

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

Conoco Inc.

10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

San Juan 28-7

226

N-36-T28N-R7W

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

OGRID NO. 005073 Property Code 16608 API NO. 30-039-20997 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	Mesa Verde 72319		Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4437' - 5202' OA		7053' - 7308'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Expected to be Flowing		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	800 psia		736 psia
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1192		2925
6. Oil Gravity (*API) or Gas BT Content	1221		1157
7. Producing or Shut-In?	To Be Completed		Producing
Production Marginal? (yes or no)	Yes		Yes
• If Shut-In give date and oil/gas/water rates of last production	Date Rates	Date Rates	Date Rates
Note For new zones with no production history applicant shall be required to attach production estimates and supporting data			
• If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates Incremental Production by Subtraction	Date Rates	Date Rates Mid-Year avg. rates - see table
8. Fixed Percentage Allocation Formula - % for each zone	oil: % Gas %	oil: % Gas %	oil: % Gas %

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 ☐
* Conoco is offset operator to all San Juan 28-7 Unit wells.

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 others ☒ 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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

16. ATTACHMENTS

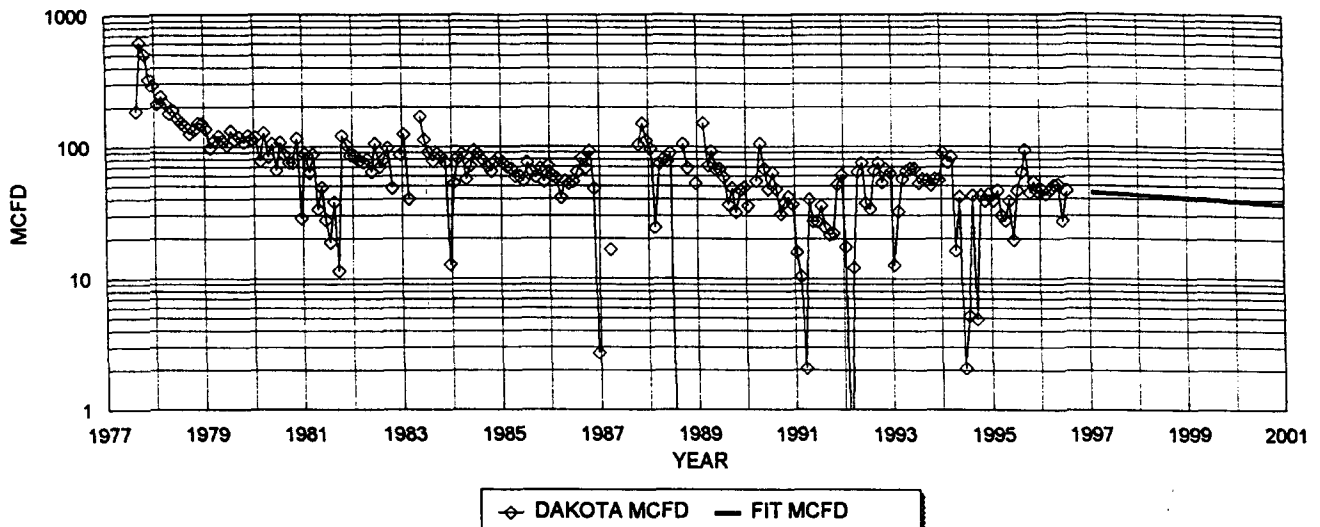
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 Coord DATE 1/27/97

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

**SAN JUAN 28-7 UNIT NO. 226 DAKOTA PRODUCTION
SECTION 36N-28N-07W**



DAKOTA HISTORICAL DATA: 1ST PROD: 8/77

OIL CUM: 1.09 MBO
 GAS CUM: 500.2 MMCF
 CUM OIL YIELD 0.0022 BBL/MCF
 OIL YIELD: 0.0022 BBL/MCF, LAST 3 YRS

DAKOTA PROJECTED DATA

1/1/97 Qi: 45 MCFD
 DECLINE RATE: 4.7% (EXPONENTIAL)

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1996	44	0.1
1997	42	0.1
1998	40	0.1
1999	38	0.1
2000	36	0.1
2001	35	0.1
2002	33	0.1
2003	31	0.1
2004	30	0.1
2005	28	0.1
2006	27	0.1
2007	26	0.1
2008	25	0.1
2009	24	0.1
2010	22	0.0
2011	21	0.0
2012	20	0.0
2013	19	0.0
2014	18	0.0
2015	18	0.0
2016	17	0.0
2017	16	0.0
2018	15	0.0
2019	15	0.0
2020	14	0.0
2021	13	0.0
2022	13	0.0
2023	12	0.0
2024	11	0.0
2025	11	0.0
2026	10	0.0
2027	10	0.0
2028	9	0.0
2029	9	0.0
2030	9	0.0

NEW MEXICO OIL CONSERVATION COMMISSION
 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.

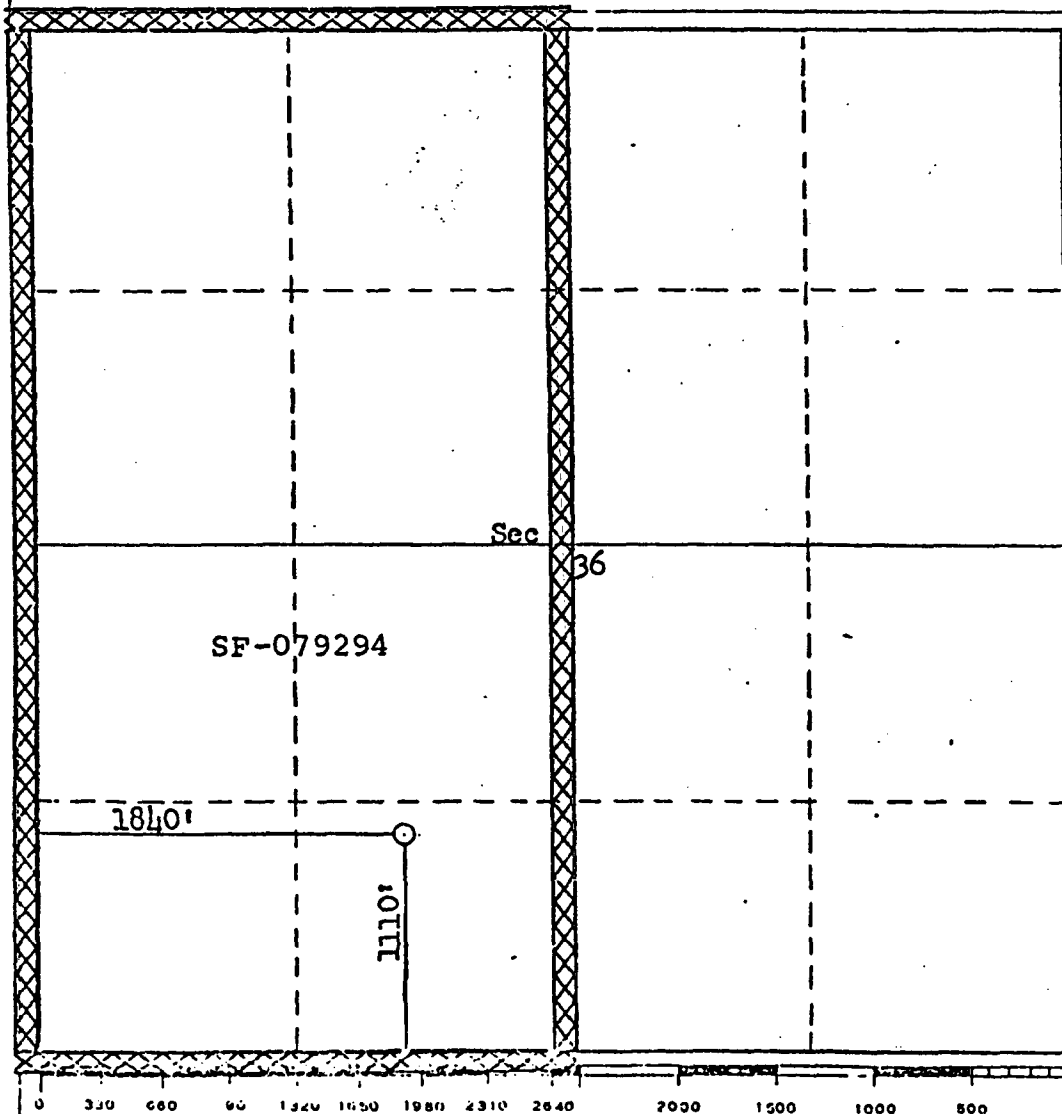
Operator El Paso Natural Gas Company			Lease San Juan 28-7 Unit (SF-079294)		Well No. 226
Unit Letter N	Section 36	Township 28N	Range 7W	County Rio Arriba	
Actual Footage Location of Well: 1110 feet from the South line and 1840 feet from the West line					
Ground Level Elev. 6135	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: 328.82 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 Unitization

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.

[Signature]
 Name
 Drilling Clerk

Position
 El Paso Natural Gas Co.

Company
 July 29, 1974

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
 March 23, 1974

Registered Professional Engineer
 and/or Land Surveyor

[Signature]
 Fred E. Kerr Jr.

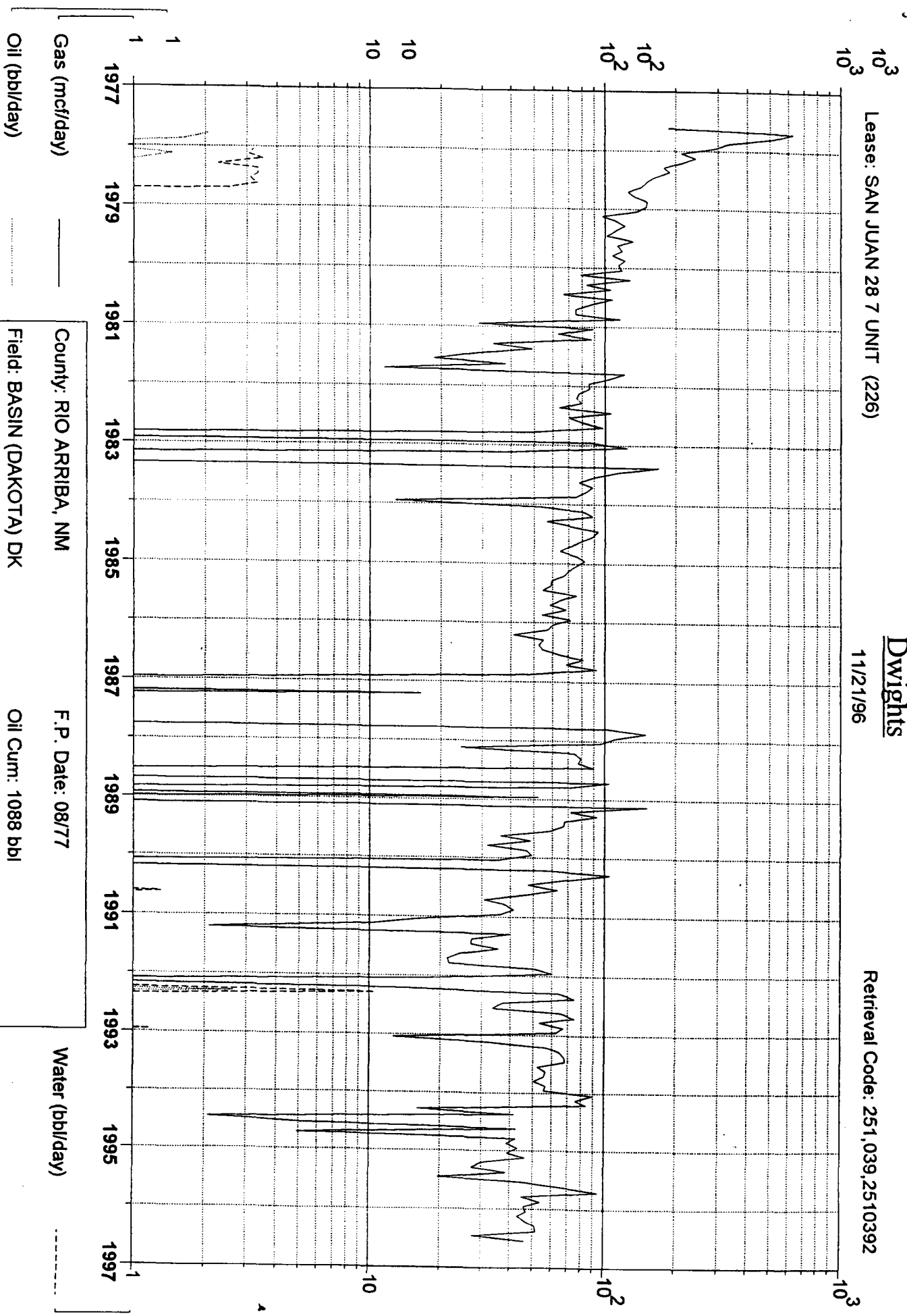
Certificate No.

3950

Lease: SAN JUAN 28 7 UNIT (226)

Dwights
11/21/96

Retrieval Code: 251,039,2510392



County: RIO ARRIBA, NM	F.P. Date: 08/77
Field: BASIN (DAKOTA) DK	Oil Cum: 1088 bbl
Reservoir: DAKOTA	Gas Cum: 500.2 mmcf
Operator: CONOCO INC	Location: 36N 28N 7W