

DATE IN <u>5/9/00</u>	SUSPENSE <u>5/30/00</u>	ENGINEER <u>DC</u>	LOGGED BY <u>MV</u>	TYPE <u>DHC</u>
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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

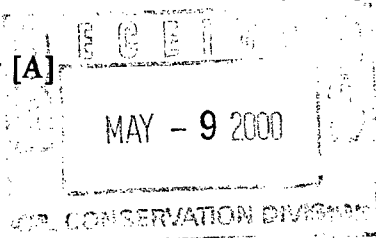
Check One Only for [B] and [C]

[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.

Deborah Marberry  
Print or Type Name

Deborah Marberry  
Signature

Regulatory Analyst  
Title

5/8/00  
Date

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

## DISTRICT II

811 South First St., Artesia, NM 88210-2835

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429Form C-107-A  
New 3-12-96

APPROVAL PROCESS:

\_\_\_ Administrative \_\_\_ Hearing

EXISTING WELLBORE

☒ YES \_\_\_ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC.

Operator

P.O. BOX 2197 HOUSTON, TX 77252

Address

SAN JUAN 28-7

Lease

53

Well No.

L - 28 - 28N - 7W

Unit Ltr. - Sec - Twp - Rge

RIO ARRIBA

County

OGRID NO. 005073

Property Code 016608

API NO. 30-039-07300

Spacing Unit Lease Types: (check 1 or more)

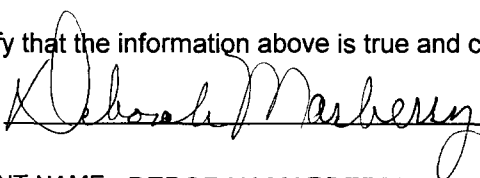
Federal ☒ , State \_\_\_ , (and/or) Fee \_\_\_

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	BASIN FRUITLAND COAL 71629	BLANCO PICTURED CLIFFS 72359	BLANCO MESAVERDE 72319
2. Top and Bottom of Pay Section (Perforations)	PROPOSED 3050' - 3245'	PROPOSED 3246'-3404'	4838' - 5605'
3. Type of production (Oil or Gas)	GAS - EXPECTED	GAS - EXPECTED	GAS
4. Method of Production (Flowing or Artificial Lift)	EXPECTED TO FLOW	EXPECTED TO FLOW	FLOWING
5. Bottomhole Pressure	a. (Current) 1,167	a. 1,119	a. 540
Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	b. (Original) 1,167	b. 1,119	b. 1,250
6. Oil Gravity (° API) or Gas BTU Content	1,045	1,189	1,250
7. Producing or Shut-In?	TO BE COMPLETED	TO BE COMPLETED	PRODUCING
Production Marginal? (yes or no)	YES	YES	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:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: ESTIMATED 150-250 MCFD	Date: Rates: ESTIMATED 200-300MCFD	Date: Rates: APPROX CURRENT 140MCFD
8. Fixed Percentage Allocation Formula - % for each zone	Allocate by prod test Oil: % Gas: %	Allocate by prod test Oil: % Gas: %	Subtraction allocate 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 all offset operators.
  - \* Notification list of all 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



TITLE REGULATORY ANALYST DATE 04/25/2000

TYPE OR PRINT NAME DEBORAH MARBERRY

TELEPHONE NO. ( ) (281)293-1005

District I  
PO Box 1980, Hobbs, NM 88241-1980  
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

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-07300		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name BASIN FC / BLANCO MV / BLANCO PC	
<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7			<sup>6</sup> Well Number 53
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

<sup>10</sup> Surface Location

UL or lot no. L	Section 28	Township 28N	Range 7W	Lot Idn	Feet from the 1550'	North/South line SOUTH	Feet from the 1090'	East/West line WEST	County RIO ARRIBA
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<sup>11</sup> Bottom Hole Location If Different From Surface

