

DATE 3/13/02	SUPERVISOR NA	ENGINEER WJ	LOGGED IN W	TYPE DHC	PKRV APP NO. 0207455715
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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.

D. Marberry
Print or Type Name

D. Marberry
Signature

Regulatory Analyst
Title Date 3/12/02

deborah.a.marberry@conoco.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 68240

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

☒ Established Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC.

P.O. BOX 2197 DU 3084HOUSTONTX77252

Operator

Address

San Juan 28-7 Unit

244

M727N7W

Rio Arriba

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 005073 Property Code 016608 API No. 30-039-21083 Lease Type ☒ 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)	3941 - 4462	4680 - 5488	7328 - 7578
Method of Production (Flowing or Artificial Lift)	expected to flow	expected to flow	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)	540 psi (approx)	560 psi (approx)	880 psi (approx)
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-in or New Zone	new zone	new zone	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 astimates and supporting data.)	Date: Rates:	Date: Rates:	Date: 03/05/2002 Rates: 40mcf (approx)
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or part production, supporting data or explanation will be required.)	Oil Gas test % % %	Oil Gas test % % %	Oil Gas subtraction % % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingling 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 commingling 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: R 10476B R 11363

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 Deborah Marberry TITLE REGULATORY ANALYST DATE 02/28/2002

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-21083		² Pool Code 82329		³ Pool Name Otero Chacra	
⁴ Property Code 016608		⁵ Property Name San Juan 28-7 Unit			⁶ Well Number 244
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation

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
M	7	27N	7W		1090	south	990	west	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

¹² Dedicated Acres	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

¹⁶ 				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature DEBORAH MARBERRY Printed Name REGULATORY ANALYST Title 02/28/2002 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-21083		² Pool Code 72319		³ Pool Name Blanco Mesaverde	
⁴ Property Code 016608		⁵ Property Name San Juan 28-7 Unit			⁶ Well Number 244
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation

¹⁰ Surface Location

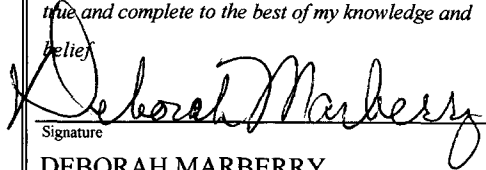
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	7	27N	7W		1090	south	990	west	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-21083		² Pool Code 71599		³ Pool Name Basin Dakota	
⁴ Property Code 016608		⁵ Property Name San Juan 28-7 Unit			⁶ Well Number 244
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation

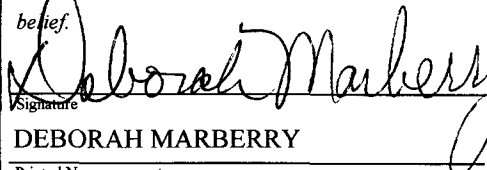
¹⁰ Surface Location

UL or lot no. M	Section 7	Township 27N	Range 7W	Lot Idn	Feet from the 1090	North/South line south	Feet from the 990	East/West line west	County Rio Arriba
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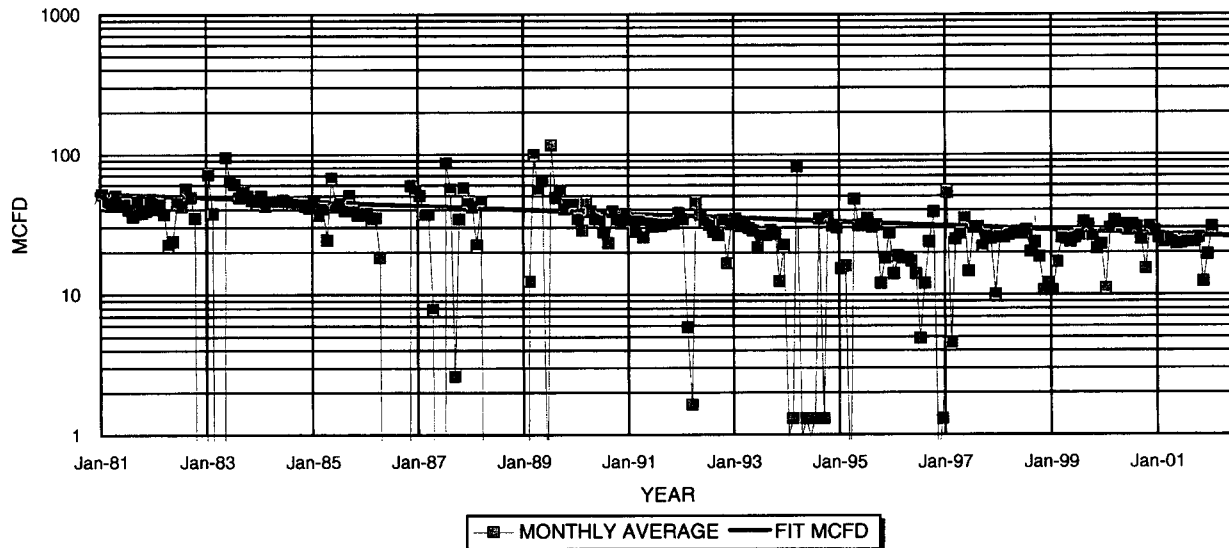
¹¹ Bottom Hole Location If Different From Surface

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 ¹³ Joint or Infill ¹⁴ Consolidation Code ¹⁵ Order No.									

