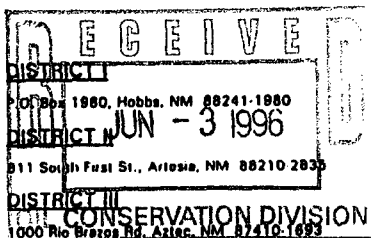


DHC-1290

6/24/96



State of New Mexico
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr., Ste 100W, Midland TX 79705

Lease AXI Apache K Well No. 5 Unit Ltr. - Sec - Twp - Rge H-10-26N-5W County Rio Arriba

OGRID NO. 005073 Property Code 003133 API NO. 30-039-06600 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	So. Blanco PC 72439		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	3877' - 3946'		5576' - 6129'
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	a. (Current) 272 psia b. (Original) 1207 psia	a. b.	a. 500 psia b. 1313 psia
6. Oil Gravity (°API) or Gas BTU Content	1201 BTU		1224 BTU
7. Producing or Shut-In?	Shut-in		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give 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: 1996 mid/yr Rates: .006 bbl/mcf 16 mcf/gpd, 0 bwpd	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 1996 mid/yr Rates: .0034 bbl/mcf 141 mcf/gpd, 0 bwpd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 10 %	Oil: % Gas: %	Oil: 100 % Gas: 90 %

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
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.

Sr. Conservation

SIGNATURE Jerry W. Hoover TITLE Coordinator DATE 5/31/96

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

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

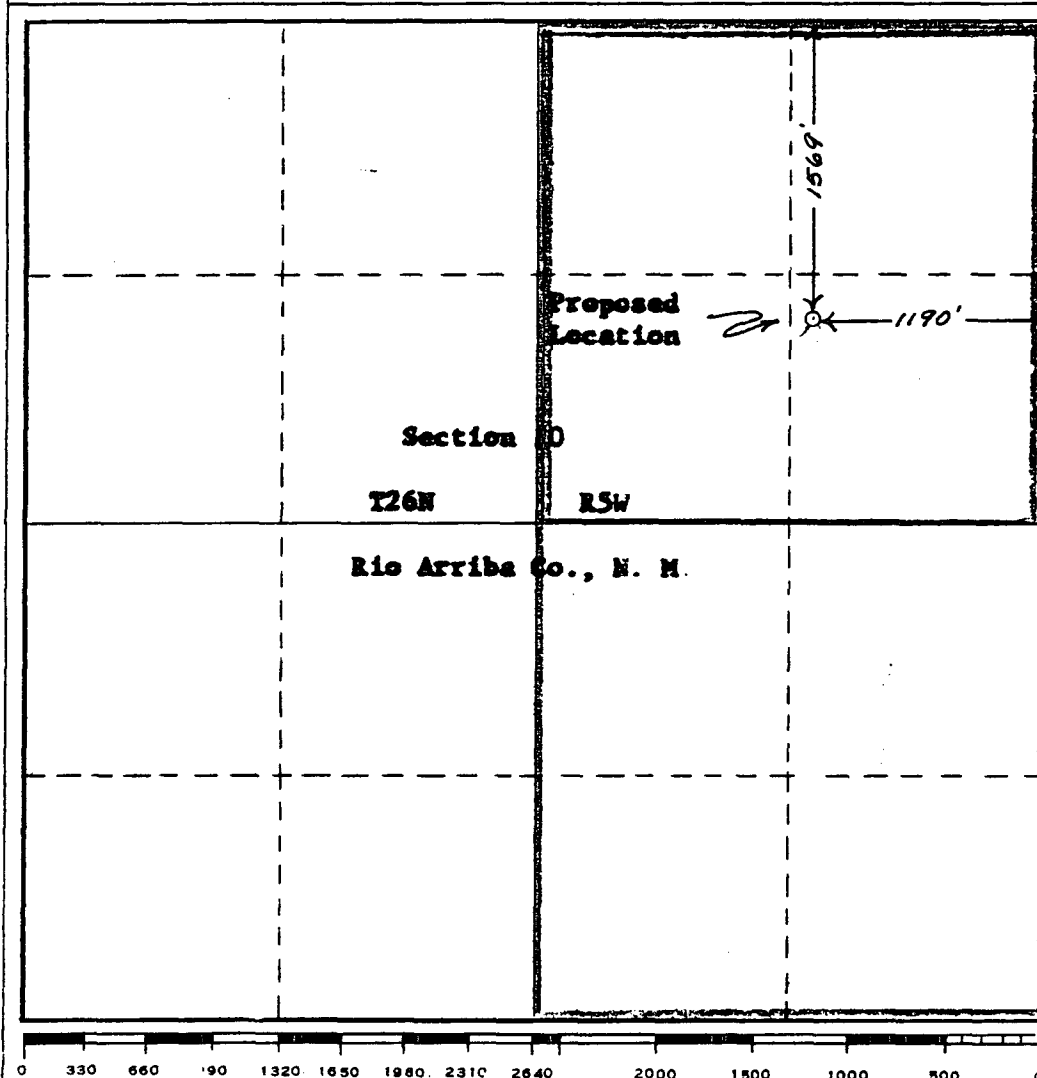
Operator Continental Oil Company			Lease AXI Apache "K"		Well No. 5
Unit Letter H	Section 10	Township 26N	Range 5W	County Rio Arriba	
Actual Footage Location of Well:					
1569 feet from the North line and		1190 feet from the East line			
Ground Level Elev: 7248'	Producing Formation Pictured Cliffs Mesaverde	Pool So. Blanco Pictured Cliffs Blanco Mesaverde	Dedicated Acreage: 160-AC(Red) 120-AC(Blue) Acres		