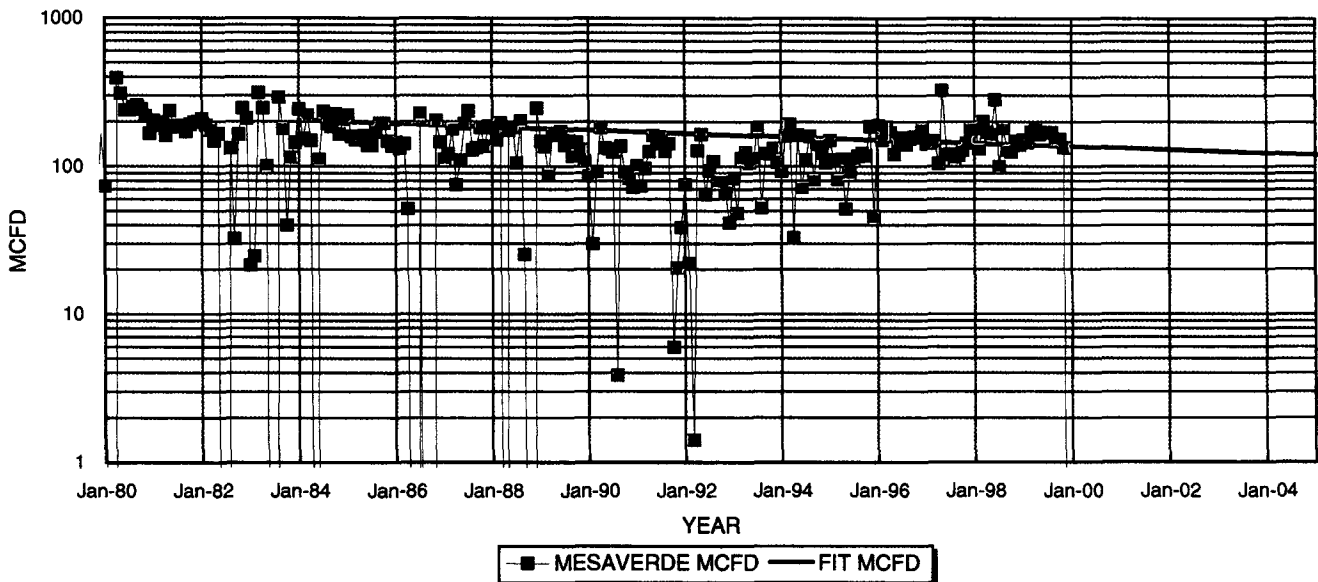
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 320/160/80	<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code U	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A  
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 	<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  _____ Signature Printed Name DEBORAH MARBERRY _____ Title REGULATORY ANALYST _____ Date 4/25/00			
	<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under _____ Date of Survey Signature and Seal of Professional Surveyer _____ Certificate Number			

