

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number SF-079519A Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator <b>BURLINGTON RESOURCES</b> Oil & Gas Company 14538	7. Unit Agreement Name San Juan 28-5 Unit 7466
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name San Juan 28-5 Unit 9. Well Number 98M
4. Location of Well 1720' FSL, 1115' FEL Latitude 36° 39.5, Longitude 107° 18.1	10. Field, Pool, Wildcat 22319 Blanco MV/Basin Dk 71599 11. Sec., Twn, Rge, Mer. (NMPM) I Sec 13, T-28-N, R-5-W API # 30-039- 25928
14. Distance in Miles from Nearest Town 6 miles to Gobernador	12. County RA 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1115'	
16. Acres in Lease	17. Acres Assigned to Well 343.45 MV; 327.36 Dk
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 1900'	
19. Proposed Depth 8877'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 7252' GR 7438	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"
24. Authorized by: <u>[Signature]</u> Regulatory/Compliance Administrator	5-9-98 Date

PERMIT NO. \_\_\_\_\_

APPROVAL DATE \_\_\_\_\_

APPROVED BY AS Duane W. Spencer

TITLE \_\_\_\_\_

DATE JUL 31 1998

Archaeological Report to be submitted

Threatened and Endangered Species Report to be submitted

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

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 presentations as to any matter within its jurisdiction.

NWL-R-2948 (2) NMOC

ACCEPTED FOR RECORD

JUL 31 1998  
FARMINGTON DISTRICT OFFICE  
BY \_\_\_\_\_

District I  
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form 1  
Revised February 21,  
Instructions on  
Submit to Appropriate District C  
State Lease - 4 C  
Fee Lease - 3 C

District II  
PO Drawer 00, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REP

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code	*Pool Name
30-039-25928	72319/71599	Blanco Mesaverde/Basin Dakota
*Property Code	*Property Name	*Well Number
7460	SAN JUAN 28-5 UNIT	98M
*GRID No.	*Operator Name	*Elevation
14538	BURLINGTON RESOURCES OIL & GAS COMPANY	7438'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
I	13	28N	5W		1720	SOUTH	1115	EAST	RIO ARRI

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	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.
MV-S/343.45, DK-327.36			

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

2640.00'	NMSF-080516B	13	NMSF-079519A	3	1115'	2641.65'
2640.00'	NMSF-080516B	1320.00'	NMSF-080516B	4	1720'	1697.52'
2640.00'	5667.38'	NMSF-079519	1	2636.37'		
2640.00'	RECEIVED AUG - 3 1998 OIL CON. DIV. SANTA FE	NMSF-079520	2	29		

24

17 OPERATOR CERTIFICATE

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

*Peggy Bradfield*  
Signature  
Peggy Bradfield  
Printed Name  
Regulatory Administrator  
Title  
5-9-98  
Date

18 SURVEYOR CERTIFICATE

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made or under my supervision and that the same is true correct to the best of my belief.

APRIL 10, 1998  
Date of Survey  
Signature and Seal of Registered Surveyor  
NEALE C. EDWARDS  
6857  
NEW MEXICO  
Professional Surveyor  
Certificate Number

## OPERATIONS PLAN

**Well Name:** San Juan 28-5 Unit #98M  
**Location:** 1720' FSL, 1115' FEL Sec 13, T-28-N, R-5-W  
Rio Arriba County, NM  
Latitude 36° 39.5, Longitude 107° 18.1  
**Formation:** Blanco Mesa Verde/Basin Dakota  
**Elevation:** 7438' GL

<b><u>Formation Tops:</u></b>	<b><u>Top</u></b>	<b><u>Bottom</u></b>	<b><u>Contents</u></b>
Surface	San Jose	3782'	
Ojo Alamo	3782'	3914'	aquifer
Kirtland	3914'	3980'	
Fruitland	3980'	4389'	gas
Pictured Cliffs	4389'	4510'	gas
Lewis	4510'	5091'	gas
<b>Intermediate TD</b>	<b>4610'</b>		
Huerfanito Bentonite	5091'	5397'	gas
Chacra	5397'	6200'	
Massive Cliff House	6200'	6259'	gas
Menefee	6259'	6573'	gas
Massive Point Lookout	6573'	7113'	gas
Mancos Shale	7113'	7795'	
Gallup	7795'	8557'	gas
Greenhorn	8557'	8707'	gas
Dakota	8707'		gas
<b>TD (4 1/2" liner)</b>	<b>8877'</b>		

### **Logging Program:**

Cased hole - CBL - TD to 200' above TOC, GR/CNL across MV/Dk

### **Mud Program:**

<b><u>Interval</u></b>	<b><u>Type</u></b>	<b><u>Weight</u></b>	<b><u>Vis.</u></b>	<b><u>Fluid Loss</u></b>
0- 200'	Spud	8.4-9.0	40-50	no control
200-4610'	LSND	8.4-9.0	30-60	no control
4610-8877'	Gas/Air	n/a	n/a	n/a

Pit levels will be visually monitored to detect gain or loss of fluid control.

