

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

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
Revised August 1999

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

☒ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc. P.O. Box 2197, DU 3066 Houston, TX 77252-2197

Operator Address
San Juan 28-7 Unit 103 A1 Sec. 3, T-27N, R-7W Rio Arriba
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

005073 30-039-07209 X
OGRID NO. Property Code API NO. 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 Picture Cliff South 72439		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	2766 - 2860		4480 - 4554; 5004-5110
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current 381	a.	a. 562*
Oil Zones - Artificial Lift: Gas & Oil - Flowing: Estimated Current All Gas Zones: Measured Current Estimated Or Measured Original	b. (Original) 1227	b.	b. 1305
6. Oil Gravity (EAPI) or Gas BTU Content	1190		1254
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	No		No
* 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	Date: Rates: current avg. = 51 MCFD	Date: Rates:	Date: Estimated Menefee Rates: uplift = 250 MCFD
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)			
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	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
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 other? ☒ 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). _____ Rule 303.C(1)(b)(ii) _____
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 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 Deborah Moore TITLE Regulatory Analyst DATE 10/27/99

TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 291-1005

*NOTE: Current MV bottomhole pressures are est. at 500-600 psi. However, the Menefee bottomhole pressure could be 1200-1300 psi reflecting undepleted, virgin conditions.

DATE IN 10/5/99	SUSPENSE 10/25/99	ENGINEER DC	LOGGED BY KW	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2497

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.

Deborah Moore (281) 293-1005 Deborah Moore Regulatory Analyst
 Print or Type Name Signature Title

10/14/99
 Date

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Conoco Inc.

P.O. Box 2197, DU 3066 Houston, TX 77252-2197

Operator Address
San Juan 28-7 Unit 103 A1, Sec. 3, T-27N, R-7W Rio Arriba

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 005073 Property Code 016608 API NO. 30-039-07209 Federal X Spacing Unit Lease Types: (check 1 or more)
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 P.C. South 72439		Blanco Mesaverde 72319
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4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 362* 381 b. (Original) 1305 1227	a. b.	a. 381 562 b. 1227 1305
6. Oil Gravity (EAPI) or Gas BTU Content	1254 1190		1190 1254
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	No		No
* 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, give date and oil/gas/water rates of recent test (within 60 days)	Date: Estimated Menefee Rates: Uplift = 250 MCFD	Date: Rates:	Date: Current Average = Rates: 51 MCFD
8. Fixed Percentage Allocation Formula -% for each zone (total of %s to equal 100%)	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

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- * 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 Deborah Moore TITLE Regulatory Analyst DATE 9/17/99

TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 291-1005

*Current Mesaverde bottomhole pressures are estimated at 500-600 psi. However, the Menefee bottomhole pressure could be 1200-1300 psi reflecting undepleted, virgin conditions.

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State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe. NM 87505

Form C-102
Revised March 17, 1999

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

☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-07209	² Pool Code 72319 / 72439	³ Pool Name Blanco Mesaverde / Blanco Picture Cliffs
⁴ Property Code 016608	⁵ Property Name San Juan 28-7 Unit	⁶ Well Number 103
⁷ OGRID No. 005073	⁸ Operator Name Conoco Inc.	⁹ Elevation 5226'

¹⁰ Surface Location

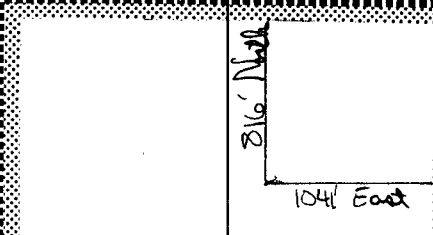
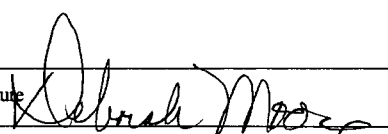
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	6	27N	7W		816'	North	1041'	East	Rio Arriba

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 160/320	¹³ Joint or Infill Y	¹⁴ Consolidation Code U	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			<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature </p> <p>Printed Name Deborah Moore</p> <p>Title Regulatory Analyst</p> <p>Date 09/20/99</p>
			<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
			<p>Certificate Number</p>

EL PASO NATURAL GAS COMPANY

AUTHORITY FOR DEVELOPMENT

To: Drilling and Petroleum Engineering Departments

The following drilling site, which is on a ☒ producing☐ non-producing lease, having been setup on our 1959 drilling program, has been processed by the Land Department

and is hereby approved for drilling.