**SJ 28-7 #53 MESAVERDE PRODUCTION  
SECTION 28L-28N-07W, RIO ARriba COUNTY, NEW MEXICO**

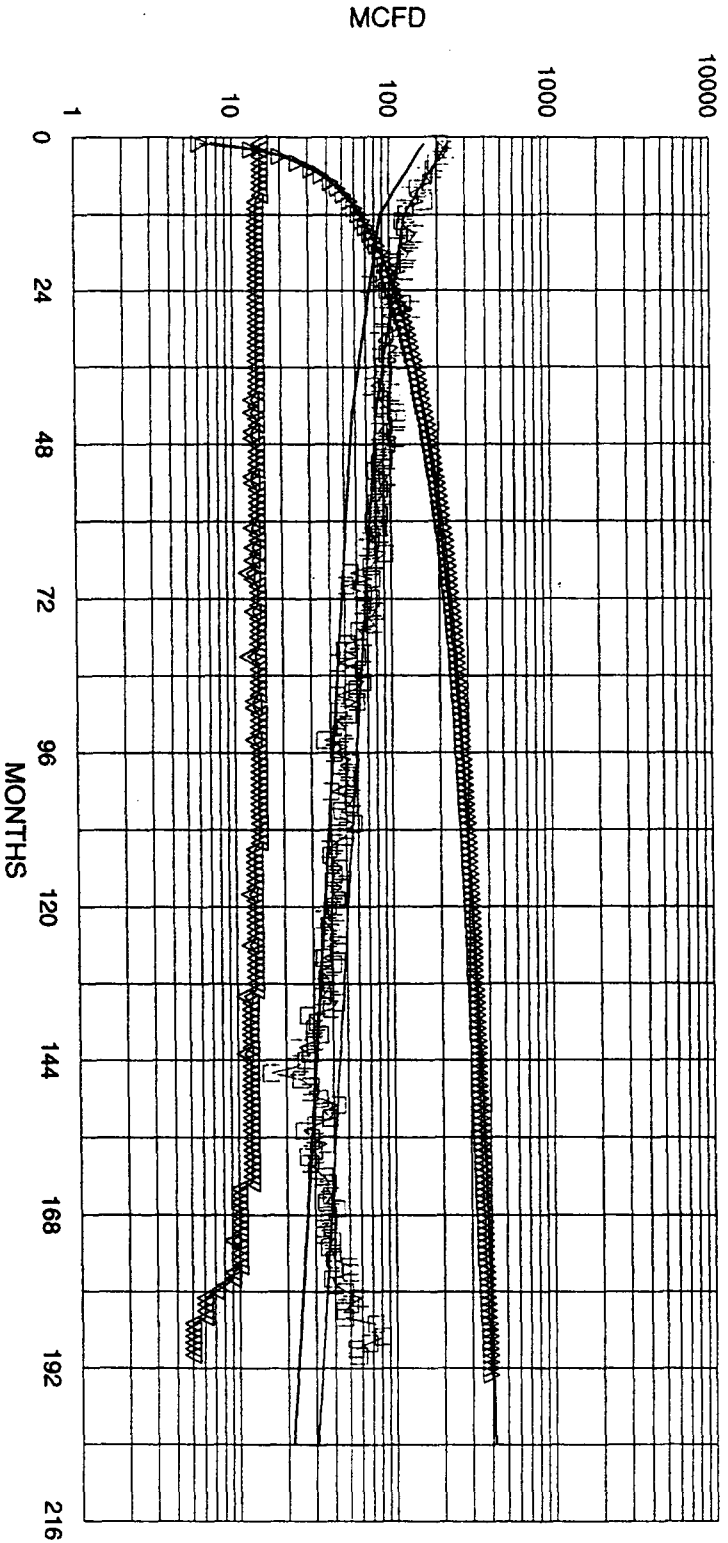


**MESAVERDE PRODUCTION**      **1ST PROD: 2/57**  
**OIL CUM:**            20.47      **MBO**  
**GAS CUM:**            3122.2      **MMCF**  
**OIL YIELD:**          0.0066      **BBL/MCF**

**MESAVERDE PROJECTED DATA**  
**Jan.00 Qi:**            137      **MCFD**  
**DECLINE RATE:**      2.5%      **(EXPONENTIAL)**  
**API #30-039-07300**

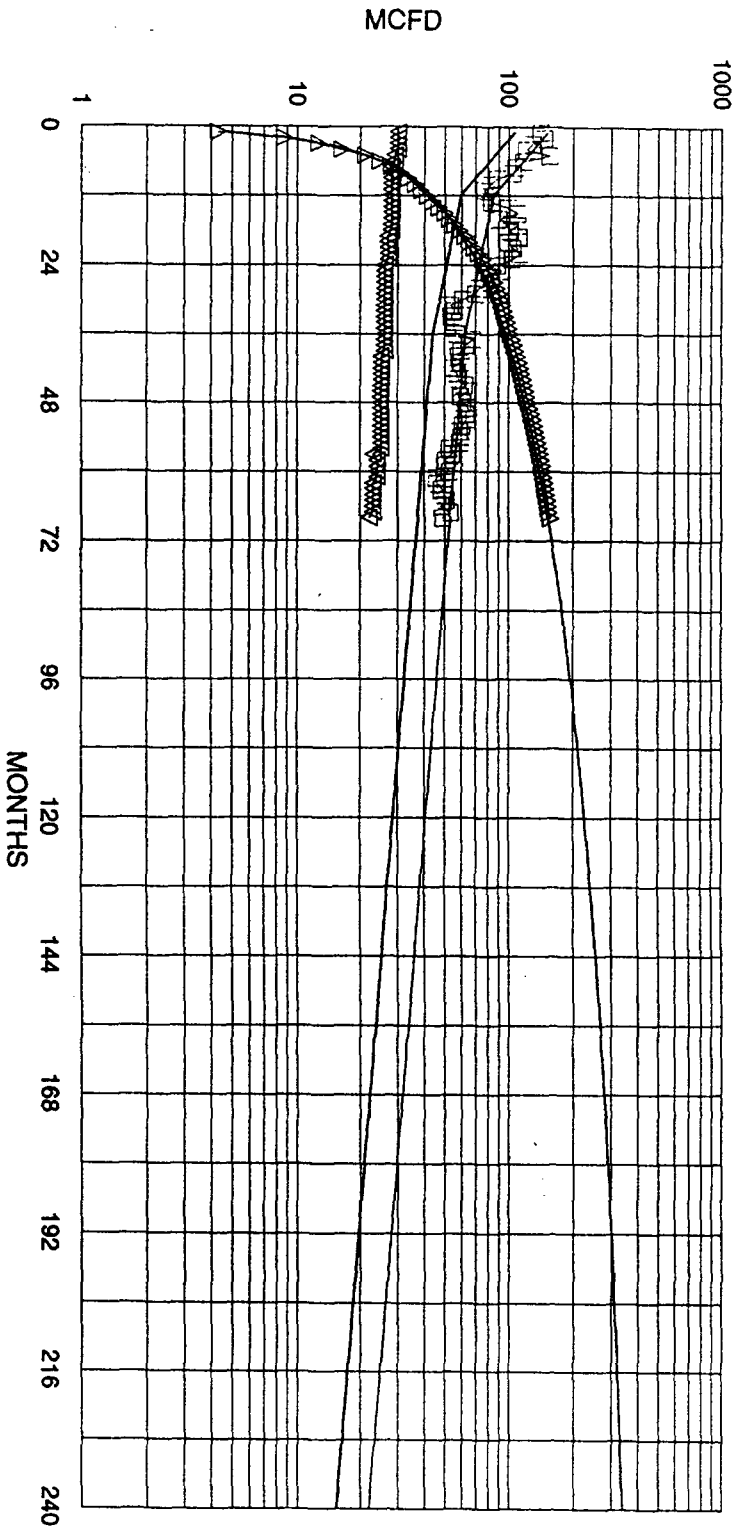
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	135	1
2001	132	0
2002	128	0
2003	125	0
2004	122	0
2005	119	0
2006	116	0
2007	113	0
2008	110	0
2009	107	0
2010	105	0
2011	102	0
2012	100	0
2013	97	0
2014	95	0
2015	92	0
2016	90	0
2017	88	0
2018	86	0
2019	83	0
2020	81	0
2021	79	0
2022	77	0
2023	75	0
2024	74	0
2025	72	0
2026	70	0
2027	68	0

