

DATE IN <i>1/11/00</i>	SUSPENSE <i>1/31/00</i>	ENGINEER <i>DC</i>	LOGGED BY <i>KV</i>	TYPE <i>DHC</i>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2612

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

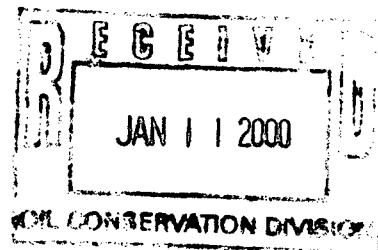
Check One Only for [B] and [C]

[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

Deborah Moore
 Signature

Regulatory Analyst
 Title

1/7/00
 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	94	N, Sec. 30, T28N, R7W	Rio Arriba
Lease	Well No.	Unit Ltr. - Sec - Twp - Rge	County
OGRID NO. 005073	Property Code 016608	API NO. 30-039-07282	Spacing Unit Lease Types: (check 1 or more) <input checked="" type="checkbox"/> Federal ___ State ___ (and/or) Fee ___

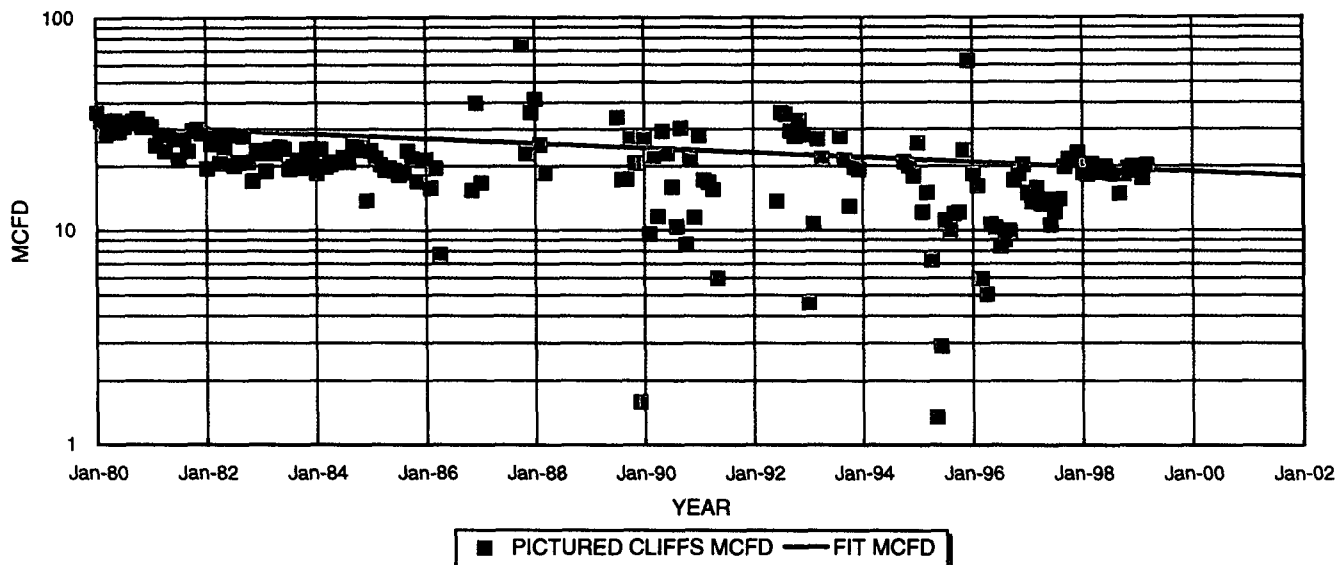
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Pictured Cliffs 72359		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	2470 – 2540		4096 – 4824
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 355	a.	a. 540
	b. (Original) 1078	b.	b. 1250
6. Oil Gravity (EAPI) or Gas BTU Content	1189		Cliffhouse & Menefee expected 1250
7. Producing or Shut-In?	Producing		Producing –Pt. Lookout
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, give date and oil/gas/ water rates of recent test (within 60 days)	Yes		Yes
	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Rates: Current rates 20mcfd	Date: Rates:	Date: Rates: Expected rate 200 mcfd (Menefee & Cliffhouse)
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 Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). 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 11/7/00
TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 293-1005

