

DATE IN 2/25/98	SUSPENSE 3/17/98	ENGINEER DC	LOGGED BY KW	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

1862

**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]

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

[A] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

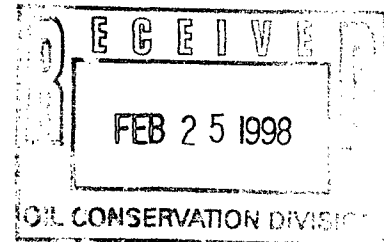
Check One Only for [B] and [C]

[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

2/20/98  
Date

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

DISTRICT II  
811 Southl 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 Marron WN FED COM Well No 1 Unit Ltr Sec Twp Rge Section 27, T-27-N, R-8-W County Rio Arriba

OGRID NO. 005073 Property Code 013684 API NO. 30-045-22518 Spacing Unit Lease Types: (check 1 or more)  
Federal ☒ State ☐ (and/or) Fee ☐

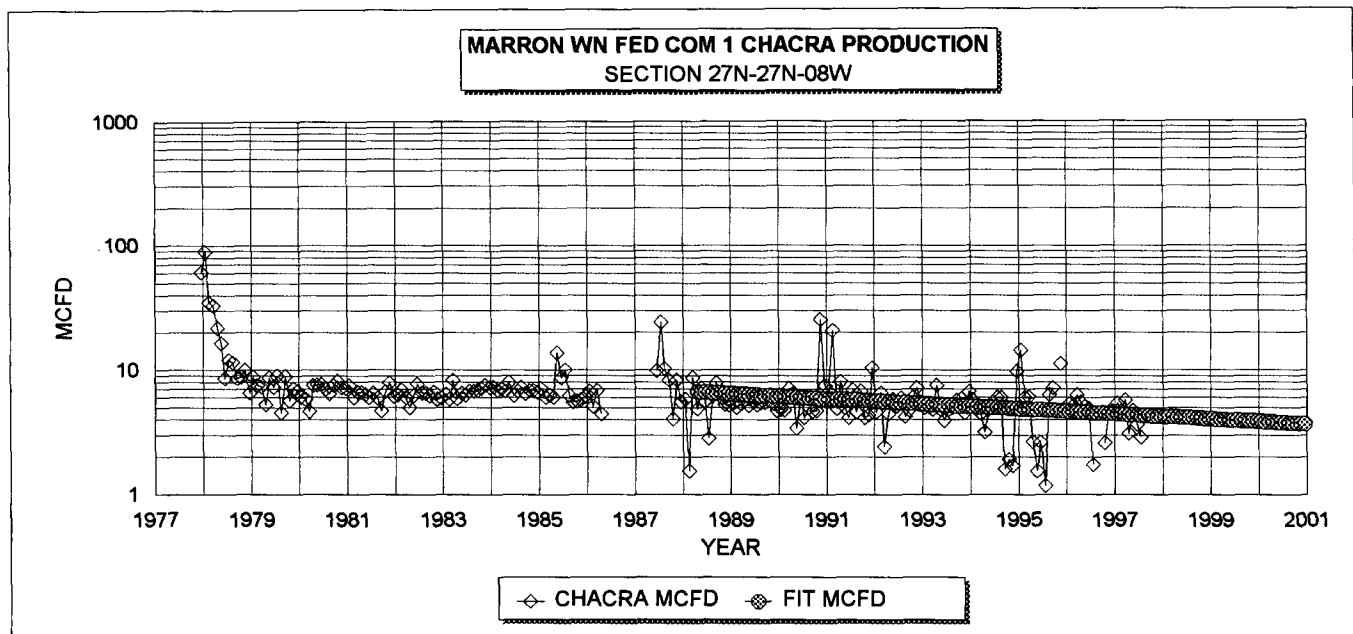
The following facts are submitted in support of downhole commingling:	Upper Zone	intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Otero Chacra 82329		Blanco Mesaverde 72319
2. TOP and Bottom of Pay Section (Perforations)	3671-3747'		4924-5146'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	475		550
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	660		1140
6. Oil Gravity (°API) or Gas BT Content	1237		1302
7. Producing or Shut-In?	Producing		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, date and oil/gas/ water rates of recent test (within 60 days)	Date Rates	Date Rates	Est 3/98 40 MCFD, .2 BOPD, 0 BOPD
8. Fixed Percentage Allocation Formula - % for each zone	oil: 0 % Gas 9 %	oil: % Gas %	oil: 100 % Gas 91

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. NMOC 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.

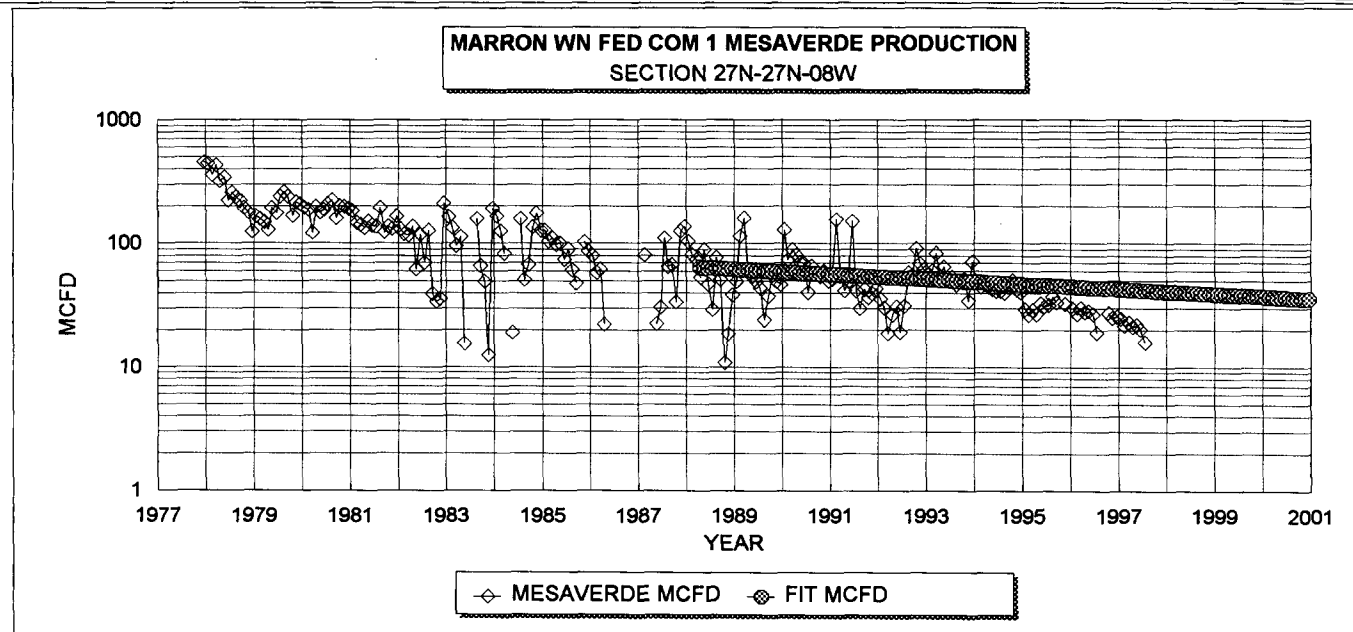
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE February 20, 1998

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



<b>CHACRA HISTORICAL DATA:</b>		<b>1ST PROD: 12/77</b>	<b>CHACRA</b>	<b>PROJECTED DATA</b>
OIL CUM:	0.00	MBO	3/1/98 Qi:	4.2 MCFD; RISKED ANTICIPATED RATE
GAS CUM:	49.0	MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
OIL YIELD:	0.0000	BBL/MCF		



MESAVERDE HISTORICAL DATA		1ST PROD: 12/77	MESAVERDE PROJECTED DATA	
OIL CUM:	3.0	MBO	3/1/98 Qi:	40 MCFD; RISKED ANTICIPATED RATE
GAS CUM:	630.9	MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
OIL YIELD:	0.0047	BBL/MCF		

**FIXED COMMINGLE ALLOCATION FACTORS:**

	<b>GAS</b>	<b>OIL</b>
<b>MESAVERDE</b>	91%	100.00%
<b>CHACRA</b>	9%	0%

GAS ALLOCATION BASED ON PROJECTED 1996 RATES  
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

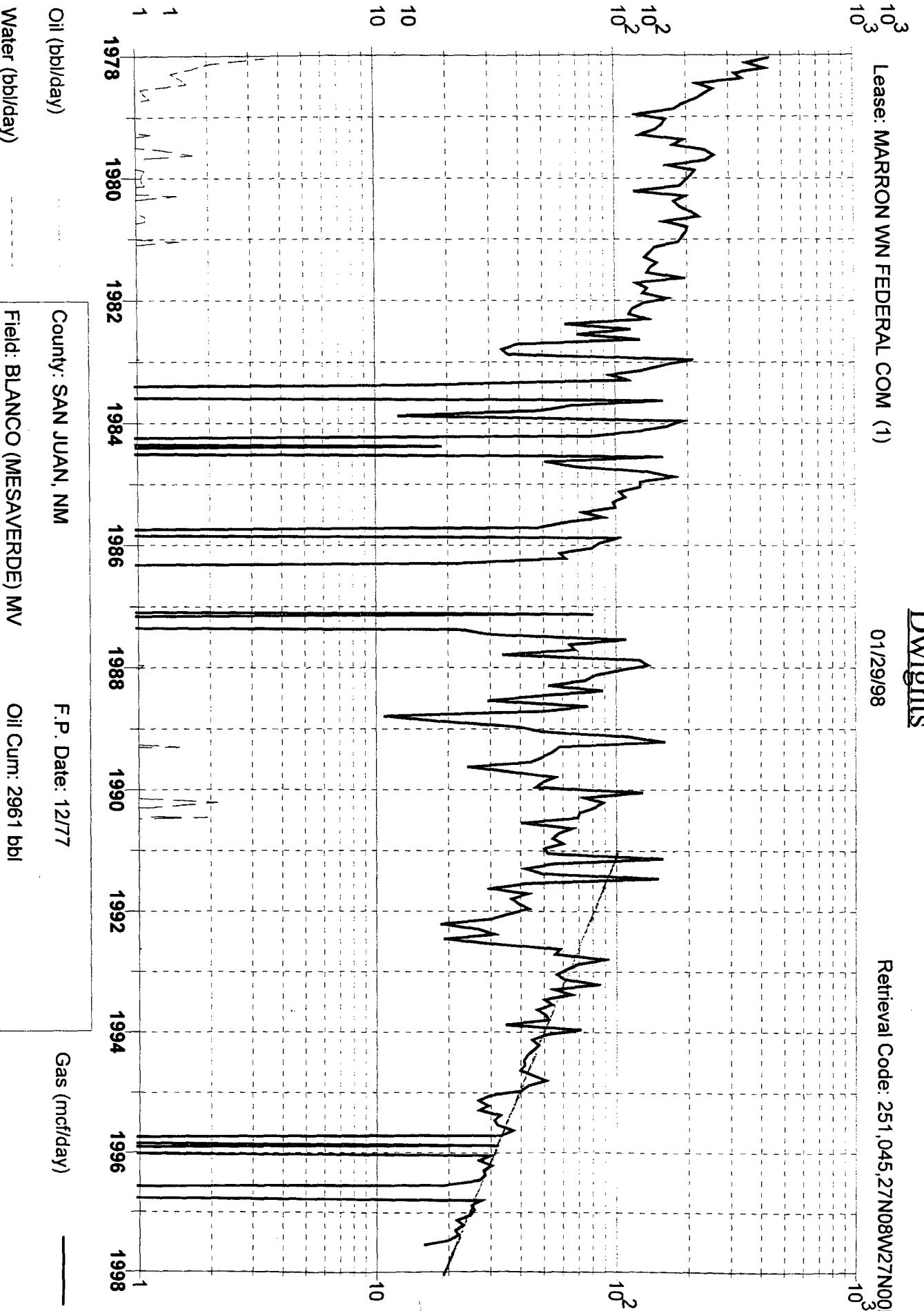
NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

# Dwights

Lease: MARRON WN FEDERAL COM (1)

01/29/98

Retrieval Code: 251,045,27N08W27N00MV



Oil (bbl/day)

Water (bbl/day)

County: SAN JUAN, NM

Field: BLANCO (MESAVERDE) MV

Reservoir: MESAVERDE

Operator: CONOCO INC

F.P. Date: 12/77

Oil Cum: 2961 bbl

Gas Cum: 630.9 mmcf

Location: 27N 27N 8W

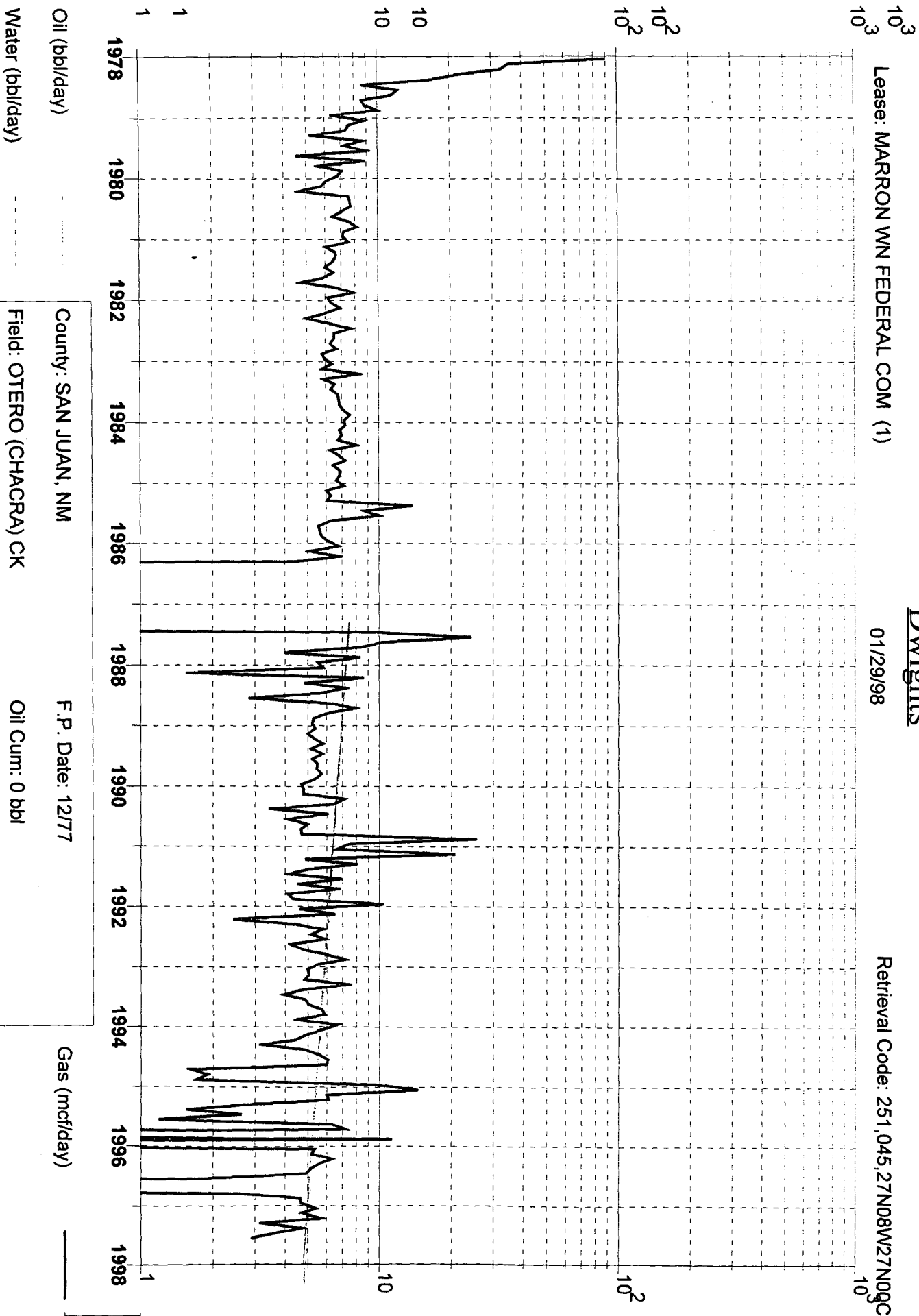
Gas (mcf/day)

# Dwights

Lease: MARRON WN FEDERAL COM (1)

01/29/98

Retrieval Code: 251,045,27N08W27N09CK



Oil (bbl/day)

Water (bbl/day)

County: SAN JUAN, NM

Field: OTERO (CHACRA) CK

Reservoir: CHACRA

Operator: CONOCO INC

F.P. Date: 12/77

Oil Cum: 0 bbl

Gas Cum: 49.01 mmcf

Location: 27N 27N 8W

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION AT

Form C-102  
Supersedes C-123  
Effective 1-1-65

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

Operator <b>Atlantic Richfield Company</b>			Lease <b>Marron WN Federal Com.</b>		Well No. <b>1</b>
Unit Letter <b>N</b>	Section <b>27</b>	Township <b>27 North</b>	Range <b>8 West</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1010</b> feet from the <b>South</b> line and <b>1490</b> feet from the <b>West</b> line					
Ground Level Elev. <b>6728</b>	Producing Formation <b>Mesaverde &amp; Chacra</b>		Pool <b>Blanco Mesaverde &amp; Largo Chacra</b>		Dedicated Acreage: <b>320 &amp; 160</b> 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). **Both Federal Leases**
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? **\* Operating Agreement has been executed. Communitization Agmt. being prepared.**  
☐ 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.

Atlantic Richfield Company Lse. No. SF - 078478 NW/4 Sec. 27			
		SEC. 27	
Ibex Partnership Lse No. NM - 03604 SW/4 Sec. 27			

1490'

1010'

cc Jimmy Partner 5-4-77

CERTIFICATION

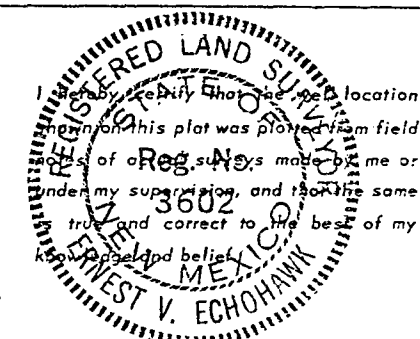
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*W. A. Walther Jr.*  
Name **W. A. Walther, Jr.**  
Operations Manager

Position  
**Atlantic Richfield Company**

Company  
**April 15, 1977**

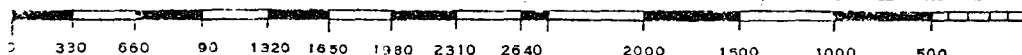
Date



Date Surveyed  
**March 31, 1977**

Registered Professional Engineer  
and/or Land Surveyor

*E. V. Echodhawk*  
Certificate No. **3602**  
**E.V. Echodhawk LS**



Conoco, Inc  
10 Desta Dr Suite 100W  
Midland, TX 79705

RE: Downhole Commingle C-107A Application  
Marron WN Federal COM #1  
Section 27, T-27-N, R-7-W  
API # 30-045-22518  
Rio Arriba County, NM

**OFFSET OPERATORS:**

Union Oil Of California  
PO Box 850  
Bloomfield, NM 87413