



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

ADMINISTRATIVE ORDER DHC-2037

Conoco Inc.  
10 Desta Drive  
Suite 100W  
Midland, Texas 79705-4500

Attention: Ms. Kay Maddox

RECEIVED  
AUG 11 1998  
OIL CON. DIV.  
DIST. 3

*San Juan 28-7 Unit No. 111M  
API No. - 30-039-25885  
Unit D, Section 20, Township 27 North, Range 7 West, NMPM,  
Rio Arriba County, New Mexico.  
Blanco-Mesaverde (Prorated Gas - 72319) and  
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Maddox:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

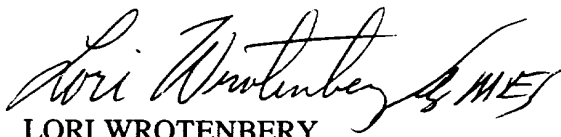
The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to establish a fixed allocation of production from each of the commingled zones. Upon approval by the Division's District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 7th day of August, 1998.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery".

LORI WROTENBERY  
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Aztec /  
Bureau of Land Management-Farmington

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

COPY

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals		5. LEASE DESIGNATION AND SERIAL NO. <b>NM 03521</b>																					
<b>SUBMIT IN TRIPLICATE</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME																					
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. IF UNIT OR CA, AGREEMENT DESIGNATION <b>SAN JUAN 28-7 UNIT</b>																						
2. NAME OF OPERATOR <b>CONOCO INC.</b>	8. WELL NAME AND NO. <b>SAN JUAN 28-7 UNIT #111M</b>																						
3. ADDRESS AND TELEPHONE NO. <b>10 Desta Drive, Suite. 100W Midland, Texas 79705-4500 (915) 686-5424</b>	9. API WELL NO. <b>30-039-25885</b>																						
4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description) <b>1060' FNL - 935' FWL, UNIT LETTER 'D', SEC. 20, T27N, R07W</b>	10. FIELD AND POOL, OR EXPLORATORY AREA <b>BLANCO MV/BASIN DAKOTA</b>																						
11. COUNTY OR PARISH, STATE <b>RIO ARriba COUNTY, NM</b>																							
12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																							
<table border="1"><thead><tr><th>TYPE OF SUBMISSION</th><th colspan="2">TYPE OF ACTION</th></tr></thead><tbody><tr><td><input type="checkbox"/> Notice of Intent</td><td><input type="checkbox"/> Abandonment</td><td><input type="checkbox"/> Change of Plans</td></tr><tr><td><input checked="" type="checkbox"/> Subsequent Report</td><td><input type="checkbox"/> Recompletion</td><td><input type="checkbox"/> New Construction</td></tr><tr><td><input type="checkbox"/> Final Abandonment Notice</td><td><input type="checkbox"/> Plugging Back</td><td><input type="checkbox"/> Non-Routine Fracturing</td></tr><tr><td></td><td><input type="checkbox"/> Casing Repair</td><td><input type="checkbox"/> Water Shut-Off</td></tr><tr><td></td><td><input type="checkbox"/> Altering Casing</td><td><input type="checkbox"/> Conversion to Injection</td></tr><tr><td></td><td><input checked="" type="checkbox"/> Other: <u>Spud report</u></td><td><input type="checkbox"/> Dispose Water</td></tr></tbody></table>			TYPE OF SUBMISSION	TYPE OF ACTION		<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans	<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction	<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing		<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off		<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection		<input checked="" type="checkbox"/> Other: <u>Spud report</u>	<input type="checkbox"/> Dispose Water
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13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)  <b>11/5/98 Spudded well.</b>																							
14. I hereby certify that the foregoing is true and correct  SIGNED <u>Debra Bemenderfer</u> TITLE <u>DEBRA BEMENDERFER, As Agent for Conoco Inc.</u> DATE <u>11/10/98</u> (This space for Federal or State office use)  APPROVED BY _____ TITLE _____ DATE _____ Conditions of approval, if any:																							
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.																							

\* See Instruction on Reverse Side

ACCEPTED FOR RECORD

DEC 03 1998

FARMINGTON DISTRICT OFFICE

BY

NMOCD

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

COPY

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3. ADDRESS AND TELEPHONE NO. 10 Desta Drive, Suite. 100W Midland, Texas 79705-4500 (915) 686-5424	9. API WELL NO. 30-039-25885	
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13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) 11/12/98 Ran 180 joints 4-1/2", 10.50#, K-55, ST&C casing. Total Footage 7417'. Depth of shoe 7454', Depth of collar 7410'. Cement with 580sx "B" 50/50 POZ + 2% Gel + .25% CRF + 0.1% D46 + B14 + 0.2% D65 + 0.1% D800. Displaced with 118 bbl of FW, Full Returns. Cement returns 0, Floats held, Bumped plug at 1330 p.m., 11/12/98 with 1700 psi.		
14. I hereby certify that the foregoing is true and correct  SIGNED <u>Debra Bemenderfer</u> TITLE <u>DEBRA BEMENDERFER, As Agent for Conoco Inc.</u> DATE <u>11/13/98</u> (This space for Federal or State office use)  APPROVED BY _____ TITLE _____ DATE _____ Conditions of approval, if any:		
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. <b>ACCEPTED FOR RECORD</b>		

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13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)  11/06/98 Ran 3 joints 9-5/8", 36#, K-55, LT&C. Total footage 263.94. Depth of shoe 282.94, depth of collar 237.06. Cement with 150 sx of Class G + 2% CACL each + .25 PPS cell phone. Displaced with 18.6 bbls of H2O with muddy returns. Cement returns 4bbls 20 sx. Floats held. Bumped plug @ 9:16 a.m. on 11-6-98 with 250 psi low- 2000 high.		
14. I hereby certify that the foregoing is true and correct		
SIGNED <u>Debra Bemenderfer</u> (This space for Federal or State office use)		TITLE <u>DEBRA BEMENDERFER, As Agent for Conoco Inc.</u> DATE <u>11/10/98</u>
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