

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CONOCO INC.

3. Address and Telephone No.

10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5424

4. Location of Well (Footage, Sec., T. R. M. or Survey Description)

Section 16, T-26-N R-4-W, J
1675 FSL & 1845 FEL

5. Lease Designation and Serial No.

Cont 104

6. If Indian, Allottee or Tribe Name

Jicarilla

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Jicarilla E # 9M

9. API Well No.

10. Field and Pool, or Exploratory Area

Blanco Mesaverde/ Basin Dakota

11. County or Parish, State

Rio Arriba, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Repon
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Downhole Commingle
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracrunng
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Repon result of multiple completion on Wdl
Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

It is proposed to downhole commingle the Mesaverde and Dakota in this well upon drilling and completion..

AFMSS

Adjud	amj
Engr	OR
Geol	
Surf	
Appvl	OR 5/8/98

RECEIVED
MAY 13 1998
OIL CON. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct

Signed

Kay Maddox

Title

Kay Maddox

Regulatory Agent

Date

4/24/98

(This space for Federal or State of (State))

Approved by

Don R. [Signature]

Title

Lands and Mineral Resources

Date

MAY 8 1998

Conditions of approval if any:

BLM(6), NMOCD(1), SHEAR, PONCA, COST ASST, FILE ROOM

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

DISTRICT II
811 South First St. Artesia NM 88210-2835

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

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

APPLICATION FOR DOWNHOLE COMMINGLING

APPROVAL PROCESS

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☒ NO

Conoco Inc.

10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Jicarilla E

#9M

Section 16, T-26-N, R-4-W, G

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

OGRID NO 005073

Property Code

API NO

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)	5570-6038'		7625-7854'
3 Type of production (Oil or Gas)	Gas		Gas
4 Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5 Bottomhole Pressure	a (Current)	a	a
Oil Zones - Artificial Lift Gas & Oil - Flowing All Gas Zones Estimated Current Measured Current Estimated Or Measured Original	554		1092
	b(Original)	b	b
	1457		2635
6 Oil Gravity (°API) or Gas BT Content	1280		1332
7 Producing or Shut-In?	To be Completed		To be Completed
Production Marginal? (yes or no)	Yes (expected)		Yes (expected)
- If Shut-In give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.</small>	Date Rates	Date Rates	Date Rates
- If Producing, date and oil/gas/water rates of recent test (within 60 days)	Anticipated 1st Yr average 183 MCFD, 1.4 BOPD	Anticipated 1st Yr Average	Anticipated 1st Yr Average 268 MCFD, 4.5 BOPD
8 Fixed Percentage Allocation Formula - % for each zone	Gas	Gas	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. 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 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 4/24/98

