

DATE IN 3/29/02	SUSPENSE N/A	ENGINEER WJ	LOGGED IN MW	TYPE DHC	APP NO. PKRV 0209133191
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [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

[D] Other: Specify _____

MAR 29 2002

[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

D. Marberry
 Print or Type Name

Deborah Marberry
 Signature

Reg Analyst
 Title

3/27/02
 Date

Deborah.A.Marberry@DOWCO.COM
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 68240

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE
____ Single Well
X Established Pre-Approved Pools
EXISTING WELLBORE
____ Yes X No

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC. P.O. BOX 2197 DU 3084HOUSTONTX77252

Operator Address

San Juan 28-7 Unit 99F J Sec29 T27NR7W Rio Arriba

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 005073 Property Code 016608 API No. 30-039-26897 Lease Type X Federal ____ State ____ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	OTERO CHACRA	BLANCO MESAVERDE	BASIN DAKOTA
Pool Code	82329	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3800 - 4100	4600 - 5500	7250 - 7500
Method of Production (Flowing or Artificial Lift)	EXPECTED TO FLOW	EXPECTED TO FLOW	EXPECTED TO FLOW
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	540 psi	560 psi	880 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-in or New Zone	NEW ZONE	NEW ZONE	NEW ZONE
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:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or part production, supporting data or explanation will be required.)	Oil Gas % Test %	Oil Gas % Test %	Oil Gas % Test %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingling zones? Yes ____ No X
If not, have all working royalty and overriding royalty interest owners been notified by certified mail? Yes ____ No X

Are all produced fluids from all commingling zones compatible with each other? Yes X No ____

Will commingling decrease the value of production? Yes ____ No X

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes X No ____

NMOCD Reference Case No. applicable to this well: R 10476B R 11363

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, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

Pre-Approved Pools

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Deborah Marberry TITLE REGULATORY ANALYST DATE 03/14/2002

TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. (281)293-1005

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 August 15, 2000

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 30-039-26897	² Pool Code 72319	³ Pool Name Blanco Mesaverde
⁴ Property Code 016608	⁵ Property Name SAN JUAN 28-7 UNIT	⁶ Well Number 99F
⁷ OGRID No. 005073	⁸ Operator Name CONOCO, INC.	⁹ Elevation 6649

¹⁰ Surface Location

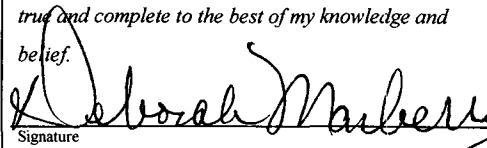
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	29	27N	7W		1590	south	2420	east	Rio Arriba

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	¹³ Joint or Infill	¹⁴ Consolidation Code	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

¹⁶				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 DEBORAH MARBERRY Printed Name REGULATORY ANALYST Title 03/01/2002 Date
				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 Surveyor: Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26897		² Pool Code 71599		³ Pool Name BASIN DAKOTA	
⁴ Property Code 016608		⁵ Property Name SAN JUAN 28-7 UNIT			⁶ Well Number 99F
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation 6649

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
J	29	27N	7W		1590	south	2420	east	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

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				<p>18 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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p>

2420'

1590'

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26897		² Pool Code 82329		³ Pool Name OTERO CHACRA	
⁴ Property Code 016608		⁵ Property Name SAN JUAN 28-7 UNIT			⁶ Well Number 99F
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation 6649

¹⁰ Surface Location

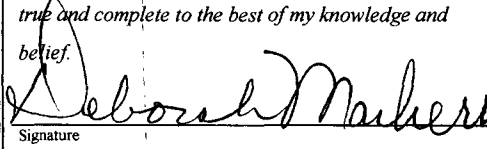
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	29	27N	7W		1590	south	2420	east	Rio Arriba

