

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

DISTRICT II
811 South 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

Conoco Inc.

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

Reames COM

#3R

Section 19, T-26-N, R-6-W, M

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

OGRID NO. 005073

Property Code

API NO

30-039-25846

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 Meaverde 72319		Basin Dakota 71599
2 TOP and Bottom of Pay Section (Perforations)	4592-4943'		6667-7008'
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) 731	a	842
Oil Zones - Artificial Lift Gas & Oil - Flowing Measured Current All Gas Zones Estimated Or Measured Original	b (Original) 1316	b	2889
6 Oil Gravity (*API) or Gas BT Content	1314		1262
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
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)	Date Rates Anticipated 1st Year Average 133 MCFD, 2.3 BOPD	Date Rates	Date Rates Anticipated 1st Year Average 266 MCFD, 2.3 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

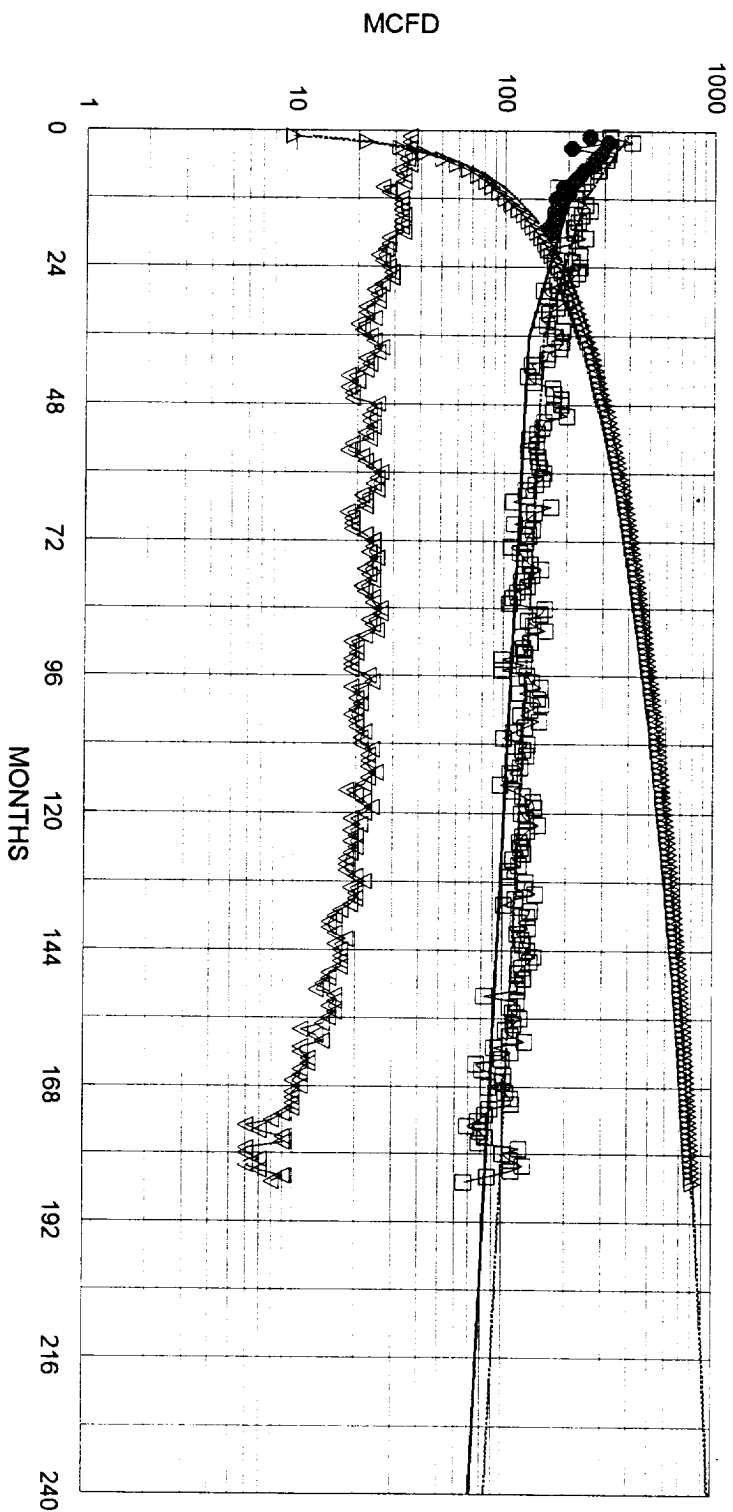
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation 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 July 23, 1998