**SJ 28-7 #94 PICTURED CLIFFS PRODUCTION
SECTION 30N-28N-07W, RIO ARriba COUNTY, NEW MEXICO**



PICTURED CLIFFS PRODUCTION **1ST PROD: 08/58**
OIL CUM: 0.00 **MBO**
GAS CUM: 437.0 **MMCF**
OIL YIELD: 0.0000 **BBL/MCF**

PICTURED CLIFFS PROJECTED DATA
Jan.00 Qi: 19 **MCFD**
DECLINE RATE: 2.5% **(EXPONENTIAL)**
API #30-039-07282

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION TO PC

NOTE: Mesaverde Point Lookout also currently produces and will be DHC with proposed Mesaverde Cliffhouse and Menefee recompletion zones.

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	19	0
2001	18	0
2002	18	0
2003	17	0
2004	17	0
2005	17	0
2006	16	0
2007	16	0
2008	15	0
2009	15	0
2010	15	0
2011	14	0
2012	14	0
2013	14	0
2014	13	0
2015	13	0
2016	13	0
2017	12	0
2018	12	0
2019	12	0
2020	11	0
2021	11	0
2022	11	0
2023	10	0
2024	10	0
2025	10	0
2026	10	0
2027	9	0



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

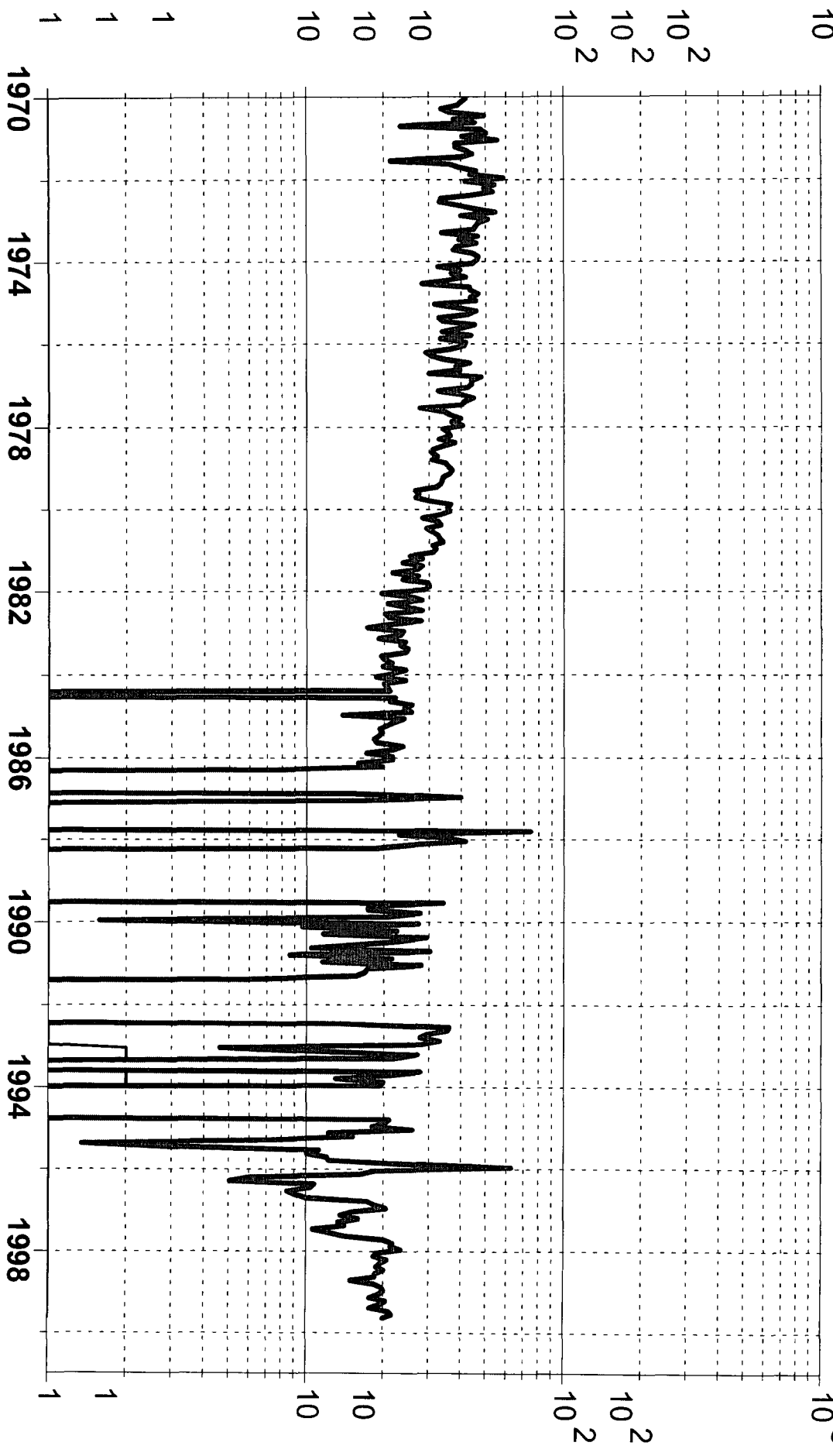
10⁻³ 10⁻² 10⁻¹ 10⁰ 10¹ 10² 10³

Lease: SAN JUAN 28 7 UNIT (94)

Dwights

Retrieval Code: 251,039,28N07W30N00PC

12/14/99



Gas (mcf/day) —

Oil (bbl/day) —

Well Count —

Operator: CONOCO INC

Location: 30N 28N 7W

Field: BLANCO SOUTH (PICTU

Reservoir: PICTURE CLIFFS

F.P. Date: 08/58

Oil Cum: 0 bbl

Gas Cum: 437.0 mmcf

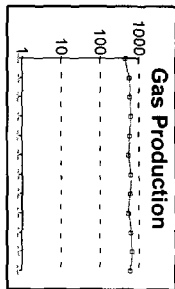
L.P. Date: 08/99

Water (bbl/day) —

Yield (bbl/mmcf) Av X

