

| | | | | |
|----------------|------------------|-------------|--------------|----------|
| DATE IN 1/9/98 | SUSPENSE 1/29/98 | ENGINEER DC | LOGGED BY MV | TYPE DHC |
|----------------|------------------|-------------|--------------|----------|

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

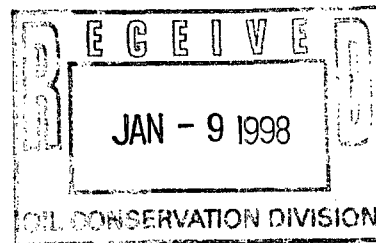
Check One Only for [B] and [C]

[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.

Kay Maddox
 Print or Type Name

Kay Maddox
 Signature

Regulatory Agent
 Title

1/6/98
 Date

DISTRICT I
P O Box 1980, Hobbs, NM 88241 1980
DISTRICT II
811 South I 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 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:
☒ Administrative ☐ Hearing
EXISTING WELLBORE
☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease San Juan 28-7 Unit Well No 113 Section 18, T-27-N, R-7-W, A County Rio Arriba

OGRID NO. 005073 Property Code 016608 API NO. 30-039-21662 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 | Blanco Mesaverde 72319 | | Basin Dakota 71599 |
| 2. TOP and Bottom of Pay Section (Perforations) | 5512-5663' | | 7326-7554' |
| 3. Type of production (Oil or Gas) | Gas | | Gas |
| 4. Method of Production (Flowing or Artificial Lift) | To Flow | | Flowing |
| 5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original | a (Current) | a. | a. |
| | 457 | | 619 |
| | b(Original) | b. | b. |
| | 1230 | | 2970 |
| 6. Oil Gravity (°API) or Gas BT Content | 1330 | | 1305 |
| 7. Producing or Shut-In? | To be completed | | 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, date and oil/gas/water rates of recent test (within 60 days) | Yes | | Yes |
| | Date Rates | Date Rates | Date Rates |
| | Incremental Production by Subtraction | | Mid-Year Avg. Rates- See Table |
| | Date Rates | Date Rates | Date Rates |
| 8. Fixed Percentage Allocation Formula -% or each zone | 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 ☐
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 others 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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-10476-B

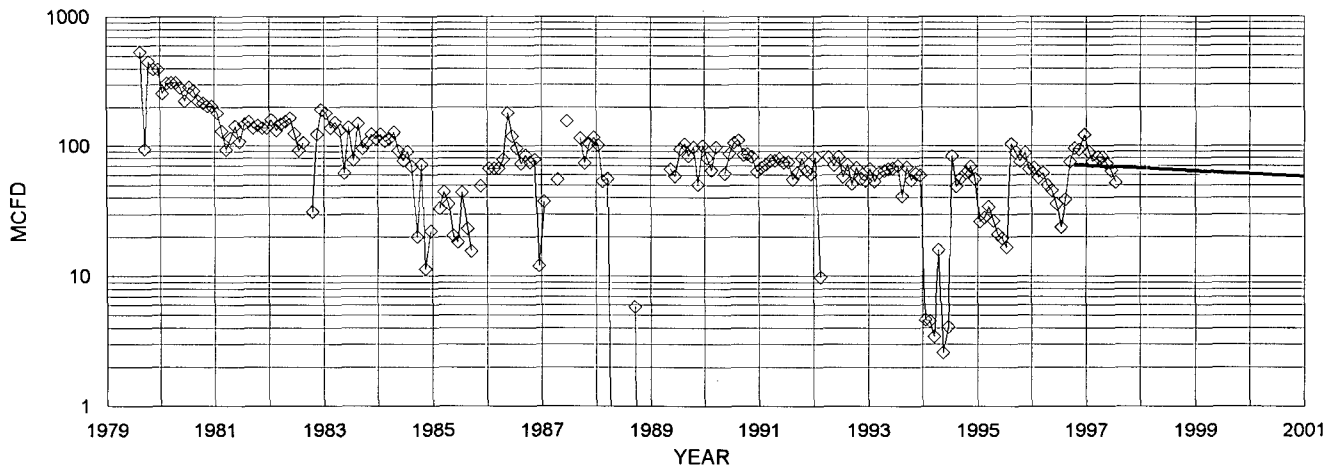
16. ATTACHMENTS
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - * Production curve for each zone for at least one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - * Data to support allocation method or formula.
 - * Notification list of all offset operators.
 - * 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 Kay Maddox TITLE Regulatory Agent DATE January 6, 1998

