

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 87410-1893

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

Operator Conoco Inc. Address 10 Desta Dr, Ste 100W, Midland TX 79705Lease State Com Q Well No. 13R Unit Ltr. - Sec - Twp - Rge H-36-29N-8W County San JuanOGRID NO. 005073 Property Code 013606 API NO. 30-045-29083 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)	4516' - 4606'		7178' - 7372'
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: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 288 psi b. (Original) 1180 psi	a. b.	a. 874 psi b. 2920 psi
6. Oil Gravity (°API) or Gas BTU Content	1305 BTU		1160 BTU
7. Producing or Shut-In?	Producing		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: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 1996 mid/yr Rates: .0041 bbl/mcf 229 mcf/gpd, 0 bwd	Date: Rates:	Date: 1996 mid/yr Rates: .0093 bbl/mcf 18 mcf/gpd, 0 bwpd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 35 % Gas: 55 %	Oil: % Gas: %	Oil: 65 % Gas: 45 %

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 ☐ 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 other? ☒ 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. 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 Jerry W. Hoover TITLE Sr. Conservation Coordinator DATE 7/24/96TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6549

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Denver DD, Artesia, NM 88210

DISTRICT III
1000 Rio Grande Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator CONOCO INC.			Lease STATE COM Q		Well No. 13R
Unit Letter H	Section 36	Township 29 NORTH	Range 8 WEST	County SAN JUAN	
Actual Footage Location of Well:					
1660 feet from the NORTH line and		1105 feet from the EAST line			
Ground level Elev. 6270	Producing Formation Mesaverde/Dakota	Foot Blanco Mesaverde/Dakota	Dedicated Acreage: 320/320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or ink on the plat below.

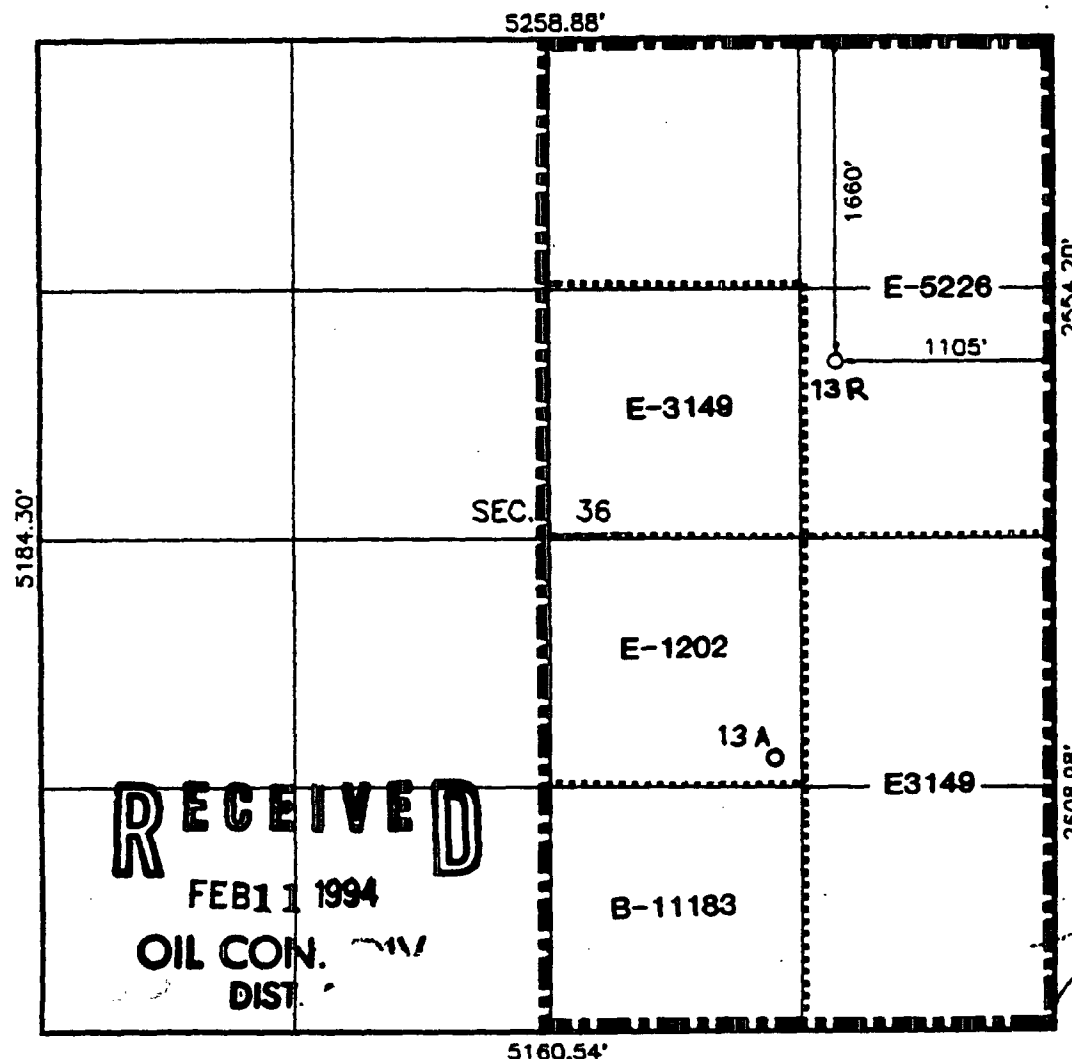
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, forced-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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

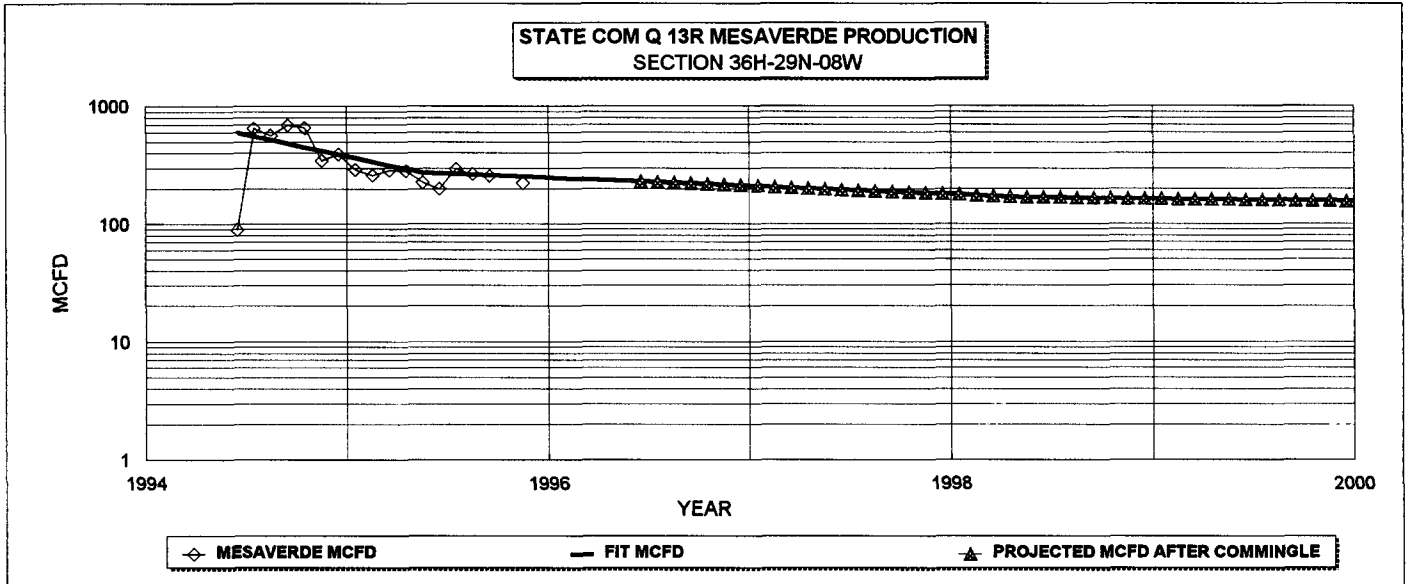
Signature
Jerry W. Hoover
Printed Name
Jerry W. Hoover
Position
Sr. Conservation Coordinator
Company
Conoco Inc.
Date
2/7/94

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was placed 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.

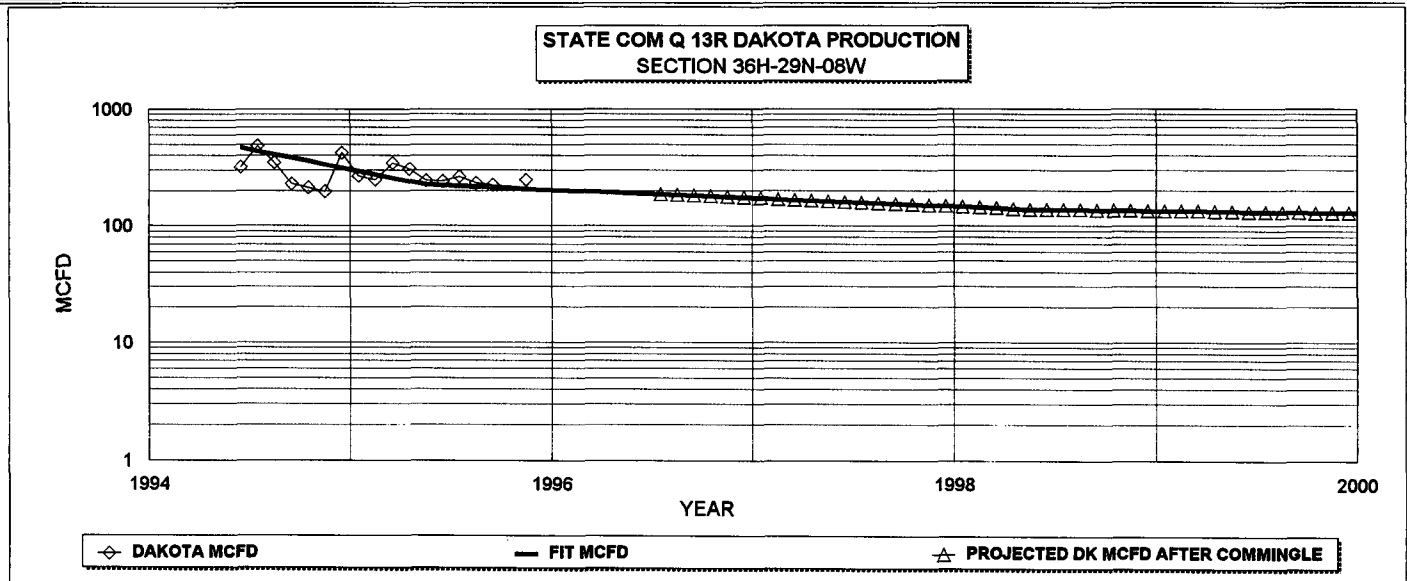
1/20/94

Date Surveyed
C. EDWARDS
Name of Surveyor
NEEDS
Signature
[Signature]
Printed Name
9857
6857



MESAVERDE HISTORICAL DATA:		1ST PROD: 6/94
OIL CUM:	0.74	MBO
GAS CUM:	181.6	MMCF
OIL YIELD:	0.0041	BBL/MCF

MESAVERDE PROJECTED DATA	
7/1/96 Q1:	229 MCFD
DECLINE RATE:	15.0% THROUGH 5/98
	4.5% FINAL DECLINE



DAKOTA HISTORICAL DATA		1ST PROD: 6/94
OIL CUM:	1.4	MBO
GAS CUM:	146.8	MMCF
OIL YIELD:	0.0093	BBL/MCF

DAKOTA PROJECTED DATA	
7/1/96 Q1:	187 MCFD
DECLINE RATE:	15.0% THROUGH 5/98
	4.5% FINAL DECLINE

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE	55%	35%
DAKOTA	45%	65%

GAS ALLOCATION BASED ON TABLE AT RIGHT
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YEL

	YRLY AVG DK MCFD	YRLY AVG MV MCFD	% DAKOTA	% MV
1996	181	221	45%	55%
1997	160	196	45%	55%
1998	139	170	45%	55%
1999	132	161	45%	55%
2000	126	154	45%	55%
2001	120	147	45%	55%

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGY DATA

NOTE: 1996 yrly avg is for 2nd half of year only

Dwights

Lease: STATE COM Q 013R

Retrieval Code: 251,045,0452908372319

05/24/96

10³
10³
10³

10²
10²
10²

10
10

1
1

1994

1996

1998

2000

Gas (mcf/day)

Water (bbl/day)

Oil (bbl/day)

Well Count

County: SAN JUAN, NM

F.P. Date: 06/94

Field: BLANCO (MESAVERDE) MV

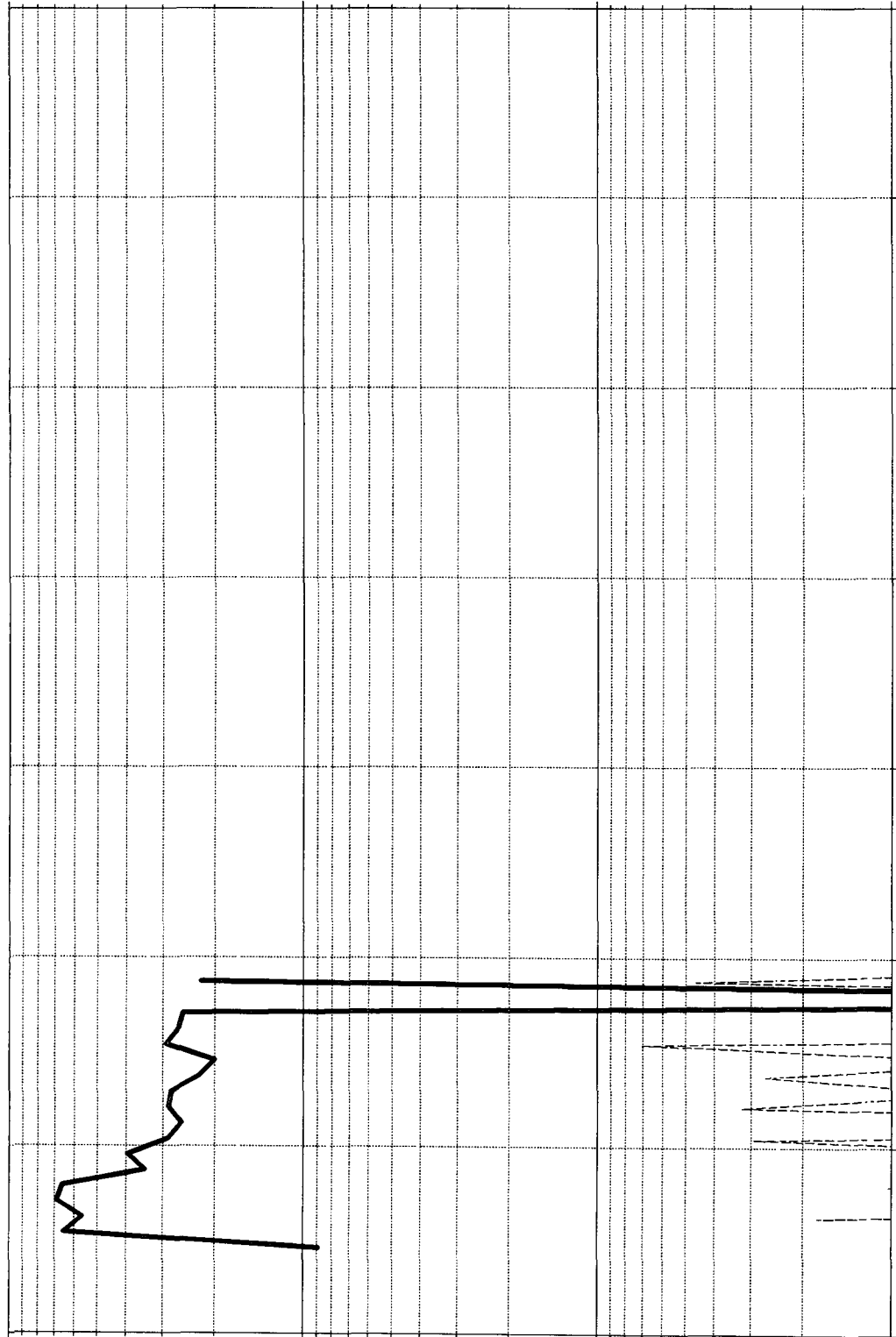
Oil Cum: 742 bbl

Reservoir: MESAVERDE

Gas Cum: 181.6 mmcf

Operator: CONOCO INC

Location: 36H 29N 8W



Dwights

Lease: STATE COM Q 013R

Retrieval Code: 251,045,0452908371599

05/24/96

10³
10³
10³

10²
10²
10²

10
10

1
1

1994

1996

1998

2000

Gas (mcf/day)

Water (bbl/day)

Oil (bbl/day)

Well Count

County: SAN JUAN, NM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

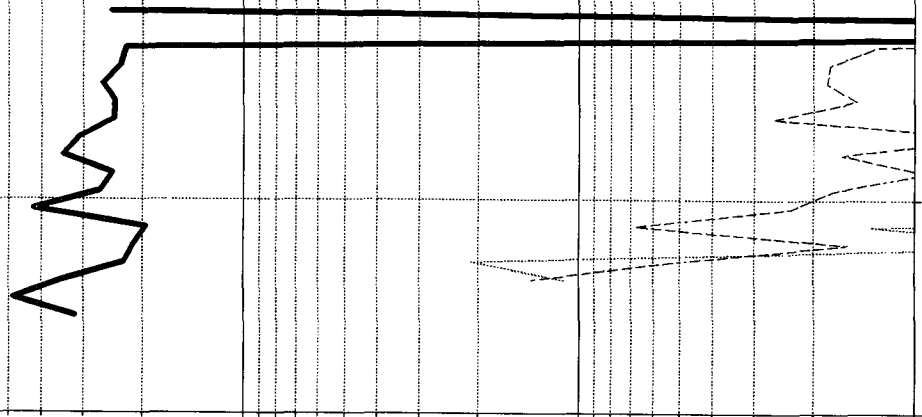
Operator: CONOCO INC

F.P. Date: 06/94

Oil Cum: 1361 bbl

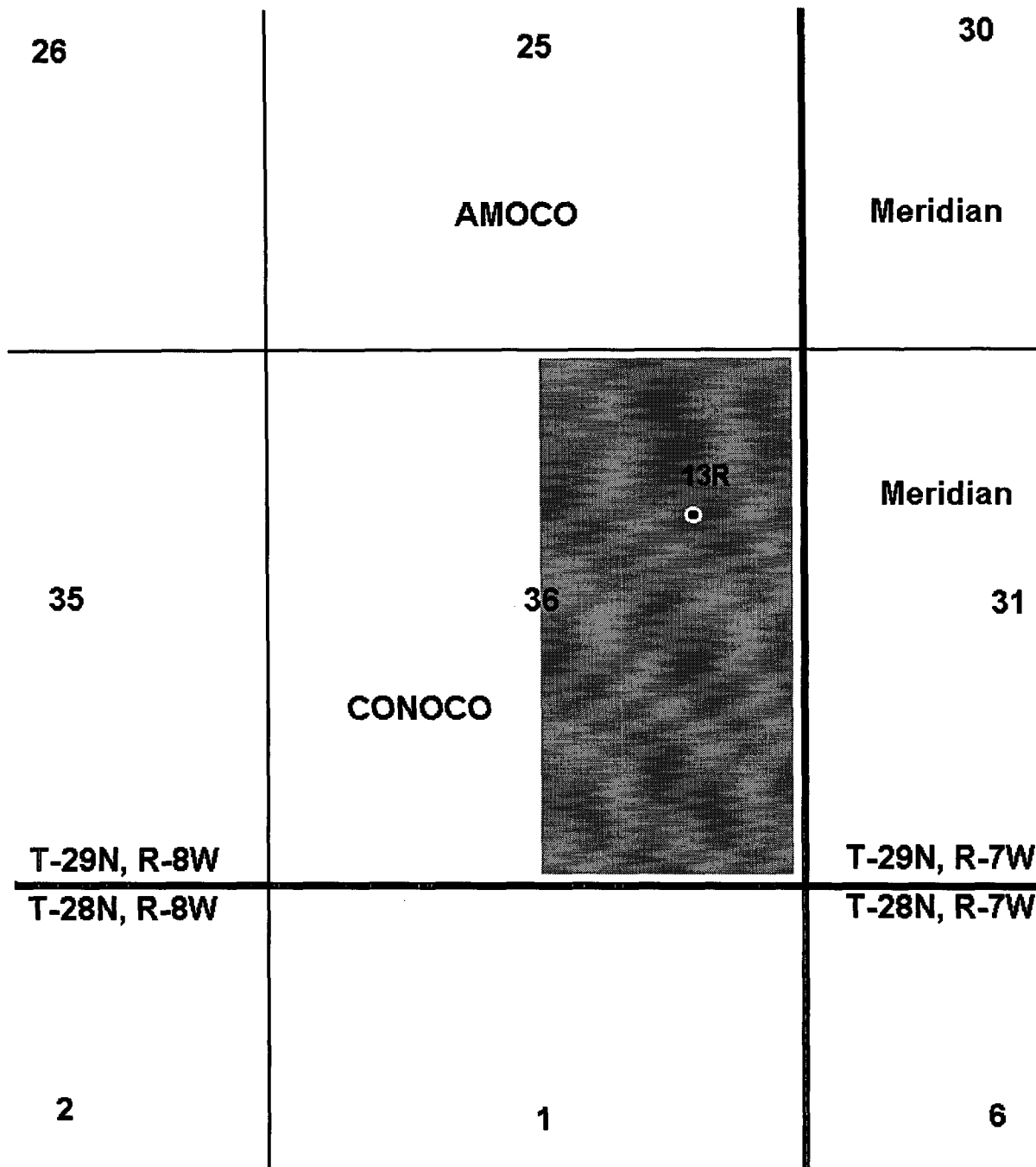
Gas Cum: 146.8 mmcf

Location: 36H 29N 8W



STATE COM "Q" NO. 13R

OFFSET OPERATORS



STATE COM Q NO. 13R

Net Working Interests and Carried Working Interests Royalty Interest and Overriding Royalty Interests

Name & Address	Interest Type	Mesaverde % Interest	Dakota % Interest
Conono Inc. 10 Desta Drive West Ste. 100W Midland, TX 79705	Working	38.90798	40.27517
Four Star Oil & Gas C/O NCNB Dallas P. O. Box 845896 Dallas, TX 75284	Working	37.50000	37.50000
Meridian Oil Inc. P. O. Box 840656 Dallas, TX 75284	Working	12.50000	10.93750
Conoco Inc. 10 Desta Drive West Ste. 100W Midland, TX 79705	Carried Working	4.467000	4.46700
Commisioner of Public Lands Sate of New Mexico P.O. Box 1148 Santa Fe, NM 87504	Royalty	6.25000	6.44531
Carolyn Mayo Ward 4305 Turnberry Dr. Fredericksburg, VA 22408	Overriding Royalty	.04687	.04687
Mark Lee Ward Sr 17144 Edgewood Dr. Montclair, VA 22026	Overriding Royalty	.04687	.04688
Kimberly Ward Haase No. 215 11313 Mountain View Rancho Cucamonga, CA 91730	Overriding Royalty	.04688	.04688
Elizabeth C. Ward Dutille 2902E S. Woodley St. Arlington, VA 22206	Overriding Royalty	.04687	.04687
Alfred H. Ward 4327 Ravensworth Rd No. 313 Annandale, VA 22003	Overriding Royalty	.18750	.18750

September 3, 1996

Note to DHC File:

Conoco failed to complete Item No. 10, specifically the question of whether the interest owners were notified of the application. Ben Stone contacted Mr. Jerry Hoover on 9/3/96 who assured us that it was just a technical glitch, and that in fact, these interest owners were notified. We will proceed processing the application on the assurance of Mr. Hoover.

DRC