

DATE IN 6/13/97	SUSPENSE 6/23/97	ENGINEER BS/DC	LOGGED KW	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

### ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

#### Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [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]

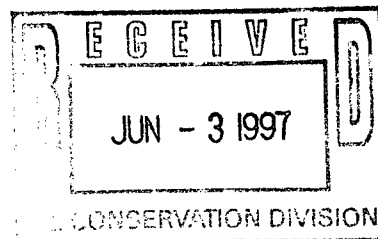
#### 1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling  
☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [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



#### 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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, UI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

eggy Bradfield

Print or Type Name

Signature

Regulatory/Compliance Administrator

Title

Date

6/2/97

# **BURLINGTON RESOURCES**

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SAN JUAN DIVISION

June 2, 1997

SENT FEDERAL EXPRESS

Mr. William LeMay  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: San Juan 28-5 Unit #66M  
1650'FSL, 790'FEL Section 29, T-28-N, R-5-W, Rio Arriba County, NM  
API #30-039-not yet assigned

Dear Mr. LeMay:

This is a request for administrative approval for downhole commingling the Blanco Mesa Verde and Basin Dakota in the subject well. This well is planned to be drilled and completed as a Mesa Verde/Dakota commingle in 1997.

To comply with the New Mexico Oil Conservation Division rules, Burlington Resources Oil & Gas Company is submitting the following for your approval of this commingling:

1. Form C107A - Application for Downhole Commingling;
2. C-102 plat for each zone showing its spacing unit and acreage dedication;
3. Production curve for Dakota and expected production curve for the Mesa Verde;
4. Notification list of offset operators - Burlington is the surrounding operator;
5. Shut in wellhead pressure and calculated down hole pressure of surrounding wells;
6. Nine-section plats for the Mesa Verde and Dakota.

Notification of Mesa Verde and Dakota interest owners is covered under Order R-10695 dated November 12, 1996 attached.

We will consult with the Supervisor of the Aztec District Office of the New Mexico Oil Conservation Division to establish an allocation formula.

Please let me know if you require additional data.

Sincerely,



Peggy Bradfield  
Regulatory/Compliance Administrator

xc: Bureau of Land Management - hand delivered

## 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 87505-6429Form C-107-A  
New 3-12-96

## APPROVAL PROCESS :

☒ Administrative ☐ Hearing

## EXISTING WELLBORE

☐ YES ☒ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil &amp; Gas Company

PO Box 4289, Farmington, NM 87499

Operator

Address

SAN JUAN 28-5 UNIT

66M

I 29--28N-5W

Rio Arriba

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7460 API NO. N / A 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)	will be supplied upon completion		will be supplied upon completion
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	(Current) a. 797 psi (see attachment)  (Original) b. 1268 psi (see attachment)	a.  b.	a. 865 psi (see attachment)  b. 3281 psi (see attachment)
6. Oil Gravity (°API) or Gas BTU Content	BTU 1190		BTU 1007
7. Producing or Shut-In?	shut-in		shut-in
Production Marginal? (yes or no)	no		yes
* If Shut-In and oil/gas/water rates of last production  <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
* If Producing, give data and oil/gas/water of recent test (within 60 days)	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % will be supplied upon completion	Oil: % Gas: %	Oil: % Gas: % will be supplied upon completion

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-flow 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 ☐ No15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). ☐ R-10695

## 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 Sean C. Woolverton TITLE Production Engineer DATE 05/27/97TYPE OR PRINT NAME Sean C. Woolverton TELEPHONE NO. ( 505 ) 326-9700

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name San Juan 28-5 Unit			6 Well Number 66M
7 OGRID No.		8 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			9 Elevation 6618'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	29	28-N	5-W		1650	South	790	East	R.A.

11 Bottom Hole Location If Different From Surface

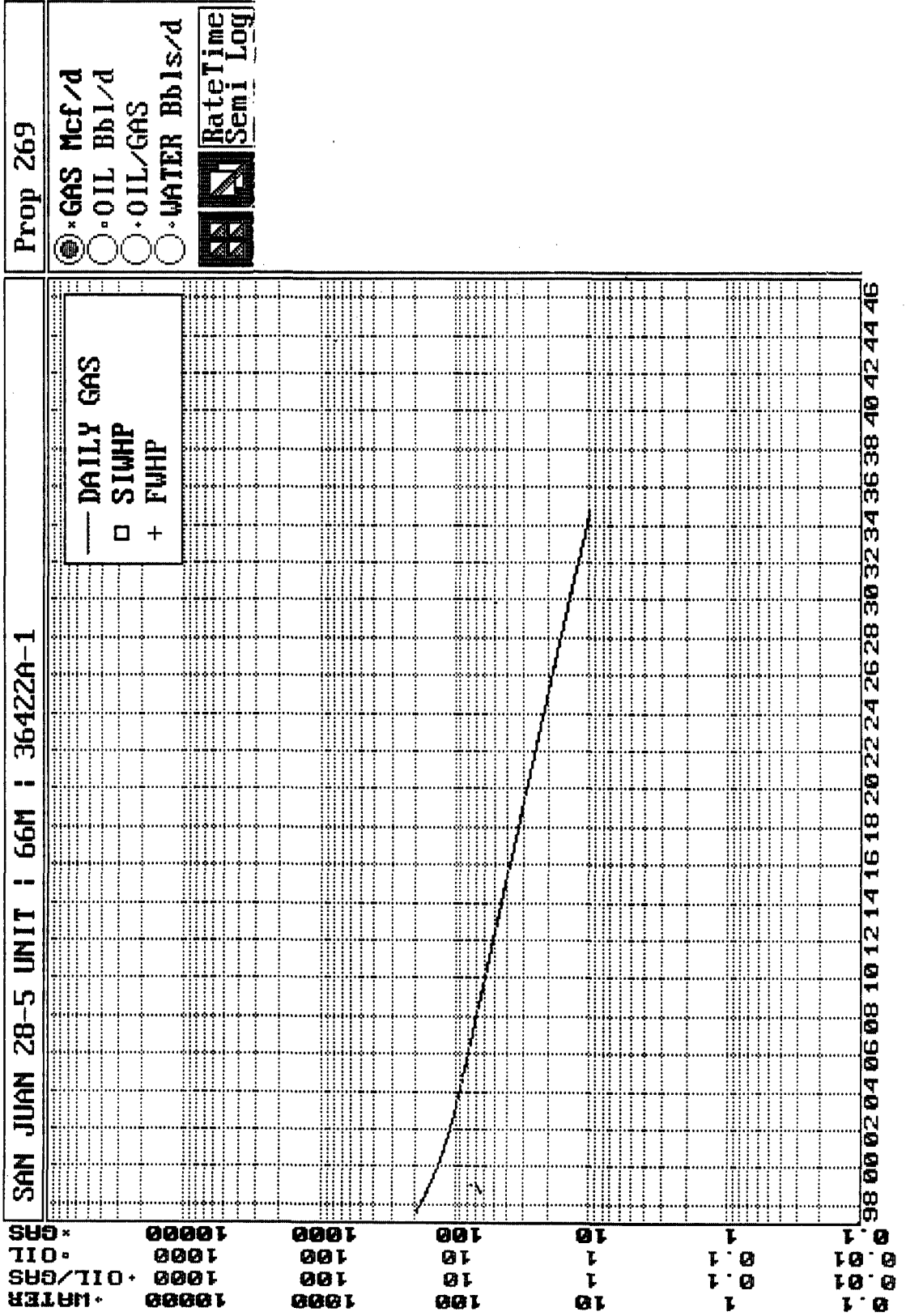
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

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

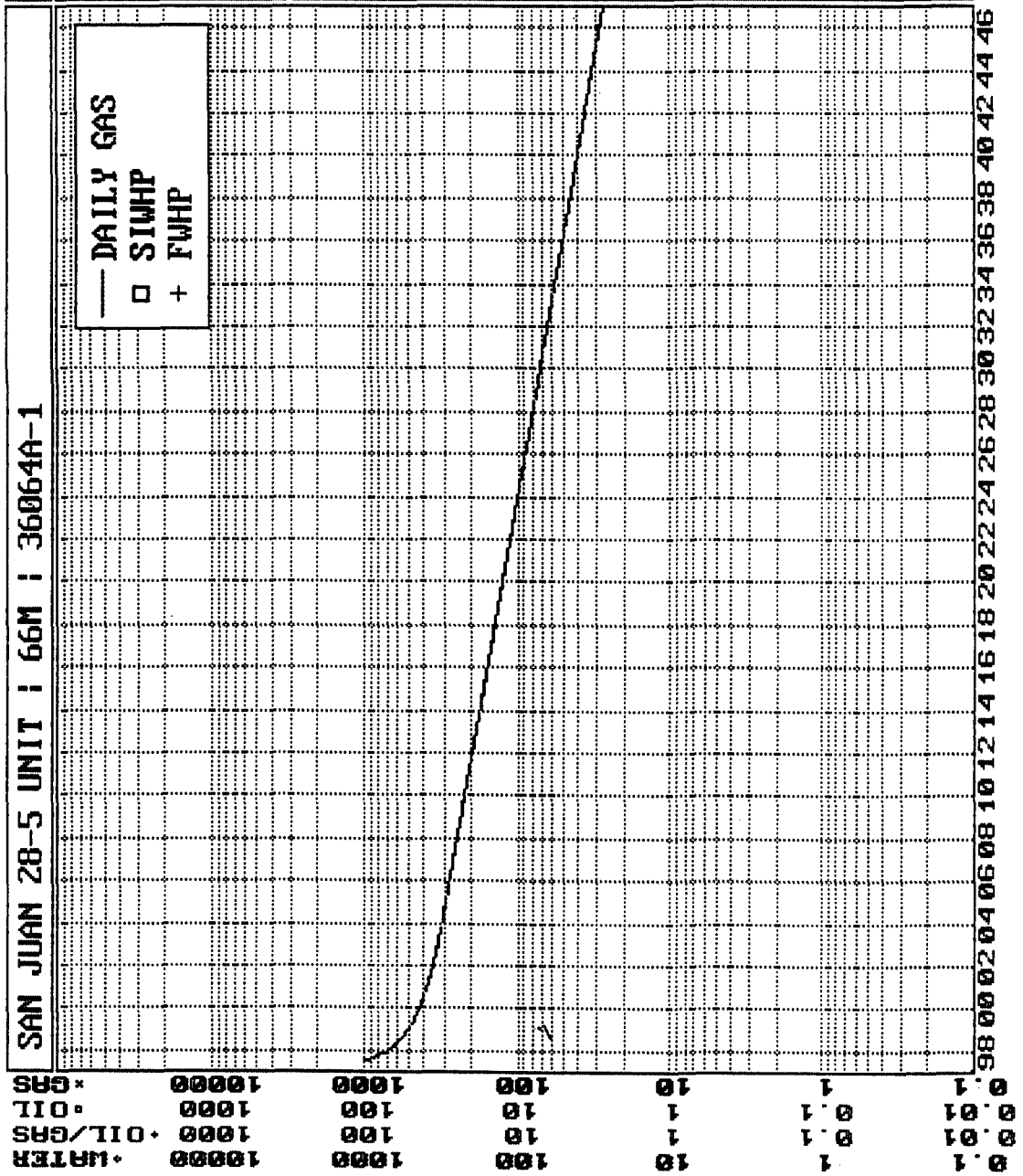
<div>16</div> <p>5282.64'</p> <p>5280.00'</p> <p>5280.00'</p> <p>5280.00'</p> <p>790'</p> <p>1650'</p> <p>SF-079521-A</p>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
	<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p>11/02/96</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p>
	<p>NEALE C. EDWARDS NEW MEXICO 6857 REGISTERED PROFESSIONAL SURVEYOR</p>
	<p>6857</p> <p>Certificate Number</p>

*Barin Jabota*



*Blanco Merende*

SAN JUAN 28-5 UNIT : 66M : 36064A-1		Prop 186	
• WATER	10000	• GAS Mcf/d	●
• OIL/GAS	1000	• OIL Bbl/d	○
• OIL	1000	• OIL/GAS	○
• GAS	10000	• WATER Bbls/d	○
<div style="border: 1px solid black; padding: 5px; margin: 5px;"> <p>— DAILY GAS</p> <p>□ SIWHP</p> <p>+ FWHP</p> </div>		<div style="display: flex; align-items: center;"> <div> <p>Rate Time</p> <p>Semi Log</p> </div> </div>	

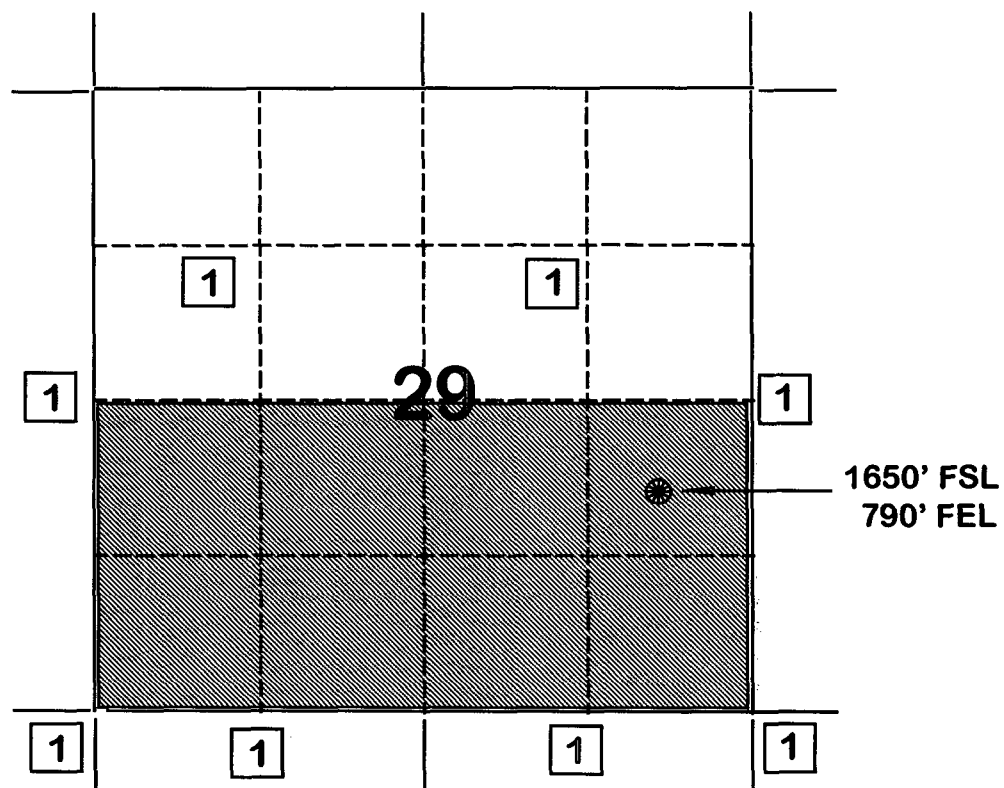


***BURLINGTON RESOURCES OIL AND GAS COMPANY***

**San Juan 28-5 Unit #66M  
OFFSET OPERATOR \ OWNER PLAT**

**Mesaverde/Dakota Formations Commingle Well**

**Township 28 North, Range 5 West**



**1) Burlington Resources Oil and Gas Company**

OPR008M1 S000

0008 CHROMATOGRAPH TEST MAIN SCREEN

14:58:05.2 05/18/97

FUNCTION (A,C,D,I) I      \*\* DATA AT TEST PRESSURE UNLESS NOTED \*\*  
MP NUMBER                      73518      SAN JUAN 28-5 UNIT                      66  
EFFECTIVE DATE                19970201  
REGION CD                      42              SAN JUAN  
MP TYPE CODE                  10              GAS METER - WELLHEAD SALES

-----  
SAMPLE TYPE CODE (GAS, LIQ, BTU)      GAS                      ----- BTU/CF -----  
SAMPLE DATE                      19970201                      --- (AT 14.73 PSIG) ---  
SAMPLE LINE PRESSURE (PSIG)                      WET 1007.179      DRY 1025.000  
SAMPLE LINE TEMPERATURE (DEG F)                      -----  
TEST DATE                      ----- BTU/CF -----  
TEST PRESSURE (PSIG)                      14.730                      WET 1007.179      DRY 1025.000  
TEST TEMPERATURE (DEG F)                      60                      VAPOR FACTOR                      -----  
TEST LIFE (MONTHS)                      6  
TESTER SOURCE BA NUMBER                      038689      PETROLEUM LAND CORP  
TEST PURPOSE CODE                      -----

-----  
03=DETAIL SCR      04=MP-NM BRWS      06=MP/DS LST      07=MP/WN LST  
11=PREV SCR      12=MAIN MENU                      20=NEXT REC  
21=REFRESH SCR      22=PREV MENU      24=HELP                      PA1=TERMINATE  
B MY JOB                      LU #2

OPR008M2 S000

0008 CHROMATOGRAPH GAS SAMPLE DETAIL

14:58:09.4 05/18/97

                                         GPM                      \*\* DATA AT 14.730 PSIG UNLESS NOTED \*\*  
                                         MOL %      (AT 14.73)  
HYDROGEN                      -----                      MP NUMBER                      73518  
HELIUM                      -----                      EFFECTIVE DATE                      19970201  
NITROGEN                      0.22  
OXYGEN                      -----  
HYDROGEN SULFIDE                      -----                      -- GASOLINE CONTENT (GPM) --  
CARBON DIOXIDE                      1.72                      26/70      GASOLINE                      -----  
METHANE                      95.03                      100%      PROPANE                      -----  
ETHANE                      2.61                      0.6982                      EXCESS BUTANES                      -----  
PROPANE                      0.25                      0.0689                      TOTAL                      -----  
ISO-BUTANE                      -----  
N-BUTANE                      0.01                      0.0032  
ISO-PENTANE                      0.02                      0.0073                      ----- SPECIFIC GRAVITY -----  
N-PENTANE                      -----                      CALCULATED                      0.5920  
HEXANE                      -----                      MEASURED                      -----  
HEXANE PLUS                      0.14                      0.0611  
HEPTANE PLUS                      -----  
TOTALS                      100.00                      0.8387                      SULPHUR GRAINS / 100 CU FT -----

-----  
                                         03=MAIN SCREEN                      24=HELP                      PA1=TERMINATE  
B MY JOB                      NUM      LU #2



REQUESTED RECORD NOT FOUND (NEXT RECORD DISPLAYED)

OPR008M1 S001

O008 CHROMATOGRAPH TEST MAIN SCREEN

20:02:06.5 05/20/97

FUNCTION (A,C,D,I) i \*\* DATA AT TEST PRESSURE UNLESS NOTED \*\*  
 MP NUMBER 70975 SAN JUAN 28-5 UNIT 9  
 EFFECTIVE DATE 19970201  
 REGION CD 42 SAN JUAN  
 MP TYPE CODE 10 GAS METER - WELLHEAD SALES

SAMPLE TYPE CODE (GAS, LIQ, BTU) GAS ----- BTU/CF -----  
 SAMPLE DATE 19970201 --- (AT 14.73 PSIG) --  
 SAMPLE LINE PRESSURE (PSIG) WET 1190.928 DRY 1212.000  
 SAMPLE LINE TEMPERATURE (DEG F) -----  
 TEST DATE ----- BTU/CF -----  
 TEST PRESSURE (PSIG) 14.730 WET 1190.928 DRY 1212.000  
 TEST TEMPERATURE (DEG F) 60 VAPOR FACTOR -----  
 TEST LIFE (MONTHS) 6  
 TESTER SOURCE BA NUMBER 038689 PETROLEUM LAND CORP  
 TEST PURPOSE CODE -----

03=DETAIL SCR 04=MP-NM BRWS 06=MP/DS LST 07=MP/WN LST  
 11=PREV SCR 12=MAIN MENU 20=NEXT REC  
 21=REFRESH SCR 22=PREV MENU 24=HELP PA1=TERMINATE  
 B MY JOB LU #3

OPR008M2 S001

O008 CHROMATOGRAPH GAS SAMPLE DETAIL

20:02:12.8 05/20/97

GPM \*\* DATA AT 14.730 PSIG UNLESS NOTED \*\*  
 MOL % (AT 14.73)  
 HYDROGEN ----- MP NUMBER 70975  
 HELIUM ----- EFFECTIVE DATE 19970201  
 NITROGEN 0.49  
 OXYGEN -----  
 HYDROGEN SULFIDE -----  
 CARBON DIOXIDE 0.96 -- GASOLINE CONTENT (GPM) --  
 METHANE 81.73 26/70 GASOLINE -----  
 ETHANE 9.77 2.6135 100% PROPANE -----  
 PROPANE 4.82 1.3284 EXCESS BUTANES -----  
 ISO-BUTANE 0.29 0.0949 TOTAL -----  
 N-BUTANE 0.91 0.2869  
 ISO-PENTANE 0.36 0.1317  
 N-PENTANE 0.20 0.0724  
 HEXANE -----  
 HEXANE PLUS 0.47 0.2051  
 HEPTANE PLUS -----  
 TOTALS 100.00 4.7329  
 ----- SPECIFIC GRAVITY -----  
 CALCULATED 0.7020  
 MEASURED -----  
 SULPHUR GRAINS / 100 CU FT -----

03=MAIN SCREEN 24=HELP PA1=TERMINATE  
 B MY JOB NUM LU #3

**San Juan 28-5 Unit #66M**  
**Bottom Hole Pressures**  
**Flowing and Static BHP**  
**Cullender and Smith Method**  
Version 1.0 3/13/94

<b>Mesaverde</b>		<b>Dakota</b>	
<u><b>MV-Current</b></u>		<u><b>DK-Current</b></u>	
GAS GRAVITY	0.702	GAS GRAVITY	0.592
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.49	%N2	0.22
%CO2	0.96	%CO2	1.72
%H2S	0.00	%H2S	0.00
DIAMETER (IN)	2.375	DIAMETER (IN)	2.375
DEPTH (FT)	5290	DEPTH (FT)	7802
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	139	BOTTOMHOLE TEMPERATURE (DEG F)	161
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	692	SURFACE PRESSURE (PSIA)	732
BOTTOMHOLE PRESSURE (PSIA)	797.0	BOTTOMHOLE PRESSURE (PSIA)	865.1
<u><b>MV-Original</b></u>		<u><b>DK-Original</b></u>	
GAS GRAVITY	0.702	GAS GRAVITY	0.592
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.49	%N2	0.22
%CO2	0.96	%CO2	1.72
%H2S	0.00	%H2S	0.00
DIAMETER (IN)	2.375	DIAMETER (IN)	2.375
DEPTH (FT)	5290	DEPTH (FT)	7802
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	139	BOTTOMHOLE TEMPERATURE (DEG F)	161
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1090	SURFACE PRESSURE (PSIA)	2737
BOTTOMHOLE PRESSURE (PSIA)	1268.2	BOTTOMHOLE PRESSURE (PSIA)	3281.4

DK

Page No.: 1

Print Time: Tue May 20 09:55:34 1997

Property ID: 1786

Property Name: SAN JUAN 28-5 UNIT | 66 | 50695A-1

Table Name: K:\ARIES\RR98PDP\TEST.DBF

--DATE-- ---CUM GAS-- M SIWHP  
-----Mcf-----Psi-----

12/06/62	0	2737.0	← initial
12/30/62	0	2736.0	
08/26/63	137000	2370.0	
04/22/64	224000	2242.0	
06/21/65	499000	2076.0	
05/23/66	751000	1924.0	
05/26/67	1017000	1782.0	
05/20/68	1376000	1580.0	
05/15/69	1753583	1364.0	
06/19/70	1978344	1373.0	
04/27/71	2196845	1236.0	
05/15/72	2471108	1171.0	
07/05/73	2731127	1138.0	
04/30/75	3098131	992.0	
06/01/77	3597270	855.0	
05/01/79	3870710	954.0	
05/04/81	4270027	715.0	
09/19/83	4553194	800.0	
05/17/85	4731556	749.0	
10/23/88	5022339	887.0	
04/21/90	5207326	766.0	
09/01/92	5437954	732.0	← current

MV

Page No.: 1

Print Time: Tue May 20 09:58:39 1997

Property ID: 10502

Property Name: SAN JUAN 28-5 UNIT | 9 | 49157A-1

Table Name: K:\ARIES\RR98PDP\TEST.DBF

--DATE-- ---CUM GAS-- M SIWHP  
Mcf Psi

00/28/76	1541893	680.0	← initial
07/13/55	0	1090.0	
07/20/55	0	1089.0	
08/30/56	84000	898.0	
07/30/57	187000	840.0	
11/06/58	319000	801.0	
06/14/59	370000	841.0	
06/14/60	458000	800.0	
06/13/61	525000	819.0	
10/25/62	608000	821.0	
08/26/63	645000	817.0	
04/22/64	684000	819.0	
06/21/65	760000	800.0	
05/23/66	805000	827.0	
05/26/67	873000	612.0	
05/20/68	940000	779.0	
05/23/69	1016107	777.0	
06/19/70	1100588	780.0	
04/27/71	1178167	705.0	
05/15/72	1270724	686.0	
07/05/73	1383461	634.0	
04/19/74	1441806	272.0	
01/28/76	1541893	680.0	
10/28/76	1592303	680.0	
06/05/78	1722378	662.0	
06/04/80	1837746	650.0	
05/31/82	1945079	669.0	
05/01/84	2017538	660.0	
04/16/86	2081564	683.0	
05/09/89	2179767	664.0	
04/15/91	2237176	700.0	
08/16/91	2248612	712.0	
07/30/93	2296288	692.0	← current

SAN JUAN 28-5 UNIT

<p>7</p>	<p>8</p>	<p>9</p>	<p>10</p>	<p>11</p>	<p>12</p>
<p>18</p>	<p>17</p>	<p>16</p>	<p>15</p>	<p>14</p>	<p>13</p>
<p>19</p>	<p>20</p>	<p>21</p>	<p>22</p>	<p>23</p>	<p>24</p>
<p>30</p>	<p>29</p>	<p>28</p>	<p>27</p>	<p>26</p>	<p>25</p>
<p>31</p>	<p>32</p>	<p>33</p>	<p>34</p>	<p>35</p>	<p>36</p>

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**CASE NO. 11627  
ORDER NO. R-10695**

**APPLICATION OF BURLINGTON RESOURCES  
OIL & GAS COMPANY FOR THE ESTABLISHMENT  
OF A DOWNHOLE COMMINGLING "REFERENCE  
CASE" FOR ITS SAN JUAN 28-5 UNIT PURSUANT  
TO DIVISION RULE 303.E. AND THE ADOPTION  
OF SPECIAL ADMINISTRATIVE RULES THEREFOR,  
SAN JUAN COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on October 17 and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 12th day of November, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico.

(3) Division Rule No. 303.E., amended by Order No. R-10470-A, currently states:

"If sufficient data exists on a lease, pool, formation, geographic area, etc., so as to render it unnecessary to repeatedly provide such data on Form C-107-A, an operator may except any of the various criteria required under Paragraph 303.D. of this rule by establishing a "reference case". The Division, upon its own motion, or by application from an operator, may establish "reference cases" either administratively or by hearing. Upon Division approval of such "reference cases" for specific criteria, subsequent applications to downhole commingle (Form C-107-A) will be required only to cite the Division order number which established such exceptions and shall not be required to submit data for those criteria."

(4) The applicant is the current operator of the San Juan 28-5 Unit which encompasses some 17,399 acres in Township 28 North, Range 5 West, NMPM, San Juan County, New Mexico.

(5) Within the San Juan 28-5 Unit, the applicant currently operates sixty-seven (67) Basin-Dakota Gas Pool wells, seventy-one (71) Blanco-Mesaverde Gas Pool wells, sixteen (16) Gobernador-Pictured Cliffs, Oso-Pictured Cliffs and Tapacito-Pictured Cliffs Gas Pool wells, and nineteen (19) Basin-Fruitland Coal Gas Pool wells.

(6) According to its evidence and testimony, Burlington seeks to:

- a) establish a "reference case" for marginal economic criteria in the Dakota and Pictured Cliffs formations whereby these formations and/or pools may be identified as "marginal" on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit. The applicant further proposes that the data provided in the immediate case serve as supplemental data or confirmation that these formations and/or pools should be classified as "marginal";
- b) establish a "reference case" for pressure criteria in the Dakota and Pictured Cliffs formations whereby the Division may utilize data provided in the immediate case to verify the pressure data provided on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit;

- c) establish a "reference case" whereby the Division utilizes the data presented in the immediate case to endorse or approve certain methods of allocating production whereby the applicant need not submit additional data or justification when proposing a certain method of allocating production on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit; and,
- d) establish a "reference case" or an administrative procedure for authorizing the downhole commingling of existing or future drilled wells within the San Juan 28-5 Unit without additional notice to each affected interest owner as required by Division Rule No. 303.D.

(7) In support of its request to except marginal economic criteria, the applicant presented geologic and engineering evidence and testimony which indicates that within the San Juan 28-5 Unit:

- a) the structure and thickness of the Dakota and Pictured Cliffs formations are very consistent;
- b) the average recoverable Dakota and Pictured Cliffs gas reserves underlying an undeveloped drill block are approximately 1,258 MMCFG and 77 MMCFG, respectively;
- c) the average initial producing rate for a newly drilled or recompleted Dakota and Pictured Cliffs gas well is approximately 276 MCFGD and 136 MCFGD, respectively; and,
- d) the estimated ultimate gas recoveries and initial producing rates from the Dakota and Pictured Cliffs formations are insufficient to justify drilling stand alone wells and/or dually completed wells to recover such gas reserves.

(8) The evidence and testimony presented by the applicant indicates that the Dakota and Pictured Cliffs formations within the San Juan 28-5 Unit should be properly classified as "marginal".

(9) In support of its request to except pressure criteria within the Dakota and Pictured Cliffs formations within the San Juan 28-5 Unit, the applicant presented engineering evidence and testimony which indicates that:



- a) the average shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations at the time of initial development were approximately 3,149 psi and 1,143 psi, respectively; and.
- b) the average current shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations are approximately 1,059 psi and 714 psi, respectively.

(10) There is sufficient pressure data available within the San Juan 28-5 Unit so as to except pressure criteria as proposed by the applicant.

(11) The applicant testified that various allocation methods will be utilized for downhole commingled wells within the San Juan 28-5 Unit depending on the circumstances. Some of the methods and circumstances are described as follows:

- a) the subtraction method will likely be utilized in those instances involving the Basin-Fruitland Coal Gas Pool and in those instances where a zone with a well established decline rate is commingled with a newly completed zone;
- b) a fixed allocation formula will be utilized in those instances where production history for both zones is available, or in those instances where newly completed zones are tested and stabilized flow rates obtained.

(12) The allocation methods proposed by the applicant are routinely utilized by industry and approved by the Division and therefore, the proposal to except allocation formulas should be approved.

(13) In support of its request to establish a "reference case" or administrative procedure for providing notice within the San Juan 28-5 Unit the applicant presented evidence and testimony which indicates that:

- a) the interest ownership between two zones within a given wellbore in the San Juan 28-5 Unit is generally not common;
- b) pursuant to Division Rule No. 303.D., applicant is currently required to notify all interest owners within the San Juan 28-5 Unit every time a Form C-107-A is submitted to the Division. There are a considerable number of such interest owners within the unit;

- c) providing notice to each interest owner within the San Juan 28-5 Unit of subsequent downhole comminglings is unnecessary and is an excessive burden on the applicant;
- d) the downhole commingling of wells within the San Juan 28-5 Unit Area will benefit working, royalty, and overriding royalty interest owners. In addition, the downhole commingling of wells within the San Juan 28-5 Unit should not violate the correlative rights of any interest owner;
- e) no interest owner appeared at the hearing in opposition to the establishment of a "reference case" or administrative procedure for notice.

(14) An administrative procedure should be established within the San Juan 28-5 Unit for obtaining approval for subsequent downhole commingled wells without notice to Unit interest owners, provided however that, all other provisions contained within Division Rule No. 303.C. are complied with.

(15) Approval of the proposed "reference cases" for marginal economic criteria, pressure criteria, allocation formulas and notice will lessen the burden on the applicant insofar as providing the data required pursuant to Division Rule No. 303.D. and Form C-107-A, will provide the applicant a streamlined method for obtaining downhole commingling approvals within the San Juan 28-5 Unit, and will not violate correlative rights.

**IT IS THEREFORE ORDERED THAT:**

(1) The application of Burlington Resources Oil & Gas Company to establish a "reference case" for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico, is hereby approved.

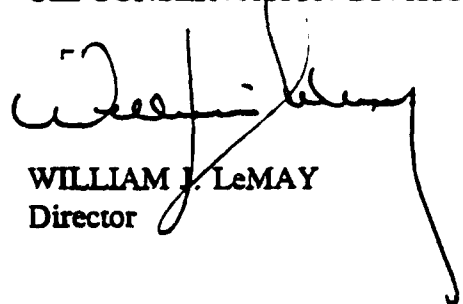
(2) Upon filing of Division Form No. C-107-A's for wells subsequently downhole commingled within the San Juan 28-5 Unit Area, the applicant shall not be required to submit supporting data to justify the classification of the Pictured Cliffs and Dakota formations as "marginal", supporting data to verify the Pictured Cliffs and Dakota pressure information provided, and support or justification for utilizing a given method or formula for allocation of production, provided however, in the event any of the data described above appearing on Form C-107-A appears to be beyond the data range provided in this case, the Division may require the submittal of additional supporting data.

(3) In order to obtain Division authorization to downhole commingle wells within the San Juan 28-5 Unit, the applicant shall file a Form C-107-A with the Santa Fe and Aztec Offices of the Division. Such application shall contain all the information required under Rule No. 303.C. of the Division Rules and Regulations, provided however that the applicant shall not be required to provide notice to all interest owners within the San Juan 28-5 Unit of such proposed commingling.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LeMAY  
Director

S E A L