



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

DHC-11681

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

| | | | |
|---------------------|--------------------|----------|-----------------|
| <u>CONOCO, INC.</u> | <u>SKAGGS B #7</u> | <u>B</u> | <u>12-20-37</u> |
| Operator | Lease & Well No. | Unit | S-T-R |

and my recommendations are as follows:

Recommend approval.

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed

NCT I
 1980, Hobbs, NM 88241 1980
 CT II
 uth First St. Artesia NM 88210 2835
 NCT III
 io Brazos Rd. Aztec, NM 87410 1693

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-107-A
 New 3-12-96

OIL CONSERVATION DIVISION

2040 S. Pacheco
 Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

onoco Inc. 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500
 Address

ggs B 7 B Sec 12 T-20-S, R-37-E Lea
 Well No Unit Ltr Sec Twp Rge County

ID NO. 005073 Property Code 003088 API NO. 30-025-28570 Spacing Unit Lease Types: (check 1 or more)
 Federal ☒ State ☐ (and/or) Fee ☐

| The following facts are submitted in support of downhole commingling: | Upper Zone | Intermediate Zone | Lower Zone |
|---|---------------------|-------------------|--|
| Pool Name and Pool Code | Monument Tubb 47090 | | Skaggs Drinkard 57000 |
| TOP and Bottom of Pay Section (Perforations) | 6374-6526' | | 6692-6939' |
| Type of production (Oil or Gas) | Oil | | Oil |
| Method of Production (Flowing or Artificial Lift) | Artificial lift | | Artificial Lift |
| Bottomhole Pressure | a (Current) | a. | a. |
| Oil Zones - Artificial Lift: Estimated Current | 1000 psi | | 1050 psi |
| Gas & Oil - Flowing: Measured Current | b(Original) | b. | b. |
| Oil Gas Zones: Estimated Or Measured Original | 2450 psi | | 2600 psi |
| Oil Gravity (*API) or Gas BT Content | 34.4 | | 37.8 |
| Producing or Shut-In? | Producing | | Shut-in |
| Production Marginal? (yes or no) | Yes | | Yes |
| If Shut-In give date and oil/gas/water rates of last production | Date Rates | Date Rates | Year average producing rates --- See attached table |
| For new zones with no production history applicant shall be required to attach production estimates and supporting data | | | |
| If Producing, date and oil/gas/water rates of recent test (within 60 days) | Date Rates | Date Rates | Date Rates |
| Incremental Production by Subtraction -- See attached data | | | |
| Fixed Percentage Allocation Formula - % for each zone | Oil: % Gas % | Oil: % Gas % | Oil: % Gas % |

If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
 If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
 Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No

Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)

Are all produced fluids from all commingled zones compatible with each others ☒ Yes ☐ No

Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).

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 all offset operators.
- * Notification list of working, overriding and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE x Jerry W. Hoover TITLE Sr. Conservation Coord DATE Sept. 2, 1997
 TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

