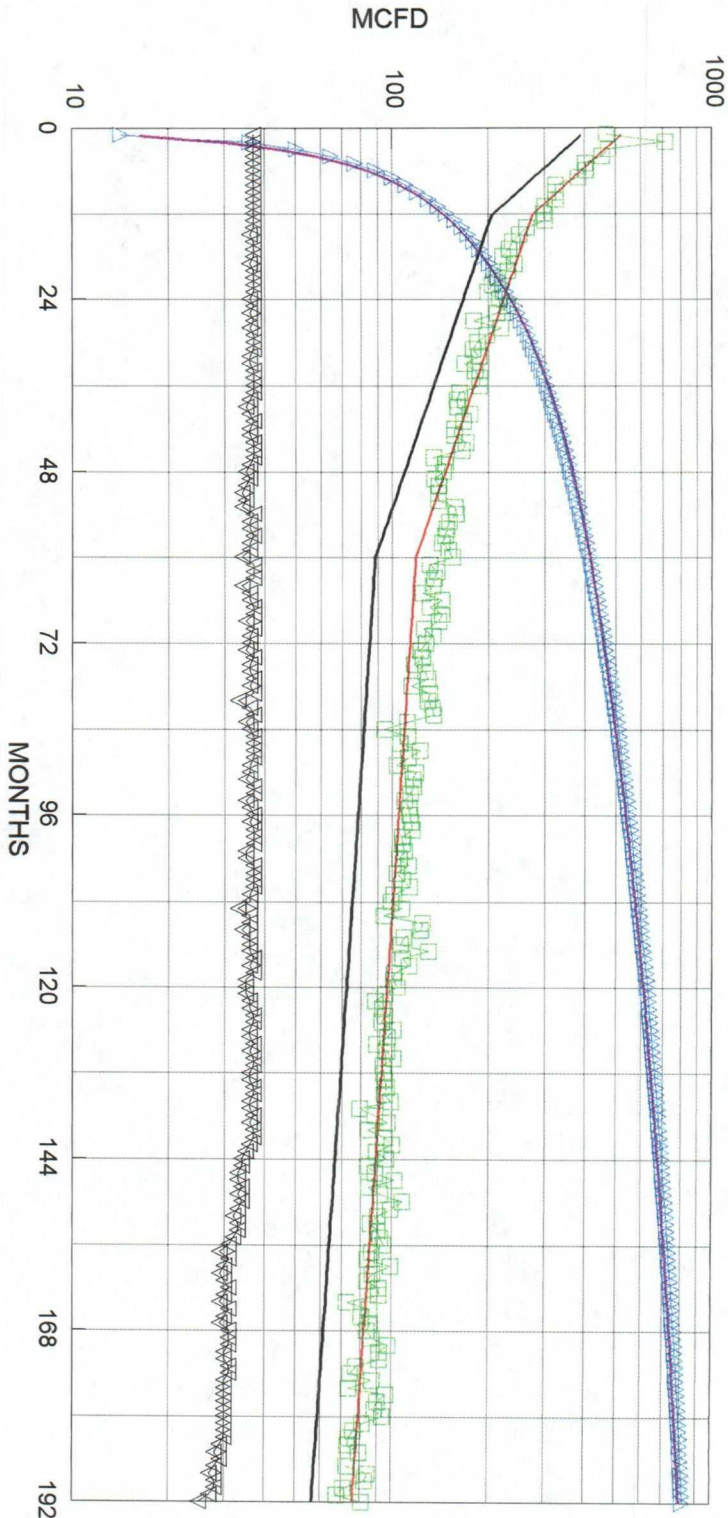


Expected Mesaverde Production - 602 MCFD for Yr. 1 (160 Ac. Case)
Expected Mesaverde Production - 451 MCFD for Yr. 1 (80 Ac. Case)

NORMALIZED AVG:		RISKED AVG:	
1769 MMCF EUR	160 ac locations	25.0% "risk factor" = 80 ac locations	
1410 MMCF IN 20 YRS	900 MCFD IP	1290 MMCF EUR	676 MCFD IP
25 MCFD E.L.	58% DECLINE, 1ST 12 MONTHS	1068 MMCF IN 20 YRS	58.0% DECLINE, 1ST 12 MONTHS
0.0033 bbl/mcf oil yield	15% DECLINE, NEXT 36 MONTHS	26 MCFD E.L.	16.0% DECLINE, NEXT 36 MONTHS
	6% FINAL DECLINE	0.0013 bbl/mcf oil yield	6.0% FINAL DECLINE

NORMALIZED DAKOTA PRODUCTION

PROD. SINCE 1970; 37 DK WELLS LOCATED IN AREA OF PROPOSED SJ 28-7 #235M/#247M



Expected Avg. Rate for Yr. 1 = 397 MCFD
Expected Avg. Rate for Yr. 1 = 298 MCFD (for risked case)

NORMALIZED AVG:

1251 MMCF EUR
903 MMCF IN 20 YRS
25 MCFD E.L.
0.0023 bbl/mcf oil yield

1221 MMCF IN 40 YRS
550 MCFD IP

50% DECLINE, 1ST 12 MONTHS
19% DECLINE, NEXT 48 MONTHS
4.0% FINAL DECLINE

RISKED AVG:

25% RISK

882 MMCF EUR
677 MMCF IN 20 YRS
25 MCFD E.L.
0.0023 bbl/mcf oil yield

413 MCFD IP

50.0% DECLINE, 1ST 12 MONTHS
19.0% DECLINE, NEXT 48 MONTHS
4.0% FINAL DECLINE

July 23, 1999

San Juan Unit #247M
Section 11, T-28N, R-7W
Rio Arriba, NM

RE: Application C-107A to Downhole Commingle

Notification of Offset Operators:

Burlington Resources
P. O. Box 4289
Farmington, NM 87499

A copy of the C-107A has been sent to the above listed parties.