

| | | | | |
|------------------|-----------------|-------------|--------------|----------|
| DATE IN 12/16/99 | SUSPENSE 1/5/00 | ENGINEER DC | LOGGED BY MW | TYPE DHC |
|------------------|-----------------|-------------|--------------|----------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2572

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

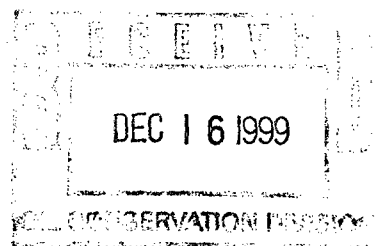
Check One Only for [B] and [C]

[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 (281) 293-1005
Print or Type Name

Signature

Deborah Moore

Regulatory Analyst
Title

12/14/99
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

Form C-107-A
Revised August 1999

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

☒ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

P.O. Box 2197 Houston, TX 77252-2197

Operator Address

SAN JUAN 28-7

215

K, SEC 4, T-27N, R7W

RIO ARRIBA

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 016608 API NO. 30-039-20862 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 Mesa Verde 72319 | | Basin Dakota 71599 |
| 2. Top and Bottom of Pay Section (Perforations) | 4919' - 5296' Proposed | | 7512' - 7712' |
| 3. Type of production (Oil or Gas) | GAS | | GAS |
| 4. Method of Production (Flowing or Artificial Lift) | FLOWING | | FLOWING |
| 5. Bottomhole Pressure | a. (Current) 540 | a. | a. 790 |
| Oil Zones - Artificial Lift: Estimated Current | | | |
| Gas & Oil - Flowing: Measured Current | | | |
| All Gas Zones: Estimated Or Measured Original | b. (Original) 1250 | b. | b. 3150 |
| 6. Oil Gravity (EAPI) or Gas BTU Content | 1250 | | 1120 |
| 7. Producing or Shut-In? | To be completed | | Producing |
| Production Marginal? (yes or no) | Yes | | 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 | Date: Rates: Expected rate: 350-450 MCFD | Date: Rates: | Date: Rates: Current rate: 35 mcf/d |
| * If Producing, give date and oil/gas/water rates of recent test (within 60 days) | | | |
| 8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%) | 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

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 Ref. Cases for Rule 303(D) Exceptions: ORDER NOS. 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 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 12/14/99

TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 293-1005

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CONOCO, INC.

3. Address and Telephone No.

P.O. Box 2197 DU 3066 Houston, TX 77252-2197 (281) 353-0792

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

K, Sec. 4, T27N, R7W
1460' FSL & 1550' FWL

5. Lease Designation and Serial No.

SF 078570

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

082078417A

8. Well Name and No.

San Juan 28-7 #215

9. API Well No.

30-039-20862

10. Field and Pool, or Exploratory Area

Blanco MV 72319
Basin Dakota 71599

11. County or Parish, State

Rio Arriba, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other DHC
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Conoco proposes to DHC this well in the Blanco Mesaverde & Basin Dakota

14. I hereby certify that the foregoing is true and correct

Signed

Title Regulatory Analyst

Date 12/14/99

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|---|
| ¹ API Number 30-039-20862 | ² Pool Code 72319 / 71599 | ³ Pool Name Blanco Mesaverde / Basin Dakota |
| ⁴ Property Code 016608 | ⁵ Property Name San Juan 28-7 | ⁶ Well Number 215 |
| ⁷ OGRID No. 005073 | ⁸ Operator Name Conoco, Inc. | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| K | 4 | 27N | 7W | | 1460 | south | 1550 | west | Rio Arriba |

