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

APPLICATION FOR DOWNHOLE COMMINGLING

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

APPROVAL PROCESS :
_X_ Administrative ___Hearing

EXISTING WELLBORE
__ YES __x_ NO

Burlington Resources Oil & Gas Company — Operator
PO Box 4289, Farmington, NM 87499 — Address

KAIME — Lease
2 — Well No.
A 20-26N-06W — Unit Ltr. - Sec - Twp - Rge
Rio Arriba — County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code API NO. 30-039-26137 Federal x State (and/or) Fee x .

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Otero Chacra - 82329	Blanco Mesaverde - 72319	Basin Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	will be supplied upon completion	will be supplied upon completion	Supplied upon completion
3. Type of production (Oil or Gas)	gas	gas	gas
4. Method of Production (Flowing or Artificial Lift)	flowing	flowing	flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 413 psi (see attachment) (Original) b. 1035 psi (see attachment)	a. 742 psi (see attachment) b. 1119 psi (see attachment)	a. 1010 psi (see attachment) b. 2731 psi (see attachment)
6. Oil Gravity (API) or Gas BTU Content	BTU 1171	BTU 1185	BTU 1229
7. Producing or Shut-In?	shut in	shut in	shut in
Production Marginal? (yes or no)	no	no	yes
* If Shut-In 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:	Date: Rates:	Date: n/a Rates:
* If Producing, give data and oil/gas/water water of recent test (within 60 days)	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % will be supplied upon completion	Oil: % Gas: %	Oil: % Gas: % will be supplied upon completion

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OIL CON. DIV.
DIST. 3

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 __x_No
If not, have all working, overriding, and royalty interests been notified by certified mail? _x_Yes ____No
Have all offset operators been given written notice of the proposed downhole commingling? _x_Yes ____No

11. Will cross-flow occur? _x__ 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. __x___ Yes _____No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? __x_ Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes _X_ 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. _X__Yes ___ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). ___Reference Order _____

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 [signature] for BWF TITLE: Production Engineer DATE: 03-29-99

TYPE OR PRINT NAME Wayne Fletcher TELEPHONE NO. (505) 326-9871

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-
Revised February 21, 1
Instructions on
Submit to Appropriate District Of
State Lease - 4 Co
Fee Lease - 3 Co

☐ AMENDED REPO

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹API Number	²Pool Code	³Pool Name
30-039-	71599 82329/72319/	Otero Chacra/Blanco Mesaverde/Basin Dak

⁴Property Code	⁵Property Name	⁶Well Number
	KAIME	2

⁷OGRID No.	⁸Operator Name	⁹Elevation
14538	BURLINGTON RESOURCES OIL & GAS COMPANY	6387'

¹⁰ Surface Location

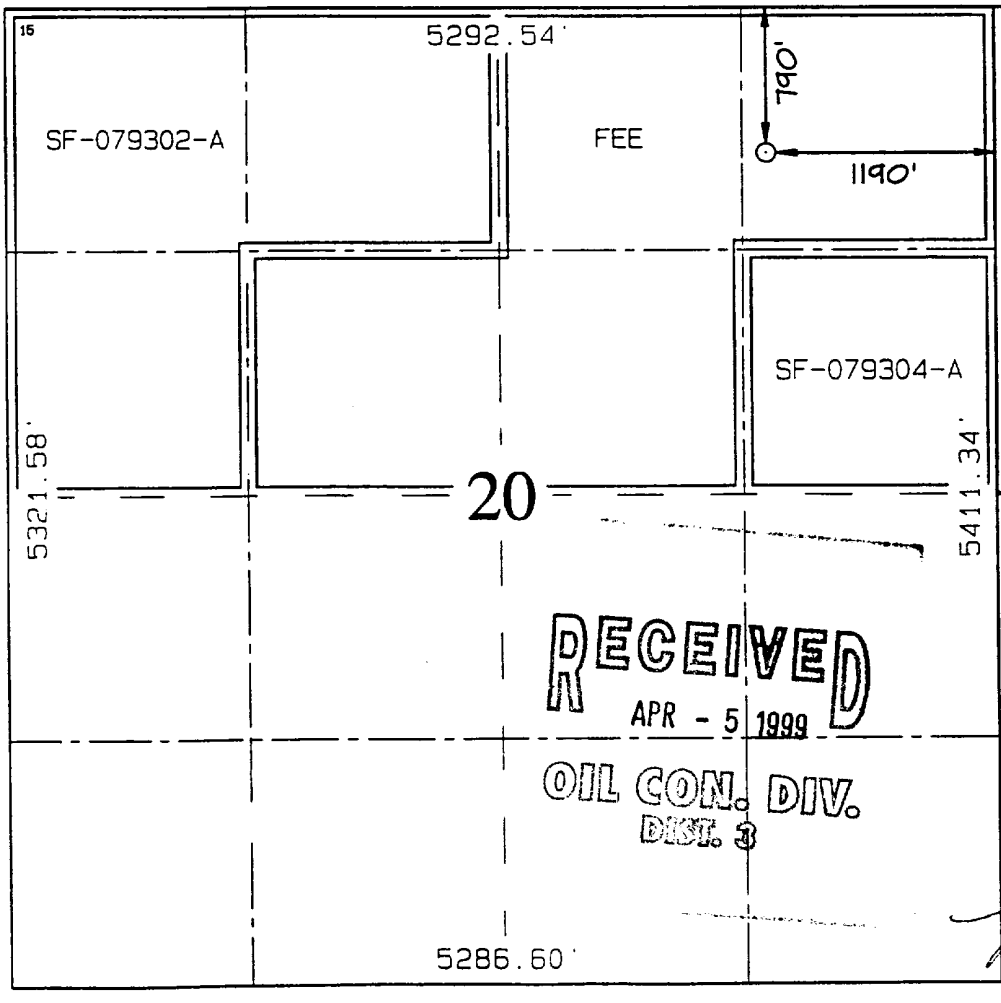
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	26N	6W		790	NORTH	1190	EAST	RIO ARRIB

