

DATE BY 2/29/00	SUSPENSE 3/20/00	ENGINEER DC	LOGGED MW	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2689

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]

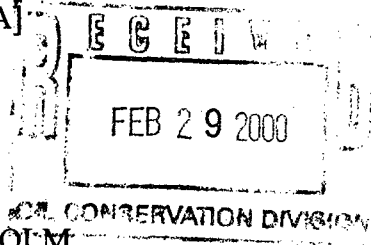
[A] Location - Spacing Unit - Directional Drilling
NSL NSP DD SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

X 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] X Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] X 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.

Peggy Cole

Print or Type Name

Signature

Regulatory/Compliance Administrator

Title

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
___X___ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

BURLINGTON RESOURCES OIL & GAS COMPANY

PO BOX 4289, FARMINGTON, NM 87499

Operator Address
CALLOWAY **3** **E 22-31N-11W** **SAN JUAN**
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 6881 API NO. 30-045-25337 Federal ___X___, State ___ , (and/or) Fee ___X___

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	BLANCO PIC.CLIFFS- 72359	BLANCO MESAVERDE - 72319	BASIN DAKOTA - 71599
2. Top and Bottom of Pay Section (Perforations)	2501' - 2562'	Will be supplied upon completion	6867' - 7061'
3. Type of production (Oil or Gas)	GAS	GAS	GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING	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) 509 psi (see attachment)	a. (Current) 612 psi (see attachment)	a. (Current) 792 psi (see attachment)
	b. (Original) 887 psi (see attachment)	b. (Original) 1251 psi (see attachment)	b. (Original) 1601 psi (see attachment)
6. Oil Gravity (EAPI) or Gas BTU Content	BTU 1164	BTU 1206	BTU 1116
7. Producing or Shut-In?	PRODUCING		PRODUCING
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)	NO	NO	YES
	Date: N/A Rates:	Date: N/A Rates:	Date: N/A Rates:
	Date: N/A Rates:	Date: N/A Rates:	Date: N/A Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % WILL BE SUPPLIED UPON COMPLETION	Oil: % Gas: % WILL BE SUPPLIED UPON COMPLETION	Oil: % Gas: % WILL BE SUPPLIED UPON COMPLETION

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 ___X___ No ___
If not, have all working, overriding, and royalty interests been notified by certified mail? ___X___ Yes ___ No ___

11. Will cross-flow occur? ___X___ 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. ___X___ Yes ___ No ___ (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ___X___ Yes ___ No ___

13. Will the value of production be decreased by commingling? ___ Yes ___X___ 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. ___X___ 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 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 Sean J. Corrigan TITLE PRODUCTION ENGINEER DATE: 2/25/00

TYPE OR PRINT NAME SEAN CORRIGAN TELEPHONE NO. 505-326-9700

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 30-045-25337		Pool Code 71599 72359/72319/	Pool Name Basin Dakota Blanco Pictured Cliffs/Blanco Mesaverde
Property Code 6881	Property Name Calloway		Well Number 3
OGRID No. 14538	Operator Name Burlington Resources Oil & Gas Company		Elevation 5865'GR

¹⁰ Surface Location

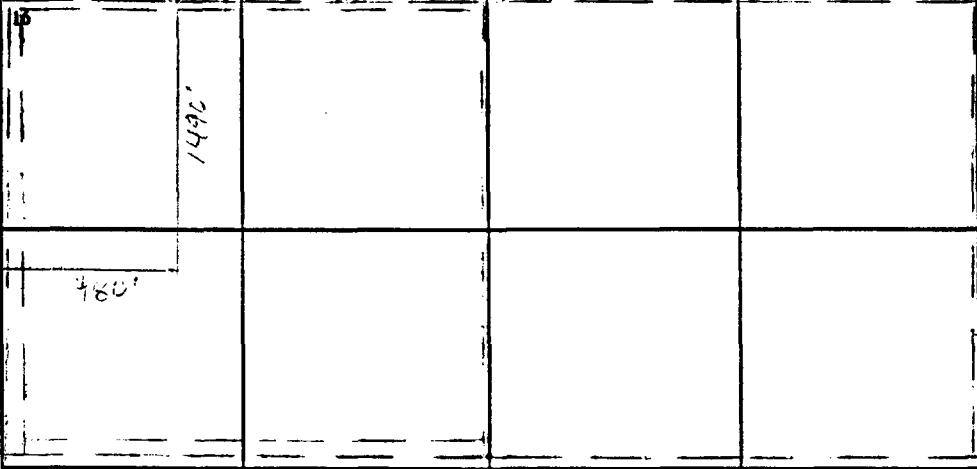
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	22	31N	11W		1490	North	980	West	SJ

¹¹ Bottom Hole Location If Different From Surface

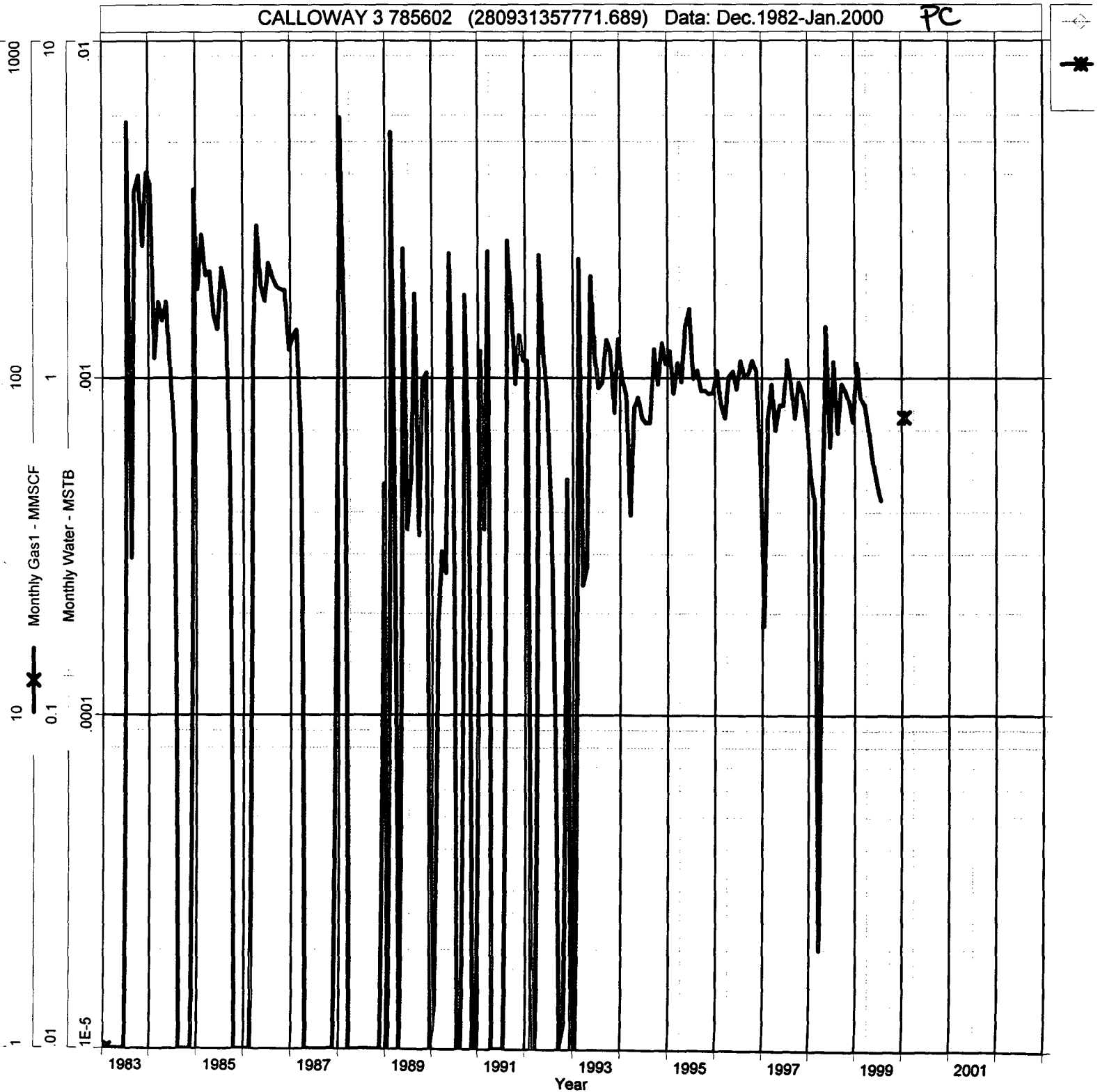
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres PC-160 MV/DK-N/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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>	
	Signature Peggy Cole Printed Name Regulatory Administrator Title Date	
Original plat from Fred B. Kerr Jr. 1-11-82	¹⁸ SURVEYOR CERTIFICATION <i>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.</i>	
	Date of Survey Signature and Seal of Professional Surveyer: Certificate Number	