¹¹ Bottom Hole Location If Different From Surface

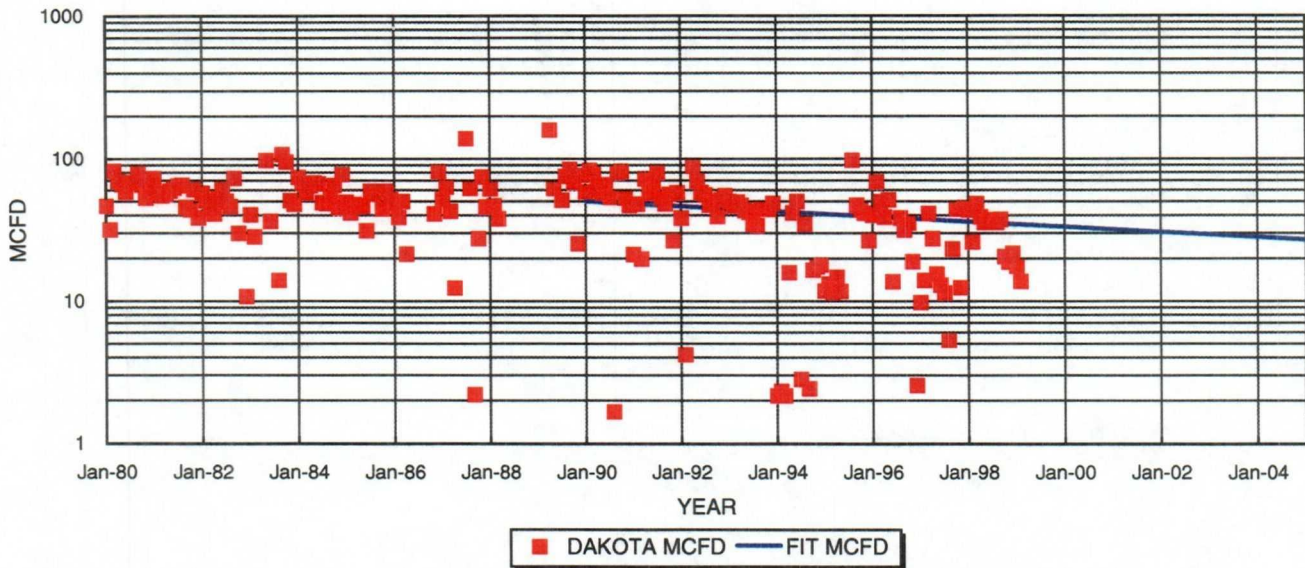
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|---|------------------------------------|---------------------------------------|-------------------------|
| ¹² Dedicated Acres 80/160 | ¹³ Joint or Infill I | ¹⁴ Consolidation Code U | 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

| | |
|-----------|---|
| <p>16</p> | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature <u>[Signature]</u></p> <p>Regulatory Analyst</p> <p>Title</p> <p>Date 12/14/99</p> |
| | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me</p> <p>or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> |
| | <p>Certificate Number</p> |
| | |

