

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
211 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 B. 2A-16 I Section 25, T-26-N, R-4-W, 1 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 ☐ (undrill) 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)	5946-6418'		8013-8231'
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 Estimated Current	645		1090
Gas & Oil - Flowing Measured Current	b (Original)	b	b
All Gas Zones Estimated Or Measured Original	1326		2483
6. Oil Gravity ("API) or Gas BT Content	1281		1308
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	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	Date Rates	Anticipated 1st Yr Average 268 MCFD, 4.5 BOPD
8. Fixed Percentage Allocation Formula - % for each zone			

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-flow 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

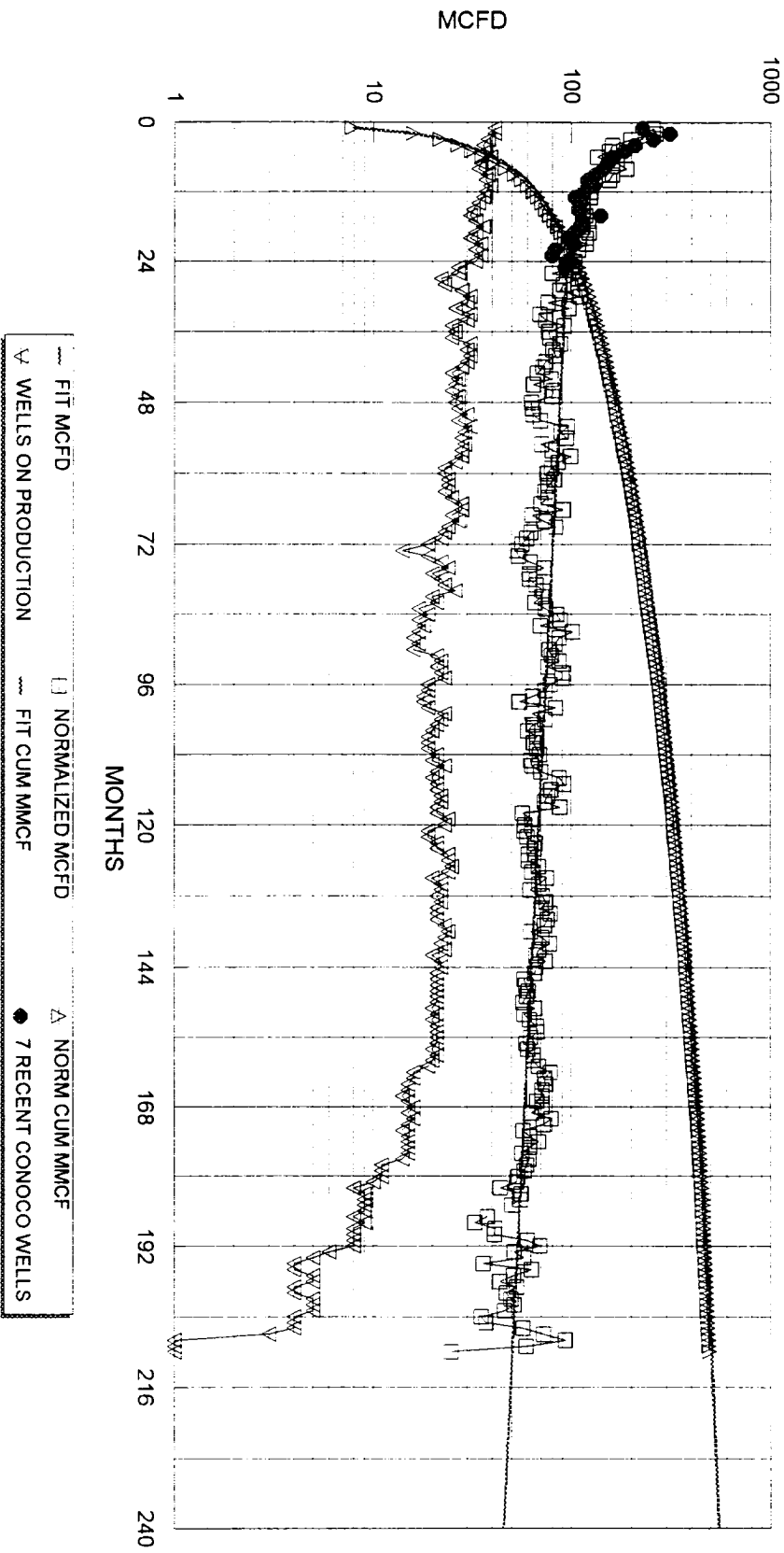
RECEIVED
APR 27 1998
OIL CONSERVATION DIVISION
SANTA FE, NM

APPLICATION FOR DOWNHOLE COMMINGLING

Jicarilla B 16, Unit Letter I, Section 25-T26N-R4W
Rio Arriba County, New Mexico

As shown in the attached production plot for offsets to the Jicarilla B 16, 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 MESAVERDE PRODUCTION
41 WELLS SINCE 1980: TOWNSHIP 26N RANGE 4W



NORMALIZED AVG. & EXPECTED AVG. NEW COMPLETION RATES:

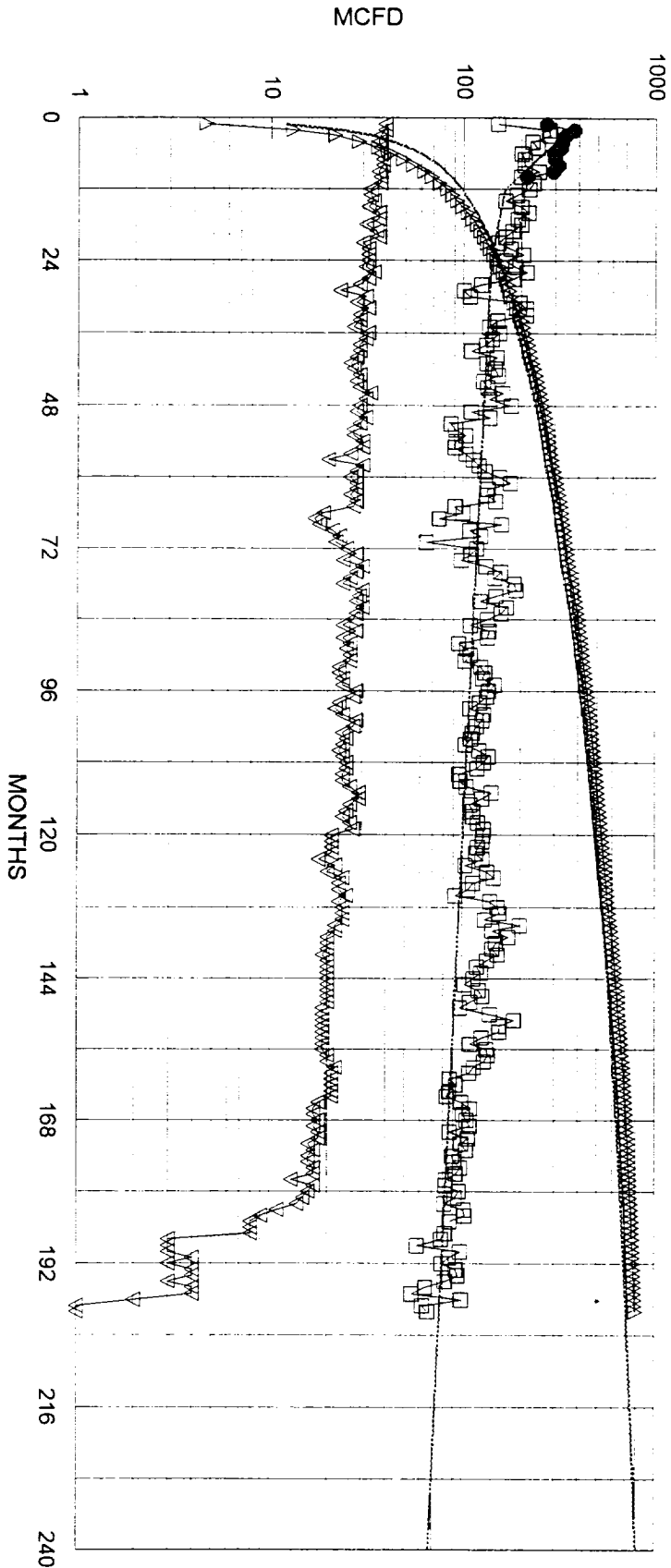
777 MMCF EUR
549 MMCF IN 20 YR
20 MCFD E.L.
0.0077 bbl/mcf oil yield