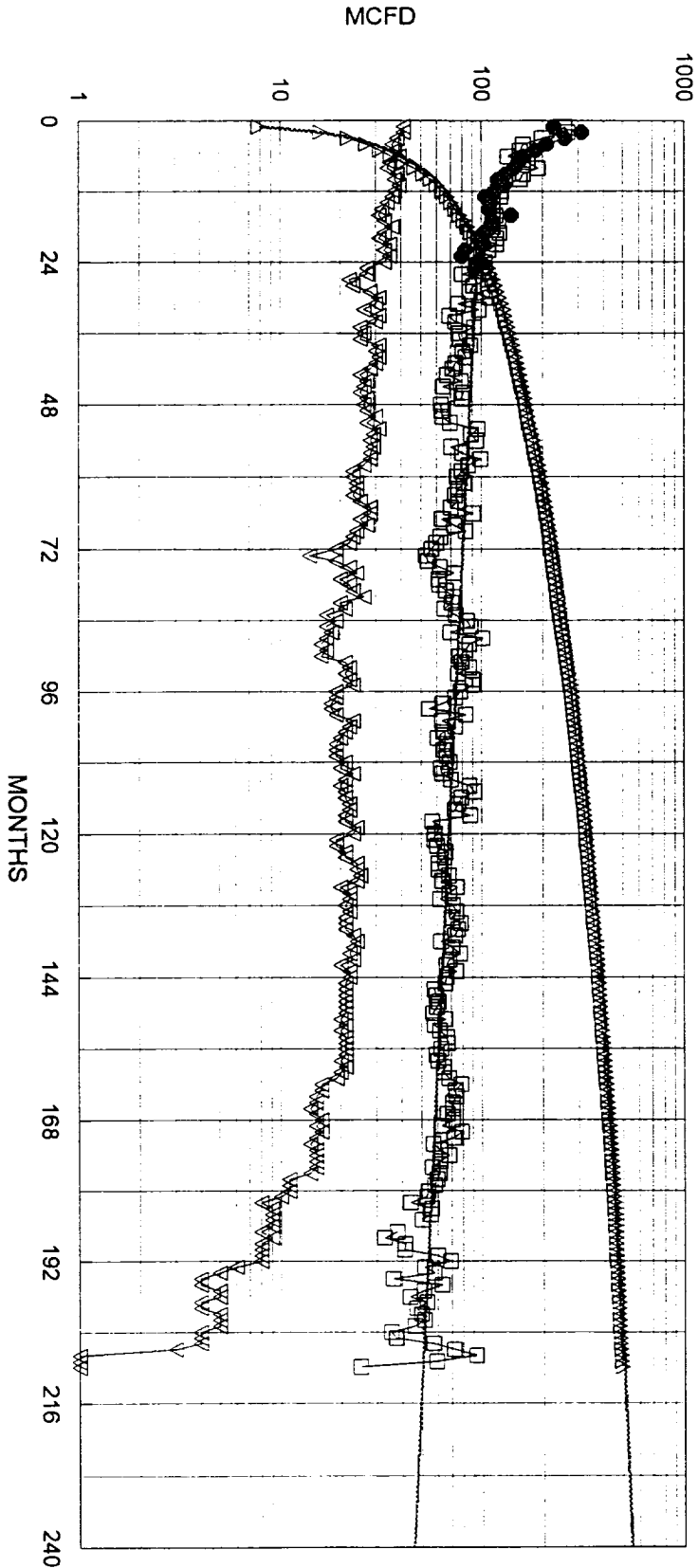
TYPE OR PRINT NAME Kay Maddox TELEPHONE NO (915) 686-5798

APPLICATION FOR DOWNHOLE COMMINGLING

Jicarilla E 9M, Unit Letter G, Section 16-T26N-R4W
Rio Arriba County, New Mexico

As shown in the attached production plot for offsets to the Jicarilla E 9M, estimated ultimate recoveries and initial production rates from infill wells to the Dakota and Mesaverde formations are clearly marginal in this area. Mesaverde estimated recoveries in particular do not justify drilling stand alone wells (549 MMCF recovery in 20 years, 777 MMCF ultimate recovery). Furthermore, production plots from each zone indicate a similar decline profile and a fixed allocation formula can be utilized. Upon completion, both zones will be tested and stabilized flow rates will be used to allocate production from each zone. This procedure is common practice in Conoco's 28-7 Unit and reference is made to Order R-10476-B as it applies to downhole commingling of marginal zones and the allocation of production between such zones.

