

DATE IN <u>3.8.12</u>	SUSPENSE	ENGINEER <u>WVJ</u>	LOGGED IN <u>3.8.12</u>	TYPE <u>DHC</u> <u>4538</u>	APP NO. <u>1206848402</u>
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PTGW

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ConocoPhillips
217817

Hodges #12E

ADMINISTRATIVE APPLICATION CHECKLIST 30-845-35229

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

M-34-26N-8W

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Arleen Kellywood Arleen Kellywood Staff Regulatory Tech 3/5/12
 Print or Type Name Signature Title Date

Hodges 12E
30-045-35229

arleen.r.kellywood@conocophillips.com
e-mail Address

PC

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

DAC-4538

CONOCOPHILLIPS COMPANY P.O.Box 4289 Farmington, NM 87499
Operator Address

HODGES 12E Unit M, Sec. 34, 026N, 008W SAN JUAN
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No: 217817 Property Code 31768 API No. 30045352290000 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE <input checked="" type="checkbox"/>	LOWER ZONE <input checked="" type="checkbox"/>
Pool Name	BASIN MANCOS	BASIN DAKOTA
Pool Code	97232	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5650'-6450' estimated	62950'-6725' estimated
Method of Production (Flowing or Artificial Lift)	New Zone	New Zone
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	3266psi	3161psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1200	BTU 1162
Producing, Shut-In or New Zone	New Zone	New Zone
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: N/A Rates: N/A	Date: N/A Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

- 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 working, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE  TITLE Engineer DATE 3/27/12

TYPE OR PRINT NAME Bill Akwari, Engineer TELEPHONE NO. (505) 326-9700

E-MAIL ADDRESS Bill.N.Akwari@conocophillips.com

pc

Hodges 12E

Unit M, Section 34, T026N, R008W

Bottom Hole

Unit M, Section 34, T026N, R008W

The Hodges 12E is a Basin Dakota and Basin Mancos new drill. A cased hole neutron log will be run prior to completion to identify the Dakota and Mancos zones. If the Dakota and Mancos horizons can be isolated, a spinner test will be performed and the allocation will be assigned. In the event that the Dakota and Mancos can not be tested separately, a volumetric calculation will be performed to determine the allocation percentages between the Basin Dakota and Basin Mancos. Initial Oil allocation will be the same as the gas initial allocation until the first liquid sale is completed. After completing the first liquid sale and using known Dakota liquid yields from offset Stand Alone wells a system of linear equations will be solved for Mancos liquid yield, and that Mancos liquid yield will be used in conjunction with the Dakota liquid yields to calculate the oil allocations. The oil allocation will be calculated in a way that is a function of individual formation Gas production and Individual formation liquid yields. All documentation will be submitted to the Aztec NMOCD office.

