

DATE 10/29/02	SUSPENSE NA	ENGINEER	LOGGED IN KW	TYPE DHC	APP NO. 230449928
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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.

Deborah L. Marberry Deborah Marberry Reg. Analyst 10/25/02
 Print or Type Name Signature Title Date
 Deborah L. Marberry@nmdco.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
X Established Pre-Approved Pools
EXISTING WELLBORE
X Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC. P.O. BOX 2197 WL3 3044 HOUSTON TX 77252
Operator Address
SAN JUAN 28-7 UNIT 59A P SEC29 T28N R7W RIO ARRIBA
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 005073 Property Code 016608 API No. 30-039-25666 Lease Type X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL	SOUTH BLANCO P.C.	BLANCO MESAVERDE
Pool Code	71629	72349	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3193' - 3240'	3230' - 3275'	4908' - 5585'
Method of Production (Flowing of 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)	470	380	300
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 estimates and supporting data.)	Date: Rates: ATTACHED	Date: Rates: ATTACHED	Date: Rates: ATTACHED
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 See % attached

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 X
Yes No X
Are all produced fluids from all commingling zones compatible with each other?
Yes X No
Will commingling decrease the value of production?
Yes No X
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 X No

NMOCD Reference Case No. applicable to this well: R-11363 R-10476B

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 10/24/2002
TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. (832) 486-2326

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
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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 30-039-25666		² Pool Code 72439		³ Pool Name BLANCO PC SOUTH		
⁴ Property Code 016608		⁵ Property Name SAN JUAN 28-7 UNIT			⁶ Well Number 59A	
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation 6120	

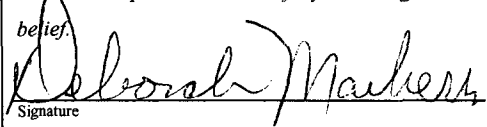
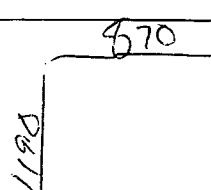
¹⁰ Surface Location

UL or lot no. P	Section 29	Township 28N	Range 7W	Lot Idn	Feet from the 1190	North/South line SOUTH	Feet from the 870	East/West line EAST	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 E/2	¹³ Joint or Infill I	¹⁴ Consolidation Code 7		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 10/24/2002 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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⁴ Property Code 016608		⁵ Property Name SAN JUAN 28-7 UNIT			⁶ Well Number 59A
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation 6120

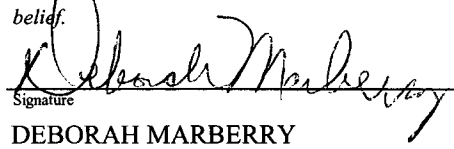
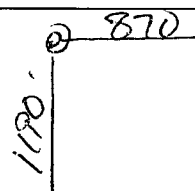
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⁴ Property Code 016608	⁵ Property Name SAN JUAN 28-7 UNIT	⁶ Well Number 59A
⁷ OGRID No. 005073	⁸ Operator Name CONOCO, INC.	⁹ Elevation 6120

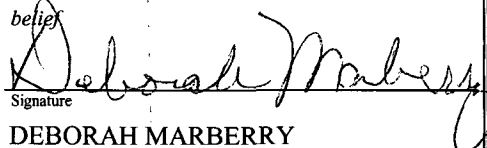
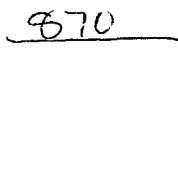
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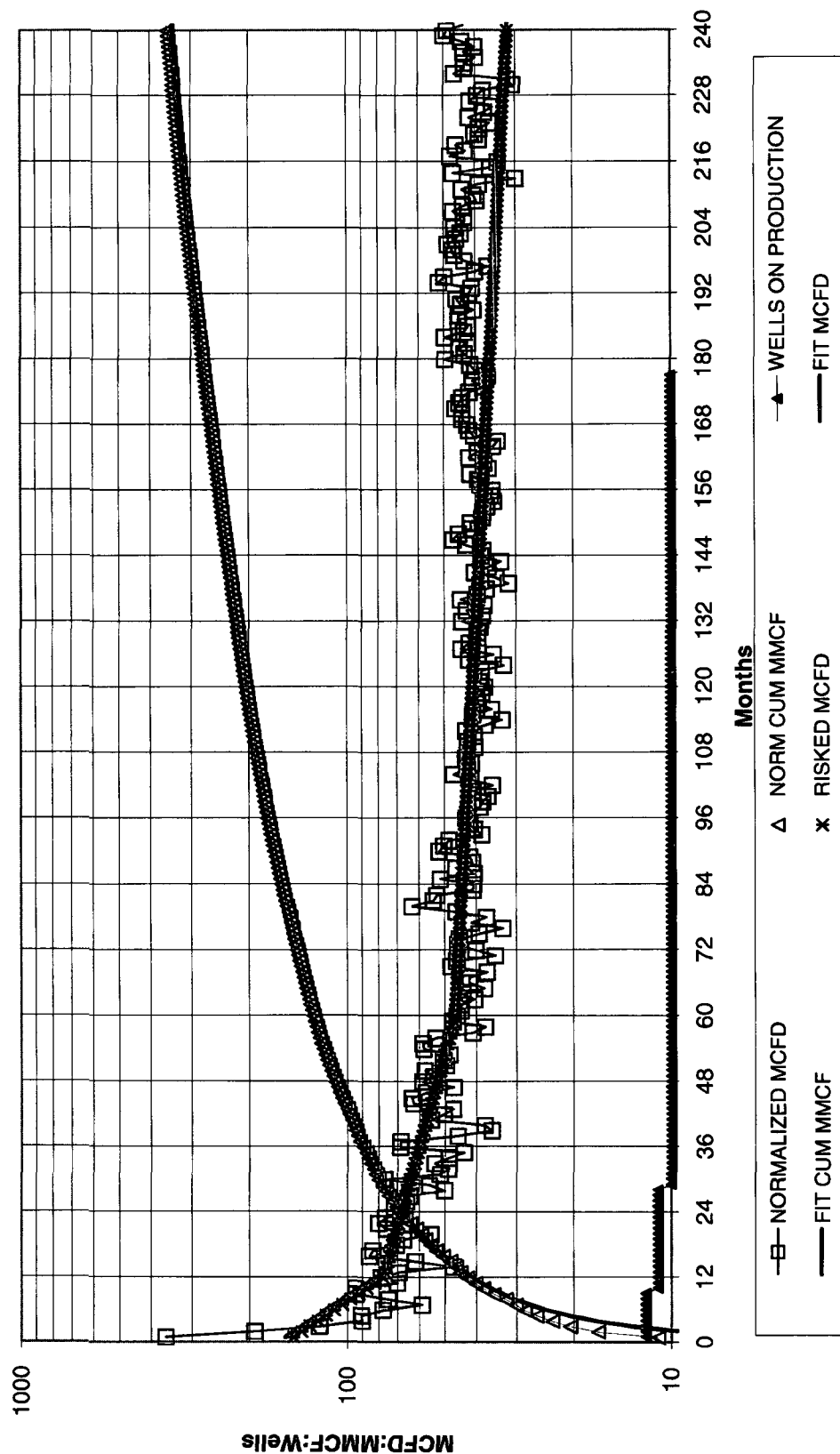
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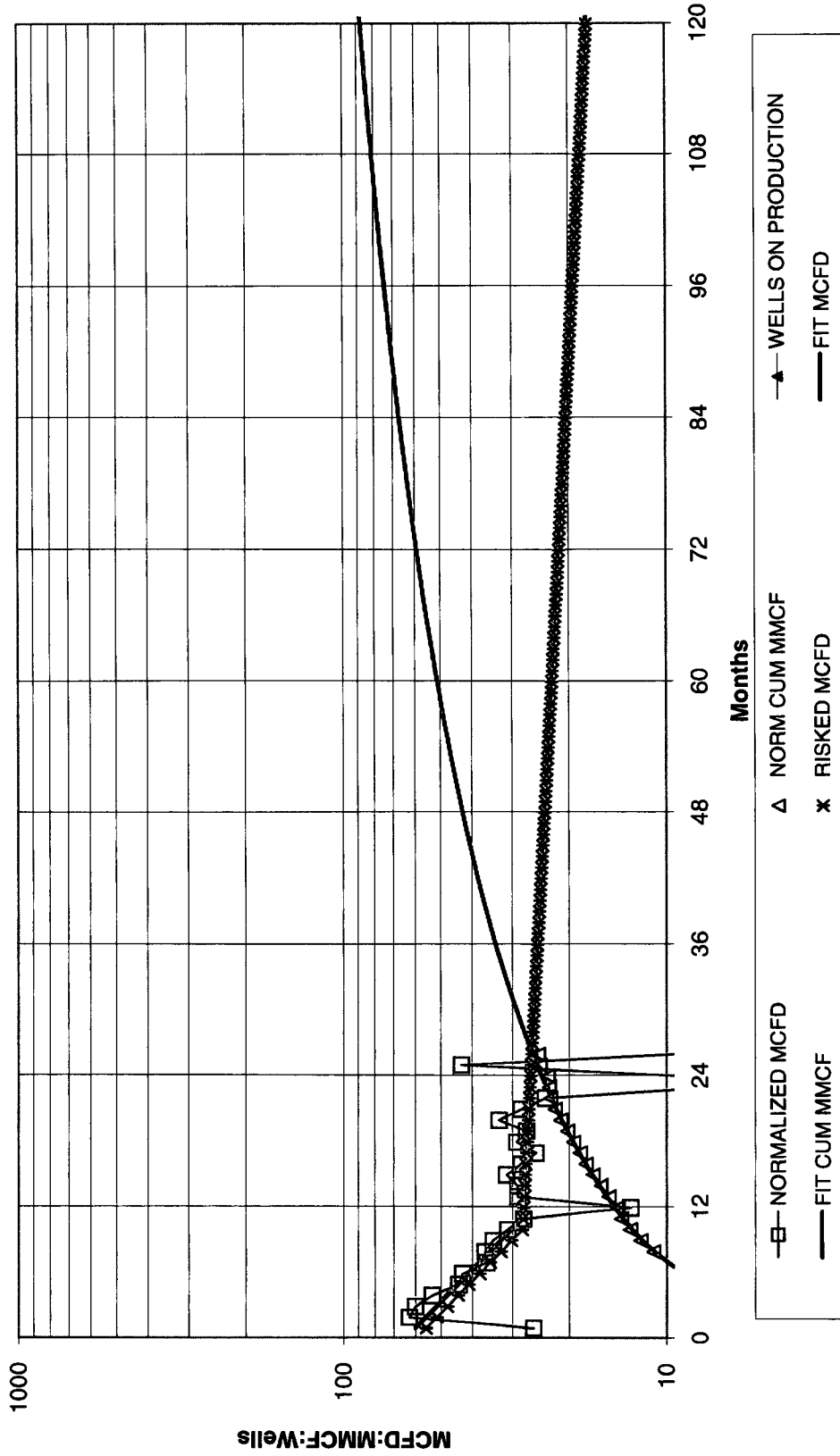
NORMALIZED PICTURED CLIFFS PRODUCTION WELLS LOCATED IN 28-7 SECTIONS 15, 22, 27, 33, 34, 35 AND 36



NORMALIZED AVG:	
655 MMCF EUR	155 MCFD IP
342 MMCF IN 20 YRS	50.0% DECLINE, 1ST 12 MONTHS
523 MMCF IN 40 YRS	12.0% DECLINE, NEXT 48 MONTHS
10 MCFD E.L.	2.5% FINAL DECLINE
0.0000 bbl/mcf oil yield	

Wells 28-7 1, 7, 10, 52, 71, 72, 75, 76, 91, 114, 266, 267.

LOW RATE FRUITLAND COAL PRODUCTION 6 WELLS LOCATED IN 28-7 AND 27-7



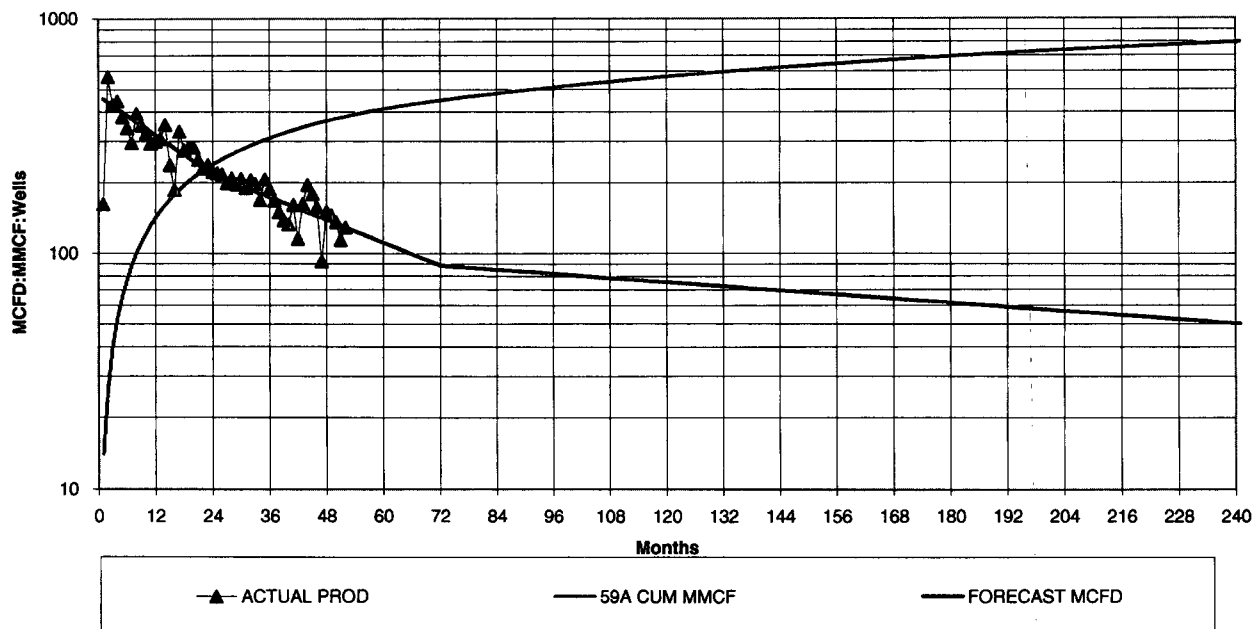
NORMALIZED AVG:

141 MMCF EUR
138 MMCF IN 20 YRS
185 MMCF IN 40 YRS
10 MCFD E.L.
0.0000 bbl/mcf oil yield

60 MCFD IP
60.0% DECLINE, 1ST 12 MONTHS
5.0% FINAL DECLINE

28-7 wells 7, 10, 68, 146, 161, 27-7 well 35.

**SAN JUAN 28-7 UNIT #59A MESAVERDE PRODUCTION
SECTION 29-28N-07W, RIO ARRIBA, NEW MEXICO**



59A ESTIMATED PRODUCTION:

1116 MMCF EUR	472 MCFD IP
1051 MMCF IN 40 YRS	32.0% DECLINE, FIRST 24 MONTHS
15 MCFD E.L.	20.0% DECLINE, NEXT 48 MONTHS
0.0068 bbl/mcf oil yield	4.0% FINAL DECLINE

Year	Mid Year Avg Gas Production MCF/DAY	Mid Year Avg Oil Production STB/DAY
2002	116.2	0.7
2003	93.9	0.6
2004	86.4	0.5
2005	83.0	0.5
2006	79.6	0.5
2007	76.5	0.5
2008	73.4	0.4
2009	70.5	0.4
2010	67.6	0.4
2011	64.9	0.4
2012	62.3	0.4
2013	59.8	0.4
2014	57.4	0.3
2015	55.2	0.3
2016	52.9	0.3
2017	50.8	0.3
2018	48.8	0.3
2019	46.8	0.3
2020	45.0	0.3
2021	43.2	0.3
2022	41.4	0.2
2023	39.8	0.2
2024	38.2	0.2
2025	36.7	0.2
2026	35.2	0.2
2027	33.8	0.2
2028	32.4	0.2
2029	31.1	0.2
2030	29.9	0.2