DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 South First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

APPLICATION FOR DOWNHOLE COMMINGLING

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

APPROVAL PROCESS :
_X_ Administrative ___Hearing

EXISTING WELLBORE
__YES _x NO

Burlington Resources Oil & Gas Company — PO Box 4289, Farmington, NM 87499
Operator — Address

SAN JUAN 28-5 UNIT	93M	J 15-28N-5W	Rio Arriba
Lease	Well No.	Unit Ltr. - Sec - Twp - Rge	County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7460 API NO. 30-039-25639 Federal _X_ , State _____, (and/or) Fee ____X___

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesaverde - 72319		Basin Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	will be supplied upon completion		will be supplied upon completion
3. Type of production (Oil or Gas)	gas		gas
4. Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 786 psi (see attachment)	a	a. 1637 psi (see attachment)
	(Original) b. 1273 psi (see attachment)	b	b. 2927 psi (see attachment)
6. Oil Gravity (°API) or Gas BTU Content	BTU 1173		BTU 1035
7. Producing or Shut-In?	shut-in		shut-in
Production Marginal? (yes or no)	no		yes
* If Shut-In 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: n/a Rates:	Date: Rates:	Date: n/a Rates:
* If Producing, give data and oil/gas/water water of recent test (within 60 days)	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % will be supplied upon completion	Oil: % Gas: %	Oil: % Gas: % will be supplied upon completion

RECEIVED
JUN - 2 1997
OIL CON. DIV.
DIST. 3

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

10. Are all working, overriding, and royalty interests identical in all commingled zones? ___Yes _x_No
If not, have all working, overriding, and royalty interests been notified by certified mail? ___Yes _x_No
Have all offset operators been given written notice of the proposed downhole commingling? _X_Yes ___No

11. Will cross-flow occur? _x__ Yes __ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowe production be recovered, and will the allocation formula be reliable. _x___ Yes ____No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? _x_ Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes _X_ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Burea of Land Management has been notified in writing of this application. _X_Yes ___ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). ___R-10695_____

16. 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.

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

SIGNATURE Sean Woolverton TITLE Production Engineer DATE 05/27/97

TYPE OR PRINT NAME Sean C. Woolverton TELEPHONE NO. (505) 326-9700

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-10
Revised February 21, 199
Instructions on bac
Submit to Appropriate District Offic
State Lease - 4 Copie
Fee Lease - 3 Copie

☐ AMENDED REPOR

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-039-	72319/71599	Blanco Mesaverde/Basin Dakota

Property Code	Property Name	Well Number
7460	San Juan 28-5 Unit	93M

OGRID No.	Operator Name	Elevation
14538	BURLINGTON RESOURCES OIL & GAS COMPANY	6661'

Surface Location

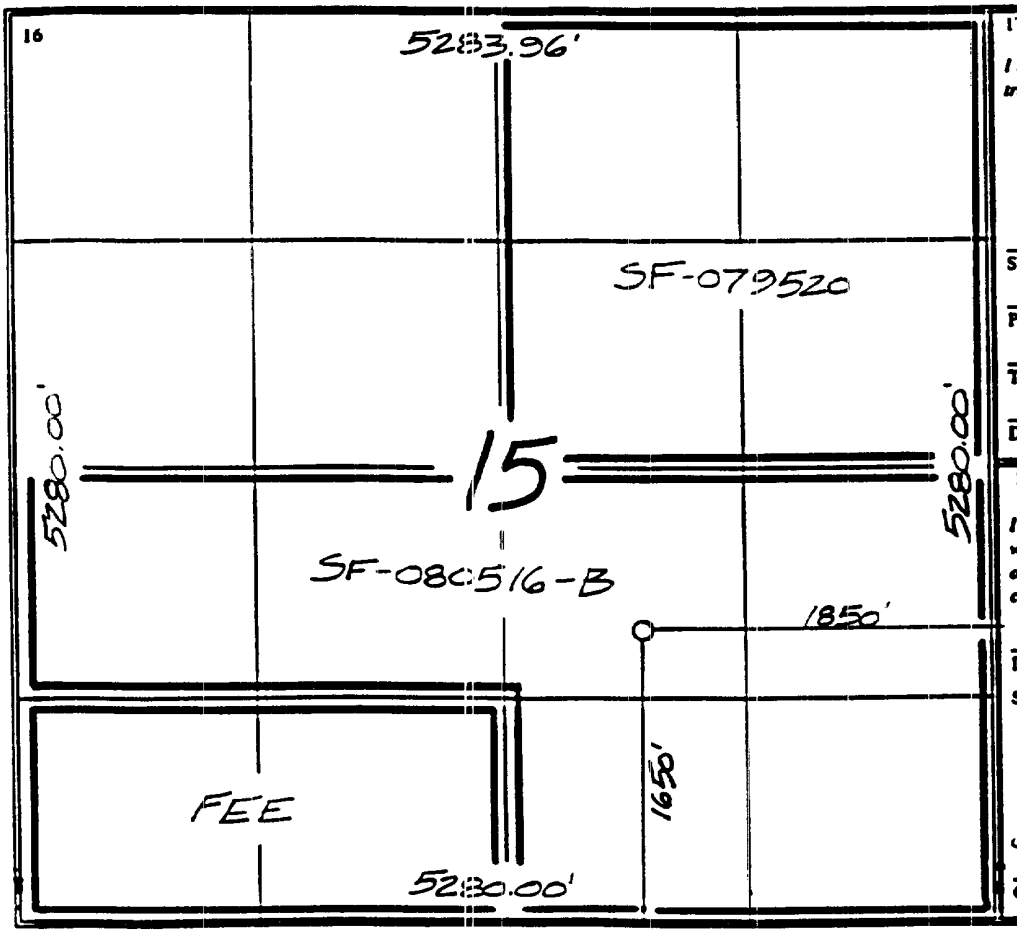
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	15	28-N	5-W		1650	South	1850	East	R.A.