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	¹⁴ Consolidation Code	¹⁵ Order No.
MV-N/320 DK-N/320 Cha-160			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATE
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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APR - 5 1999
OIL CON. DIV.
DIST. 3

¹⁷ OPERATOR CERTIFICATI

I hereby certify that the information contained here
true and complete to the best of my knowledge and b

Signature

Peggy Bradfield
Printed Name

Regulatory Administra
Title

Date

¹⁸ SURVEYOR CERTIFICATI

I hereby certify that the well location shown on th
was plotted from field notes of actual surveys made
or under my supervision, and that the same is true a
correct to the best of my belief.

MARCH 2, 1999
Date of Survey

Signature and Seal of Professional Surveyor

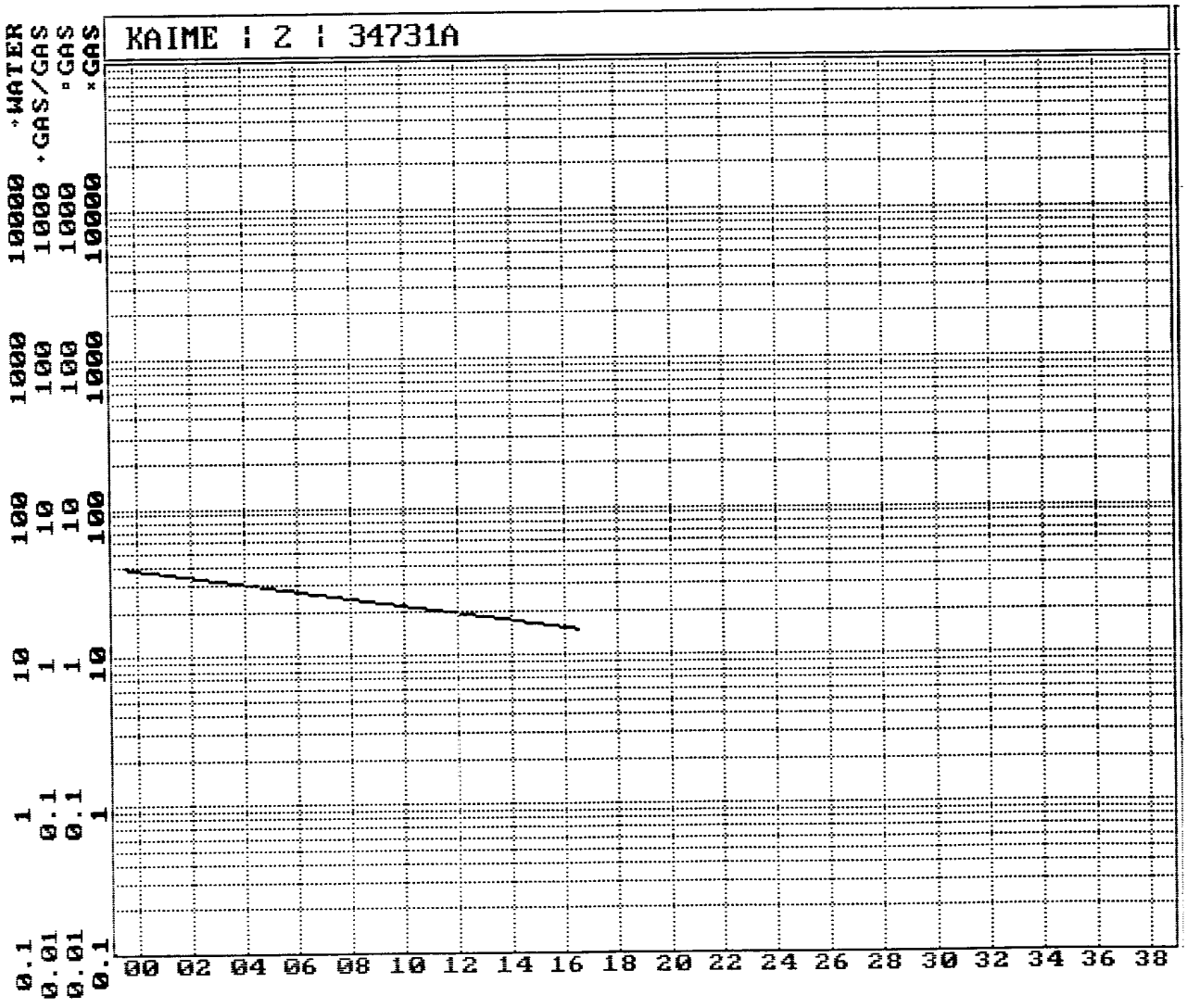
NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number 6857