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

SAN JUAN 28-7 NO. 113 DAKOTA PRODUCTION
SECTION 18A-27N-07W



◇ DAKOTA MCFD — FIT MCFD

DAKOTA HISTORICAL DATA: 1ST PROD: 07/79

OIL CUM: 8.38 MBO
GAS CUM: 567.9 MMCF
CUM OIL YIELD: 0.0148 BBL/MCF
OIL YIELD: 0.0120 BBL/MCF, LAST 3 YRS
AVG. USED: 0.0134 BBL/MCF

DAKOTA PROJECTED DATA

1/1/98 Qi: 67 MCFD
DECLINE RATE: 4.8% (EXPONENTIAL)

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

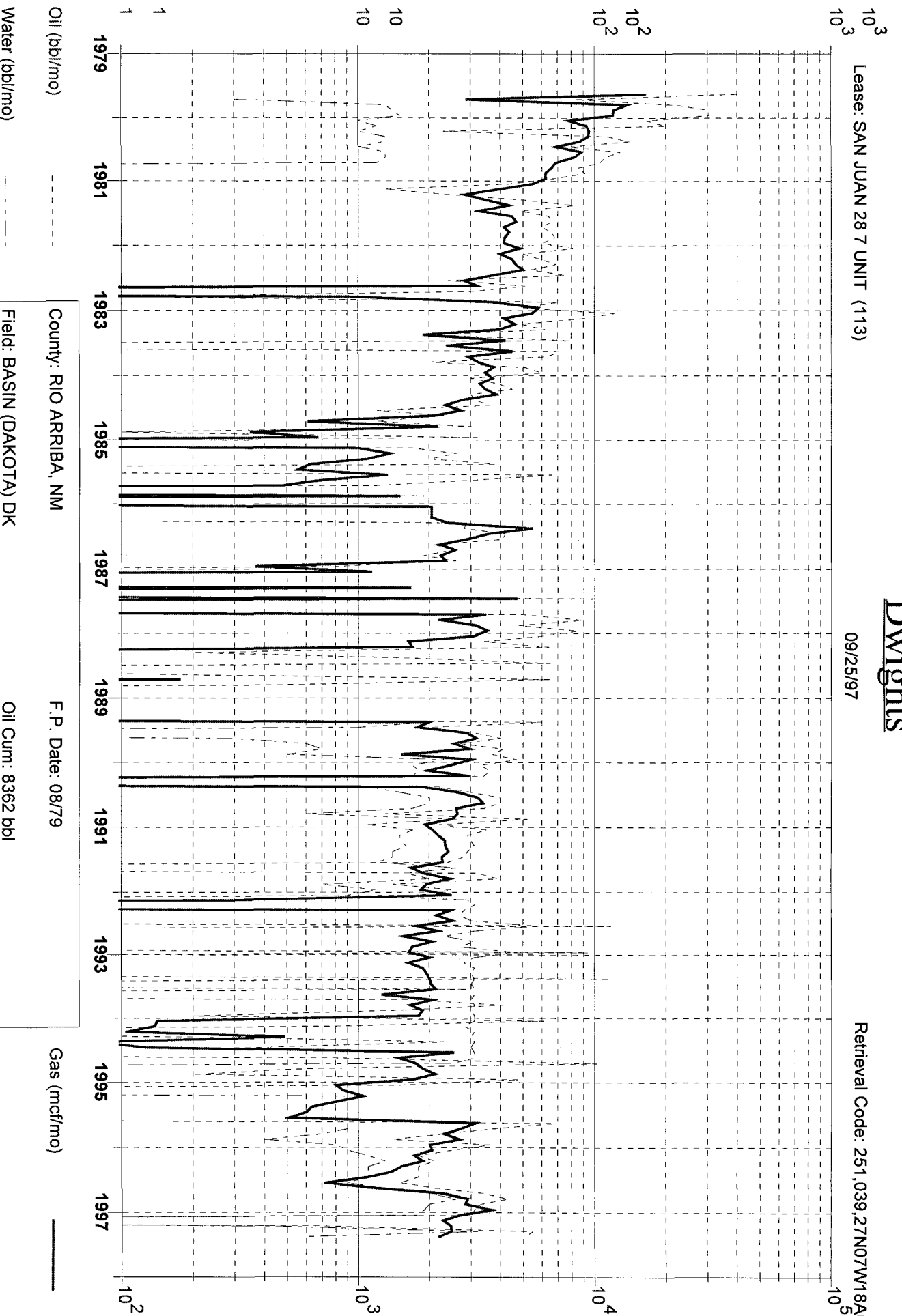
| YEAR | MID-YEAR AVG. MCFD | MID-YEAR AVG. BOPD |
|------|-----------------------|-----------------------|
| 1998 | 65.4 | 0.9 |
| 1999 | 62.2 | 0.8 |
| 2000 | 59.2 | 0.8 |
| 2001 | 56.4 | 0.8 |
| 2002 | 53.7 | 0.7 |
| 2003 | 51.1 | 0.7 |
| 2004 | 48.7 | 0.7 |
| 2005 | 46.3 | 0.6 |
| 2006 | 44.1 | 0.6 |
| 2007 | 42.0 | 0.6 |
| 2008 | 40.0 | 0.5 |
| 2009 | 38.1 | 0.5 |
| 2010 | 36.2 | 0.5 |
| 2011 | 34.5 | 0.5 |
| 2012 | 32.8 | 0.4 |
| 2013 | 31.3 | 0.4 |
| 2014 | 29.8 | 0.4 |
| 2015 | 28.3 | 0.4 |
| 2016 | 27.0 | 0.4 |
| 2017 | 25.7 | 0.3 |
| 2018 | 24.4 | 0.3 |
| 2019 | 23.3 | 0.3 |
| 2020 | 22.2 | 0.3 |
| 2021 | 21.1 | 0.3 |
| 2022 | 20.1 | 0.3 |
| 2023 | 19.1 | 0.3 |
| 2024 | 18.2 | 0.2 |
| 2025 | 17.3 | 0.2 |
| 2026 | 16.5 | 0.2 |
| 2027 | 15.7 | 0.2 |
| 2028 | 14.9 | 0.2 |
| 2029 | 14.2 | 0.2 |
| 2030 | 13.5 | 0.2 |
| 2031 | 12.9 | 0.2 |
| 2032 | 12.3 | 0.2 |