Lease:	SAN JUAN 28 7 UNIT	Well #:	94	FP Date:	58-08
Field:	BLANCO SOUTH (PICTURE CLIFFS) PC	Location:	30N 28N 7W	LP Date:	99-08
Operator:	CONOCO INC	Liquid Cum:		Liq Since:	FPDATE
RCI #:	251.039,28N07W30N00PC	Gas Cum:	436,973 mcf	Gas Since:	FPDATE
Api #:	30-039-07282-00	Status:	ACT GAS		

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
09/1998	0	453	0	1
10/1998	0	558	0	1
11/1998	0	596	0	1
12/1998	0	608	0	1
01/1999	0	583	0	1
02/1999	0	537	0	1
03/1999	0	618	0	1
04/1999	0	589	0	1
05/1999	0	537	0	1
06/1999	0	634	0	1
07/1999	0	652	0	1
08/1999	0	606	0	1
Total	0	6,971	0	



Retrieval Code: 251,039,28N07W30N00MV
/99



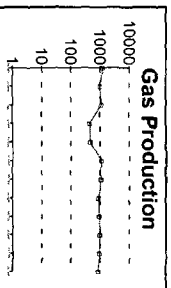
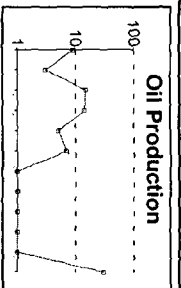
L.P. Date: 08/99

Lease: SAN JUAN 28 7 UNIT
 Field: BLANCO (MESASVERDE) MV
 Operator: CONOCO INC
 RCI #: 251.039,28N07W30N00MV
 API #: 30-039-07282-00

Well #: 94
 Location: 30N 28N 7W
 Liquid Cum: 730 bbls
 Gas Cum: 537,686 mcf
 Status: ACT GAS

FP Date: N/A
 LP Date: 99-08
 Liq Since: N/A
 Gas Since: N/A

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
09/1998	9	1,215	0	1
10/1998	3	999	0	1
11/1998	15	1,101	0	1
12/1998	14	436	0	1
01/1999	5	468	0	1
02/1999	7	1,062	0	1
03/1999	0	1,035	0	1
04/1999	0	884	0	1
05/1999	1	927	0	1
06/1999	0	967	0	1
07/1999	0	930	0	1
08/1999	30	858	0	1
Total	84	10,882	0	



Well Location and Acreage Dedication Plat

Section A.