Kaime #2

Expected Production Curve

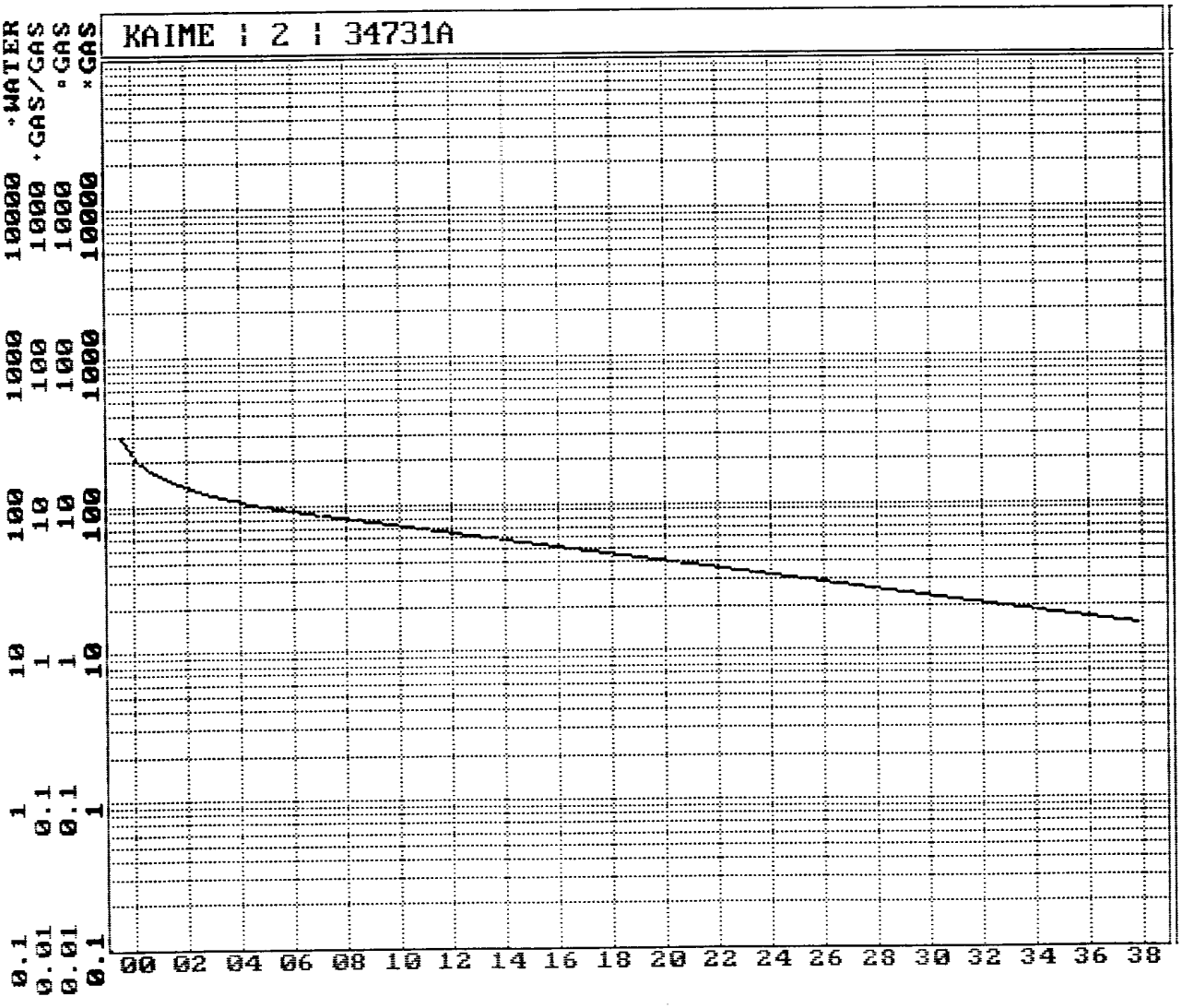
Chacra Formation



Kaime #2

Expected Production Curve

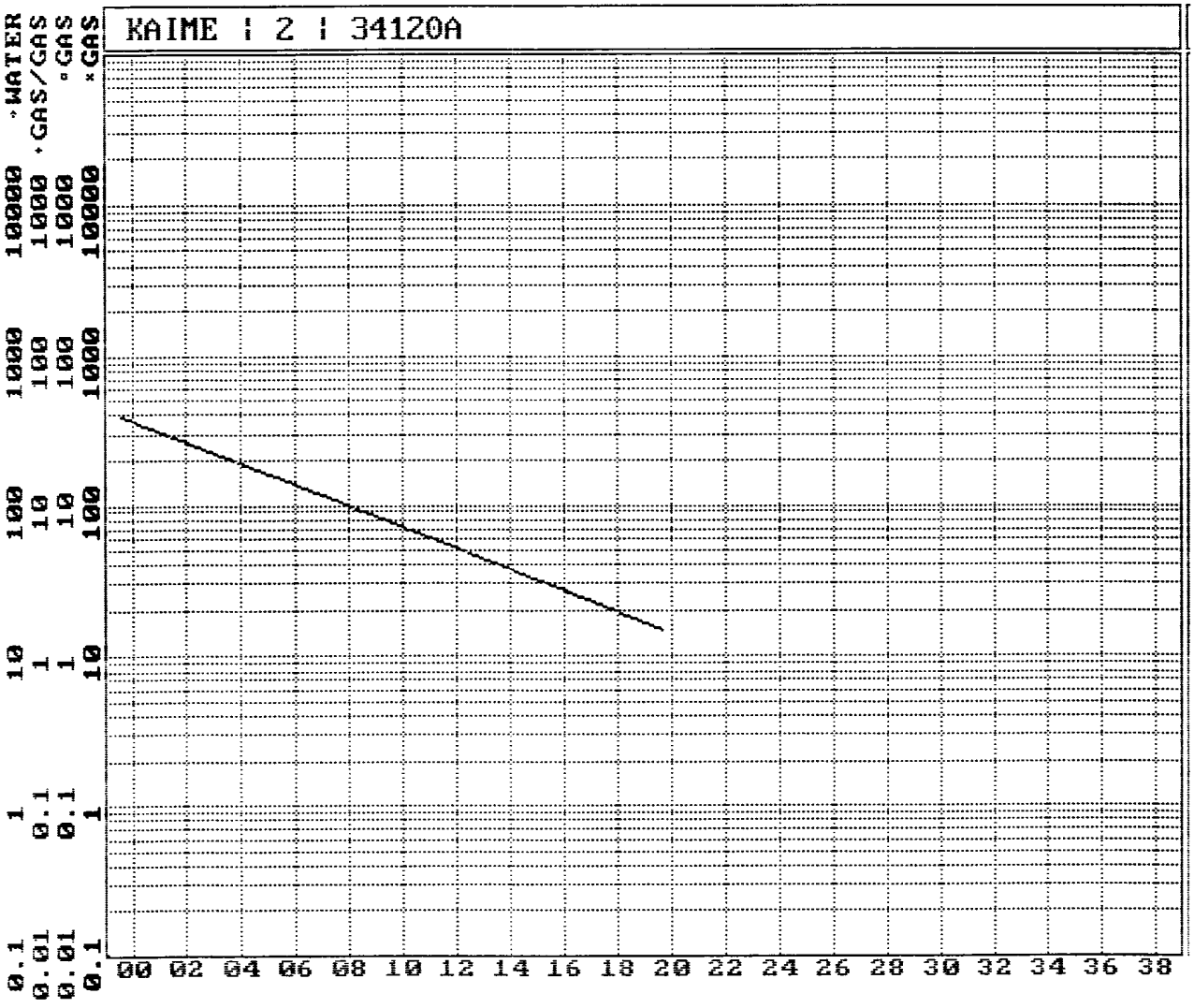
Mesaverde Formation



Kaime #2

Expected Production Curve

Dakota Formation



Kaime #2

Bottom Hole Pressures

Flowing and Static BHP

Cullender and Smith Method

Version 1.0 3/13/94

Chacra

CH-Current

GAS GRAVITY	0.678
COND. OR MISC. (C/M)	C
%N2	0.5
%CO2	0.23
%H2S	0
DIAMETER (IN)	2.875
DEPTH (FT)	3039
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	384
BOTTOMHOLE PRESSURE (PSIA)	413.4

CH-Original

GAS GRAVITY	0.678
COND. OR MISC. (C/M)	C
%N2	0.5
%CO2	0.23
%H2S	0
DIAMETER (IN)	2.875
DEPTH (FT)	3039
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	954
BOTTOMHOLE PRESSURE (PSIA)	1034.8

Kaime #2

Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method
Version 1.0 3/13/94

Mesaverde

MV-Current

GAS GRAVITY	0.692
COND. OR MISC. (C/M)	C
%N2	1.01
%CO2	0.19
