

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

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2498

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
 Print or Type Name

Signature

Regulatory Analyst
 Title

Date

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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A
Revised March 17, 1999

APPROVAL PROCESS:

☒ Administrative
☐ Hearing

EXISTING WELLBORE

☐ YES ☐ NO

Conoco Inc.

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

Operator

San Juan 28-7 Unit

#180

Address

O, S-19, T-27N, R-7W

Rio Arriba

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County
Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 016608

API NO. 30-039-20763

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	Basin Fruitland Coal 71629		Blanco P.C. South 72439
2. Top and Bottom of Pay Section (Perforations)			2916' - 2952'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 432 b. (Original) 1167	a. b.	a. 381 b. 1227
6. Oil Gravity (EAPI) or Gas BTU Content	1159		1189
7. Producing or Shut-In?	Not yet completed		Producing
Production Marginal? (yes or 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: Est. Rate = 150mcfd Rates: NA	Date: Rates:	Date: Rates:
	Date: Rates:	Date: Rates:	Date: Rates: Approx. current rate 43 MCFD
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?

If not, have all working, overriding, and royalty interests been notified by certified mail?

Have all offset operators been given written notice of the proposed downhole commingling?

☒ Yes ☒ No
☒ Yes ☒ No
☐ Yes ☒ No11. 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 ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well is on, or communized 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

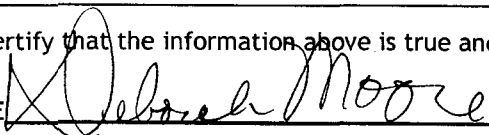
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

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



TITLE

Regulatory Analyst

DATE 09/3/99

TYPE OR PRINT NAME Deborah Moore

TELEPHONE NO. (281) 293-1005

District IV
2040 South Pacheco, Santa Fe, NM 87505

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

☐ AMENDED REPORT

¹ API Number 30-039-20763	² Pool Code 71629 / 72439	³ Pool Name Basin Fruitland Coal, Blanco S. Pictured Cliffs
⁴ Property Code 016608	⁵ Property Name San Juan 28-7 Unit	⁶ Well Number #180
⁷ OGRID No. 005073	⁸ Operator Name Conoco Inc.	⁹ Elevation 6605'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	19	27N	7W		960'	South	1720'	East	Rio Arriba

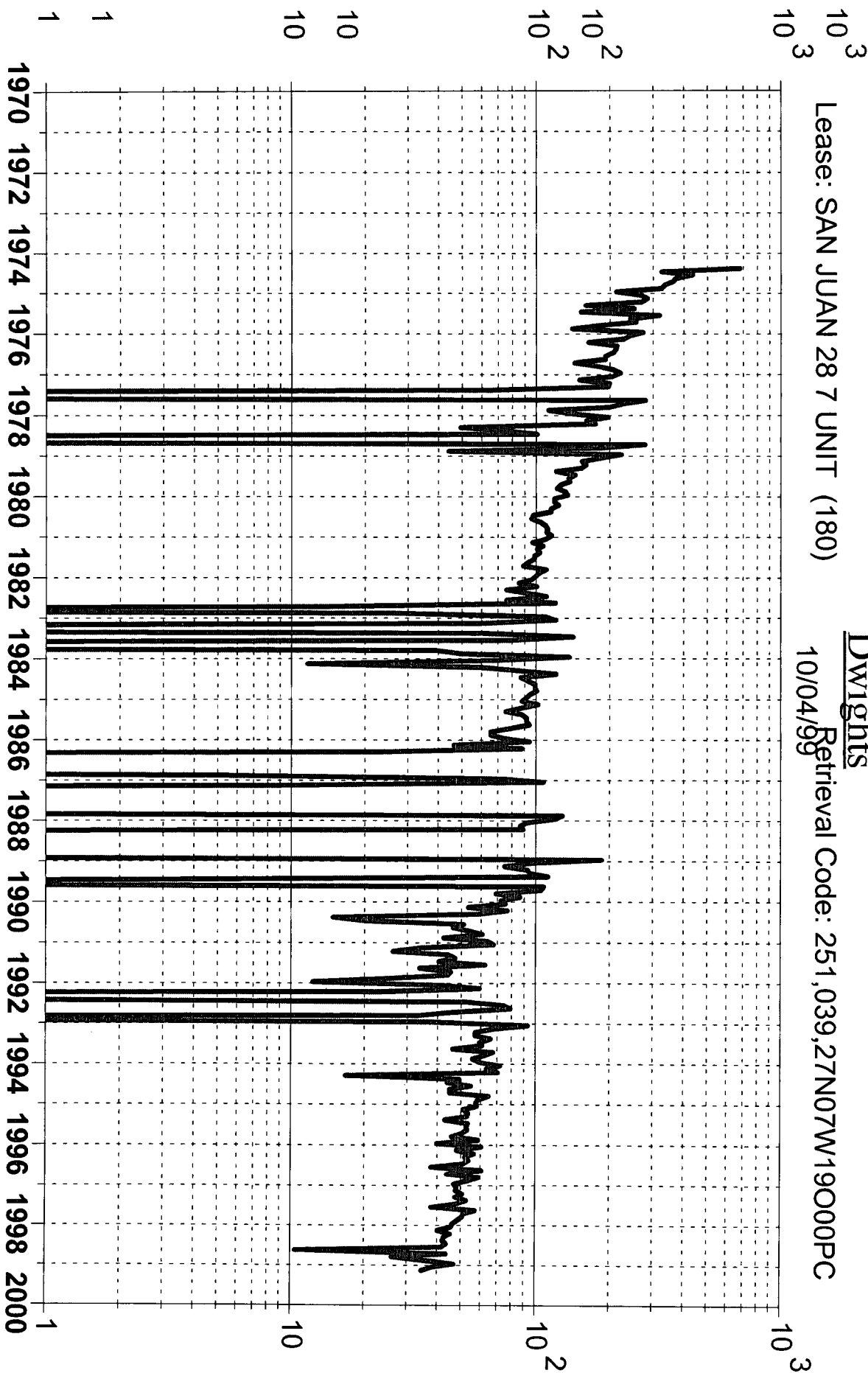
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¹² Dedicated Acres 160/320	¹³ Joint or Infill	¹⁴ Consolidation Code 4	¹⁵ Order No.
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16				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>
				Signature <u>Deborah Moore</u> Printed Name Deborah Moore/281-293-1005 Title Regulatory Analyst
				Date 09/08/99
				18 SURVEYOR CERTIFICATION <i>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.</i>
				Date of Survey Signature and Seal of Professional Surveyer:
Basin Fruitland Coal Blanco S. Pictured Cliff		Sec. 19	960' 1720'	Certificate Number

Lease: SAN JUAN 28 7 UNIT (180)

Dwights
Retrieval Code: 251,039,27N07W19O00PC
10/04/99



Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

Operator: CONOCO INC

F.P. Date: 05/74

Location: 19O 27N 7W

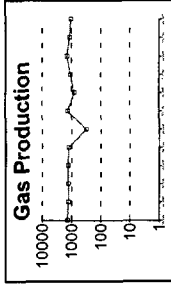
Oil Cum: 0 bbl

Field: BLANCO SOUTH (PICTU Gas Cum: 808.2 mmcf

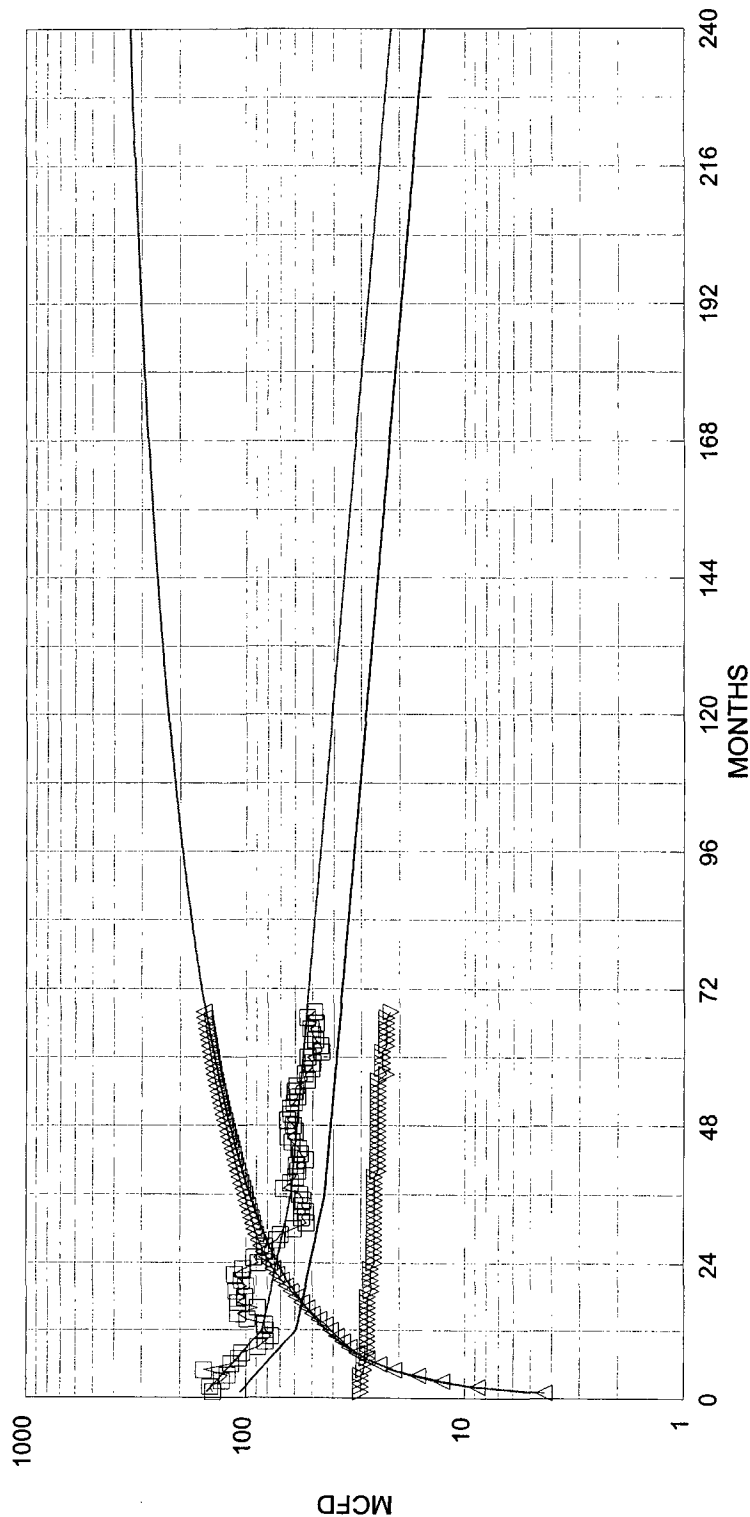
Reservoir: PICTURE CLIFFS L.P. Date: 02/99

Lease:	SAN JUAN 28 7 UNIT	Well #:	180	FP Date:	74-05
Field:	BLANCO SOUTH (PICTURE CLIFFS) PC	Location:	190 27N 7W	LP Date:	99-02
Operator:	CONOCO INC	Liquid Cum:		Liq Since:	FPDATE
RCI #:	251,039,27N07W19O00PC	Gas Cum:	808,224 mcf	Gas Since:	FPDATE
API #:	30-039-20763-00	Status:	ACT GAS		

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
03/1998	0	1,367	0	1
04/1998	0	1,291	0	1
05/1998	0	1,274	0	1
06/1998	0	1,316	0	1
07/1998	0	1,262	0	1
08/1998	0	317	0	1
09/1998	0	1,316	0	1
10/1998	0	791	0	1
11/1998	0	1,066	0	1
12/1998	0	1,413	0	1
01/1999	0	1,155	0	1
02/1999	0	1,046	0	1
Total	0	13,614	0	



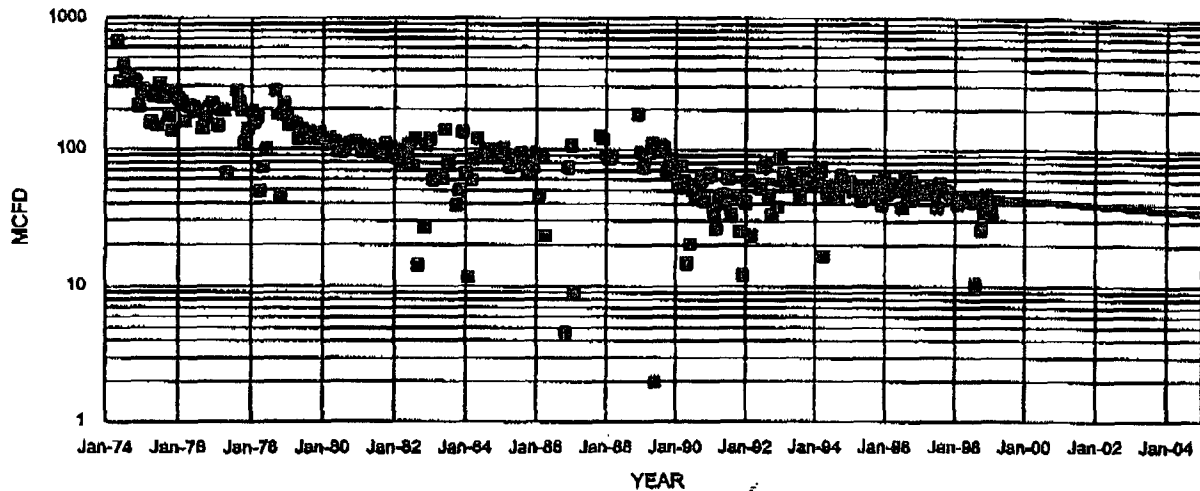
NORMALIZED FRUITLAND COAL PRODUCTION
30 WELLS SINCE 1990; 28N-7W & 27N-7W



Normalized plot for supporting SJ 28-7 FC recompletions

<p>NORMALIZED AVG:</p> <p>408 MMCF EUR 337 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield</p>	<p>160 MCFD IP 47% DECLINE, 1ST 12 MONTHS 14% DECLINE, NEXT 24 MONTHS 6% FINAL DECLINE</p>	<p>RISKED AVG:</p> <p>268 MMCF EUR 237 MMCF IN 20 YR 10 MCFD E.L. 0.0000 bbl/mcf oil yield</p> <p>30% RISK</p> <p>112 MCFD IP 47% DECLINE, 1ST 12 MONTHS 14% DECLINE, NEXT 24 MONTHS 6% FINAL DECLINE</p>
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**SJ 28-7 #180 PICTURED CLIFFS PRODUCTION
SECTION 190-27N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



■ PICTURED CLIFFS MCFD — FIT MCFD

PICTURED CLIFFS PRODUCTION			PICTURED CLIFFS PROJECTED DATA		
OIL CUM:	0.00	1ST PROD: 05/74	Oct 99 Q1:	43	MCFD
GAS CUM:	608.2	MBO	DECLINE RATE:	4.0%	(EXPONENTIAL)
OIL YIELD:	0.0000	MMCF			
		BBL/MCF			

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR AVG MCFD	MID-YEAR AVG BOPO
2000	42	0
2001	40	0
2002	39	0
2003	37	0
2004	36	0
2005	34	0
2006	33	0
2007	31	0
2008	30	0
2009	29	0
2010	28	0
2011	27	0
2012	26	0
2013	25	0
2014	24	0
2015	23	0
2016	22	0
2017	21	0
2018	20	0
2019	19	0
2020	18	0
2021	18	0
2022	17	0
2023	16	0
2024	16	0
2025	15	0
2026	14	0
2027	14	0