

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



2978

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:

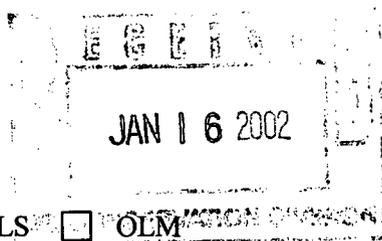
- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance 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.

PEGGY COLE
 Print or Type Name

Peggy Cole
 Signature

Reg. Supr.
 Title

1-15-02
 Date

peggy@br-inc.com
 e-mail Address

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

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

X Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

BURLINGTON RESOURCES OIL & GAS COMPANY

PO BOX 4289, FARMINGTON, NM 87499

Operator

Address

Nye Federal

1M

E-08-29N-10W

SAN JUAN

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 14538

Property Code 7367

API No. 30-045-30798

Lease Type: X Federal

State

Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	OTERO CHACRA	BLANCO MESAVERDE	BASIN DAKOTA
Pool Code	82329	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	WILL BE SUPPLIED UPON COMPLETION	WILL BE SUPPLIED UPON COMPLETION	WILL BE SUPPLIED UPON COMPLETION
Method of Production (Flowing or Artificial Lift)	FLOWING	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)	475 PSI - CURRENT 1214 PSI - ORIGINAL (see attachment)	764 PSI - CURRENT 1605 PSI - ORIGINAL (see attachment)	568 PSI - CURRENT 2475 PSI - ORIGINAL (see attachment)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1192	1237	1285
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone
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: Rates:	Date: Rates:	Date: Rates:
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 % WILL BE SUPPLIED UPON COMPLETION	Oil % Gas % WILL BE SUPPLIED UPON COMPLETION	Oil % Gas % WILL BE SUPPLIED UPON COMPLETION

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.
- 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 *JACK KEAN* for DAS TITLE Production Engineer DATE 1/11/02

TYPE OR PRINT NAME JACK KEAN TELEPHONE NO. (505) 326-9700

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

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30798		*Pool Code 72319/71599/82329		*Pool Name Blanco Mesaverde/Basin Dakota/Otero Chacra	
*Property Code 7367		*Property Name NYE FEDERAL			*Well Number IM.
*GRID No. 14538		*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP			*Elevation 5747'

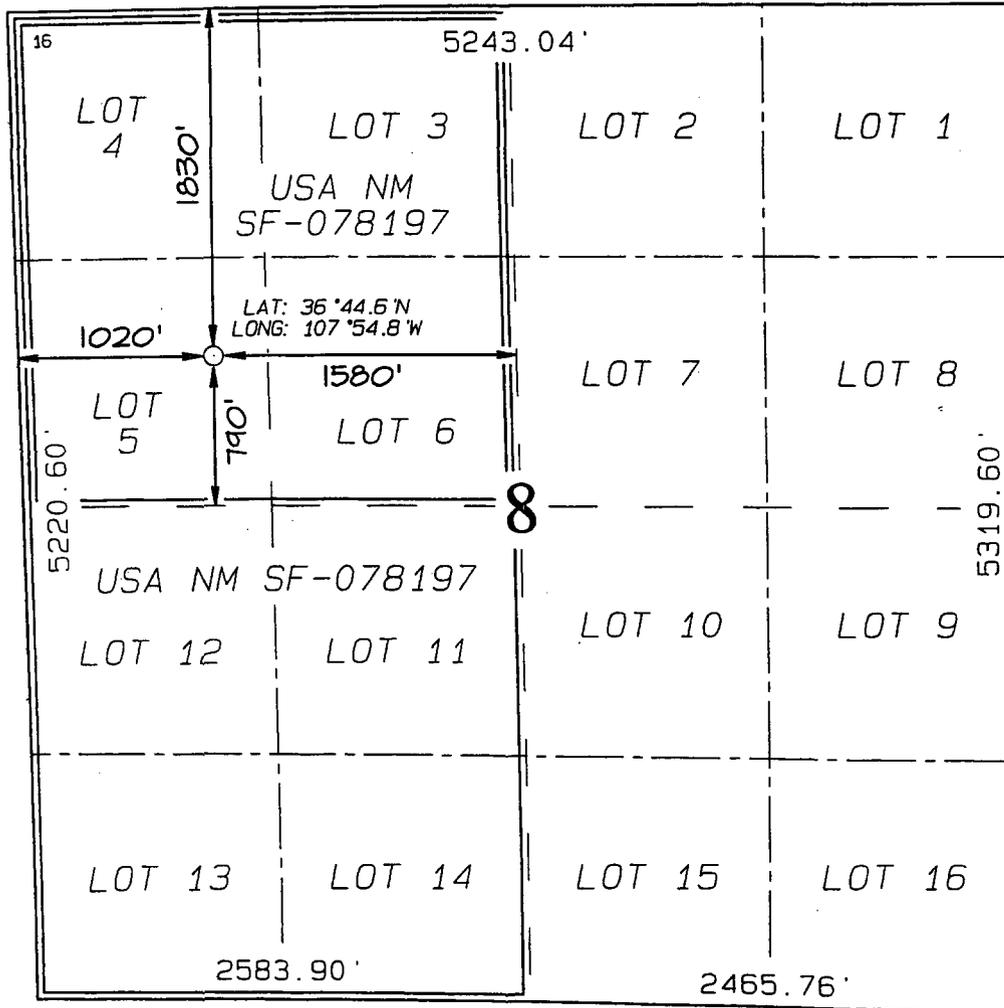
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	29N	10W		1830	NORTH	1020	WEST	SAN JUAN

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
¹² Dedicated Acres MV/DK: W/312.94 Cha: NW/157.28									
¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.					

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



¹⁷ OPERATOR CERTIFICATION

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

Peggy Cole
Signature

Peggy Cole
Printed Name
Regulatory Supervisor
Title

1-15-02
Date

¹⁸ SURVEYOR CERTIFICATION

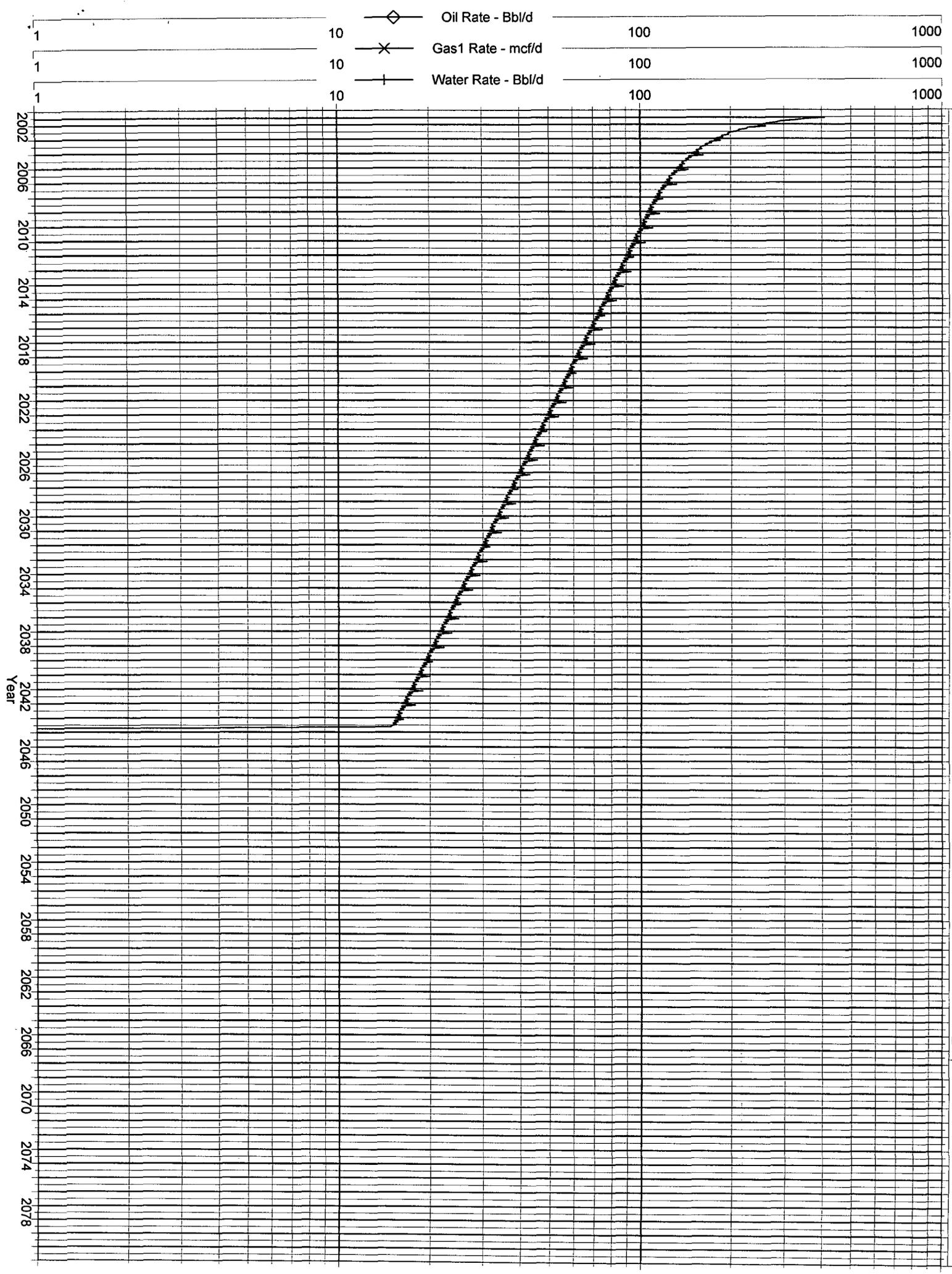
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

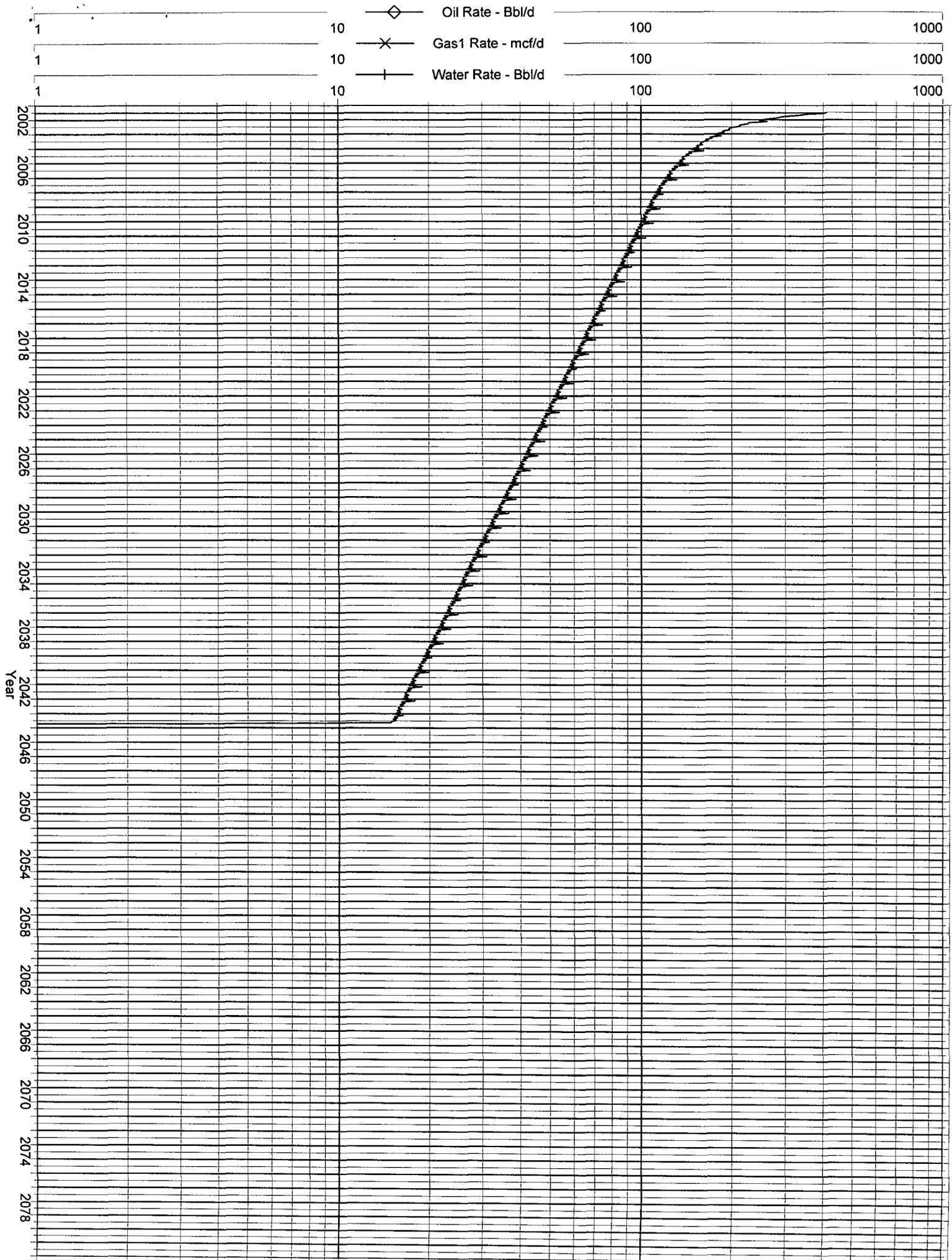
JUNE 12, 2001
Date of Survey

Signature and Seal of Professional Surveyor



Certificate Number 6857

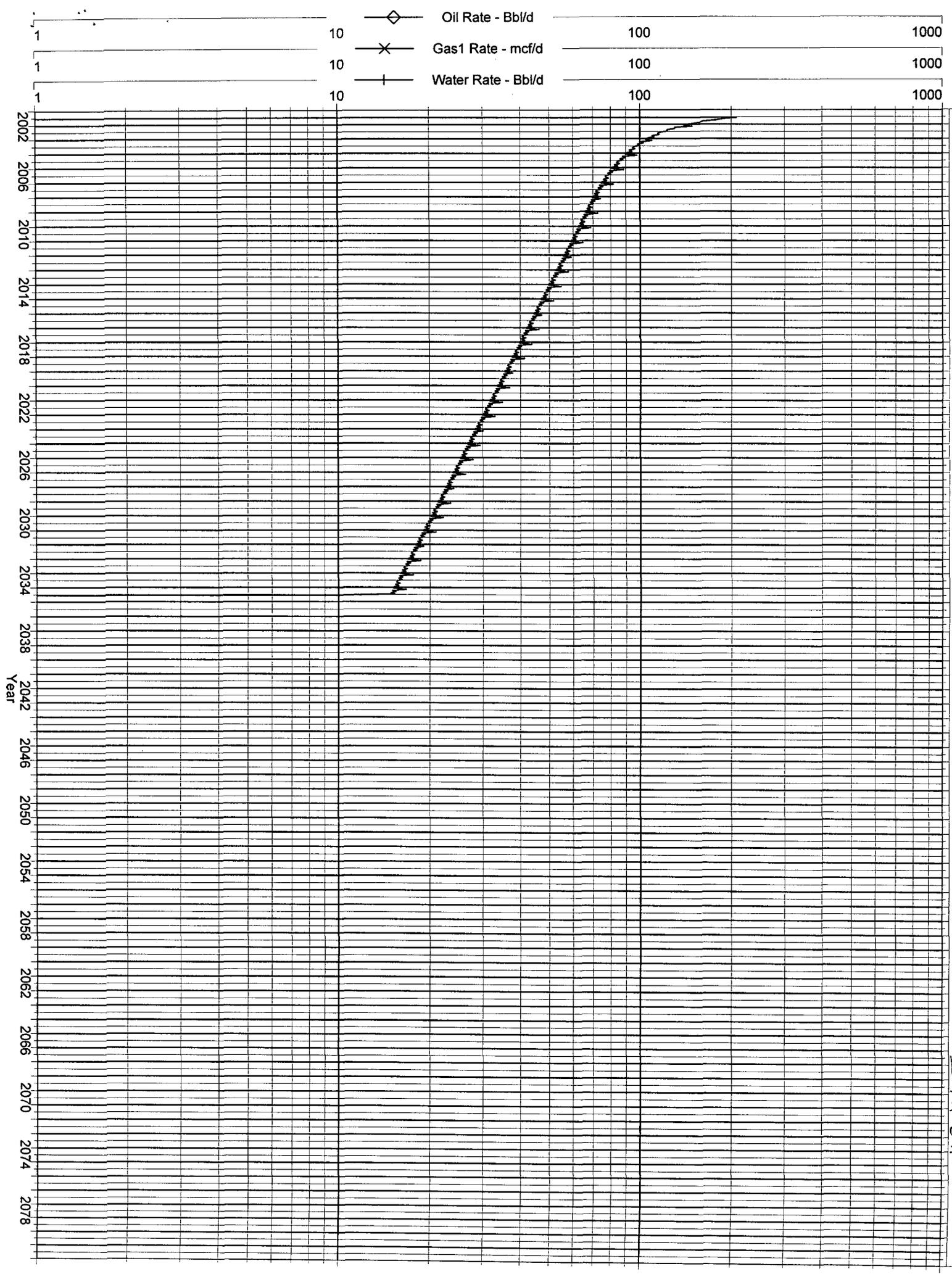




{51DD64D5-0904-11D6-9980-0090274E66C8} Data: Jan.2002-Jan.2002

MESA VERDOK

DAKOTA



Ross Federal #1
 Bottom Hole Pressures
 Flowing and Static BHP
 Cullender and Smith Method
 Version 1.0 3/13/94

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Ross Federal #1
 Bottom Hole Pressures
 Flowing and Static BHP
 Cullender and Smith Method
 Version 1.0 3/13/94

Dakota	
<u>DK-Current</u>	
GAS GRAVITY	0.74
COND. OR MISC. (C/M)	C
%N2	0.31
%CO2	0.49
%H2S	0
DIAMETER (IN)	1.25
DEPTH (FT)	6525
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	475
BOTTOMHOLE PRESSURE (PSIA)	568.0
<u>DK-Original</u>	
GAS GRAVITY	0.74
COND. OR MISC. (C/M)	C
%N2	0.31
%CO2	0.49
%H2S	0
DIAMETER (IN)	1.25
DEPTH (FT)	6525
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1979
BOTTOMHOLE PRESSURE (PSIA)	2475.1

BURLINGTON RESOURCES

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Nye Federal #1M
SWNW, Section 8, T-29-N, R-10-W
30-045-30798
San Juan County, New Mexico

Gentlemen:

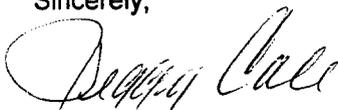
The above referenced well is a Chacra/Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on May 2, 2002. DHC-2978 was issued for this well.

Gas:	Chacra	15%
	Mesa Verde	55%
	Dakota	30%

Oil:	Chacra	15%
	Mesa Verde	55%
	Dakota	30%

These percentages are based upon isolated flow test from the Mesaverde, Dakota and Chacra during completion operations. Oil was not present during flow test operations. For that reason, oil percentages are based upon gas allocation and are provided in the event this wellbore begins producing oil at some point in the future. Please let me know if you have any questions.

Sincerely,



Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

Nye Federal 1M
(Mesaverde/Dakota/Chacra) Commingle
Unit E, 8-T29N-R10W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 1163 MCFD & 0 BO

Separator test from Dakota = 617 MCFD & 0 BO

Separator test from Chacra = 311 MCFD & 0 BO

GAS:

$$\frac{(MV) 1163 \text{ MCFD}}{(MV/ CH/ DK) 2091 \text{ MCFD}} = (MV) \% \text{ Mesaverde 55%}$$

$$\frac{(DK) 617 \text{ MCFD}}{(MV/ CH/ DK) 2091 \text{ MCFD}} = (DK) \% \text{ Dakota 30%}$$

$$\frac{(CH) 311 \text{ MCFD}}{(MV/ CH/ DK) 2091 \text{ MCFD}} = (CH) \% \text{ Chacra 15%}$$

OIL:

$$\frac{(MV) 0 \text{ BO}}{(MV/ CH/ DK) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 55%}$$

$$\frac{(DK) 0 \text{ BO}}{(MV/ CH/ DK) 0 \text{ BO}} = (DK) \% \text{ Dakota 30%}$$

$$\frac{(CH) 0 \text{ BO}}{(MV/ CH/ DK) 0 \text{ BO}} = (CH) \% \text{ Chacra 15%}$$

DHC-2978



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
NMSF 077648, et al. (wc)
3162.7 (07100)

May 21, 2002

Ms. Peggy Cole
Burlington Resources
PO Box 4289
Farmington, NM 87499

RE: Accept downhole commingle applications and allocation factors

Dear Ms. Cole:

The following wells were reviewed for downhole commingling. After reviewing the production history for these wells, we concur with the allocation factors established in your application. The effective date is the date that downhole commingling actually occurs. The wells and the approved allocation factors are listed below.

Well Name	Lease	Location	API#	Formation Allocation	Formation Allocation	Formation Allocation
Davis #8E	SF 077648	Sec 11, T31N, R12W	3004523759	NA	MV gas 52% Oil 0%	DK gas 48% Oil 100%
Davis #9E	SF 077648	Sec 12, T31N, R12W	3004523982	PC gas 5% Oil 0%	MV gas 72% Oil 0%	DK gas 23% Oil 100%
Nye SRC #13	SF 078198	Sec 12, T30N, R11W	3004509757	NA	MV gas 65% Oil 0%	DK gas 35% Oil 100%
Nye Federal #1M	SF 078197	Sec 8, T29N, R10W	3004530798	CH gas 15% Oil 15%	MV gas 55% Oil 55%	DK gas 30% Oil 30%

If you have any questions, please contact Adrienne Garcia at (505) 599-6358 or the undersigned with this office at (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Lead, Petroleum Management Team

cc: NMOCD, Santa Fe, NM
NMOCD, Aztec, NM