NORMALIZED MESASVERDE PRODUCTION
41 WELLS SINCE 1980; TOWNSHIP 26N RANGE 4W

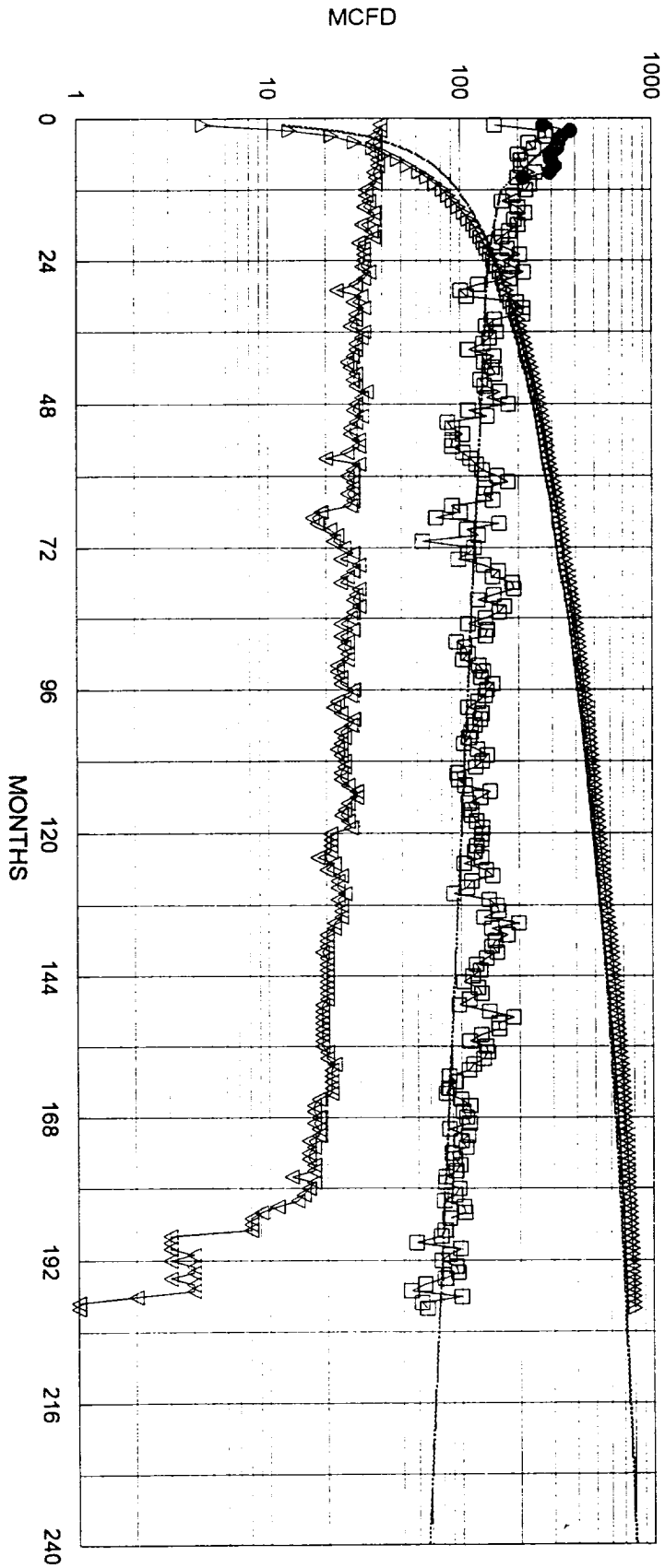


— FIT MCFD □ NORMALIZED MCFD △ NORM CUM MMCF
▽ WELLS ON PRODUCTION — FIT CUM MMCF ● 7 RECENT CONOCO WELLS

NORMALIZED AVG & EXPECTED AVG. NEW COMPLETION RATES:

777 MMCF EUR	280 MCFD IP	JICARILLA A	13	13E-26N-4W	JICARILLA E	10E	22B-26N-4W
649 MMCF IN 20 YR	60% DECLINE, 1ST 12 MONTHS	JICARILLA E	7E	15B-26N-4W	JICARILLA A	10	23O-26N-4W
20 MCFD E.L.	15% DECLINE, NEXT 12 MONTHS	JICARILLA E	8M	15K-26-4W	JICARILLA B	9A	26D-26N-4W
0.0077 bbl/mcf oil yield	4.0% FINAL DECLINE	JICARILLA E	9	16B-26N-4W			

NORMALIZED DAKOTA PRODUCTION
39 WELLS SINCE 1980; 26N-4W (MERIT JICARILLA A,B,&E OFFSETS)



NORMALIZED AVG AND EXPECTED NEW COMPLETION AVG:

1221 MMCF EUR
804 MMCF IN 20 YRS
20 MCFD E.L.
0.0167 bbl/mcf oil yield

410 MCFD IP
60% DECLINE, 1ST 12 MONTHS
15% DECLINE, NEXT 12 MONTHS
4% FINAL DECLINE

RECENT WELLS (1993 AND NEWER):

JICARILLA E 7E 15K-26N-4W
JICARILLA E 8M 15B-26N-4W

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

2. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ☐

MULTIPLE ☐

3. NAME OF OPERATOR

Conoco Inc.

4. ADDRESS AND TELEPHONE NO.

10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500

915-686-5794

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)

At surface

1675' FNL & 1845' FEL

At proposed prod. zone

1675' FNL & 1845' FEL

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE *

7. DISTANCE FROM PROPOSED *

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

8. DISTANCE FROM PROPOSED LOCATION *

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

9. NO. OF ACRES IN LEASE

10. NO. OF ACRES ASSIGNED
TO THIS WELL

320

11. PROPOSED DEPTH

8159'

12. ROTARY OR CABLE TOOLS

Rotary

13. ELEVATIONS (Show whether DF, RT, GR, etc.)

6764' GR

14. APPROX. DATE WORK WILL START *

4/15/98

15

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55, 9-5/8"	36#	300'	160 sxs, circ.
8-3/4"	K-55, 7"	23#	3883'	485 sxs, circ.
6-1/4"	K-55, 4-1/2"	10.5#	7859'	400 sxs, toc @ 3700'

It is proposed to drill vertical wellbore to be downhole commingled in the Blanco Mesaverde and Basin Dakota Pools following the acquisition of sufficient production test data for allocation purposes. A downhole commingling application will be filed with the BLM and NMOCD prior to commingling. A NOS was filed 10/31/97. This well will drilled and equipped according to the following attachments:

1. Well Location & Acreage Dedication Plat (C-102) and other associated plats.
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan with Production Facility Layout.
6. Pipeline survey plat.

This application includes ROW's for the wellpad and access road.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Mike L. Mankin TITLE Right-of-Way Agent DATE March 4, 1998

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

Section 11
Blanco Mesaverde, NM 87504-2088
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Blanco Mesaverde, NM 87504-2088
Instructions on back
Report to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
		72319 / 71599	Blanco Mesaverde/Basin Dakota
*Property Code	*Property Name		*Well Number
18022	JICARILLA E		9M
*GASID No	*Operator Name		*Elevation
005073	CONOCO, INC.		5754'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
J	16	26N	4W		1675	South	1845	East	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres	*Joint or Infill	*Consolidation Code	*Order No.
320			

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

5280.00'	5269.44'	16	1845'	1675'	5274.72'	7 OPERATOR CERTIFICATION	
						I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
						Signature	
						Mike L. Mankin	
						Printed Name	
						Right-Of-Way Agent	
						Title	
						3-3-98	
						Date	
						8 SURVEYOR CERTIFICATION	
						I hereby certify that the well location shown on this plat is 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.	
						NOVEMBER 18, 1997	
						Date of Survey	
						Signature and Seal of Professional Surveyor	
						NEALE C. EDWARDS	
						NEW MEXICO	
						6857	
						REGISTERED PROFESSIONAL SURVEYOR	
						Certificate Number	

Jicarilla E # 9M
Section 16, T-26-N, R-~~5~~4W,
Rio Arriba County, TX

RE: Application C-107A to Downhole Commingle

Notification of Offset Operators:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Amoco
PO Box 800
Denver, CO 80201

Chateau Oil & Gas
2515 McKinney Ave STE 840
Dallas, TX 75201

A copy of the C-107A has been sent to the above listed parties

CONDITIONS OF APPROVAL FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Well Name Jic. 104 E #9M

1. The individual production zones will be tested every three years, or more often if production rates indicate a change to allocation factors, to verify that the allocation factors and methods remain proper.
2. Production from downhole commingled wells are to be reported with an alpha character, "C" (ie C1, C2, etc).
3. The following modifications to your downhole commingling program are to be made :

Submit production allocation formula upon completion of testing.

Submit well bore diagram upon completion of well.