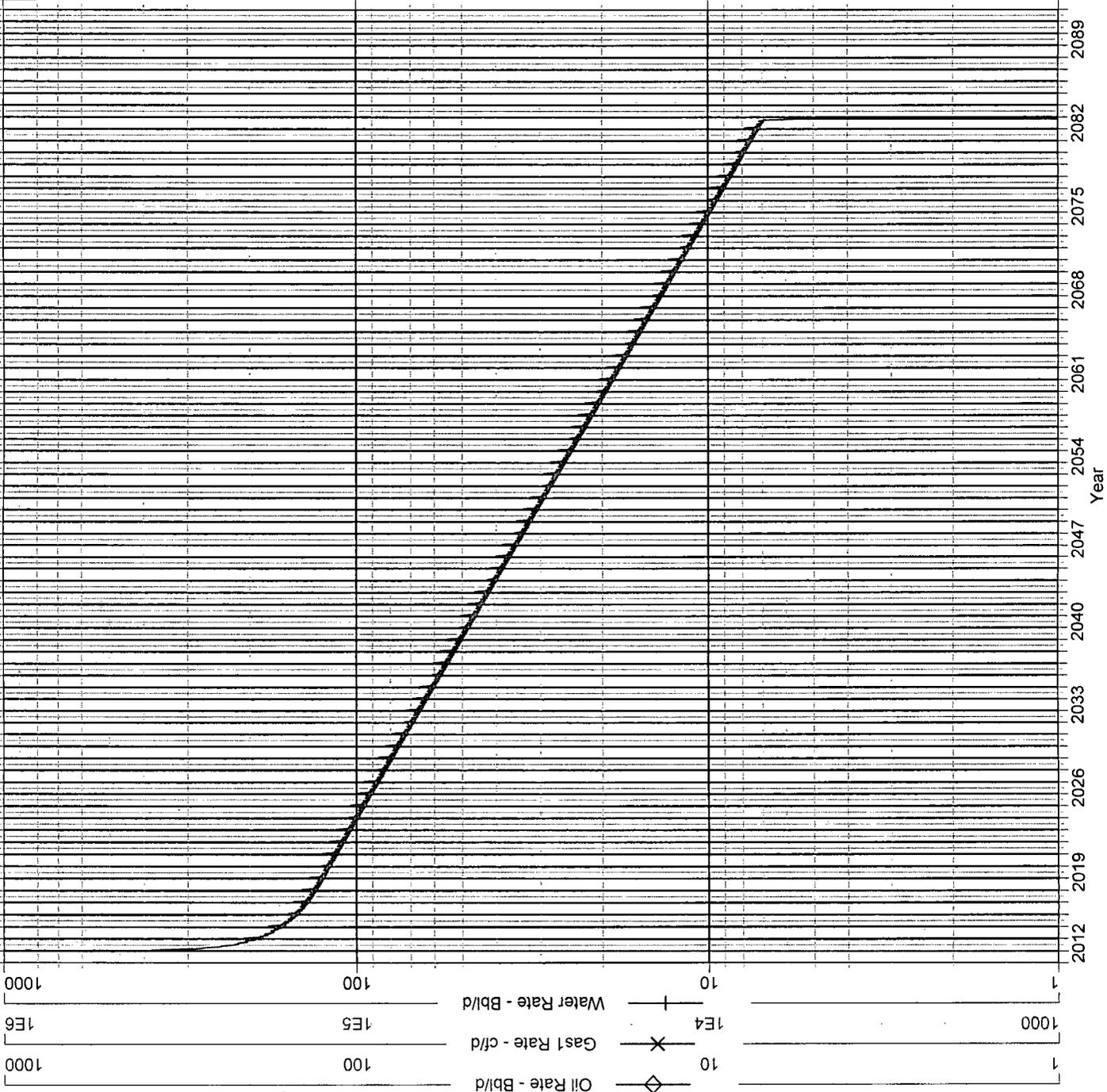
HODGES 12E DK Data: Feb.2012-Feb.2012

Operator: Unknown
 Field:
 Zone:
 Type: Other
 Group: None

No
 Active
 Forecast

Production Cums
 Oil: 0 Bbl
 Gas: 0 MSCF
 Water: 0 Bbl
 Cond: 0 Bbl

Oil Rate - Bbl/d
 Cum: 0.00
 Gas1 Rate - cfd
 Cum: 0.00
 Water Rate - Bbl/d
 Cum: 0.00



Oil Rate - Bbl/d 10
 Gas1 Rate - cfd 1E4
 Water Rate - Bbl/d 100

HODGES 12E MC Data: Feb. 2012-Feb. 2012

Operator: Unknown

Field:

Zone:

Type: Other

Group: None

No

Active

Forecast

Production Cum

Oil: 0 Bbl

Gas: 0 MSCF

Water: 0 Bbl

Cond: 0 Bbl

◇ Oil Rate - Bbl/d

Cum: 0.00

* Gas1 Rate - cfd

Cum: 0.00

— Water Rate - Bbl/d

Cum: 0.00

