

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
911 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-8429

JUN 23 1997

APPLICATION FOR DOWNHOLE COMMINGLING

DHC 7/14/97 Form C-107-A New 3-12-96

APPROVAL PROCESS:
Administrative ☐ Hearing ☐
EXISTING WELLBORE
YES ☐ NO ☐

OPERATOR: BONNEVILLE FUELS CORPORATION 1660 Lincoln Street, Ste 1800 Denver CO 80264
Fullerton Federal 13-12 E 13 T27N R11W San Juan
Well No. Unit Ltr. - S&S - Lwp - Rgs County
OGRID NO. 002678 Property Code 014387 API NO. 3004529178 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 Zones	Lower Zone
1. Pool Name and Pool Code	77280. Gallegos Fruitland SD		79680 West Kutz Pictured Cliffs
2. Top and Bottom of Pay Section (Perforations)	1466'-1473'		1736-1744' 1785-1788' 1796-1803'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	Flowing w/Compressor		Flowing w/Compressor
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) b. (Original) 400 psi (est)	a. b.	a. 200 psi b. 312 psi
6. Oil Gravity (° API) or Gas BTU Content	1150 BTU (est)		1125 BTU
7. Producing or Shut-In?	Not Completed		Producing
Production Marginal? (yes or no)			No
* 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: Rates:	Date: Rates:	Date: 6/8/97 Rates: 198 mcf/d
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 50 % Gas: 11 %	Oil: % Gas: %	Oil: 50 % Gas: 89 %

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(C) 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 Alan L. Merrill TITLE Operations Engineer DATE 6/17/97

TYPE OR PRINT NAME Alan L. Merrill TELEPHONE NO. (303) 863-1555

Allocation Method

Fruitland Sand/Pictured Cliffs Commingle
Fullerton Federal #13-12
NW/4 Sec. 13-T27N-R11W
San Juan Co., New Mexico

The allocation formula will be a fixed percentage allocation based on the estimated ultimate reserves (EUR) for each commingled zone.

The gas production allocation for the Fullerton #13-12 will be based on the following information:

Pictured Cliffs Estimated Ultimate Reserves: .388 BCF

Fruitland Sand Estimated Ultimate Reserves: .049 BCF

Total Estimated Ultimate Reserves: .437 BCF

Decline curves for both zones are attached. The Fruitland Sand EUR is based on production and reserves for the Scott E. Fed. #9. This well, located in Sec. 23, T27N, R11W is the nearest Fruitland Sand producing offset. The reserves estimate for the Fruitland Sand may be modified after testing the zone and establishing a production rate.

The allocation for the zones will be calculated by dividing the EUR for each zone by the total EUR.

Fruitland Sand Gas Allocation

$.049 \text{ BCF} / .437 \text{ BCF} \times 100 = 11\%$

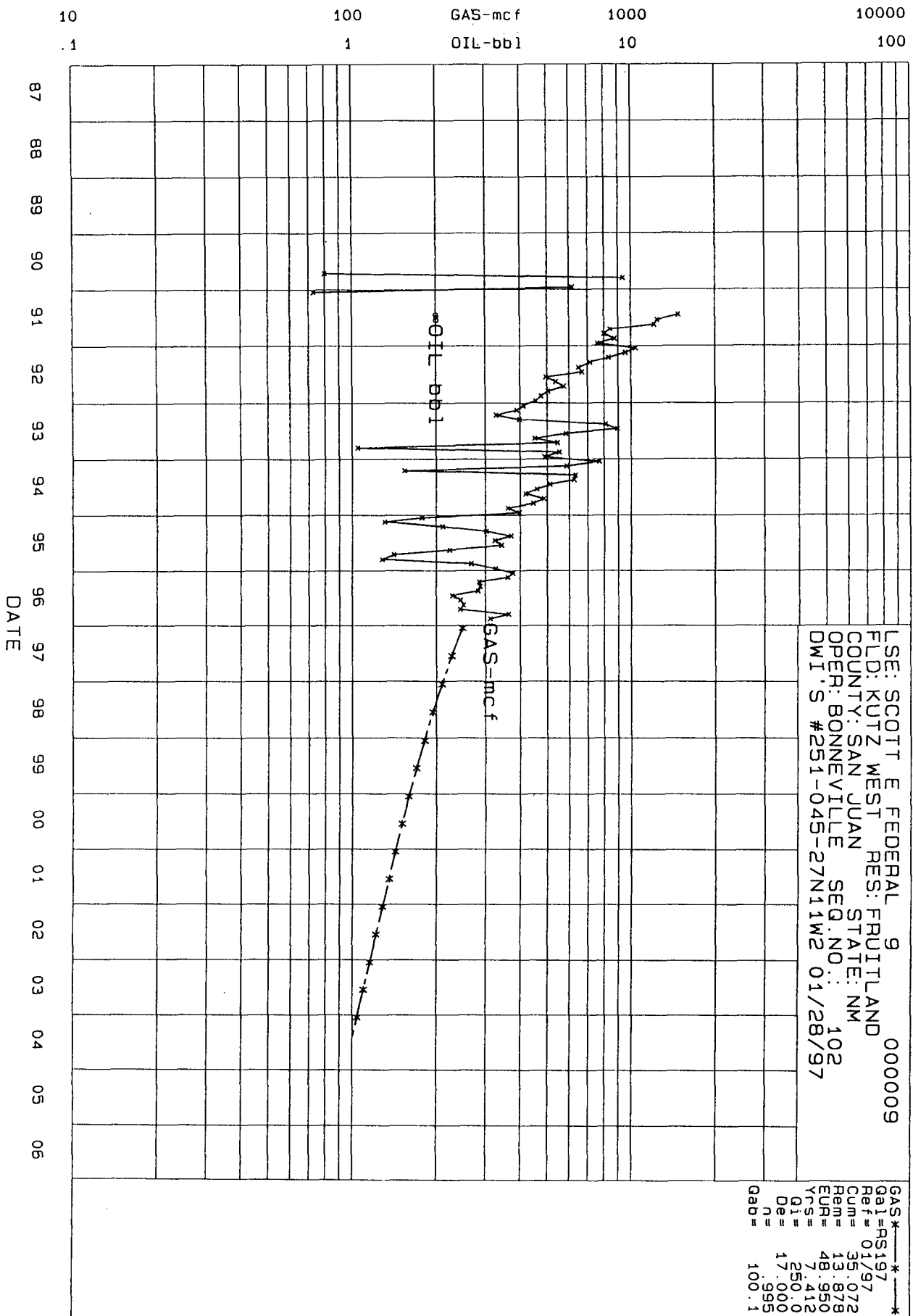
Pictured Cliffs Gas Allocation

$.388 \text{ BCF} / .437 \text{ BCF} \times 100 = 89\%$

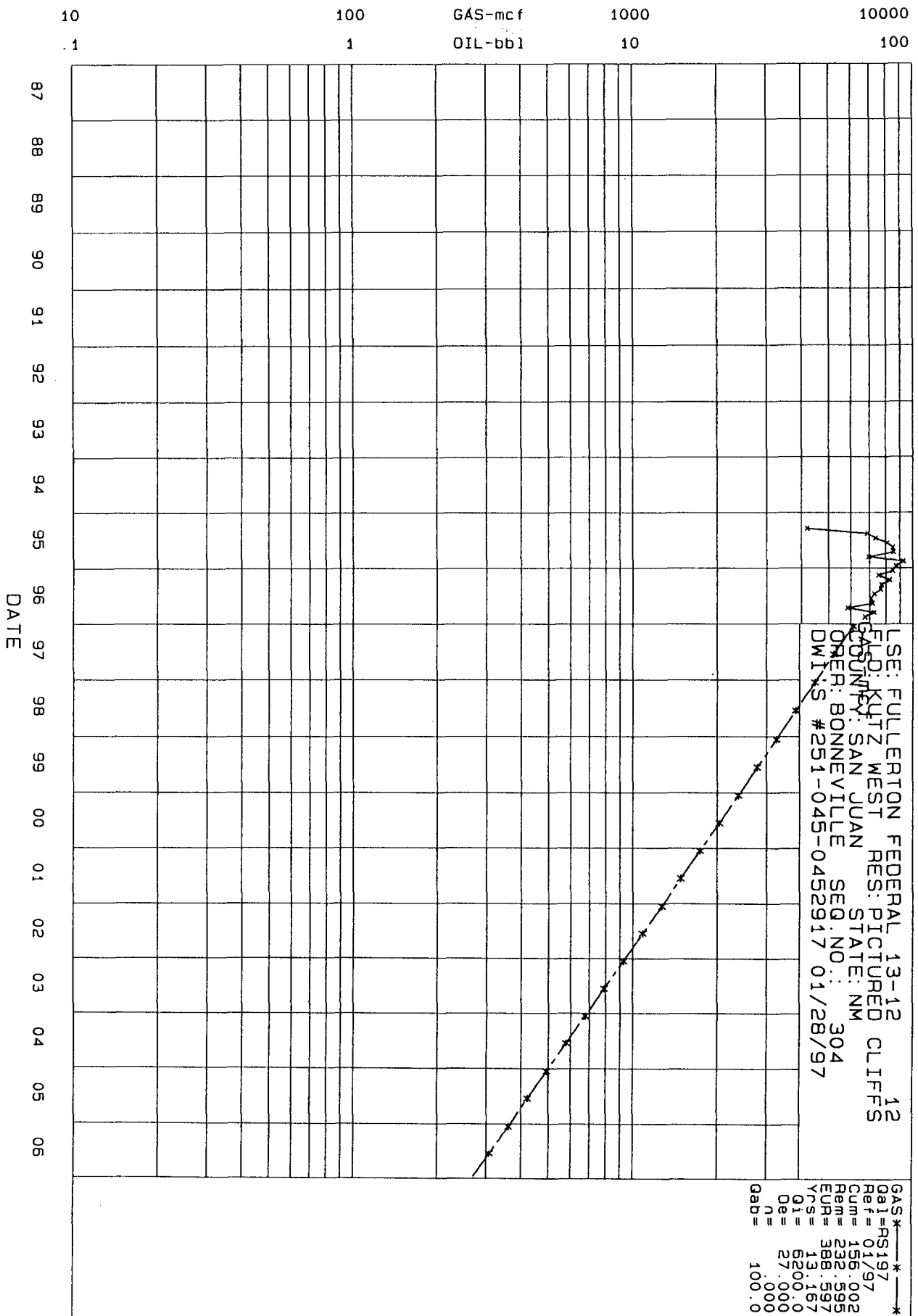
Oil Allocation

Oil production is expected to be negligible. If any oil is produced it will be allocated evenly between the two zones.

Offset Fruitland Sand Producer Production Decline Curve



Pictured Cliffs - Production Decline Curve



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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 10, 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 AFI Number 3004529178		1 Pool Code 77280		1 Pool Name GALLEGOS FRUITLAND SAND (GAS)	
1 Property Code 014387		1 Property Name FULLERTON FEDERAL 13			1 Well Number 12
1 OGRID No. 002678		1 Operator Name BONNEVILLE FUELS CORPORATION			1 Elevation 5990'

10 Surface Location

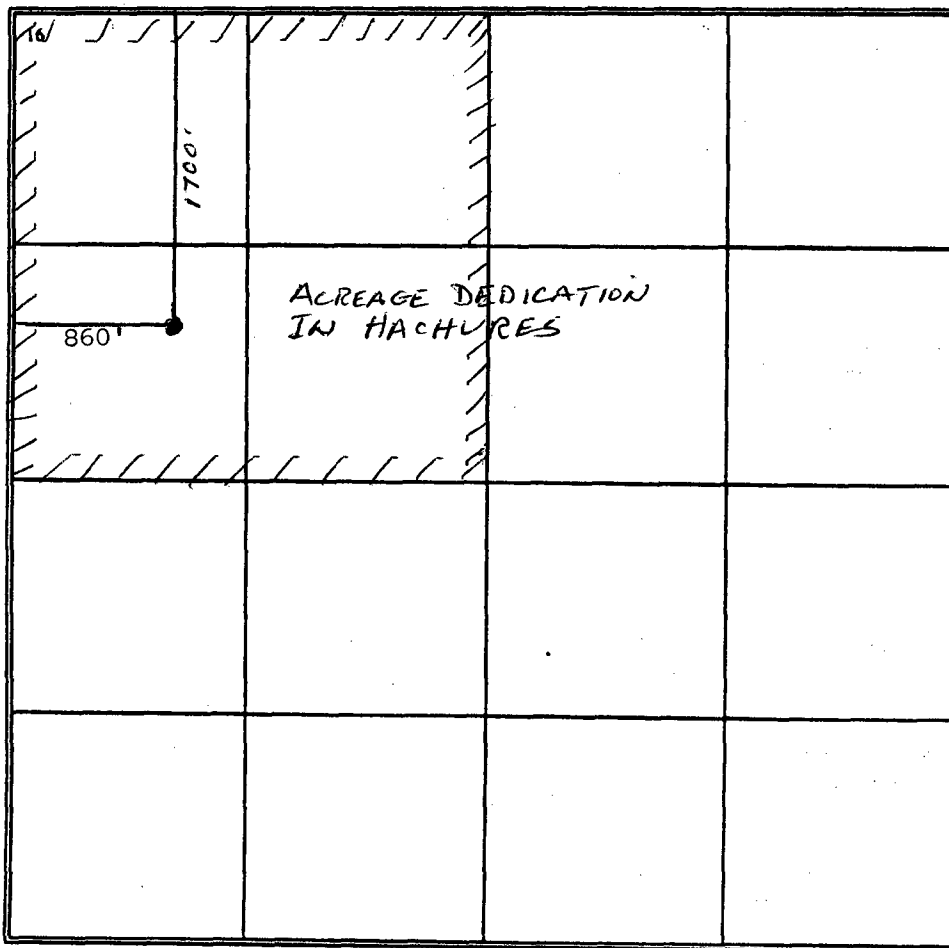

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
E	13	27N	11W		1700	North	860	West	San Juan

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Alan L. Merrill Printed Name Operations Engineer Title 6/17/97 Date	
				18 SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

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94 AUG 16 PM 2:49

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 79680	³ Pool Name West Kutz Pictured Cliffs
⁴ Property Code	⁵ Property Name FULLERTON FEDERAL	⁶ Well Number 13-12
⁷ OGRID No. 2678	⁸ Operator Name BONNEVILLE FUELS COMPANY	⁹ Elevation 5990

¹⁰ Surface Location

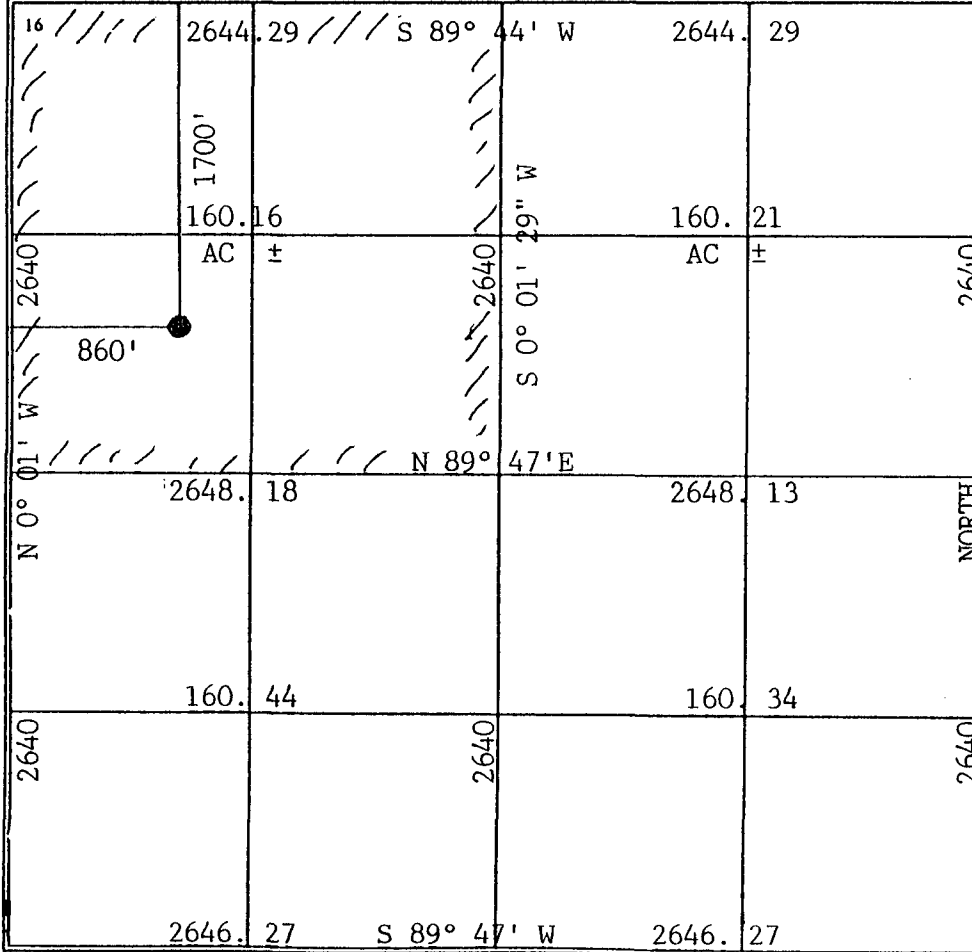
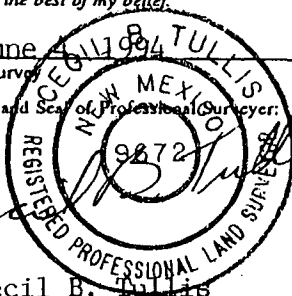
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	13	27N	11W		1700	NORTH	860	WEST	SAN JUAN

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 160.16	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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						¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>R. A. Schurcring, P.E.</u> Printed Name <u>Robert A. Schurcring, P.E.</u> Title <u>Senior Engineer</u> Date <u>8/11/94</u>	
¹⁸ SURVEYOR CERTIFICATION 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. Date of Survey <u>June 8, 1994</u> Signature and Seal of Professional Surveyor: <u>Cecil B. Tullis</u>  Certificate Number <u>9672</u>							