

## DISTRICT I

P.O. Box 1900, 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 87505-6428

DHC

12/1/97

Form C-107-A  
New 3-12-96

## APPROVAL PROCESS:

\_\_\_ Administrative \_\_\_ Hearing

## EXISTING WELLBORE

\_\_\_ YES \_\_\_ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

BONNEVILLE FUELS CORPORATION 1660 Lincoln Street, Ste 1800, Denver, CO 80264

Operator

Fullerton Federal 14 33

Address

J Sec 14 T27N R11W

San Juan

Lease

Well No.

Unit Ltr. - S&amp;C - TWP - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 002678

Property Code

002159

API NO.

30-045-28356

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)	1558'-1574'		1834'-1847'
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: Gas & Oil - Flowing: Estimated Current All Gas Zones: Measured Current Estimated Or Measured Original	a. (Current)  b. (Original) 400 psi (est)	a.  b.	a. 125 psi (est)  b. 210 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: 9/1/97 Rates: 149 MCF/D
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 50 % Gas: 14%	Oil: % Gas: %	Oil: 50 % Gas: 86%

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-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 \_\_\_ 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 \_\_\_ 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

TITLE Operations Engineer

DATE 9/29/97

TYPE OR PRINT NAME

Alan L. Merrill

TELEPHONE NO. ( 303 )

863-1555

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-102  
Revised 1-1-89

RECEIVED  
OLM MAIL ROOM

AUG 22 AM 11:33

ARMINGTON, NEW MEXICO

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

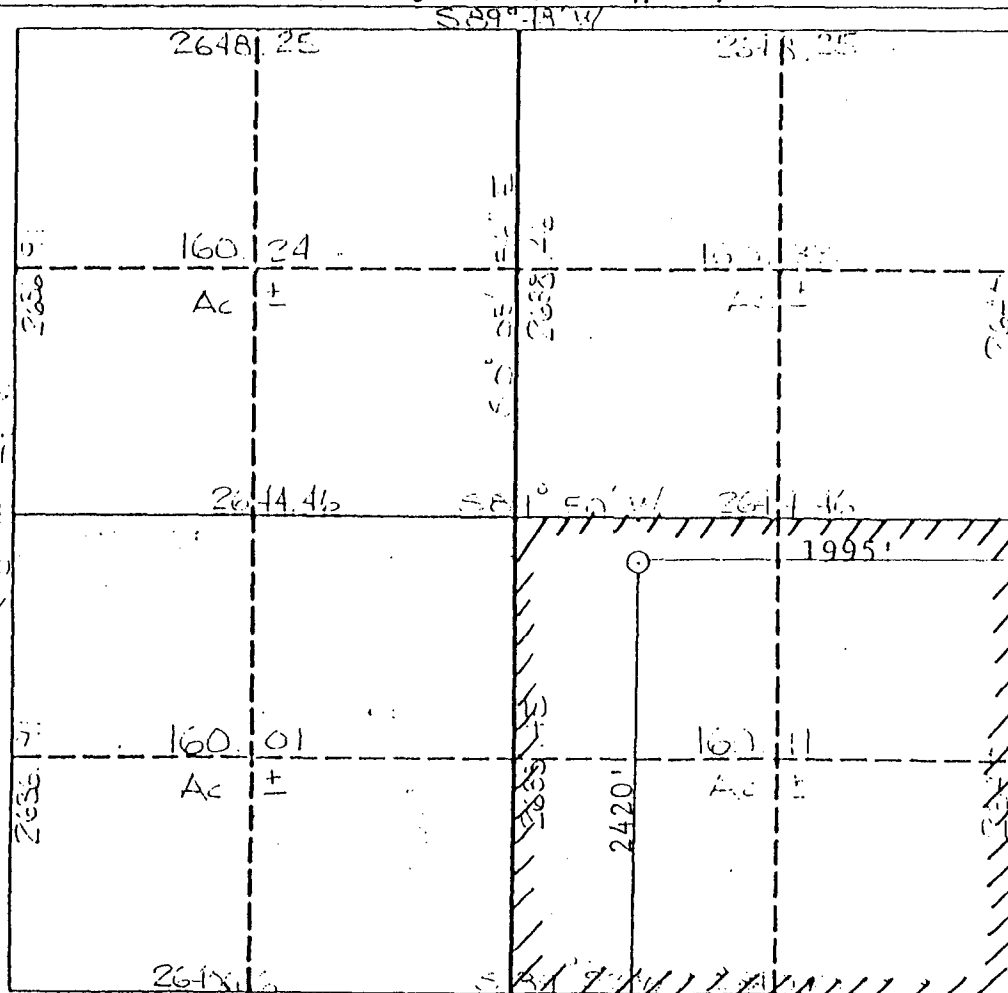
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>BONNEVILLE FUELS CORPORATION</b>			Lease <b>FULLERTON FEDERAL</b>		Well No. <b>14-33</b>
Unit Letter <b>J</b>	Section <b>14</b>	Township <b>27N</b>	Range <b>11W</b>	County <b>NMPM</b>	<b>San Juan</b>
Actual Footage Location of Well: <b>2420</b> feet from the <b>South</b> line and <b>1995</b> feet from the <b>East</b> line					
Ground level Elev. <b>6101</b>	Producing Formation <b>West Kutz Pictured Cliffs</b>		Dedicated Acreage: <b>160</b> 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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
*Gerald D. Gentry*  
Printed Name  
**Gerald D. Gentry**  
Position  
**Operations Supervisor**  
Company  
**Bonneville Fuels Corporation**  
Date  
**August 20, 1990**

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 knowledge and belief.

**August 3, 1990**  
Date Surveyed  
Signature  
*Cecil B. Thibault*  
Professional Surveyor  
**REGISTERED PROFESSIONAL LAND SURVEYOR**  
Certificate No. **8672**

District I  
PO Box 1900, Hobbs, NM 88241-1900  
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 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

API Number 30-045-28356		Pool Code 77280	Pool Name Gallegos Fruitland Sand
Property Code 002159	Property Name Fullerton Federal 14		Well Number 33
OGRID No. 002678	Operator Name BONNEVILLE FUELS CORPORATION		Elevation 6101 GL

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
J	14	27N	11W		2420	South	1995	East	San Juan

11 Bottom Hole Location If Different From Surface

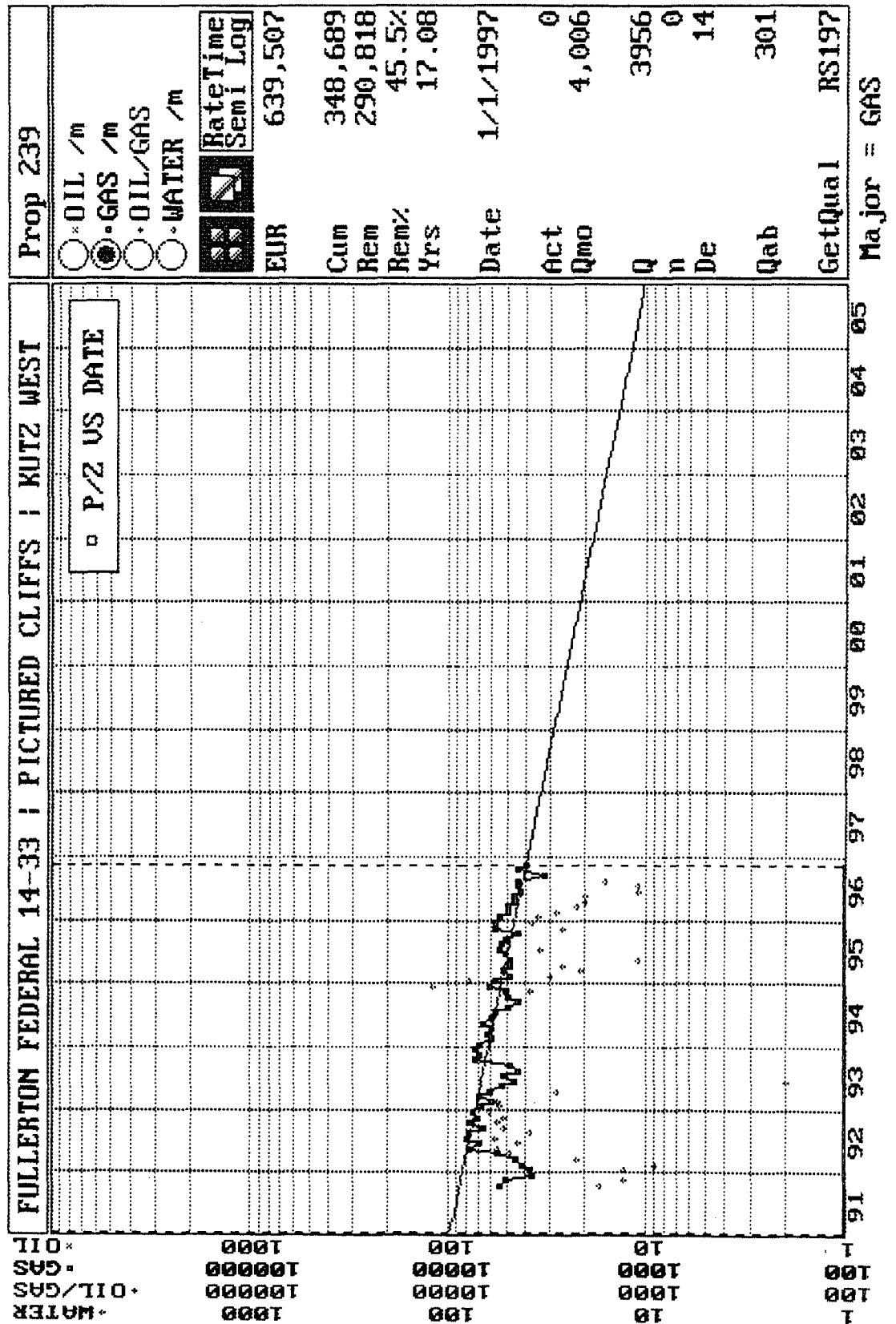
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Same as	above								

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

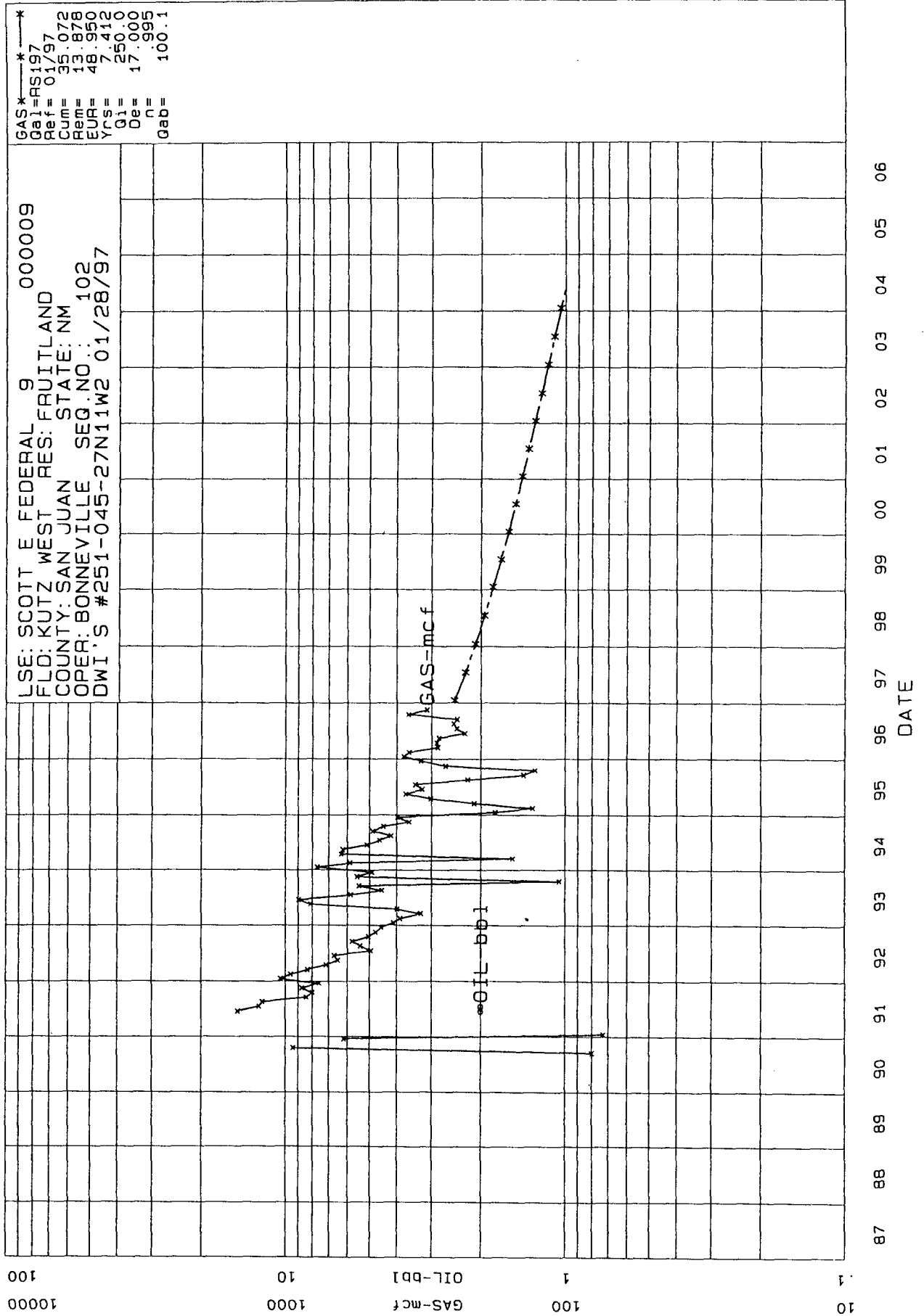
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>DEDICATED ACREAGE IN HACHURES</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Alan L. Merrill</i></p> <p>Signature Alan L. Merrill</p> <p>Printed Name Operations Engineer</p> <p>Title</p> <p>Date 9/29/97 10/1/97</p>
	<p>18 SURVEYOR CERTIFICATION</p> <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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

# Fullerton Federal #14-33 Pictured Cliffs - Decline Curve



Fullerton Federal #14-33 Fruitland Sand Analogue  
 Offset Producer - Scott E. Federal #9



### Allocation Method

Fruitland Sand/Pictured Cliffs Commingle  
Fullerton Federal #14-33  
SE/4 Sec. 14-T27N-R11W  
San Juan Co., New Mexico

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

The gas production allocation for the Fullerton Federal #14-33 will be based on the following information:

Pictured Cliffs Estimated Remaining Reserves: .291 BCF

Fruitland Sand Estimated Ultimate Reserves: .049 BCF

Total Estimated Reserves: .340 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 reserves for each zone by the total reserves for both zones.

#### Fruitland Sand Gas Allocation

$.049 \text{ BCF} / .340 \text{ BCF} \times 100 = 14\%$

#### Pictured Cliffs Gas Allocation

$.291 \text{ BCF} / .340 \text{ BCF} \times 100 = 86\%$

#### Oil Allocation

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

**Notification of Offset Owners**

Fruitland Sand/Pictured Cliffs Commingle  
Fullerton Federal #14-33  
SE/4 Sec. 14-T27N-R11W  
San Juan Co., New Mexico

Bonneville Fuels Corporation is the operator of all offset spacing units in the Gallegos Fruitland Sand and West Kutz Pictured Cliffs. No notification of offset operators is required for this commingling application.

Bonneville Fuels Corporation  
A Subsidiary of Bonneville Pacific Corporation

October 31, 1997

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Marathon Oil Company  
P. O. Box 3128  
Houston, Tx 77253

Louis Dreyfus Gas Holding, Inc.  
14000 Quail Springs Parkway  
Oklahoma City, OK 73134

RE: Notice of Intent to Commingle  
Fullerton Federal #14-33  
San Juan County, New Mexico

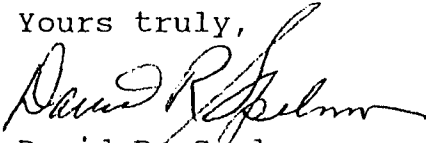
Dear Owners:

Pursuant to the regulations of the New Mexico Oil and Gas Conservation Division, you are hereby notified of Bonneville's application to commingle production from the Fruitland Sand and the Picture Cliffs formations in the captioned well located 2420 FSL, 1995 FEL, Section 14, T27N-R11W.

Should you have any objections you should file them with the Oil Conservation Division in the required time period.

If you have any questions, please feel free to contact us.

Yours truly,



David R. Spelman  
Land Manager



AFFIDAVIT OF MAILING

STATE OF COLORADO


CITY & COUNTY OF DENVER

I, David R. Spelman, Land Manager, employed by Bonneville Fuels Corporation, being first duly sworn, deposes and says:

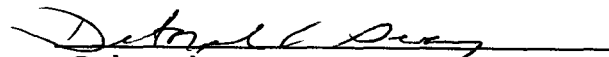
A Notice of Unorthodox Location and Intent to Commingle production from the Fullerton Federal #14-33 Well by Bonneville Fuels Corporation to the offset Operators was deposited on October 31, 1997, in the U. S. Mail for delivery, as certified mail, to each of the following named parties at the addresses shown below:

1. Marathon Oil Company  
P. O. Box 3128  
Houston, TX 77253
2. Louis Dreyfus Gas Holding, Inc.  
14000 Quail Springs Parkway  
Oklahoma City, OK 73134

Affiant Further Sayeth Not.

  
David R. Spelman  
Land Manager

SUBSCRIBED AND SWORN TO BEFORE ME, IN MY PRESENCE, THIS 31st day of October, 1997, a Notary Public in and for the State of Colorado.

  
Deborah A. Geary  
Notary Public

My Commission Expires: September 30, 2000.