

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an
abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF078496
2. Name of Operator CONOCO INC		6. If Indian, Allottee or Tribe Name
3a. Address PO BOX 2197, DU 3084 HOUSTON, TX 77252-2197		7. If Unit or CA/Agreement, Name and/or No. NMNM78413A
3b. Phone No. (include area code) Ph: 832.486.2326 Fx: 832.486.2717		8. Well Name and No. SJ 28-7 52A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 27 T28N R7W SESE 0970FSL 1020FEL 36.62761 N Lat, 107.55473 W Lon		9. API Well No. 30-039-23982-00-S1
		10. Field and Pool, or Exploratory FRUITLAND COAL/SOUTH PC/ MV
		11. County or Parish, and State RIO ARRIBA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Conoco proposes to downhole trimingle this well in the Basin Fruitland Coal, Blanco PC South and Blanco Mesaverde according to the attached procedure.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #15780 verified by the BLM Well Information System For CONOCO INC, sent to the Farmington Committed to AFMSS for processing by Matthew Halbert on 12/05/2002 (03MXH0249SE)	
Name (Printed/Typed) DEBORAH MARBERRY	Title SUBMITTING CONTACT
Signature (Electronic Submission)	Date 11/05/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Jim Lovato</u>	Title	Date <u>DEC 12 2002</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED **

NMOCD

District I
1623 N. French Drive Hobbs, NM 88240

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

☒ Established Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC.

P.O. BOX 2197 WL3 3044 HOUSTON TX 77252

Operator

Address

SAN JUAN 28-7 UNIT

S2A

P SEC27 T28N R7W

RIO ARRIBA

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 005073 Property Code 016608 API No. 30-039-23982 Lease Type ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL	SOUTH BLANCO P.C.	BLANCO MESAVERDE
Pool Code	71629	72349	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3200' - 3324'	3336' - 3382'	4964' - 5696'
Method of Production (Flowing of Artificial Lift)	EXPECTED TO FLOW	EXPECTED TO FLOW	FLOWING
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)	470	380	280
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-in or New Zone	NEW ZONE	NEW ZONE	PRODUCING
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: ATTACHED	Date: Rates: ATTACHED	Date: Rates: ATTACHED
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 % % Test	Oil Gas % % Test	Oil Gas % % Sub-attached

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingling zones?
If not, have all working royalty and overriding royalty interest owners been notified by certified mail?

Yes ☐ No ☒
Yes ☐ No ☒

Are all produced fluids from all commingling zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

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 ☒ No ☐

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

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 10/24/2002

TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. (832)486-2326

District I

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State of New Mexico
Energy, Minerals & Natural Resources DepartmentOIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505Form C-102
Revised August 15, 2000Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-039-23982		2 Pool Code 72319		3 Pool Name BLANCO MESAVERDE	
4 Property Code 016608		5 Property Name SAN JUAN 28-7 UNIT			6 Well Number 52A
7 OGRID No. 005073		8 Operator Name CONOCO, INC.			9 Elevation 6701

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
P	27	28N	7W	970		SOUTH	1020	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 E/2	13 Joint or Infill I	14 Consolidation Code U	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

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature DEBORAH MARBERRY Printed Name REGULATORY ANALYST Title 10/24/2002 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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-039-23982		2 Pool Code 71629		3 Pool Name BASIN FRUITLAND COAL	
4 Property Code 016608		5 Property Name SAN JUAN 28-7 UNIT			6 Well Number 52A
7 OGRID No. 005073		8 Operator Name CONOCO, INC.			9 Elevation 6701

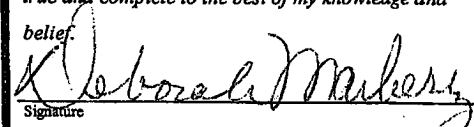
10 Surface Location

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-23982	² Pool Code 72439	³ Pool Name BLANCO PC SOUTH
⁴ Property Code 016608	⁵ Property Name SAN JUAN 28-7 UNIT	⁶ Well Number 52A
⁷ OGRID No. 005073	⁸ Operator Name CONOCO, INC.	⁹ Elevation 6701