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	5265
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	647
BOTTOMHOLE PRESSURE (PSIA)	742.4

MV-Original

GAS GRAVITY	0.692
COND. OR MISC. (C/M)	C
%N2	1.01
%CO2	0.19
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	5265
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	967
BOTTOMHOLE PRESSURE (PSIA)	1118.5

Dakota

DK-Current

GAS GRAVITY	0.722
COND. OR MISC. (C/M)	C
%N2	0.55
%CO2	0.57
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	7107
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	837
BOTTOMHOLE PRESSURE (PSIA)	1010.4

DK-Original

GAS GRAVITY	0.722
COND. OR MISC. (C/M)	C
%N2	0.55
%CO2	0.57
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	7107
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	2213
BOTTOMHOLE PRESSURE (PSIA)	2730.5

Page No.: 1
Print Time: Tue Feb 09 12:59:34 1999
Property ID: 7901
Property Name: SANCHEZ A | 3 | 53555B-1
Table Name: K:\ARIES\RR99PDP\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi
06/17/68	0	954.0
10/25/68	12000	709.0
05/29/69	48932	539.0
03/05/70	89042	472.0
07/14/71	140815	457.0
08/01/72	180799	391.0
08/28/73	213530	380.0
02/21/75	254951	397.0
04/28/75	259422	394.0
03/01/93	514552	384.0

Kaime #2

Chacra Offset

Page No.: 1
Print Time: Tue Feb 09 13:02:47 1999
Property ID: 3575
Property Name: REAMES COM | 2 | 53251A-1
Table Name: K:\ARIES\RR99PDP\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi
02/28/85	12639	967.0
09/09/86	115733	612.0
10/08/87	186276	489.0
09/08/89	238658	647.0

Kaime #2

Mesaverde Offset

Page No.: 1
Print Time: Tue Feb 09 13:00:26 1999
Property ID: 2342
Property Name: VAUGHN | 30M | 54310A-1
Table Name: K:\ARIES\RR99PDP\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi
11/20/85	0	2213.0
02/03/86	25440	1524.0
09/09/86	87585	1102.0
10/08/87	194099	954.0
06/01/88	248825	926.0
04/09/90	326859	897.0
03/29/92	429799	572.0
08/13/93	513244	837.0

