

DISTRICT I
113 Box 1980 Hobbs NM 88241-0980

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
311 South First St. Artesia NM 88210-1835

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

APPROVAL PROCESS
☒ Administrative ☐ Hearing

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
☐ YES ☒ NO

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

San Juan 28-7 Unit # 111 M Section 20, T-27-N, R-7-W, D Rio Arriba

OGRID NO 005073 Property Code 016608 API NO 30-039-25885 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)	5173-5536'		7237-7468'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5. Bottomhole Pressure Oil Zones - Artificial Lift Gas & Oil - Flowing All Gas Zones - Measured Current Estimated Or Measured Original	a. (Current) 558 b. (Original) 1161	RECEIVED JUL 2 1998 OIL CON. DIV. DIST. 3	a. 736 b. 255
6. Oil Gravity (°API) or Gas BT Content	1347		1319
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 90 days	Date Rates Est 1st Yr Average 144 MCFD-Final to be supplied upon completion	Date Rates	Date Rates Est 1st Yr Average 252 MCFD-Final to be supplied upon completion
8. Fixed Percentage Allocation Formula % of each zone	Oil Gas	Oil Gas	Oil Gas

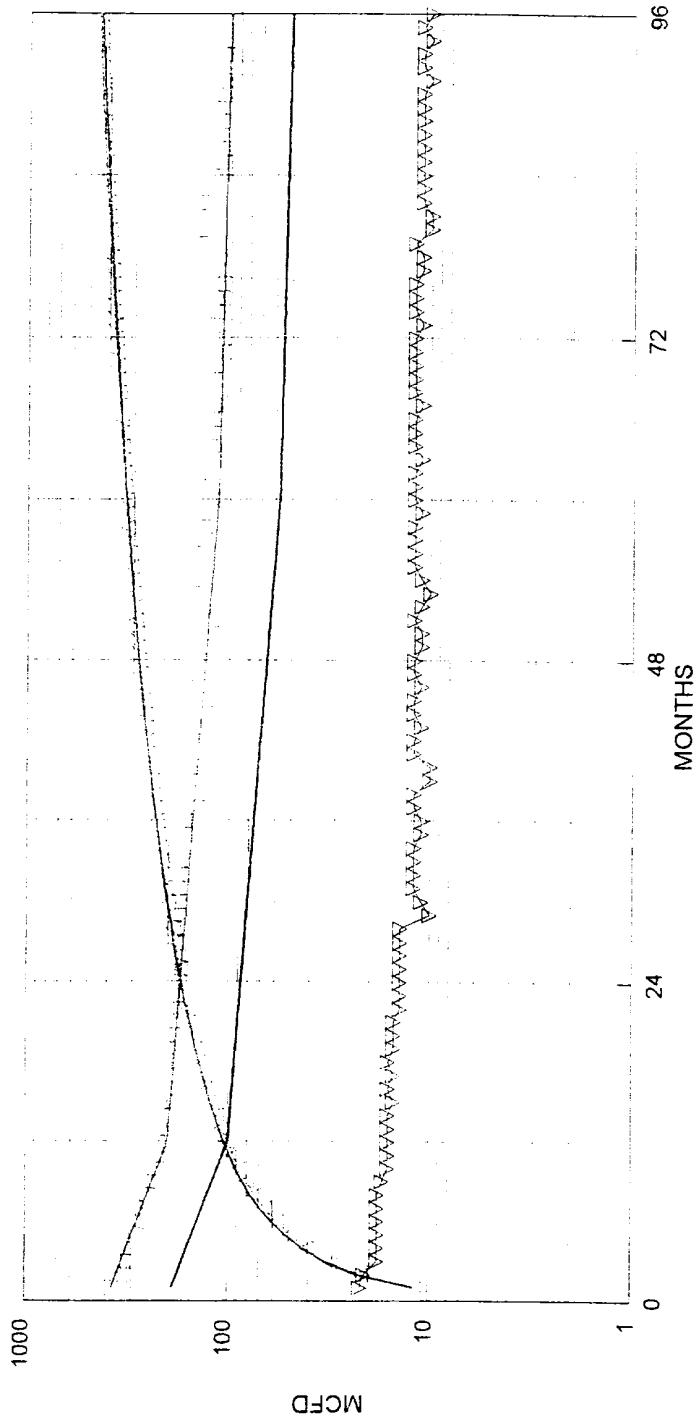
9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical 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. NMOC Reference Cases for Rule 303(D) Exceptions ORDER NO(S) R-10476 B
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 June 29, 1990

