DISTRICT I
PO 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 87505-8429

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

APPROVAL PROCESS:
☒ Administrative ☐ Hearing

EXISTING WELLBORE
☐ YES ☒ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc. (Operator) — 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500 (Address)

San Juan 28-7 Unit (Lease) — #126M (Well No) — F (Unit Ltr) Section 1, T-27-N, R-7-W, F (Sec Twp Rge) — Rio Arriba (County)

OGRID NO 005073 — Property Code ____ — API NO. 30-039-26170 — N/A

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)	4437-5411'		7322-7580'
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 457	a.	a. 751
	b(Original) 1230	b.	b 2946
6. Oil Gravity (°API) or Gas BT Content	1210		1213
7. Producing or Shut-In?	To be completed		To be completed
Production Marginal? (yes or no)	Expected Yes		Expected Yes
• If Shut-In give date 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 Rates	Date Rates	Date Rates
• If Producing, date and oil/gas/ water rates of recent test (within 60 days)	Date Rates Expected rates 350-450 MCFD	Date Rates	Date Rates Expected rates 400-500 MCFD
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 X No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes X 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 others 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

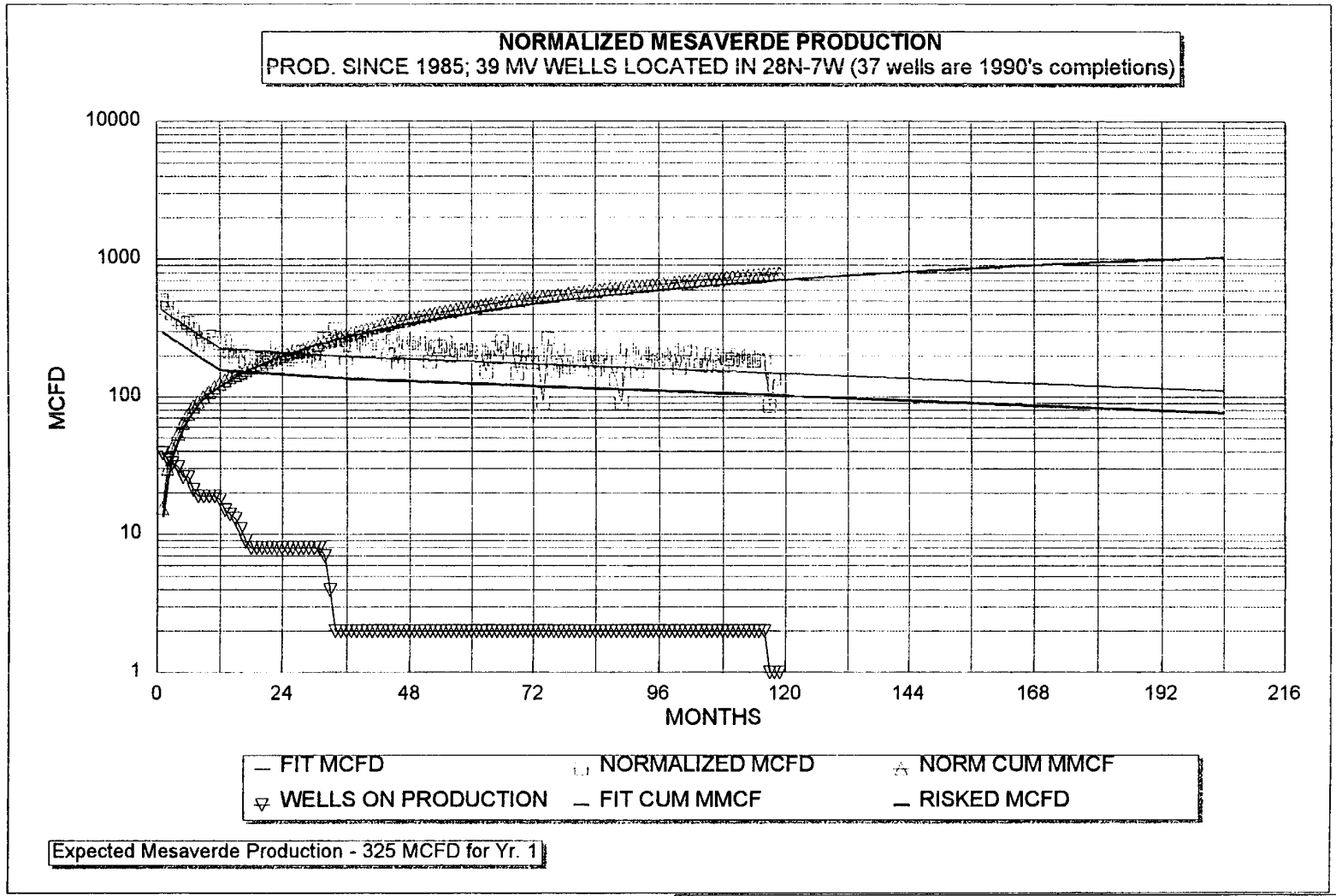
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-10476 - B

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.

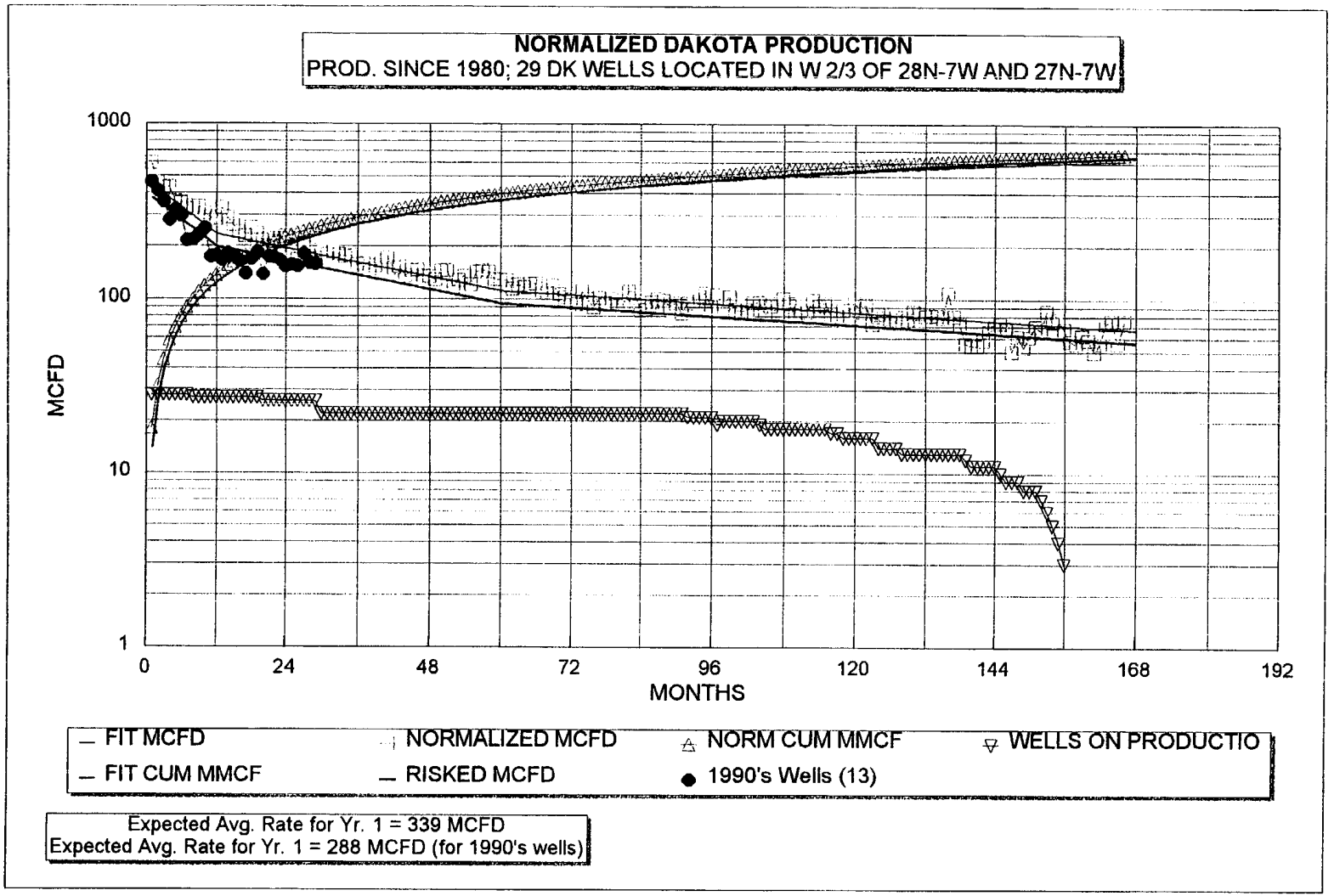
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE January 28, 1999

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



NORMALIZED AVG:		RISKED AVG: 30% RISK	
1788 MMCF EUR	450 MCFD IP	1184 MMCF EUR	315 MCFD IP
1145 MMCF IN 20 YRS	50% DECLINE, 1ST 12 MONTHS	802 MMCF IN 20 YRS	50.0% DECLINE, 1ST 12 MONTHS
25 MCFD E.L.	7% DECLINE, NEXT 24 MONTHS	25 MCFD E.L.	7.0% DECLINE, NEXT 24 MONTHS
0.0139 bbl/mcf oil yield	4% FINAL DECLINE	0.0139 bbl/mcf oil yield	4.0% FINAL DECLINE



NORMALIZED AVG:			
924 MMCF EUR	986 MMCF IN 40 YRS		
779 MMCF IN 20 YRS	470 MCFD IP		
25 MCFD E.L.	50% DECLINE, 1ST 12 MONTHS		
0.0079 bbl/mcf oil yield	17% DECLINE, NEXT 48 MONTHS		
	5.5% FINAL DECLINE		

RISKED AVG:	15% RISK		
761 MMCF EUR		400 MCFD IP	
662 MMCF IN 20 YRS		50.0% DECLINE, 1ST 12 MONTHS	
25 MCFD E.L.		17.0% DECLINE, NEXT 48 MONTHS	
0.0079 bbl/mcf oil yield		5.5% FINAL DECLINE	

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-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

[1] API Number	[2] Pool Code	[3] Pool Name
	72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
016608	SAN JUAN 28-7 UNIT	126M

[7] OGRID No.	[8] Operator Name	[9] Elevation
005073	CONOCO, INC.	6137

[10] Surface Location

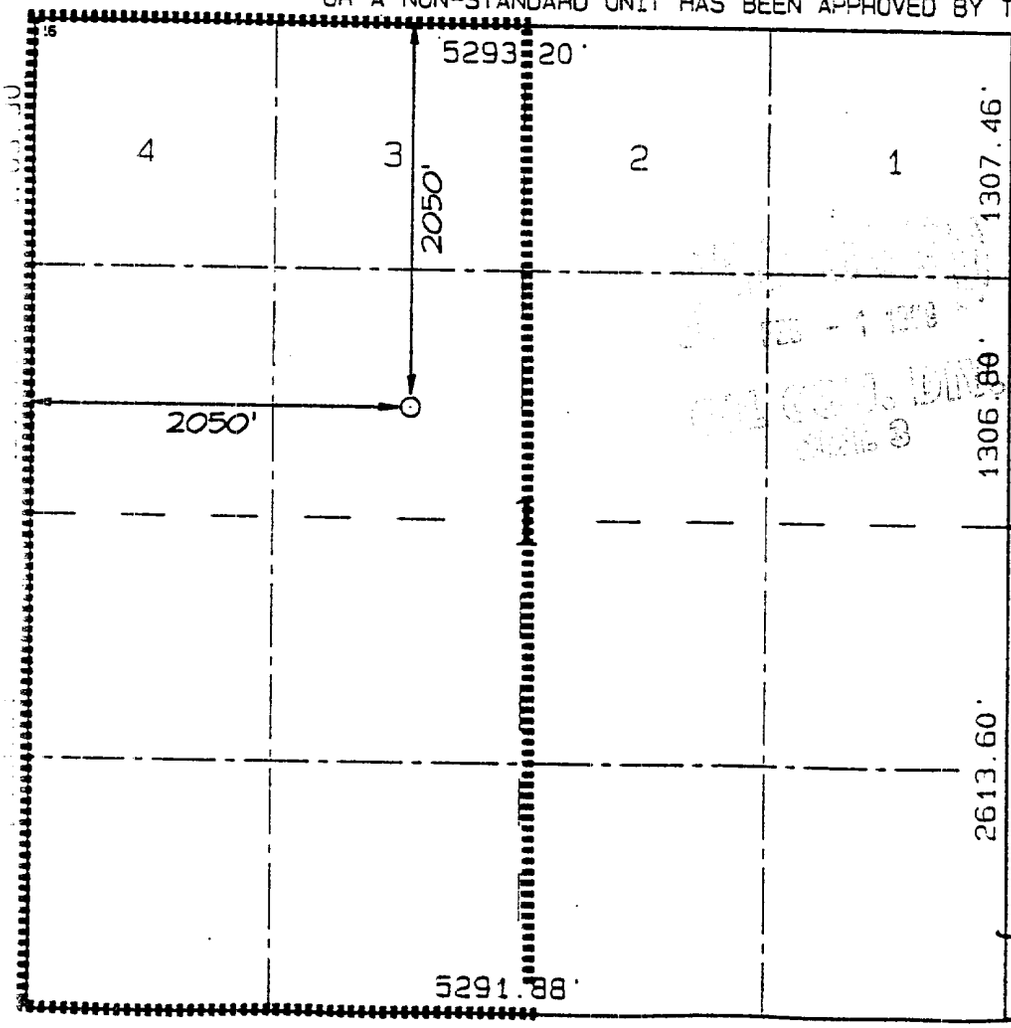
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	1	27N	7W		2050	NORTH	2050	WEST	RIO ARRIBA

[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.

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

12-21-98
Date

[18] SURVEYOR CERTIFICATION

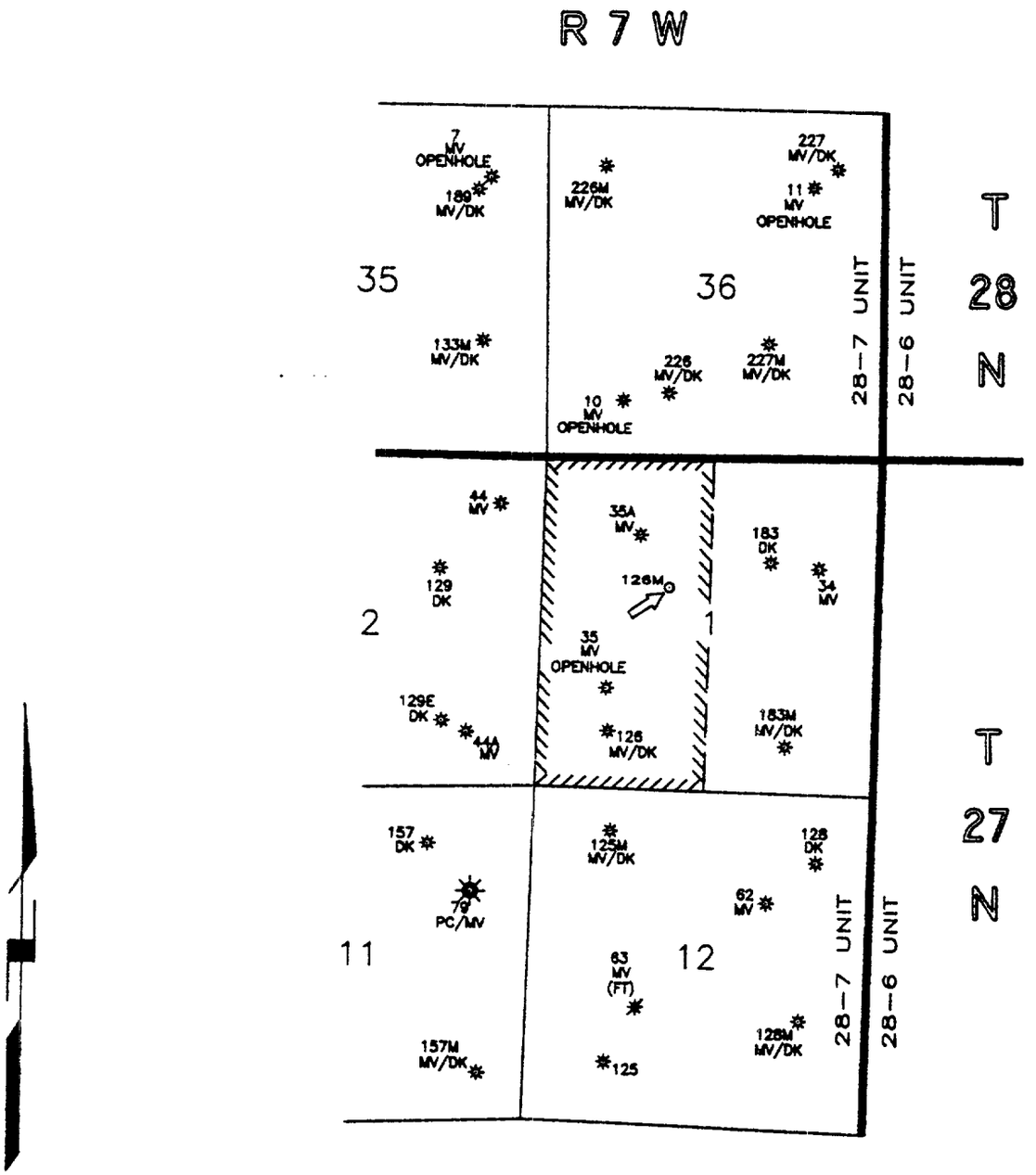
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 15, 1998
Date of Survey

Signature and Seal of Professional Surveyor

NEAL C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL LAND SURVEYOR

6857
Certificate Number



SAN JUAN 28-7 UNIT
RIO ARRIBA CO., NM

NOTES		
Conoco operates all wells in the 28-7 Unit, NSL is interior to the 28-7 Unit. Map shows only Mesaverde and Dakota wells. NSL is requested in order to accommodate both a primary 160 acre Dakota infill and a '100 acre' Mesaverde infill (Pursuant to an order to be issued out of case 12069).	DATE: 1/7/99 DRAWN BY: GLG CHECKED BY: APPROVED BY: SCALE: 1" = 2640' STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003	conoco EPNGNA MIDLAND DIVISION CONOCO 28-7 UNIT MESAVERDE & DAKOTA PRODUCERS San Juan 28-7 Unit # 126M Non-Standard Location API STATE / COUNTY / WELL: 30 \ 039 \ DRAWING: 28-7_126 CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705

Conoco, Inc. is the only offset operator.