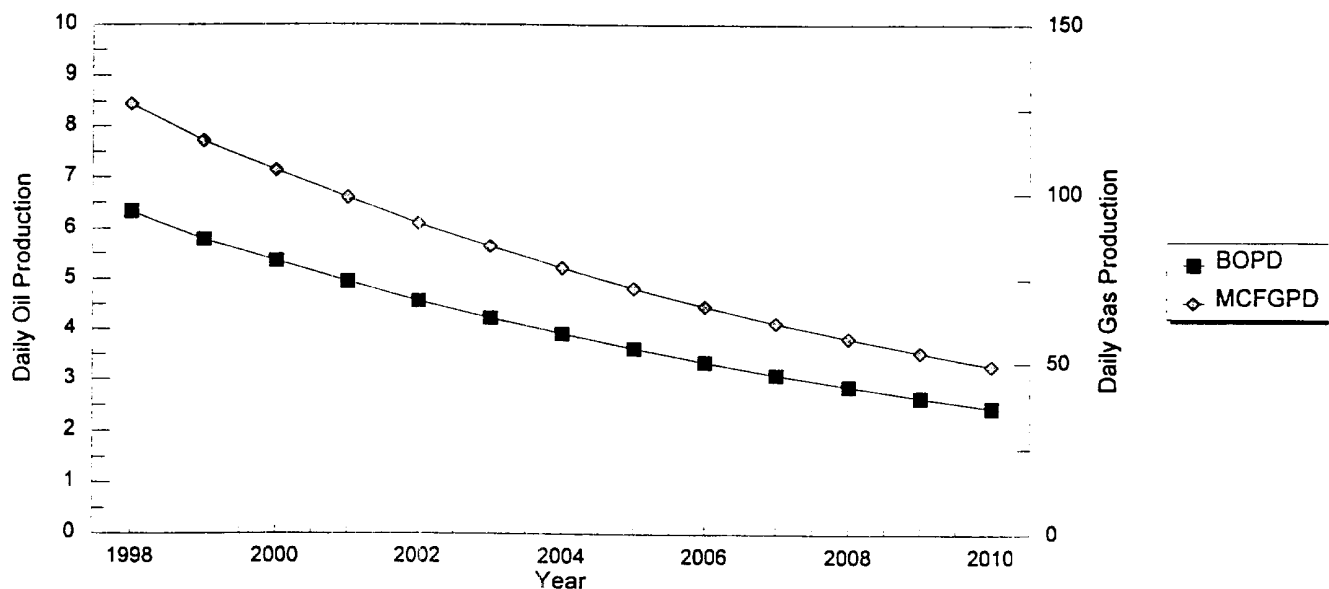
DRINKARD PRODUCTION FORECAST

Skaggs B No. 7 - Drinkard

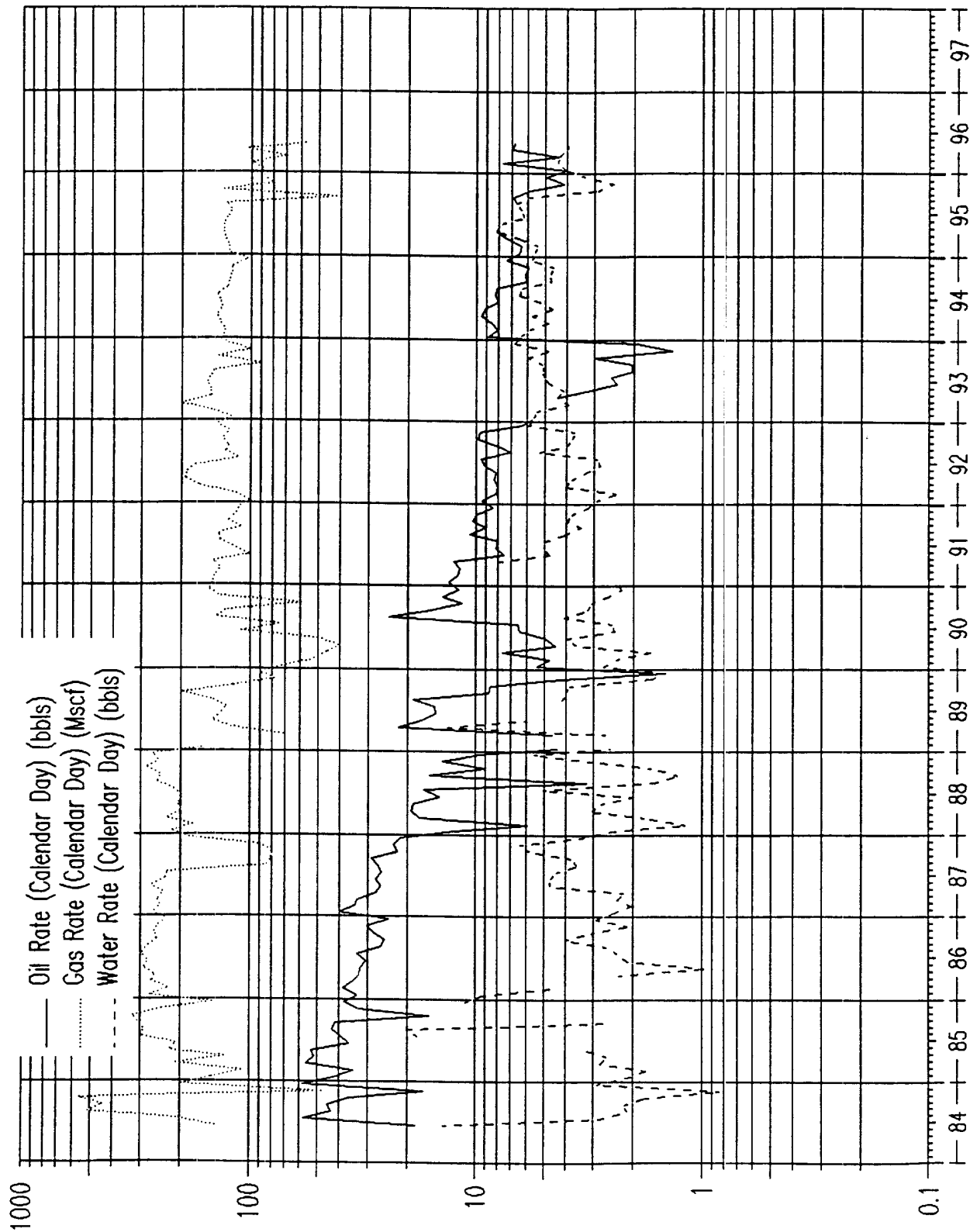
| | |
|----------------------|------|
| RESERVES (MBO) | 19 |
| RESERVES (MMCFG) | 388 |
| RESERVES (MBOE) | 84 |
| INITIAL RATE (BOPD) | 7 |
| INITIAL RATE (MCFPD) | 140 |
| NO. MONTHS 1ST YEAR | 12 |
| GOR (MCF/BO) | 20.0 |
| ECON LIMIT (BOPD) | 2 |
| LIFE (YRS) | 13.0 |

| Year | Zone | Qint. BOPD | DECLINE CONSTAN | Qf BOPD | dNp BO | Cum.Np | dGp MCF | Cum.Gp | MCFGP | BOPD |
|------|----------|---------------|--------------------|------------|-----------|--------|------------|--------|-------|------|
| 1998 | Drinkard | 7 | 0.0780 | 6 | 2282 | 2282 | 45647 | 45647 | 127 | 6 |
| 1999 | Drinkard | 6 | 0.0780 | 6 | 2111 | 4393 | 42222 | 87868 | 116 | 6 |
| 2000 | Drinkard | 6 | 0.0780 | 5 | 1953 | 6346 | 39053 | 126922 | 107 | 5 |
| 2001 | Drinkard | 5 | 0.0780 | 5 | 1806 | 8152 | 36123 | 163045 | 99 | 5 |
| 2002 | Drinkard | 5 | 0.0780 | 4 | 1671 | 9823 | 33412 | 196457 | 92 | 5 |
| 2003 | Drinkard | 4 | 0.0780 | 4 | 1545 | 11368 | 30905 | 227362 | 85 | 4 |
| 2004 | Drinkard | 4 | 0.0780 | 4 | 1429 | 12797 | 28586 | 255949 | 78 | 4 |
| 2005 | Drinkard | 4 | 0.0780 | 3 | 1322 | 14120 | 26441 | 282390 | 72 | 4 |
| 2006 | Drinkard | 3 | 0.0780 | 3 | 1223 | 15342 | 24457 | 306848 | 67 | 3 |
| 2007 | Drinkard | 3 | 0.0780 | 3 | 1131 | 16473 | 22622 | 329470 | 62 | 3 |
| 2008 | Drinkard | 3 | 0.0780 | 3 | 1046 | 17520 | 20925 | 350394 | 57 | 3 |
| 2009 | Drinkard | 3 | 0.0780 | 3 | 968 | 18487 | 19355 | 369749 | 53 | 3 |
| 2010 | Drinkard | 3 | 0.0780 | 2 | 895 | 19383 | 17902 | 387651 | 49 | 2 |

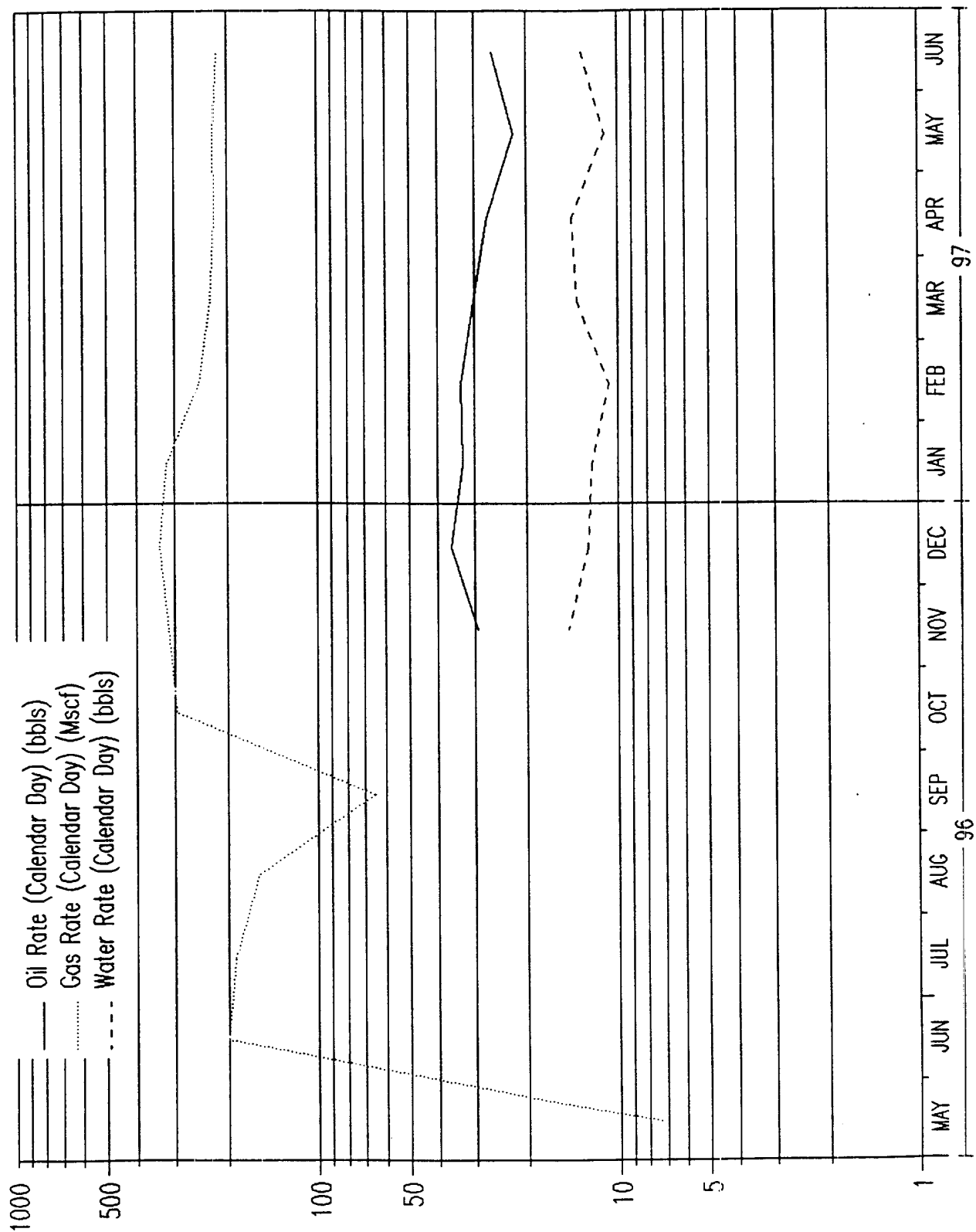
Skaggs B No. 7
Drinkard Forecast



WELL: SKAGGS B 7:DR



WELL: SKAGGS B 7:TB



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 30-025-28570 | 2 Pool Code 47090 | 3 Pool Name Skaggs Drinkard |
| 4 Property Code | 5 Property Name Skaggs B | 6 Well Number 7 |
| 7 OGRID No. 005073 | 8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500 | 9 Elevation 3579' Gr |

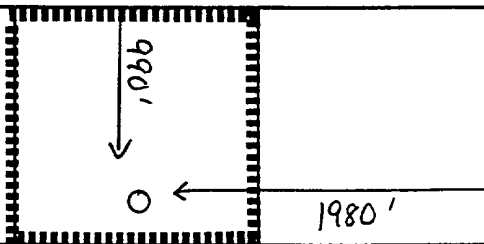
10 Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. B | Section 12 | Township 20S | Range 37E | Lot Idn | Feet from the 990 | North/South line North | Feet from the 1930 | East/West line East | County Lea |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|

11 Bottom Hole Location If Different From Surface

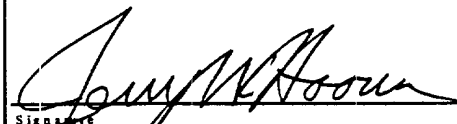
| | | | | | | | | | |
|--------------------------|--------------------|-----------------------|--------------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 12 Dedicated Acres 40 | 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

Jerry W. Hoover

Printed Name

Sr. Conservation Coordinator

Title

9/2/97

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

District I
PO Box 1980, Hobbs, NM 88241-1910
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-10
Revised February 21, 1995
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | | | |
|------------------------------|--|--------------------------------|--|---------------|--|-------------------------|--|
| 1 APT Number 30-025-28570 | | 2 Pool Code 470090 | | Monument Tubb | | 3 Pool Name | |
| 4 Property Code | | 5 Property Name Skaggs B | | | | 6 Well Number 7 | |
| 7 OGRID No. 005073 | | 8 Operator Name CONOCO INC. | | | | 9 Elevation 3579' GR | |

10 Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|------------------------|------------------------|---------------|
| UL or lot no. B | Section 12 | Township 20S | Range 37E | Lot Idn | Feet from the 990' | North/South line North | Feet from the 1980' | East/West line East | County Lea |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|------------------------|------------------------|---------------|

11 Bottom Hole Location If Different From Surface

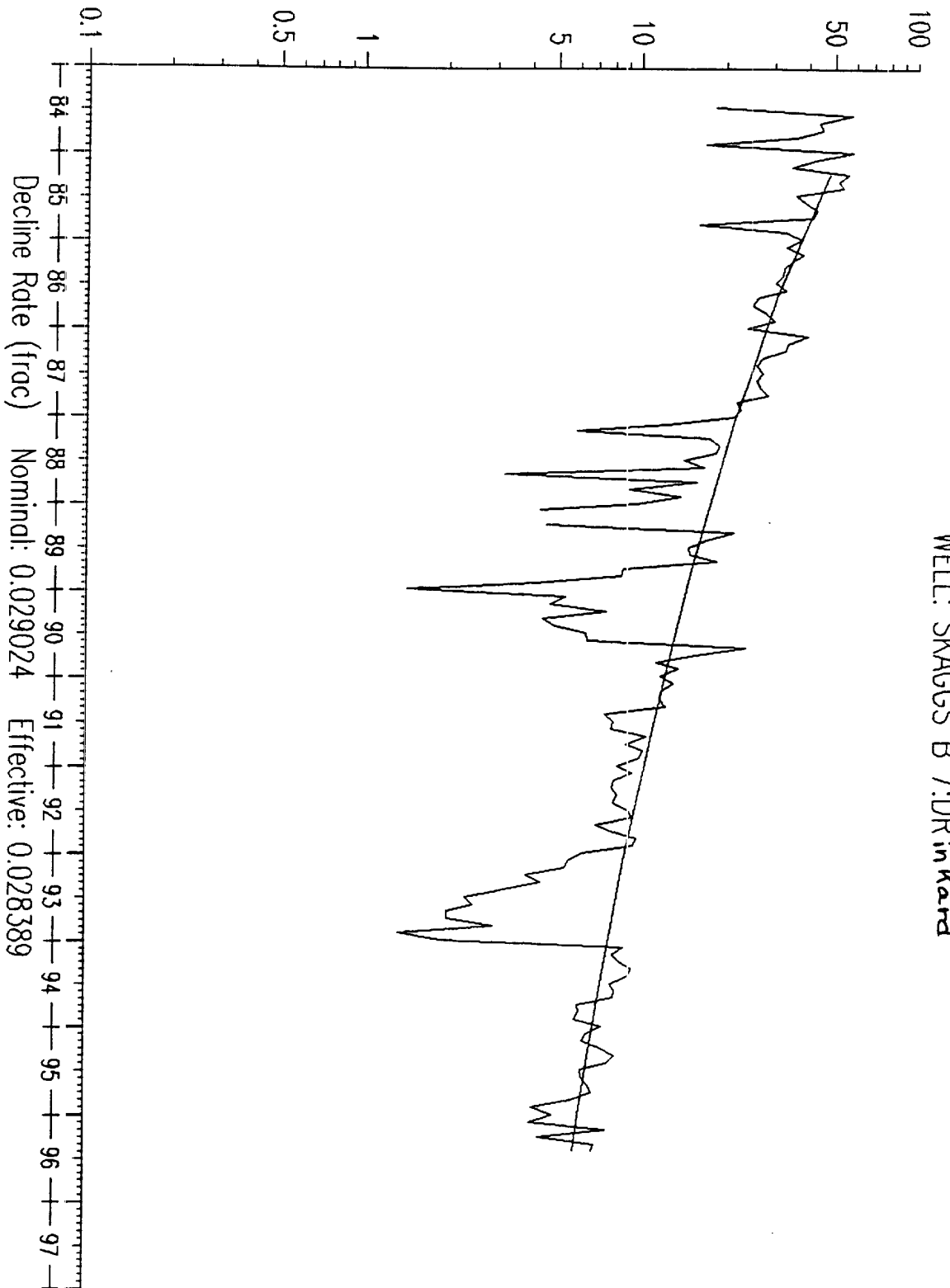
| | | | | | | | | | |
|--------------------------|---------|--------------------|-------|-----------------------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 12 Dedicated Acres 40 | | 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 | | | | | <p>17 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>[Signature]</i> _____ Jerry A. Hoover Conservation Coordinator Date 11/21/95</p> |
| | | | | | |
| | | | | | |
| | | | | | |
| <p>18 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 Signature and Seal of Professional Surveyor: _____ Certificate Number</p> | | | | | |

WELL: SKAGGS B 7:DR in Kard

Oil Rate (Calendar Day) (bbls)



Decline Rate (frac) Nominal: 0.029024 Effective: 0.028389
Current Oil rate: 6.8 bbls/d
Economic Limit: 2.0 bbls/d
Cumulative Oil Produced: 70.8 Mbbls
Remaining Reserves: 19.1 Mbbls
Total Reserves: 89.9 Mbbls – At the Economic Limit

Conoco, Inc.
Skaggs B Well #7
Lea County , New Mexico

Offset Operators in the Monument Tubb & Skaggs Drinkard Pools

Township 20 South,
Range 37 East

Conoco

Sec 12 C

Texaco Exploration & Production Co.
PO Box 1404
Houston, Texas 77251-1404

Sec 12 A,F,G,H