280 MCFD IP
60% DECLINE, 1ST 12 MONTHS
15% DECLINE, NEXT 12 MONTHS
4.0% FINAL DECLINE

RECENT WELLS IN 26N 04W (1993 AND NEWER)					
JICARILLA A	13	13E-26N-4W	JICARILLA E	10E	22B-26N-4W
JICARILLA E	7E	15B-26N-4W	JICARILLA A	10	23O-26N-4W
JICARILLA E	8M	15K-26-4W	JICARILLA B	9A	26D-26N-4W
JICARILLA E	9	16B-26N-4W			

NORMALIZED DAKOTA PRODUCTION

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



— FIT MCFD △ NORMALIZED MCFD ◆ JICARILLA E 7E & 8M
▽ WELLS ON PRODUCTION --- FIT CUM MMCF

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 <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		4. LEASE DESIGNATION AND SERIAL NO. CONT 106	
2. NAME OF OPERATOR Conoco Inc.		5. IF INDIAN, ALLOTTEE OR TRIBE NAME JICARILLA	
3. ADDRESS AND TELEPHONE NO. 10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500 915-686-5794		6. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 1540' FSL & 1185' FEL At proposed prod. zone 1540' FSL & 1185' FEL		7. FARM OR LEASE NAME WELL NO. JICARILLA B #16	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		8. API WELL NO.	
5. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		9. FIELD AND POOL, OR WILDCAT Blanco MV/Basin Dakota	
6. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		10. SEC. T. R. M. OR BLK. AND SURVEY OR AREA Sec. 25, T26N, R4W	
16. NO. OF ACRES IN LEASE		11. COUNTY OR PARISH Rio Arriba	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		12. STATE NM	
19. PROPOSED DEPTH 8531'		13. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7186' GR		22. APPROX. DATE WORK WILL START* 4/15/98	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	K-55, 8-5/8"	24#	300'	130 sxs, circ.
7-7/8"	K-55, 5-1/2"	15.5#	8231'	1195 sxs, circ.

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.

CIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

*API Number		*Pool Code		*Pool Name					
		72319/71599		Blanco Mesaverde/Basin Dakota					
*Property Code		*Property Name						*Well Number	
		JICARILLA B						16	
*CGP ID No		*Operator Name						*Elevation	
005073		CONOCO, INC.						7136'	
10 Surface Location									
UL or lot no	Section	Township	Range	Lot ID#	Feet from the	North/South line	Feet from the	East/West line	County
I	25	26N	4W		1540	South	1185	East	BL P10 ARFIBA
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot ID#	Feet from the	North/South line	Feet from the	East/West line	County
2 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 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

15

5278.68'

5280.00'

25

5280.00'

5266.80'

1185'

1540'

17 OPERATOR CERTIFICATION

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

M. L. Mackin

Signature

Mike L. Mackin

Printed Name

Right-Of-Way Agent

Title

3-3-98

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.

NOVEMBER 18, 1997

Date of Survey

Signature and Seal of the Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

6857

Certification

Jicarilla B #16
Section 25, T-26-N, R-4-W, I
Rio Arriba, New Mexico

RE: Downhole Commingle C107A Application

Notification of Offset Operators:

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

Burlington Resources
PO Box 4289
Farmington, NM 87499

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

CONDITIONS OF APPROVAL FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Well Name Jic. 106 B #16

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.

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 25, T-26-N R-4-W, 1
1540' FSL & 1185' FEL

5. Lease Designation and Serial No

CONT 106

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Jicarilla B # 16

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 Well 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	amy
Engr	DB
Geol	
Surf	
Appvi	DB 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 office use)

Approved by

Don R. St...

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