### **Casing Program (as listed, the equivalent, or better):**

<b><u>Hole Size</u></b>	<b><u>Depth Interval</u></b>	<b><u>Csg. Size</u></b>	<b><u>Wt.</u></b>	<b><u>Grade</u></b>
12 1/4"	0' - 200'	9 5/8"	32.3#	WC-50
8 3/4"	0' - 4610'	7"	20.0#	J-55
6 1/4"	4510' - 8877'	4 1/2"	10.5#	K-55

### **Tubing Program:**

0' - 8877'      2 3/8"      4.70# EUE

BURLINGTON RESOURCES OIL & GAS COMPANY' SAN JUAN 28-5 UNIT #98M

1720' FSL & 1115' FEL, SECTION 13, T28N, R5W, N.M.P.M.

RIO ARRIBA COUNTY, NEW MEXICO



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

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

APPROVAL PROCESS :

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☒ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil & Gas Company

PO Box 4289, Farmington, NM 87499

Operator Address  
San Juan 28-5 Unit 98M I 13-28N-05W 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-not assigned Federal x, 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)	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. 713 psi (see attachment)  (Original) b. 1243 psi (see attachment)	a.  b.	a. 943 psi (see attachment)  b. 2599 psi (see attachment)
6. Oil Gravity (API) or Gas BTU Content	BTU 1151		BTU 1025
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  * 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:
	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

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
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 other? ☒ 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). Reference Order R-10695 attached
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 for SCW TITLE: Reservoir Engineer DATE: 06-26-98

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

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer 00, 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-107  
Revised February 21, 1991

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 30-039-	*Pool Code 72319/71599	*Pool Name Blanco Mesaverde/Basin Dakota
*Property Code 7460	*Property Name SAN JUAN 28-5 UNIT	*Well Number 98M
*OGRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY	*Elevation 7438'

<sup>10</sup> Surface Location

UL or lot no. I	Section 13	Township 28N	Range 5W	Lot Idn	Feet from the 1720	North/South line SOUTH	Feet from the 1115	East/West line EAST	County RIO ARriba
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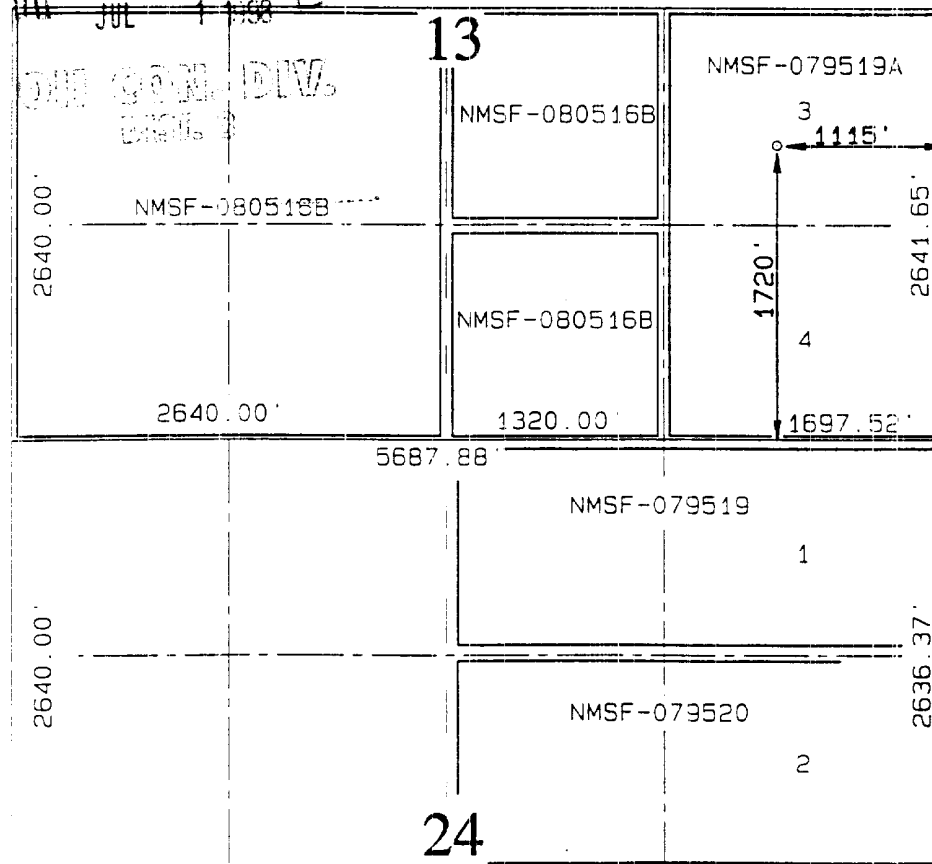
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres MV-S/343.45, DK-327.36	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 RECEIVED  
JUL 1 1998  
OIL CON. DIV.  
SANTA FE, NM



