

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1977

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] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

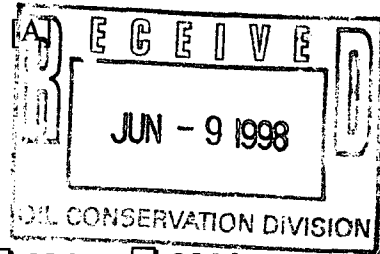
Check One Only for [B] and [C]

[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

6/6/98
 Date

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

DISTRICT II
811 South 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 Stewart A COM Well No #2M Section 32, T-30-N, R-10-W, D San Juan County

OGRID NO. 005073 Property Code _____ API NO. _____ 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)	4270-4970'		6845-6945'
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 608 b(Original) 1228	a. b. 	a. 767 b. 2491
6. Oil Gravity (°API) or Gas BT Content	1200 EST		1200 EST
7. Producing or Shut-In?	To Be Completed		To Be Completed
Production Marginal? (yes or no)	No		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 To be supplied upon completion	Date Rates To be supplied upon completion	Date Rates To be supplied upon completion
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? ☒ 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

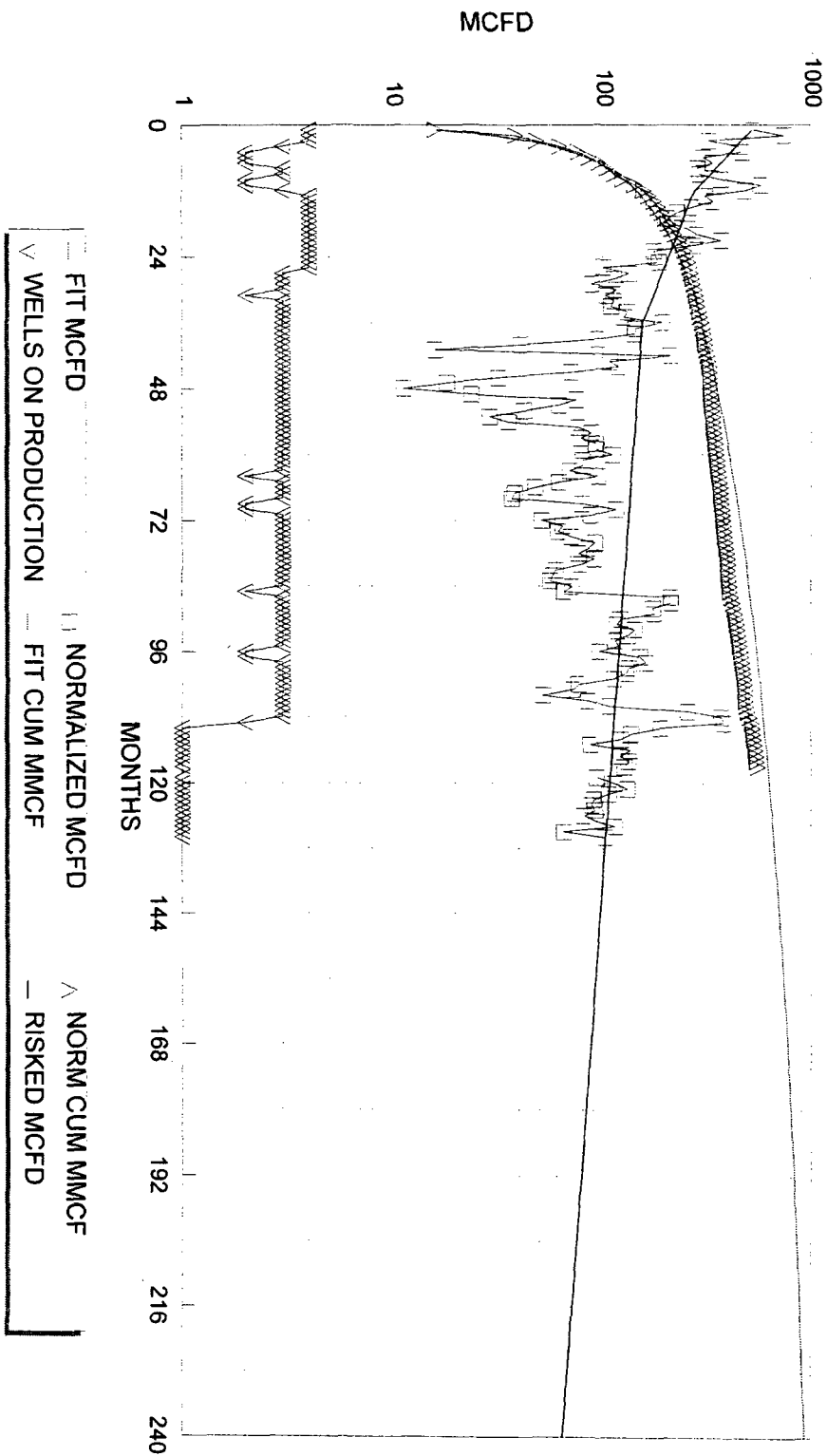
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 6/6/98

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

NORMALIZED MESAUVERDE PRODUCTION
4 WELLS SINCE 1980, OFFSET TO SECTION 36-30N-11W



NORMALIZED AVG:

1220 MMCF EUR
 940 MMCF IN 20 YRS
 25 MCFD E.L.
 0.0021 bbl/mcf oil yield

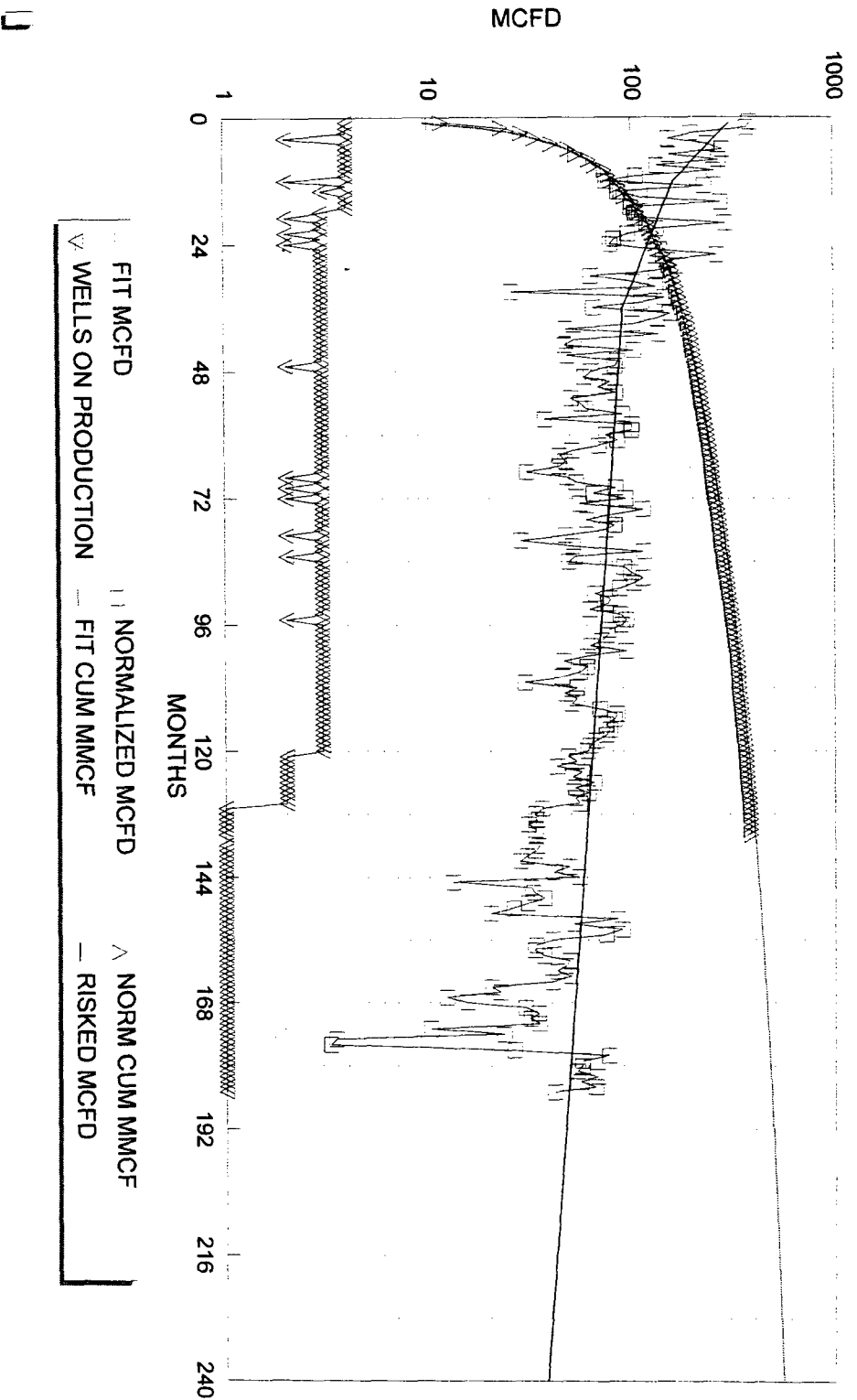
RISKED AVG:

550 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 25% DECLINE, NEXT 24 MONTHS
 5.0% FINAL DECLINE

0% RISK

1220 MMCF EUR
 940 MMCF IN 20 YRS
 25 MCFD E.L.
 0.0021 bbl/mcf oil yield
 550 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 25.0% DECLINE, NEXT 24 MONTHS
 5.0% FINAL DECLINE

NORMALIZED DAKOTA PRODUCTION
4 WELLS SINCE 1980. OFFSET TO SECTION 36-30N-11W



NORMALIZED AVG:

648 MMCF EUR
555 MMCF IN 20 YRS
25 MCFD E.L.
0.0050 bbl/mcf oil yield

RISKED AVG:

0% RISK

648 MMCF EUR
555 MMCF IN 20 YRS
25 MCFD E.L.
0.0050 bbl/mcf oil yield

325 MCFD IP
50.0% DECLINE, 1ST 12 MONTHS
25.0% DECLINE, NEXT 24 MONTHS
5.0% FINAL DECLINE

FIT MCFD

WELLS ON PRODUCTION

NORMALIZED MCFD

FIT CUM MMCF

NORM CUM MMCF

RISKED MCFD

District II
PO Drawer 100, Artesia, NM 88211-0719

District III
1800 Rio Brazos Rd., Aztec, NM 87410

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

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
		72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA
*Property Code	*Property Name		*Well Number
	STEWART A COM		2M
*OGRID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6014'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
D	32	30N	10W		815	NORTH	880	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320			

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.	
	Signature: <u>Mike L. Mankin</u> Printed Name: <u>Mike L. Mankin</u> Title: <u>Right-Of-Way Agent</u> Date: <u>3-3-98</u>	
	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: <u>FEBRUARY 13, 1998</u> Signature and Seal of Professional Surveyor: <u>NEALE C. EDWARDS</u> Certificate Number: <u>6857</u>	

Stewart A COM # 2M
Section 32, T-30-N, R-10-W, D
San Juan County, New Mexico

RE: Downhole Commingle C-107A
Mesaverde & Dakota

Offset Operators:

Burlington Resources
PO Box 4289
Farmington, New Mexico 87499

Amoco
PO Box 800
Denver, CO 80226

Merrion Oil & Gas
610 Reilly Ave
Farmington, New Mexico 87401-2634

Dugan Production Co.
PO Box 420
Farmington, New Mexico 87499-0420

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

2. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

3. NAME OF OPERATOR

Conoco Inc.

4. ADDRESS AND TELEPHONE NO

10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500

915-686-5794

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)

At surface

815' FNL & 880' FWL

At proposed prod. zone

815' FNL & 880' FWL

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

7. LEASE DESIGNATION AND SERIAL NO

SF 078205

8. IF INDIAN, ALLOTTEE OR TRIBE NAME

9. UNIT AGREEMENT NAME

10. FARM OR LEASE NAME WELL NO

STEWART A COM #2M

11. API WELL NO

12. FIELD AND POOL, OR WILDCAT

Blanco MV / Basin Dakota

13. SEC. T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 32, T30N, R10W

14. COUNTY OR PARISH

San Juan

15. STATE

NM

16. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

17. NO. OF ACRES IN LEASE

18. NO. OF ACRES ASSIGNED
TO THIS WELL

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19. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

20. PROPOSED DEPTH

7340'

21. ROTARY OR CABLE TOOLS

Rotary

22. ELEVATIONS (Show whether DF, RT, GR, etc.)

6014' GR

23. APPROX. DATE WORK WILL START*

4/15/98

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55, 9-5/8"	36#	250'	135 sxs, circ.
8-3/4"	K-55, 7"	23#	2744'	335 sxs, circ.
6-1/4"	K-55, 4-1/2"	9.5#	7040'	470 sxs, toc @ 2600'

It is proposed to drill a vertical wellbore to the Blanco Mesaverde and Basin Dakota Pools. NOS was filed 2/21/98. The well will be drilled and equipped according to the following additional attachments:

1. Well Location & Acreage Dedication Plat (C-102).
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan with Production Facility Layout.
6. Pipeline survey plat.

This application includes ROW's for the well pad, access road and pipeline.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Mike L. Mankin TITLE Right-of-Way Agent DATE March 3, 1998
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Stewart A Com #2M
Section 32, T-30-N, R-10-W,D
San Juan County, New Mexico

RE: Downhole Commingle Application C-107A

Interest Owners:

Thommas Brown
1536 S State ST #235
Hemet, CA 92543-7621

Minerals Mgt Service
Onshore Federal # 17555
PO Box 5810
Denver, CO 80217-5810

Neward Corporation
500 Throckmorton Street
Suite 2805
Fort Worth, TX 76102-3815

Phillips Production Company
5525 Highway 64
Farmington, New Mexico 87401

Dugan Production Company
PO Box 420
Farmington, New Mexico 87499

Williams Production Company
PO Box 3102 MS 37-3
One Williams Center
Tulsa, OK 74101-3102

State Of New Mexico
Commisioner of Public Lands
Oil & Gas
PO Box 2308
Santa Fe, NM 87504

Chase Oil Corporation
PO Box 276
Artesia, NM 88211-0276

Fred S. Reynolds
C/O Neward Corporation
500 Throckmorton St,
STE 2805
Fort Worth, TX 76102-3815

Fred N. Reynolds
C/O Neward Corporation
500 Throckmorton St
STE 2805
Fort Worth, TX 76102-3815

Please find attached evidence that the above listed parties have been notified of this Downhole Commingle (C-107A) Application by certified mail on this the 8th day of June 1998.

P 497 374 131

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	State of Nm of Public Lands
Street & Number	PO BOX 2308
Post Office, State, & ZIP Code	SANTA FE, NM 87504

P 497 374 130

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Williams Prod. Co.
Street & Number	PO BOX 3102 MS 37-3
Post Office, State, & ZIP Code	Tulsa, OK 74101-3102

P 497 374 128

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Phillips Prod. Co.
Street & Number	5525 Hwy 64
Post Office, State, & ZIP Code	Hamington, Nm 87401
Postage	\$

P 497 374 129

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Dugan Prod. Co.
Street & Number	PO BOX 420
Post Office, State, & ZIP Code	Hamington, Nm 87499
Postage	\$

P 497 374 127

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Neward Corporation
Street & Number	500 Throckmorton St. STE 2805
Post Office, State, & ZIP Code	Fert Worth, TX 76102-3815
Postage	\$

P 497 374 126

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Minerals Mat. Service
Street & Number	PO BOX 58110
Post Office, State, & ZIP Code	Denver, CO 80217-5810
Postage	\$

P 497 374 124

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Thomas Brown
Street & Number	1536 S. State St. #235
Post Office, State, & ZIP Code	Hemet, CA 92543-7621

P 497 374 132

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Chase Oil Corp.
Street & Number	PO BOX 276
Post Office, State, & ZIP Code	Artesia, NM 88211-0276
Postage	\$
Certified Fee	
Special Delivery Fee	

P 497 374 133

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for international Mail (See reverse)

Sent to	Fred S. Reynolds
Street & Number	500 Throckmorton St. STE 2805
Post Office, State, & ZIP Code	Fert Worth, TX 76102-3815
Postage	\$
Certified Fee	
Special Delivery Fee	

P 497 374 134

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Fred N. Reynolds
Street & Number	500 Throckmorton St. STE 2805
Post Office, State, & ZIP Code	Fert Worth, TX 76102-3815
Postage	\$
Certified Fee	
Special Delivery Fee	