

ABOVE THIS LINE FOR DIVISION USE ONLY

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

*2038*

**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]

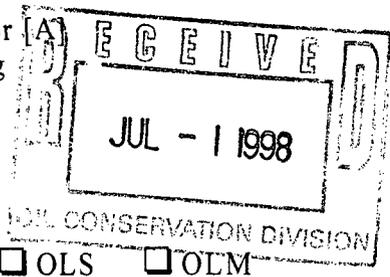
[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [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

6/29/98  
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

Form C-107-A  
 New 3-12-96

OIL CONSERVATION DIVISION

2040 S. Pacheco  
 Santa Fe, New Mexico 87505-6429

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 San Juan 28-7 Unit Well No # 113 M Unit Ltr Sec Twp Rge Section 18, T-27-N, R-7-W, O County Rio Arriba

OGRID NO. 005073 Property Code 016608 API NO. 30-039-25886 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)	5180-5549'		7275-7517'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 558	a.	a. 736
	b(Original) 1161	b.	b. 255
6. Oil Gravity (°API) or Gas BT Content	1347		1319
7. Producing or Shut-In?	To Be Completed		To be Completed
Production Marginal? (yes or no)	Yes (Expected)		Yes (Expected)
• If Shut-In give date and oil/gas/water rates of lsst 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	Date Rates	Date Rates
	Est 1st Yr Average 144 MCFD-Final to be supplied upon completion	Date Rates	Est 1st Yr Average 252MCFD-Final to be supplied upon completion
8. Fixed Percentage Allocation Formula -% for each zone	oil: % Gas %	oil: % Gas %	oil: % Gas %

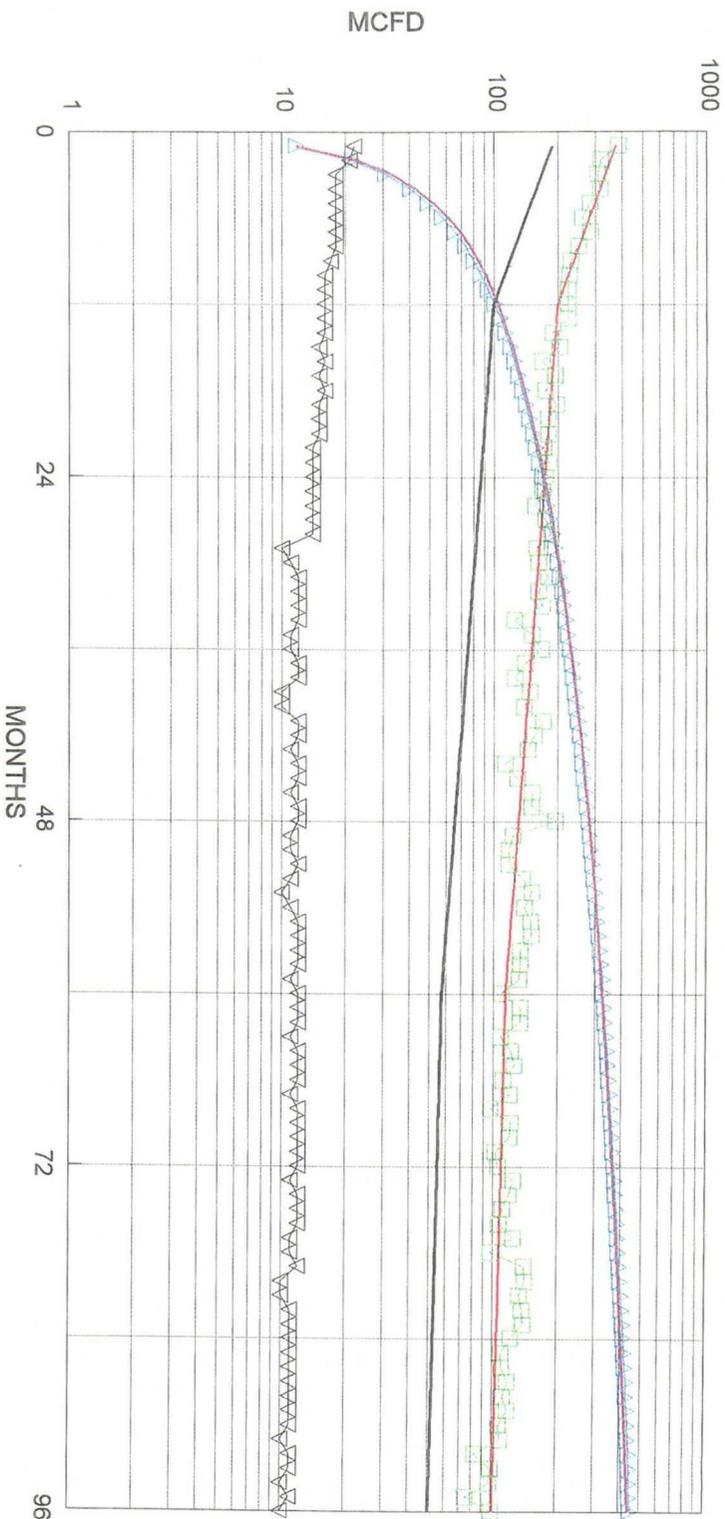
9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical 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? X 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. X Yes  No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each others X 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. X Yes  No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-10476 B
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 June 29, 1990

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

**NORMALIZED MESAVERDE PRODUCTION**  
 PROD. SINCE 1972: 22 MV WELLS LOCATED IN 27N-7W AND 27N-8W AREA



Expected MV Prod - #98M, 100M, 101M, 110M, 111M, 113M, 153E  
 Expected 1st Yr. Avg. Rate = 144MCFD Wells are expected to follow "50% risk case"

— FIT MCFD      □ NORMALIZED MCFD      ▲ NORM CUM MMCF  
 ▴ WELLS ON PRODUCTION      — FIT CUM MMCF      — RISKED MCFD

NORMALIZED AVG:

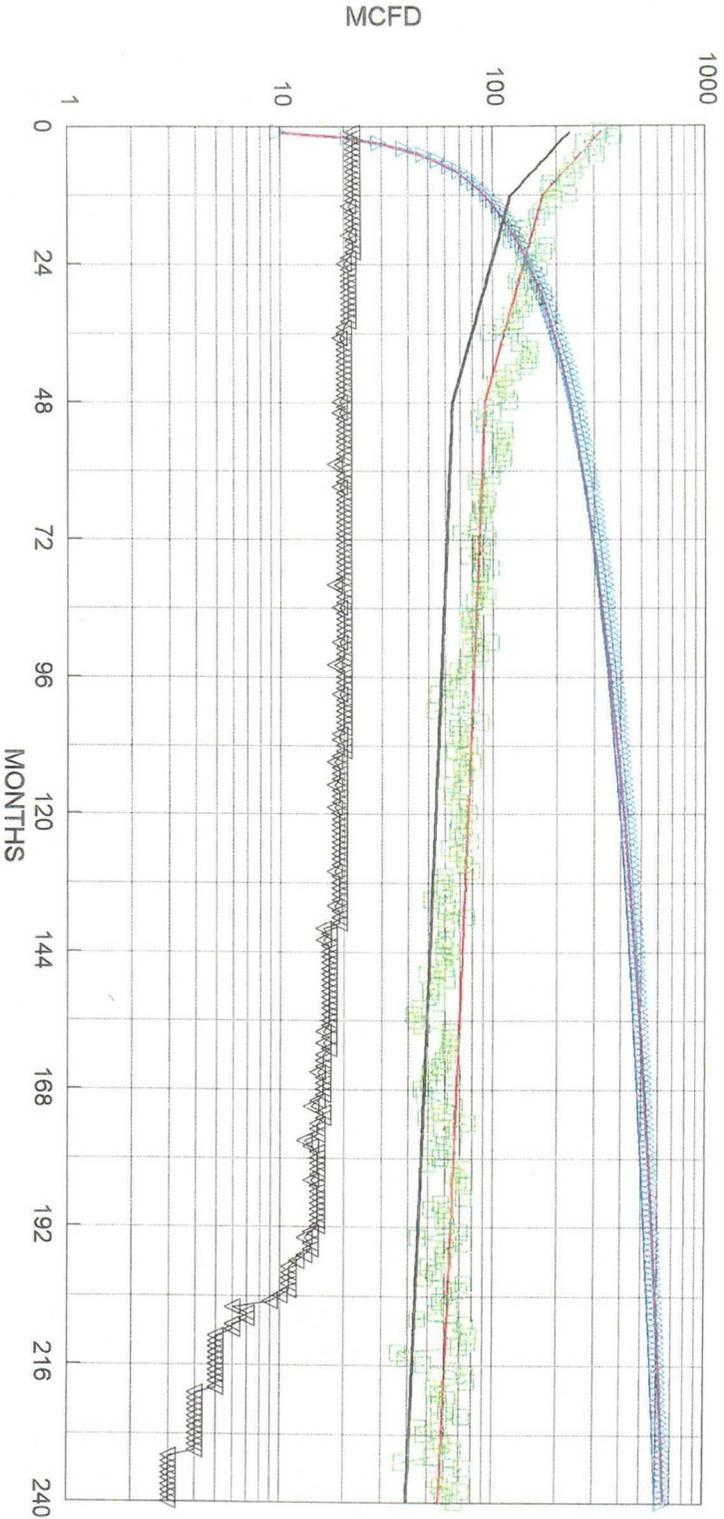
1130 MMCF EUR  
 800 MMCF IN 20 YRS  
 25 MCFD E.L.  
 0.0091 bbl/mcf oil yield