Dwights

Lease: SAN JUAN 28 7 UNIT (113)

09/25/97

Retrieval Code: 251,039,27N07W18A00DK



Oil (bbl/mo)

Water (bbl/mo)

Gas (mcf/mo)

County: RIO ARriba, NM

F.P. Date: 08/79

Field: BASIN (DAKOTA) DK

Oil Cum: 8362 bbl

Reservoir: DAKOTA

Gas Cum: 564.4 mmcf

Operator: CONOCO INC

Location: 18A 27N 7W

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

instructions on back

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088

Submit to Appropriate District Office

District IV
PO Box 2088, Santa Fe, NM 87504-2088

Santa Fe, NM 87504-2088

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|----------------------------|--|---|--|---------------------------------|------------------------|
| API Number 30-039-21662 | | 2 Pool Code 72319 | | 3 Pool Name Blanco Mesaverde | |
| 4 Property Code 016608 | | 5 Property Name San Juan 28-7 Unit | | | 6 Well Number 113 |
| 7 OGRID No. 005073 | | 8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500 | | | 9 Elevation 6606 GL |

10 Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|-------------|---------|----------------------|---------------------------|----------------------|------------------------|----------------------|
| UL or lot no. A | Section 18 | Township 27N | Range 7W | Lot Idn | Feet from the 890 | North/South line North | Feet from the 800 | East/West line East | County 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 320 | 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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Kay Maddox
Signature
Kay Maddox

Printed Name

Regulatory Agent

Title

Date

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.

Date of Survey

Signature and Seal of Professional Surveyor.