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

NORMALIZED DAKOTA PRODUCTION OFFSET TO REAMES COM LEASE: 19-26-6
 25 SECTION AREA: 35 WELLS SINCE 1980; 5 WELLS SINCE 1994



— FIT MCFD □ NORMALIZED MCFD △ NORM CUM MMCF ▽ WELLS ON PRODUCTIO
 FIT CUM MMCF — RISKED MCFD ◆ 5 NEW WELLS (>'94)

NORMALIZED AVG:

1624 MMCF EUR
 973 MMCF IN 20 YRS
 20 MCFD E.L.
 0.0088 bbl/mcf oil yield

400 MCFD IP
 40% DECLINE, 1ST 12 MONTHS
 20% DECLINE, NEXT 24 MONTHS
 3.5% FINAL DECLINE

RISKED AVG:

15% RISK (DEPLETION); EXPECTED NEW WELL RATE
 1360 MMCF EUR 340 MCFD IP
 827 MMCF IN 20 YR 40.0% DECLINE, 1ST 12 MONTHS
 20 MCFD E.L. 20.0% DECLINE, NEXT 24 MONTHS
 0.0088 bbl/mcf oil yield 3.5% FINAL DECLINE

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-039-25846		2 Pool Code 72319/71599		3 Pool Name Blanco Mesaverde/Basin Dakota	
4 Property Code 016606		5 Property Name REAMS COM			6 Well Number 3R
7 OGRID No. 005073		8 Operator Name CONOCO, INC.			9 Elevation 6165'

10 Surface Location

11 Well or lot no. M	12 Section 19	13 Township 26N	14 Range 6W	15 Lot Ion	16 Feet from the 1090	17 North/South line South	18 Feet from the 790	19 East/West line West	20 County RIO ARriba
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11 Bottom Hole Location If Different From Surface

21 Well or lot no.	22 Section	23 Township	24 Range	25 Lot Ion	26 Feet from the	27 North/South line	28 Feet from the	29 East/West line	30 County
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31 Dedicated Acres 320	32 Joint or Infill Y	33 Consolidation Code C(MV)	34 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

<p>1347.06'</p> <p>1333.20'</p> <p>2667.06'</p> <p>2653.20'</p> <p>2592.48'</p> <p>790'</p> <p>1090'</p> <p>1351.58'</p> <p>1330.56'</p> <p>2651.12'</p> <p>5321.58'</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Mike L. Mankin</i></p> <p>Signature</p> <p>Mike L. Mankin</p> <p>Printed Name</p> <p>Right-Of-Way Agent</p> <p>Title</p> <p>2-26-98</p> <p>Date</p>
<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>19</p>		<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>NOVEMBER 10, 1997</p> <p>Date of Survey</p> <p>Signature and Seal of NEALE C. EDWARDS</p> <p>NEALE C. EDWARDS</p> <p>NEW MEXICO</p> <p>6857</p> <p>REGISTERED PROFESSIONAL SURVEYOR</p>

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Conoco Inc.

3a. ADDRESS AND TELEPHONE NO.

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

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

At surface

1090' FSL & 790' FWL

At proposed prod. zone

1090' FSL & 790' FWL

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

5. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if Any)

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

8. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

7008'

20. ROTARY OR CABLE TOOLS

Rotary

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

6165' GR

22. APPROX. DATE WORK WILL START*

3/25/98

23. 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 4-1/2"	10.5#	7008'	1,450 sxs, circ.

It is proposed to drill a vertical wellbore to the Blanco Mesaverde and Basin Dakota Pools. An NOS was filed 10/30/97. The well will be drilled and equipped according to the following additional attachments:

1. Well Location & Acreage Dedication Plat (C-102).
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan with Production Facility layout.

This application includes ROW's for the well pad, cathodic protection and pipeline.

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.

24.

SIGNED

Jo Ann Johnson

TITLE

Jo Ann Johnson
Property Analyst

DATE

2-26-98

(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.

Reams COM #3R
Section 19, T-26-N, R-6-W, M
Rio Arriba, New Mexico

RE: Downhole Commingle C107A Application

Notification of Offset Operators:

Caulkins Oil Co.
1600 Broadway STE 2100
Denver, CO 80202

Burlington Resources
PO Box 4289
Farmington, NM 87499

Central Resources Inc
1775 Sherman St
2600 Mellon Center
Denver, Co 80203

Little Oil & Gas Inc
PO Box 1258
Farmington, NM 87499

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