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

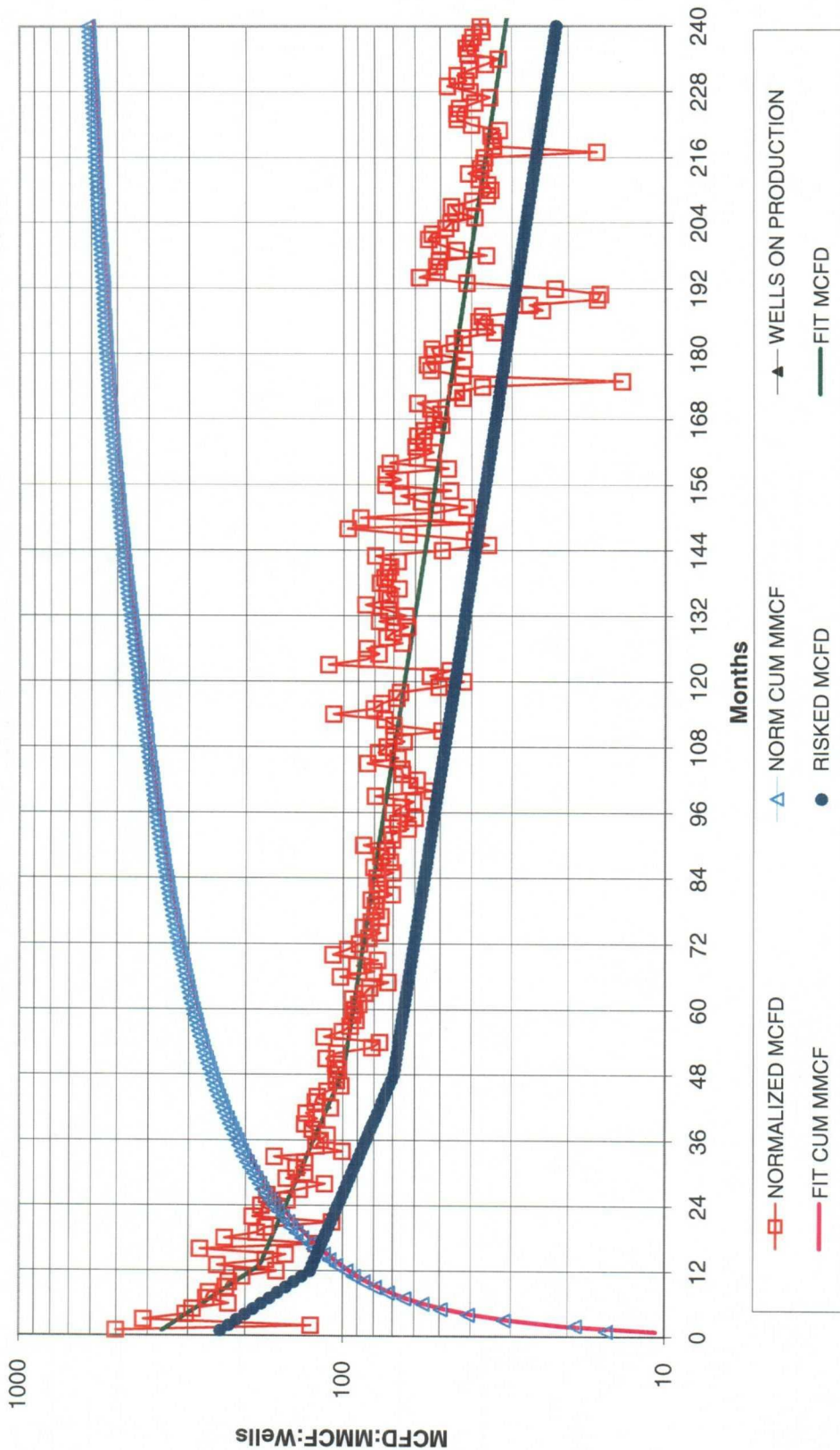
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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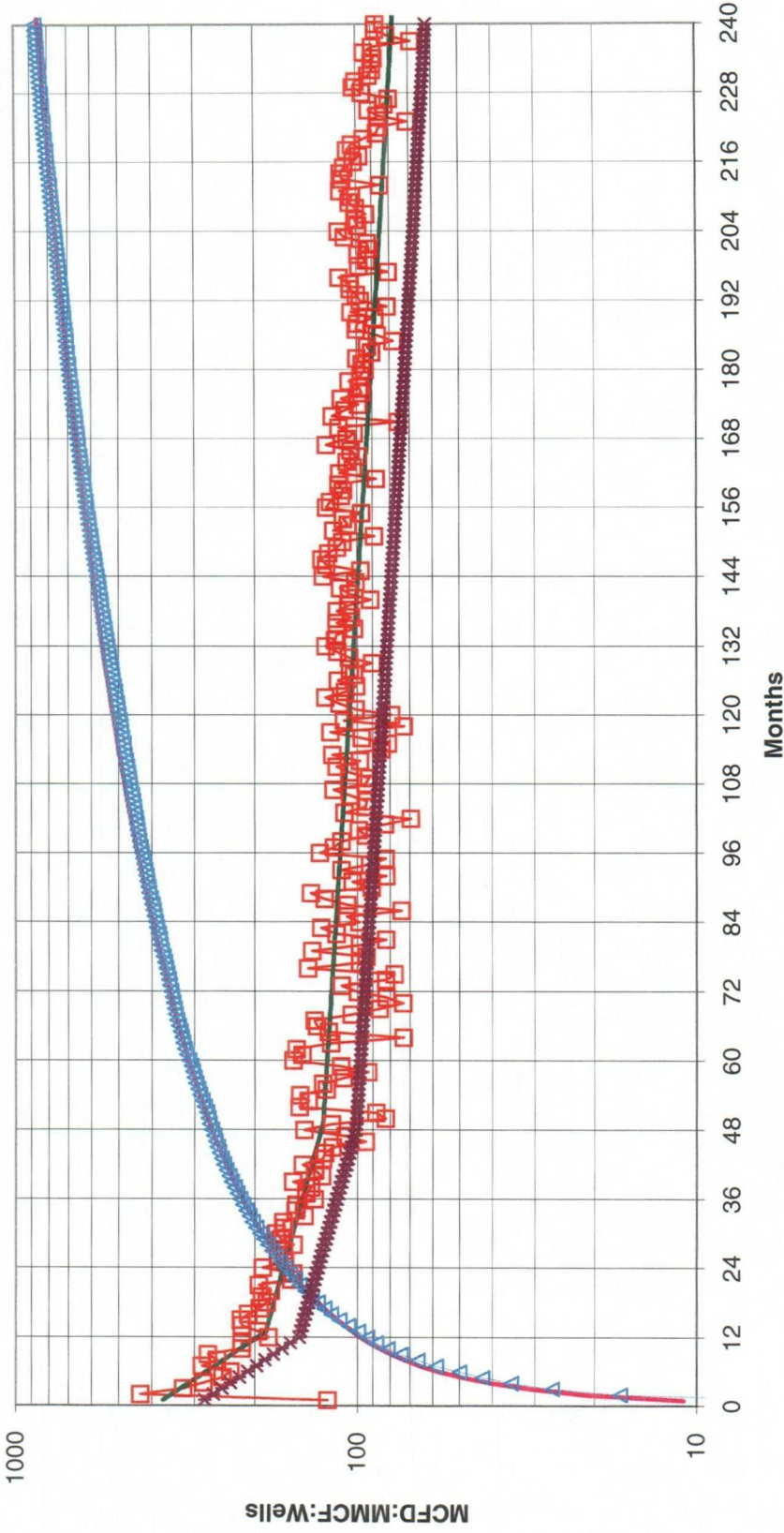
Handwritten annotations on the plat:
 - A horizontal line at the top of the bottom-right quadrant is labeled "2420".
 - A vertical line on the left side of the bottom-right quadrant is labeled "1590".