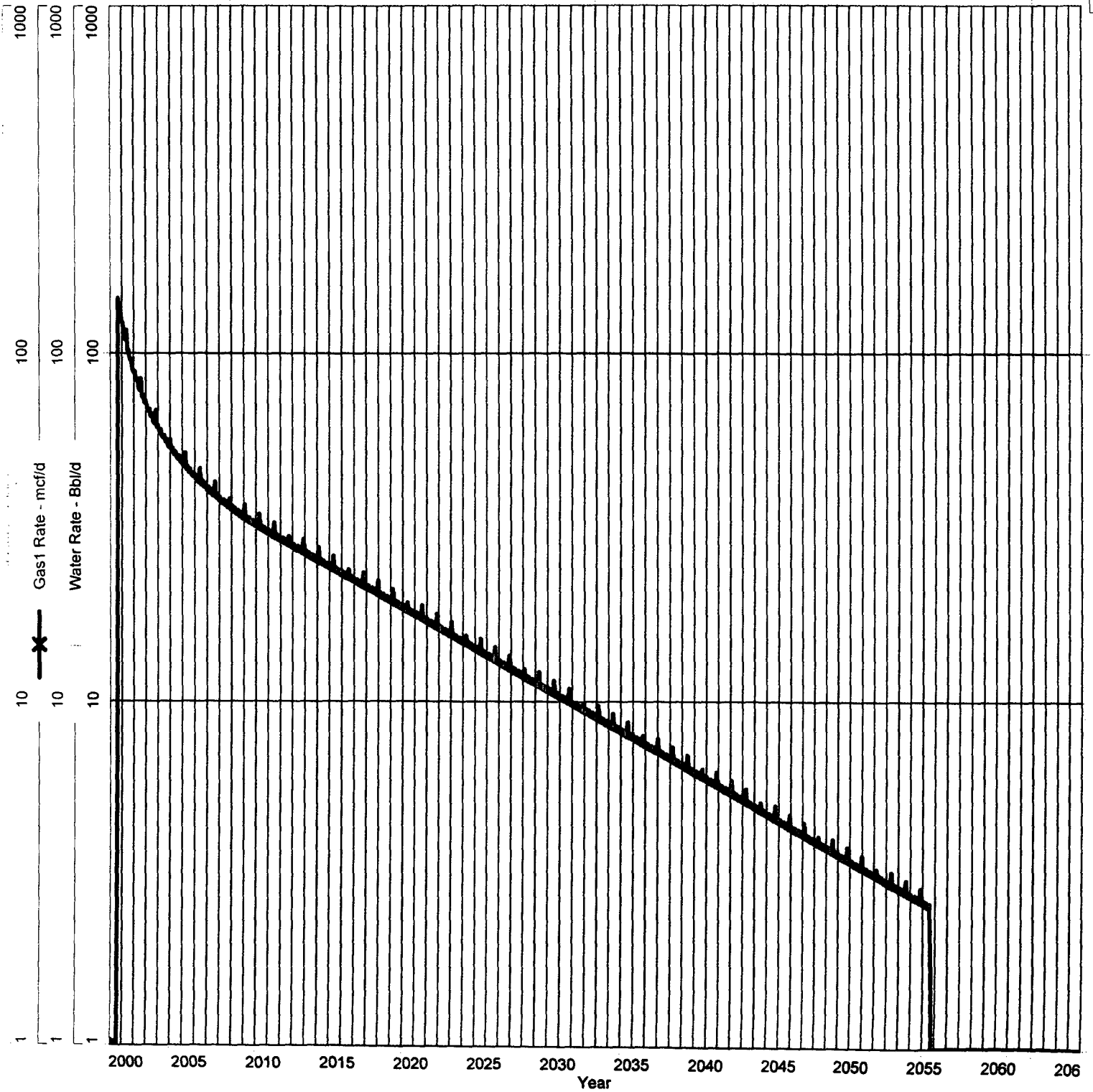
Calloway #3
Existing Production
Pictured Cliffs Formation



