

5/04/2016 DATE IN	SUSPENSE	MMA W ENGINEER	5/04/2016 LOGGED IN	DL TYPE	PmAm/61255658 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [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

[D] Other: Specify _____

[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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Crystal Walker
Print or Type Name

Signature

Title

Date

crystal.walker@cap.com
e-mail Address

RECEIVED OOD
MAY 11 2016
- PL-1295
- Comco P. Hips Company
217 817
Well
- State Council
30-045-24867
Pool
- Aztec Picturing
CLIFFS
71280
- Otero
Chaco (GAS)
82329

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-24867
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator ConocoPhillips Company		6. State Oil & Gas Lease No. Fee
3. Address of Operator P.O. Box 4289; Farmington, NM 87499-4289		7. Lease Name or Unit Agreement Name State Com C
4. Well Location Unit Letter: <u>L</u> <u>1410</u> feet from the <u>SOUTH</u> lined <u>950</u> line and West <u> </u> feet from line Section <u>32</u> Township <u>29N</u> Range <u>09W</u> NMPM <u>SAN JUAN</u> County		8. Well Number 6
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GL		9. OGRID Number 217817
		10. Pool name or Wildcat Aztec Pictured Cliffs / Otero Chacra

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>		OTHER <input type="checkbox"/>	
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: SURFACE COMMINGLE <input checked="" type="checkbox"/>			

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ConocoPhillips Company requests permission to surface commingle the gas from the subject well to produce the Aztec Pictured Cliffs (pool 71280) and the Otero Chacra (pool 82329).

Surface commingling production from the Aztec Pictured Cliffs and the Otero Chacra will not reduce the economic life of the well.

The commingled gas will be sent through compression prior to entering the sales meter.

The working interest, royalty and overriding interest owners in the subject wells are identical. Notification is not required. Please see the attached Land Letter. The proposed commingling of production is to reduce operating expenses and will result in an increased economic life of the well.

Spud Date:

Rig Release Date:

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

SIGNATURE Crystal Walker TITLE Regulatory Coordinator DATE: 5/3/2016

Type or print name Crystal Walker E-mail address: crystal.walker@conocophillips.com PHONE: 505-326-9837

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any):

dlb

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: ConocoPhillips Company

OPERATOR ADDRESS: PO Box 4289, Farmington, NM 87499-4289

APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☒ Fee ☐ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Aztec Pictured Cliffs - 71280	1087 BTU	1111 BTU			
Otero Chacra - 82329	1165 BTU				

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

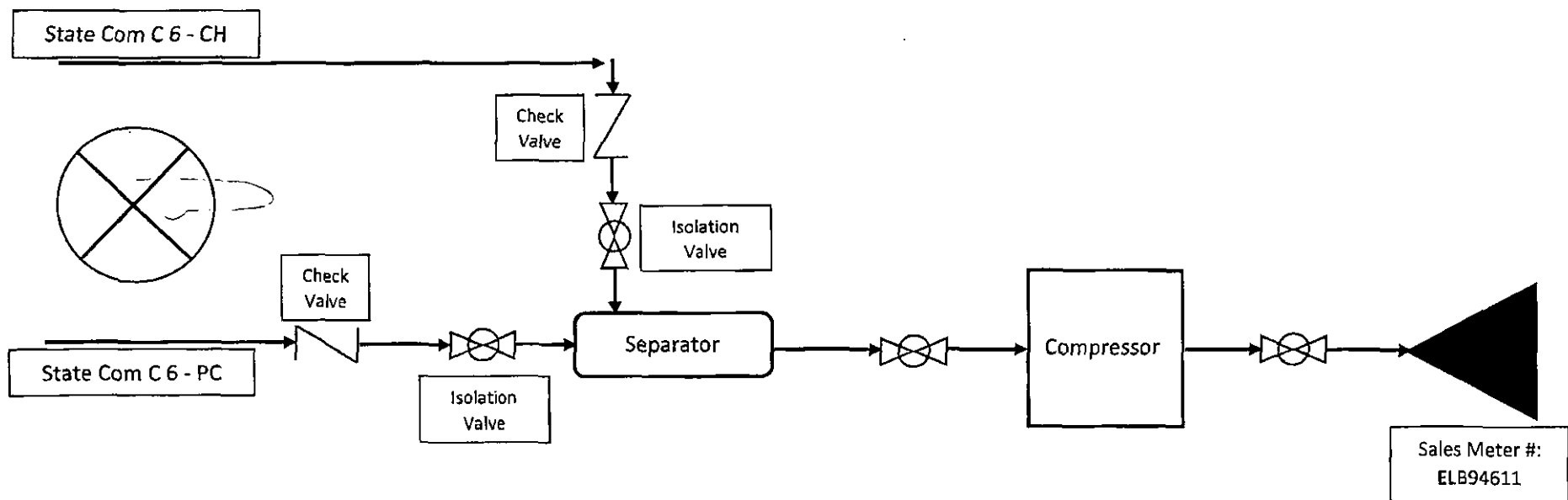
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: _____ TITLE: Regulatory Coordinator DATE: _____

TYPE OR PRINT NAME Crystal Walker TELEPHONE NO.: 505-326-9837

E-MAIL ADDRESS: crystal.walker@cop.com





ConocoPhillips
San Juan Business Unit
Land Department
P.O. Box 4289
Farmington, NM 87499-4289

Michelle Blankenship
Tel: 505-326-9751
Fax: 505-326-9781

To: Crystal Walker, ConocoPhillips Regulatory Coordinator

From: Michelle Blankenship, ConocoPhillips Staff Landman

Date: April 27, 2016

Subject: Surface Commingle - State Com C 6
API: 3004524867
Sec 32-T29N-R9W NWSW
San Juan County, New Mexico

As a Landman for ConocoPhillips Company, Operator of the State Com C 6 well, I hereby attest that the well ownership, in both the Chacra and the Pictured Cliffs producing formations, is identical. The attached ownership report, pulled from our Division Order system on 4/26/2016, provides the ownership detail.

If you have any questions, please feel free to contact me at 505-326-9751.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Blankenship".

Michelle Blankenship
Staff Landman, RPL

Report No: DOMDO-03B
Universe: IWSMART

Page: 1 of 1
Run Date: 4/26/2016
Run Time: 4:02:33 PM
Requestor: blankmd

Property No	Owner	Property	Int Type Code	Gross Interest	Net Revenue Int
A751982	CONOCOPHILLIPS COMPANY	STATE COM C 6 (CHACRA)	ORI		0.00683594
A751982	IMINERALS LLC	STATE COM C 6 (CHACRA)	ORI		0.02421875
A751982	SOUTHLAND ROYALTY COMPANY LLC	STATE COM C 6 (CHACRA)	ORI		0.05390625
A751982	STATE OF NEW MEXICO	STATE COM C 6 (CHACRA)	RI		0.10156250
A751982	CONOCOPHILLIPS COMPANY	STATE COM C 6 (CHACRA)	WI	0.68106338	0.51780546
A751982	EVKO DEVELOPMENT COMPANY	STATE COM C 6 (CHACRA)	WI	0.12500000	0.10937500
A751982	MESA ROYALTY TR	STATE COM C 6 (CHACRA)	WI	0.00643301	0.00562888
A751982	PIONEER NATURAL RESOURCES USA INC	STATE COM C 6 (CHACRA)	WI	0.00000191	0.00000168
A751982	SILVERADO OIL & GAS LLP	STATE COM C 6 (CHACRA)	WI	0.00000170	0.00000149
A751982	SOUTHLAND ROYALTY COMPANY LLC	STATE COM C 6 (CHACRA)	WI	0.18750000	0.18066406

Report No: DOMDO-03B
Universe: IWSMART

Page: 1 of 1
Run Date: 4/26/2016
Run Time: 4:04:39 PM
Requestor: blankmd

Property No	Owner	Property	Int Type Code	Gross Interest	Net Revenue Int
A706557	CONOCOPHILLIPS COMPANY	STATE COM C 6 (PICTURED CLIFFS)	ORI		0.00683594
A706557	IMINERALS LLC	STATE COM C 6 (PICTURED CLIFFS)	ORI		0.02421875
A706557	SOUTHLAND ROYALTY COMPANY LLC	STATE COM C 6 (PICTURED CLIFFS)	ORI		0.05390625
A706557	STATE OF NEW MEXICO	STATE COM C 6 (PICTURED CLIFFS)	RI		0.10156250
A706557	CONOCOPHILLIPS COMPANY	STATE COM C 6 (PICTURED CLIFFS)	WI	0.68106338	0.51780546
A706557	EVKO DEVELOPMENT COMPANY	STATE COM C 6 (PICTURED CLIFFS)	WI	0.12500000	0.10937500
A706557	MESA ROYALTY TR	STATE COM C 6 (PICTURED CLIFFS)	WI	0.00643301	0.00562888
A706557	PIONEER NATURAL RESOURCES USA INC	STATE COM C 6 (PICTURED CLIFFS)	WI	0.00000191	0.00000168
A706557	SILVERADO OIL & GAS LLP	STATE COM C 6 (PICTURED CLIFFS)	WI	0.00000170	0.00000149
A706557	SOUTHLAND ROYALTY COMPANY LLC	STATE COM C 6 (PICTURED CLIFFS)	WI	0.18750000	0.18066406

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

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

Operator TENNECO OIL COMPANY			Lease STATE "C" COM		Well No. 6
Unit Letter K	Section 32	Township 29N	Range 9W	County San Juan	
Actual Footage Location of Well: 1660 feet from the South line and 1750 feet from the West line					
Ground Level Elev: 5863	Producing Formation PICTURED CLIFFS/CHACRA		Pool PICTURED CLIFFS/CHACRA	Dedicated Acreage 160	Acrea

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

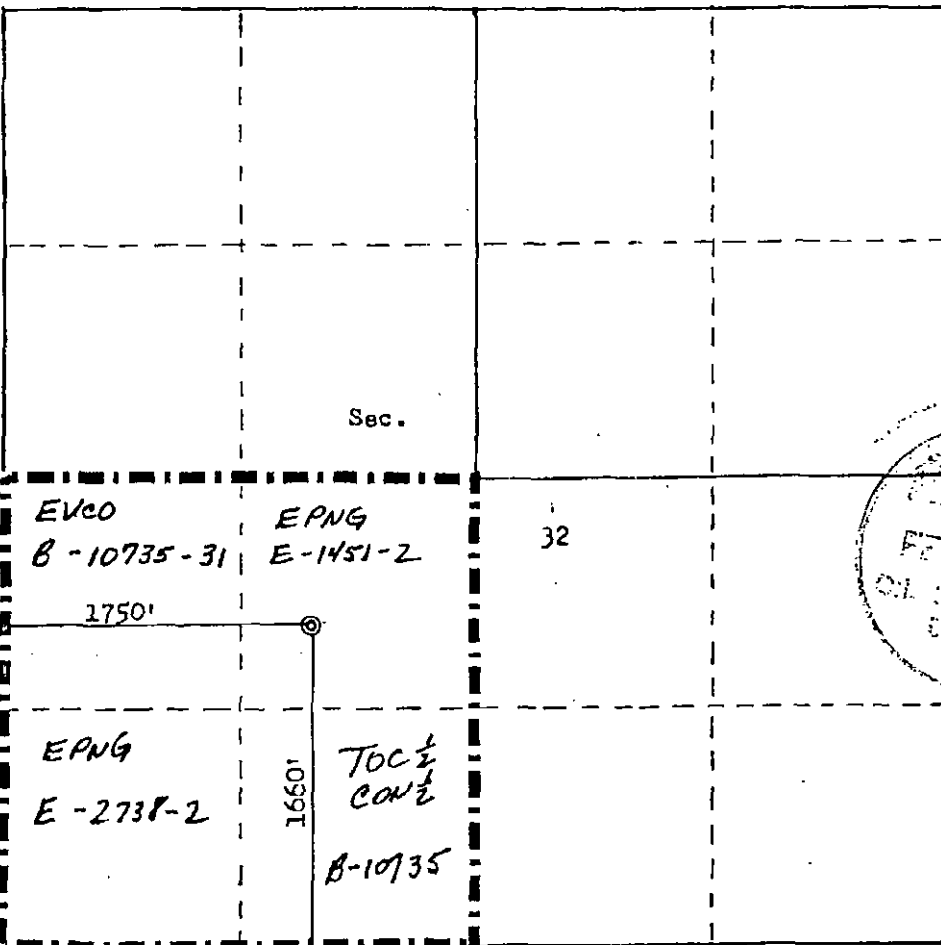
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 **COMMUNITIZATION**

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.



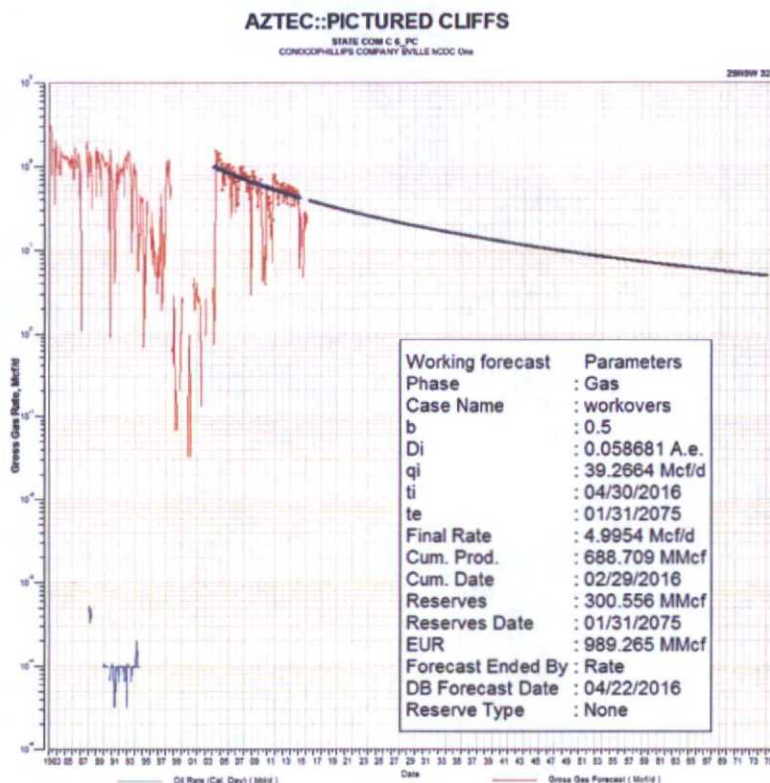
Scale: 1"=1000'

CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>R. A. Mishler</i>	
Name	
R. A. Mishler	
Position	
Sr. Production Analyst	
Company	
Tenneco Oil Company	
Date	
February 2, 1981	
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	
December 21, 1980	
Registered Professional Engineer and Surveyor	
<i>Fred B. Kerr, Jr.</i>	
Certificate No. 3950	

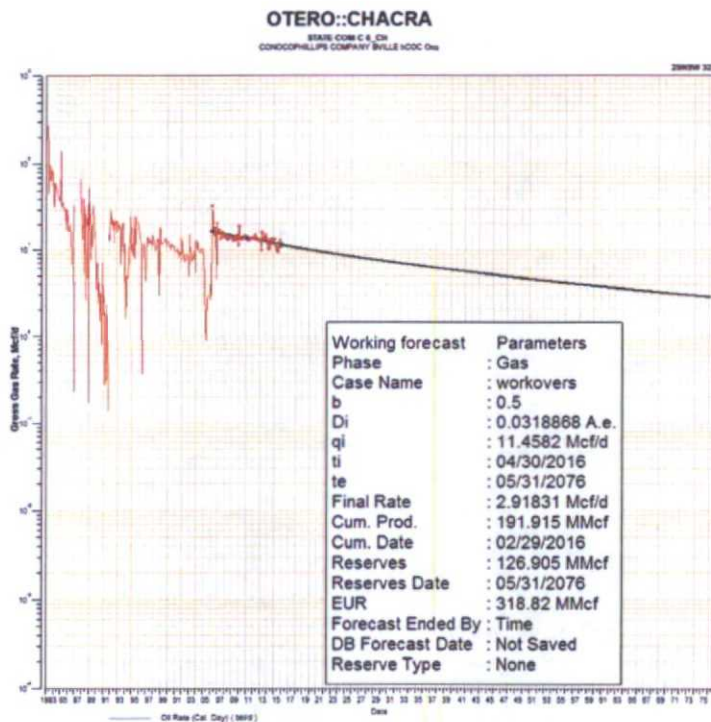
Gas Forecasts

- Use the *Gas-Resfcst* plot in the Shared Workspace in OFM
- Report Remaining Reserves as of the last production date (not the same as OFM Reserves)

Pictured Cliffs



Chacra



Remaining Reserves Allocation



Wellname: State Com C 6
Formations: Chacra/PC
Location: 29N-9W-32
Date: May 1, 2016
Engineer(s): Schofield, Ephraim

Gas Allocation

Formation	Remaining Reserves (MMcf)	Gas Allocation (% - no decimals)
Chacra	127	30
Pictured Cliffs	301	70
<i>Total</i>	<i>428</i>	<i>100</i>

*Gas forecasts attached

Oil Allocation

Formation	Yield (bbl/MMcf)	*Oil Reserves (bbls)	Oil Allocation (% - no decimals)
Chacra	0.00	0	50
Pictured Cliffs	0.00	0	50
<i>Total</i>		<i>0</i>	<i>100</i>

*Oil Reserves calculated by multiplying historical yield by remaining reserves from gas allocation

McMillan, Michael, EMNRD

From: Schofield, Ephraim W <Ephraim.W.Schofield@conocophillips.com>
Sent: Wednesday, May 04, 2016 5:30 PM
To: McMillan, Michael, EMNRD
Cc: Walker, Crystal; Bentson, Michelle E
Subject: State Com C 6 Surface Commingle
Attachments: State Com C 6 Surface Commingle Diagram.docx

Mike,

Thanks for calling me today. As we discussed, the State Com C 6 is currently configured as a dual tubing well with one tubing string producing from the Chacra and the second string producing from the Pictured Cliffs. We are proposing to surface commingle the production by combining the production streams at the separator. The individual zones have been metered separately since initial completion. The production will be allocated based on remaining reserves calculated from production trends. I have attached a few diagrams to clarify any confusion.

Please contact myself or Crystal Walker with any further questions.

Thanks,

Ephraim Schofield
Reservoir Engineer, San Juan Asset
Phone: (505) 326-9826
Ephraim.W.Schofield@ConocoPhillips.com

Well Name: STATE COM C #6

API / UWI 3004524867	Surface Legal Location 032-029N-009W-L	Field Name PC/CH DUAL	License No.	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 5,866.00	Original KBRT Elevation (ft) 5,878.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft) 5,878.00	KB-Tubing Hanger Distance (ft)	

MD (ftKB)	TVD (ftKB)	Vertical schematic (actual)	Formation
12.1		Cement Squeeze; 12.0-360.0; 8/24/1993; Squeezed w/ 160 sx B neat cmt. TOC @ surface per CBL 8/24/93.	
269.0		1; Surface; 8 5/8 in; 8.097 in; 12.0 ftKB; 269.0 ftKB	
269.0		Surface Casing Cement; 12.0- 269.0; 11/7/1982; Cemented w/ 250 sx Class B. Circ 10 bbls cmt to surface.	
1,126.2		Tubing; 1.66 in; 2.40 lb/ft; 12.0 ftKB; 2,229.0 ftKB	OJO ALAMO
1,167.0		Tubing; 1.66 in; 2.40 lb/ft; J-55; 8000# on Model D @ 2350'; 12.0 ftKB; 2,350.0 ftKB	KIRTLAND
1,217.8			
1,696.2			FRUITLAND
1,952.1			PICTURED CLIFFS
2,204.1		Seating Nipple; 1.66 in; Assume ID; 2,229.0 ftKB; 2,230.0 ftKB	
2,230.1		Acid Squeeze; 12/2/1982; 500 G w/ 41 BS	
2,230.0		Hydraulic Fracture; 12/2/1982; Frac'd w/ 35,100 G 75Q foam w/ 58,000# 20/40. ATP=1300# @ 24 bpm, ISIP=1380#	
2,230.0		PERF - PICTURED CLIFFS; 2,204.0-2,257.0; 12/2/1982	
2,230.0		Model D packer; 2,350.0-2,353.0 Seal assembly; 1.66 in; 2,350.0 ftKB; 2,353.0 ftKB	LEWIS
2,353.0		Tubing; 1.66 in; 2.40 lb/ft; J-55; 2,353.0 ftKB; 3,197.0 ftKB	CHACRA
2,353.0		Acid Squeeze; 12/1/1982; 500 G w/ 38 BS	
2,353.0		Hydraulic Fracture; 12/1/1982; Frac'd w/ 55,500 G 70Q foam w/ 110,000# 20/40. ATP=1300# @ 24 bpm.	
2,353.0		PERF - CHACRA; 3,160.0- 3,292.0; 12/1/1982	
2,353.0		2; Production 1; 5 1/2 in; 4.890 in; 12.0 ftKB; 3,394.0 ftKB	
2,353.0		Auto cement plug; 3,349.0	