

0024 353292

DHC 9/18/00

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico Energy, Minerals and Natural Resources Department

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

DISTRICT II

811 South First St., Artesia, NM 88210-2835

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

X Administrative \_\_\_ Hearing

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410-1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

X YES \_\_\_ NO

CONOCO, INC.

P.O. BOX 2197 DU 3066 HOUSTON, TX 77252

Operator

Address

SAN JUAN 28-7

49

B SEC.21 T28N R7W

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. 30-039-07382 Federal X 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	<i>Southern</i> Blanco Pictured Cliffs 72359	Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	2612'-2796' proposed	2801'-2862' proposed	4426'-5064'
3. Type of production (Oil or Gas)	gas expected	gas expected	gas
4. Method of Production (Flowing or Artificial Lift)	expected to flow	expected to flow	flowing
5. Bottomhole Pressure	a. (Current) * 1,035	a. * 1,044	a. 410
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) 1,035	b. 1,044	b. 1,224
6. Oil Gravity (°API) or Gas BTU Content	1,045	1,189	1,250
7. Producing or Shut-In?	to be completed	to be completed	producing
Production Marginal? (yes or no)	YES	YES	YES
* 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.			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: EST. 150MCFD	Date: Rates: EST. 250 MCFD	Date: Rates: CURRENT 125MCFD
8. Fixed Percentage Allocation Formula -% for each zone	Allocate by test Oil: % Gas %	Allocate by test Oil: % Gas %	Allocate by subtraction Oil: % Gas: method %

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 X No  
If not, have all working, overriding, and royalty interests been notified by certified mail? \_\_\_ Yes X No  
Have all offset operators been given written notice of the proposed downhole commingling? \_\_\_ Yes X No

11. Will cross-flow occur? *minimal* 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 other? X Yes \_\_\_ No

13. Will the value of production be decreased by commingling? \_\_\_ Yes X 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-10476B

16. ATTACHMENTS:

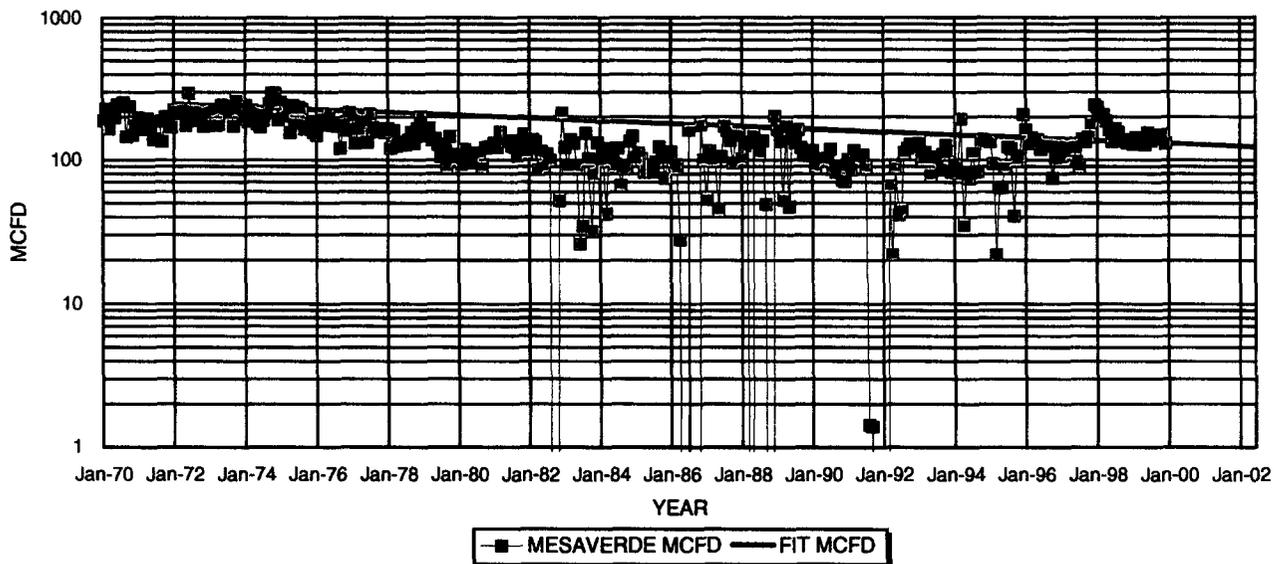
- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
  - \* Production curve for each zone for at least one year. (If not available, attach explanation.)
  - \* For zones with no production history, estimated production rates and supporting data.
  - \* Data to support allocation method or formula.
  - \* Notification list all offset operators.
  - \* Notification list of all working, overriding, and royalty interests for uncommon interest cases.
  - \* Any additional statements, data, or documents required to support commingling
- \*Current BHP's are expected to be at or near virgin bottom-hole pressure.