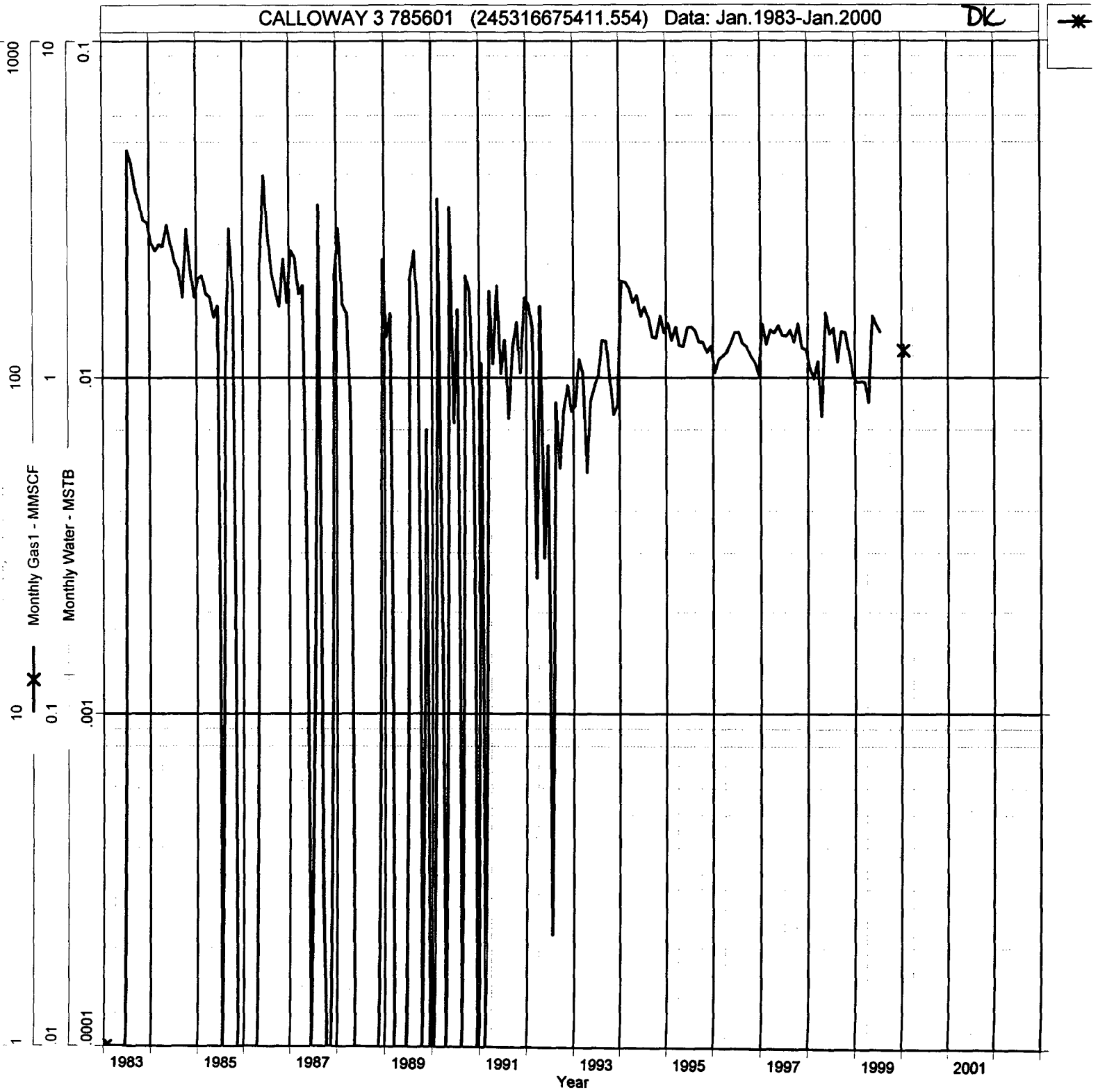
Calloway #3
Expected Production
Mesaverde Formation

((C04E43F2-EA34-11D3-99) Data: Feb.2000-Feb.2000

MV



Calloway #3
Existing Production
Dakota Formation



Calloway #3
 Bottom Hole Pressures
 Flowing and Static BHP
 Cullender and Smith Method
 Version 1.0 3/13/94

Pictured Cliffs		Mesaverde	
<u>PC-Current</u>		<u>MV-Current</u>	
GAS GRAVITY	0.664	GAS GRAVITY	0.693
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.27	%N2	0.27
%CO2	0.3	%CO2	0.81
%H2S	0	%H2S	0
DIAMETER (IN)	2.375	DIAMETER (IN)	2
DEPTH (FT)	2469	DEPTH (FT)	4848
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137	BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	480	SURFACE PRESSURE (PSIA)	545
BOTTOMHOLE PRESSURE (PSIA)	509.4	BOTTOMHOLE PRESSURE (PSIA)	612.2
<u>PC-Original</u>		<u>MV-Original</u>	
GAS GRAVITY	0.664	GAS GRAVITY	0.693
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.27	%N2	0.27
%CO2	0.3	%CO2	0.81
%H2S	0	%H2S	0
DIAMETER (IN)	2.375	DIAMETER (IN)	2
DEPTH (FT)	2469	DEPTH (FT)	4848
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137	BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	833	SURFACE PRESSURE (PSIA)	1103
BOTTOMHOLE PRESSURE (PSIA)	887.2	BOTTOMHOLE PRESSURE (PSIA)	1250.7

Calloway #3
 Bottom Hole Pressures
 Flowing and Static BHP
 Cullender and Smith Method
 Version 1.0 3/13/94

Dakota	
<u>DK-Current</u>	
GAS GRAVITY	0.66
COND. OR MISC. (C/M)	C
%N2	0.19
%CO2	2.33
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	7042
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	665
BOTTOMHOLE PRESSURE (PSIA)	791.5
<u>DK-Original</u>	
GAS GRAVITY	0.66
COND. OR MISC. (C/M)	C
%N2	0.19
%CO2	2.33
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	7042
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1322
BOTTOMHOLE PRESSURE (PSIA)	1600.7

CALLOWAY #3

PICTURED CLIFFS OFFSET

<u>Well Name</u>	<u>Date</u>	<u>Pressure</u>
CALLOWAY 2	5/7/79	833
CALLOWAY 2	7/17/79	742
CALLOWAY 2	9/24/81	601
CALLOWAY 2	4/24/82	524
CALLOWAY 2	6/20/84	521
CALLOWAY 2	4/10/85	480

