

DATE IN <u>3/2/98</u>	SUSPENSE <u>3/23/98</u>	ENGINEER <u>DC</u>	LOGGED BY <u>KW</u>	TYPE <u>DHC</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

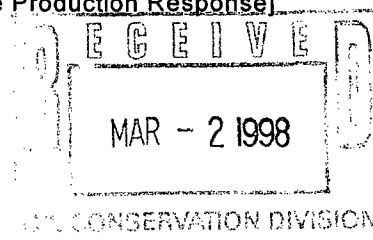
1886

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

2/25/98
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 Johnston A Well No I Unit Ltr Sec Twp Rge Section 17, T-28-N, R-9-W, P County San Juan

OGRID NO. 005073 Property Code API NO. 30-045-11894 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)	4506-5056'		7013-7078'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	563		715
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1175		2423
6. Oil Gravity (°API) or Gas BT Content	1335		1268
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	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	Date Rates
	Production allocated by Subtraction - See Attached Table		EST 1/98 46 MCFD, 0.6 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % for 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? ☒ 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. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).

16. ATTACHMENTS

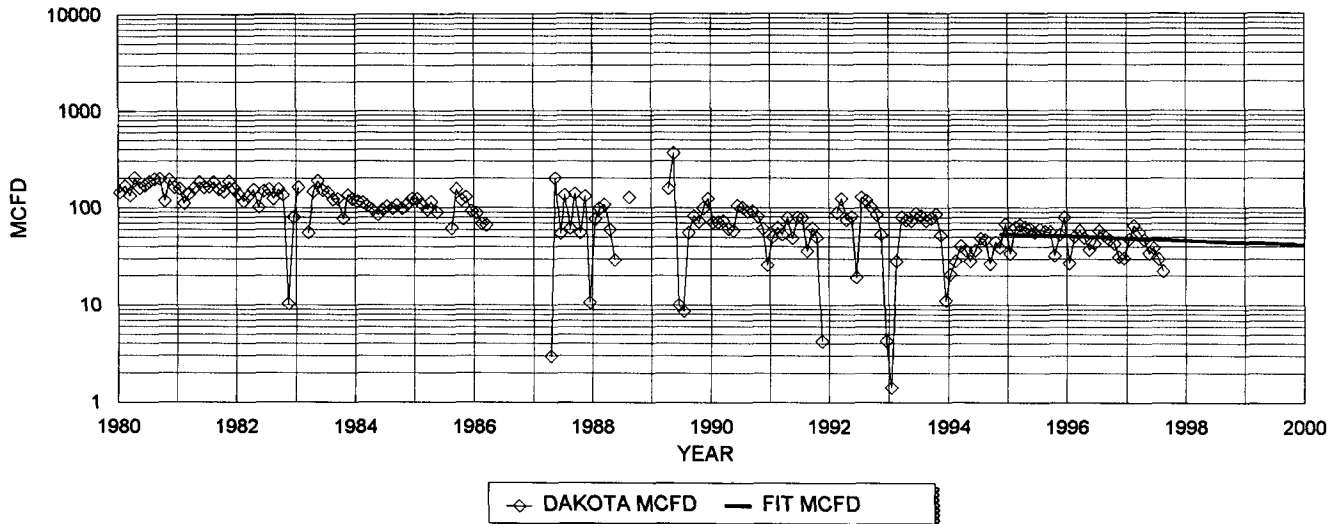
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 2/25/98

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

**JOHNSTON A #1 DAKOTA PRODUCTION
SECTION 17P-28N-09W**



DAKOTA HISTORICAL DATA: 1ST PROD: 05/67

OIL CUM: 15.23 MBO
 GAS CUM: 1314.8 MMCF
 CUM OIL YIELD: 0.0116 BBL/MCF
 OIL YIELD: 0.0151 BBL/MCF, LAST 3 YRS
 AVG. USED: 0.0133 BBL/MCF

Note: "OIL CUM & GAS CUM" are since 1/70.

DAKOTA PROJECTED DATA

1/1/98 Qi: 46 MCFD
 DECLINE RATE: 5.0% (EXPONENTIAL)

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

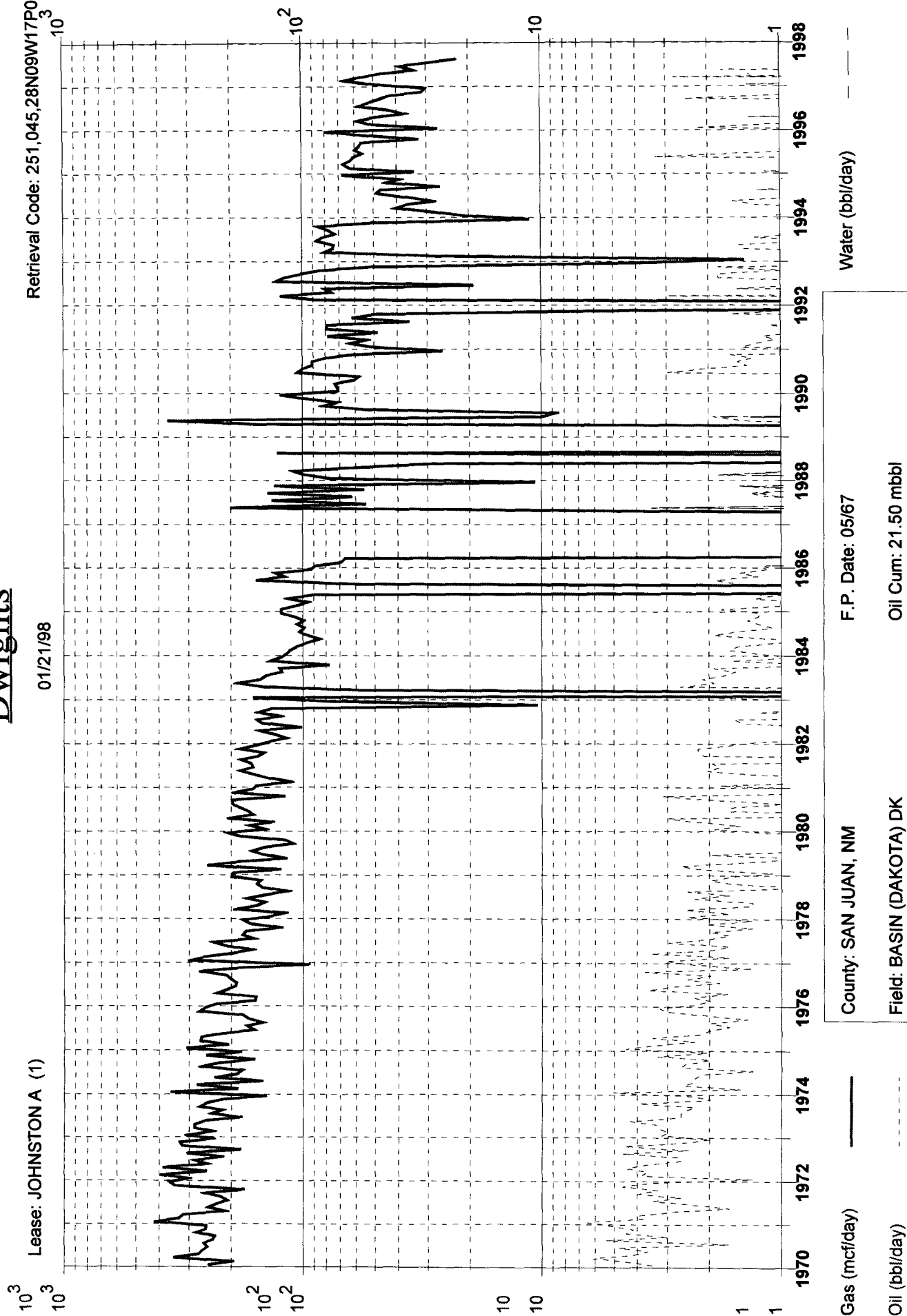
YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1998	44.8	0.6
1999	42.6	0.6
2000	40.5	0.5
2001	38.4	0.5
2002	36.5	0.5
2003	34.7	0.5
2004	33.0	0.4
2005	31.3	0.4
2006	29.7	0.4
2007	28.3	0.4
2008	26.8	0.4
2009	25.5	0.3
2010	24.2	0.3
2011	23.0	0.3
2012	21.9	0.3
2013	20.8	0.3
2014	19.7	0.3
2015	18.7	0.3
2016	17.8	0.2
2017	16.9	0.2
2018	16.1	0.2
2019	15.3	0.2
2020	14.5	0.2
2021	13.8	0.2
2022	13.1	0.2
2023	12.4	0.2
2024	11.8	0.2
2025	11.2	0.1
2026	10.7	0.1
2027	10.1	0.1
2028	9.6	0.1
2029	9.1	0.1
2030	8.7	0.1
2031	8.3	0.1
2032	7.8	0.1

Dwights

Lease: JOHNSTON A (1)

01/21/98

Retrieval Code: 251,045,28N09W17P00DK



County: SAN JUAN, NM	F.P. Date: 05/67
Field: BASIN (DAKOTA) DK	Oil Cum: 21.50 mbbl
Reservoir: DAKOTA	Gas Cum: 1782 mmcf
Operator: AMOCO PRODUCTION CO	Location: 17P 28N 9W

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

instructions on back

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088

State Lease - 4 Copies

District IV
PO Box 2088, Santa Fe, NM 87504-2088

Santa Fe, NM 87504-2088

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-11894		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code		5 Property Name Johnston A			6 Well Number 1
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6274'

10 Surface Location


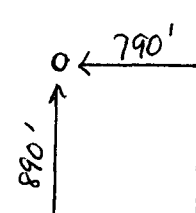
UL or lot no. P	Section 17	Township 28N	Range 9W	Lot Idn	Feet from the 890	North/South line South	Feet from the 790	East/West line East	County San Juan
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 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 Kay Maddox		
				Printed Name Regulatory Agent		
				Title 2/25/98		
				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		

MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-100
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section

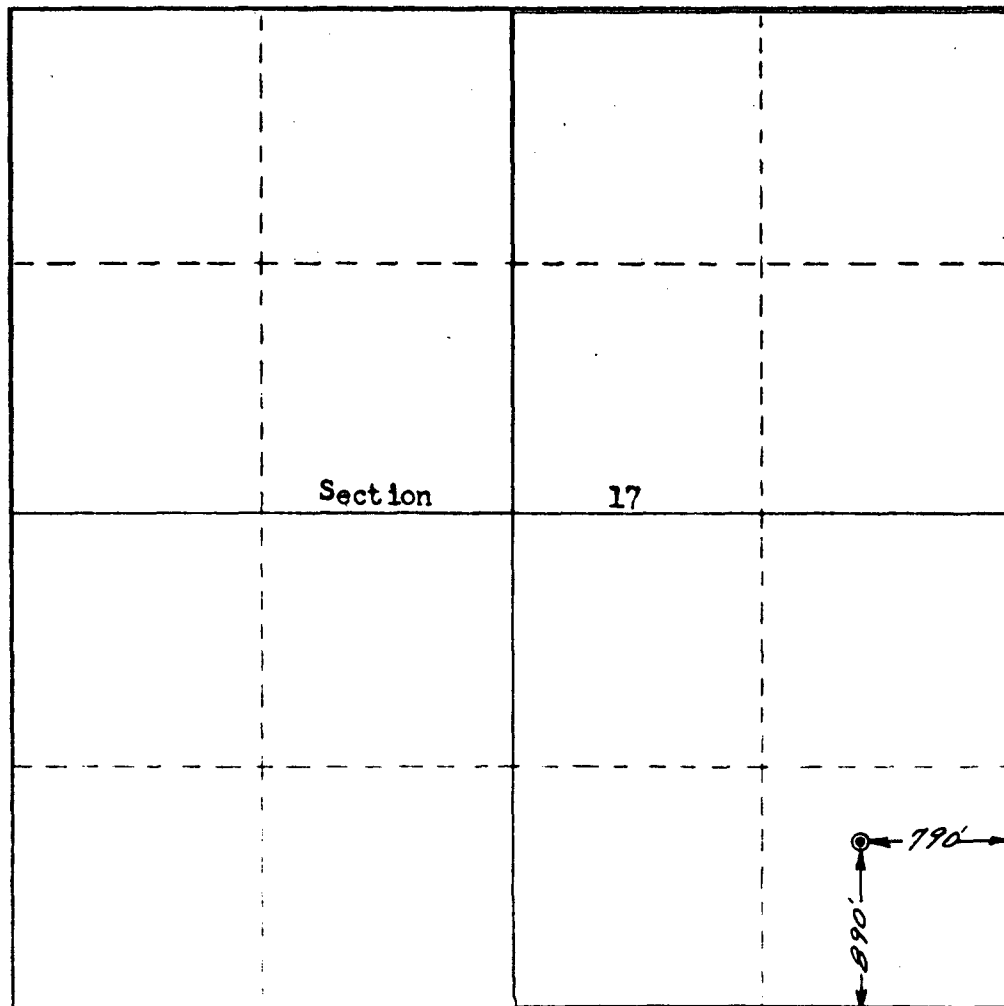
Operator TENNECO OIL COMPANY		Lease JOHNSTON "A"		Well No. 1
Unit Letter P	Section 17	Township 28 North	Range 9 West	County San Juan
Actual Footage Location of Well: 980 890 feet from the South line and 790 feet from the East line				
Ground Level Elev. 6274' ungraded	Producing Formation Basin Dakota	Pool Basin Dakota	Dedicated Acreage: 320 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 _____

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.

Name
Harold C. Nichols

Position
 Senior Production Clerk

Company
 Tenneco Oil Company

Date
 October 25, 1965

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
 6 October 1965

Registered Professional Engineer
 in Oil and Gas Surveying

Robert H. Ernst
 ROBERT H. ERNST

W. Vex. PB & LS 2463

Conoco, Inc.
10 Desta Dr Ste 100W
Midland, TX 79705

Re: Application to Downhole Commingle C-107A
Johnston A #1, Section 17, T-28-N, R-9-W, P
San Juan County, New Mexico

Notification Of Offset Operators:

Amoco
PO Box 800
Denver, CO 80201

Burlington Resources
PO Box 4289
Farmington, NM 87499

West Largo Corp.
6638 W. Ottawa Ave STE 100
Littleton, Co 80123

S&G Interests
811 Dallas STE 1505
Houston, TX 77002