¹⁰ Surface Location

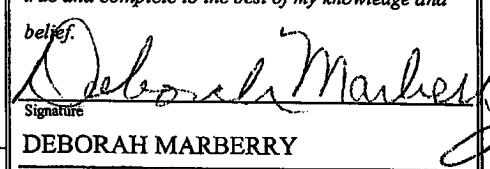
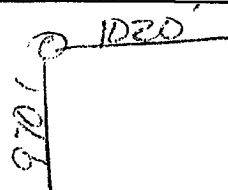
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¹¹ Bottom Hole Location If Different From Surface

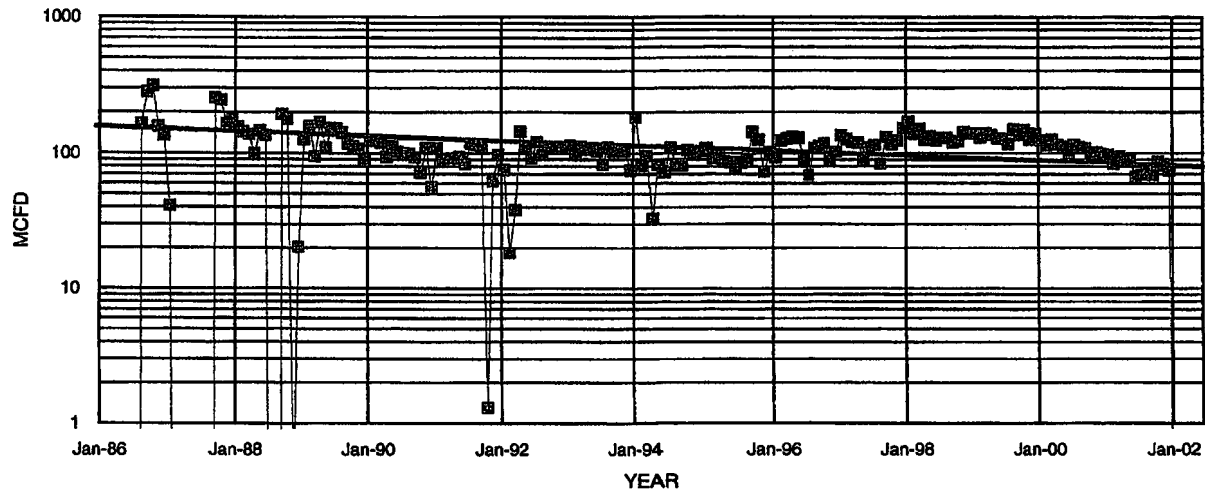
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill I	¹⁴ Consolidation Code U	¹⁵ Order No.
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**SAN JUAN 28-7 UNIT #52A MESAVERDE PRODUCTION
SECTION 27-28N-07W, RIO ARRIBA, NEW MEXICO**



