

DATE IN 8/9/99	SUSPENSE 8/30/99	ENGINEER DC	LOGGED BY KW	TYPE DHC
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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:**

[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]

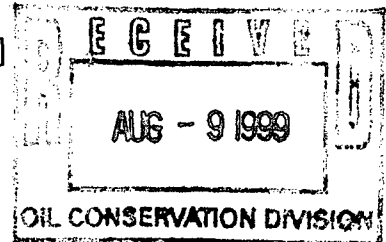
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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.

Debrah Moore  
Print or Type Name

Debrah 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 11, T-28-N, 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)	4550' - 5550'		7178' - 7428'
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) 540 b. (Original) 1250	a. b.	a. 790 b. 3150
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 Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates: est. 650mcf/d + 1bopd	Date: Rates:	Date: Rates: est. 550 mcf/d + 1bopd
* 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 by test Oil: % Gas: %	Oil: % Gas: %	To be determined by test 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 other? ☒ 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 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 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

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		247M
*OGAID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6232'

#### <sup>10</sup> Surface Location

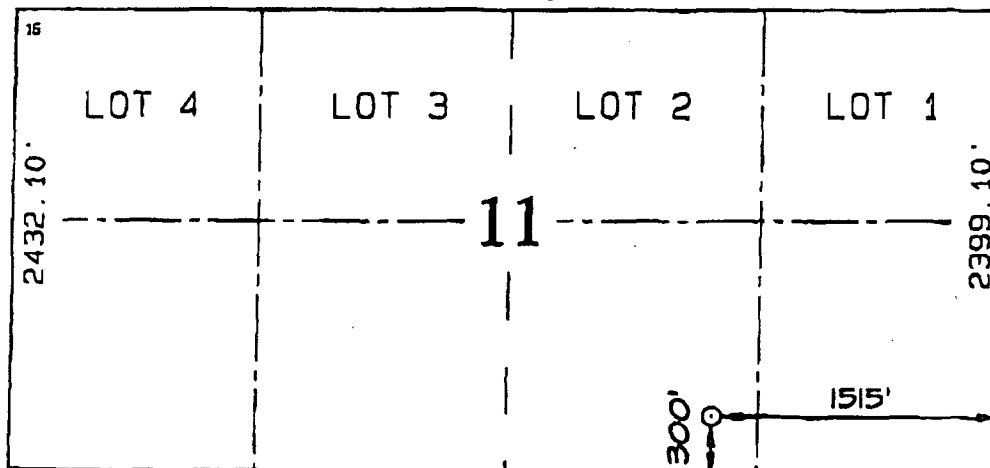
UL or lot no.	Section	Township	Range	Lot 10	Feet from the	North/South line	Feet from the	East/West line	County
0	11	28N	7W		300	SOUTH	1515	EAST	RIO ARriba

#### <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
*Dedicated Acres		*Joint or Infill		*Consolidation Code		*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

5281.98'



#### <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.

*Mike L. Mankin*  
Signature

Mike L. Mankin

Printed Name

Right-of-Way Agent

Title

6-16-99

Date

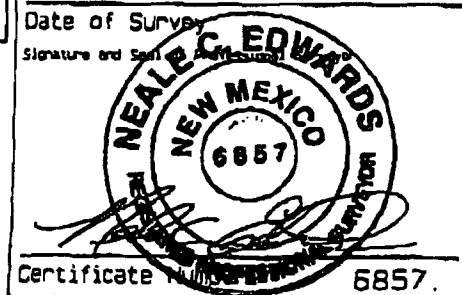
#### <sup>18</sup> SURVEYOR CERTIFICATION

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.