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

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.
 Original Signed By:
H. D. HALEY

Name
District Manager
 Position
Continental Oil Company
 Company
6-29-65
 Date

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
June 28, 1965
 Registered Professional Engineer and/or Land Surveyor

H. D. Haley

Certificate No.
H. M. #1905

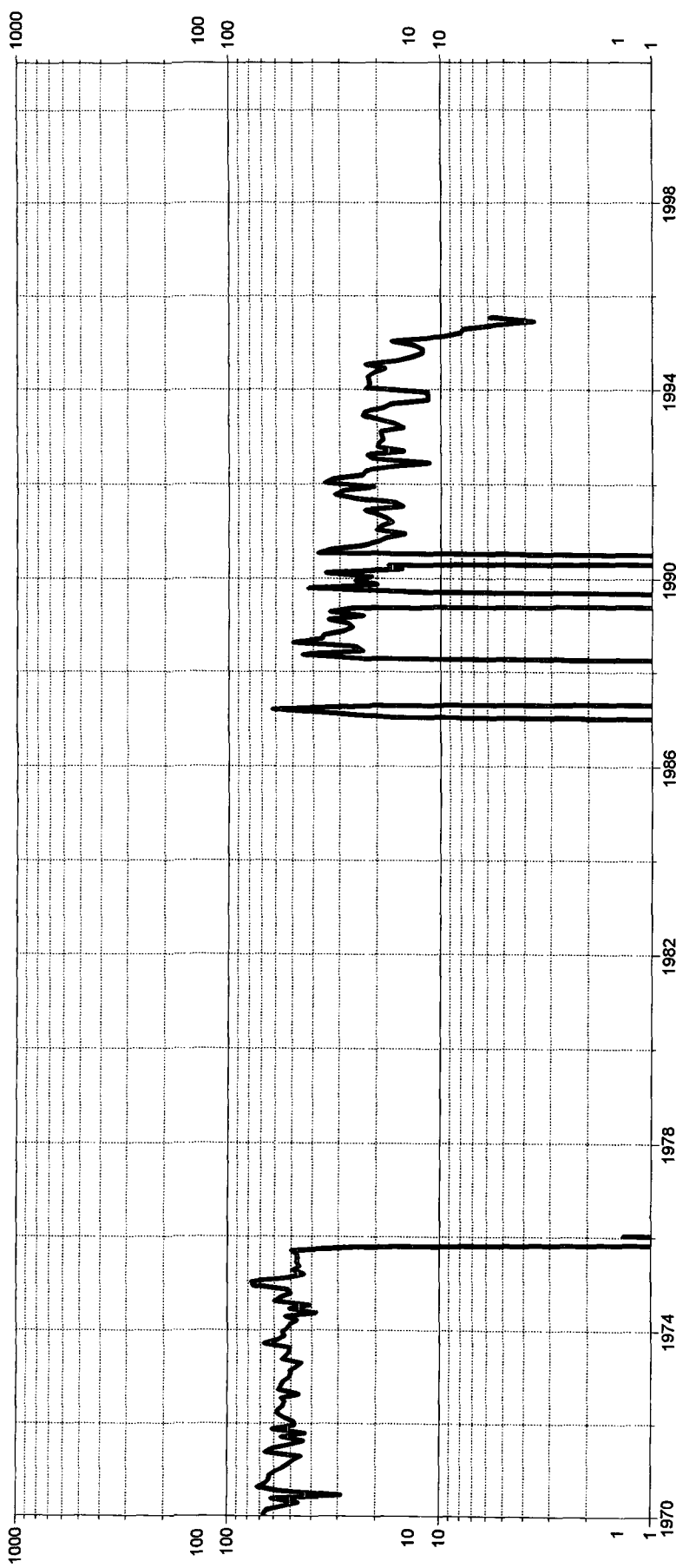
Dwights

1000 Lease: AXI APACHE K 000005

Retrieval Code: 251,039,26N05W10H00P

1000

1000



County: RIO ARriba

State: NM

Date: 05/01/96

Field: BLANCO SOUTH (PICTURE CLIFFS) PC

Oil Cum: 157 bbl

F.P. Date: 01/66

Reservoir: PICTURE CLIFFS

Gas Cum: 254647 mcf

Water (bbl/day)

Well Count

Operator: CONOCO INC

Location: 10H 26N 5W

Gas (mcf/day)

Oil (bbl/day)

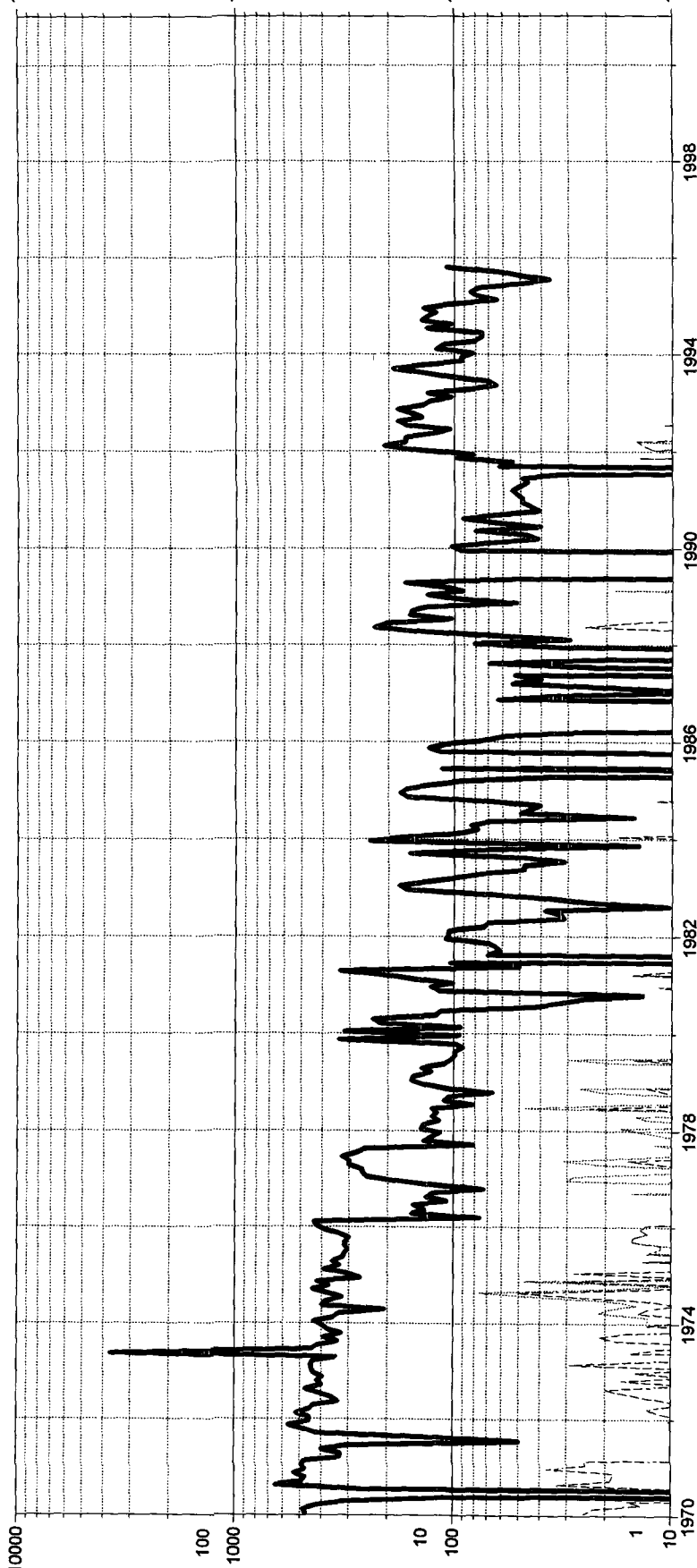
Dwights

1000 Lease: AXI APACHE K 000005

Retrieval Code: 251,039,26N05W10H00M

1000

1000



County: RIO ARRIBA

Field: BLANCO (MESAVERDE) MV

Reservoir: MESAVERDE

Operator: CONOCO INC

State: NM

Oil Cum: 7962 bbl

Gas Cum: 2373 mmcf

Location: 10H 26N 5W

F.P. Date: 01/66

Water (bbl/day)

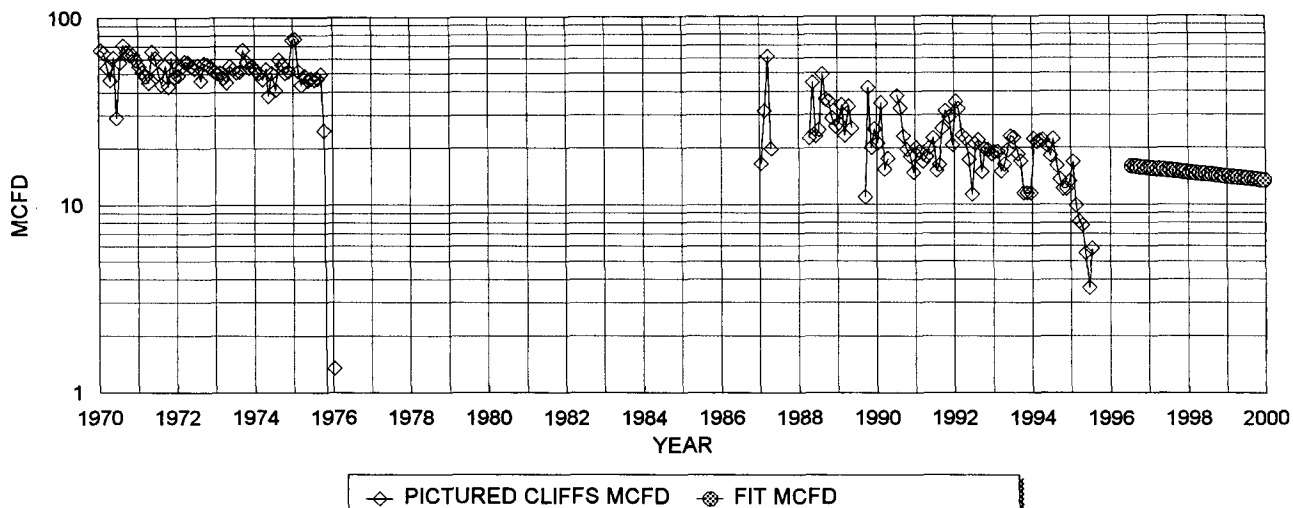
Gas (mcf/day)

Date: 05/01/96

Well Count

Oil (bbl/day)

**AXI APACHE K NO. 5 PICTURED CLIFFS
SECTION 10H-26N-05W**



PICT. CLIFFS HISTORICAL DATA: 1ST PROD: 1/66

OIL CUM: 0.16 MBO
GAS CUM: 254.6 MMCF
OIL YIELD: 0.0006 BBL/MCF

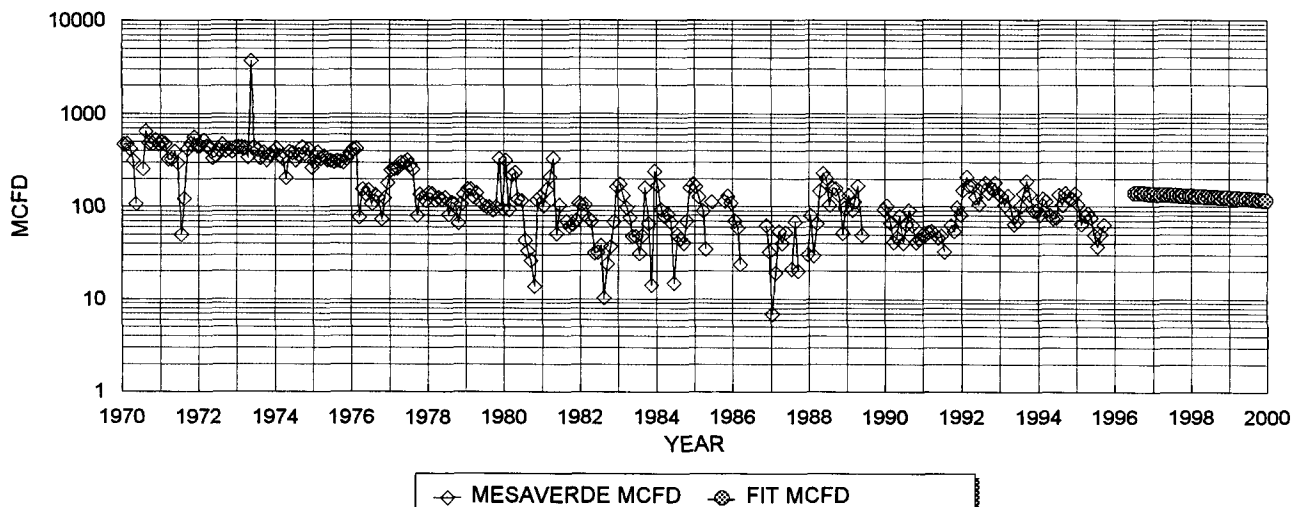
PICTURED CLIFFS

7/1/96 Qi:
DECLINE RATE:

PROJECTED DATA

16 MCFD; RISKED ANTICIPATED RATE
5.0% (EXPONENTIAL)

**AXI APACHE K NO. 5 MESAVERDE PRODUCTION
SECTION 10H-26N-05W**



MESAVERDE HISTORICAL DATA 1ST PROD: 1/66

OIL CUM: 8.0 MBO
GAS CUM: 2373.6 MMCF
OIL YIELD: 0.0034 BBL/MCF

MESAVERDE PROJECTED DATA

7/1/96 Qi: 141 MCFD; RISKED ANTICIPATED RATE
DECLINE RATE: 5.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

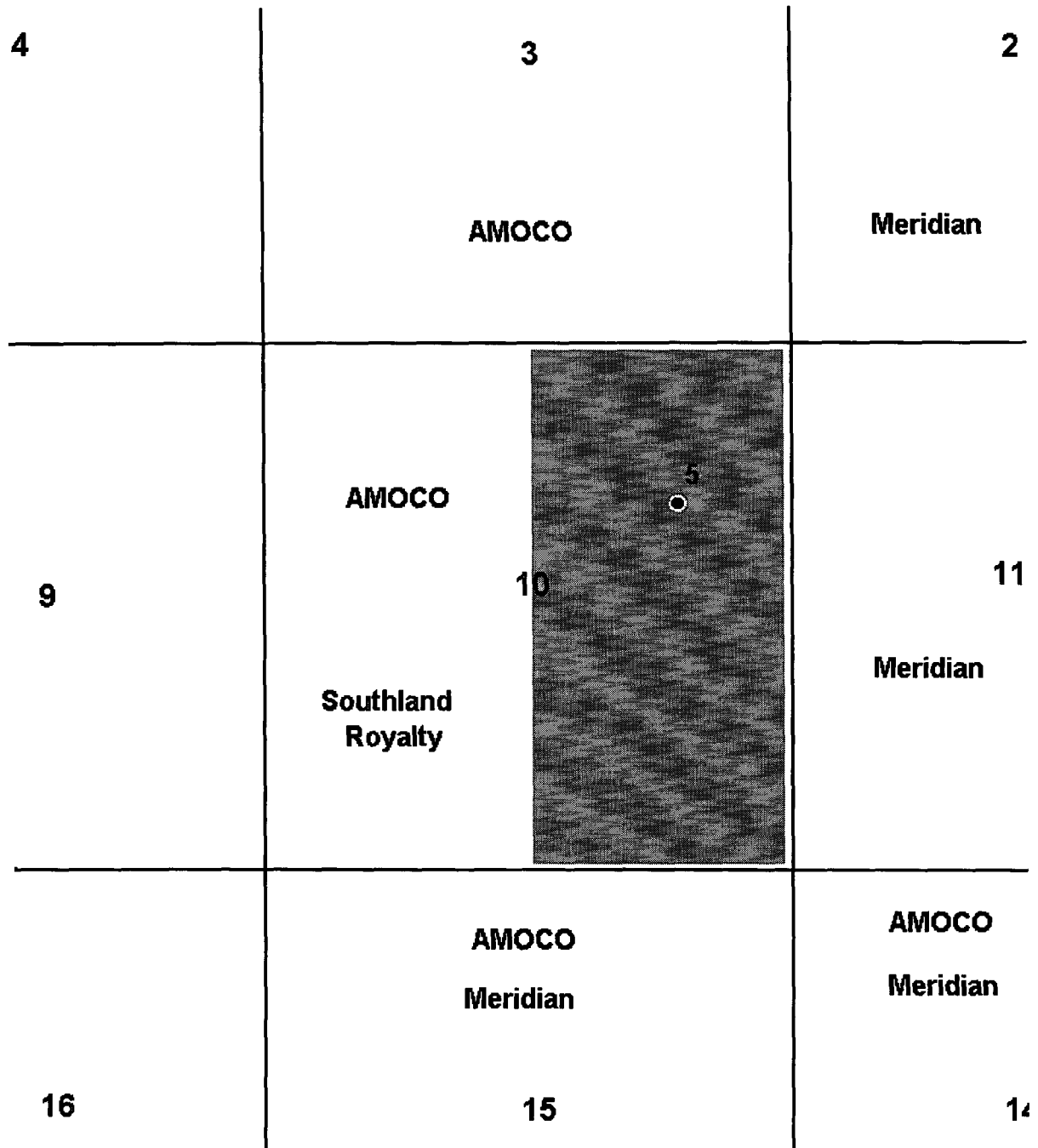
	GAS	OIL
MESAVERDE	90%	100.00%
PICTURED CLIFFS	10%	0%

GAS ALLOCATION BASED ON PROJECTED 1996 RATES
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

AXI APACHE K # 5

OFFSET OPERATORS



Township 26 North --- Range 5 West