

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 87505-6429Form 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

Signature

Address

San Juan 28-7 Unit

#186M

Section 13, T-28-N, R-7-W, F

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

OGRID NO 005073

Property Code

API NO

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)	5118-6128'		7707-7951'
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)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	457		751
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1230		2946
6. Oil Gravity ("API) or Gas BT Content	1260		1133
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	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 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 ☒ 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 ☐ No11. 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 ☐ No13. 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) 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

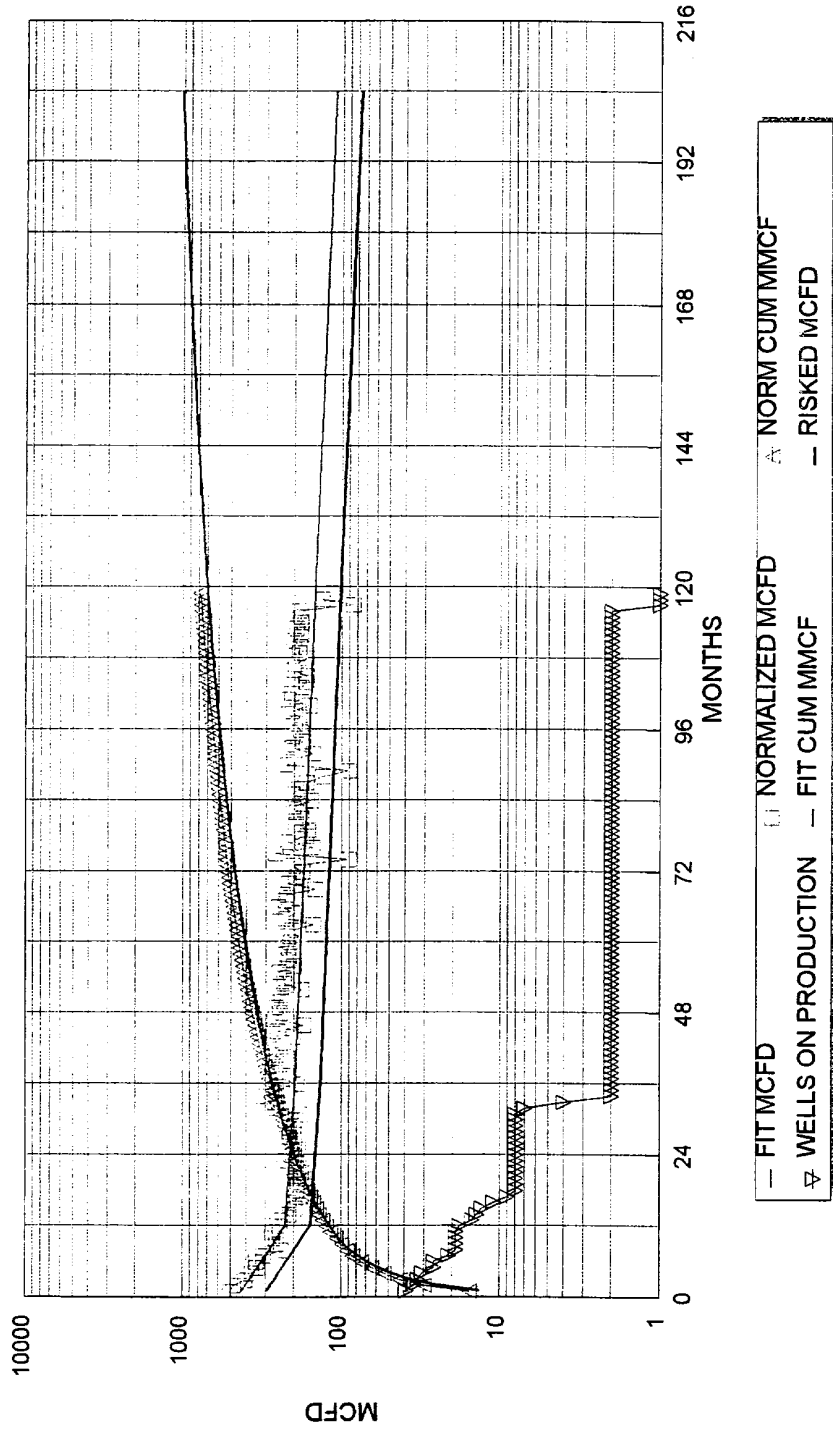
TITLE Regulatory Agent

DATE January 28, 1999

TYPE OR PRINT NAME Kay Maddox

TELEPHONE NO. (915) 686-5798

NORMALIZED MESAVERDE PRODUCTION
 PROD. SINCE 1985; 39 MV WELLS LOCATED IN 28N-7W (37 wells are 1990's completions)

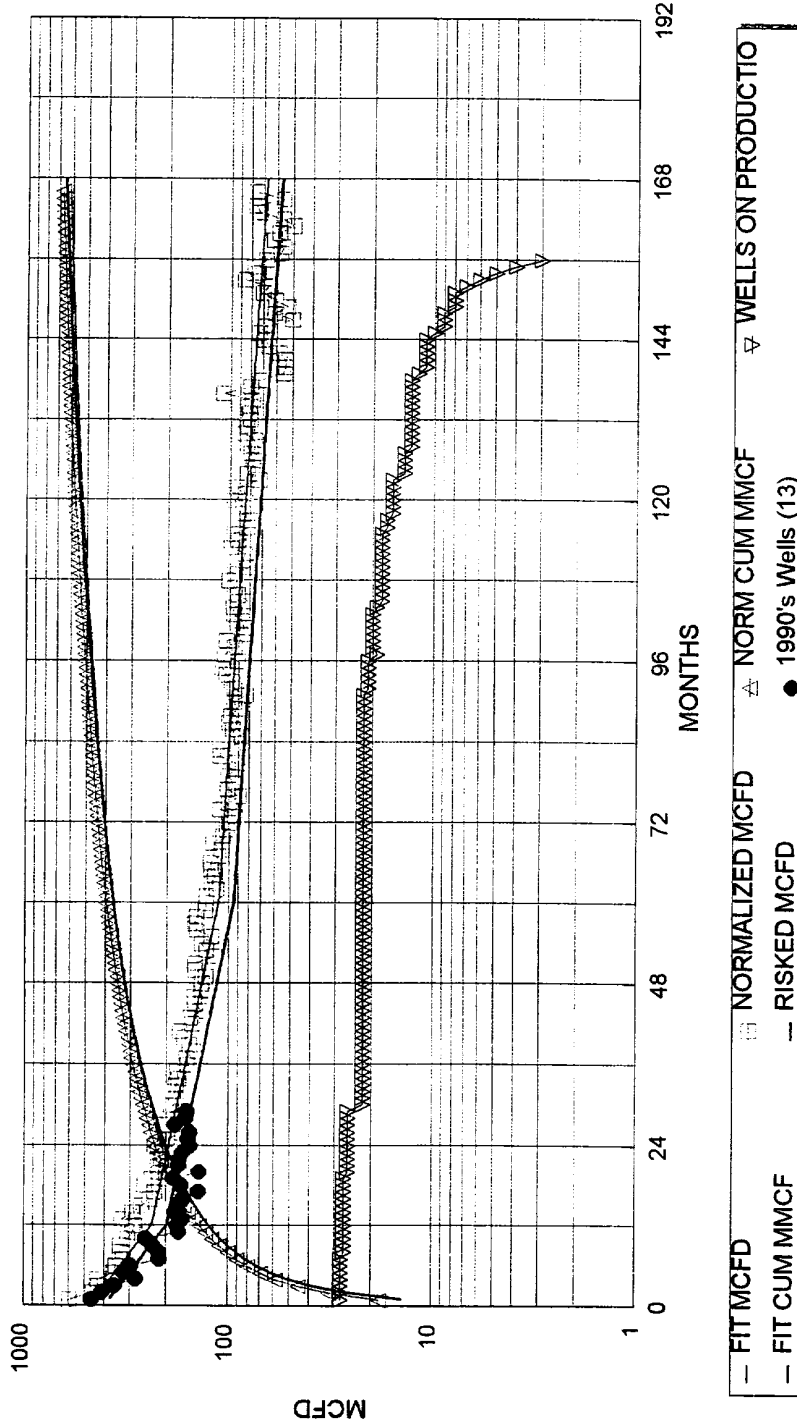


Expected Mesaverde Production - 325 MCFD for Yr. 1

NORMALIZED AVG:		RISKED AVG:	
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	60.0% 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 DAKOTA PRODUCTION

PROD. SINCE 1980; 29 DK WELLS LOCATED IN W 2/3 OF 28N-7W AND 27N-7W



Expected Avg. Rate for Yr. 1 = 339 MCFD
Expected Avg. Rate for Yr. 1 = 288 MCFD (for 1990's wells)

NORMALIZED AVG:		RISKED AVG:	
924 MMCF EUR	986 MMCF IN 40 YRS	761 MMCF EUR	15% RISK
779 MMCF IN 20 YRS	470 MCFD IP	662 MMCF IN 20 YRS	400 MCFD IP
25 MCFD E.L.	50% DECLINE, 1ST 12 MONTHS	25 MCFD E.L.	50.0% DECLINE, 1ST 12 MONTHS
0.0079 bbl/mcf oil yield	17% DECLINE, NEXT 48 MONTHS	0.0079 bbl/mcf oil yield	17.0% DECLINE, NEXT 48 MONTHS
	5.5% FINAL DECLINE		5.5% FINAL DECLINE

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

District II
PO Drawer 00, 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		186M
*GRID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6661'

¹⁰ Surface Location

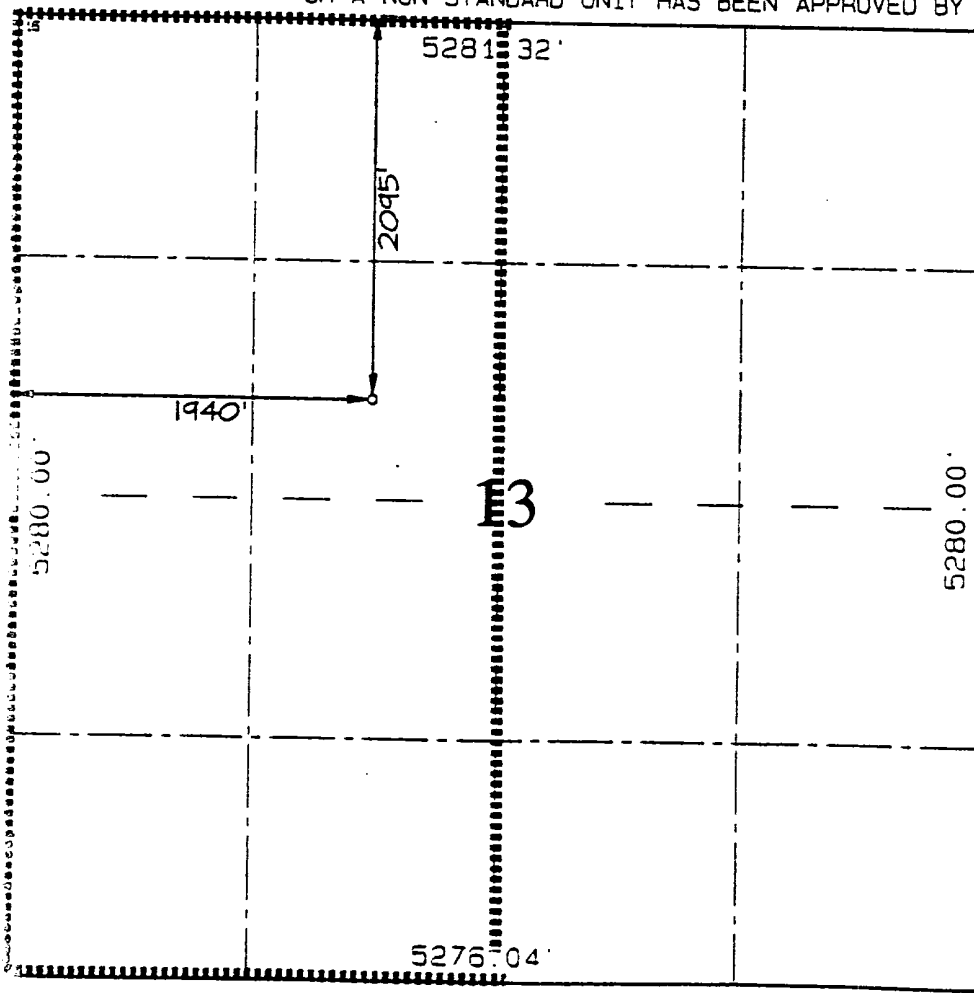
UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
F	13	28N	7W		2095	NORTH	1940	WEST	RIO ARriba

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.

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>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>12-21-98</p> <p>Date</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>OCTOBER 27, 1998</p> <p>Date of Survey</p> <p><i>Neale C. Edwards</i></p> <p>Signature and Seal of Professional Surveyor</p> <p>NEALE C. EDWARDS NEW MEXICO 6857</p> <p>6857</p> <p>Certificate Number</p>

R 7 W

29-7 UNIT

29-6 UNIT

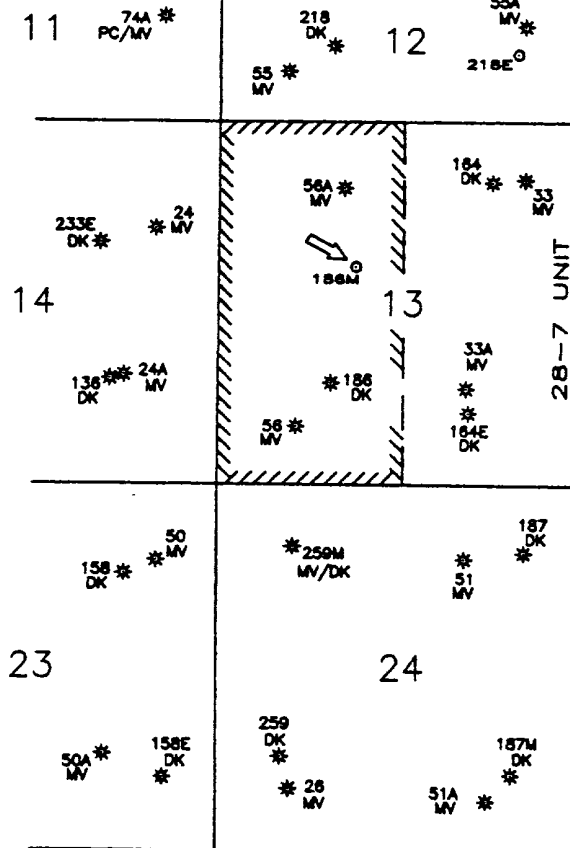
R 6 W

29-7 UNIT

28-7 UNIT

29-6 UNIT

28-6 UNIT




28-7 UNIT

28-6 UNIT

T
28
N

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

NOTES		<div> EPNGNA MIDLAND DIVISION</div>		
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	CONOCO 28-7 UNIT MESAVERDE & DAKOTA PRODUCERS San Juan 28-7 Unit # 186M Non-Standard Location		
	DRAWN BY: GLG			
	CHECKED BY:			
	APPROVED BY:	<div><div>STATE<div>API</div>COUNTY<div>WELL</div></div><div>30 \ 039 \</div></div> <div>DRAWING 28-7_186</div>		
	SCALE: 1" = 2640'			
	STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003		CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN			3. LEASE DESIGNATION AND SERIAL NO SF-079290-A	
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			6 IF INDIAN, ALLOTTEE OR TRIBE NAME	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			7 UNIT AGREEMENT NAME San Juan 28-7	
2. NAME OF OPERATOR Conoco Inc.			8. FARM OR LEASE NAME WELL NO 186M	
a. ADDRESS AND TELEPHONE NO 10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500			9. API WELL NO	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 2095' FNL & 1940' FWL At proposed prod. zone 2095' FNL & 1940' FWL			10. FIELD AND POOL, OR WILDCAT Blanco MV/Basin Dakota	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*			11. SEC. T. R. M. OR BLK. AND SURVEY OR AREA Sec.13, T28N, R7W	
5. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. 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 8251'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc) 6661' GR			22. APPROX. DATE WORK WILL START* 2/15/99	

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'	150 sxs, circ.
8-3/4"	K-55, 7"	20#	3748'	495sxs, circ.
6-1/4"	K-55, 4-1/2"	9.5#	7951'	570 sxs, toc @ 3600'

It is proposed to drill a vertical wellbore to be downhole commingled in the Blanco Mesaverde and Basin Dakota Pools following the acquisition of sufficient production test data for allocation purposes. A downhole commingling application has been filed with the BLM and OCD. (Reference the attached description.) An NOS was filed 9/30/97. 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 including temporary pipeline tie specifications.
6. Production Facility layout.

APD/ROW

This application includes ROW's for the well pad, cathodic protection and pipeline. The pipe-wall thickness is .156 and the pipe-wall strength is 42,000# yield.

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 Sr. Property Analyst DATE 1-26-99
(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.

Conoco, Inc. is the only offset operator.