Dedication: T-27-N, R-7-W, N.E.P.M.Location: T-27-N, R-7-WSection 3: N/2Section 3: NE/4Formation: Pictured Cliffs - MesaverdeContaining 219.18 acres, more or lessEl Paso Natural Gas Company's Interest: Full gas rights to base of Mesaverde under both leasesOutside Interest (s): NoneS 3

T 27-N

		X	X
		X	X
		X	X
		X	X

R 7-W

Lease or Leases and Lands Committed:

Lease Number	Lessor	Expires	Lease Acreage Dedicated	Working Interest Owner	File No.
Tr.#3 27 070406	U.S.A.	•	Lots 1,2, N/2 NE/4	EPNG Co.	ME 3963
Tr.#19 27 070072	U.S.A.	•	SE/4	EPNG Co.	ME 4003

Well must be (commenced) ~~(commenced)~~ by 3-1-59

Remarks: (Time limitations, special contractual provisions, etc.)

***Held by production. Both leases fully committed to San Juan 26-7 Unit. This is a PG-NV intervening drilling block. Tr.#3 - Subject to L.S.A. dated 4-9-58 by and between Three States Natural Gas and EPNG Co. Tr.#19 - Subject to Agreement dated 2-9-58 between Puhco & El Paso. Puhco's 40% converts to a 40% W.I. after payout.**

Date: 3-24-59Attorneys ORIGINAL SIGNED BY
W. DYER MOORE, JR.
 Title Approved for Drilling ☒
 Title conditionally approved ☐
 (Subject to Remarks on Reverse Side.)
ORIGINAL SIGNED BY
SAM SMITHDate: MAR 25 1959

Land Department

WELL AUTHORIZED FOR DRILLING:

Date: 3-25-59

Original Signed H. F. STEEN

Management

Well Name and Number San Juan 26-7 Unit #193 (ME)Work Order Number 53759

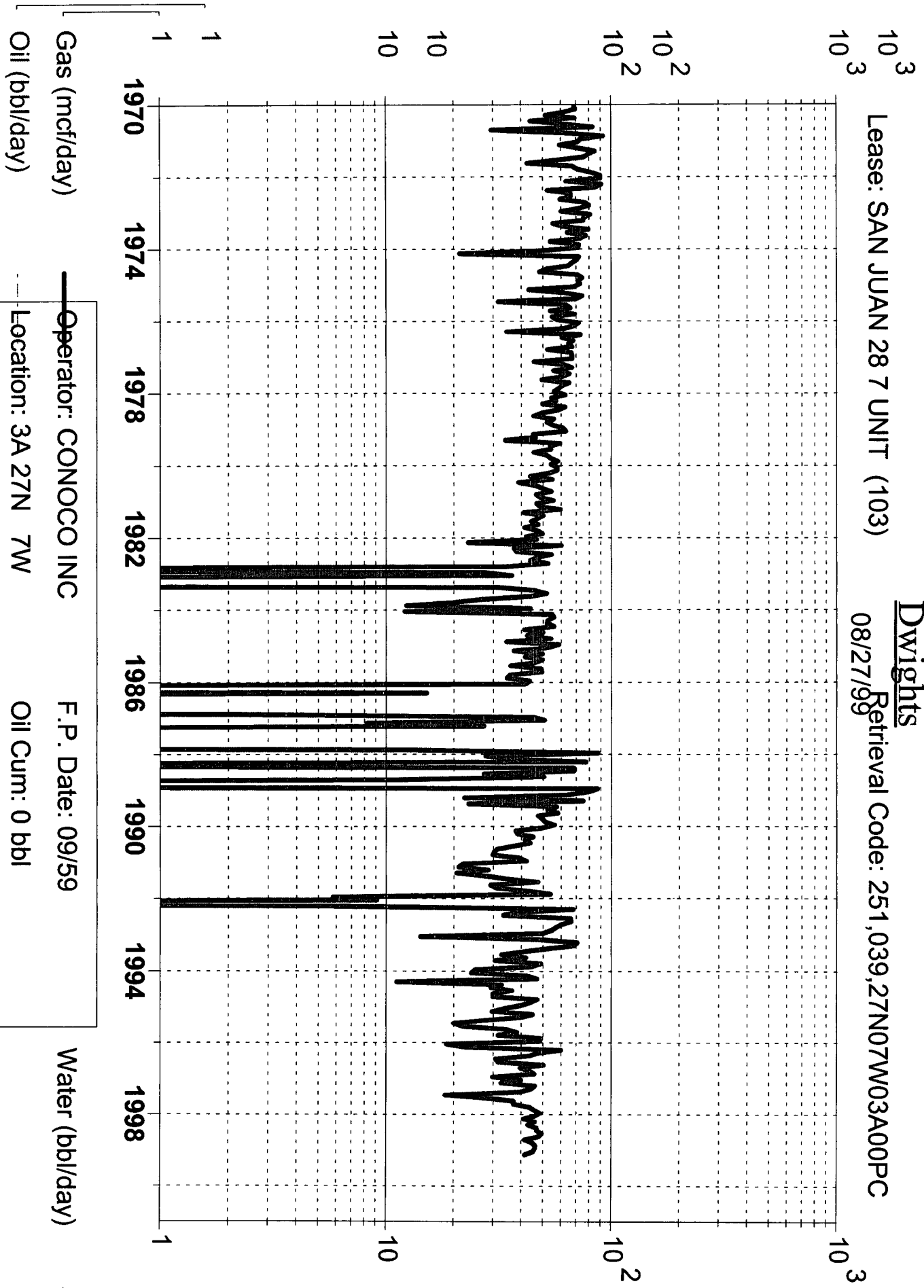
Rig Name and/or Number

(3307)

Dwights

Lease: SAN JUAN 28 7 UNIT (103)

Retrieval Code: 251,039,27N07W03A00PC
08/27/99



Operator: CONOCO INC F.P. Date: 09/59

Location: 3A 27N 7W Oil Cum: 0 bbl

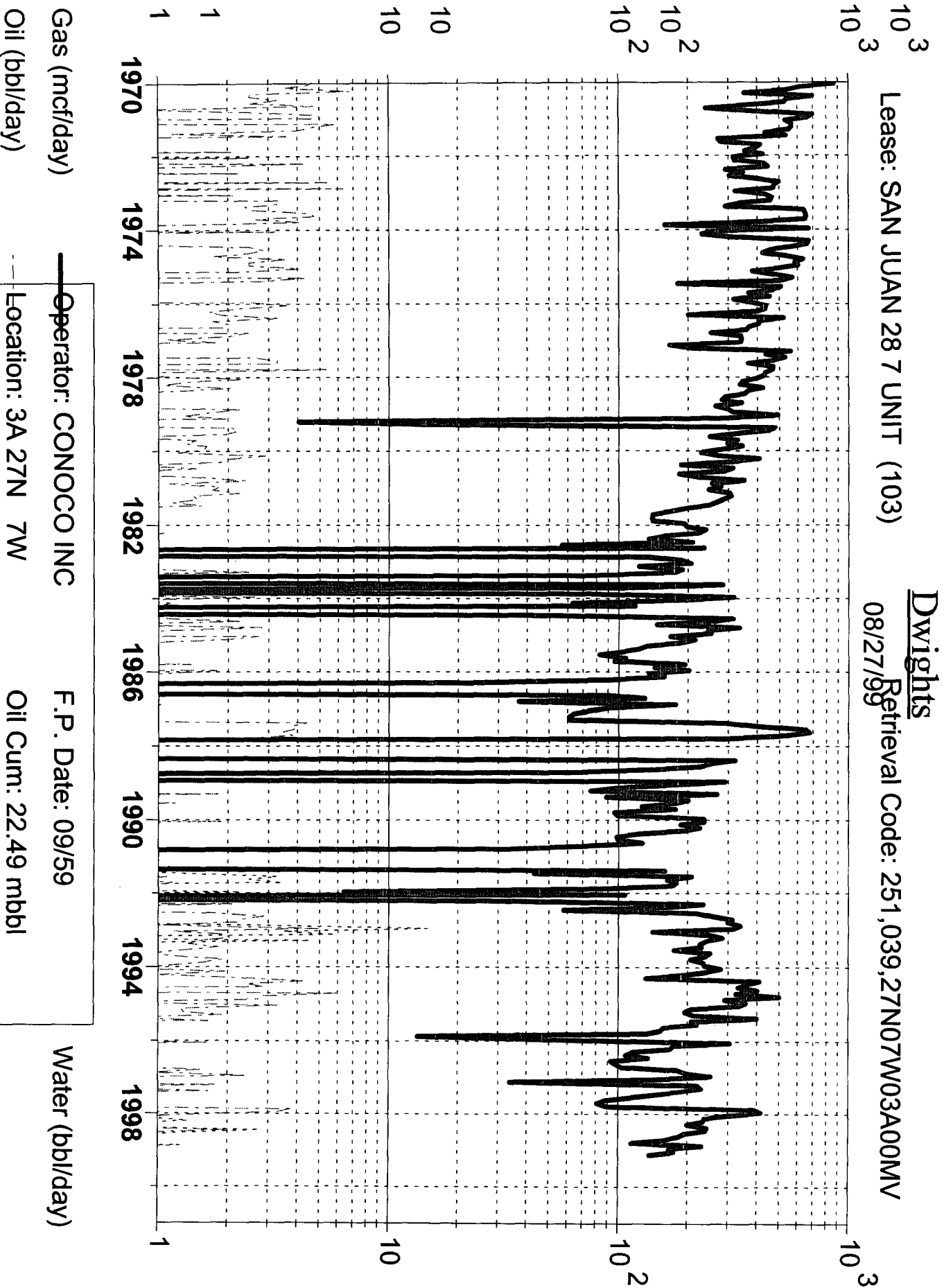
Field: BLANCO SOUTH (PICTU Gas Cum: 771.1 mmcf

Reservoir: PICTURE CLIFFS L.P. Date: 02/99

Lease: SAN JUAN 28 7 UNIT (103)

Dwights
08/27/99

Retrieval Code: 251,039,27N07W03A00MV



Gas (mcf/day)

Oil (bbl/day)

Operator: CONOCO INC

Location: 3A 27N 7W

F.P. Date: 09/59

Oil Cum: 22.49 mbbl

Field: BLANCO (MESAVERDE) Gas Cum: 4545 mmcf

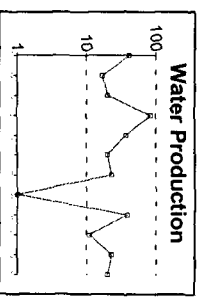
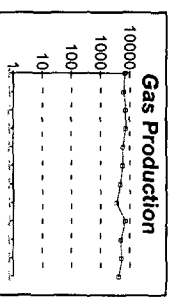
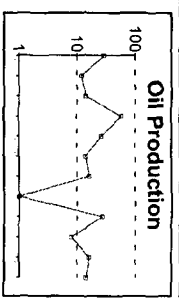
Reservoir: MESAVERDE

L.P. Date: 02/99

Water (bbl/day)

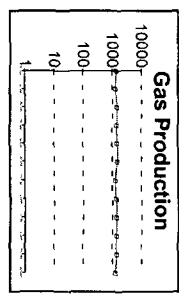
Lease:	SAN JUAN 28 7 UNIT	Well #:	103	FP Date:	59-09
Field:	BLANCO (MESASVERDE) MV	Location:	3A 27N 7W	LP Date:	99-02
Operator:	CONOCO INC	Liquid Cum:	22,493 bbls	Liq Since:	FPDATE
RCI #:	251,039,27N07W03A00MV	Gas Cum:	4,545,470 mcf	Gas Since:	FPDATE
API #:	30-039-07209-00	Status:	ACT GAS		