NORMALIZED CHACRA PRODUCTION PROD. SINCE 1980; 5 CHACRA WELLS LOCATED IN 27N-7W SECTIONS 19, 20, 29, 30



<p>NORMALIZED AVG:</p> <p>692 MMCF EUR 587 MMCF IN 20 YRS 706 MMCF IN 40 YRS 10 MCFD E.L. 0.000012 bbl/mcf oil yield</p>	<p>RISKED AVG:</p> <p>30% RISK</p> <p>469 MMCF EUR 494 MMCF IN 40 YRS 10 MCFD E.L. 0.000012 bbl/mcf oil yield</p>	<p>28-7 Unit wells number 176, 177, 240, 268, 269</p>
<p>360 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 18.0% DECLINE, NEXT 48 MONTHS 7.0% FINAL DECLINE</p>	<p>252 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 18.0% DECLINE, NEXT 48 MONTHS 7.0% FINAL DECLINE</p>	

NORMALIZED MESAVERDE PRODUCTION 80 ACRE MESAVERDE WELLS IN 28-7 SOUTH-WEST



■ NORMALIZED MCFD ▲ NORM CUM MMCF × RISKED MCFD — FIT MCFD
— FIT CUM MMCF

NORMALIZED AVG:

1597 MMCF EUR
 851 MMCF IN 20 YRS
 1272 MMCF IN 40 YRS
 15 MCFD E.L.
 0.0043 bbl/mcf oil yield

370 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 12.0% DECLINE, NEXT 36 MONTHS
 3.0% FINAL DECLINE

RISKED AVG:

1241 MMCF EUR
 1017 MMCF IN 40 YRS
 15 MCFD E.L.
 0.0043 bbl/mcf oil yield

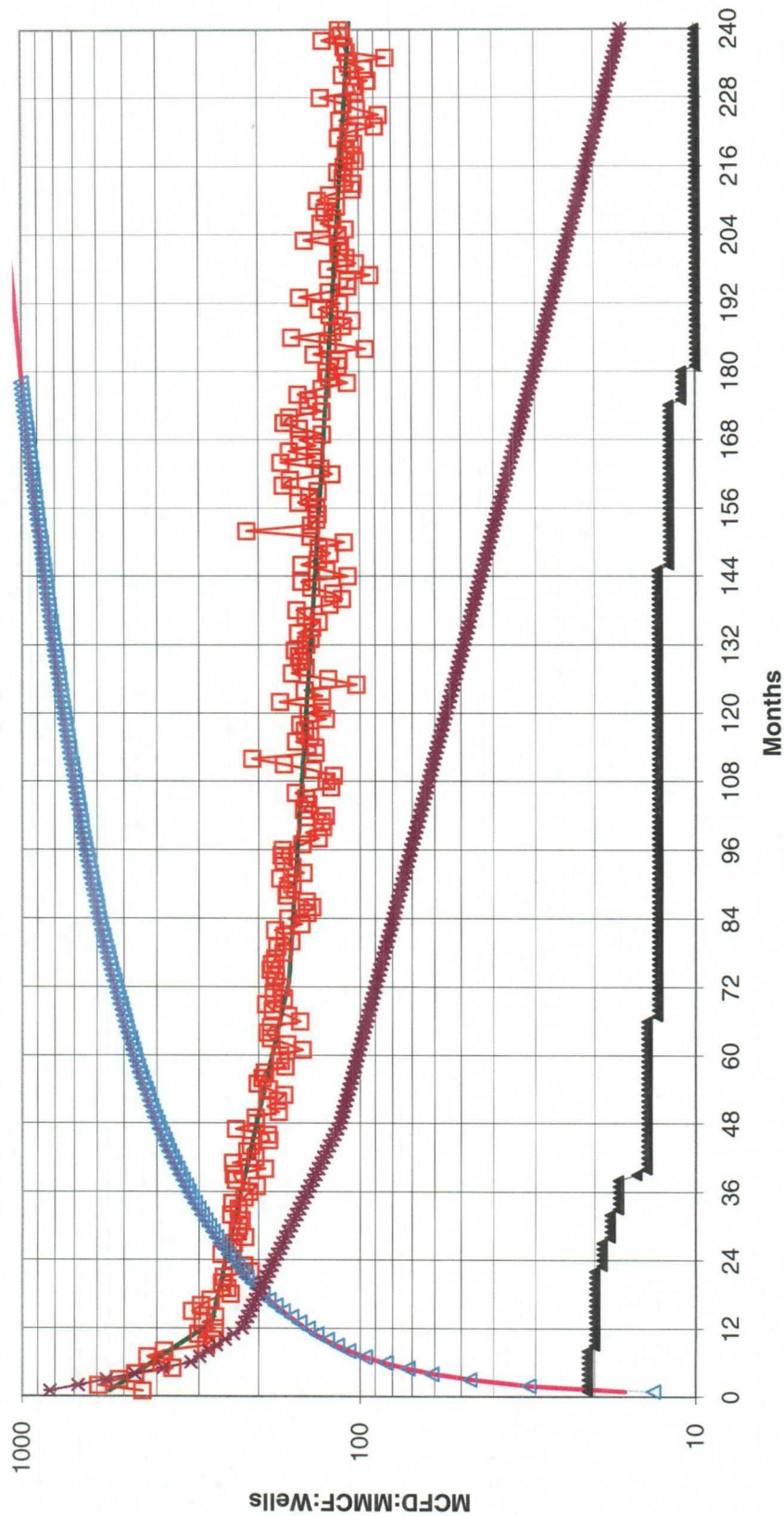
20% RISK

296 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 12.0% DECLINE, NEXT 36 MONTHS
 3.0% FINAL DECLINE

28-7 wells 6, 10, 48, 134, 195M, 225M, 226

60% EUR: 763 MMCF 60% IP: 222 MCF/D 40 years production.

NORMALIZED DAKOTA PRODUCTION AND SIMULATION RATE FOR 80 ACRE WELLS WELLS LOCATED IN 27-7 SECTIONS 2, 3, 4 AND 28-7 SECTIONS 33, 34, 35



■ NORMALIZED MCFD ▲ NORM CUM MMCF ▲ WELLS ON PRODUCTION
— FIT CUM MMCF * SIMULATED MCFD — FIT MCFD

NORMALIZED AVG:

2301 MMCF EUR
 1214 MMCF IN 20 YRS
 1790 MMCF IN 40 YRS
 15 MCFD E.L.
 0.0060 bbl/mcf oil yield

550 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 10.0% DECLINE, NEXT 60 MONTHS
 3.0% FINAL DECLINE

80 ACRE SIMULATION EQUIVALENT

636 MMCF EUR
 676 MMCF IN 40 YRS
 15 MCFD E.L.
 0.0060 bbl/mcf oil yield

1000 MCFD IP
 90.0% DECLINE, FIRST 6 MONTHS
 50.0% DECLINE, NEXT 6 MONTHS
 20.0% DECLINE, NEXT 36 MONTHS
 11.4% FINAL DECLINE

27-7 wells 129, 129E, 130, 130E, 181, 181M, 182, 182M, 214, 214M, 28-7 wells 131, 131M, 133, 133M, 189, 189E, 191E, 191M, 225, 225E, 225M.