**SJ 28-7 #215 DAKOTA PRODUCTION
SECTION 4K-27N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



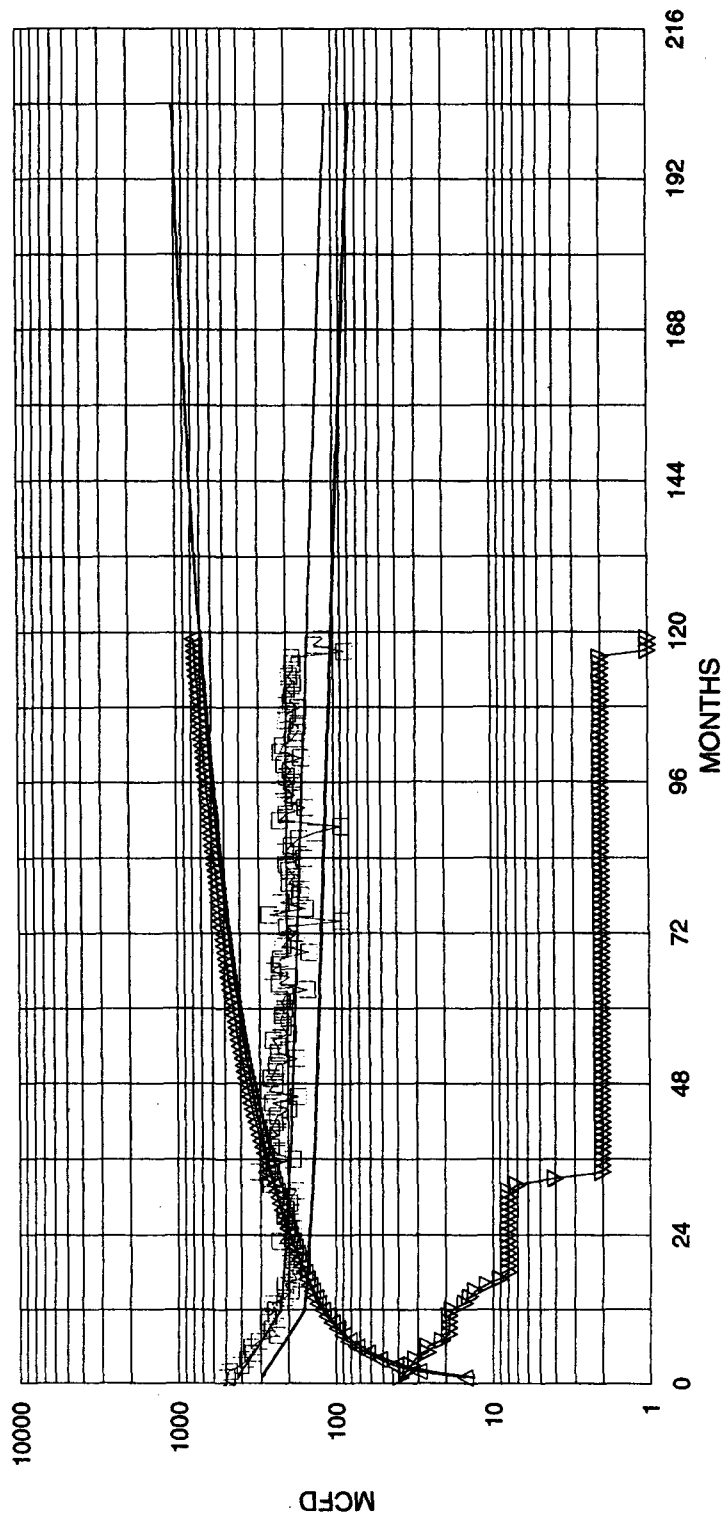
| | | | | |
|--------------------------|--------|------------------------|------------------------------|--------------------|
| DAKOTA PRODUCTION | | 1ST PROD: 12/74 | DAKOTA PROJECTED DATA | |
| OIL CUM: | 4.47 | MBO | Jan.00 Qi: | 33 MCFD |
| GAS CUM: | 445.9 | MMCF | DECLINE RATE: | 4.0% (EXPONENTIAL) |
| OIL YIELD: | 0.0100 | BBL/MCF | API #30-039-20862 | |

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

| YEAR | MID-YEAR AVG. MCFD | MID-YEAR AVG. BOPD |
|------|-----------------------|-----------------------|
| 2000 | 33 | 0 |
| 2001 | 31 | 0 |
| 2002 | 30 | 0 |
| 2003 | 29 | 0 |
| 2004 | 28 | 0 |
| 2005 | 27 | 0 |
| 2006 | 25 | 0 |
| 2007 | 24 | 0 |
| 2008 | 23 | 0 |
| 2009 | 23 | 0 |
| 2010 | 22 | 0 |
| 2011 | 21 | 0 |
| 2012 | 20 | 0 |
| 2013 | 19 | 0 |
| 2014 | 18 | 0 |
| 2015 | 18 | 0 |
| 2016 | 17 | 0 |
| 2017 | 16 | 0 |
| 2018 | 16 | 0 |
| 2019 | 15 | 0 |
| 2020 | 14 | 0 |
| 2021 | 14 | 0 |
| 2022 | 13 | 0 |
| 2023 | 13 | 0 |
| 2024 | 12 | 0 |
| 2025 | 12 | 0 |
| 2026 | 11 | 0 |
| 2027 | 11 | 0 |