<sup>17</sup> OPERATOR CERTIFICATION

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

Signature

Peggy Bradfield  
Printed Name

Regulatory Administrator  
Title

Date

<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.

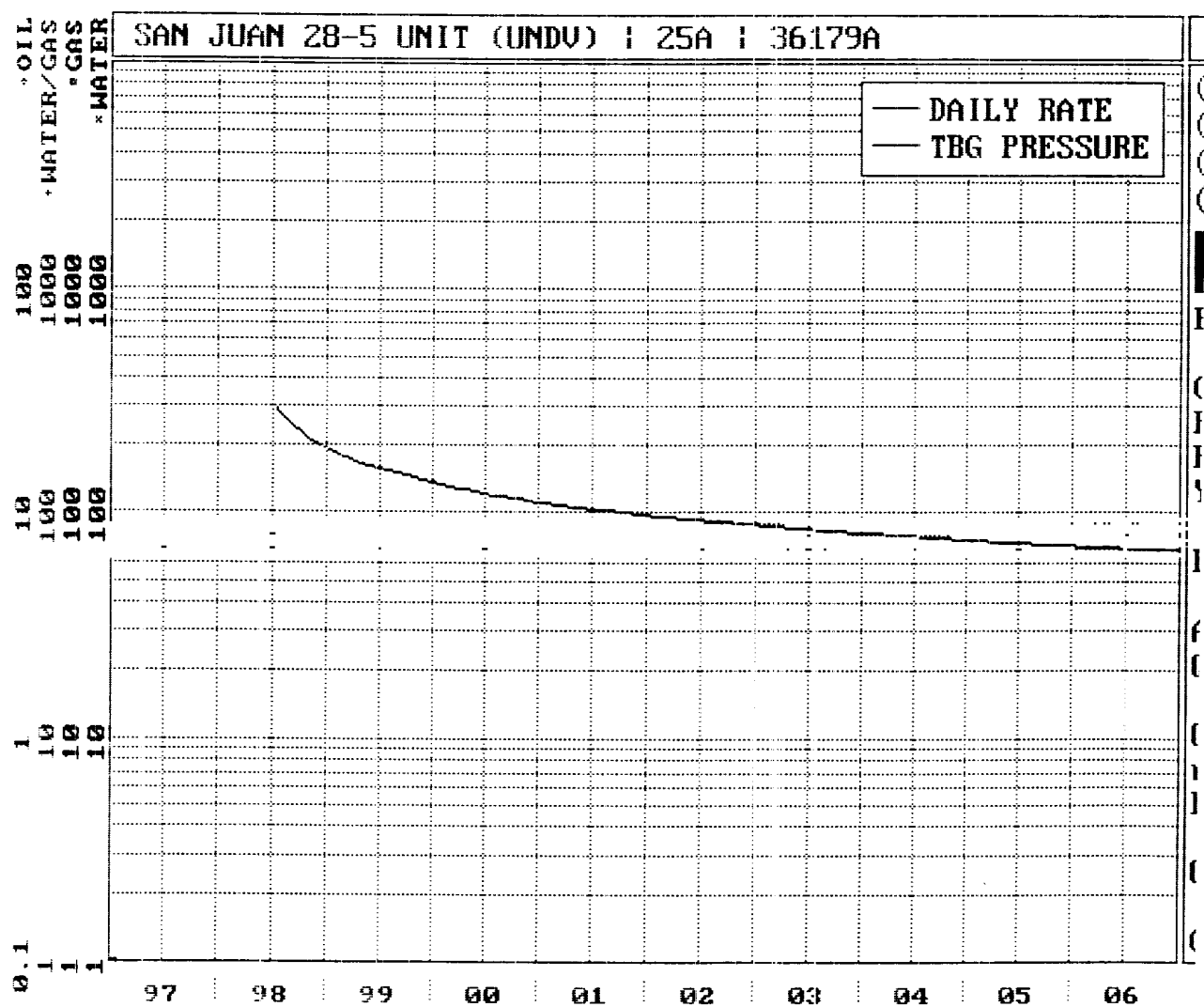
APRIL 10, 1998

Date of Survey

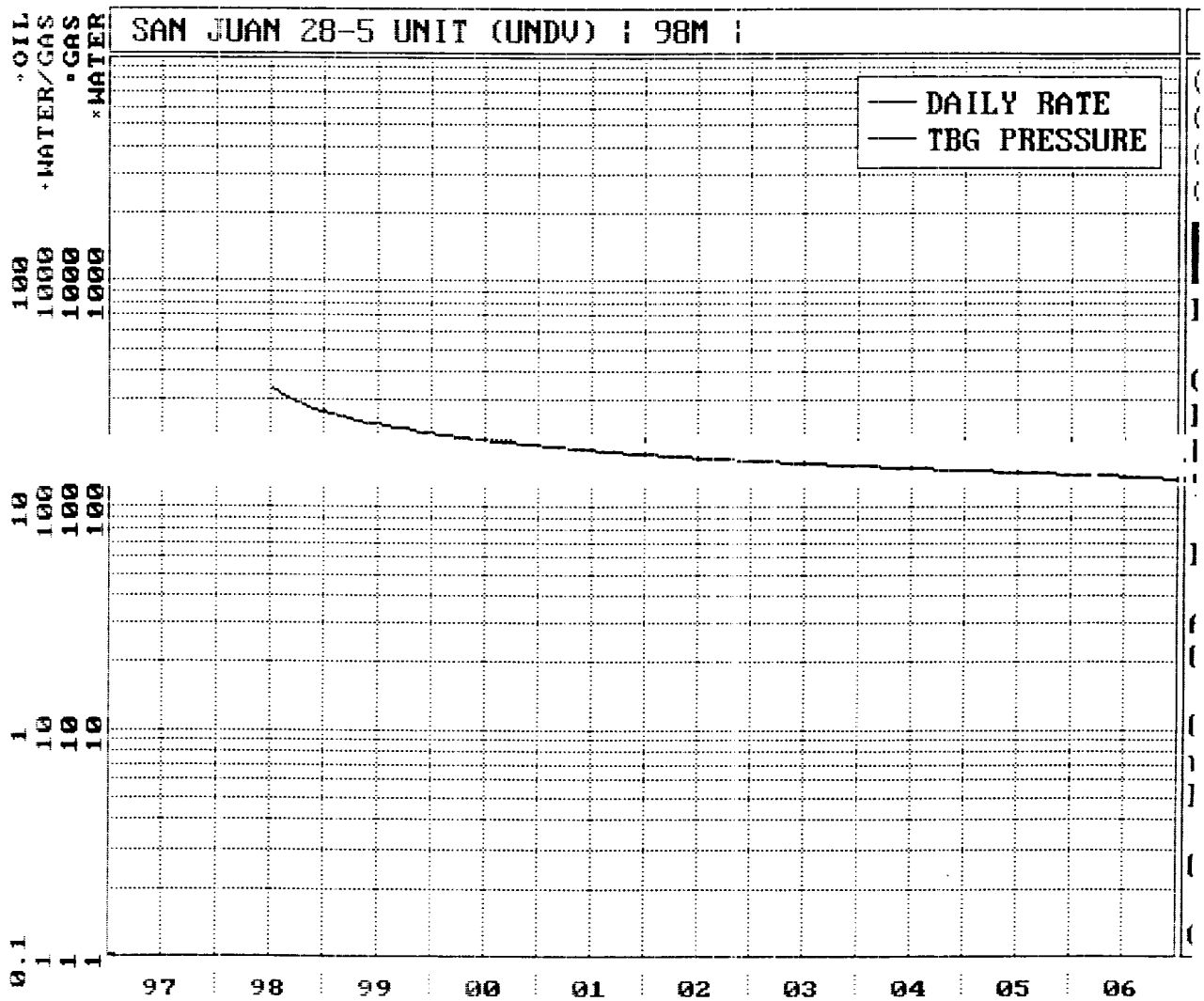
Signature and Seal of Professional Surveyor