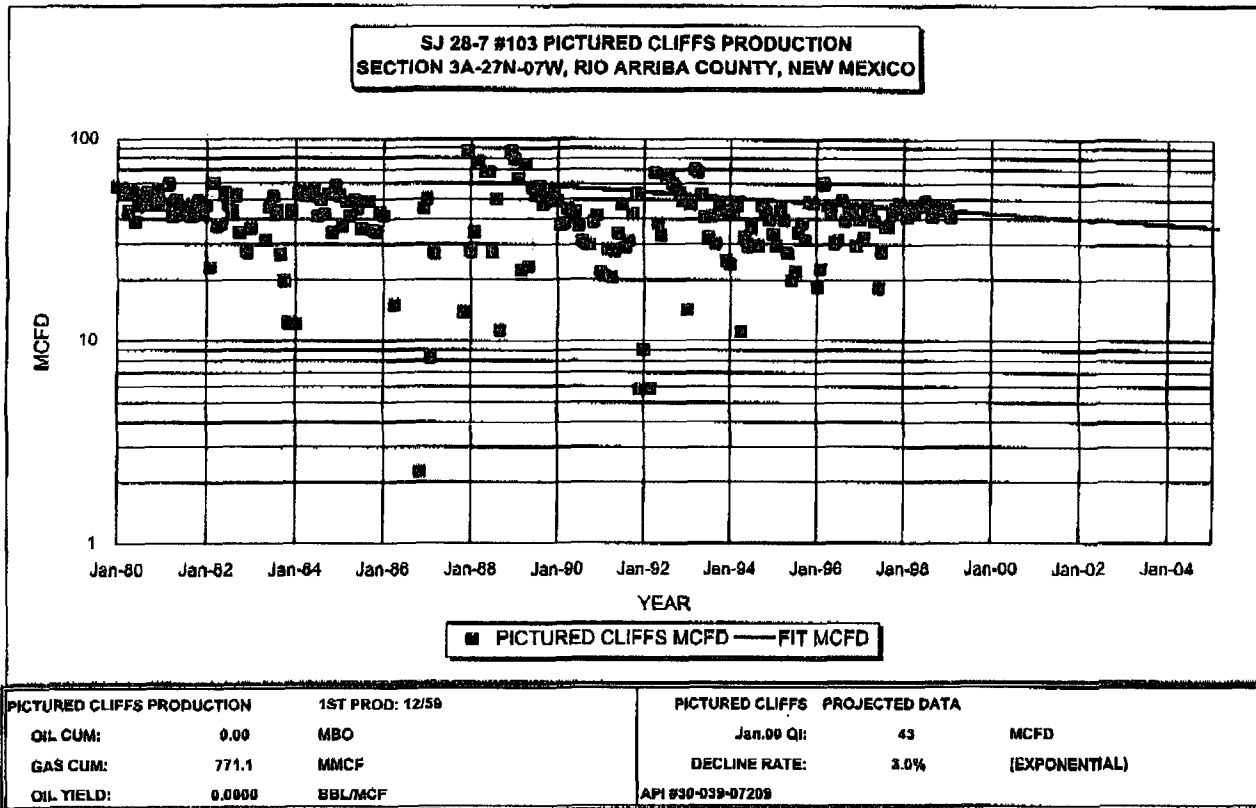
DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
03/1998	29	7,039	41	1
04/1998	12	6,025	17	1
05/1998	14	7,315	20	1
06/1998	59	7,199	84	1
07/1998	26	5,857	37	1
08/1998	14	5,518	20	1
09/1998	16	4,733	23	1
10/1998	0	3,456	0	1
11/1998	27	6,968	38	1
12/1998	8	5,051	11	1
01/1999	16	5,259	23	1
02/1999	14	4,138	20	1
Total	235	68,558	334	



Lease:	SAN JUAN 28 7 UNIT	Well #:	103	FP Date:	59-09
Field:	BLANCO SOUTH (PICTURE CLIFFS) PC	Location:	3A 27N 7W	LP Date:	99-02
Operator:	CONOCO INC.	Liquid Cum:		Liq Since:	FPDATE
RCI #:	251,039,27N07W03A00PC	Gas Cum:	771,147 mcf	Gas Since:	FPDATE
API #:	30-039-07209-00	Status:	ACT GAS		

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
03/1998	0	1,391	0	1
04/1998	0	1,297	0	1
05/1998	0	1,413	0	1
06/1998	0	1,418	0	1
07/1998	0	1,493	0	1
08/1998	0	1,442	0	1
09/1998	0	1,251	0	1
10/1998	0	1,356	0	1
11/1998	0	1,398	0	1
12/1998	0	1,391	0	1
01/1999	0	1,365	0	1
02/1999	0	1,255	0	1
Total	0	16,470	0	





PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR AVG MCFD	MID-YEAR AVG BOPD
2000	42	0
2001	41	0
2002	40	0
2003	38	0
2004	37	0
2005	36	0
2006	35	0
2007	34	0
2008	33	0
2009	32	0
2010	31	0
2011	30	0
2012	29	0
2013	28	0
2014	27	0
2015	27	0
2016	26	0
2017	25	0
2018	24	0
2019	24	0
2020	23	0
2021	22	0
2022	22	0
2023	21	0
2024	20	0
2025	20	0
2026	19	0
2027	19	0