NORMALIZED MESAVERDE PRODUCTION

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



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

Expected Mesaverde Production - 325 MCFD for Yr. 1

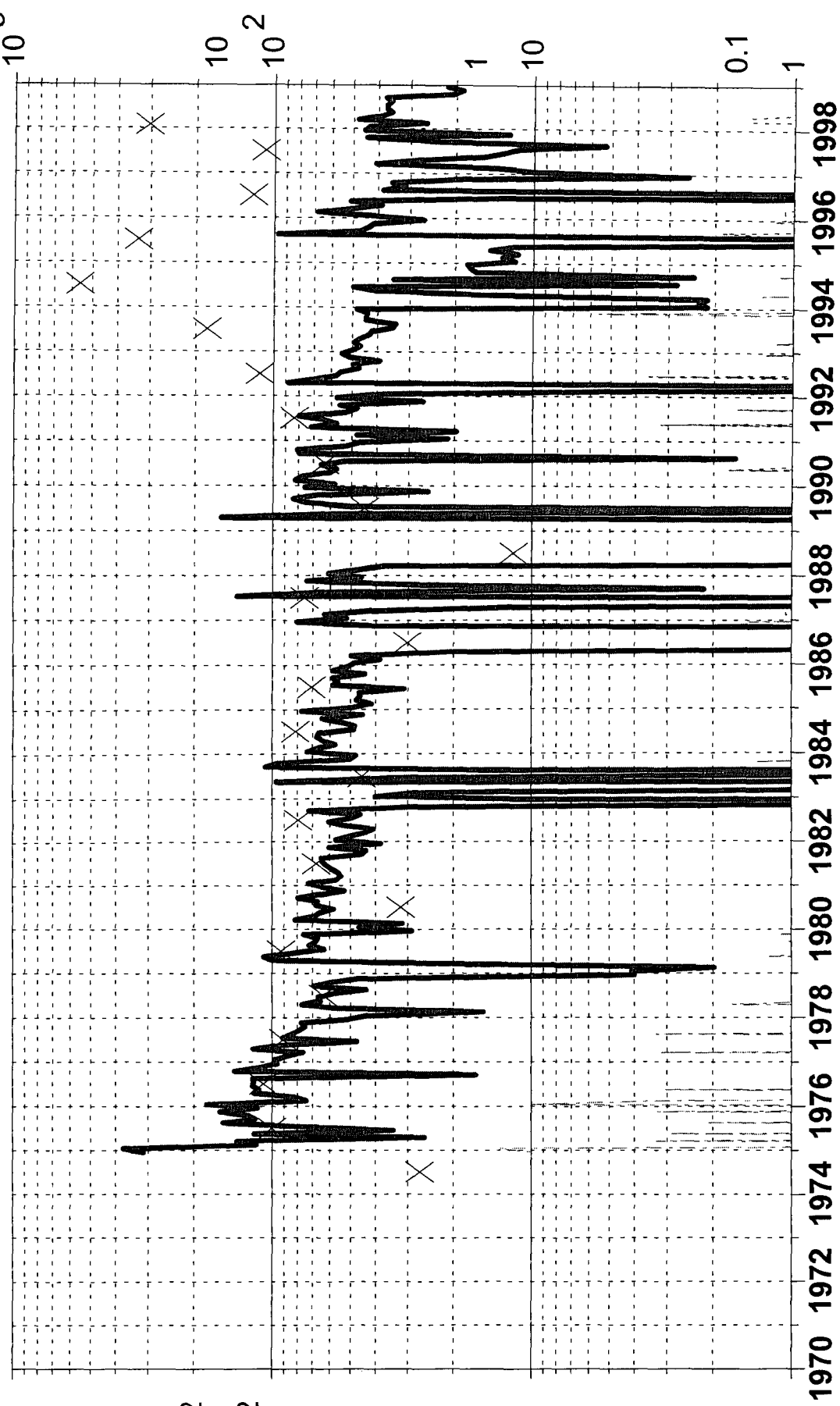
| | | |
|---|--|--|
| <p>NORMALIZED AVG:</p> <p>1788 MMCF EUR 1145 MMCF IN 20 YRS 25 MCFD E.L. 0.0139 bbl/mcf oil yield</p> | <p>450 MCFD IP 50% DECLINE, 1ST 12 MONTHS 7% DECLINE, NEXT 24 MONTHS 4% FINAL DECLINE</p> | <p>RISKED AVG:</p> <p>1184 MMCF EUR 802 MMCF IN 20 YRS 25 MCFD E.L. 0.0139 bbl/mcf oil yield</p> <p>30% RISK</p> <p>315 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 7.0% DECLINE, NEXT 24 MONTHS 4.0% FINAL DECLINE</p> |
|---|--|--|

