

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

State of New Mexico  
Energy, Minerals, and Natural Resources Department

Form C-107A  
Revised May 15, 2000

District II  
811 South First Street, Artesia, NM 88210

OIL CONSERVATION DIVISION

APPLICATION TYPE

District III  
1000 Rio Brazos Road, Aztec, NM 87410

2040 South Pacheco  
Santa Fe, New Mexico 87505

Single Well  
 Established Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

District IV  
2040 South Pacheco, Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address P. O. Box 2197, WL3 - 3044 Houston TX 77252-2197  
STATE COM AD 26E I Sec. 36 T29N R11W SAN JUAN  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 005073 Property Code 003256 API No. 30-045-23744 Lease Type  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Otero Chacra	Armenta Gallup	Basin Dakota
Pool Code	82329	2290	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2850 - 2970	5410 - 5778	6281 - 6456
Method of Production (Flowing of Artificial Lift)	expected to flow	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)	900	1100	1250
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1100 btu	1250 btu	1150 btu
Producing, Shut-in or New Zone	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: Rates:	Date: 08/15/2002 Rates: 121 mcf/d	Date: 08/15/2002 Rates: 13 mcf/d
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 % Subtractim Method	Oil % Gas % Established Decline	Oil % Gas % Established Decline

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingling zones? Yes  No   
If not, have all working royalty and overriding royalty interest owners been notified by certified mail? 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: This well was previously approved for DHC with DHC #425AZ.

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 10/08/2002  
TYPE OR PRINT NAME Deborah Marberry TELEPHONE NO. (832)486-2326

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		

Total P: Virginia Whiting

Sent To: STATECOM COM AD #26  
 P.O. Box 1677  
 Temecula, CA. 92593-1677

PS Form 3800, January 2001 See Reverse for Instructions

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Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		

Total Pos: Doris M. Cooley

Sent To: The Commodore Room 812  
 STATECOM COM AD #26  
 3100 Lake Mendota Dr.  
 Madison, WI. 53705-1481

PS Form 3800, January 2001 See Reverse for Instructions

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Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		

Total Post: Comm. of Public Lands

Sent To: State of New Mexico  
 STATECOM COM AD #26  
 P.O. Box 1148  
 Santa Fe, NM. 87504-1148

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service  
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Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		

Total P: Tema Oil & Gas Company

Sent To: STATECOM COM AD #26 P.O.  
 Box 201296  
 Dallas, TX. 75320-1296

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Total P: Conoco A/C (STATECOM Com AD 26)

Sent To: Attn: Kathleen B Lipkins  
 812 Park Ave #4A  
 New York, NY. 10021-2759

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service  
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Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		

Total Posta: Conoco A/C Atwell & Co.

Sent To: C/O U.S. Tr. Stn. Co. of NY  
 STATECOM COM AD #26  
 Box 456 Wall Street  
 New York, NY. 10005

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service  
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Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		

Total: Conoco/A/C

Sent To: STATECOM COM AD #26  
 Attn: Shirley Bernstein  
 654 Madison Avenue  
 New York, NY. 10021-8404

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service  
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**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		

Total: STATECOM AD #26

Sent To: Shriners Hospitals for Children  
 P.O. Box 31169  
 Tampa, FL. 33631-3169

PS Form 3800, January 2001 See Reverse for Instructions

DATE IN 10/11/02	SUSPENSE N/A	ENGINEER	LOGGED IN KN	TYPE DHC	APP NO. 229026114
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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]**

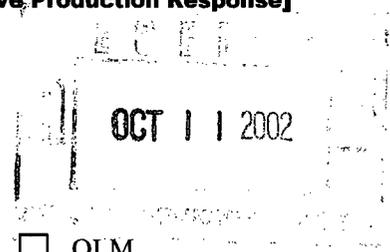
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

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 Marberry / Deborah Marberry / Regulatory Analyst / 10/10/02  
 Print or Type Name / Signature / Title / Date  
 Deborah.A.Marberry@conoco.com  
 e-mail Address

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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

<sup>1</sup> API Number 30-045-23744		<sup>2</sup> Pool Code 71599		<sup>3</sup> Pool Name BASIN DAKOTA	
<sup>4</sup> Property Code 003256		<sup>5</sup> Property Name STATE COM AD			<sup>6</sup> Well Number 26E
<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
I	36	29N	11W		1510'	SOUTH	830'	EAST	SAN JUAN

<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 314.43	<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code	<sup>15</sup> 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					<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Deborah Marberry</i> Signature</p> <p>DEBORAH MARBERRY Printed Name</p> <p>REGULATORY ANALYST Title</p> <p>4/20/2001 Date</p>
					<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

830'

1510'

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-23744		<sup>2</sup> Pool Code 2290		<sup>3</sup> Pool Name ARMENTA GALLUP	
<sup>4</sup> Property Code 003256		<sup>5</sup> Property Name STATE COM AD			<sup>6</sup> Well Number 26E
<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
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830'

1510'

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-23744		<sup>2</sup> Pool Code 82329		<sup>3</sup> Pool Name Otero Chacra	
<sup>4</sup> Property Code 003256		<sup>5</sup> Property Name STATE COM AD			<sup>6</sup> Well Number 26E
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

<sup>10</sup> Surface Location

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					<p><sup>18</sup> 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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p>				

830'

1510'

## State Com AD 26E (30-045-23744): DHC ALLOCATION INFORMATION

The Dakota zone in the State Com AD 26E has been producing since 1981 and was on a steady decline before the Gallup was recompleted in 2001 and brought on-line in early 2002. Daily test information from the combined Gallup/Dakota flowstream has been gathered since February 2002, and a combined gas forecast for those zones is shown on the graph below. We are submitting the following subtraction table to allocate gas production for the proposed Chacra recompletion. No oil production is anticipated from the Dakota and will continue to be allocated as before.

**Subtraction Table**

Year	Mid-Year Rate, MCFD	
	Dakota	Chacra
2002	13	114
2003	12	81
2004	11	61
2005	11	48
2006	10	38
2007	10	31
2008	9	26
2009	9	22
2010	8	19
2011	8	17
2012	7	15
2013	7	13
2014	7	12
2015	6	11

### Production History: Current Zones