**NORMALIZED PICTURED CLIFFS PRODUCTION****PROD. SINCE 1980: 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)****Normalized plot for supporting SJ 28-7 PC recompletions**

<b>NORMALIZED AVG:</b> 522 MMCF EUR 524 MMCF/33.5 YRS 10 MCFD E.L. 0.000158 bbl/mcf oil yield	<b>250 MCFD IP</b> 50% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS 7% FINAL DECLINE	<b>RISKED AVG: 30% RISK</b> 350 MMCF EUR 349 MMCF/27.8 YRS 10 MCFD E.L. 0.000158 bbl/mcf oil yield
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**NORMALIZED FRUITLAND COAL PRODUCTION**  
30 WELLS SINCE 1990; 28N-7W & 27N-7W



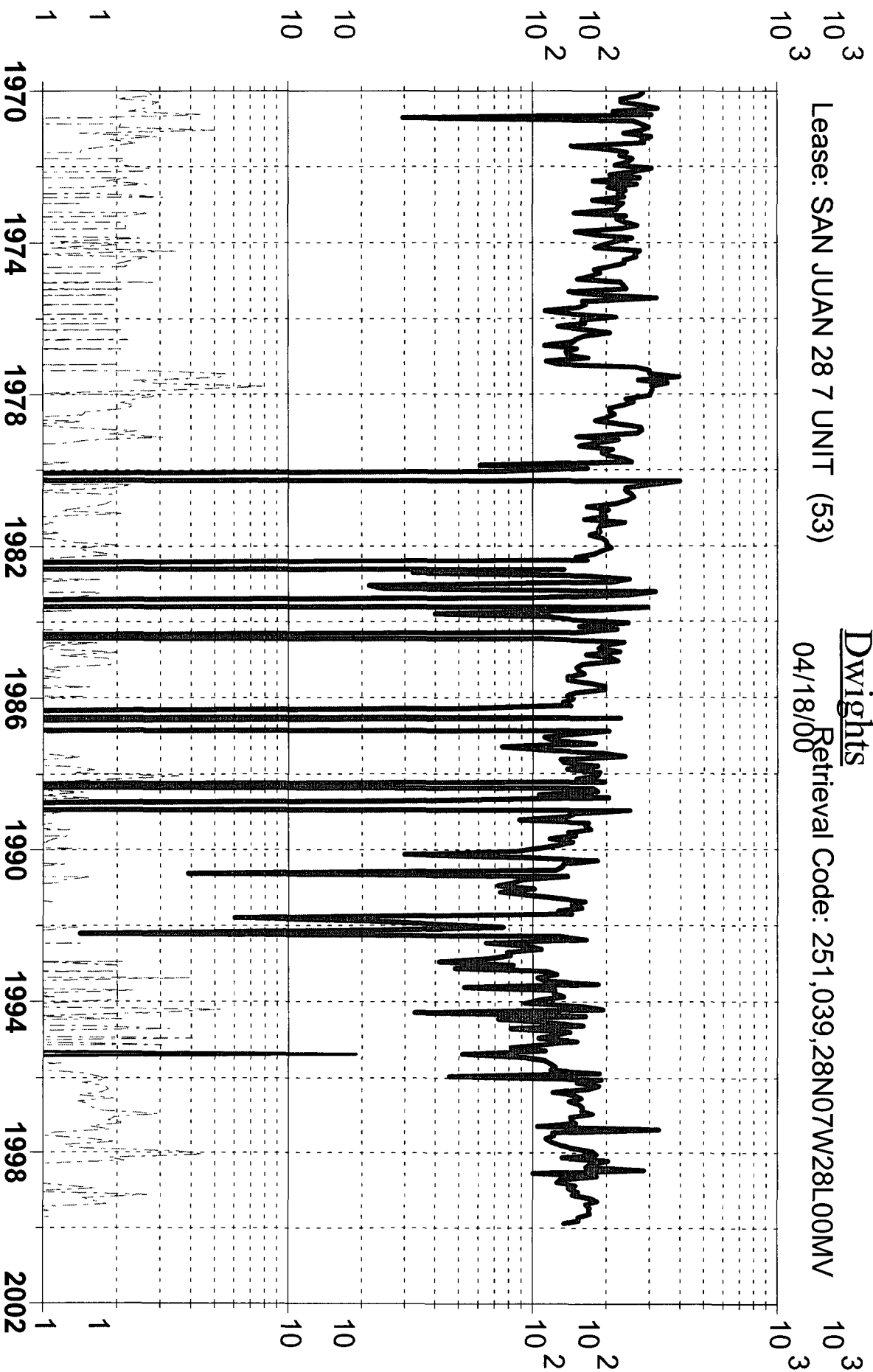
Normalized plot for supporting SJ 28-7 FC recompletions

NORMALIZED AVG:		RISKED AVG: 30% RISK	
408 MMCF EUR	160 MCFD IP	268 MMCF EUR	112 MCFD IP
337 MMCF IN 20 YRS	47% DECLINE, 1ST 12 MONTHS	237 MMCF IN 20 YRS	47% DECLINE, 1ST 12 MONTHS
10 MCFD E.L.	14% DECLINE, NEXT 24 MONTHS	10 MCFD E.L.	14% DECLINE, NEXT 24 MONTHS
0.0000 bbl/mcf oil yield	6% FINAL DECLINE	0.0000 bbl/mcf oil yield	6% FINAL DECLINE

Dwights

Lease: SAN JUAN 28 7 UNIT (53)

Retrieval Code: 251,039,28N07W28L00MV  
04/18/00



Gas (mcf/day)

Operator: CONOCO INC

F.P. Date: 02/57

Water (bbl/day)

Oil (bbl/day)

Location: 28L 28N 7W

Oil Cum: 20.47 mbbl

Well Count

Upper Perf: 4838 ft

Gas Cum: 3122 mmcf

Lower Perf: 5605 ft

Reservoir: MESAVERDE

58

Lease:	SAN JUAN 28 7 UNIT	Well #:	53	FP Date:	57-02
Field:	BLANCO (MESASVERDE) MV	Location:	28L 28N 7W	LP Date:	99-11
Operator:	CONOCO INC	Liquid Cum:	20,471 bbls	Liq Since:	FPDATE
RCI #:	251,039,28N07W28L00MV	Gas Cum:	3,122,151 mcf	Gas Since:	FPDATE
API #:	30-039-07300-00	Status:	ACT GAS		

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
12/1998	50	4,226	8	1
01/1999	24	4,604	4	1
02/1999	80	4,388	12	1
03/1999	44	5,182	7	1
04/1999	49	5,540	7	1
05/1999	55	4,993	8	1
06/1999	24	5,159	4	1
07/1999	33	5,125	5	1
08/1999	25	5,167	4	1
09/1999	32	4,643	5	1
10/1999	12	4,662	2	1
11/1999	20	4,077	3	1
Total	448	57,766	69	