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
MV-S/320 DK-E/320			

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belie

Signature
Peggy Bradfield
Printed Name
Regulatory Administrato
Title
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 m or under my supervision, and that the same is true and correct to the best of my belief.

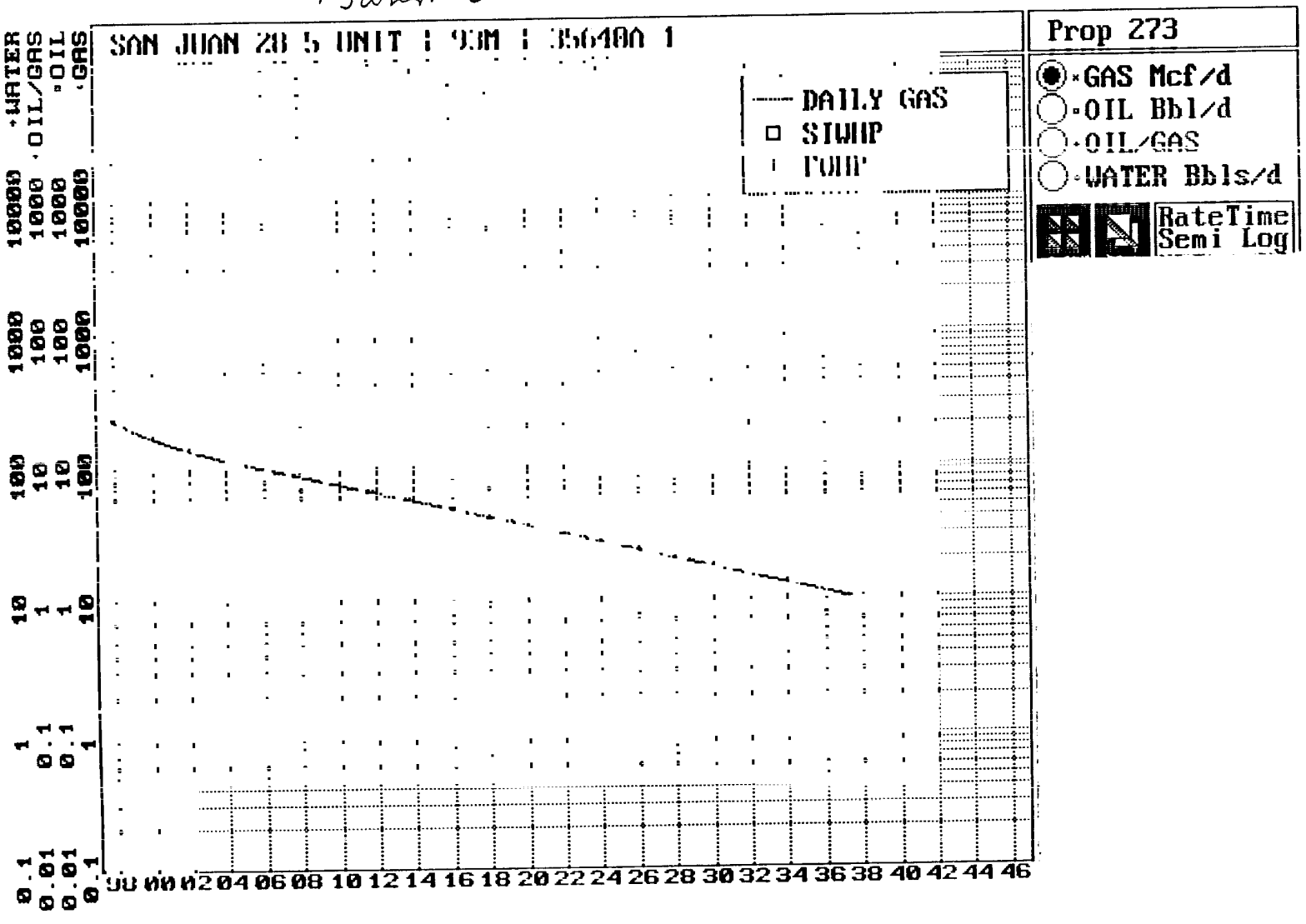
11/16/96

Date of Survey
Signature and Seal of Professional Surveyor

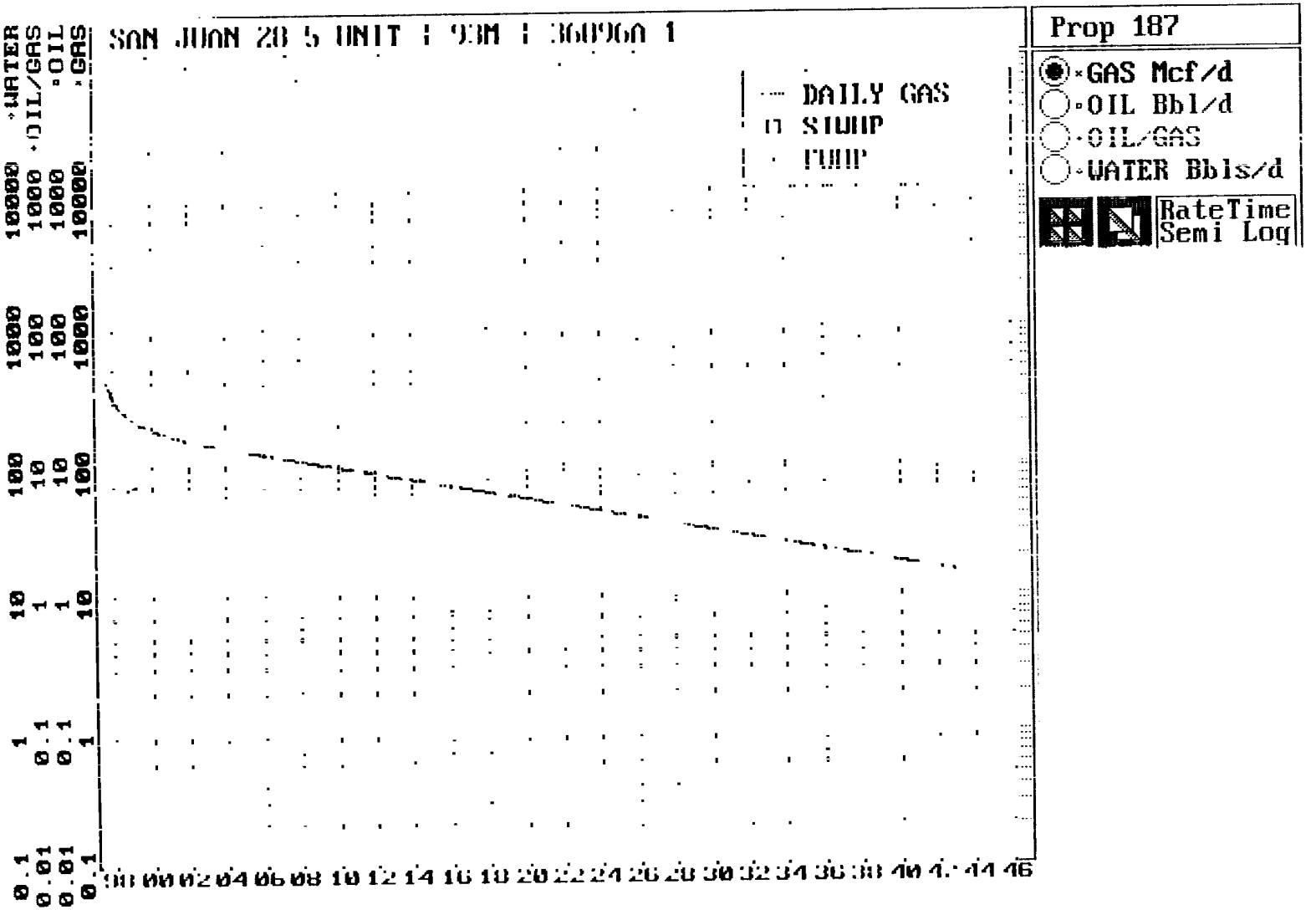
NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

6857
Certificate Number

Basin Dakota



Blanco Mesaverde

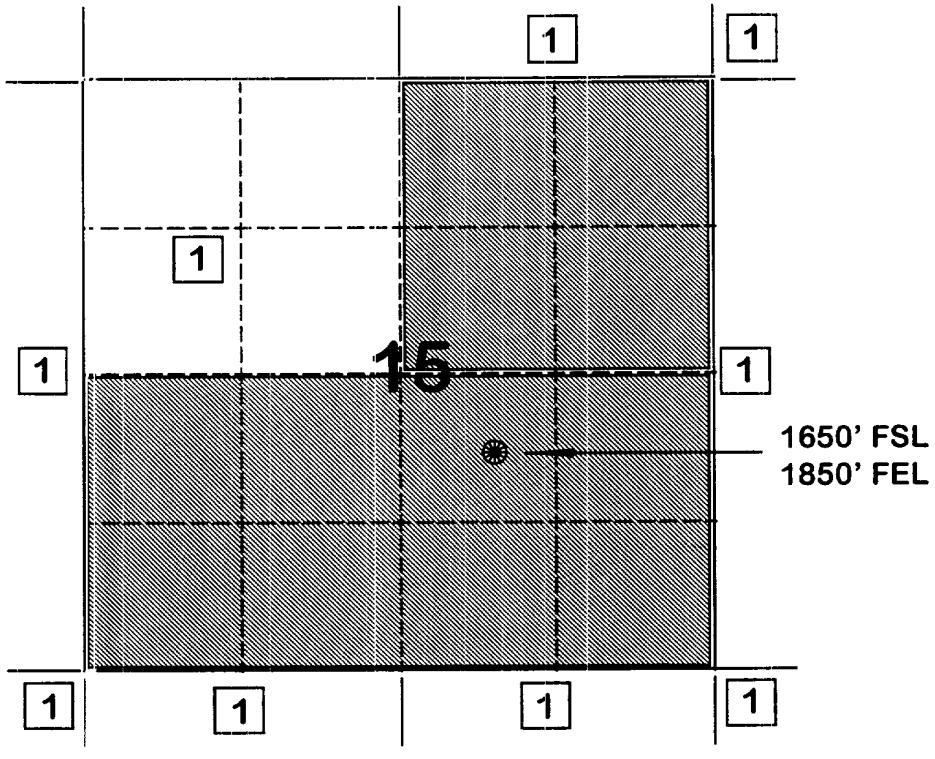


BURLINGTON RESOURCES OIL AND GAS COMPANY

San Juan 28-5 Unit #93M
OFFSET OPERATOR \ OWNER PLAT

Mesaverde (S/2)/Dakota (E/2) Formations Commingle Well

Township 28 North, Range 5 West



1) Burlington Resources Oil and Gas Company

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REQUESTED RECORD NOT FOUND (NEXT RECORD DISPLAYED)
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 FUNCTION (A,C,D,I)  i            ** DATA AT TEST PRESSURE UNLESS NOTED **
 MP NUMBER                 89133  SAN JUAN 28-5 UNIT          93
 EFFECTIVE DATE       19970201
 REGION CD            42           SAN JUAN
 MP TYPE CODE         10           GAS METER - WELLHEAD SALES
-------------------------------------------------------------------------------
 SAMPLE TYPE CODE (GAS,LIQ,BTU)  GAS              ------- BTU/CF -------
 SAMPLE DATE                     19961229           --- (AT 14.73 PSIG) --
 SAMPLE LINE PRESSURE (PSIG)     _______         WET 1035.675  DRY 1054.000
 SAMPLE LINE TEMPERATURE (DEG F) _____
 TEST DATE                       ________           ------- BTU/CF -------
 TEST PRESSURE (PSIG)            _14.730         WET _1035.675 DRY _1054.000
 TEST TEMPERATURE (DEG F)        60                 VAPOR FACTOR   _______
 TEST LIFE (MONTHS)              __6
 TESTER SOURCE BA NUMBER         098795  EL PASO FIELD SERVICES
 TEST PURPOSE CODE               __
-------------------------------------------------------------------------------
 03=DETAIL SCR   04=MP-NM BRWS   06=MP/DS LST    07=MP/WN LST
 11=PREV SCR     12=MAIN MENU                    20=NEXT REC
 21=REFRESH SCR  22=PREV MENU    24=HELP         PA1=TERMINATE          _______
B MY JOB                          LU #2


 OPR008M2 S000      O008 CHROMATOGRAPH GAS SAMPLE DETAIL      15:09:36.3 05/18/9

                          GPM        ** DATA AT 14.730 PSIG UNLESS NOTED **
                 MOL %  (AT 14.73)
 HYDROGEN        _______                  MP NUMBER          89133
 HELIUM          _______                  EFFECTIVE DATE  19970201
 NITROGEN        __0.20
 OXYGEN          _______
 HYDROGEN SULFIDE _______                -- GASOLINE CONTENT (GPM) --
 CARBON DIOXIDE  __1.55                  26/70   GASOLINE       _______
 METHANE         _93.23                  100%    PROPANE        _______
 ETHANE          __3.77      1.0085      EXCESS  BUTANES        _______
 PROPANE         __0.58      0.1598         TOTAL
 ISO-BUTANE      __0.17      0.0556
 N-BUTANE        __0.15      0.0473
 ISO-PENTANE     __0.10      0.0366      ----- SPECIFIC GRAVITY -----
 N-PENTANE       __0.05      0.0181      CALCULATED            _0.6070
 HEXANE          _______                 MEASURED              _______
 HEXANE PLUS     __0.20      0.0873
 HEPTANE PLUS    _______                 SULPHER GRAINS / 100 CU FT _____
    TOTALS       100.00      1.4132
-------------------------------------------------------------------------------
     03=MAIN SCREEN                          24=HELP      PA1=TERMINATE
B MY JOB                    NUM   LU #2
```

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REQUESTED RECORD NOT FOUND (NEXT RECORD DISPLAYED)
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 FUNCTION (A,C,D,I)  i            ** DATA AT TEST PRESSURE UNLESS NOTED **
 MP NUMBER                 71318  SAN JUAN 28-5 UNIT          10
 EFFECTIVE DATE       19970201
 REGION CD            42           SAN JUAN
 MP TYPE CODE         10           GAS METER - WELLHEAD SALES
-------------------------------------------------------------------------------
 SAMPLE TYPE CODE (GAS,LIQ,BTU)  GAS              ------- BTU/CF -------
 SAMPLE DATE                     19961231          --- (AT 14.73 PSIG) --
 SAMPLE LINE PRESSURE (PSIG)     _______        WET 1173.241  DRY 1194.000
 SAMPLE LINE TEMPERATURE (DEG F) ____
 TEST DATE                       ________          ------- BTU/CF -------
 TEST PRESSURE (PSIG)            _14.730        WET _1173.241 DRY _1194.000
 TEST TEMPERATURE (DEG F)        60                VAPOR FACTOR   _______
 TEST LIFE (MONTHS)              __6
 TESTER SOURCE BA NUMBER         098795  EL PASO FIELD SERVICES
 TEST PURPOSE CODE               __
-------------------------------------------------------------------------------
 03=DETAIL SCR   04=MP-NM BRWS   06=MP/DS LST     07=MP/WN LST
 11=PREV SCR     12=MAIN MENU                     20=NEXT REC
 21=REFRESH SCR  22=PREV MENU    24=HELP          PA1=TERMINATE        _______
B MY JOB                         LU #3


 OPR008M2 S001     O008 CHROMATOGRAPH GAS SAMPLE DETAIL     20:11:40.3 05/20/9

                          GPM       ** DATA AT 14.730 PSIG UNLESS NOTED **
                 MOL %  (AT 14.73)
 HYDROGEN        _______                 MP NUMBER          71318
 HELIUM          _______                 EFFECTIVE DATE  19970201
 NITROGEN        __0.36
 OXYGEN          _______
 HYDROGEN SULFIDE _______                -- GASOLINE CONTENT (GPM) --
 CARBON DIOXIDE  __0.94                  26/70   GASOLINE    _______
 METHANE         _83.76                  100%    PROPANE     _______
 ETHANE          __8.72      2.3326      EXCESS  BUTANES     _______
 PROPANE         __3.56      0.9811         TOTAL
 ISO-BUTANE      __0.67      0.2192
 N-BUTANE        __0.94      0.2964
 ISO-PENTANE     __0.35      0.1281      ----- SPECIFIC GRAVITY -----
 N-PENTANE       __0.25      0.0906      CALCULATED          _0.6890
 HEXANE          _______                 MEASURED            _______
 HEXANE PLUS     __0.45      0.1963
 HEPTANE PLUS    _______                 SULPHER GRAINS / 100 CU FT _____
    TOTALS       100.00      4.2443
-------------------------------------------------------------------------------
     03=MAIN SCREEN                        24=HELP      PA1=TERMINATE
B MY JOB                    NUM   LU #3
```

San Juan 28-5 Unit #93M
Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method

Version 1.0 3/13/94

Mesaverde

MV-Current

GAS GRAVITY	0.689
COND. OR MISC. (C/M)	C
%N2	0.36
%CO2	0.94
%H2S	0.00
DIAMETER (IN)	2.375
DEPTH (FT)	5458
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	142
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	682
BOTTOMHOLE PRESSURE (PSIA)	785.9

MV-Original

GAS GRAVITY	0.689
COND. OR MISC. (C/M)	C
%N2	0.36
%CO2	0.94
%H2S	0.00
DIAMETER (IN)	2.375
DEPTH (FT)	5458
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	142
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1096
BOTTOMHOLE PRESSURE (PSIA)	1273.4

Dakota

DK-Current

GAS GRAVITY	0.607
COND. OR MISC. (C/M)	C
%N2	0.20
%CO2	1.55
%H2S	0.00
DIAMETER (IN)	2.375
DEPTH (FT)	7988
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	164
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1356
BOTTOMHOLE PRESSURE (PSIA)	1636.9

DK-Original

GAS GRAVITY	0.607
COND. OR MISC. (C/M)	C
%N2	0.20
%CO2	1.55
%H2S	0.00
DIAMETER (IN)	2.375
DEPTH (FT)	7988
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	164
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	2412
BOTTOMHOLE PRESSURE (PSIA)	2927.2

Print Time: Tue May 20 10:52:05 1997
Property ID: 1816
Property Name: SAN JUAN 28-5 UNIT | 93 | 44729A-1
Table Name: K:\ARIES\RR98PDP\TEST.DBF

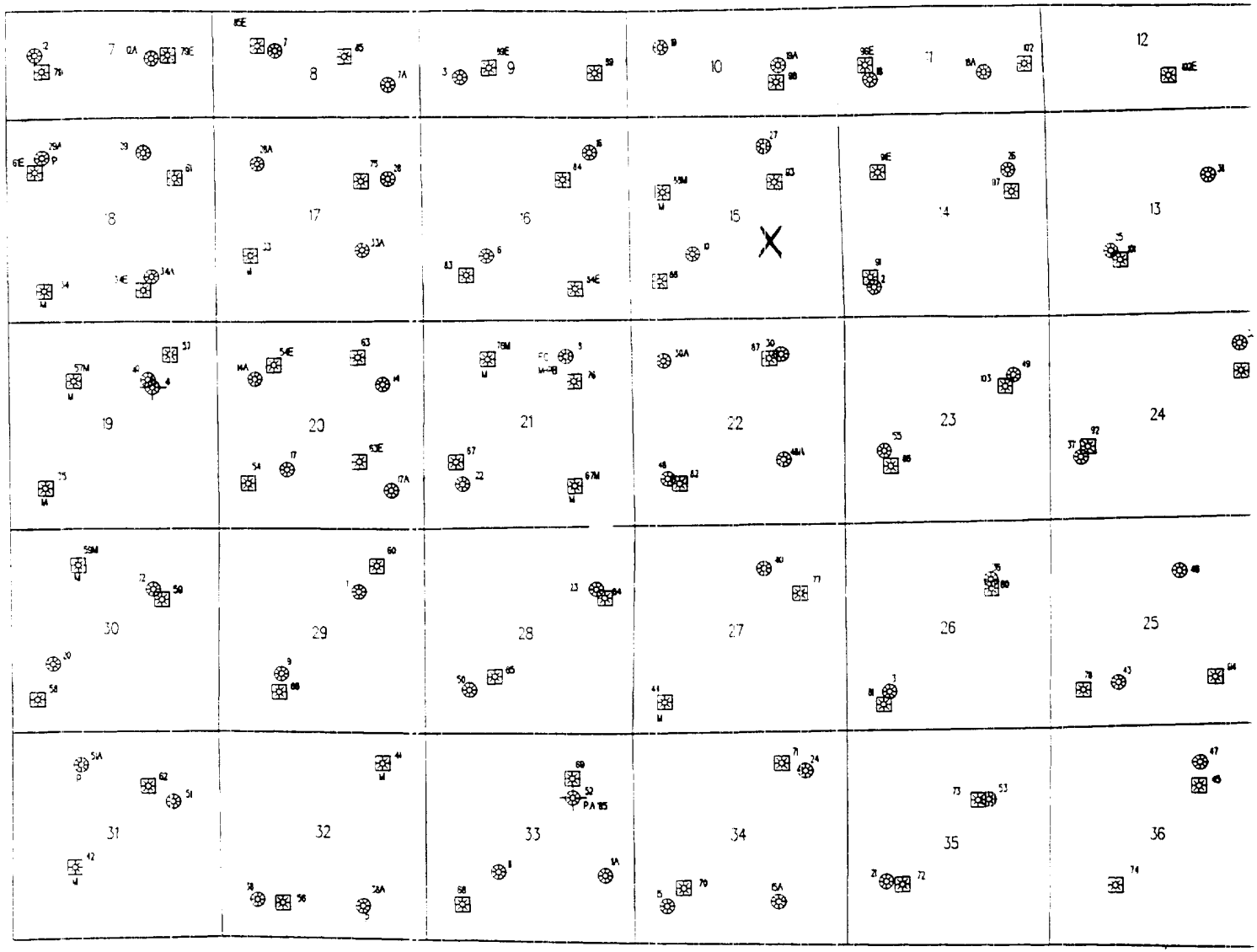
--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi	
11/27/74	0	2412.0	← initial
12/11/74	0	2425.0	
02/18/75	22557	2178.0	
04/09/76	194244	1758.0	
06/15/77	345741	1672.0	
06/05/79	567911	1622.0	
05/05/81	742710	1544.0	
11/02/83	897805	1407.0	
09/26/85	1005132	1182.0	
08/02/88	1082728	1372.0	
05/08/90	1165642	1356.0	← current

MV

Page No.: 1
Print Time: Tue May 20 14:38:49 1997
Property ID: 3910
Property Name: SAN JUAN 28-5 UNIT | 10 | 49498A-1
Table Name: K:\ARIES\RR98PDP\TEST.DBF

--DATE--	---CUM_GAS--	M_SIWHP
	Mcf	Psi
01/16/56	0	1894.0
02/07/56	0	1096.0 ← initial
08/31/56	32000	810.0
07/30/57	88000	692.0
11/06/58	141000	740.0
08/06/59	158000	812.0
08/14/60	182000	820.0
12/22/60	200000	670.0
08/13/61	219000	699.0
05/08/62	244000	679.0
07/16/63	278000	676.0
09/28/64	310000	667.0
09/01/65	355000	671.0
08/19/66	394000	614.0
03/07/67	416000	614.0
03/01/68	453000	618.0
08/19/69	512047	539.0
06/19/70	547811	514.0
04/27/71	581762	472.0
05/15/72	629670	450.0
05/02/74	724333	364.0
04/09/76	801123	374.0
05/16/78	860634	537.0
06/10/80	911241	533.0
08/03/82	973112	579.0
08/03/84	1029059	545.0
04/01/87	1081065	652.0
03/18/91	1155917	670.0
09/10/91	1164791	682.0 ← current!

SAN JUAN 28-5 UNIT



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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 11627
ORDER NO. R-10695

APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY FOR THE ESTABLISHMENT OF A DOWNHOLE COMMINGLING "REFERENCE CASE" FOR ITS SAN JUAN 28-5 UNIT PURSUANT TO DIVISION RULE 303.E. AND THE ADOPTION OF SPECIAL ADMINISTRATIVE RULES THEREFOR, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 17 and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 12th day of November, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico.

(3) Division Rule No. 303.E., amended by Order No. R-10470-A, currently states:

> "If sufficient data exists on a lease, pool, formation, geographic area, etc., so as to render it unnecessary to repeatedly provide such data on Form C-107-A, an operator may except any of the various criteria required under Paragraph 303.D. of this rule by establishing a "reference case". The Division, upon its own motion, or by application from an operator, may establish "reference cases" either administratively or by hearing. Upon Division approval of such "reference cases" for specific criteria, subsequent applications to downhole commingle (Form C-107-A) will be required only to cite the Division order number which established such exceptions and shall not be required to submit data for those criteria."

(4) The applicant is the current operator of the San Juan 28-5 Unit which encompasses some 17,399 acres in Township 28 North, Range 5 West, NMPM, San Juan County, New Mexico.

(5) Within the San Juan 28-5 Unit, the applicant currently operates sixty-seven (67) Basin-Dakota Gas Pool wells, seventy-one (71) Blanco-Mesaverde Gas Pool wells, sixteen (16) Gobernador-Pictured Cliffs, Oso-Pictured Cliffs and Tapacito-Pictured Cliffs Gas Pool wells, and nineteen (19) Basin-Fruitland Coal Gas Pool wells.

(6) According to its evidence and testimony, Burlington seeks to:

a) establish a "reference case" for marginal economic criteria in the Dakota and Pictured Cliffs formations whereby these formations and/or pools may be identified as "marginal" on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit. The applicant further proposes that the data provided in the immediate case serve as supplemental data or confirmation that these formations and/or pools should be classified as "marginal";

b) establish a "reference case" for pressure criteria in the Dakota and Pictured Cliffs formations whereby the Division may utilize data provided in the immediate case to verify the pressure data provided on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit;

c) establish a "reference case" whereby the Division utilizes the data presented in the immediate case to endorse or approve certain methods of allocating production whereby the applicant need not submit additional data or justification when proposing a certain method of allocating production on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit; and,

d) establish a "reference case" or an administrative procedure for authorizing the downhole commingling of existing or future drilled wells within the San Juan 28-5 Unit without additional notice to each affected interest owner as required by Division Rule No. 303.D.

(7) In support of its request to except marginal economic criteria, the applicant presented geologic and engineering evidence and testimony which indicates that within the San Juan 28-5 Unit:

a) the structure and thickness of the Dakota and Pictured Cliffs formations are very consistent;

b) the average recoverable Dakota and Pictured Cliffs gas reserves underlying an undeveloped drill block are approximately 1,258 MMCFG and 77 MMCFG, respectively;

c) the average initial producing rate for a newly drilled or recompleted Dakota and Pictured Cliffs gas well is approximately 276 MCFGD and 136 MCFGD, respectively; and,

d) the estimated ultimate gas recoveries and initial producing rates from the Dakota and Pictured Cliffs formations are insufficient to justify drilling stand alone wells and/or dually completed wells to recover such gas reserves.

(8) The evidence and testimony presented by the applicant indicates that the Dakota and Pictured Cliffs formations within the San Juan 28-5 Unit should be properly classified as "marginal".

(9) In support of its request to except pressure criteria within the Dakota and Pictured Cliffs formations within the San Juan 28-5 Unit, the applicant presented engineering evidence and testimony which indicates that:

a) the average shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations at the time of initial development were approximately 3,149 psi and 1,143 psi, respectively; and.

b) the average current shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations are approximately 1,059 psi and 714 psi, respectively.

(10) There is sufficient pressure data available within the San Juan 28-5 Unit so as to except pressure criteria as proposed by the applicant.

(11) The applicant testified that various allocation methods will be utilized for downhole commingled wells within the San Juan 28-5 Unit depending on the circumstances. Some of the methods and circumstances are described as follows:

a) the subtraction method will likely be utilized in those instances involving the Basin-Fruitland Coal Gas Pool and in those instances where a zone with a well established decline rate is commingled with a newly completed zone;

b) a fixed allocation formula will be utilized in those instances where production history for both zones is available, or in those instances where newly completed zones are tested and stabilized flow rates obtained.

(12) The allocation methods proposed by the applicant are routinely utilized by industry and approved by the Division and therefore, the proposal to except allocation formulas should be approved.

(13) In support of its request to establish a "reference case" or administrative procedure for providing notice within the San Juan 28-5 Unit the applicant presented evidence and testimony which indicates that:

a) the interest ownership between two zones within a given wellbore in the San Juan 28-5 Unit is generally not common;

b) pursuant to Division Rule No. 303.D., applicant is currently required to notify all interest owners within the San Juan 28-5 Unit every time a Form C-107-A is submitted to the Division. There are a considerable number of such interest owners within the unit;

c) providing notice to each interest owner within the San Juan 28-5 Unit of subsequent downhole commingling is unnecessary and is an excessive burden on the applicant;

d) the downhole commingling of wells within the San Juan 28-5 Unit Area will benefit working, royalty, and overriding royalty interest owners. In addition, the downhole commingling of wells within the San Juan 28-5 Unit should not violate the correlative rights of any interest owner;

e) no interest owner appeared at the hearing in opposition to the establishment of a "reference case" or administrative procedure for notice.

(14) An administrative procedure should be established within the San Juan 28-5 Unit for obtaining approval for subsequent downhole commingled wells without notice to Unit interest owners, provided however that, all other provisions contained within Division Rule No. 303.C. are complied with.

(15) Approval of the proposed "reference cases" for marginal economic criteria, pressure criteria, allocation formulas and notice will lessen the burden on the applicant insofar as providing the data required pursuant to Division Rule No. 303.D. and Form C-107-A, will provide the applicant a streamlined method for obtaining downhole commingling approvals within the San Juan 28-5 Unit, and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Burlington Resources Oil & Gas Company to establish a "reference case" for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico, is hereby approved.

(2) Upon filing of Division Form No. C-107-A's for wells subsequently downhole commingled within the San Juan 28-5 Unit Area, the applicant shall not be required to submit supporting data to justify the classification of the Pictured Cliffs and Dakota formations as "marginal", supporting data to verify the Pictured Cliffs and Dakota pressure information provided, and support or justification for utilizing a given method or formula for allocation of production, provided however, in the event any of the data described above appearing on Form C-107-A appears to be beyond the data range provided in this case, the Division may require the submittal of additional supporting data.

(3) In order to obtain Division authorization to downhole commingle wells within the San Juan 28-5 Unit, the applicant shall file a Form C-107-A with the Santa Fe and Aztec Offices of the Division. Such application shall contain all the information required under Rule No. 303.C. of the Division Rules and Regulations, provided however that the applicant shall not be required to provide notice to all interest owners within the San Juan 28-5 Unit of such proposed commingling.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LeMAY
Director

S E A L