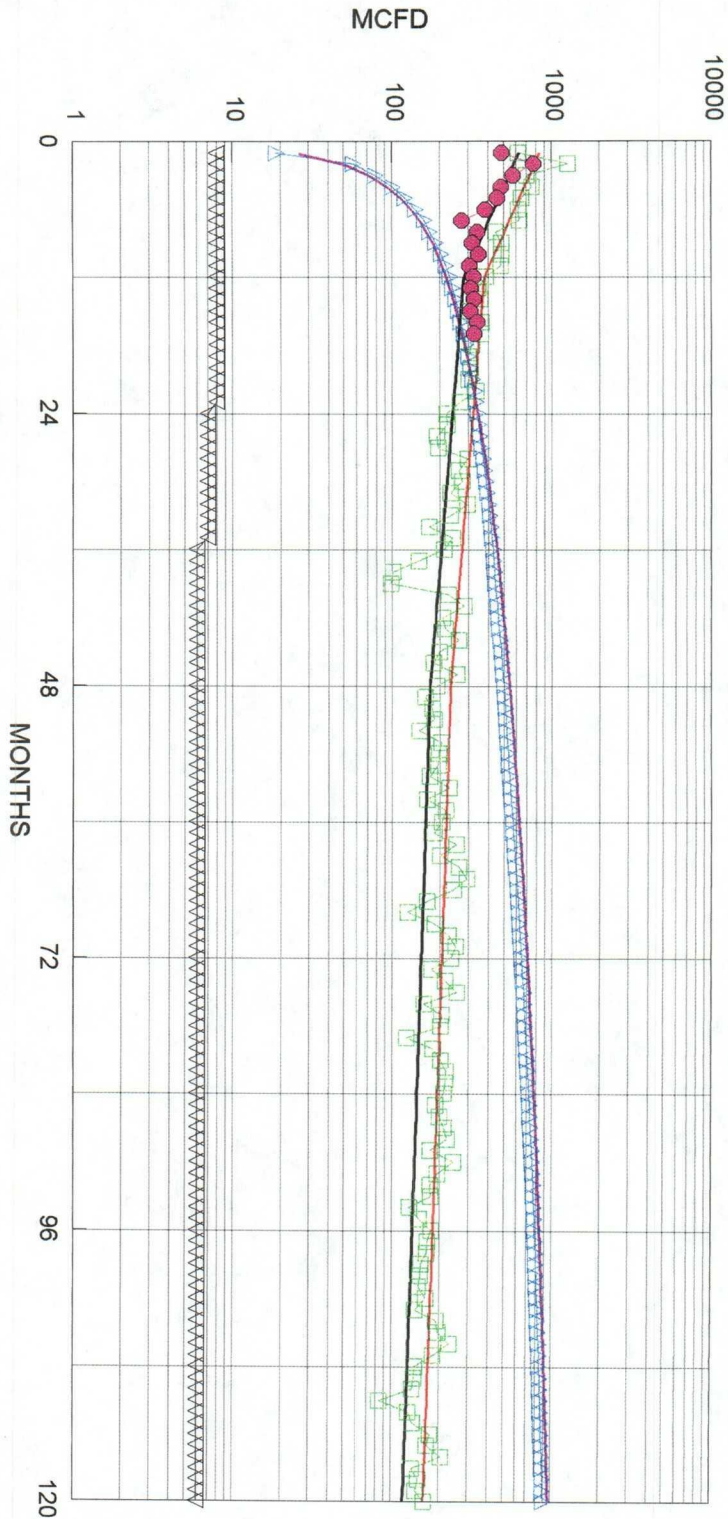
MAY 25, 1999

Date of Survey

Signature and Seal



**NORMALIZED MESAVERDE PRODUCTION**  
PROD. SINCE 1979; 8 MV WELLS LOCATED IN PILOT AREA 29N-7W (MV 160 AC INILLS)



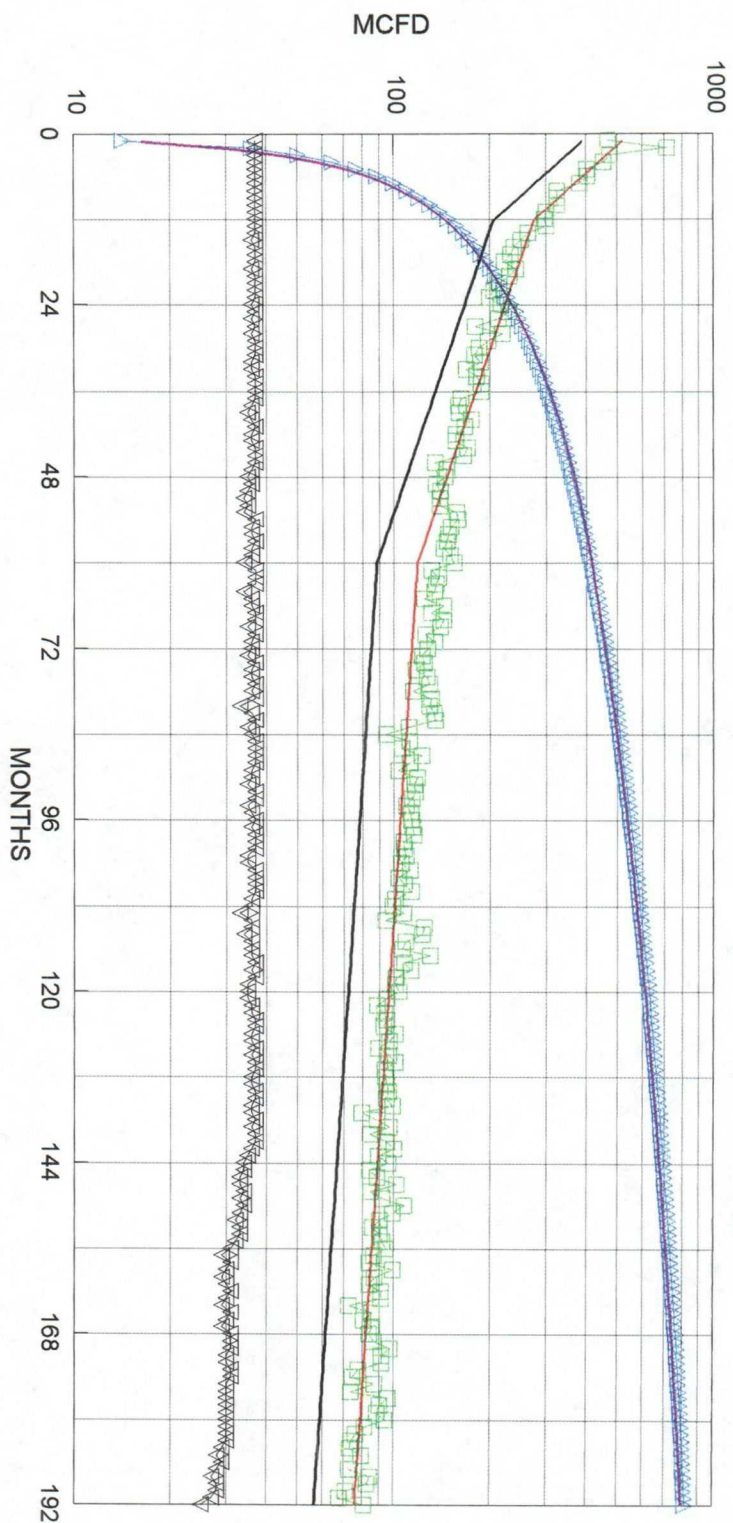
Expected Mesaverde Production - 602 MCFD for Yr. 1 (160 Ac. Case)  
Expected Mesaverde Production - 451 MCFD for Yr. 1 (80 Ac. Case)

NORMALIZED AVG:		RISKED AVG:	
160 ac locations		25.0% "risk factor" = 80 ac locations	
1769 MMCF EUR	900 MCFD IP	1290 MMCF EUR	676 MCFD IP
1410 MMCF IN 20 YRS	58% DECLINE, 1ST 12 MONTHS	1068 MMCF IN 20 YRS	58.0% DECLINE, 1ST 12 MONTHS
25 MCFD E.L.	15% DECLINE, NEXT 36 MONTHS	25 MCFD E.L.	16.0% DECLINE, NEXT 36 MONTHS
0.0033 bbl/mcf oil yield	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 #235M  
Section 10, 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.