NEALE C. EDWARDS  
NEW MEXICO  
6857  
6857  
Certificate Number  
PROFESSIONAL SURVEYOR

San Juan 28-5 Unit #98M  
Expected Production Curve  
Blanco Mesaverde



San Juan 28-5 Unit #98M  
Expected Production Curve  
Basin Dakota





**SJ 28-5 Unit #98M**  
Bottom Hole Pressures  
Flowing and Static BHP  
Cullender and Smith Method  
Version 1.0 3/13/94

<b>Mesaverde</b>		<b>Dakota</b>	
<u><b>MV-Current</b></u>		<u><b>DK-Current</b></u>	
GAS GRAVITY	<u>0.67</u>	GAS GRAVITY	<u>0.601</u>
COND. OR MISC. (C/M)	<u>C</u>	COND. OR MISC. (C/M)	<u>C</u>
%N2	<u>0.44</u>	%N2	<u>0.17</u>
%CO2	<u>0.61</u>	%CO2	<u>1.6</u>
%H2S	<u>0</u>	%H2S	<u>0</u>
DIAMETER (IN)	<u>2</u>	DIAMETER (IN)	<u>1.5</u>
DEPTH (FT)	<u>6760</u>	DEPTH (FT)	<u>8871</u>
SURFACE TEMPERATURE (DEG F)	<u>60</u>	SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>137</u>	BOTTOMHOLE TEMPERATURE (DEG F)	<u>198</u>
FLOWRATE (MCFPD)	<u>0</u>	FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>602</u>	SURFACE PRESSURE (PSIA)	<u>782</u>
BOTTOMHOLE PRESSURE (PSIA)	<div><div>712.8</div></div>	BOTTOMHOLE PRESSURE (PSIA)	<div><div>942.8</div></div>
<u><b>MV-Original</b></u>		<u><b>DK-Original</b></u>	
GAS GRAVITY	<u>0.67</u>	GAS GRAVITY	<u>0.601</u>
COND. OR MISC. (C/M)	<u>C</u>	COND. OR MISC. (C/M)	<u>C</u>
%N2	<u>0.44</u>	%N2	<u>0.17</u>
%CO2	<u>0.61</u>	%CO2	<u>1.6</u>
%H2S	<u>0</u>	%H2S	<u>0</u>
DIAMETER (IN)	<u>2</u>	DIAMETER (IN)	<u>1.5</u>
DEPTH (FT)	<u>6760</u>	DEPTH (FT)	<u>8871</u>
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BOTTOMHOLE TEMPERATURE (DEG F)	<u>137</u>	BOTTOMHOLE TEMPERATURE (DEG F)	<u>198</u>
FLOWRATE (MCFPD)	<u>0</u>	FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>1037</u>	SURFACE PRESSURE (PSIA)	<u>2122</u>
BOTTOMHOLE PRESSURE (PSIA)	<div><div>1243.4</div></div>	BOTTOMHOLE PRESSURE (PSIA)	<div><div>2598.9</div></div>

Page No.: 1

Print Time: Mon Feb 23 09:28:47 1998

Property ID: 1761

Property Name: SAN JUAN 28-5 UNIT | 101 | 45558A-1

Table Name: K:\ARIES\RR98PDP\TEST.DBF

--DATE-- M SIWHP

■■■■■■■■■■ ■■■Psi■■■

01/02/79	2122.0	-original
07/05/79	1751.0	
05/13/80	1319.0	
05/05/81	1324.0	
11/02/83	1391.0	
09/26/85	1275.0	
08/02/88	868.0	
04/10/90	795.0	
09/29/92	782.0	-current

San Juan 28-5 Unit +98m

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Dakota Offset

Page No. : 2

Print Time: Mon Feb 23 09:28:48 1998

Property ID: 3933

Property Name: SAN JUAN 28-5 UNIT	25	49910A-1
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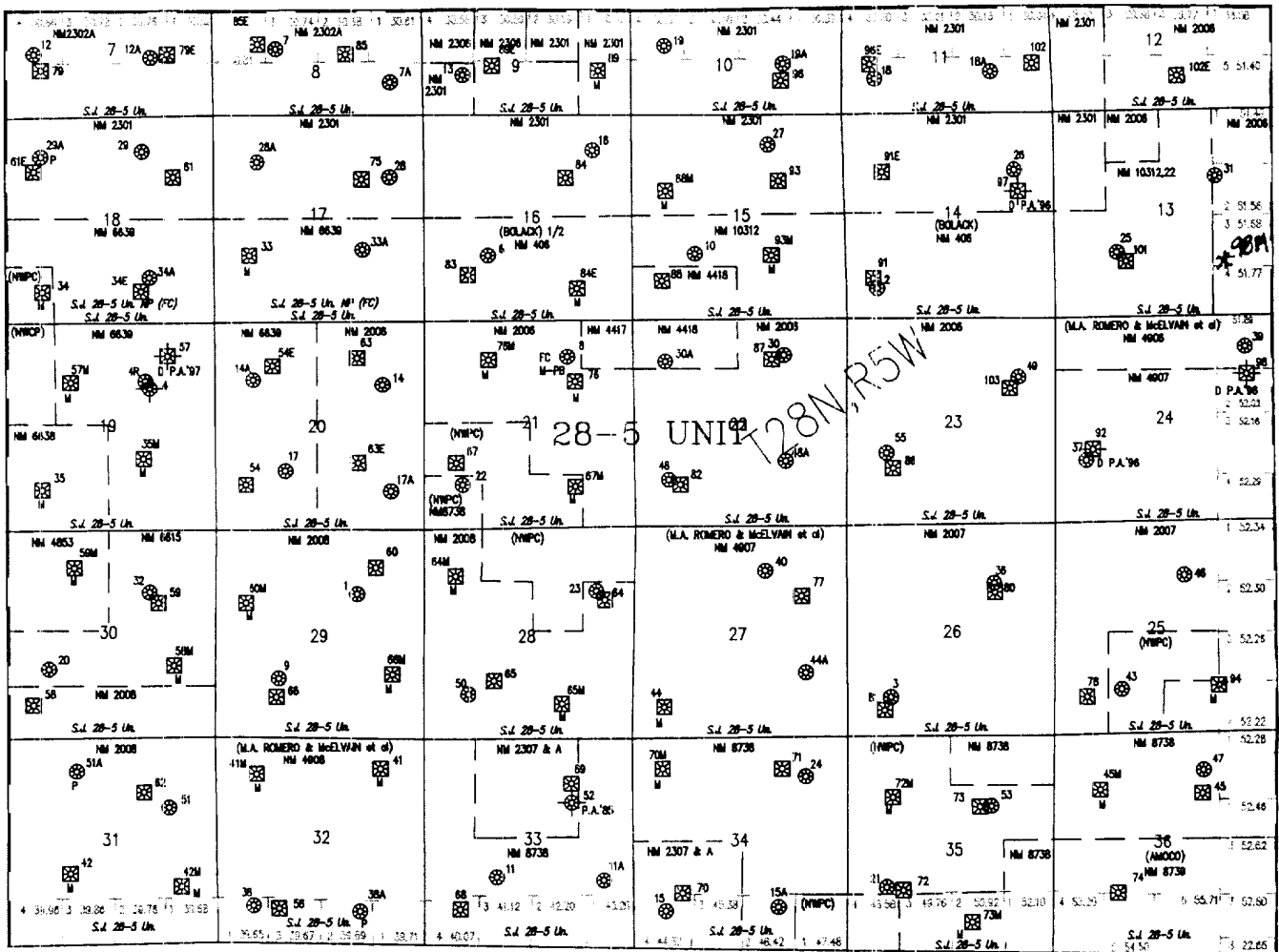
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ST.DBF  
San Juan 28-5 Unit #98M  
Mesa Verde offset

09/02/57	1037.0	-original
09/17/57	1041.0	
11/06/58	775.0	
06/14/59	697.0	
06/14/60	620.0	
06/13/61	596.0	
03/28/62	667.0	
07/29/63	583.0	
01/20/64	552.0	
06/16/65	514.0	
06/27/66	582.0	
06/30/67	557.0	
06/22/70	446.0	
04/30/71	414.0	
05/02/72	406.0	
11/02/81	427.0	
04/15/91	590.0	
10/15/91	602.0	-current

Mesaierte Offset

San Juan 28-5 Unit #98M  
Blanco Mesaverde / Basin Dakota  
28N-05W-13



**BURLINGTON RESOURCES OIL AND GAS COMPANY**

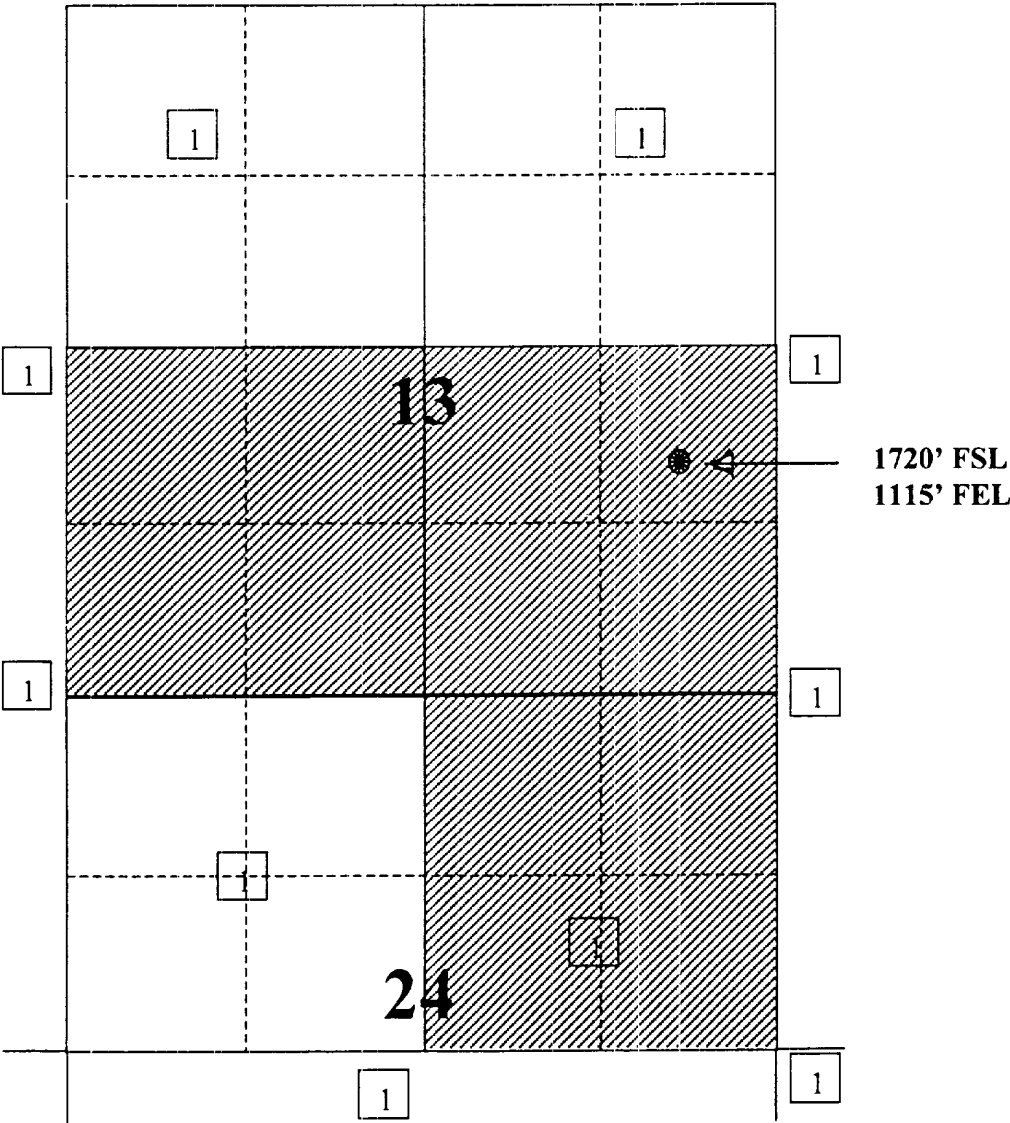
**San Juan 28-5 Unit #98M**

**OFFSET OPERATOR/OWNER PLAT**

**Mesaverde (S/2 of Section 13) / Dakota (Lots 3,4, SW/4 SE/4  
of Section 13; Lots 1,2, W/2 NE/4 of Section 24)**

**Formations Commingle Well**

**Township 28 North, Range 5 West**



1) Burlington Resources

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.

*Rio ARriba*

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: