

Ernie Busch

To: Ben Stone
Subject: BURLINGTON RESOURCES MONTOYA A 34 #1 (DHC)
Importance: High

MONTOYA A 34 #1
900' FNL; 700' FEL
A-34-32N-13W
RECOMMEND: APPROVAL

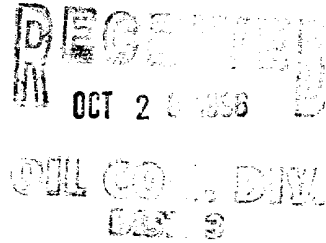
2 Operator			MERRION OIL & GAS CORP			3 OGRID		014634		4 Month/Year		09/96		6		Page 28 of 40 DISPOSITION OF OIL, GAS, AND WATER										
							PRODUCTION					INJECTION														
7 POOL NO. AND NAME Property No. and Name Well No. & U-L-S-T-R API No.							8 C O D E 1	9 Volume	10 Pressure	11 C O D E 2	12 Barrels of oil/conden- sate Produced	13 Barrels of water Produced	14 MCF Gas Produced	15 Days Prod- uced	16 C O D E 3	17 Point of Disposition	18 Gas BTU or Oil API Gravity	19 Oil on hand at beginning of month	20 Volume (Bbls/ mcf)	21 Trans- porter OGRID	22 C O D E 4	23 Oil on hand at end of month				
71599 BASIN DAKOTA																										
007754 Carnahan Com							F				23	0	1780	30	O	1903110	54.0	248	206	009018	S		60			
002 P-35-30N-12W															O	1903110	1255		5							
30-045-25844															G	1903130			1720	007057	U					
															G				60							
007766 Delhi Taylor C																										
001 M-04-26N-11W							P				53	139	1626	25	O	1898710	1256	125	1601	007057	U		178			
30-045-06006															G	1898730			25			P				
															W				139							
007783 Federal 20																										
001E G-20-25N-09W							F				3	29	2310	22												
30-045-26204																										
001R J-20-25N-09W							F				8	11	441	22	O	1903210		48					56			
30-045-25012															O	1907510		205					208			
															G	1903230	1240		397	007057	U					
															G	1907530	1248		2266	007057	P					
															W				88							
																			40							

BURLINGTON RESOURCES

SAN JUAN DIVISION

October 25, 1996

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: Montoya A 34 #1
900'FNL, 700'FEL Section 34, T-32-N, R-13-W, San Juan County, NM
API #30-045-24399

Dear Mr. LeMay:

This is a request for administrative approval for downhole commingling the Blanco Mesa Verde and Basin Dakota pools in the subject well. This is currently a dual Mesa Verde/Dakota well.

To comply with the New Mexico Oil Conservation Division rules, Burlington Resources Oil & Gas Company is submitting the following for your approval of this commingling:

1. Form C107A - Application for Downhole Commingling;
2. C-102 plat for each zone showing its spacing unit and acreage dedication;
3. Production curve for both the Dakota and Mesa Verde for at least one year;
4. Notification list of offset operators;
5. Shut in wellhead pressure and calculated down hole pressure;
6. Nine-section plats for the Mesa Verde and Dakota.

If you are a working, overriding or royalty interest owner in either of the above described pools, you are being notified of this application as a requirement of the New Mexico Oil Conservation Division Rule #303C. Burlington, as operator, believes this application will be in the best interest of all owners. If you have no objection to this commingling application, you do not have to respond to this notification. Upon establishment of production from this well, you will receive your proportionate share of revenues from the pool in which you own an interest according to the proposed allocation formula.

The allocation formula is included, showing 81% from the Mesa Verde and 19% from the Dakota formation.

Please let me know if you require additional data.

Sincerely,

Peggy Bradfield
Regulatory/Compliance Administrator

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 87505-6429

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

APPROVAL PROCESS :

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator **BURLINGTON RESOURCES OIL & GAS CO.** Address **PO Box 4289, Farmington, NM 87499**
Lease **Montoya A 34** Well No. **1** Unit Ltr. - Sec - Twp - Rge **A-34-32N-13W** County **San Juan**
Spacing Unit Lease Types: (check 1 or more)
OGRID NO. **14538** Property Code **7322** API NO. **30-045-24399** 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 Mesa Verde - 72319		Basin Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	4488-4731		6720-6874
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 357 psi (see attachment) (Original) b. 704 pis (see attachment)	a. b.	a.735 psi (see attachment) b.1212 psi (see attachment)
6. Oil Gravity (°API) or Gas BTU Content	BTU 1151		BTU 1185
7. Producing or Shut-In?	producing		producing
Production Marginal? (yes or no)	yes		yes
* If Shut-In 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, give data and oil/gas/water water of recent test (within 60 days)	Date: 8-96 Rates: 26 MCF/D .27 BOPD	Date: Rates:	Date: 8/96 Rates: 9 MCF/D 0 BOPD
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % Based off past Dakota Production.	Oil: % Gas: % Any production over & above Dakota	Oil: % Gas: % predicted volumes will be allocated to Mesa Verde.

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 other? ☒ 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 (In Federal Unit)
15. NMOCD 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 Peggy Bradfield TITLE Reg/Compliance Admin DATE 11-7-96

TYPE OR PRINT NAME Peggy Bradfield TELEPHONE NO. (505) 326-9700

SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

STATE OF NEW MEXICO
GEOLGY AND MINERALS DEPARTMENT

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

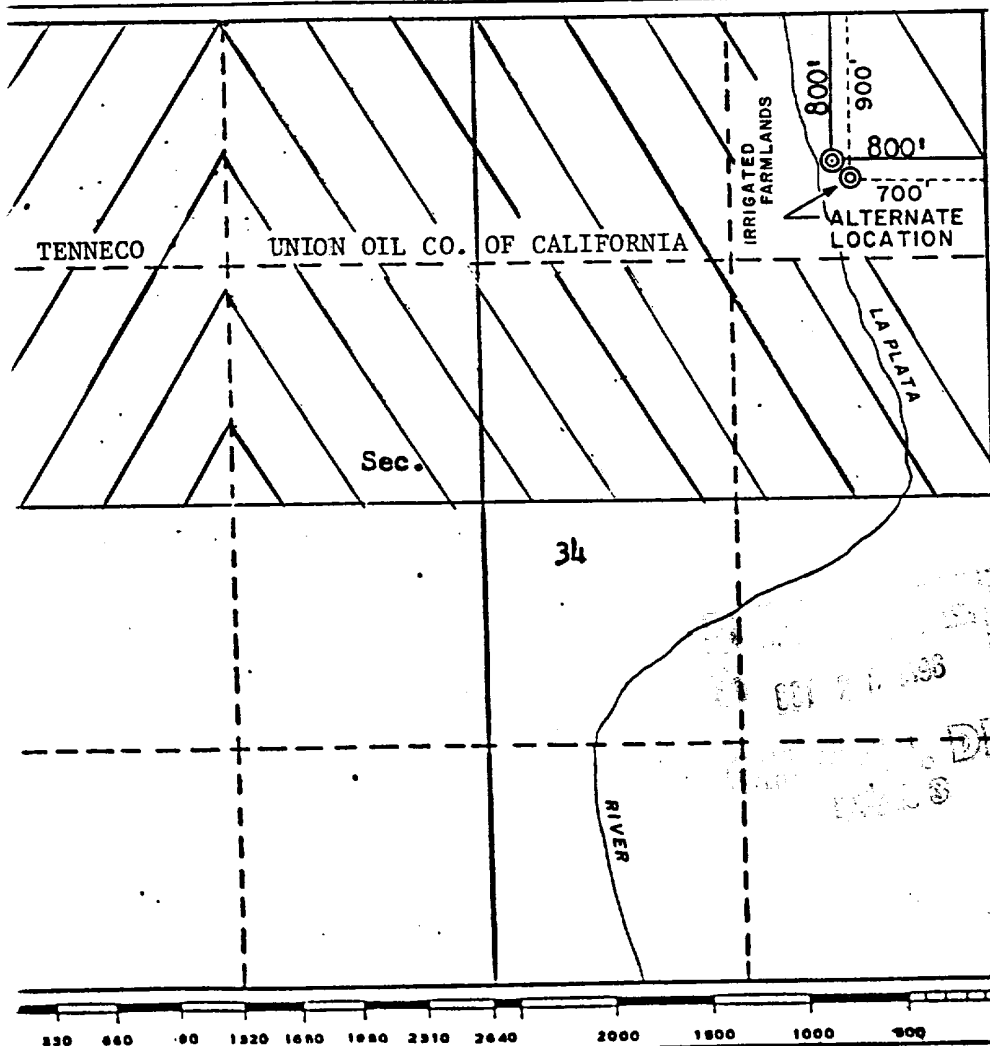
Lease UNION OIL COMPANY OF CALIFORNIA		Lease MONTOYA A34		Well No. 1	
Letter 34	Section 34	Township 32N	Range 13W	County San Juan	
34 Footage Location of Wells:					
100 feet from the North line and		800 feet from the East line			
and Level Elev. 8817	Producing Formation Dakota & Mesaverde	Pool Basin Dakota-Bianco Mesaverde		Dedicated Acreage: 320 Acres	

- . Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- . If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- . 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 Communitization Agreement

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.



CERTIFICATION

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

Name David Gomendi
Position D. A. Gomendi
District Drilling Engineer
Company Union Oil Co. of California
Date June 10, 1980

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.

Date Surveyed _____

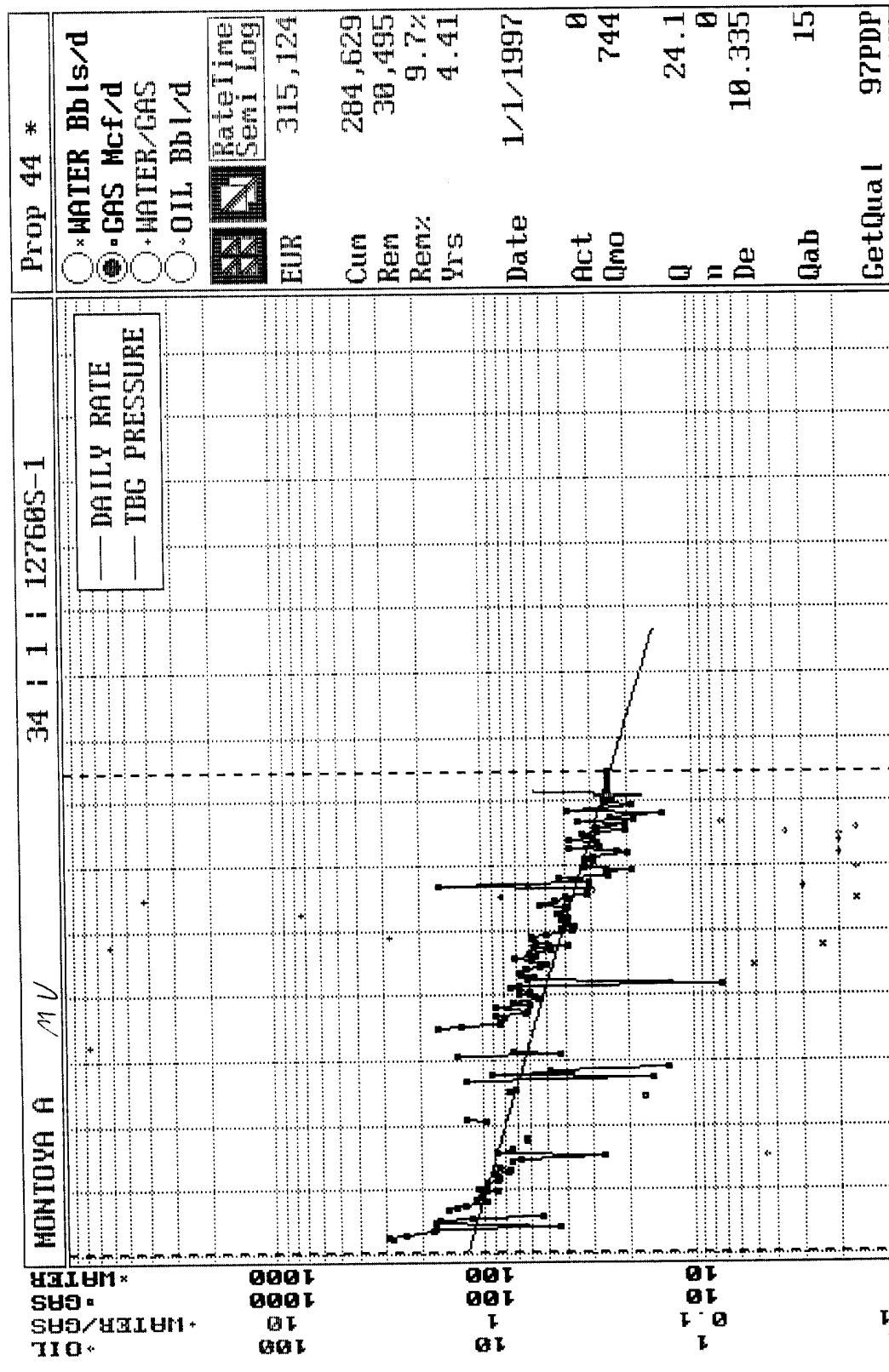
May 16, 1980

Registered Professional Engineer
and/or Land Surveyor

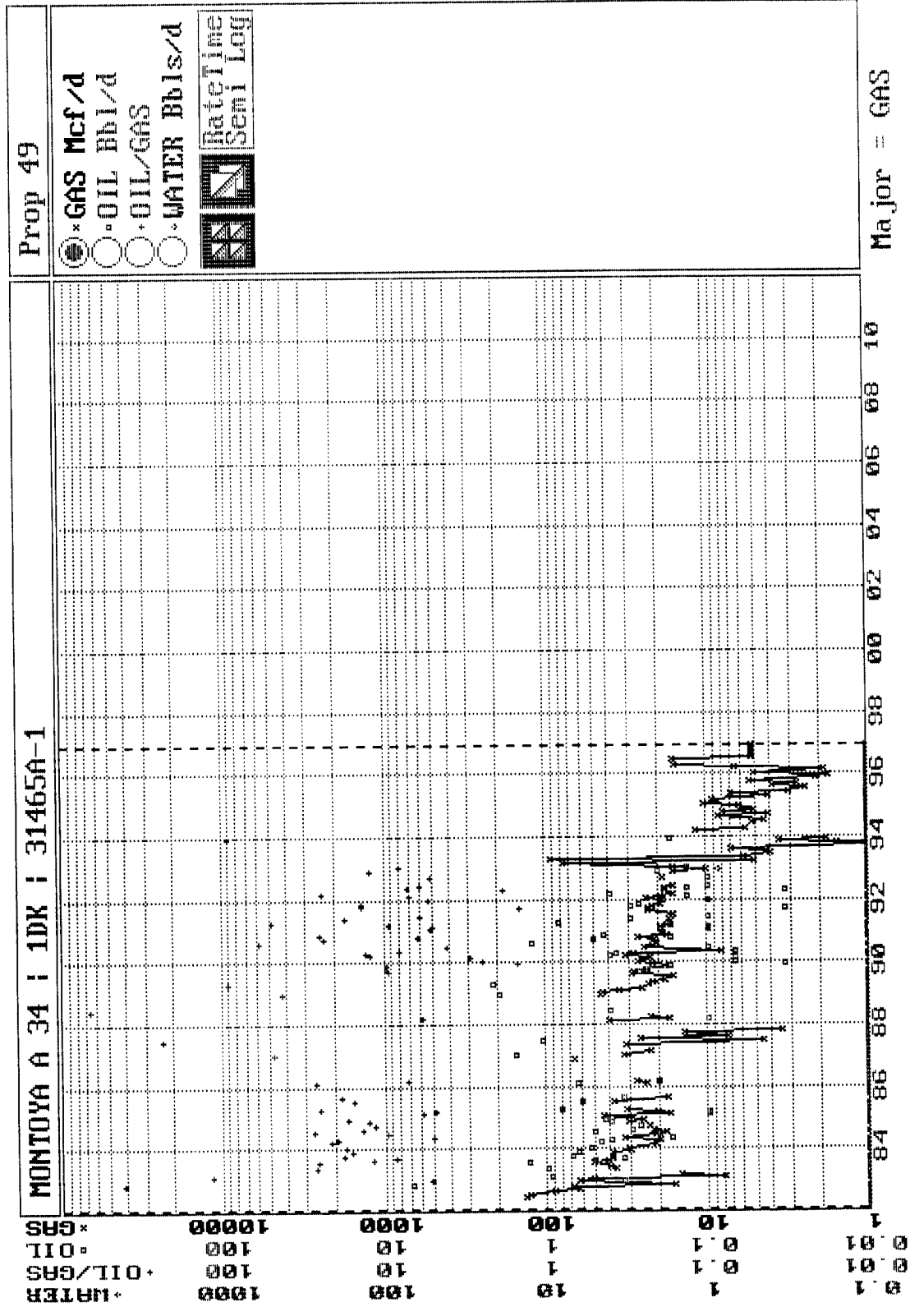
Fred B. Kern, Jr.

Certificate No.

3950



Major = GAS

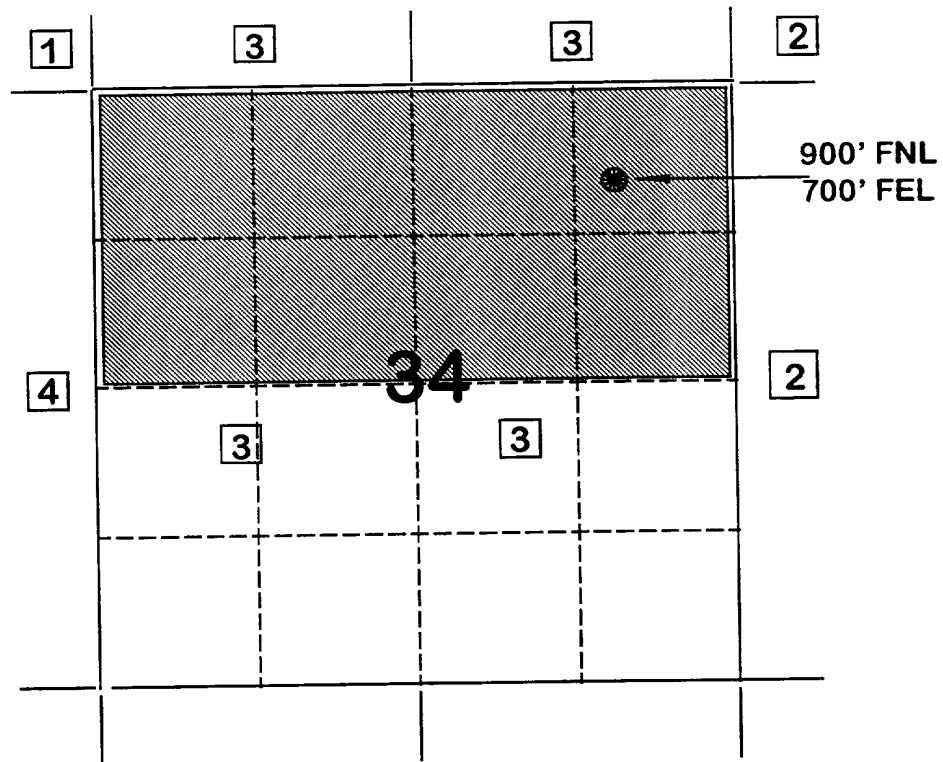


BURLINGTON RESOURCES OIL AND GAS COMPANY

**Montoya A 34 #1
OFFSET OPERATOR \ OWNER PLAT**

Mesaverde / Dakota Formations Commingle Well

Township 32 North, Range 13 West



- 1) Burlington Resources Oil and Gas Company Successor to Meridian Oil Inc.
- 2) Snyder Oil Corp.
777 Main, Suite 2500
Ft. Worth, TX 76102
- 3) Hallwood Petroleum Inc.
4582 S. Ulster Street Pkwy, Suite 1700
Denver, CO 80237
- 4) Texakoma Oil & Gas Corp.
5400 LBJ Frwy, Suite 500
Dallas, TX 75240

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.668</u>
COND. OR MISC. (C/M)	<u>C</u>
%N ₂	<u>0.16</u>
%CO ₂	<u>0.69</u>
%H ₂ S	<u>0</u>
DIAMETER (IN)	<u>2.5</u>
DEPTH (FT)	<u>4393</u>
SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>150</u>
FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>322</u>
BOTTOMHOLE PRESSURE (PSIA)	<u>356.8</u>

MONTOYA A 34 #1 MESAVERDE - (CURRENT)

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.668</u>
COND. OR MISC. (C/M)	<u>C</u>
%N2	<u>0.16</u>
%CO2	<u>0.69</u>
%H2S	<u>0</u>
DIAMETER (IN)	<u>2.5</u>
DEPTH (FT)	<u>4393</u>
SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>150</u>
FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>632</u>
BOTTOMHOLE PRESSURE (PSIA)	704.0

MONTROYA A 34 #1 MESAVERDE - (ORIGINAL)

State: 30 Lease Name: MONTOYA A 34
 Prod: 2 County Name: SAN JUAN
 Ident: 32N13W34A00MV Reservoir Name: MESAVERDE
 District: 4 Operator Name: MERIDIAN OIL INC
 Location: 34A 32N 13W Field Name: BLANCO (MESAVERDE)
 Retrieval code: 251,045,32N13W34A00MV Well: 000001 Total Depth: 0
 Gas Gath: ELNAT Status: ACT Upper Perf: 0
 API No: 2439900 Comp Date: 000000 Lower Perf: 0

Date	Cum to Test	WHSIP	BHP	P/Z	BDWtr	BDCnd	WHFlw	Poten	MC	Pt	Z	FA
19820910	26,493	632	0	0	0	0	253	210		2	0.00	
19830601	57,102	608	0	0	0	0	245	213		2	0.00	
19840817	101,327	422	0	0	0	0	186	66		2	0.00	
19860401	127,770	393	0	0	0	0	181	100		2	0.00	
19890929	177,836	322	0	0	0	0	147	64		2	0.00	
19910801	216,642	322	0	0	0	0	190	83		2	0.00	
***** BOTTOM OF DATA *****												

F1=HELP F2=SPLIT F3=END F4=RETURN F5=RFIND F6=RCHANGE
 F7=UP F8=DOWN F9=SWAP F10=LEFT F11=RIGHT F12=RETRIEVE
 B MY JOB LU #38

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.704</u>
COND. OR MISC. (C/M)	<u>C</u>
%N2	<u>0.44</u>
%CO2	<u>1.34</u>
%H2S	<u>0</u>
DIAMETER (IN)	<u>2.5</u>
DEPTH (FT)	<u>6874</u>
SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>200</u>
FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>620</u>
BOTTOMHOLE PRESSURE (PSIA)	<u>734.8</u>

MONTOYA A 34 #1 DAKOTA - (CURRENT)

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.704</u>
COND. OR MISC. (C/M)	<u>C</u>
%N2	<u>0.44</u>
%CO2	<u>1.34</u>
%H2S	<u>0</u>
DIAMETER (IN)	<u>2.5</u>
DEPTH (FT)	<u>6874</u>
SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>200</u>
FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>1012</u>
BOTTOMHOLE PRESSURE (PSIA)	<u>1211.7</u>

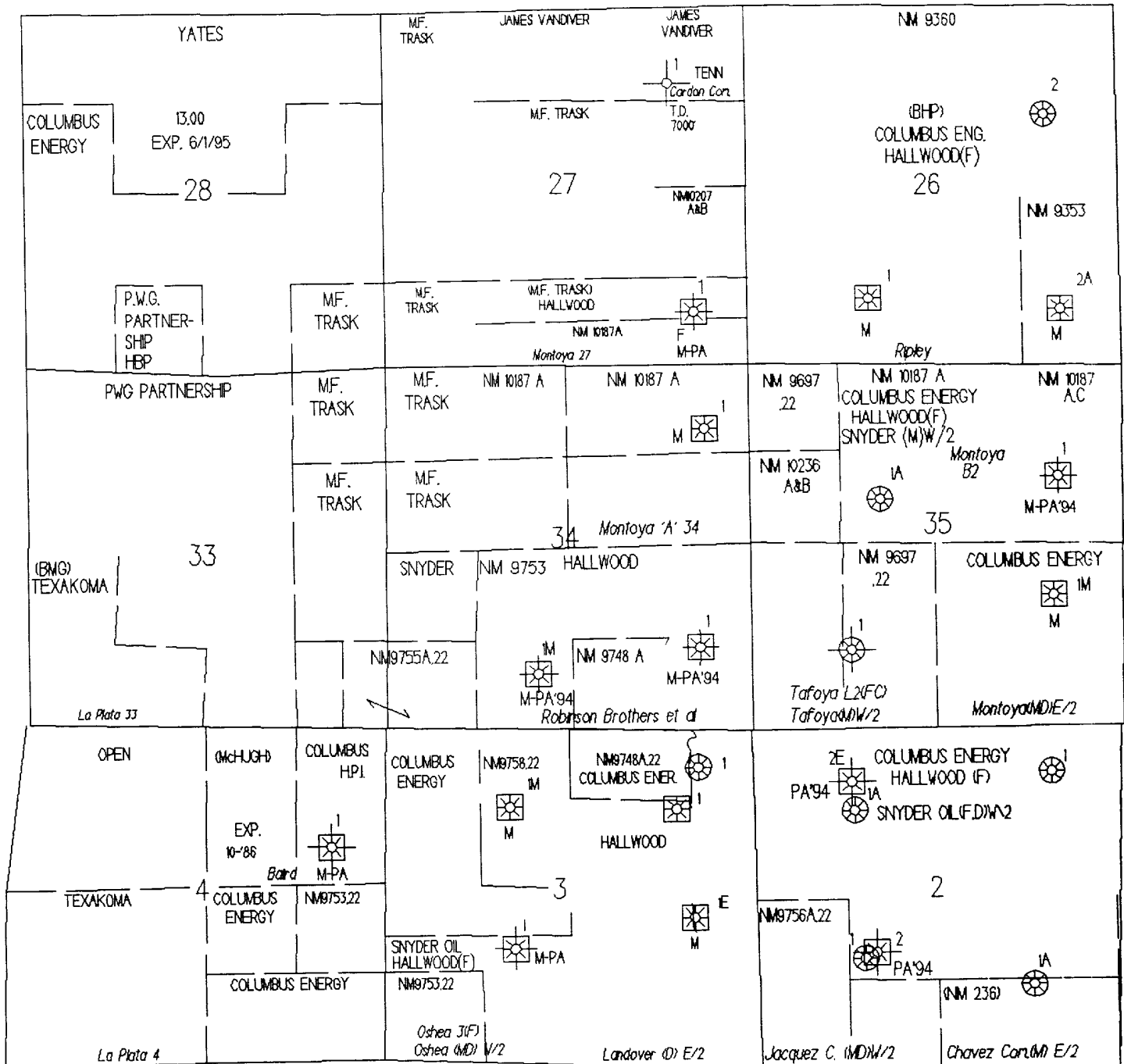
MONTOYA A 34 #1 DAKOTA - (ORIGINAL)

State: 30 Lease Name: MONTOYA A 34
 Prod: 2 County Name: SAN JUAN
 Ident: 32N13W34A00DK Reservoir Name: DAKOTA
 District: 4 Operator Name: MERIDIAN OIL INC
 Location: 34A 32N 13W Field Name: BASIN (DAKOTA)
 Retrieval code: 251,045,32N13W34A00DK Well: 000001 Total Depth: 0
 Gas Gath: ELNAT Status: ACT Upper Perf: 0
 API No: 2439900 Comp Date: 000000 Lower Perf: 0

Date	Cum to Test	WHSIP	BHP	P/Z	BDWtr	BDCnd	WHFlw	Poten	MC	Pt	Z	FA
19820910	11,426	1012	0	0	0	0	222	48		2	0.00	
19830601	20,695	790	0	0	0	0	220	49		2	0.00	
19840817	34,637	762	0	0	0	0	184	13		2	0.00	
19871208	50,496	1066	0	0	0	0	0	0			0.00	
19901107	70,825	742	0	0	0	0	167	24		2	0.00	
19921203	83,284	620	0	0	0	0	133	14		2	0.00	
***** BOTTOM OF DATA *****												

F1=HELP F2=SPLIT F3=END F4=RETURN F5=RFIND F6=RCHANGE
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 B MY JOB LU #38

MONTOYA A 34 #1 SECTION 34, T32N, R13W BLANCO MESAVERDE/BASIN DAKOTA



R-13-W

T 31 N

T 31 N

PRODUCTION ALLOCATION FORMULA METHOD

Montoya A 34 #1
(Mesaverde/Dakota) Commingle
Unit A, 34-T32N-R13W
San Juan County, New Mexico

Allocation Formula Method:

Current Production from Mesaverde formation = 25 MCFD

Current Production from Dakota formation = 6 MCFD

$$\frac{[(MV \& DK) 31 \text{ MCFD} - (MV) 25 \text{ MCFD}]}{(MV \& DK) 31 \text{ MCFD}} = (DK) \% \text{ Dakota 19\%}$$

$$\frac{[(MV \& DK) 31 \text{ MCFD} - (DK) 6 \text{ MCFD}]}{(MV \& DK) 31 \text{ MCFD}} = (MV) \% \text{ Mesaverde 81\%}$$