

DATE IN <u>3.8.12</u>	SUSPENSE	ENGINEER <u>WVJ</u>	LOGGED IN <u>3.8.12</u>	TYPE <u>DHC</u>	APP NO. <u>1206847929</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



ConocoPhillips  
 2/7/12

Stewart LS 8N

ADMINISTRATIVE APPLICATION CHECKLIST 30-045-35330

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 \_\_\_\_\_

- [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  
 Print or Type Name

*Arleen Kellywood*  
 Signature

Staff Regulatory Tech 3/5/12  
 Title Date

Stewart LS 8N  
 30-045-35330

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

F-28-30N-10W

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**

*DAK 4539*

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

STEWART LS 8N Unit F, Sec. 28, 030N, 010W SAN JUAN  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No: 217817 Property Code 38765 API No. 30045353300000 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO MESAVERDE	BASIN MANCOS	BASIN DAKOTA
Pool Code	72319	97232	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4900'-5050' estimated	6100'-6900' estimated	7205'-7330' estimated
Method of Production (Flowing or Artificial Lift)	New Zone	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)	1177psi	3338psi	2221psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1247	BTU 1200	BTU 1220
Producing, Shut-In or New Zone	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	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	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:

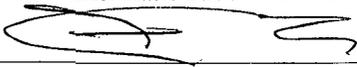
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation 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 3/21/12

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

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

*PC*

STEWART LS 8N  
Unit F, Section 28, T030N, R010W  
BOTTOM HOLE  
Unit D, Section 28, T030N, R010W

The STEWART LS 8N is a Blanco Mesaverde, Basin Dakota and Basin Mancos new drill. A cased hole neutron log will be run prior to completion to identify the Mesaverde, Dakota and Mancos zones. If the Mesaverde, Dakota and Mancos horizons can be isolated, a spinner test will be performed and the allocation will be assigned. In the event that the Mesaverde, Dakota and Mancos can not be tested separately, a volumetric calculation will be performed to determine the allocation percentages between the Basin Mesaverde, 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 and Mesaverde 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 Mesaverde and 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.

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised July 16, 2010  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number: 30-045-	<sup>2</sup> Pool Code: 72319/71599/97232	<sup>3</sup> Pool Name: BLANCO MESAVERDE/DAKOTA	BASIN /MANCOS
<sup>4</sup> Property Code: 38765	<sup>5</sup> Property Name: STEWART LS		<sup>6</sup> Well Number: BN
<sup>7</sup> OGRID No. 217817	<sup>8</sup> Operator Name: CONOCOPHILLIPS COMPANY		<sup>9</sup> Elevation: 6317

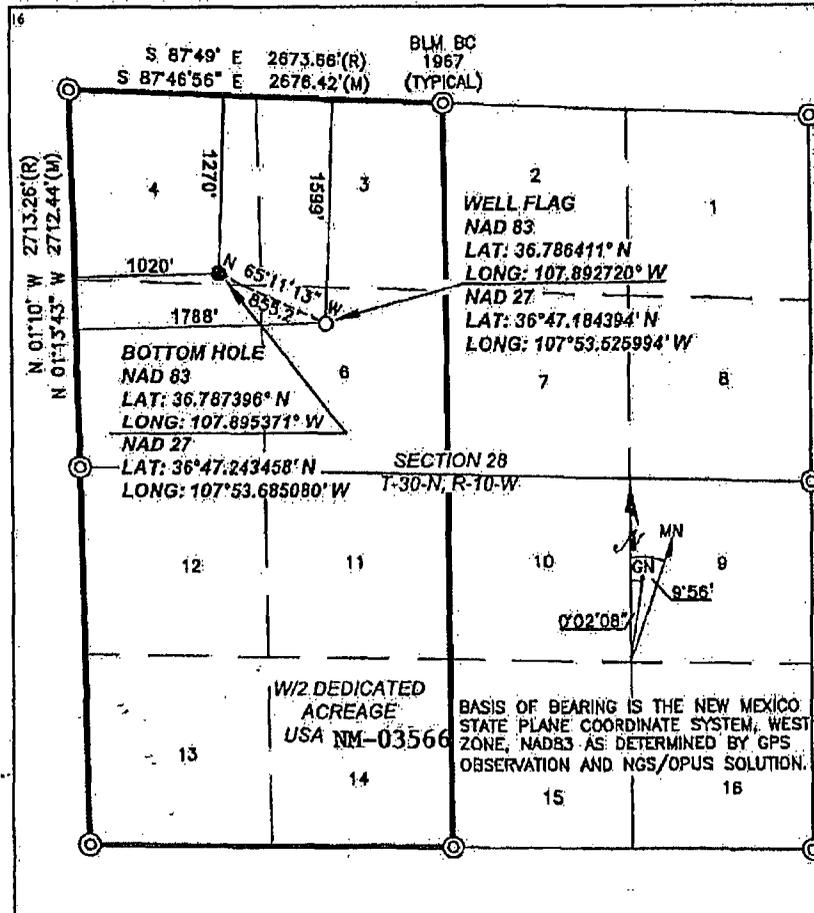
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	28	30-N	10-W		1599	NORTH	1788	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	30-N	10-W		1270	NORTH	1020	WEST	SAN JUAN

<sup>12</sup> Dedicated Acres: W/2(326.64)	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



<sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Arleen Kellywood* 1/9/12  
Signature: Date

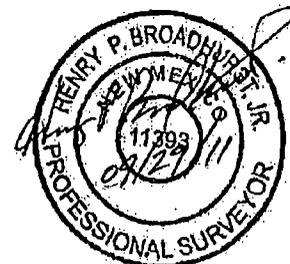
Arleen Kellywood  
Printed Name

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

<sup>18</sup> 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: 1/21/2011  
Signature and Seal of Professional Surveyor:



Certificate Number NM 11393

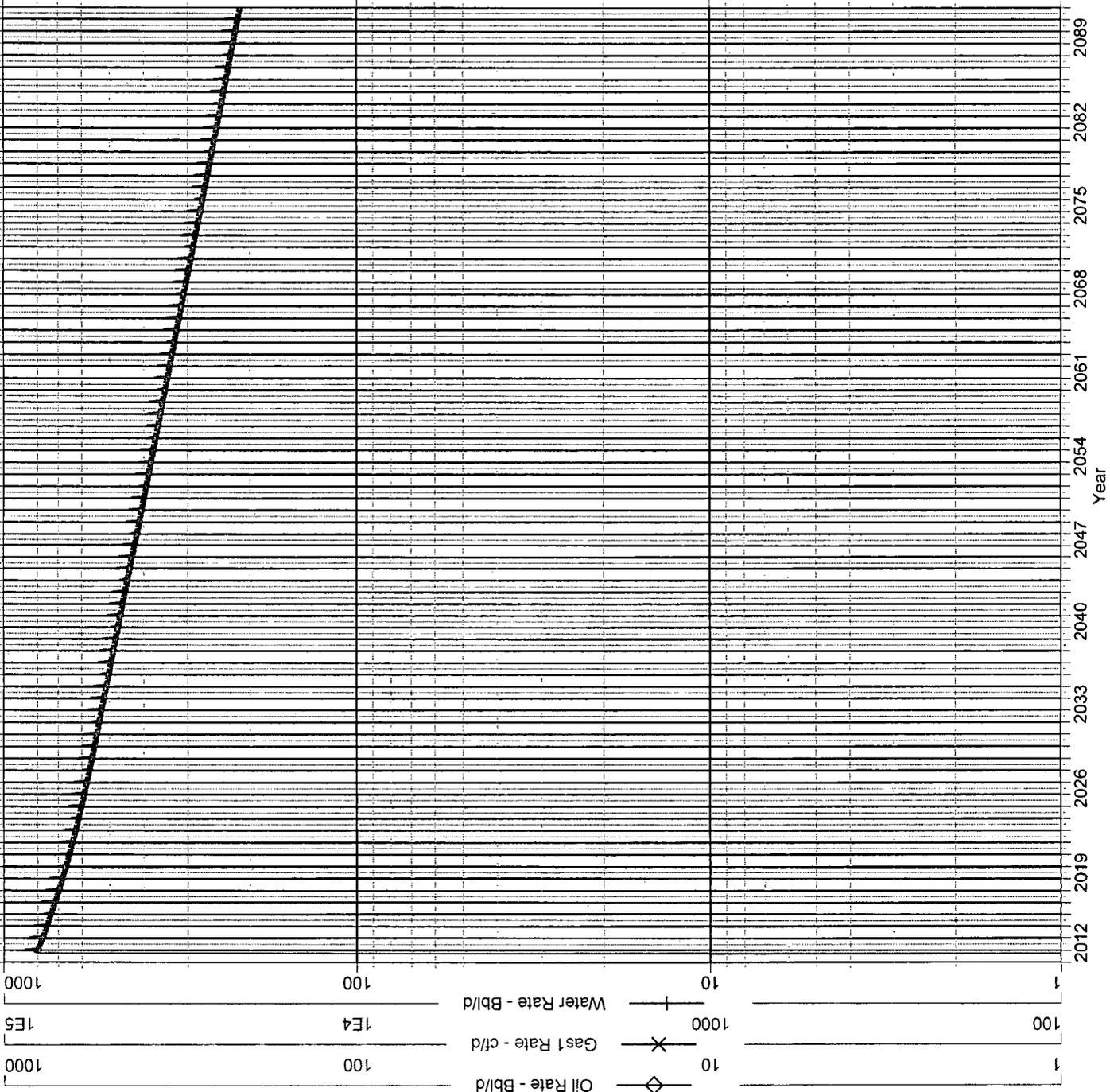
STEWART LS 8N DK Data: Feb.2012-Feb.2012

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 - cf/d  
 Cum: 0.00  
 — Water Rate - Bbl/d  
 Cum: 0.00



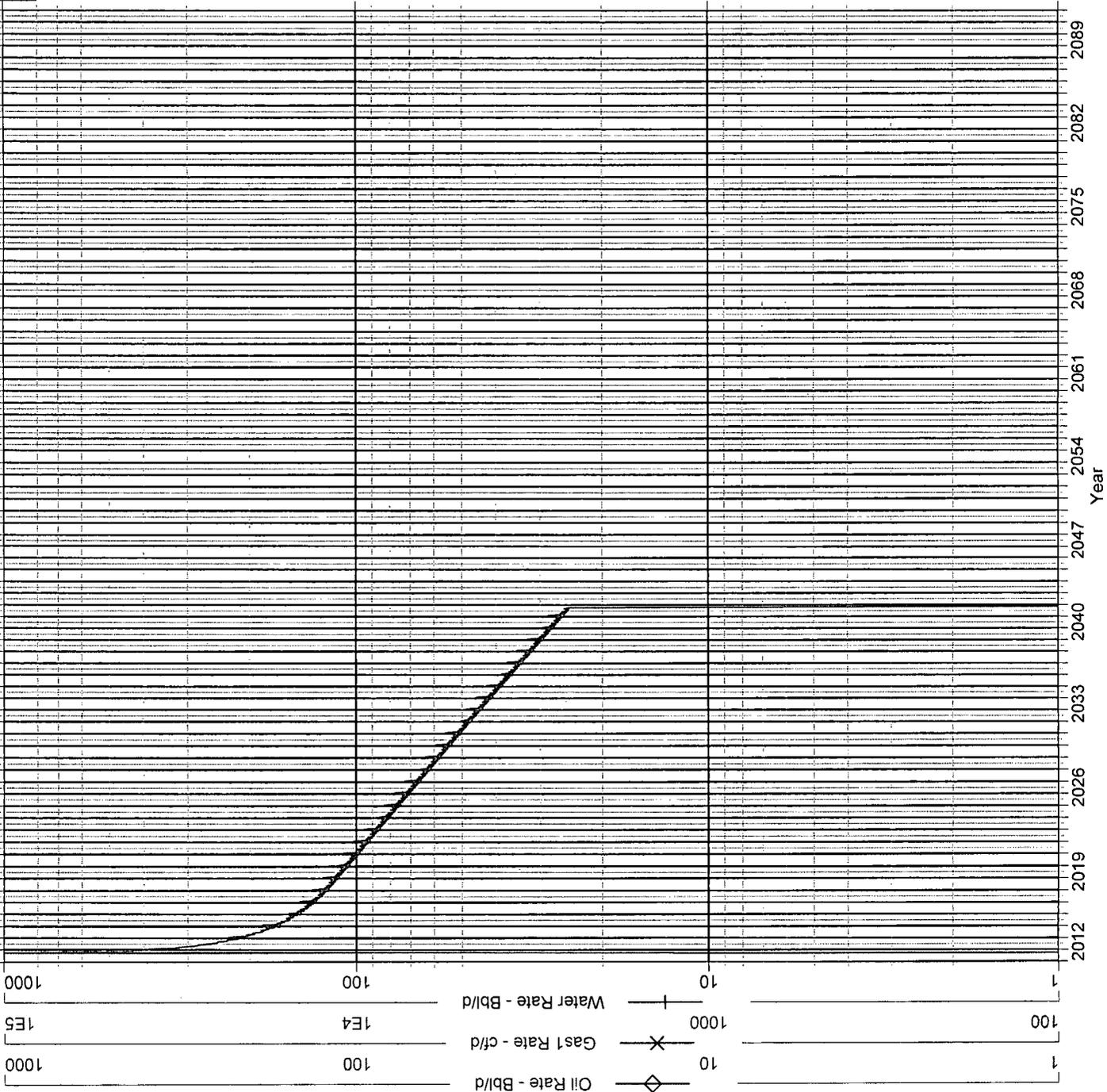
STEWART LS 8N MC Data: Feb.2012-Feb.2012

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



STEWART LS 8N MV 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 - cf/d  
 Cum: 0.00  
 Water Rate - Bbl/d  
 Cum: 0.00