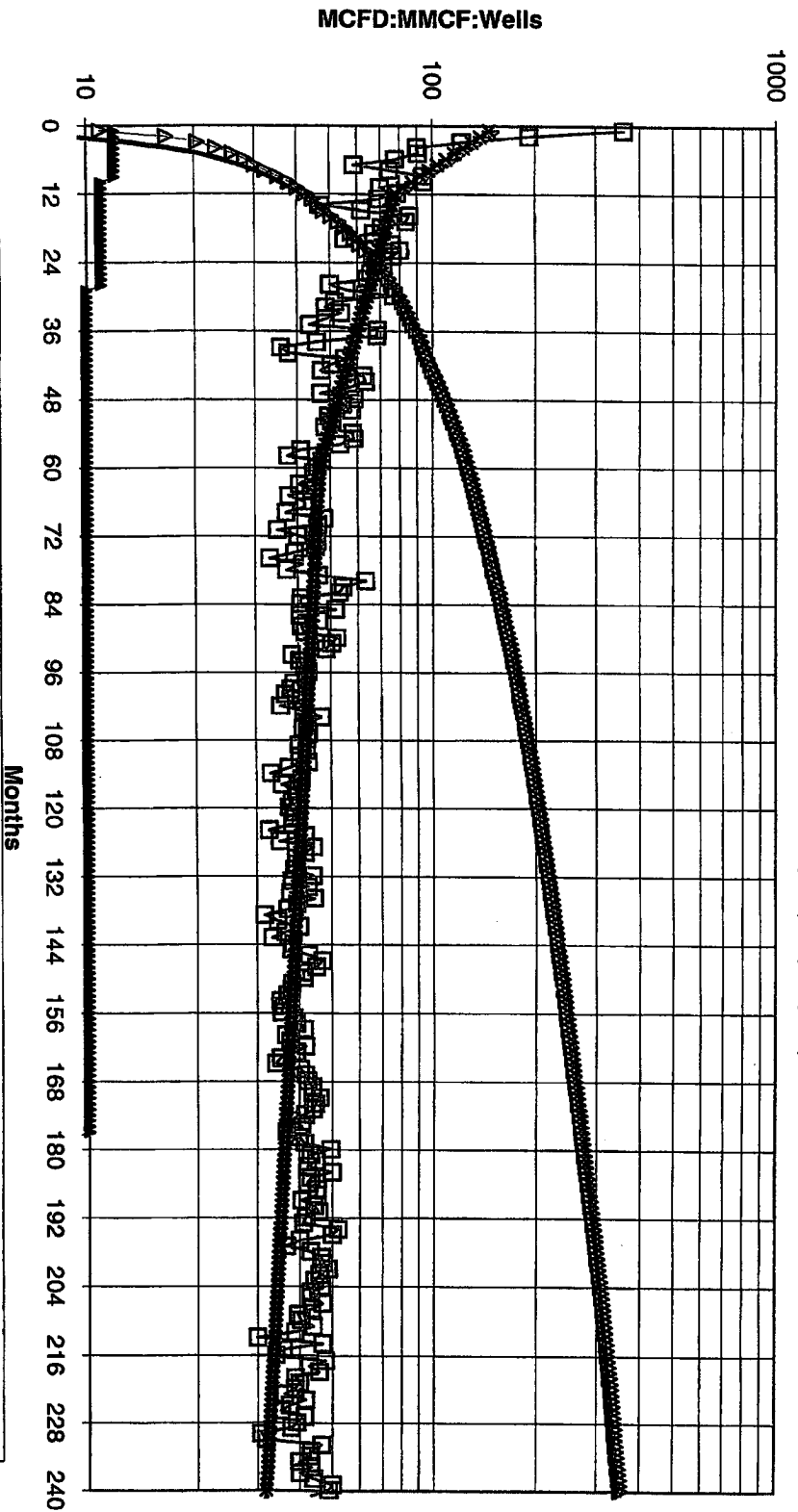
MESAVERDE PRODUCTION		1ST PROD: 08/86		MESAVERDE PROJECTED DATA	
OIL CUM:	3.59	MBO		Jan '02 Qi:	82 MCFD
GAS CUM:	605.4	MMCF		DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	5.93	BBL/MMCF		API #30-039-23982	

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NOTE: Current decline rate is approximately 4.0%/year. This rate is expected to continue for the duration of the well based on production trends observed during the life of this well.
Production data from PEEP.

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
2002	81	0.5
2003	77	0.5
2004	74	0.4
2005	71	0.4
2006	68	0.4
2007	66	0.4
2008	63	0.4
2009	61	0.4
2010	58	0.3
2011	56	0.3
2012	54	0.3
2013	51	0.3
2014	49	0.3
2015	47	0.3
2016	45	0.3
2017	44	0.3
2018	42	0.2
2019	40	0.2
2020	39	0.2
2021	37	0.2
2022	36	0.2
2023	34	0.2
2024	33	0.2
2025	32	0.2
2026	30	0.2
2027	29	0.2
2028	28	0.2
2029	27	0.2
2030	26	0.2
2031	25	0.1
2032	24	0.1

NORMALIZED PICTURED CLIFFS PRODUCTION WELLS LOCATED IN 28-7 SECTIONS 15, 22, 27, 33, 34, 35 AND 36

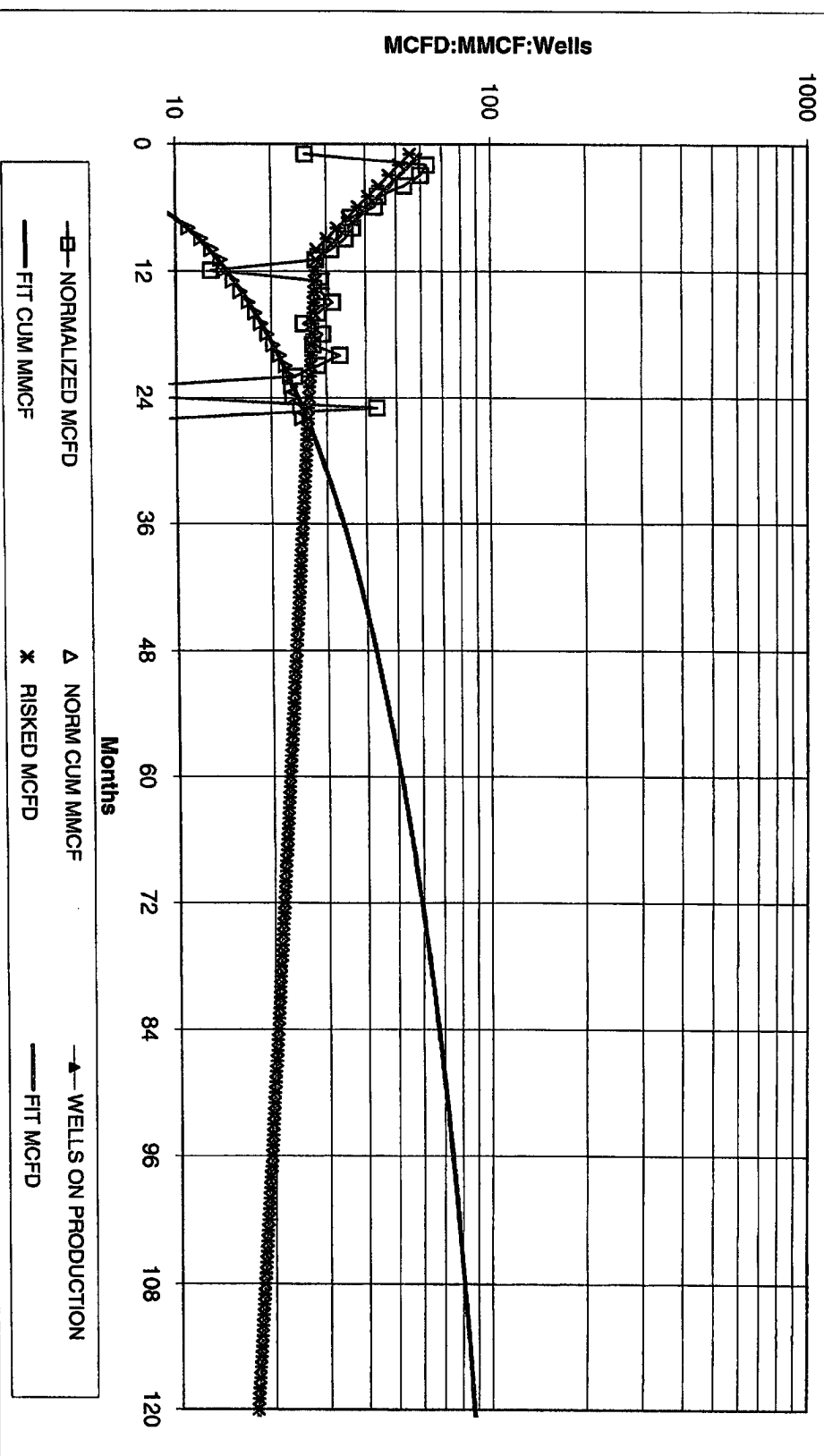


—□— NORMALIZED MCFD Δ NORM CUM MMCF —▲— WELLS ON PRODUCTION
 ——— FIT CUM MMCF * RISKED MCFD ——— FIT MCFD

NORMALIZED AVG:	
655 MMCF EUR	155 MCFD IP
342 MMCF IN 20 YRS	50.0% DECLINE, 1ST 12 MONTHS
523 MMCF IN 40 YRS	12.0% DECLINE, NEXT 48 MONTHS
10 MCFD E.L.	2.5% FINAL DECLINE
0.0000 bbl/mcf oil yield	

Wells 28-7 1, 7, 10, 52, 71, 72, 75, 76, 91, 114, 266, 267.

LOW RATE FRUITLAND COAL PRODUCTION 6 WELLS LOCATED IN 28-7 AND 27-7



NORMALIZED AVG:	
141 MMCF EUR	60 MCFD IP
138 MMCF IN 20 YRS	60.0% DECLINE, 1ST 12 MONTHS
165 MMCF IN 40 YRS	5.0% FINAL DECLINE
10 MCFD E.L.	
0.0000 bbl/mcf oil yield	

28-7 wells 7, 10, 68, 146, 161. 27-7 well 35.