

DATE IN 7/24/97	SUSPENSE 8/13/97	ENGINEER DC	LOGGED BY RW	TYPE DHC
-----------------	------------------	-------------	--------------	----------

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]

1653

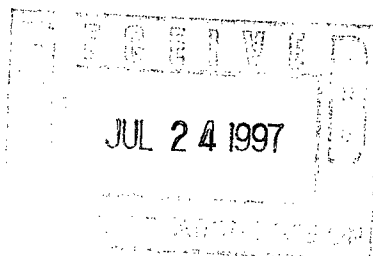
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[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

I 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, RI, 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.

Ann. E. Ritchie
Print or Type Name

Signature

Regulatory Agent
Title

7-14-97
Date

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

Operator

Address

Jicarilla E

7

P-15-T26N-R4W

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 18022 API NO. 30 039 20076 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	Gallup 87360	Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	5726-5882'	7311-7330'	7800-7944'
3. Type of production (Oil or Gas)	Gas	Gas	Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing	Shut-in	Flowing
5. Bottom hole Pressure	a. (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	530 psia		870 psia
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1457 psia		2638 psia
6. Oil Gravity (*API) or Gas BTU Content	1264 BTU		1334 BTU
7. Producing or Shut-In?	producing	Shut-in(to be abandoned)	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, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates 1/97 35 mcf/d, 20 bopd, 0 bwpd	Date Rates 1/97 49 mcf/d, 2 bopd 0 bwpd	
8. Fixed Percentage Allocation Formula - % for each zone	oil: 9 % Gas 42 %	oil: % Gas %	oil: 91 % Gas 58 %

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 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. 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 Ann E. Ritchie TITLE Regulatory Agent DATE 7-17-97

TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. (915) 686-6548/684-6381

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

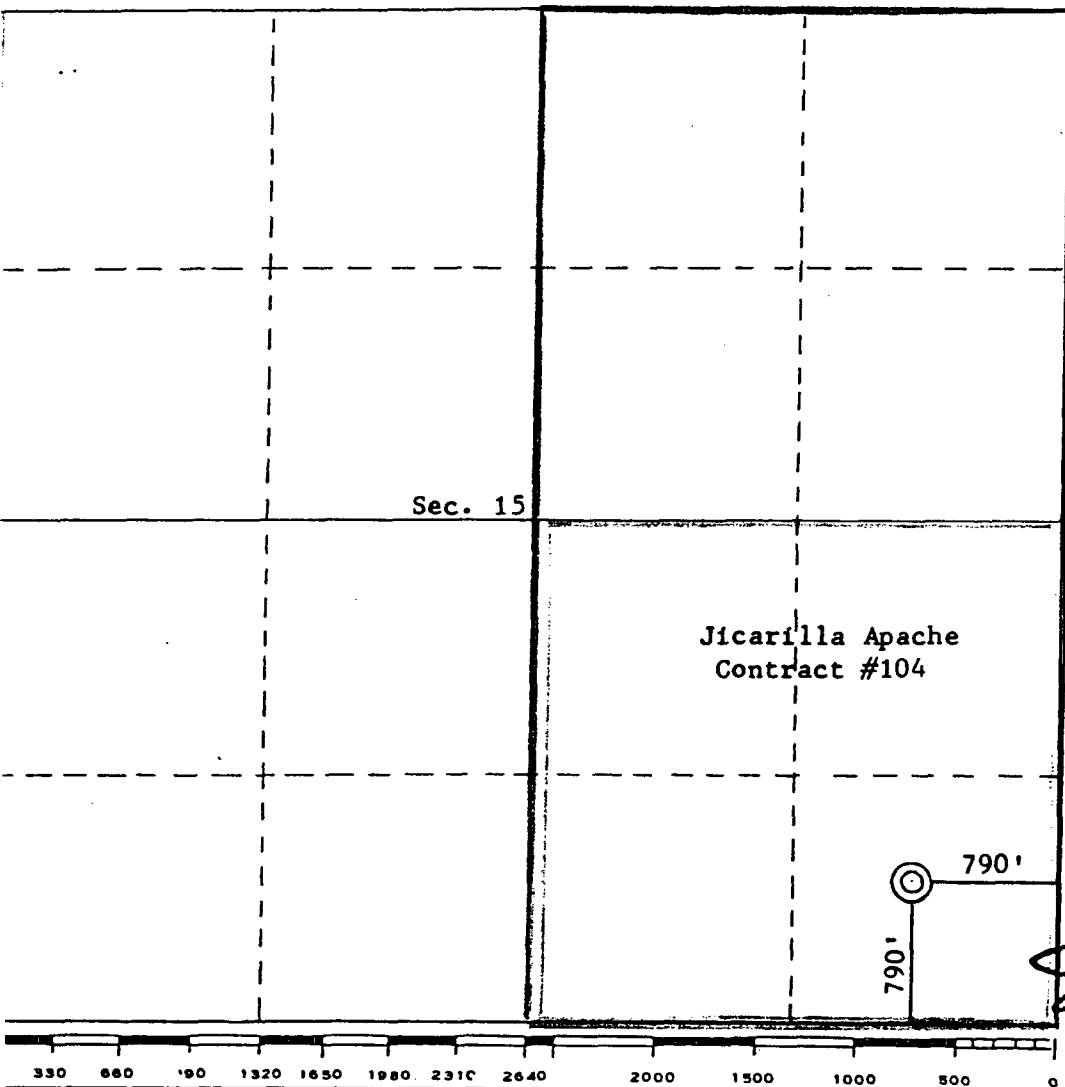
All distances must be from the outer boundaries of the Section.

Operator SUPRON ENERGY CORPORATION			Lease JICARILLA "E"		Well No. 7
Unit Letter P	Section 15	Township 26 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well:					
790 feet from the SOUTH line and		790 feet from the EAST line			
Ground Level Elev. 6906.0	Producing Formation Dakota, Mesaverde & Gallup	Pool Basin Dakota, Blanco Mv. & Wild Horse Gallup	Dedicated Acreage: 320 Dakota & Mv. E/4 160 Gallup SE/4 Acres		

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

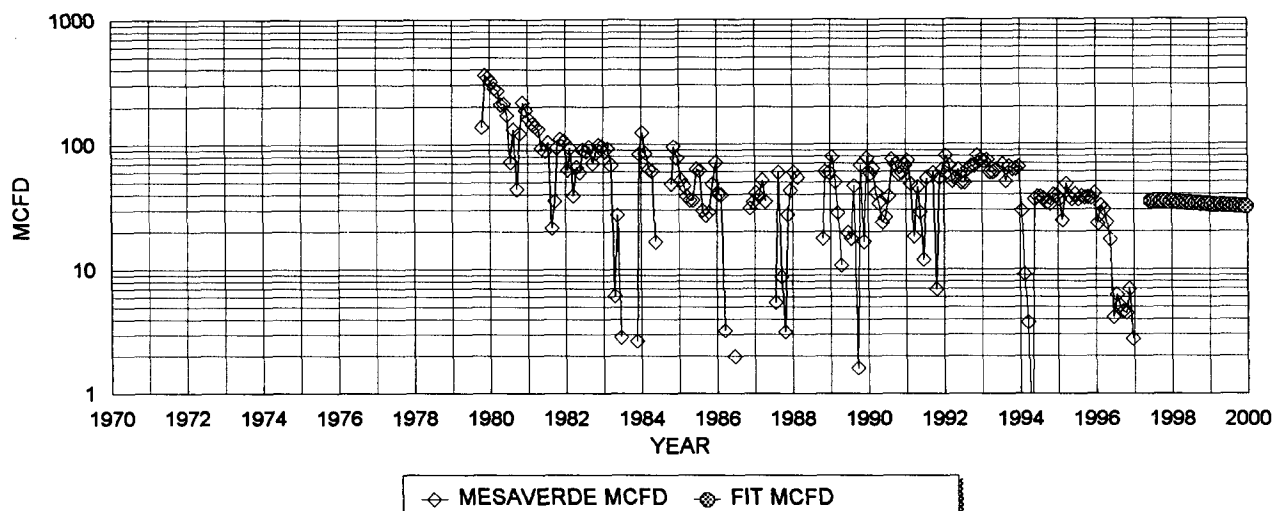
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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.	
<i>Rudy D. Motto</i>	
Name	Rudy D. Motto
Position	Area Superintendent
Company	SUPRON ENERGY CORPORATION
Date	March 23, 1979
Date Surveyed	October 11, 1967
Registered Professional Engineer and/or Land Surveyor	<i>James P. Leese</i>
Certificate No.	

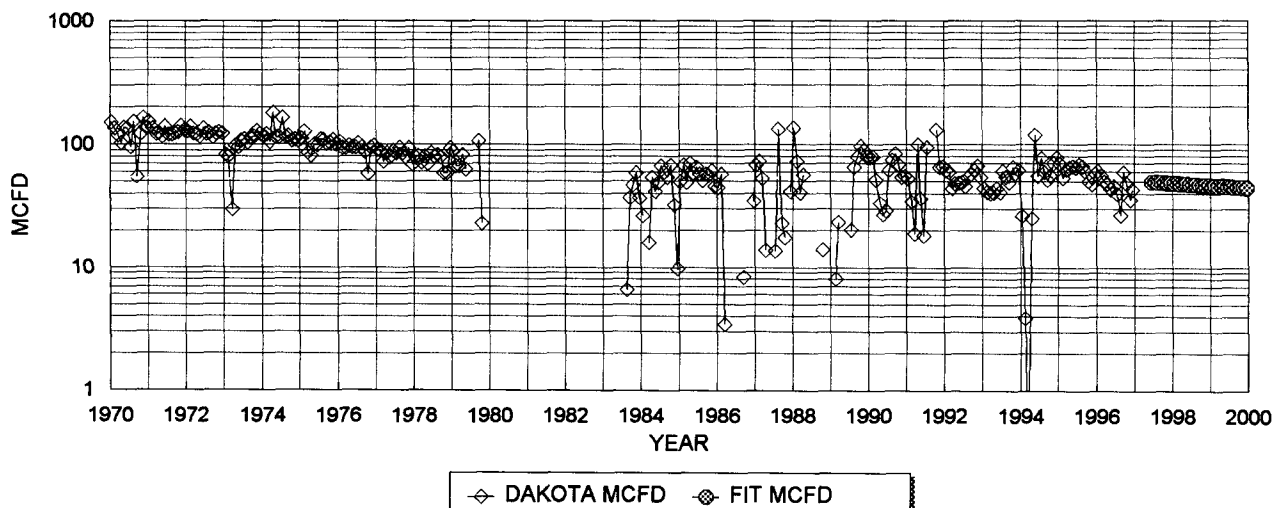
JICARILLA E 7 MESAVERDE PRODUCTION
SECTION 15P-26N-04W



MESAVERDE HISTORICAL DATA: 1ST PROD: 10/79
OIL CUM: 1.59 MBO
GAS CUM: 344.1 MMCF
OIL YIELD: 0.0046 BBL/MCF

MESAVERDE PROJECTED DATA
101/97 Qi: 35 MCFD
DECLINE RATE: 4.0% (EXPONENTIAL)

JICARILLA E 7 DAKOTA PRODUCTION
SECTION 15P-26N-04W



DAKOTA HISTORICAL DATA 1ST PROD: 03/68
OIL CUM: 27.5 MBO
GAS CUM: 701.1 MMCF
OIL YIELD: 0.0392 BBL/MCF

DAKOTA PROJECTED DATA
101/97 Qi: 49 MCFD
DECLINE RATE: 4.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE	42%	8%
DAKOTA	58%	92%

GAS ALLOCATION BASED ON PROJECTED 1997 RATES
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Conoco Inc.
C-107-A
Offset Operator List

RE: Jicarilla E, Well #7, Rio Arriba County, New Mexico

1. Amoco Production Co.
P. O. Box 800
Denver, CO 80202
2. Chateau Oil & Gas Inc.
2515 McKinney Ave. Ste. 840
Dallas, TX 75201
3. Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705-4500

P 497 368 607

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided

Burlington Resources Oil & Gas Co.
 P. O. Box 4289
 Farmington, NM 87499

PS Form 3800, April 1995

Postage	\$ 1.70
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 4.15
Postmark or Date	7-22-97

P 497 368 608

US Postal Service
Receipt for Certified Mail

Chateau Oil & Gas Inc.
 2515 McKinney Ave. Ste. 840
 Dallas, TX 75201

PS Form 3800, April 1995

Postage	\$ 1.47
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.92
Postmark or Date	7-22-97

P 497 368 609

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided

Amoco Production Company
 P. O. Box 800
 Denver, CO 80202

PS Form 3800, April 1995

Postage	\$ 1.24
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.69
Postmark or Date	7-22-97

P 497 368 622

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided

Caulkins Oil Co.
 1600 Broadway Ste. 2100
 Denver, CO 80202

PS Form 3800, April 1995

Postage	\$.55
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	7-22-97