

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 I 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 Omler A Well No #1E Unit Ltr Sec Twp Rge Section 26, T-28-N, R-10-W, F County San Juan

OGRID NO. 005073 Property Code _____ API NO. 30-045-24207 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		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	2835-2948'		6234-6403'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Or Measured Original	a (Current) 532	a.	a. 564
	b(Original) 679	b.	b. 2202
6. Oil Gravity (°API) or Gas BT Content	1150		1200
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 Note For new zones with no production history applicant should 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
	Date Rates 3/15/98 39 MCFD, 0.3 BOPD, 0.6 BWPD	Date Rates	Date Rates 3/15/98 28 MCFD, 0 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	oil: 21 % Gas 58 %	oil: % Gas %	oil: 79 % Gas 42 %

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

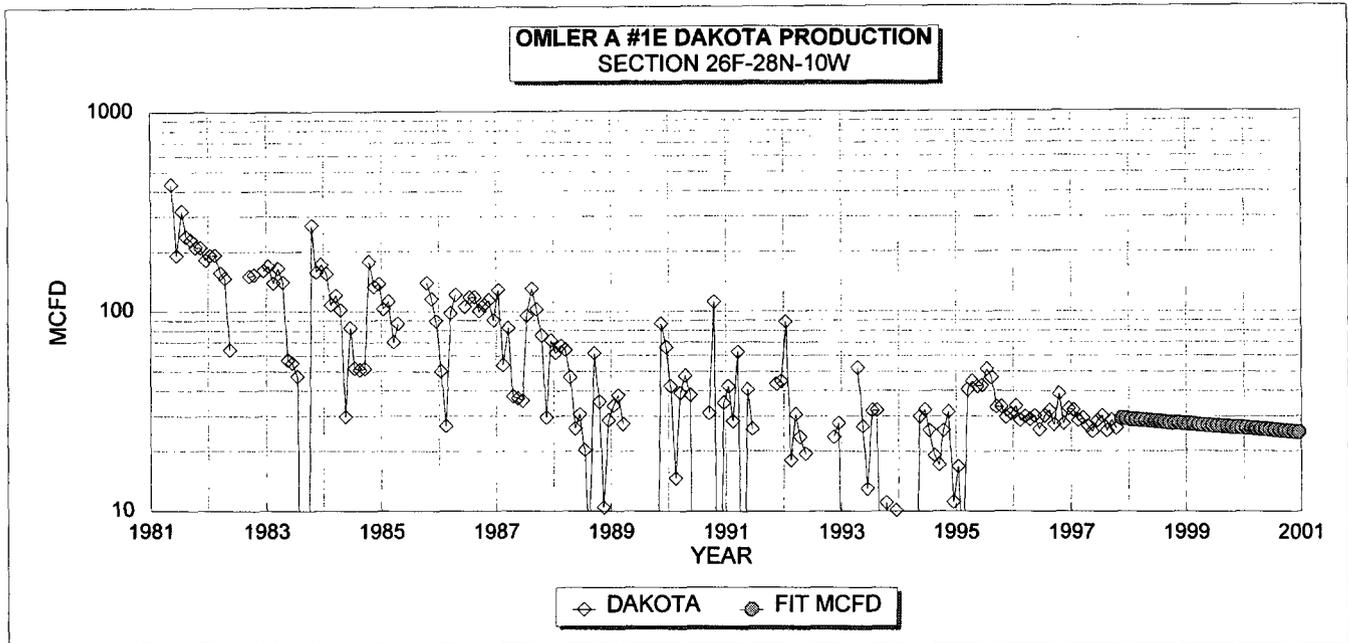
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

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.

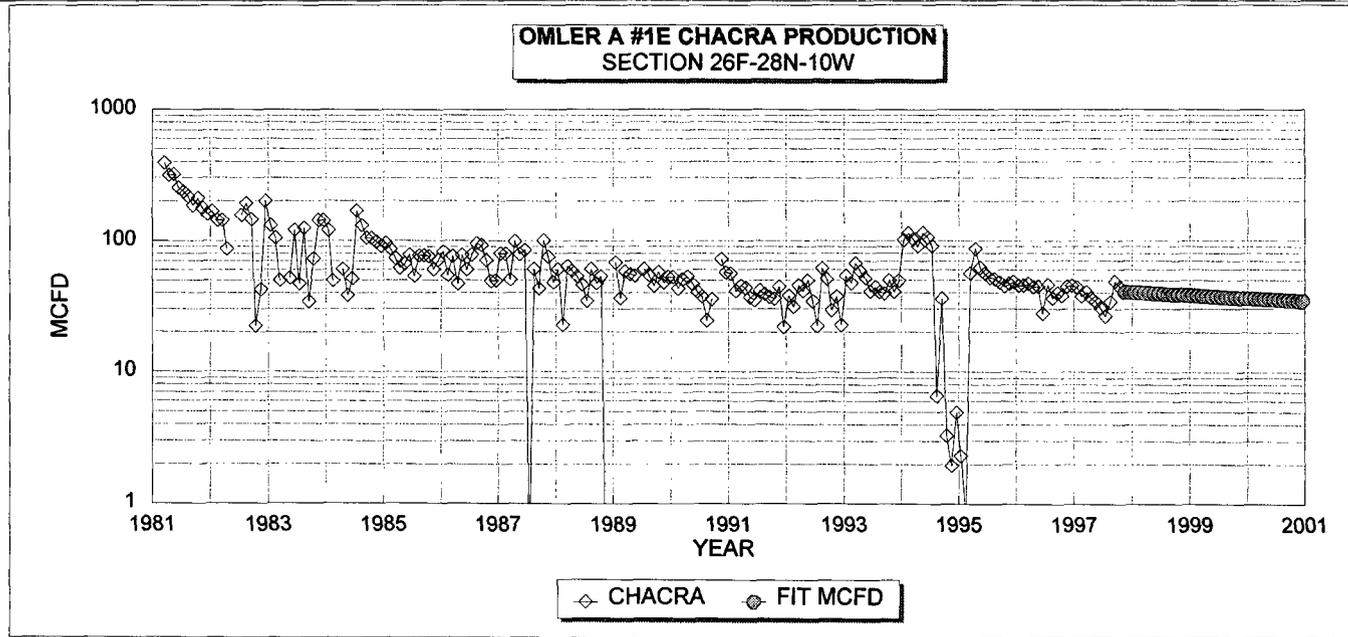
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE 4/07/98

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



DAKOTA HISTORICAL DATA:		1ST PROD: 05/81		DAKOTA PROJECTED DATA	
OIL CUM:	2.48 MBO	1/1/98 Qi:	29 MCFD	0.21 BOPD	
GAS CUM:	348.8 MMCF	DECLINE RATE:	5.0% (EXPONENTIAL)		
OIL YIELD:	0.0071 BBL/MCF				



CHACRA HISTORICAL DATA		1ST PROD: 03/81		CHACRA PROJECTED DATA	
OIL CUM:	0.6 MBO	1/1/98 Qi:	40 MCFD	0.05 BOPD	
GAS CUM:	413.1 MMCF	DECLINE RATE:	5.0% (EXPONENTIAL)		
OIL YIELD:	0.0013 BBL/MCF				

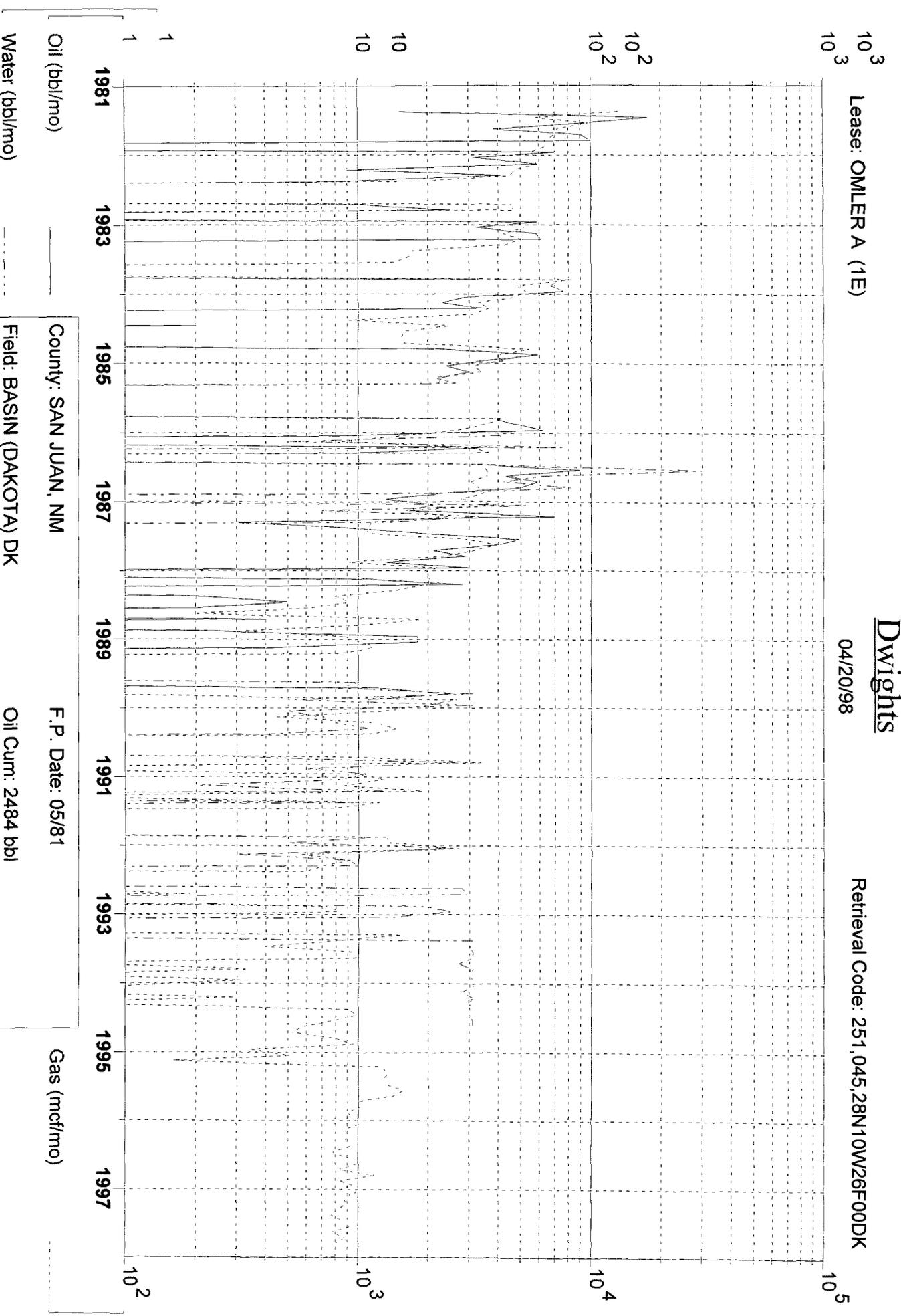
FIXED COMMINGLE ALLOCATION FACTORS:		
	GAS	OIL
DAKOTA	42%	79%
CHACRA	58%	21%

GAS ALLOCATION BASED ON PROJECTED 1998 RATES
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS
NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Lease: OMLER A (1E)

Dwights
04/20/98

Retrieval Code: 251,045,28N10W26F00DK



Oil (bbl/mo)

Water (bbl/mo)

Gas (mcf/mo)

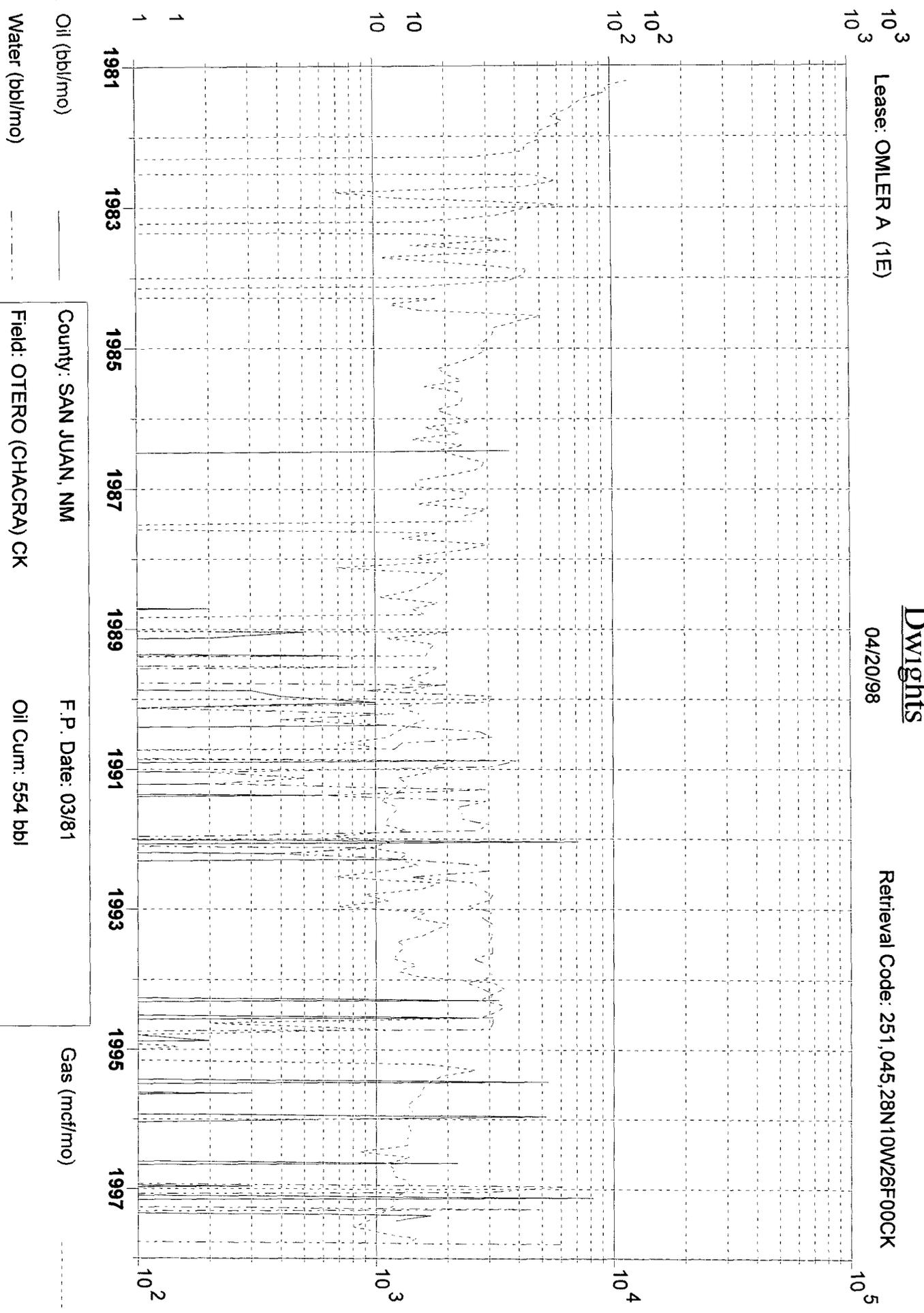
County: SAN JUAN, NM	F.P. Date: 05/81
Field: BASIN (DAKOTA) DK	Oil Cum: 2484 bbl
Reservoir: DAKOTA	Gas Cum: 348.8 mmcf
Operator: AMOCO PRODUCTION CO	Location: 26F 28N 10W

Dwights

Lease: OMLER A (1E)

04/20/98

Retrieval Code: 251,045,28N10W26F00CK



Oil (bbl/mo)

Water (bbl/mo)

Gas (mcf/mo)

County: SAN JUAN, NM	F.P. Date: 03/81
Field: OTERO (CHACRA) CK	Oil Cum: 554 bbl
Reservoir: CHACRA	Gas Cum: 413.1 mmcf
Operator: AMOCO PRODUCTION CO	Location: 26F 28N 10W

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

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

1 API Number 30-045-24207		2 Pool Code 82329		3 Pool Name Otero Chacra	
4 Property Code		5 Property Name Olmer A			6 Well Number # 1E
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 5787'

10 Surface Location

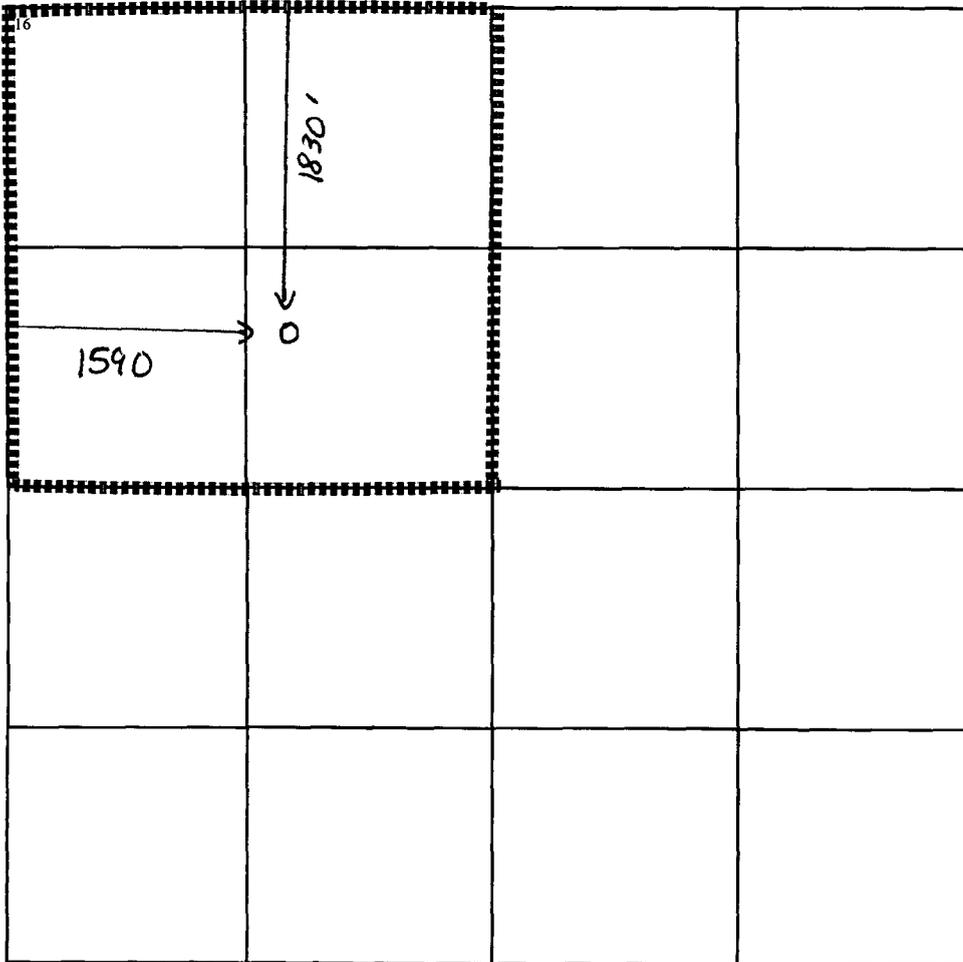
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	26	28N	10W		1830	North	1590	West	San Juan

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

12 Dedicated Acres 160	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



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
 4/20/98
 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

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

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

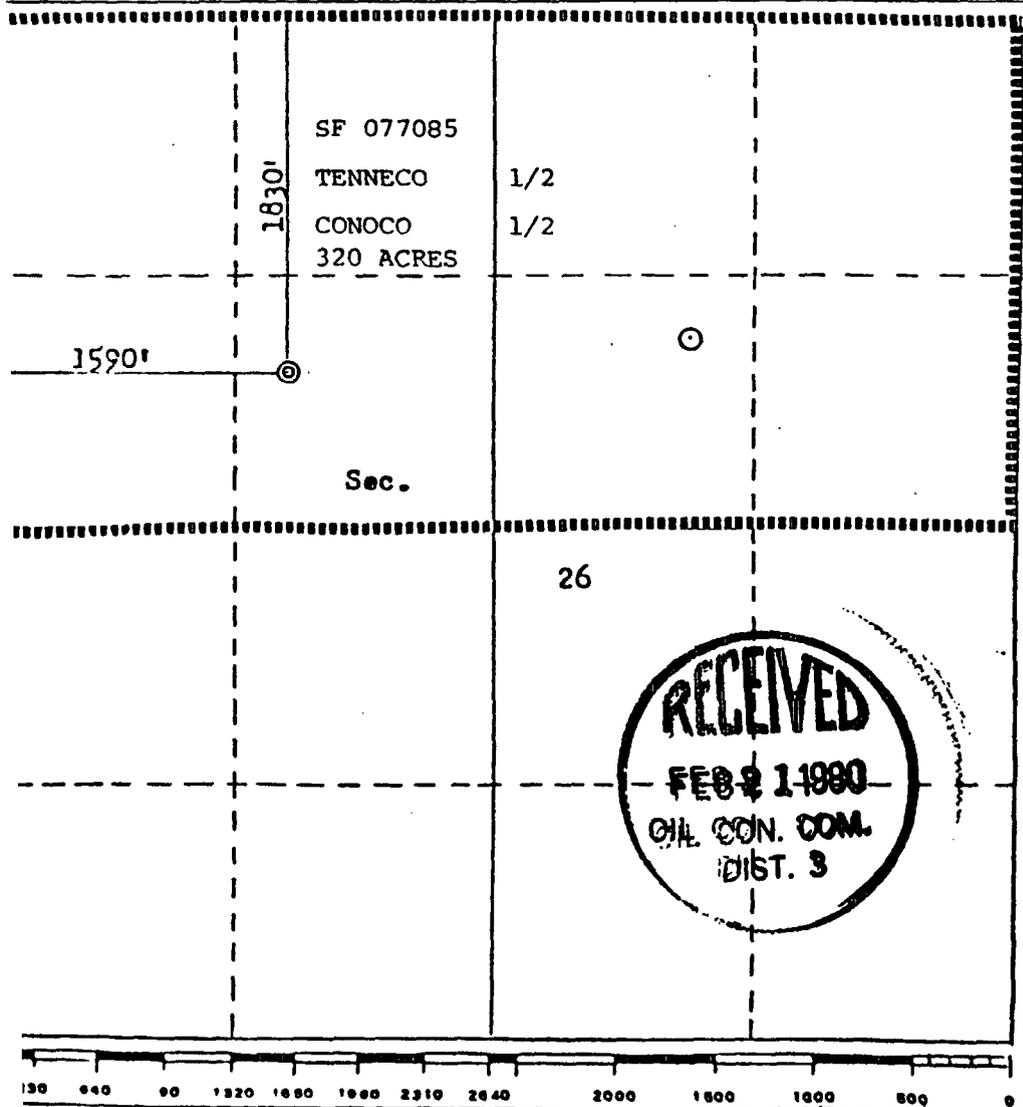
Operator TENNECO OIL COMPANY		Lease OMLER "A"			Well No. 1-E
Section Letter E	Section 26	Township 28N	Range 10W	County San Juan	
Actual Footage Location of Well: 1830 feet from the North line and 1590 feet from the West line					
Ground Level Elev. 5787	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: N 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.	
<i>M. L. Freeman</i>	
Name M. L. FREEMAN	
Position Staff Production Analyst	
Company Tenneco Oil Company	
Date February 1, 1980	
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 November 30, 1979	
Registered Professional Engineer and Land Surveyor <i>Fred B. Kerr Jr.</i> Fred B. Kerr Jr.	
Certificate No. 3950 B. KERR, JR.	



April 27, 1998

Omler A #1E
Section 26, T-28-N, R-10-W, F
San Juan County, New Mexico
API # 30-045-24207

RE: Application to Downhole Commingle C-107A

Offset Operators:

Amoco
PO Box 800
Denver, CO 80201

Burlington Resources
PO Box 4289
Farmington, New Mexico 87499

Breck Operating Co.
PO Box 911
Breckenridge, TX 76024-0911

Redwolf Production Inc
PO Box 356
Farmington, New Mexico 87499

Koch Exploration Co.
PO Box 2256
Wichita, KS 67201

Kukui Operating Co,
1415 Louisiana STE 3650
Wedge Intl Tower
Houston, TX 77002

Universal Resources Corp.
1331 17th STE 300
Denver, CO 80202