Kaime #2

Dakota Offset

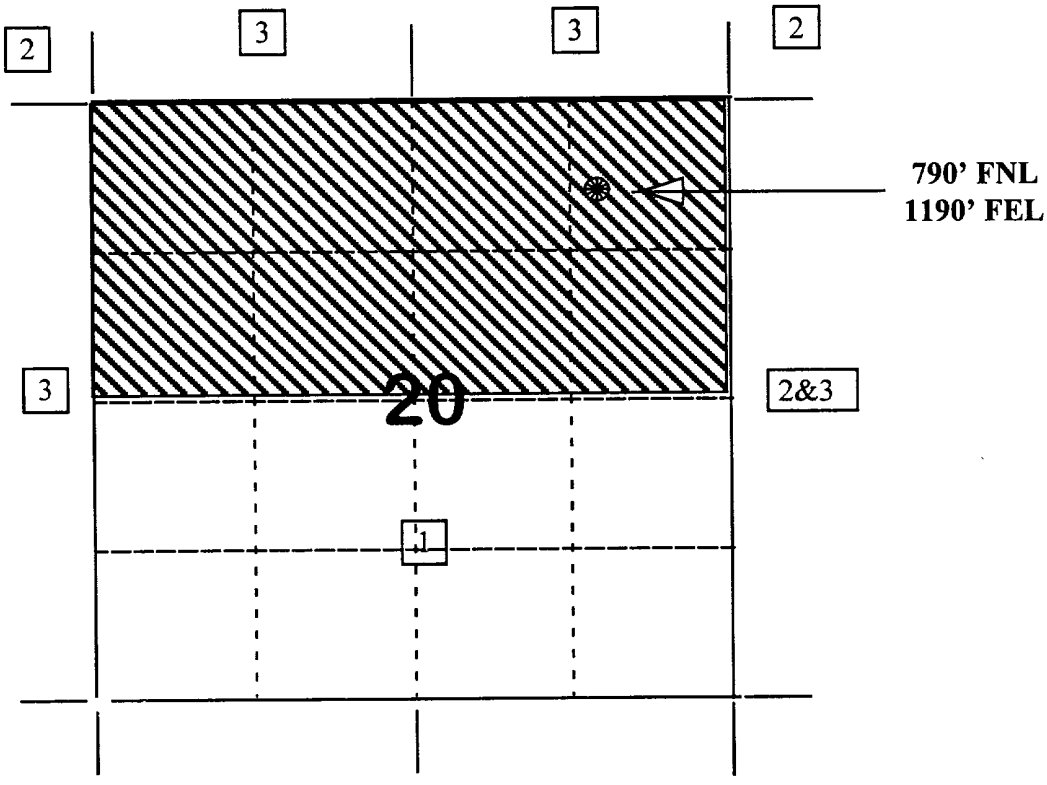
BURLINGTON RESOURCES OIL AND GAS COMPANY

Kaime #2

OFFSET OPERATOR/OWNER PLAT

Chacra / Mesaverde / Dakota Formations Trimmingle Well

Township 26 North, Range 6 West



1) Burlington Resources

2) Caulkins Oil Company
2100 Colorado Bank Building
Denver, CO 80202

3) Conoco Inc.
Attn: Lori Thorpe
10 Desta Drive, Suite 100W
Midland, TX 79705

BURLINGTON RESOURCES
SAN JUAN DIVISION
3535 East 30th Street: (87402-8801)
P.O. BOX 4289
Farmington, New Mexico 87499-4289

BURLINGTON RESOURCES
SAN JUAN DIVISION
3535 East 30th Street: (87402-8801)
P.O. BOX 4289
Farmington, New Mexico 87499-4289

Caulkins Oil Company
PO Box 780
Farmington, NM 87499

x

Mr. Robert Beamon
2603 Augusta, Suite 1050
Houston, TX 77057

BURLINGTON RESOURCES
SAN JUAN DIVISION
3535 East 30th Street: (87402-8801)
P.O. BOX 4289
Farmington, New Mexico 87499-4289

BURLINGTON RESOURCES
SAN JUAN DIVISION
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Farmington, New Mexico 87499-4289

Rober Walter Lundell
2450 Fondren, Suite 304
Houston, TX 77063

x

BURLINGTON RESOURCES
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Farmington, New Mexico 87499-4289

BURLINGTON RESOURCES
SAN JUAN DIVISION
3535 East 30th Street: (87402-8801)
P.O. BOX 4289
Farmington, New Mexico 87499-4289

x

Kaime #2

Chacra / Mesaverde / Dakota

26N - 6W - 20