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

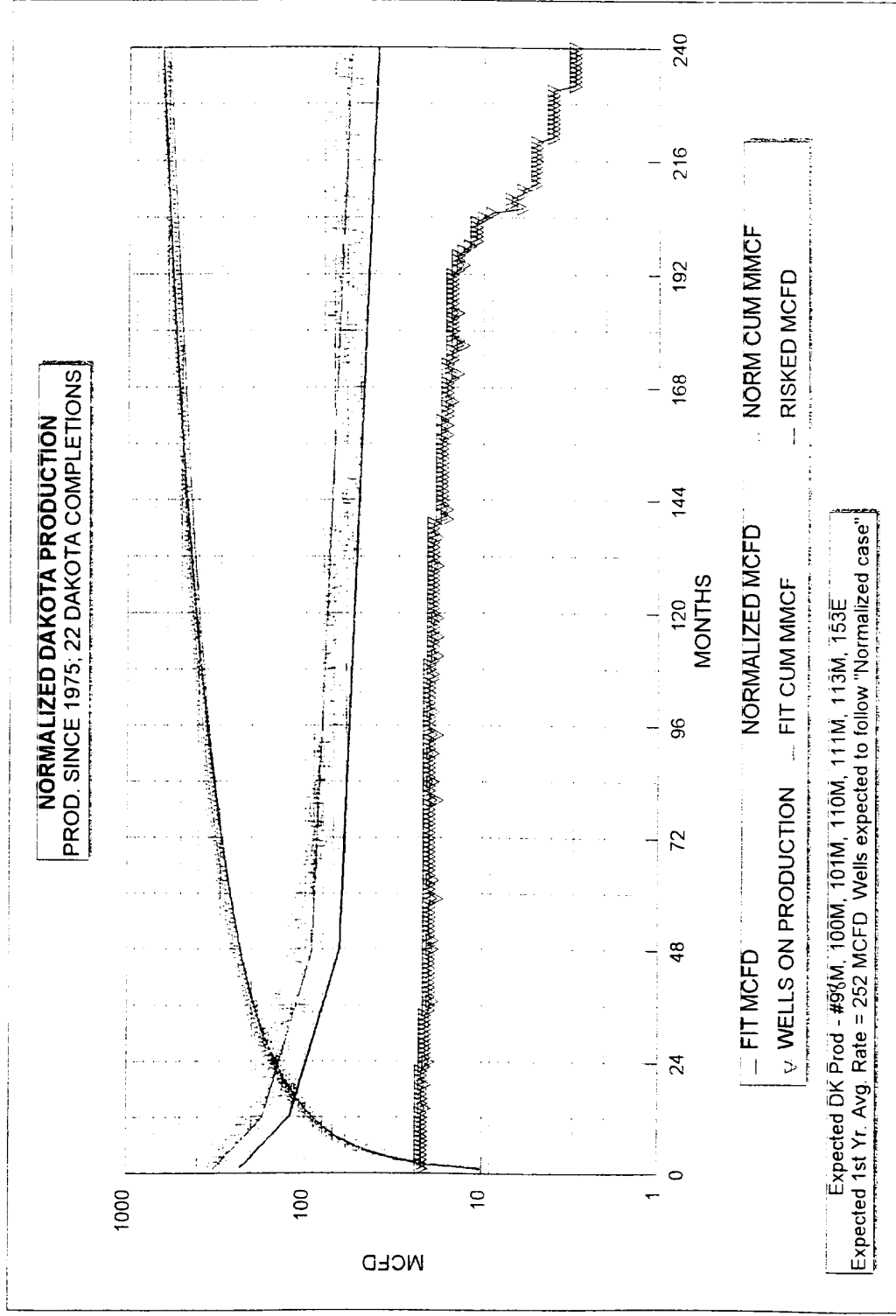
NORMALIZED MESAVERDE PRODUCTION
 PROD. SINCE 1972; 22 MV WELLS LOCATED IN 27N-7W AND 27N-8W AREA



— FIT MCFD NORMALIZED MCFD NORM CUM MMCF
 ▴ WELLS ON PRODUCTION — FIT CUM MMCF — RISKED MCFD

Expected MV Prod - #91M, 100M, 101M, 110M, 111M, 113M, 153E
 Expected 1st Yr. Avg Rate = 144MCFD Wells are expected to follow "50% risk case"

NORMALIZED AVG:		RISKED AVG:	
1130 MMCF EUR	400 MCFD IP	453 MMCF EUR	50% RISK (Based on actual 99/100/101/110/111)
800 MMCF IN 20 YRS	50% DECLINE, 1ST 12 MONTHS	400 MMCF IN 20 YRS	200 MCFD IP
25 MCFD E.L.	13% DECLINE, NEXT 48 MONTHS	25 MCFD E.L.	50.0% DECLINE, 1ST 12 MONTHS
0.0091 bbl/mcf oil yield	4% FINAL DECLINE	0.0091 bbl/mcf oil yield	13.0% DECLINE, NEXT 48 MONTHS
			4.0% FINAL DECLINE



NORMALIZED AVG:		RISKED AVG:	
1049 MMCF EUR	350 MCFD IP	644 MMCF EUR	245 MCFD IP
666 MMCF IN 20 YRS	50% DECLINE, 1ST 12 MONTHS	466 MMCF IN 20 YRS	50.0% DECLINE, 1ST 12 MONTHS
25 MCFD E.L.	19% DECLINE, NEXT 36 MONTHS	25 MCFD E.L.	19.0% DECLINE, NEXT 36 MONTHS
0.0134 bbl/mcf oil yield	3% FINAL DECLINE	0.0134 bbl/mcf oil yield	3.0% FINAL DECLINE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0138
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN				5. LEASE DESIGNATION AND SERIAL NO.	
1a. TYPE OF WORK DRILL ☒ DEEPEN ☐				NM 03521	
b. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER ☐				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
c. NAME OF OPERATOR Conoco Inc. 005073				7. UNIT AGREEMENT NAME San Juan 28-7 016608	
8. ADDRESS AND TELEPHONE NO. 10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500				8. FARM OR LEASE NAME WELL NO. 111M	
9. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1060' FNL & 935' FWL				9. FIELD AND POOL, OR WILDCAT Blanco MV/Basin Dakota 71599	
10. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 1060' FNL & 935' FWL				11. SEC. T., R., M., OR BLK. AND SURVEYOR AREA Sec. 20, T27N, R7W	
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	
8. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 7468'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6535' GR				22. APPROX. DATE WORK WILL START 6/30/98	
23. 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#	250'	145 sxs, circ.	
8-3/4"	K-55, 7"	23#	3209'	395 sxs, circ.	
6-1/4"	K-55, 4-1/2"	9.5#	7468'	510 sxs, toc @ 3000'	

It is proposed to drill a vertical wellbore to the Blanco Mesaverde and Basin Dakota Pools. An NOS was filed 10/13/97. 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. This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan with Production Facility layout.
6. Pipeline Tie Specifications with plat.

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

DRILLING OPERATIONS AUTHORIZED
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"RECEIVED
JUN 12 1998
OIL CON. DIV.
DIST. 3

98 JUN -8 AM 11:26

RECEIVED
BLM

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 Jo Ann Johnson TITLE Sr. Property Analyst DATE 5-28-98

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE JUN 10 1998

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 Paul B. Baker TITLE Pet. Engineer DATE JUN 10 1998

*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 a matter within its jurisdiction.

District I
PO Box 1980, Hobbs, NM 88241-1990

District II
PO Box 100, 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

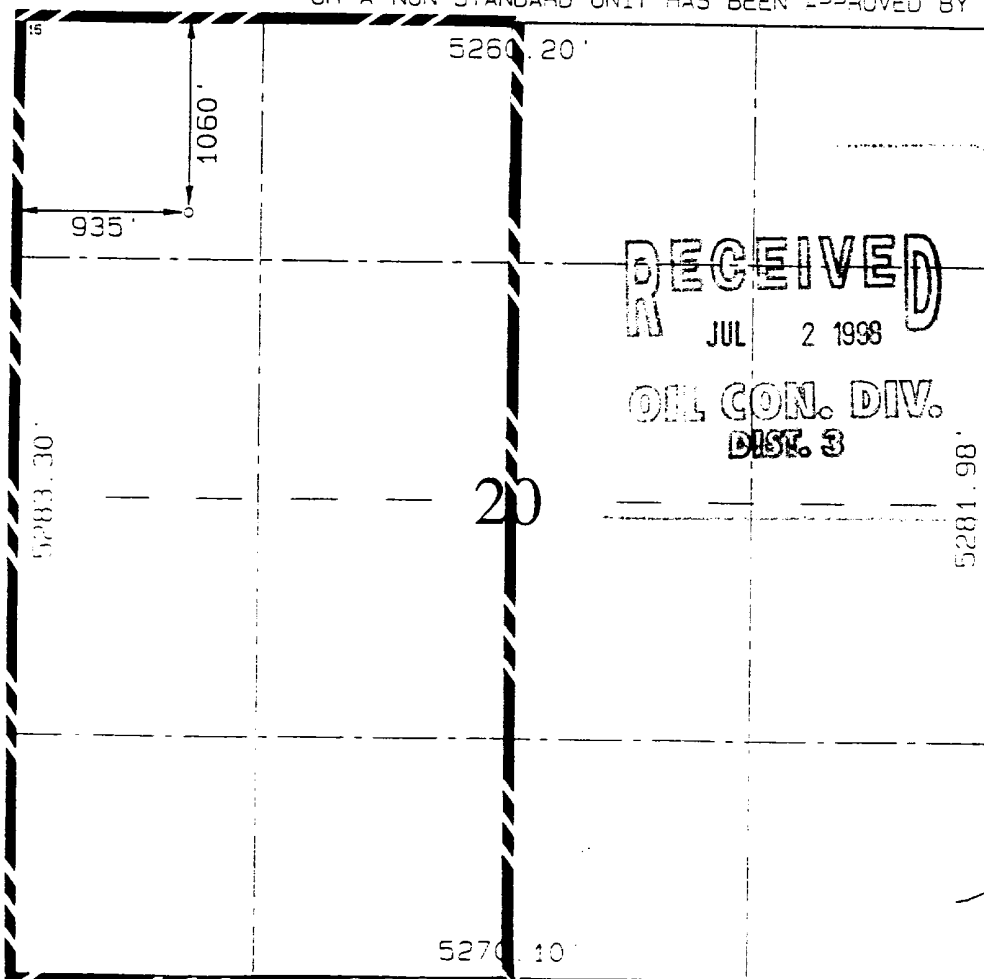
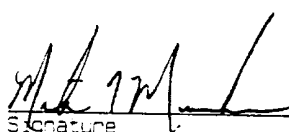
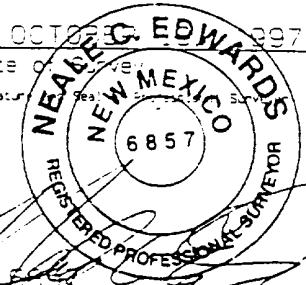
Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ 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	
016608		SAN JUAN 28-7 UNIT						111M	
*GRID No.		*Operator Name						*Elevation	
005073		CONOCO, INC.						6535'	
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
0	20	27N	7W		1060	North	935	West	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
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			
320		Y		U					

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

		17 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 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 Certificate Number	