

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]

1794

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

[A] Location - Spacing Unit - Directional Drilling

- NSL NSP DD SD

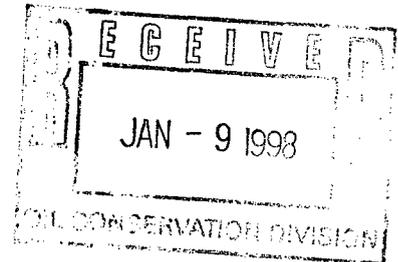
Check One Only for [B] and [C]

[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.

Kay Maddox
Print or Type Name

Kay Maddox
Signature

Regulatory Agent
Title

1/6/98
Date

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241 1980

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
811 South First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative Hearing

DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410 1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

YES NO

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

Lease San Juan 28-7 Unit Well No 216 Unit Ltr Sec Twp Rge H- Section 8, T-27-N, R-7-W, H County Rio Arriba

OGRID NO. 005073 Property Code 016608 API NO. 30-039-20875 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 Zone | Lower Zone |
|---|---------------------------------------|-------------------|---------------------------------|
| 1. Pool Name and Pool Code | Blanco Mesaverde 72319 | | Basin Dakota 71599 |
| 2. TOP and Bottom of Pay Section (Perforations) | 5268-5604' OA | | 7520-7724 |
| 3. Type of production (Oil or Gas) | Gas | | Gas |
| 4. Method of Production (Flowing or Artificial Lift) | To Flow | | Flowing |
| 5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original | a (Current) 457 | a. | a. 646 |
| | b(Original) 1330 | b. | b. 3068 |
| 6. Oil Gravity (°API) or Gas BT Content | 1272 | | 1219 |
| 7. Producing or Shut-In? | To be completed | | Producing |
| Production Marginal? (yes or no) | Yes | | 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, date and oil/gas/water rates of recent test (within 60 days) | Date Rates | Date Rates | Date Rates |
| | Incremental Production by Subtraction | Date Rates | Mid-year avg. rates - See Table |
| 8. Fixed Percentage Allocation Formula - % or each zone | oil: % Gas % | oil: % Gas % | oil: % Gas % |

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? 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

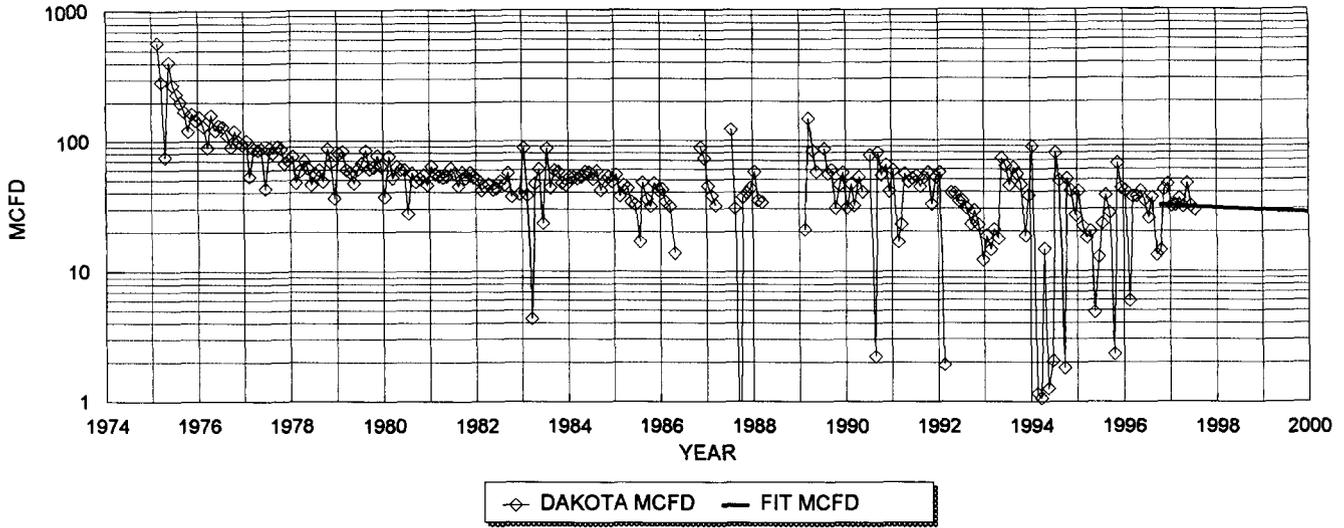
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 Kay Maddox TITLE Regulatory Agent DATE January 6, 1998