Date **DECEMBER 20, 1957**

Operator **EL PASO NATURAL GAS COMPANY** Lease **SAN JUAN 28-7 UNIT** PER
 Well No. **94 (PM)** Unit Letter **N** Section **30** Township **28-N** Range **7-W** NMPM
 Located **800** Feet From **SOUTH** Line, **1850** Feet From **WEST** Line
 County **RIO ARriba** G. L. Elevation **5935** Dedicated Acreage **30524 - 15222** Acres
 Name of Producing Formation **MESA VERDE & PICTURED CLIFF** Pool **BLANCO - MV, SO, BLANCO - PC**

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes ☒ No ☐ *Under*
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes ☐ No ☐ If answer is "yes", Type of Consolidation.
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner

Land Description

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

El Paso Natural Gas Company
 Original Signed **D. C. Johnston**

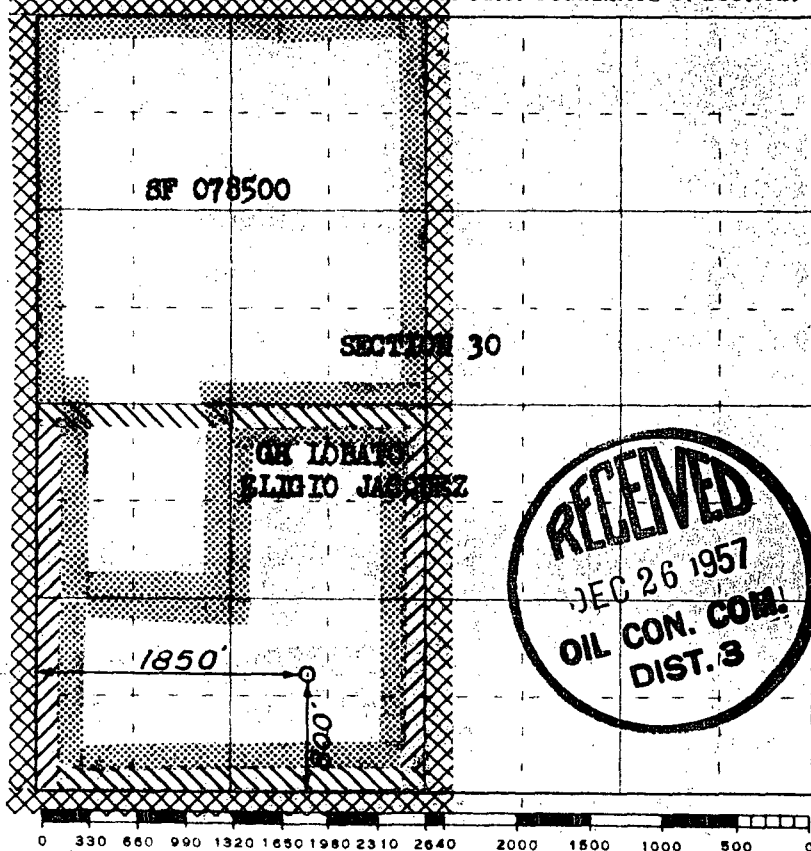
(Representative)

Box 997

(Address)

Farmington, New Mexico

Note: All distances must be from outer boundaries of section.



Scale 4 inches equal 1 mile

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

(Seal)

Date Surveyed **DECEMBER 19, 1957**

C. O. Walker
 Registered Professional Engineer and/or Land Surveyor

Farmington, New Mexico