Certificate Number

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

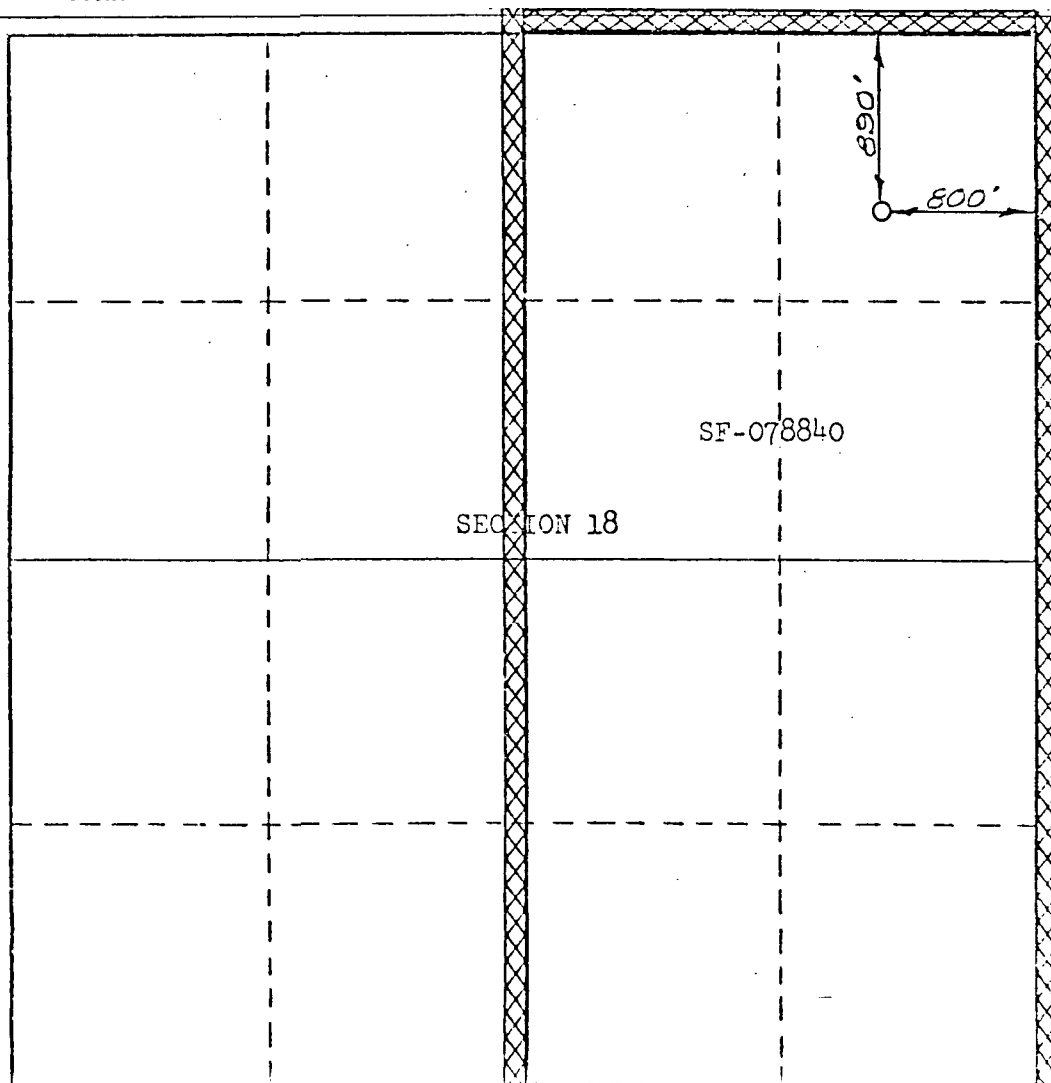
| | | | | |
|--|--------------------------------------|--|---|-----------------------------|
| Operator EL PASO NATURAL GAS COMPANY | | Lease SAN JUAN 28-7 UNIT (SF-078840) | | Well No. 113 |
| Unit Letter A | Section 18 | Township 27-N | Range 7-W | County RIO ARriba |
| Actual Footage Location of Well: 890 feet from the NORTH line and 800 feet from the EAST line | | | | |
| Ground Level Elev. 6606 | Producing Formation DAKOTA | Pool BASIN DAKOTA | Dedicated Acreage: 320.00 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

H. G. Lucas

Name

Drilling Clerk

Position

El Paso Natural Gas Co.

Company

March 1, 1978

Date

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 knowledge and belief.

Date Surveyed

AUGUST 11, 1974

Registered Professional Engineer and/or Land Surveyor

David H. Wilson

Plot Name No.

1760

330 600 900 1200 1500 1800 2100 2400 2700 3000 3300 3600



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

San Juan 28-7 Unit
Downhole Commingle Application C-107-A

RE: Offset Operators

Conoco, Inc is the only offset operator.