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

**SAN JUAN 28-7 NO. 216 DAKOTA PRODUCTION
SECTION 8H-27N-07W**



| | | | |
|--------------------------------|----------------------------|------------------------------|--------------------|
| DAKOTA HISTORICAL DATA: | 1ST PROD: 02/75 | DAKOTA PROJECTED DATA | |
| OIL CUM: | 3.85 MBO | 1/1/98 Qi: | 30 MCFD |
| GAS CUM: | 443.0 MMCF | DECLINE RATE: | 3.9% (EXPONENTIAL) |
| CUM OIL YIELD: | 0.0087 BBL/MCF | | |
| OIL YIELD: | 0.0077 BBL/MCF, LAST 3 YRS | | |
| AVG. USED: | 0.0082 BBL/MCF | | |

| YEAR | MID-YEAR | MID-YEAR |
|------|-----------|-----------|
| | AVG. MCFD | AVG. BOFD |
| 1998 | 29.7 | 0.2 |
| 1999 | 28.5 | 0.2 |
| 2000 | 27.4 | 0.2 |
| 2001 | 26.3 | 0.2 |
| 2002 | 25.3 | 0.2 |
| 2003 | 24.3 | 0.2 |
| 2004 | 23.4 | 0.2 |
| 2005 | 22.5 | 0.2 |
| 2006 | 21.6 | 0.2 |
| 2007 | 20.8 | 0.2 |
| 2008 | 19.9 | 0.2 |
| 2009 | 19.2 | 0.2 |
| 2010 | 18.4 | 0.2 |
| 2011 | 17.7 | 0.1 |
| 2012 | 17.0 | 0.1 |
| 2013 | 16.3 | 0.1 |
| 2014 | 15.7 | 0.1 |
| 2015 | 15.1 | 0.1 |
| 2016 | 14.5 | 0.1 |
| 2017 | 13.9 | 0.1 |
| 2018 | 13.4 | 0.1 |
| 2019 | 12.9 | 0.1 |
| 2020 | 12.4 | 0.1 |
| 2021 | 11.9 | 0.1 |
| 2022 | 11.4 | 0.1 |
| 2023 | 11.0 | 0.1 |
| 2024 | 10.6 | 0.1 |
| 2025 | 10.1 | 0.1 |
| 2026 | 9.7 | 0.1 |
| 2027 | 9.4 | 0.1 |
| 2028 | 9.0 | 0.1 |
| 2029 | 8.6 | 0.1 |
| 2030 | 8.3 | 0.1 |
| 2031 | 8.0 | 0.1 |
| 2032 | 7.7 | 0.1 |

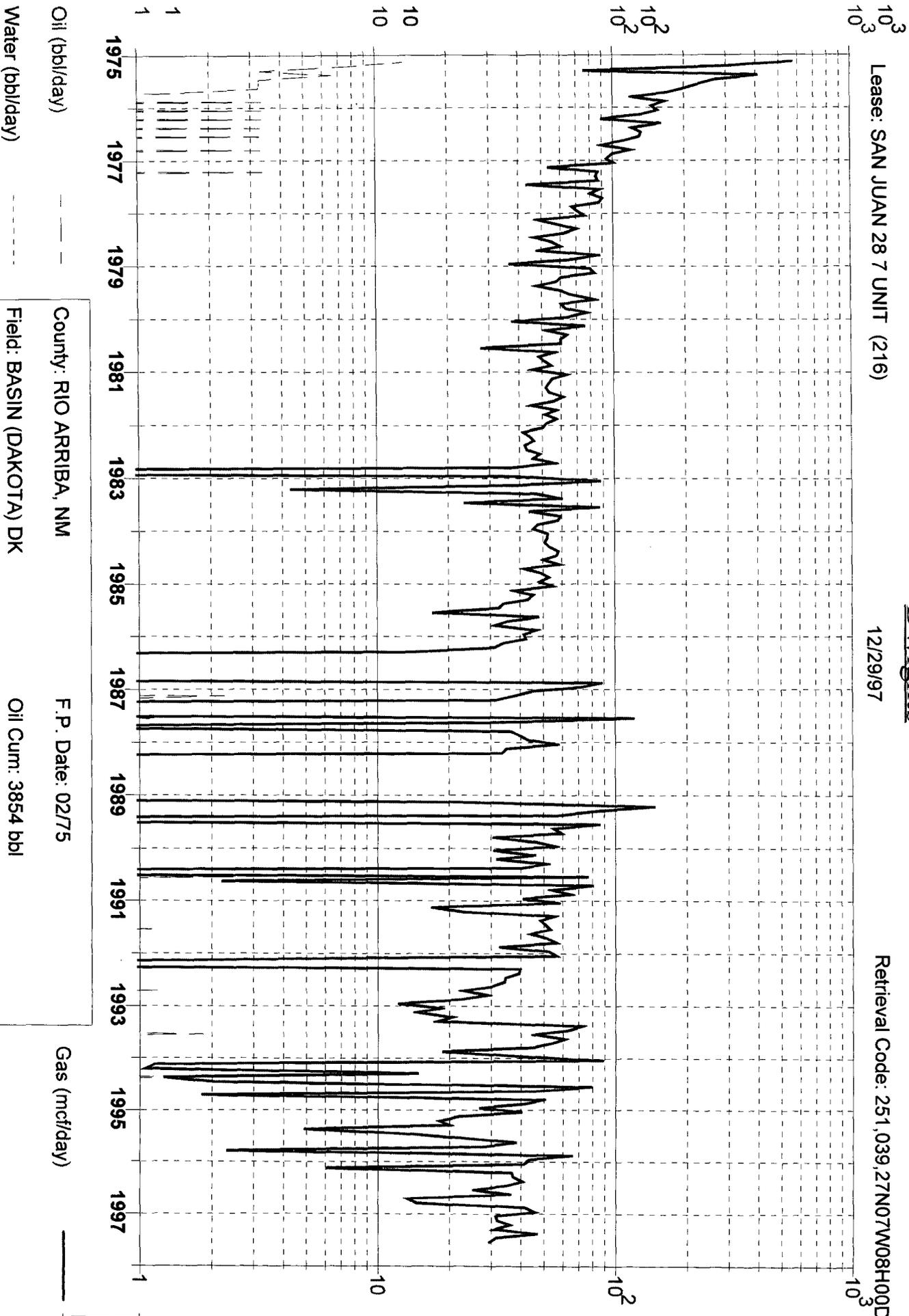
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

Dwights

Lease: SAN JUAN 28 7 UNIT (216)

12/29/97

Retrieval Code: 251,039,27N07W08H00DK



Oil (bbl/day)

Water (bbl/day)

Gas (mcf/day)

County: RIO ARRIBA, NM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

F.P. Date: 02/75

Oil Cum: 3854 bbl

Gas Cum: 443.0 mmcf

Location: 8H 27N 7W

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 30-039-20875 | | 2 Pool Code 72319 | | 3 Pool Name Blanco Mesaverde | |
| 4 Property Code 016608 | | 5 Property Name San Juan 28-7 Unit | | | 6 Well Number 216 |
| 7 OGRID No. 005073 | | 8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500 | | | 9 Elevation 6726' GL |

10 Surface Location

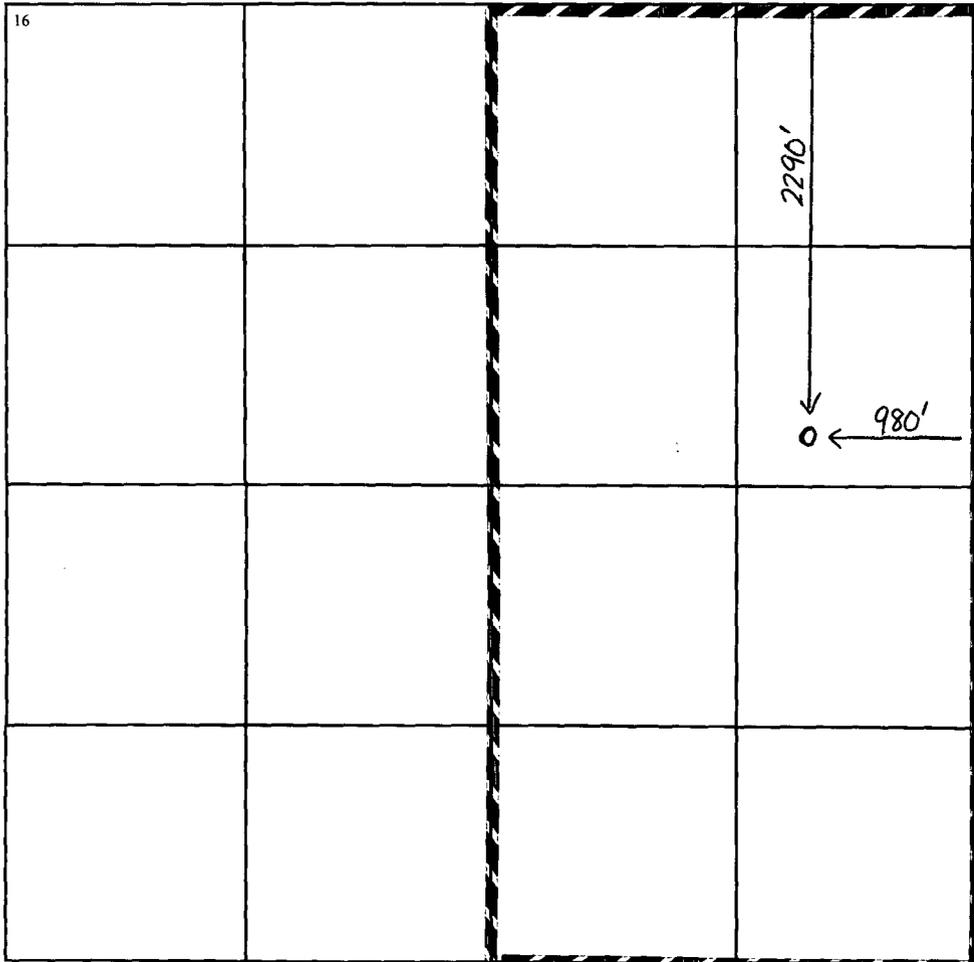
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| H | 8 | 27N | 7W | | 2290 | North | 980 | East | Rio Arriba |

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 320 | 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



17 OPERATOR CERTIFICATION

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

Kay Maddox
Signature

Kay Maddox
Printed Name

Regulatory Agent
Title

January 6, '98
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

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 EL PASO NATURAL GAS COMPANY | | Lease SAN JUAN 28-7 UNIT (SF-078569) | | Well No. 216 |
| Unit Letter H | Section 3 | Township 27 NORTH | Range 7 WEST | County RIO ARRIBA |

Actual Footage Location of Well:
2290 feet from the **NORTH** line and **980** feet from the **EAST** line

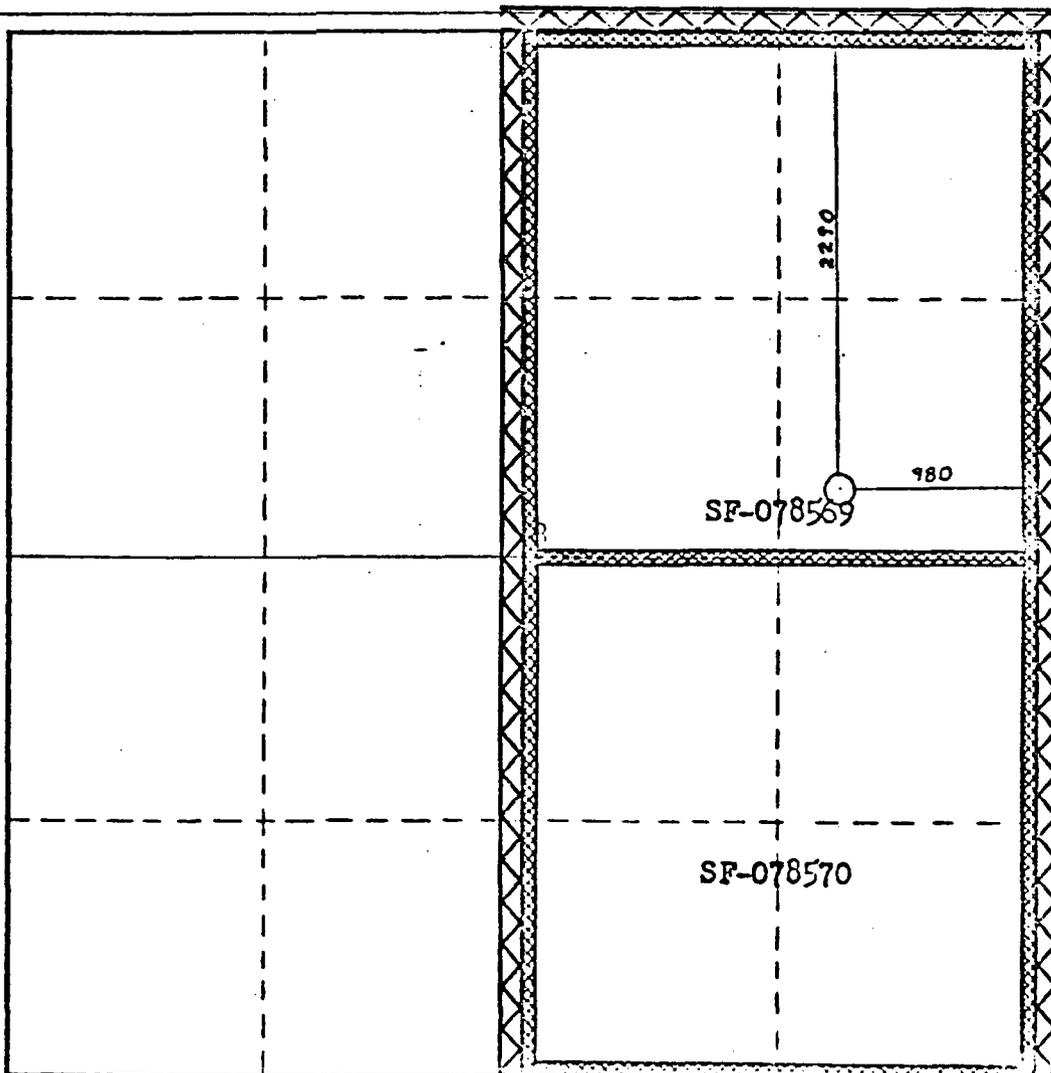
| | | | |
|-----------------------------------|--------------------------------------|-----------------------------|---|
| Ground Level Elev. 6726 | Producing Formation DAKOTA | Pool BASIN DAKOTA | Dedicated Acreage: 320.00 Acres |
|-----------------------------------|--------------------------------------|-----------------------------|---|

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

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.

[Signature]

Name
Drilling Clerk

Position
El Paso Natural Gas Co.

Company
April 18, 1974

Date

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.

Date Surveyed
25 March 1974

Registered Professional Engineer and Registered Surveyor
[Signature]
James P. Leese



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

San Juan 28-7 Unit
Downhole Commingle Application C-107-A

RE: Offset Operators

Conoco, Inc is the only offset operator.