

DATE IN 9/25/06	SUSPENSE	ENGINEER W. Jones	LOGGED IN 9/25/06	TYPE DHC	APP NO. PTD50626850596
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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.

Print or Type Name	Signature	Title	Date
e-mail Address			

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
10951 Roe 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-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

ConocoPhillips Company
Operator

P.O.Box 4289 Farmington, NM 87499
Address

SAN JUAN 32-8 UNIT 45

Unit K, Sec. 14, 032N, 008W

SAN JUAN

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No: 217817 Property Code 009261 API No. 30045251280000 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	ALBINO PICTURED CLIFFS <i>Go</i>		BLANCO MESAVERDE
Pool Code	70120 <input checked="" type="checkbox"/>		72319 <input checked="" type="checkbox"/>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3894'-4036'		5970'-6398'
Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Current - 826 psi		Current - 600 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1138 BTU		1006 BTU
Producing, Shut-In or New Zone	PRODUCING		PRODUCING
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.)	Date: January 2005 Rates: 250 MCFD	Date: Rates:	Date: January 2005 Rates: 39 MCFD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 87%	Oil Gas	Oil Gas 13%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

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, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE *Julian Carrillo* TITLE *Engineer* DATE *9-21-06*

TYPE OR PRINT NAME Julian Carrillo, Engineer TELEPHONE NO. (505) 326-9700

E-MAIL ADDRESS Julian.B.Carrillo@conocophillips.com

009261

OIL CONSERVATION DIVISION

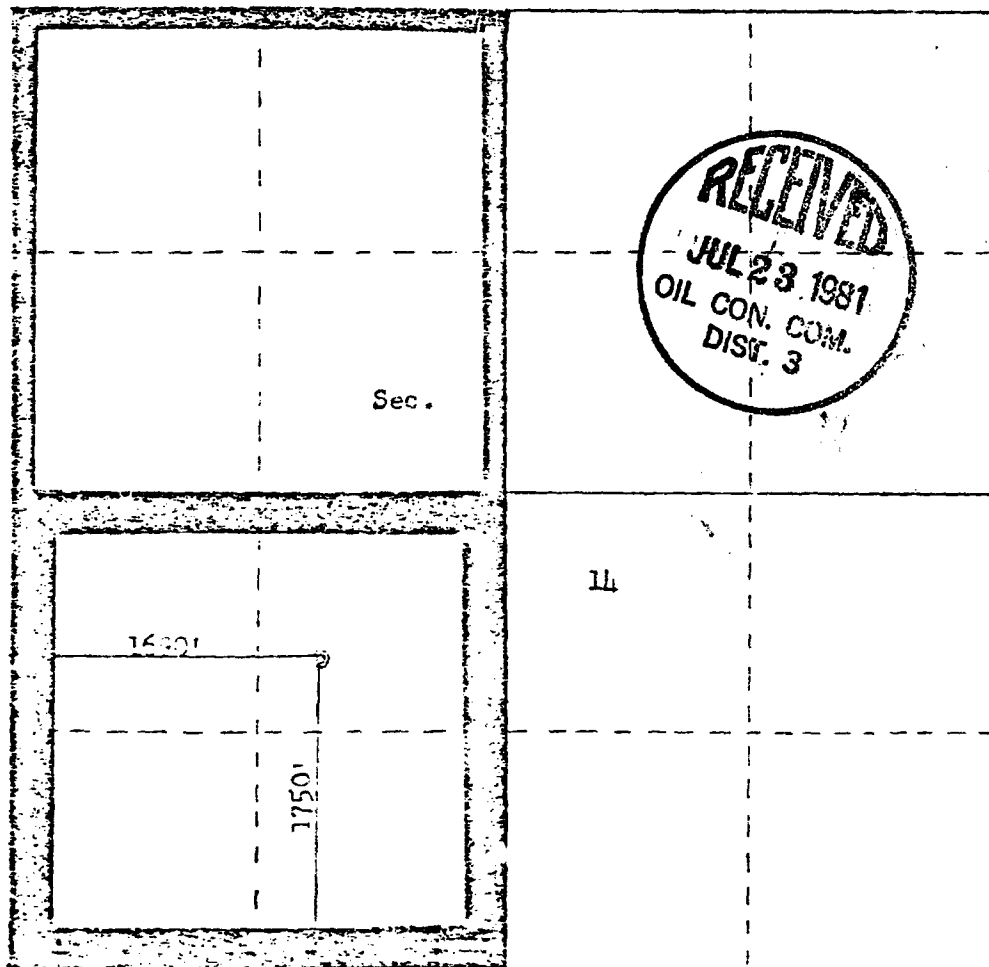
P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENTForm C-107
Revised 10-1-78

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

Operator NORTHWEST PIPELINE CORPORATION			Lease SAN JUAN 32-8 UNIT		Well No. 45
Unit Letter K	Section 14	Township 32N	Range 8W	County San Juan	
Actual Footage Location of Well: 1750 feet from the South line and 1690 feet from the West line					
Ground Level Elev. 7077	Producing Formation Mesa Verde-Pictured Cliffs Blanco MV / Albina PC			Dedicated Acreage: 160 PC/320 NW Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>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?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes," type of consolidation <u>Unitization</u></p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</p> <p>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.</p>					



CERTIFICATION

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

Paul C. Thompson
Name

Paul C. Thompson
Position

Drilling Engineer
Company

Northwest Pipeline
Date

February 23, 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

February 21, 1981

Registered Professional Engineer
and Land Surveyor

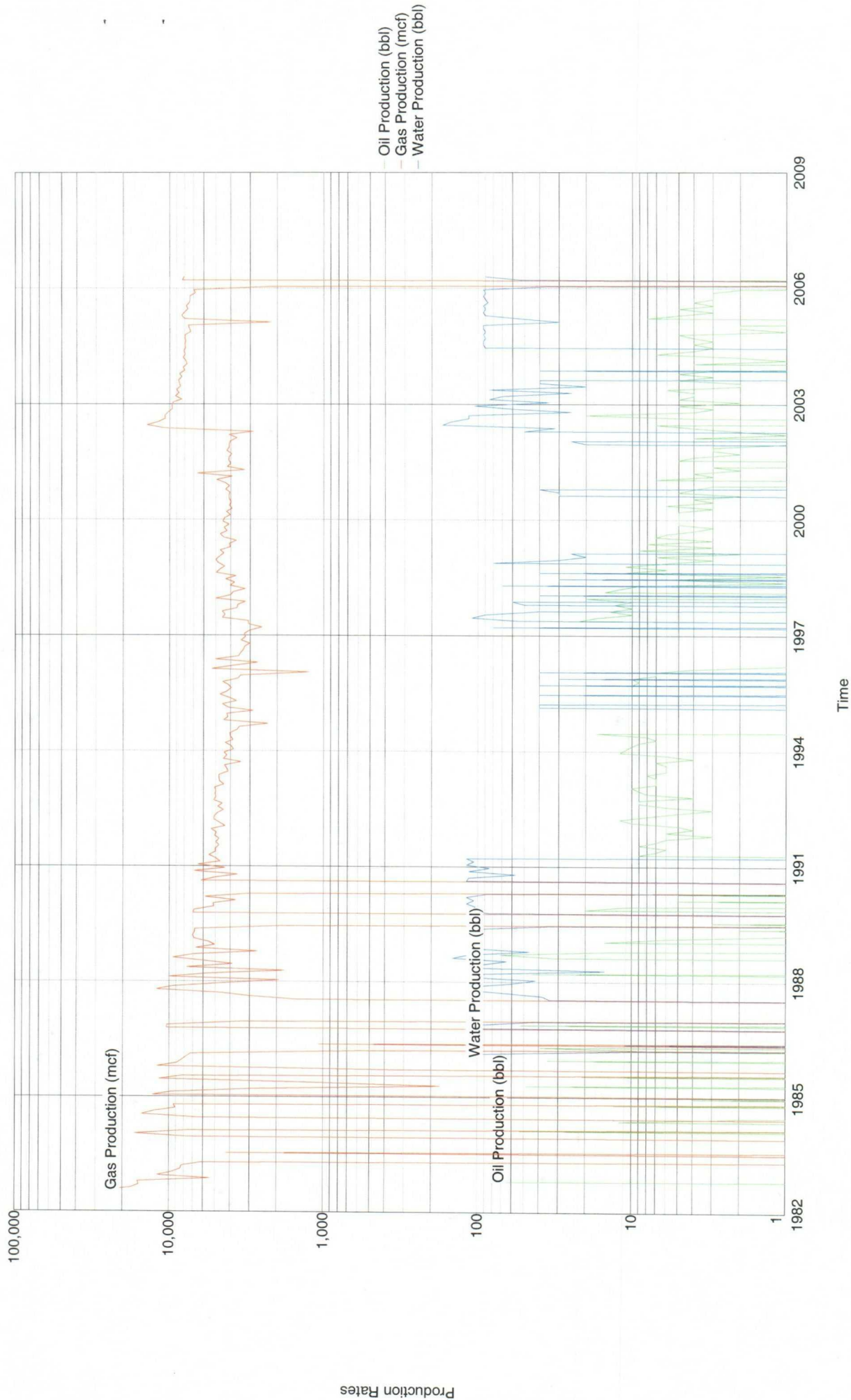
Fred B. Kern
Fred B. Kern

Certificate No.

2957

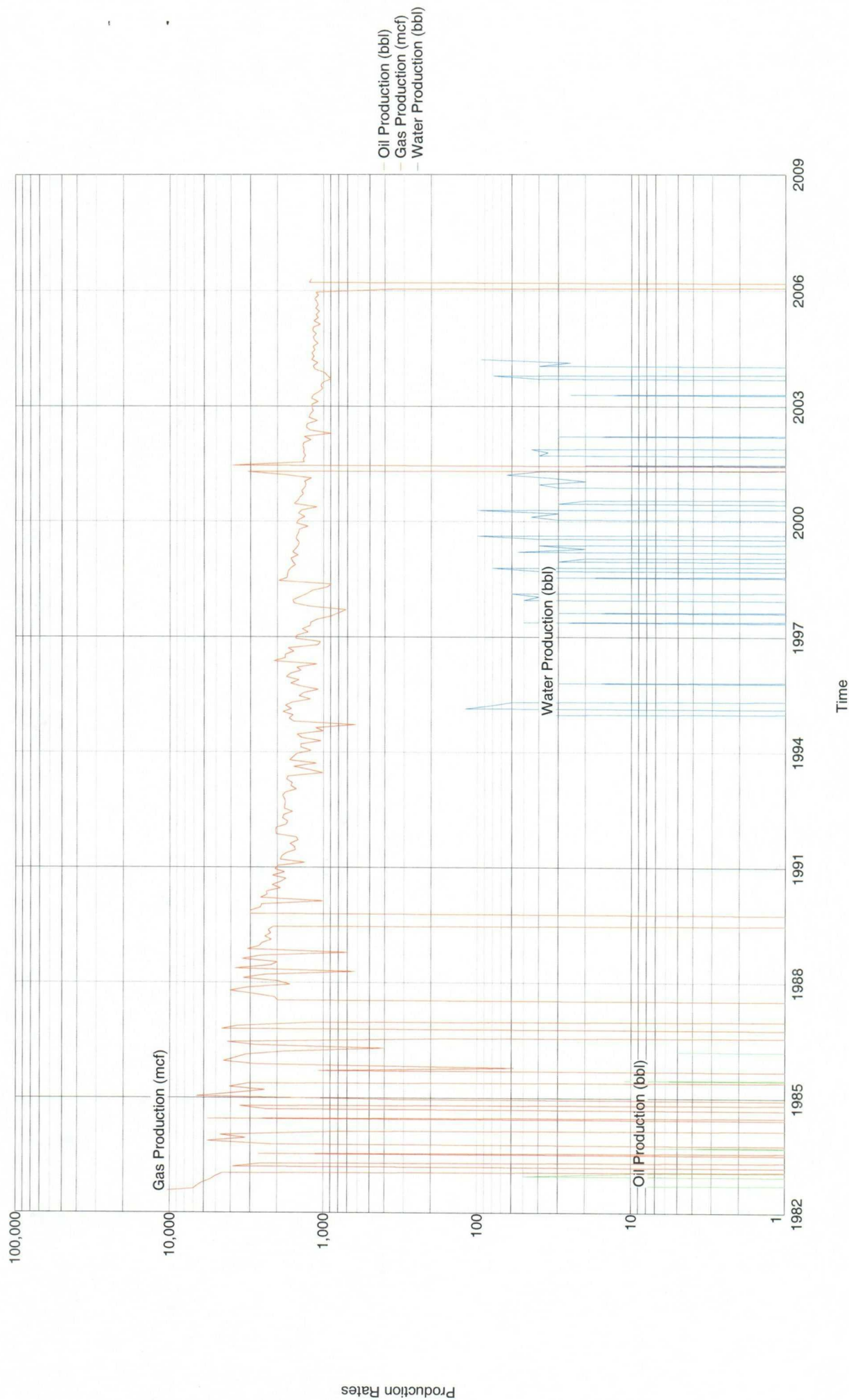
Lease Name: SAN JUAN 32 8 UNIT
County, State: SAN JUAN, NM
Operator: CONOCOPHILLIPS COMPANY
Field: ALBINO
Reservoir: PICTURED CLIFFS
Location: 14 32N 8W SW NE SW

SAN JUAN 32 8 UNIT - ALBINO



Lease Name: SAN JUAN 32 8 UNIT
County, State: SAN JUAN, NM
Operator: CONOCOPHILLIPS COMPANY
Field: BLANCO
Reservoir: MESAVERDE
Location: 14 32N 8W SW NE SW

SAN JUAN 32 8 UNIT - BLANCO



San Juan 32-8 #45 Monthly Production

Month	Total Well Production	Pictured Cliffs Production	Days Produced	Pictured Cliffs Daily	Mesaverde Production	Days Produced	Mesaverde Daily	Mesaverde %
Jan-04	9,122	7923	31	256	1199	31	39	13%
Feb-04	9,188	8064	29	278	1124	29	39	12%
Mar-04	9,622	8395	31	271	1227	31	40	13%
Apr-04	9,318	8134	30	271	1184	30	39	13%
May-04	9,542	8317	31	268	1225	31	40	13%
Jun-04	9,261	8091	30	270	1170	30	39	13%
Jul-04	9,385	8181	31	264	1204	31	39	13%
Aug-04	9,173	8053	31	260	1120	31	36	12%
Sep-04	9,337	8161	30	272	1176	30	39	13%
Oct-04	9,316	8118	31	262	1198	31	39	13%
Nov-04	8,622	7477	30	249	1145	30	38	13%
Dec-04	8,839	7629	31	246	1210	31	39	14%
Jan-05	8,966	7763	31	250	1203	31	39	13%
	119,691	104,306		263	15,385		39	13%

Pictured Cliffs Production = 104,306 MCF
 Mesaverde Production = 15,385 MCF
 Total Production both zones = 119,691 MCF

Avg PC contribution from 1/04 thru 1/05 & recommended future fixed allocation = **87%**
 Avg MV contribution from 1/04 thru 1/05 & recommended future fixed allocation = **13%**

Note: 100% of the condensate production should be allocated to the Pictured Cliffs