Dwights

Lease: SAN JUAN 28 7 UNIT (215)

Retrieval Code: 251,039,27N07W04K00DK
11/12/99

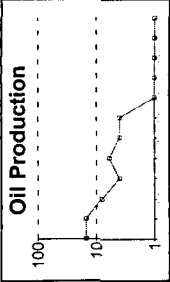
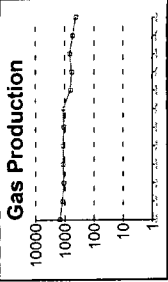
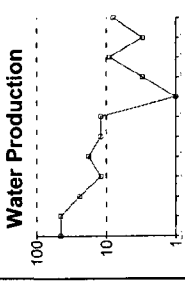
10³ 10² 10³ 10² 10² 10 10 1 1



| | |
|--------------------------|---------------------|
| Operator: CONOCO INC | F.P. Date: 12/74 |
| Location: 4K 27N 7W | Oil Cum: 4472 bbl |
| Field: BASIN (DAKOTA) DK | Gas Cum: 445.9 mmcf |
| Reservoir: DAKOTA | L.P. Date: 02/99 |

Gas (mcf/day) ———— Water (bbl/day) -----
Oil (bbl/day) - - - - - Yield (bbl/mmmcf) Av x

| | | | | | |
|-----------|-----------------------|-------------|-------------|------------|--------|
| Lease: | SAN JUAN 28 7 UNIT | Well #: | 215 | FP Date: | 74-12 |
| Field: | BASIN (DAKOTA) DK | Location: | 4K 27N 7W | LP Date: | 99-02 |
| Operator: | CONOCO INC | Liquid Cum: | 4,472 bbls | Liq Since: | FPDATE |
| RCI #: | 251,039,27N07W04K00DK | Gas Cum: | 445,905 mcf | Gas Since: | FPDATE |
| API #: | 30-039-20862-00 | Status: | ACT GAS | | |

| DATE | OIL, BBLs | GAS, MCF | WATER, BBLs | WELLS | Oil Production | Gas Production | Water Production |
|---------|-----------|----------|-------------|-------|--|--|--|
| 03/1998 | 15 | 1,452 | 45 | 1 |  |  |  |
| 04/1998 | 15 | 1,179 | 45 | 1 | | | |
| 05/1998 | 8 | 1,076 | 24 | 1 | | | |
| 06/1998 | 4 | 1,124 | 12 | 1 | | | |
| 07/1998 | 6 | 1,124 | 18 | 1 | | | |
| 08/1998 | 4 | 1,076 | 12 | 1 | | | |
| 09/1998 | 4 | 1,130 | 12 | 1 | | | |
| 10/1998 | 0 | 624 | 0 | 1 | | | |
| 11/1998 | 1 | 571 | 3 | 1 | | | |
| 12/1998 | 0 | 656 | 9 | 1 | | | |
| 01/1999 | 1 | 533 | 3 | 1 | | | |
| 02/1999 | 0 | 417 | 8 | 1 | | | |
| Total | 58 | 10,962 | 191 | | | | |