CALLOWAY #3

MESAVERDE OFFSET

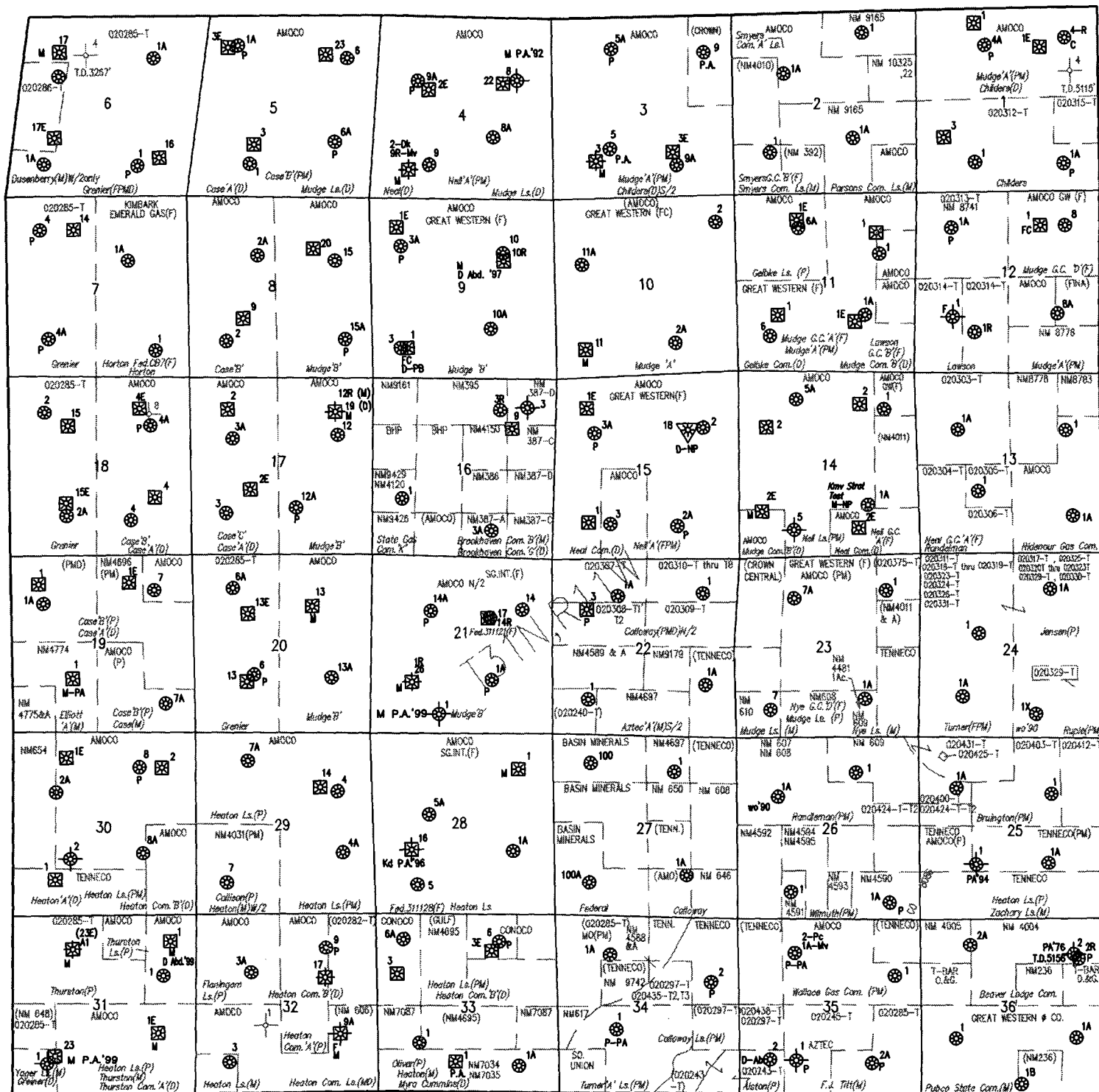
<u>Well Name</u>	<u>Date</u>	<u>Pressure</u>
AZTEC A 1 373001	01/28/58	1,103
AZTEC A 1 373001	02/12/58	981
AZTEC A 1 373001	12/05/58	800
AZTEC A 1 373001	09/14/59	622
AZTEC A 1 373001	07/22/60	616
AZTEC A 1 373001	12/13/61	614
AZTEC A 1 373001	05/22/62	604
AZTEC A 1 373001	02/27/63	595
AZTEC A 1 373001	07/15/63	0
AZTEC A 1 373001	08/21/63	569
AZTEC A 1 373001	09/08/64	554
AZTEC A 1 373001	02/23/65	574
AZTEC A 1 373001	03/14/66	581
AZTEC A 1 373001	03/01/67	584
AZTEC A 1 373001	03/11/68	544
AZTEC A 1 373001	08/05/69	548
AZTEC A 1 373001	05/28/70	585
AZTEC A 1 373001	06/02/71	570
AZTEC A 1 373001	05/17/72	571
AZTEC A 1 373001	07/23/73	590
AZTEC A 1 373001	05/07/74	590
AZTEC A 1 373001	05/20/76	608
AZTEC A 1 373001	04/25/78	611
AZTEC A 1 373001	06/27/80	589
AZTEC A 1 373001	06/21/82	485
AZTEC A 1 373001	05/01/86	472
AZTEC A 1 373001	10/07/89	556
AZTEC A 1 373001	03/18/91	475
AZTEC A 1 373001	08/16/91	545

CALLOWAY #3

EXISTING DAKOTA

<u>Well Name</u>	<u>Date</u>	<u>Pressure</u>
CALLOWAY 3 785601	8/1/83	1,322
CALLOWAY 3 785601	7/11/84	973
CALLOWAY 3 785601	4/10/85	950
CALLOWAY 3 785601	4/9/99	665

31N - 11W - 22E



IBEX Partnership, LTD
Attention: O.H.Reaugh
PO Box 911
Breckenridge, Texas 76424

States, Inc.
PO Box 911
Breckenridge, Texas 76424-0911