

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
811 South First St., Artesia, NM 88210-2835

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

Operator Conoco Inc. Address 10 Desta Dr., Ste 100W, Midland, TX 79705-4500

Lease San Juan 28-7 Well No 8A Unit Ltr Sec Twp Rge I-18, T-28-N, R-7-W County Rio Arriba

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 16608 API NO. 30-039-22209 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	Pictured Cliff 72439		Mesa Verde 72319
2. TOP and Bottom of Pay Section (Perforations)	3520-3648'		5138-6168'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottom hole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 504 PSIA b (Original) 1000 PSIA	a. b.	a. 423 PSIA b. 1195 PSIA
6. Oil Gravity (*API) or Gas BTU Content	1184		1246
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		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. • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates Date 7-1-97, 20 MCFD Rates 4.4 BOPD, 0 BWPD	Date Rates Date Rates	Date Rates Date 7-1-97 175 MCFD, Rates 1.6 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	oil 74 % Gas 10 %	oil % Gas %	oil 26 % Gas 90 %

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) _____

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 Jerry W. Hoover TITLE Sr. Conservation Coord. DATE 6/10/97

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

All distances must be from the outer boundaries of the Section.

Operator EL PASO NATURAL GAS COMPANY			Lease SAN JUAN 28-7 UNIT (SF-078417)		Well No. 8A
Unit Letter I	Section 18	Township 28N	Range 7W	County Rio Arriba	
Actual Footage Location of Well: 1740 feet from the South line and 1120 feet from the East line					
Ground Level Elev. 6878	Producing Formation Mesa Verde	Pictured Cliffs	Pool Blanco Pictured Cliffs Ext. Blanco Mesa Verde	Dedicated Acreage: 160.0 & 320.0 Acres	

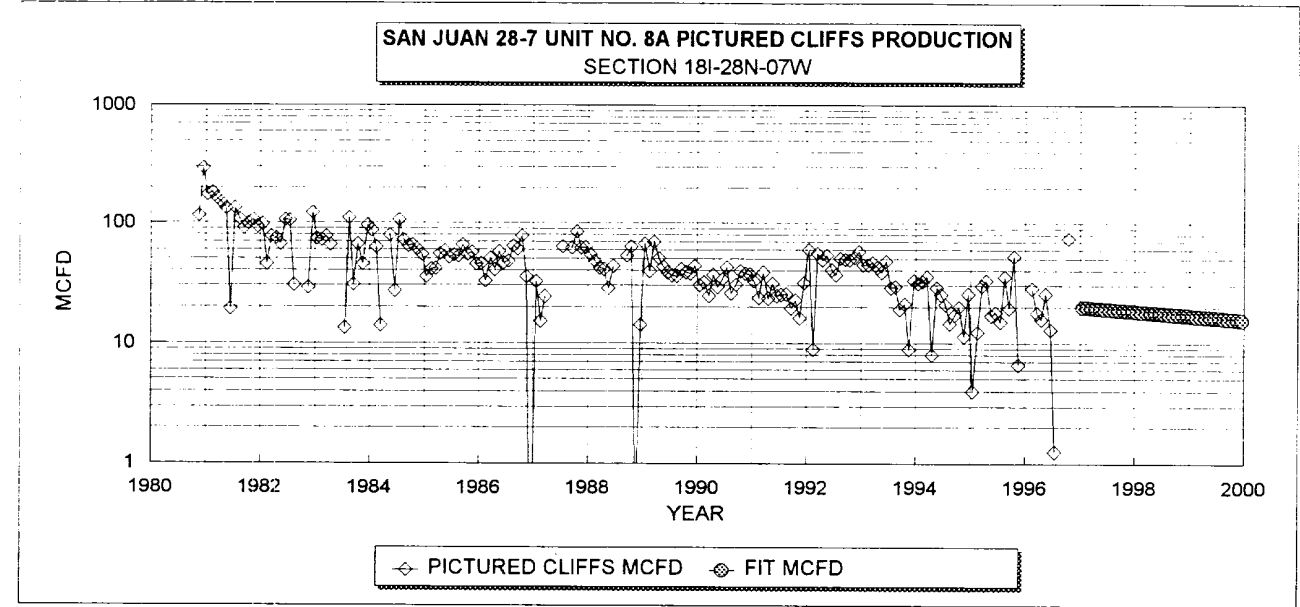
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

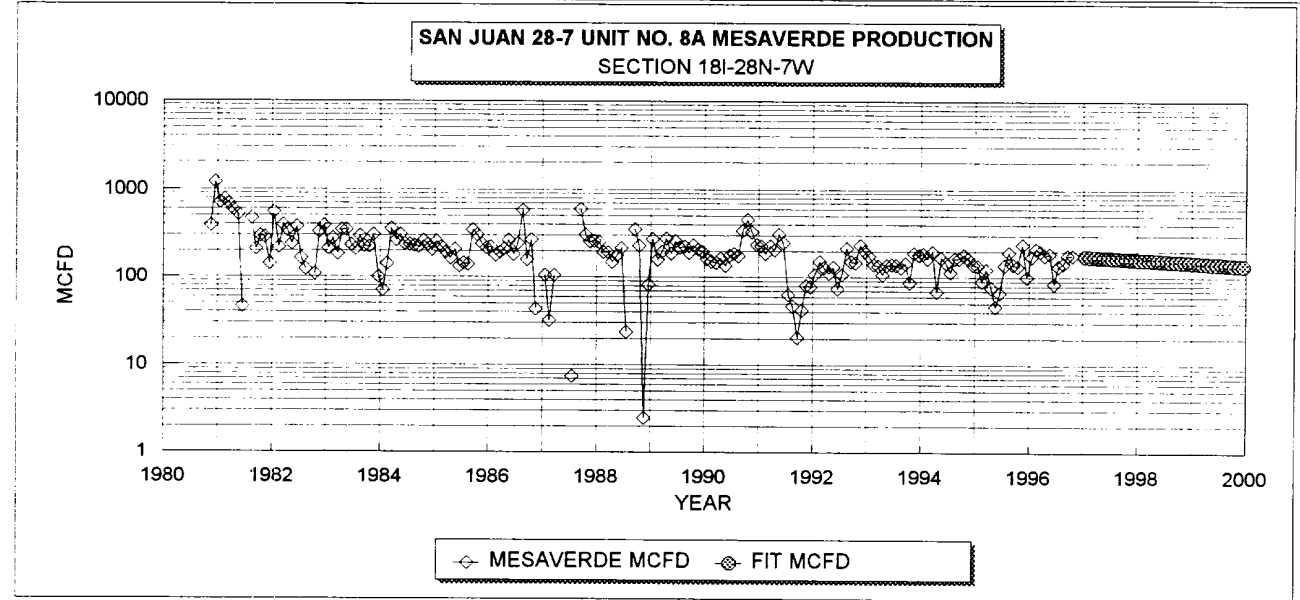
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

	<p align="center">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>A. H. Lucas</i> Name</p> <p>Drilling Clerk Position</p> <p>El Paso Natural Gas Co. Company</p> <p>October 18, 1979 Date</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 knowledge and belief.</p>	
	<p>Date Surveyed August 2, 1979</p>	
	<p>Registered Professional Surveyor and/or Land Surveyor Fred B. Kopp Certified by the State of New Mexico 3950</p>	



PICTURED CLIFFS HISTORICAL DATA 1ST PROD: 11/80
OIL CUM: 59.00 MBO
GAS CUM: 266.4 MMCF
OIL YIELD: 0.2215 BBL/MCF

PICTURED CLIFFS PROJECTED DATA
1/1/97 Qi: 20 MCFD
DECLINE RATE: 8.0% (EXPONENTIAL)



MESAVERDE HISTORICAL DATA 1ST PROD: 11/80
OIL CUM: 10.6 MBO
GAS CUM: 1191.0 MMCF
OIL YIELD: 0.0089 BBL/MCF

MESAVERDE PROJECTED DATA
1/1/97 Qi: 175 MCFD
DECLINE RATE: 8.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
PICTURED CLIF	10%	74%
MESAVERDE	90%	26%

GAS ALLOCATION BASED ON PROJECTED 1997 RATES
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

SAN JUAN 28-7 #8A

OFFSET OPERATORS

CONOCO BURLINGTON RES 12 T28N R8W	CONOCO 7 T28N R7W	CONOCO 8 T28N R7W
AMOCO RICHARDSON OPER 13 T28N R8W	CONOCO 18 T28N R7W	CONOCO AMOCO 17 T28N R7W
AMOCO RICHARDSON RES 24 T28N R8W	CONOCO 19 T28N R7W	CONOCO 20 T28N R7W

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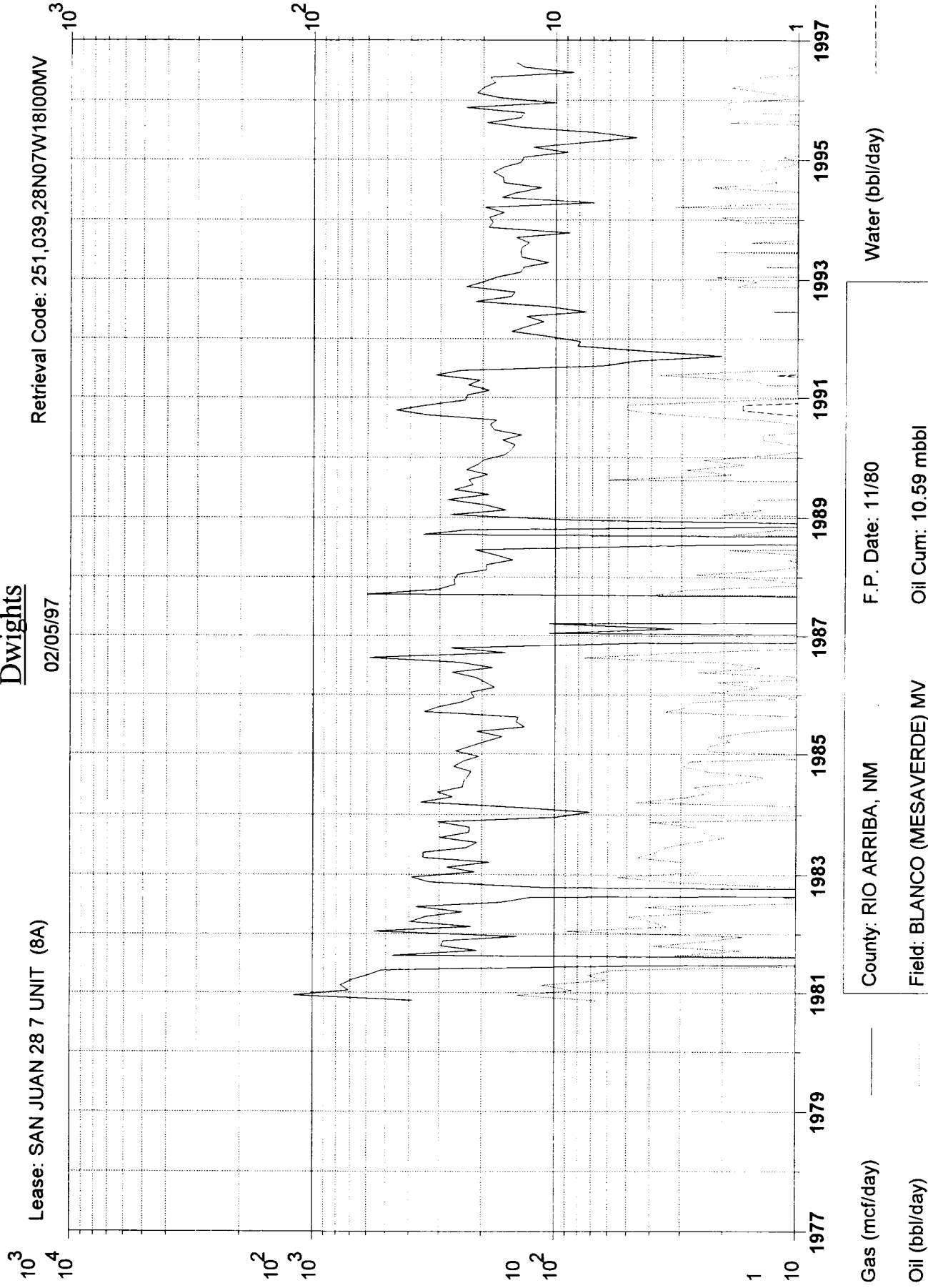
Township 28N --- Range 7W

Dwights

Lease: SAN JUAN 28 7 UNIT (8A)

Retrieval Code: 251,039,28N07W18100MV

02/05/97



Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

F.P. Date: 11/80

County: RIO ARRIBA, NM

Field: BLANCO (MESAVERDE) MV

Oil Cum: 10.59 mbbl

Reservoir: MESAVERDE

Gas Cum: 1191 mmcf

Operator: CONOCO INC

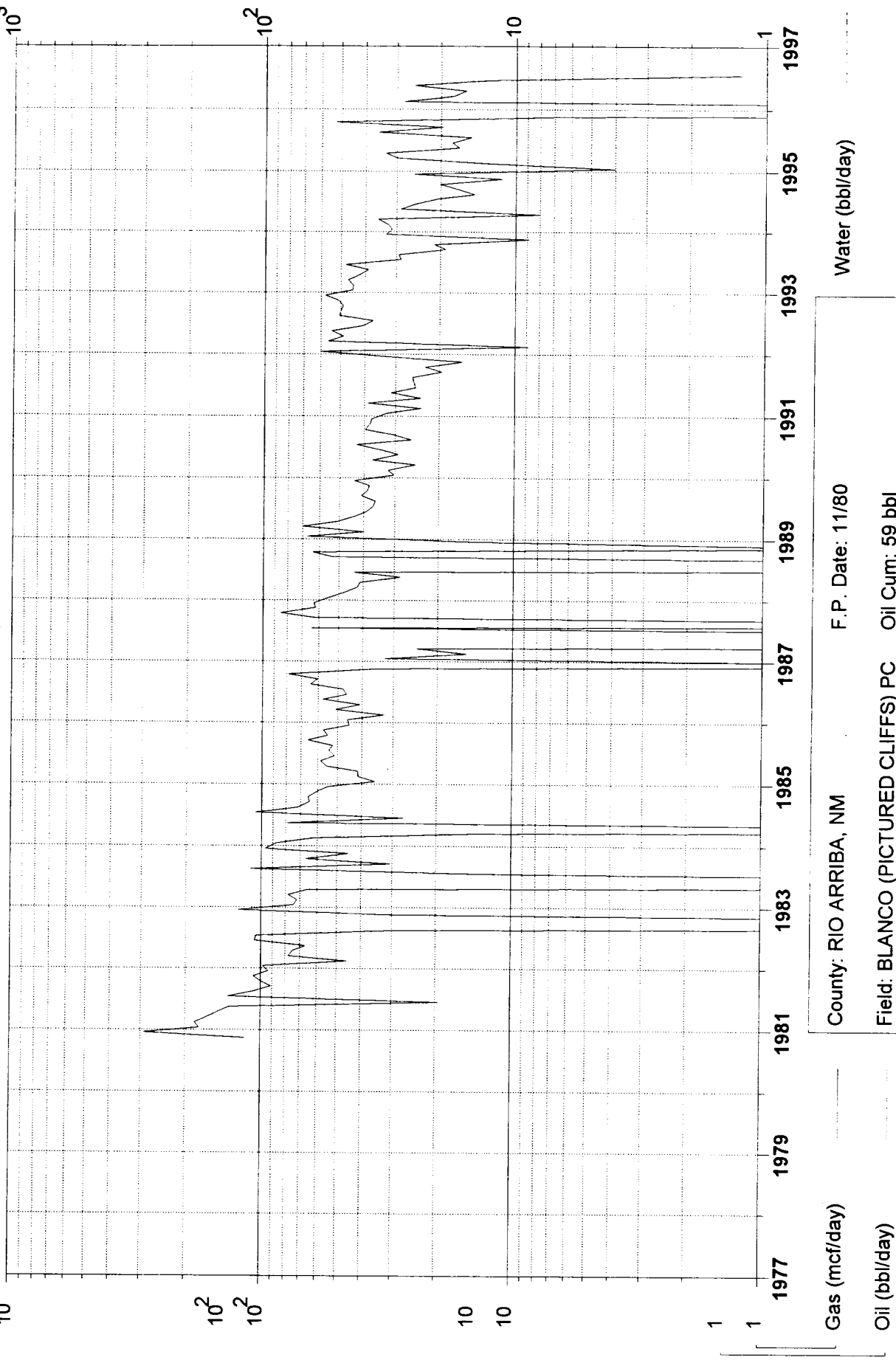
Location: 181 28N 7W

10³
10³
10³
10²
10²
10
10
1
1

Lease: SAN JUAN 28 7 UNIT (8A)

Dwights
02/05/97

Retrieval Code: 251,039,28N07W18100PC



County: RIO ARRIBA, NM	F.P. Date: 11/80
Field: BLANCO (PICTURED CLIFFS) PC	Oil Cum: 59 bbl
Reservoir: PICTURED CLIFFS	Gas Cum: 266.4 mmcf
Operator: CONOCO INC	Location: 181 28N 7W