

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First St. Artesia, NM 86210-2835

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

Address

San Juan 28-7 Unit

226 E

Section 36, T-28-N, R-7-W, F

Rio Arriba

Lease

Well No

Unit (If Sec Two Rge)

County

OGRID NO 005073

Property Code

API NO

30-039-26176

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)	4872-5858'		7483-7734'
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	
Oil Zones - Artificial Lift. Estimated Current	457		750
Gas & Oil - Flowing Measured Current	b (Original)		b
All Gas Zones Estimated Or Measured Original	1230		2946
6 Oil Gravity ("API) or Gas BT Content	1215		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	Date Rates	Date Rates	Date Rates
Note: For new zones with no production history, applicant must be prepared to attach production estimates and supporting data.			
• If Producing date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Est Rates 350-450 MCFD Allocation by test upon completion		Est Rates 400-500 MCFD Allocation by test upon completion
8 Fixed Percentage Allocation Formula: % of each zone	% Gas %	% Gas %	% 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?

If not, have all working, overriding, and royalty interests been notified by certified mail?

Have all offset operators been given written notice of the proposed downhole commingling?

X Yes ___ No
___ 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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) R-10476-B

16. ATTACHMENTS

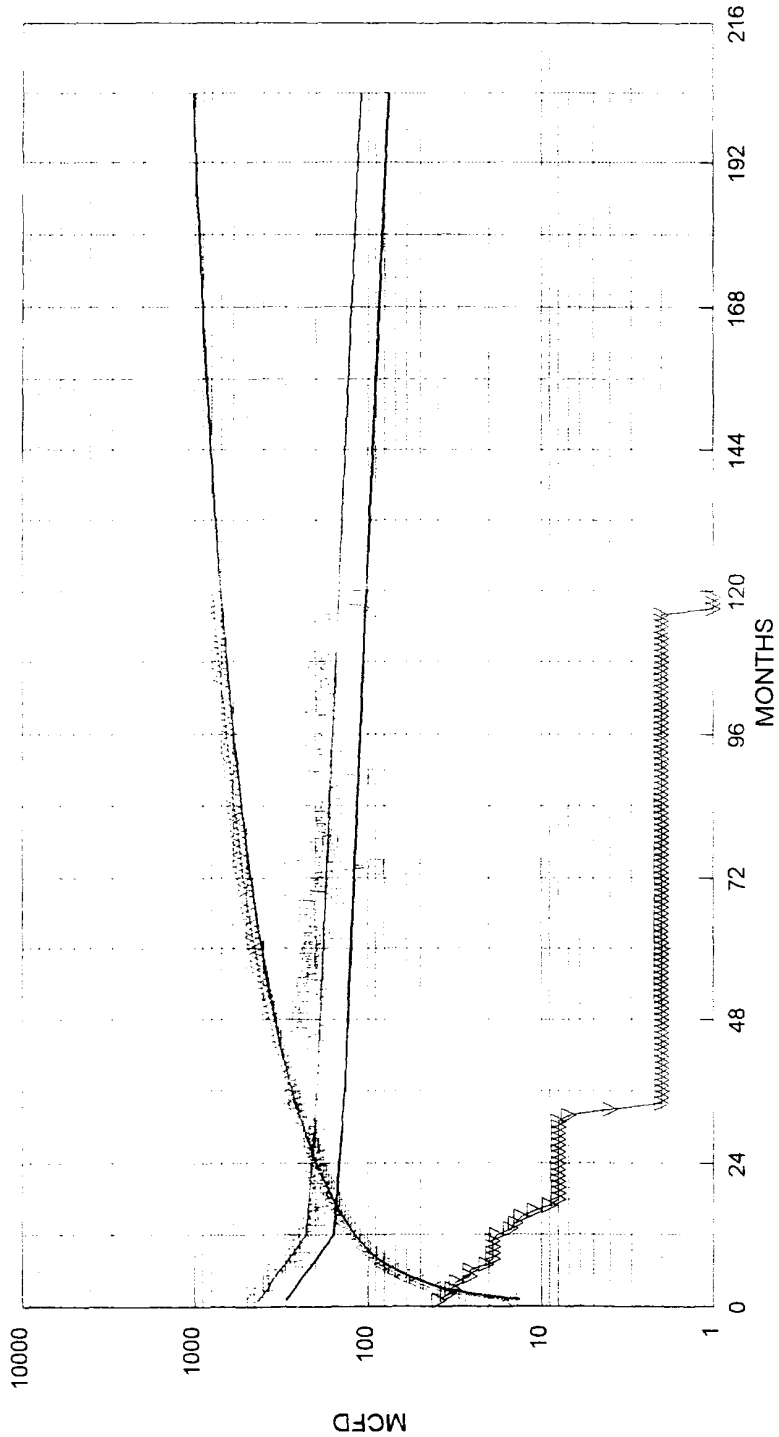
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation 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 February 20, 1999TYPE 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)

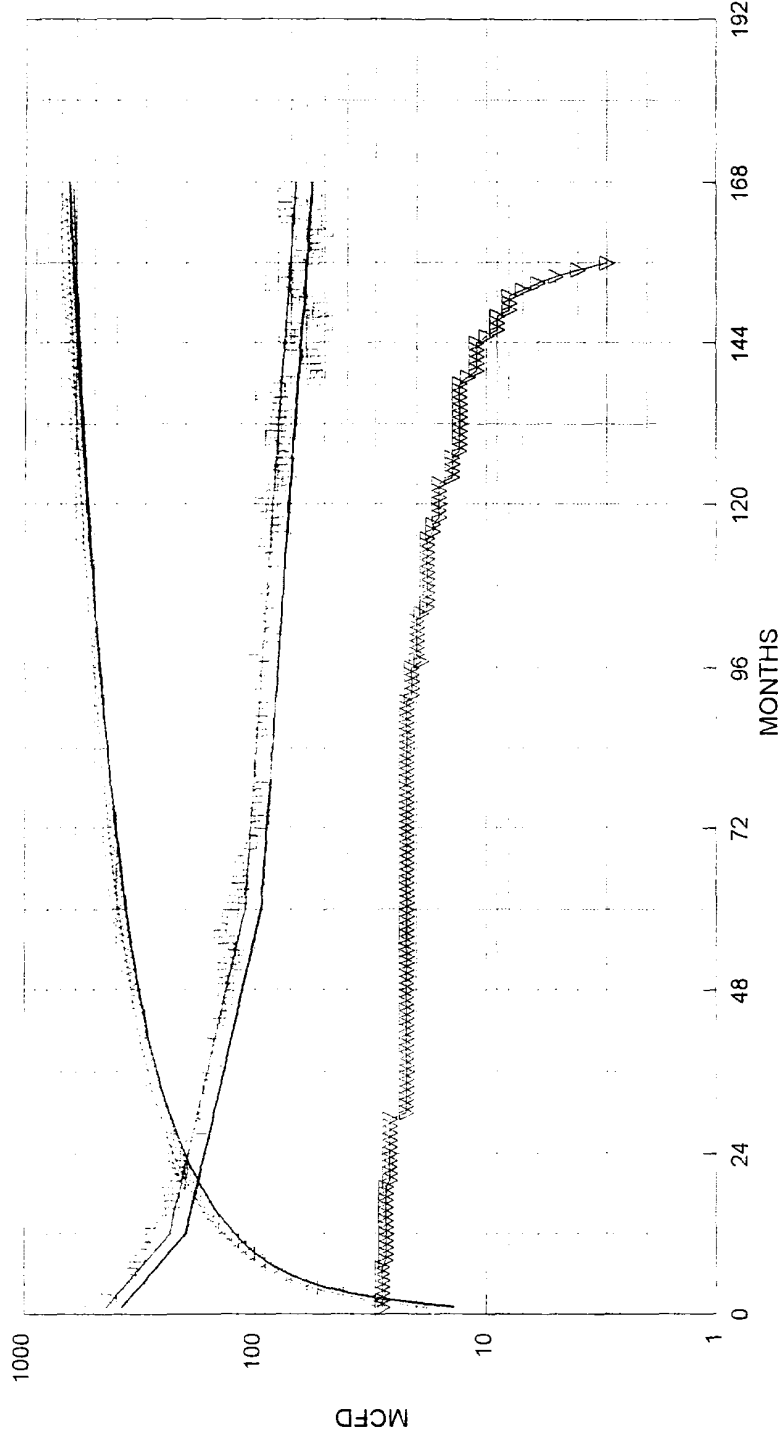


— FIT MCFD
 v WELLS ON PRODUCTION — FIT CUM MMCF
 — NORMALIZED MCFD
 — NORM CUM MMCF
 — RISKED MCFD

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	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 DAKOTA PRODUCTION

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



FIT MCDF
 WELLS ON PRODUCTION - FIT CUM MMCF
 NORM CUM MMCF
 - RISKED MCDF

NORMALIZED AVG:

924 MMCF EUR
 779 MMCF IN 20 YRS
 25 MCDF E.L.
 0.0079 bbl/mcf oil yield

RISKED AVG:

986 MMCF IN 40 YRS
 470 MCDF IP
 50% DECLINE, 1ST 12 MONTHS
 17% DECLINE, NEXT 48 MONTHS
 5.5% FINAL DECLINE

15% RISK

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

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

Instructions on back

District III
000 Rio Brazos Rd. Aztec, NM 87410

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039- N/A	2 Pool Code 72319 / 71599	3 Pool Name Blanco Mesaverde / Basin Dakota
4 Property Code	5 Property Name San Juan 28-7 Unit	6 Well Number 226E
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation

10 Surface Location

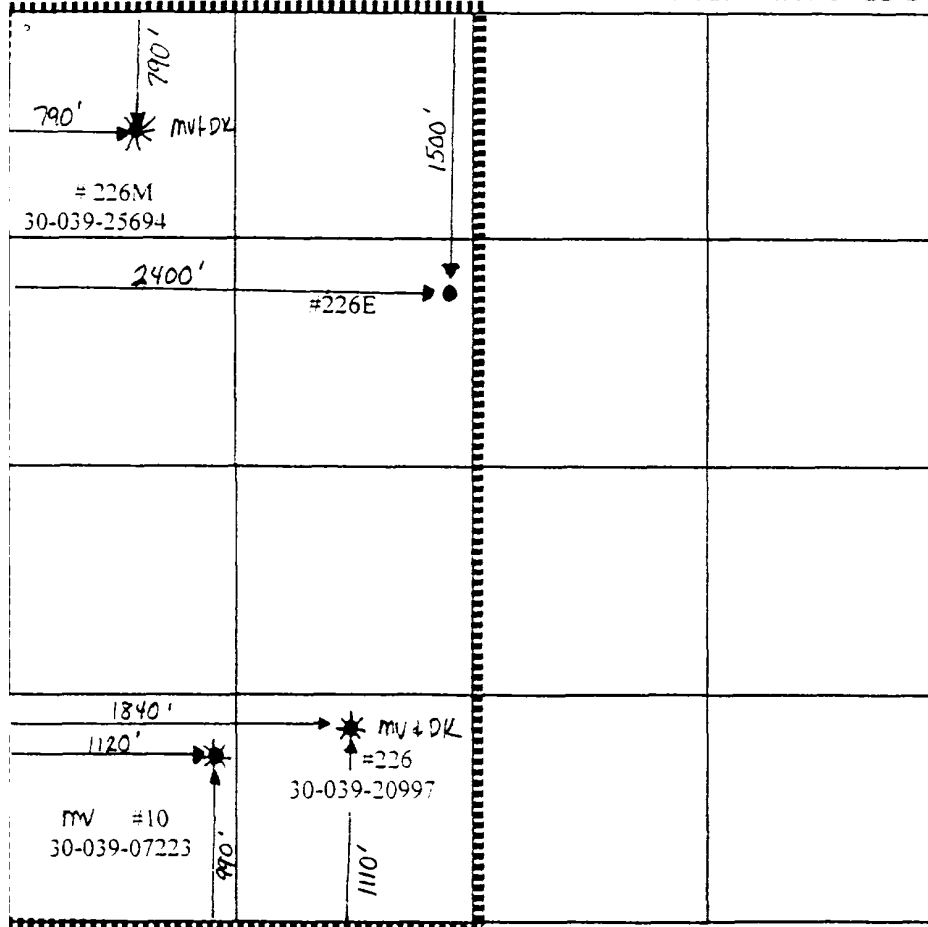
UL or lat no F	Section 36	Township 28N	Range 7W	Lot ldn	Feet from the 1500	North/South line North	Feet from the 2400	East/West line West	County Rio Arriba
-------------------	---------------	-----------------	-------------	---------	-----------------------	---------------------------	-----------------------	------------------------	----------------------

11 Bottom Hole Location If Different From Surface

UL or lat no	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
--------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No. R-10987-A
---------------------------	--------------------	-----------------------	---------------------------

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
Kay Maddox

Printed Name
Regulatory Agent

Title
February 20, 1999

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 and Seal of Professional Surveyor:

Certificate Number

February 20, 1999

RE: Notification of Offset Operators of C-107A Application
San Juan 28-7 Unit Well # 226E

Conoco, Inc. is the sole operator of the San Juan 28-7 Unit. This well does not encroach on any outside unit boundary lines therefore there are no offset operators that require notification.