400 MCFD IP  
 50% DECLINE, 1ST 12 MONTHS  
 13% DECLINE, NEXT 48 MONTHS  
 4% FINAL DECLINE

RISKED AVG:

50% RISK (Based on actual 99/100/101/110/111)  
 453 MMCF EUR      200 MCFD IP  
 400 MMCF IN 20 YRS      50.0% DECLINE, 1ST 12 MONTHS  
 25 MCFD E.L.      13.0% DECLINE, NEXT 48 MONTHS  
 0.0091 bbl/mcf oil yield      4.0% FINAL DECLINE

**NORMALIZED DAKOTA PRODUCTION  
PROD. SINCE 1975; 22 DAKOTA COMPLETIONS**



Expected DK Prod - #98M, 100M, 101M, 110M, 111M, 113M, 153E  
Expected 1st Yr. Avg. Rate = 252 MCFD Wells expected to follow "Normalized case"

— FIT MCFD      ■ NORMALIZED MCFD      ▲ NORM CUM MMCF  
▲ WELLS ON PRODUCTION      — FIT CUM MMCF      ▲ RISKED MCFD

NORMALIZED AVG:

1049 MMCF EUR  
666 MMCF IN 20 YRS  
25 MCFD E.L.  
0.0134 bbl/mcf oil yield

RISKED AVG:

350 MCFD IP  
50% DECLINE, 1ST 12 MONTHS  
19% DECLINE, NEXT 36 MONTHS  
3% FINAL DECLINE

30% RISK

644 MMCF EUR      245 MCFD IP  
466 MMCF IN 20 YRS      50.0% DECLINE, 1ST 12 MONTHS  
25 MCFD E.L.      19.0% DECLINE, NEXT 36 MONTHS  
0.0134 bbl/mcf oil yield      3.0% FINAL DECLINE

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

(Other instructions on reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
DRILL  DEEPEN

b. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER   
SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
Conoco Inc. 005073

3. ADDRESS AND TELEPHONE NO  
10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
At surface 965' FSL & 1725' FEL  
At proposed prod. zone 965' FSL & 1725' FEL

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

5. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if Any)

16. NO OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL  
320 6/320

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

19. PROPOSED DEPTH  
7517'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc)  
action is subject to technical and appeal pursuant to 43 CFR 3165.3  
6572' GR

22. APPROX. DATE WORK WILL START\*  
6/30/98

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'	145 sxs, circ.
8-3/4"	K-55, 7"	23#	3230'	395 sxs, circ.
6-1/4"	K-55, 4-1/2"	9.5#	7517'	515 sxs, toc @ 3000'

It is proposed to drill a vertical wellbore to the Blanco Mesaverde and Basin Dakota Pools. An NOS was filed 10/13/97. 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 Tie Specifications with plat.

This application includes ROW's for the well pad, cathodic protection and pipeline.

This was originally staked as the 113E, but due to recompletion of the 113 this well is now an infill well into multiple pools and needs to be named 113M according to the NMOCD (Ernie Bush).

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.

24. SIGNED Jo Ann Johnson TITLE Sr. Property Analyst DATE 5-28-98

(This space for Federal or State office use)

PERMIT NO \_\_\_\_\_ APPROVAL DATE JUN 08 1998

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 Ernie Bush TITLE Dist. Engineer DATE \_\_\_\_\_

\*See Instructions On Reverse Side

RECEIVED  
OIL CON. DIV.  
JUN 11 1998

RECEIVED  
BLM  
JUN - 1 PM 1:38  
FARMINGTON, NM

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994

District II  
PO Drawer 00, Artesia, NM 88211-0719

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

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
		72319/71599	Blanco Mesaverde/Basin Dakota
*Property Code	*Property Name		*Well Number
016608	SAN JUAN 28-7 UNIT		113 <del>K</del> M
*GRID No.	*Operator Name		*Elevation
0050703	CONOCO, INC.		6572'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	27N	7W		965	South	1725	East	RIO ARRIBA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 1329.90'  1  5399.46'  2  3  4	1325.94'	2651.88'	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  <i>Kay Maddox</i> Signature <u>KAY MADDOX</u> Mike L. Mankin Printed Name <u>Regulatory Agent</u> Right of Way Agent Title _____ Date _____ <sup>18</sup> 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.  OCTOBER 22 1987 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number <u>6857</u>

5314.62' 965' 1725'

San Juan 28-7 Unit # 113 M  
Section 18, T-27-N, R-7-W, O  
Rio Arriba , New Mexico  
API # 30-039-25886

RE: Application to Downhole Commingle (C 107 A)

**OFFSET OPERATOR:**

Conoco, Inc. is the only offset operator