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**SJ 28-7 #244 DAKOTA PRODUCTION
SECTION 07-27N-07W, RIO ARriba COUNTY, NEW MEXICO**



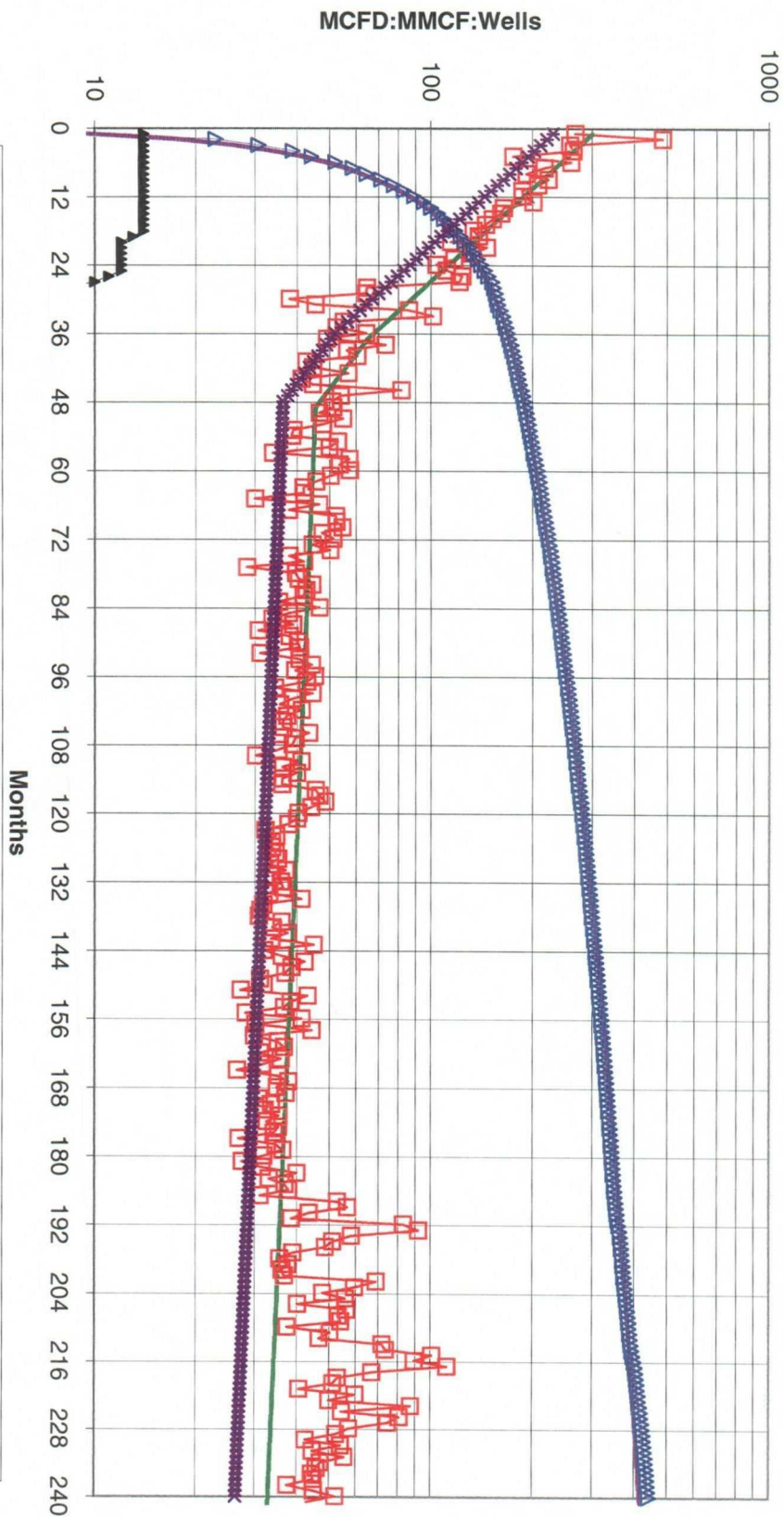
DAKOTA PRODUCTION		1ST PROD: 07/75	DAKOTA PROJECTED DATA	
OIL CUM:	3.09	MBO	Jan '01 Qi:	27 MCFD
GAS CUM:	398.1	MMCF	DECLINE RATE:	3.2% (EXPONENTIAL)
OIL YIELD:	7.7626	BBL/MMCF	API #30-039-21083	

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NOTE: Decline rate is approximately 3.2%/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 PEEP.

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
2001	27	0.2
2002	26	0.2
2003	25	0.2
2004	24	0.2
2005	24	0.2
2006	23	0.2
2007	22	0.2
2008	21	0.2
2009	21	0.2
2010	20	0.2
2011	19	0.2
2012	19	0.1
2013	18	0.1
2014	18	0.1
2015	17	0.1
2016	16	0.1
2017	16	0.1
2018	15	0.1
2019	15	0.1
2020	14	0.1
2021	14	0.1
2022	14	0.1
2023	13	0.1
2024	13	0.1
2025	12	0.1
2026	12	0.1
2027	12	0.1
2028	11	0.1
2029	11	0.1
2030	10	0.1
2031	10	0.1

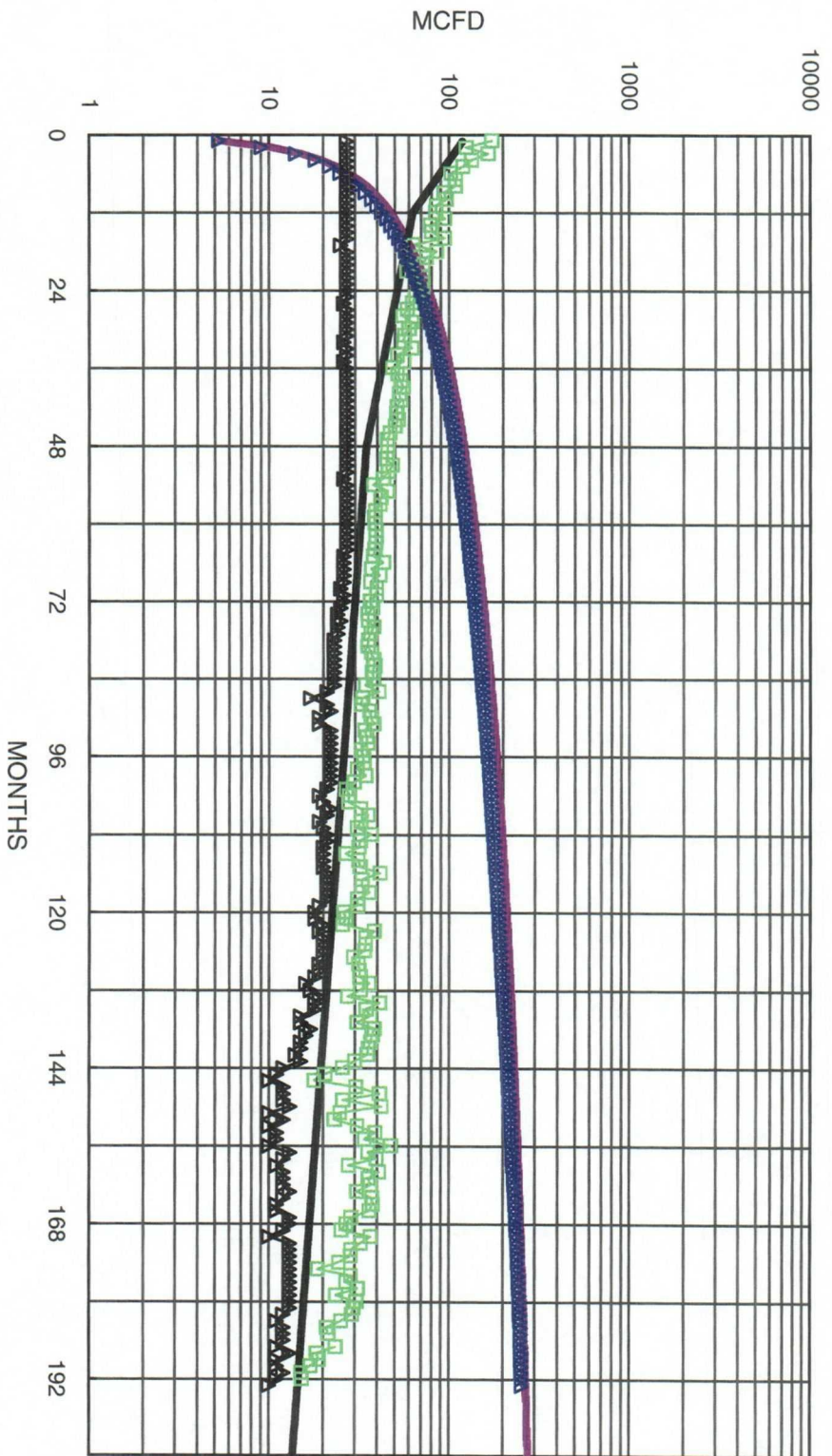
NORMALIZED MESAVERDE PRODUCTION 14 MV WELLS LOCATED ON TREND IN 27-7 SECTIONS 4,5,9,10 AND 28-7 SECTIONS 31,32



NORMALIZED AVG:		RISKED AVG:	
736	MMCF EUR	535	MMCF EUR
415	MMCF IN 20 YRS	489	MMCF IN 40 YRS
611	MMCF IN 40 YRS	15	MMCF E.L.
15	MMCF E.L.	0.0060	bbl/mcf oil yield
0.0060	bbl/mcf oil yield	20% RISK	
300	MMCF IP	240	MMCF IP
40.0%	DECLINE, 1ST 36 MONTHS	40.0%	DECLINE, 1ST 36 MONTHS
30.0%	DECLINE, NEXT 12 MONTHS	30.0%	DECLINE, NEXT 12 MONTHS
2.0%	FINAL DECLINE	2.0%	FINAL DECLINE

27-7 wells 81, 84, 95, 106X, 145M, 156M, 214M, 215M. 28-7 wells 68, 77, 105, 229, 243, 251.

NORMALIZED CHACRA PRODUCTION
PROD. SINCE 1980; 27 CH WELLS LOCATED IN 28N-7W



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

NORMALIZED AVG:

321 MMCF EUR
 321 MMCF/25.4YRS
 10 MCFD E.L.
 0.000012 bbl/mcf oil yield

RISKED AVG:

30% RISK

180 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 18% DECLINE, NEXT 36 MONTHS
 7% FINAL DECLINE

210 MMCF EUR
 210 MMCF/20.5 YRS
 10 MCFD E.L.
 0.000012 bbl/mcf oil yield

126 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 18% DECLINE, NEXT 36 MONTHS
 7% FINAL DECLINE