

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
 111 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

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

APPROVAL PROCESS:
 Administrative Hearing

EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr., Ste 100W, Midland, TX 79705-4500

Lease San Juan 28-7 Unit Well No 226M Unit Ltr Sec Twp Rge D-28-T28N-R7W County Rio Arriba

OGRID NO. 005073 Property Code 016608 API NO. 30-039-25694 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
1. Pool Name and Pool Code	Blanco Mesaverde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4472'-5161' est.		7076'-7283' est.
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottom hole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 900 psia b (Original) 1267 psia	RECEIVED OCT 27 1997 OIL CON. DIV. DIS. 3	a. 1700 psia b. 3288 psia
6. Oil Gravity (*API) or Gas BTU Content	1242 BTU		1152 BTU
7. Producing or Shut-In?	to be drilled		to be drilled
Production Marginal? (yes or no)	No		Yes
• If Shut-In give 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 Rates	Date Rates
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates Rates to be determined after completion & submitted to Aztec Office for allocation	Date Rates	Date Rates Rates to be determined after completion & submitted to Aztec Office for allocation
8. Fixed Percentage Allocation Formula -% for each zone	Oil NA % Gas NA %	Oil % Gas %	Oil NA % Gas NA %

9. 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.
10. 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
 Conoco is the only offset operator
11. 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)
12. Are all produced fluids from all commingled zones compatible with each others Yes No
13. Will the value of production be decreased by commingling? Yes 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 Bureau of Land Management has been notified in writing of this application. Yes No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) R-10476-B

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 Jerry W. Hoover TITLE Sr. Conservation Coord. DATE 10-23-97

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

District I
 O Box 1980, Hobbs, NM 88241-1980
 District II
 O Drawer DD, Artesia, NM 88211-0719
 District III
 000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 O 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		Pool Code		Pool Name	
		72319/71599		Blanco Mesaverde/Basin Dakota	
Property Code		Property Name			Well Number
		San Juan 28-7 Unit			226M
OGRID No.		Operator Name			Elevation
05073		CONOCO, INC.			6149'

¹⁰ Surface Location

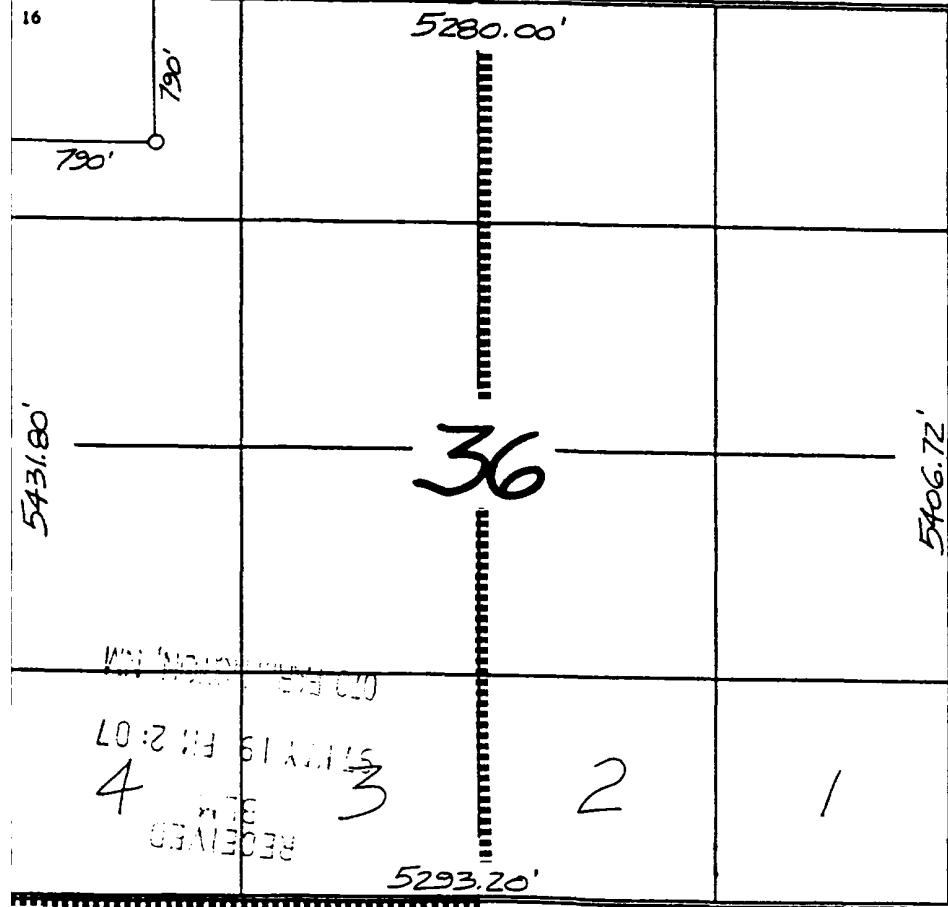
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
D	36	28-N	7-W		790	North	790	West	R.A.

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
W/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 belief

Jerry W. Hoover
 Signature
 Jerry W. Hoover
 Printed Name
 Sr. Conservation Coordinator
 Title
 5/15/97
 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.

10/31/96
 Date of Survey
 Signature and Seal of Professional Surveyor
 NEALE C. EDWARDS
 NEW MEXICO
 6857
 RECEIVED PROFESSIONAL SURVEYOR
 6857
 Certificate Number

RECEIVED
 4
 10:23 AM
 5/19/97
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