

10.22.10

DICK

10.22.10

DHC PTGW-1029549460

8/27/10

SUSPENSE

ENGINEER

8/27/10

DHC

APP NO. 1023952096

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED-OCD

Engineering Bureau -

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



Conoco Phillips
OCD San Juan 28-70
111N

2010 OCT 22 P 1:27

RECEIVED-OCD

2010 AUG 27 P 1:25

ADMINISTRATIVE APPLICATION CHECKLIST 30-039-30808

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]

4328

- [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 _____
- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ~~X~~ 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.

REvised 10/20/10

Dollie L. Busse
Print or Type Name

Dollie L. Busse
Signature

Staff Regulatory Technician
Title

8/25/10
Date

dollie.l.busse@conocophillips.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
10000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

APPLICATION FOR DOWNHOLE COMMINGLING

ConocoPhillips P.O.Box 4289 Farmington, NM 87499
Operator Address

San Juan 28-7 Unit 111N Unit D, Sec. 20, 027N, 007W Rio Arriba
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No: 217817 Property Code 31739 API No. 300393080800000 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)	3840' - 4490' Estimated	4500- 5290' Estimated	7250' - 7445' Estimated
Method of Production (Flowing or Artificial Lift)	New Zone	New Zone	New Zone
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)	600 psi	500 psi	2100 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1000	BTU 1000	BTU 1000
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: N/A Rates: N/A	Date: N/A Rates: N/A	Date: N/A Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion

ADDITIONAL DATA

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

Are all produced fluids from all commingled 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: _____

Attachments:

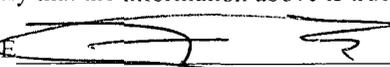
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation 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  TITLE Engineer DATE 4/7/10

TYPE OR PRINT NAME Bill Akwari, Engineer TELEPHONE NO. (505) 326-9700

E-MAIL ADDRESS Bill.N.Akwari@conocophillips.com

San Juan 28-7 Unit 111N

Surface- Unit D, Section 20, T27N, R07W

BH – Unit F, Section 20, T27N, R07W

The San Juan 28-7 Unit 111N is a Blanco Mesaverde, Basin Dakota and Otero Chacra New Drill. A cased hole neutron log will be run prior to completion to identify the Blanco Mesaverde, Basin Dakota and Otero Chacra zones. If the Blanco Mesaverde, Basin Dakota and Otero Chacra horizons can be isolated, a separator test will be performed and the allocation will be assigned with results using the subtraction method applied to the rate. In the event that the Blanco Mesaverde, Basin Dakota and Otero Chacra can not be tested separately, a volumetric calculation will be performed to determine the allocation percentages between the Blanco Mesaverde, Basin Dakota and Otero Chacra. All documentation will be submitted to the Aztec NMOCD office.

DISTRICT I
1035 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

RECEIVED

Form C-102
Revised October 12, 2005

DISTRICT II
1301 West Grand Avenue, Artesia, N.M. 88210

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
AUG 26 2009 State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Hrazos Rd., Artesia, N.M. 87410

Bureau of Land Management
Farmington Field Office AMENDED REPORT

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-30 888		*Pool Code 71599/82329/72319		*Pool Name Basin Dakota/Otera Chacra/Bianco Mesaverde	
*Property Code 31739		*Property Name SAN JUAN 28 - 7 UNIT			*Well Number 111N
*OGRID No. 217817		*Operator Name CONOCOPHILLIPS COMPANY			*Elevation 6540'

10 Surface Location

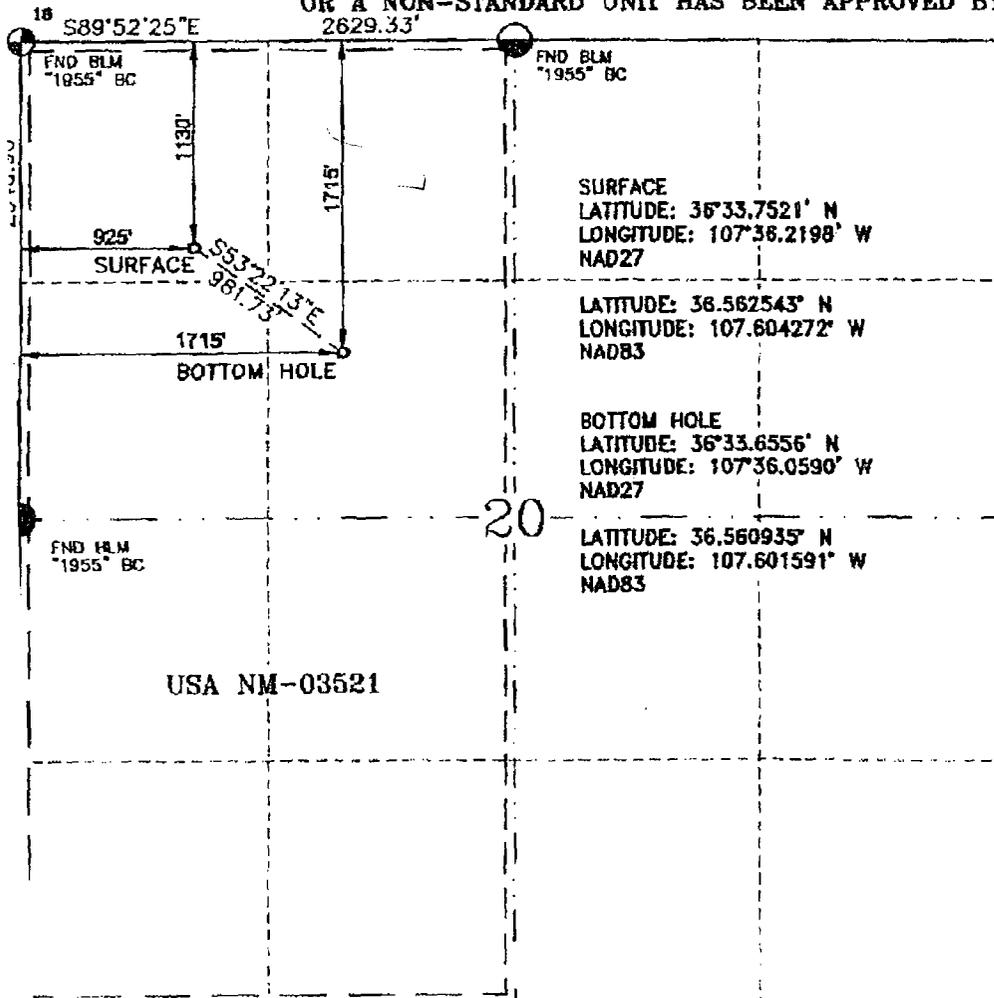
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	27-N	7-W		1130	NORTH	925	WEST	RIO ARRIBA

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
F	20	27-N	7-W		1715	NORTH	1715	WEST	RIO ARRIBA

*Dedicated Acres CHCRA 160.0 ACRES NW/4 MV/DK 320.00 ACRES W/2		*Joint or Infill	*Consolidation Code	*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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Crystal Tafoya 4/16/09
Signature
Crystal Tafoya 4-16-09
Printed Name

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.

2-27-09
Date of Survey
Signature
GLENN W. RUSSELL
NEW MEXICO
LICENSED PROFESSIONAL SURVEYOR
15703
Certificate Number 15703

SAN JUAN 28-7 UNIT 111N MV Data: Mar. 2010-Mar. 2010

Operator:

Field:

Zone:

Type: Other

Group: None

No

Active

Forecast

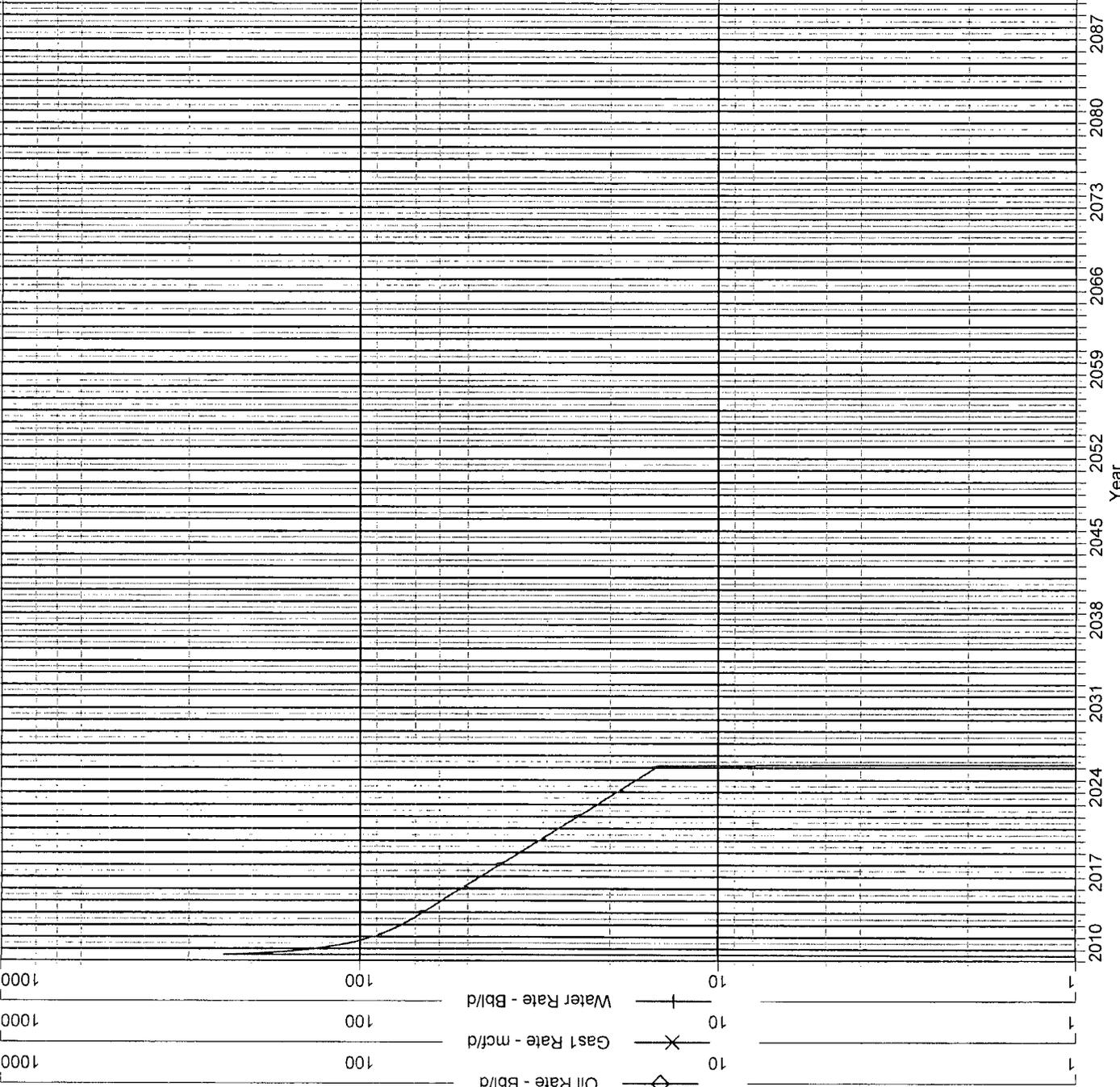
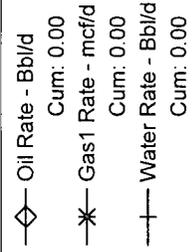
Production Cums

Oil: 0 MSTB

Gas: 0 MMSCF

Water: 0 MSTB

Cond: 0 MSTB



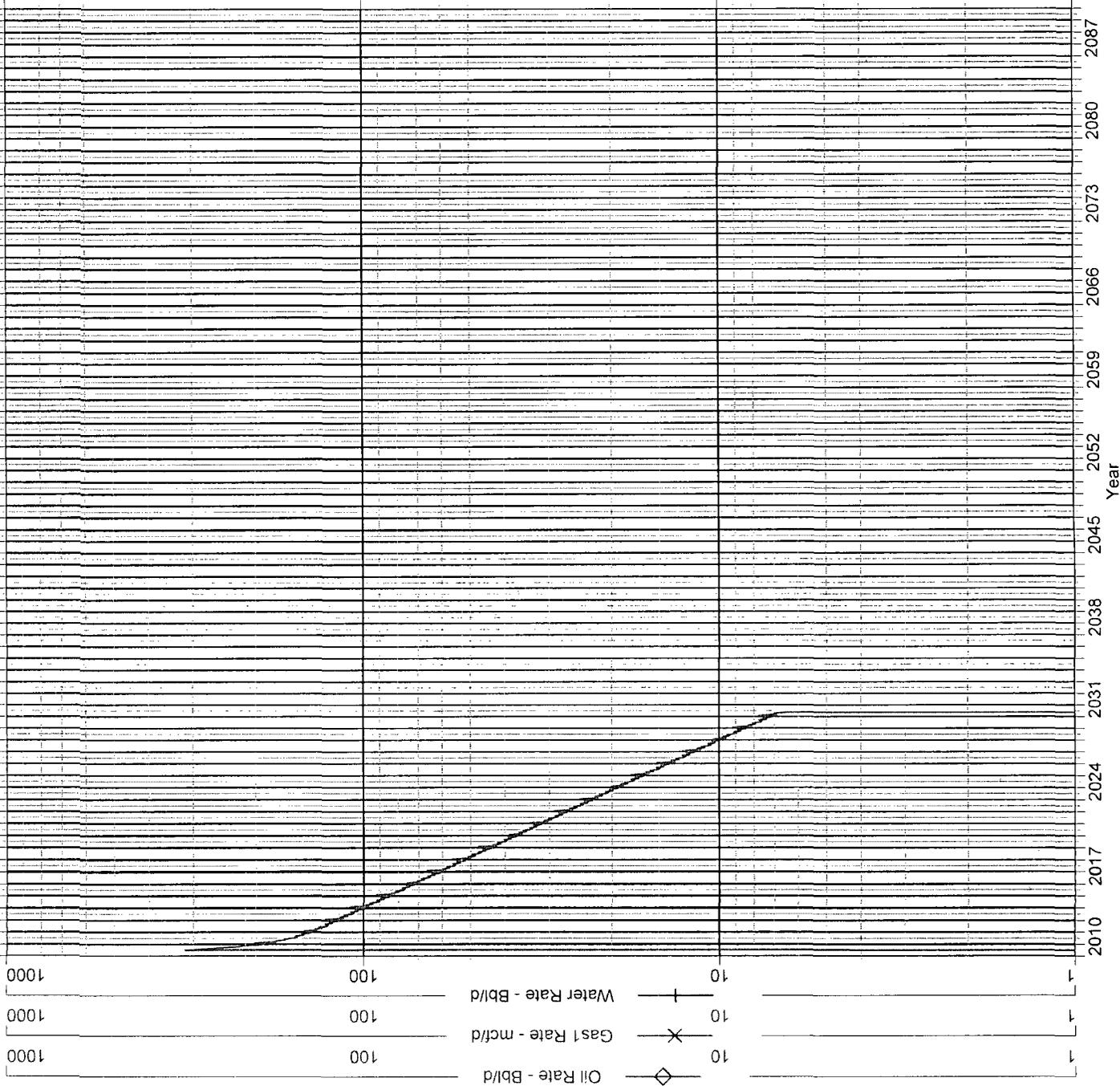
SAN JUAN 28-7 UNIT 111N DK Data: Mar.2010-Mar.2010

Operator:
Field:
Zone:
Type:
Group:

No
Active
Forecast

Production Cums
Oil: 0 MSTB
Gas: 0 MMSCF
Water: 0 MSTB
Cond: 0 MSTB

◇ Oil Rate - Bbl/d
Cum: 0.00
* Gas1 Rate - mcf/d
Cum: 0.00
+ Water Rate - Bbl/d
Cum: 0.00



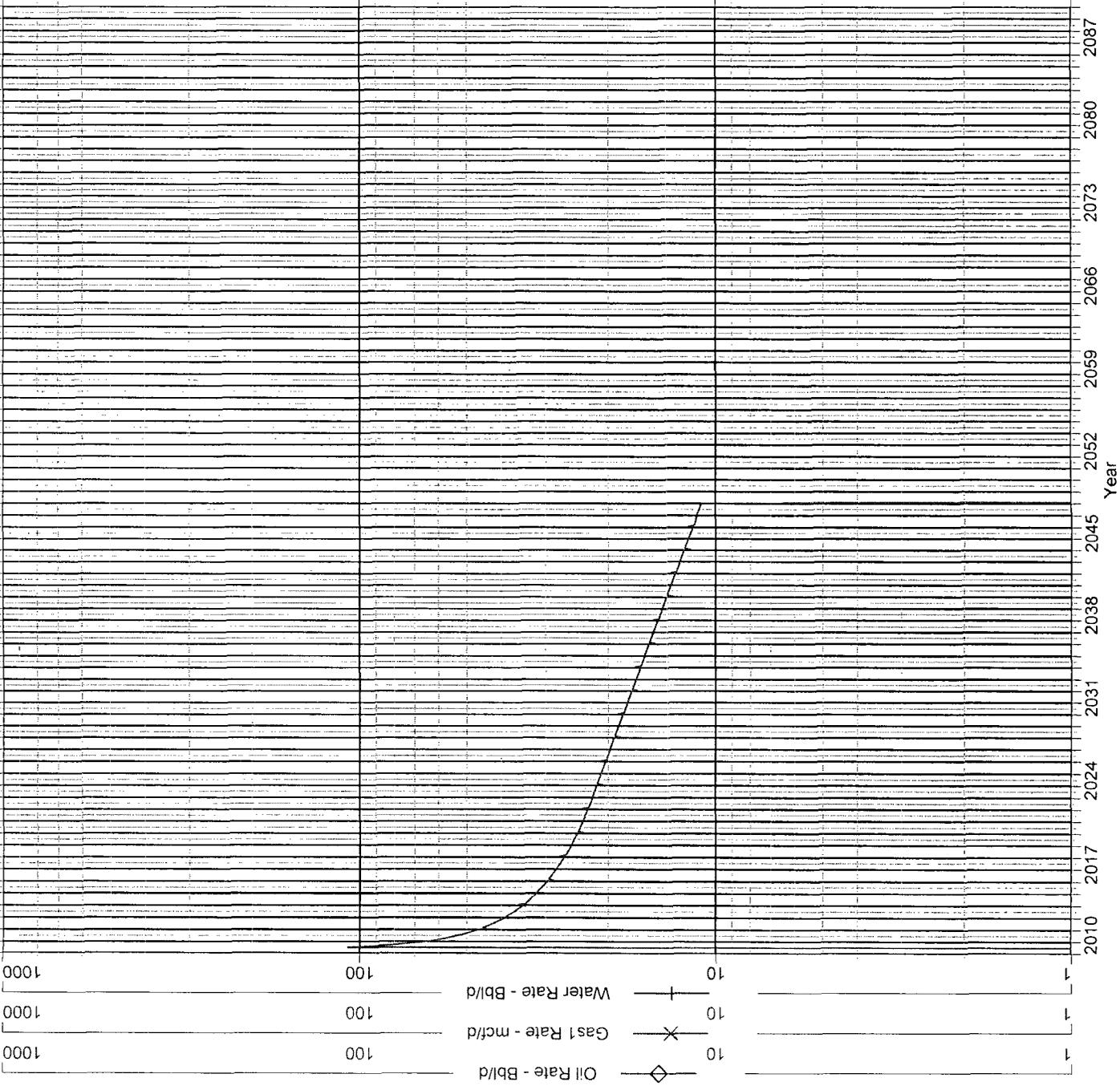
SAN JUAN 28-7 UNIT 111N CH Data: Mar.2010-Mar.2010

Operator:
Field:
Zone:
Type: Other
Group: None

No
Active
Forecast

Production Cums
Oil: 0 MSTB
Gas: 0 MMSCF
Water: 0 MSTB
Condi: 0 MSTB

◇ Oil Rate - Bbl/d
Cum: 0.00
* Gas1 Rate - mcf/d
Cum: 0.00
+ Water Rate - Bbl/d
Cum: 0.00



Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, October 04, 2010 3:56 PM
To: 'dollie.l.busse@conocophillips.com'
Subject: San Juan 28-7 Unit Well #111N; DHC Application

Dear Ms. Busse

I have in hand the reference dowh-hole commingling application.

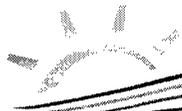
On the Administrative Application Checklist you have checked that notice is required to working and royalty interest owners, and emphasized that by highlighting. However, on the Form C-107A, you have checked "Yes" as the answer to the question, "Are all working, royalty and overriding royalty interests identical in all commingled zones?"

If all interests are identical, notice is not required. If interests are not identical, and notice is required, we will need a list of the persons to whom notice was sent, identifying if they are working or royalty owners and the formation in which they own an interest, and also a statement of the date on which notices were sent.

Please advise

Sincerely

David K. Brooks
Legal Examiner



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jim Noel

Cabinet Secretary

Karen W. Garcia

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



October 18, 2010

Mr. Bill N. Akwari
ConocoPhillips Company
P.O. Box 4289
Farmington, NM 87499

**Re: San Juan 28-7 Unit Well No. 11N
API No. 30-039-30808
Down Hole Commingling Application**

Dear Mr. Akwari

OCD received the referenced application on August 27, 2010.

On October 4, 2010, I sent a email to Dollie Busse pointing out a discrepancy between the information furnished on the Application Checklist and the information on the Form C-107-A regarding necessity of notice of this application to owners.

I am unable to find that I have received a response to my October 4 inquiry, and accordingly return this application herewith.

Sincerely

David K. Brooks

Legal Examiner

505-476-3450

david.brooks@state.nm.us

Oil Conservation Division

1220 South St. Francis Drive • Santa Fe, New Mexico 87505

Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD