

DHC 11/17/97

1737

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

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SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

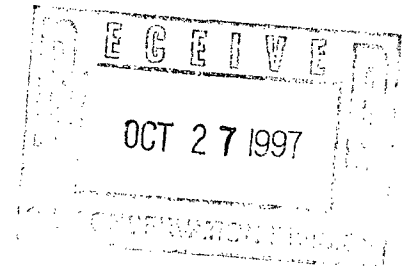
TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

October 27, 1997

HAND DELIVERED

Mr. David Catanach
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87502

Re: **ADMINISTRATIVE DHC APPLICATIONS**
Application of Conoco Inc. for
Downhole Commingling Approval for
four wells in the San Juan 28-7 Unit
Rio Arriba County, New Mexico



Dear Mr. Catanach:

On behalf of Conoco Inc., please find enclosed four administrative applications for approval to downhole commingled production in the following wells:

Unit Well No. 224M, Unit I Section 28, T28N, R7W;
Unit Well No. 226M, Unit D Section 28, T28N, R7W;
Unit Well No. 227M, Unit J Section 36, T28N, R7W;
Unit Well No. 232M, Unit I Section 20, T28N, R7W;

Very truly yours,

A handwritten signature in cursive script, appearing to read "W. Thomas Kellahin".

W. Thomas Kellahin

cfx: Conoco Inc.

Attn: Jerry Hoover

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

Operator Conoco Inc. Address 10 Desta Dr., Ste 100W, Midland, TX 79705-4500

Lease San Juan 28-7 Unit Well No 224M Unit Ltr Sec Twp Rge I-28-T28N-R7W County Rio Arriba

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 016608 API NO. 30-039-25697 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)	4292'-5096' est.		6902'-7137' est.
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottom hole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: Estimated Current All Gas Zones: Measured Current Estimated Or Measured Original	a (Current) 900 psia b (Original) 1267 psia	a. b.	a. 1700 psia b. 3288 psia
6. Oil Gravity (°API) or Gas BTU Content	1242 BTU		1188 BTU
7. Producing or Shut-In?	to be drilled		to be drilled
Production Marginal? (yes or no)	No		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. • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates Rates to be determined after completion & submitted to Aztec Office for allocation	Date Rates: Date Rates	Date Rates Rates to be determined after completion & submitted to Aztec Office for allocation
8. Fixed Percentage Allocation Formula - % for each zone	oil: NA % Gas NA %	oil: % Gas %	oil: NA % Gas NA

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? x Yes ☒ No ☐
Conoco is the only offset operator

11. Will cross-flow occur? X 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. X Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each others X Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes X 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. X Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-10476-B

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 10-23-97

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

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

API Number		Pool Code 72319/71599	Pool Name Blanco Mesaverde/Basin Dakota
Property Code	Property Name San Juan 28-7 Unit		Well Number 224M
OGRID No. 05073	Operator Name CONOCO, INC.		Elevation 6034'

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	28	28-N	7-W		1450	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 E/320	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

16		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>Jerry W. Hoover</u> Printed Name: <u>Jerry W. Hoover</u> Title: <u>Sr. Conservation Coordinator</u> Date: <u>5/15/97</u>