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

SIGNATURE *Deborah Marberry* TITLE REGULATORY ANALYST DATE 07/12/2000

TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. ( ) (281)293-1005

**SJ 28-7 #49 MESAVERDE PRODUCTION  
SECTION 21B-28N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



<b>MESAVERDE PRODUCTION</b>		<b>1ST PROD: 3/57</b>	<b>MESAVERDE PROJECTED DATA</b>	
OIL CUM:	30.69	MBO	Jan.00 Qi:	132      MCFD
GAS CUM:	2437.0	MMCF	DECLINE RATE:	2.3%      (EXPONENTIAL)
OIL YIELD:	0.0126	BBL/MCF	API #30-039-07382	

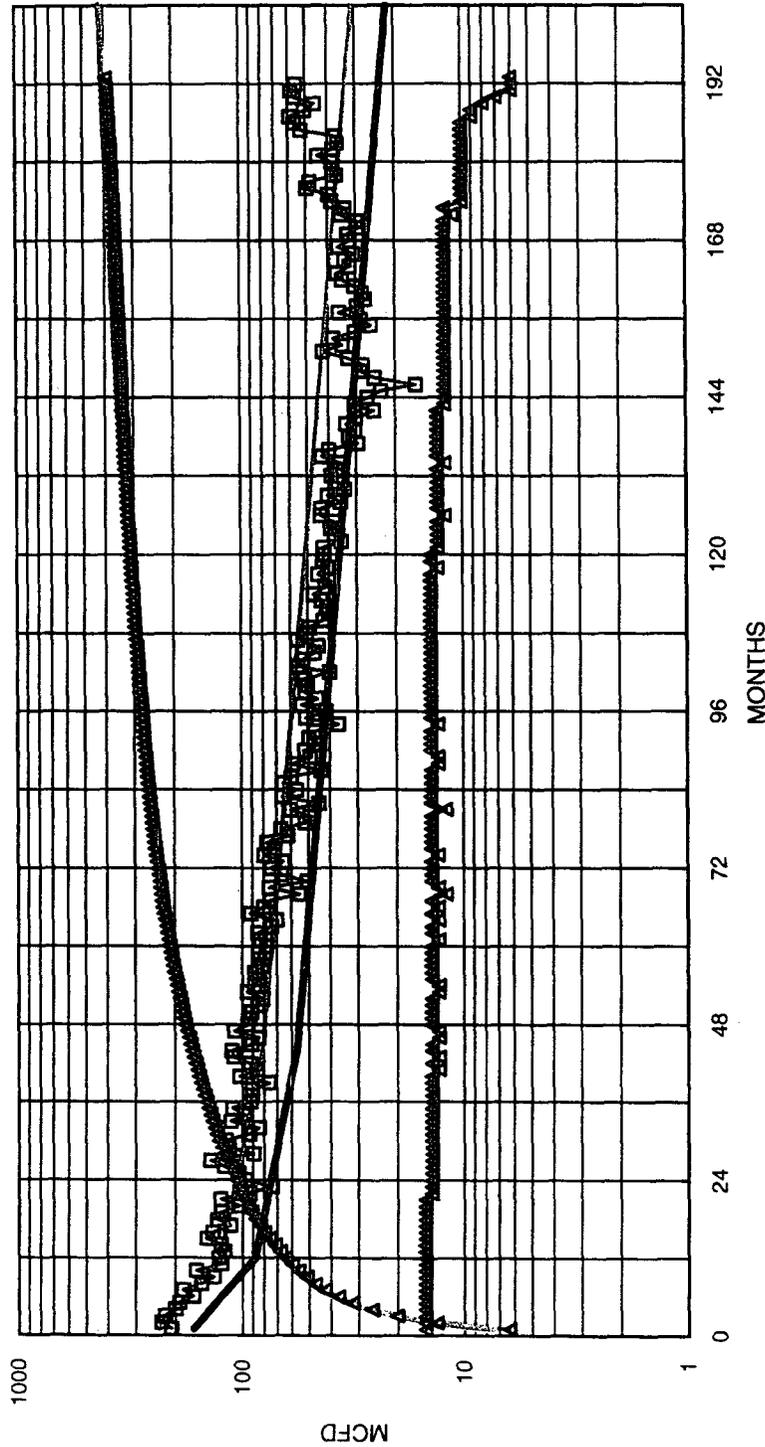
**PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION**

NOTE: Current decline rate is approximately 2.3%/year. This rate is expected to continue for the duration of the well based on production trends observed during the life of this well.

Production data from P/Dwights Plus.

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	131	1.6
2001	128	1.6
2002	125	1.6
2003	122	1.5
2004	119	1.5
2005	117	1.5
2006	114	1.4
2007	111	1.4
2008	109	1.4
2009	106	1.3
2010	104	1.3
2011	102	1.3
2012	99	1.3
2013	97	1.2
2014	95	1.2
2015	93	1.2
2016	91	1.1
2017	89	1.1
2018	87	1.1
2019	85	1.1
2020	83	1.0
2021	81	1.0
2022	79	1.0
2023	77	1.0
2024	76	1.0
2025	74	0.9
2026	72	0.9
2027	71	0.9

**NORMALIZED PICTURED CLIFFS PRODUCTION  
PROD. SINCE 1980; 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)**



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

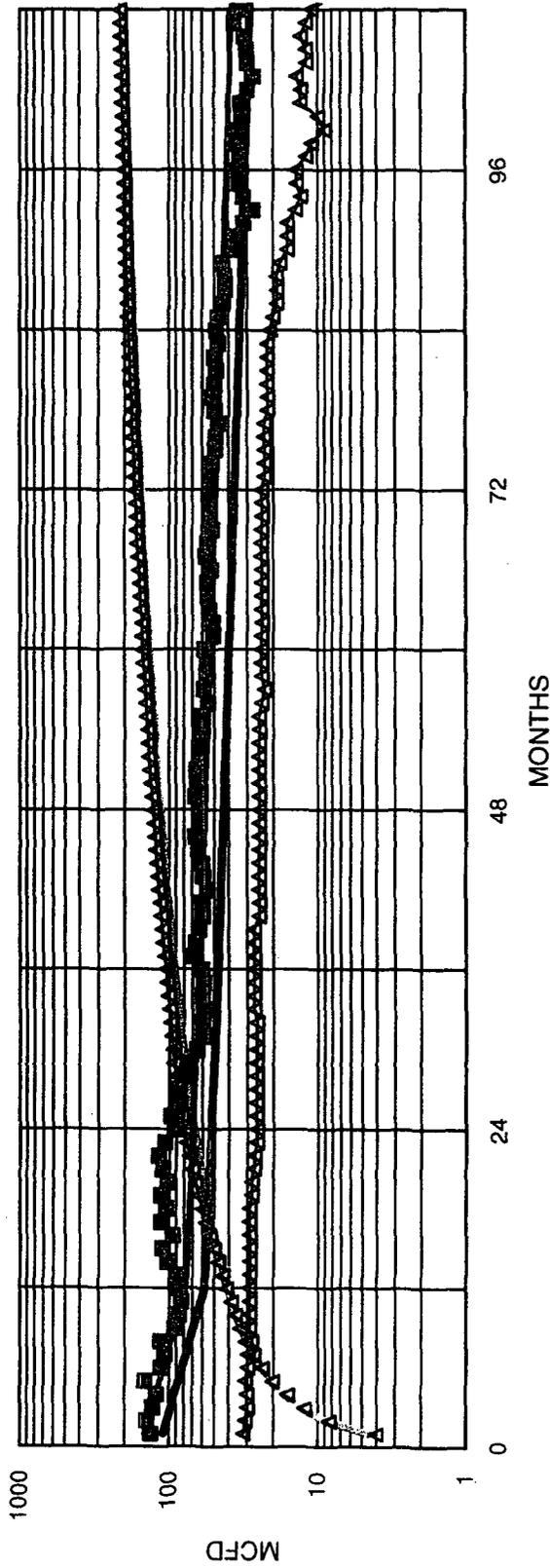
**NORMALIZED AVG:**  
 522 MMCF EUR  
 524 MMCF/33.5YRS  
 10 MCFD E.L.  
 0.000158 bbl/mcf oil yield

250 MCFD IP  
 50% DECLINE, 1ST 12 MONTHS  
 15% DECLINE, NEXT 36 MONTHS  
 7% FINAL DECLINE

**RISKED AVG:** 30% RISK  
 350 MMCF EUR  
 349 MMCF/27.8 YRS  
 10 MCFD E.L.  
 0.000158 bbl/mcf oil yield

175 MCFD IP  
 50% DECLINE, 1ST 12 MONTHS  
 15% DECLINE, NEXT 36 MONTHS  
 7% FINAL DECLINE

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



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

NORMALIZED AVG: 323 MMCF EUR 300 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield	155 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE	231 MMCF EUR 225 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield	25% RISK	116 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE
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 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised October 18, 1994  
 Instruction on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-07382		<sup>2</sup> Pool Code 72319		<sup>3</sup> Pool Name BLANCO MESAVERDE	
<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7 #49			<sup>6</sup> Well Number 49
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

<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
B	21	28N	7W		769'	NORTH	1550'	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.
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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><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p>	
					<p>Signature: <i>Deborah Marberry</i></p>	
					<p>Printed Name DEBORAH MARBERRY</p>	
					<p>Title REGULATORY ANALYST</p> <p>Date</p>	
				<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under</i></p>		
				<p>Date of Survey</p>		
				<p>Signature and Seal of Professional Surveyer</p>		
				<p>Certificate Number</p>		

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<sup>1</sup> API Number 30-039-07382		<sup>2</sup> Pool Code 71629		<sup>3</sup> Pool Name BASIN FRUITLAND COAL	
<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7 #49			<sup>6</sup> Well Number 49
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<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7 #49			<sup>6</sup> Well Number 49
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