

1625 N. French Dr., Hobbs, NM 88240  
 DISTRICT II  
 811 South First St., Artesia, NM 88210  
 DISTRICT III  
 1000 Rio Brazos Rd. Aztec, NM 87410  
 DISTRICT IV  
 2040 S. Pacheco, Santa Fe, NM 87505

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**

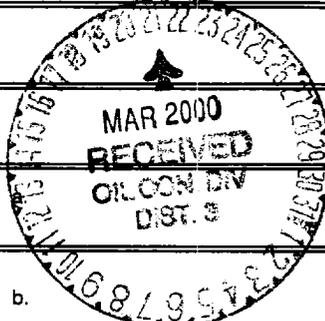
Form C-107-A  
 Revised March 17, 1999  
 APPROVAL PROCESS:  
 Administrative  Hearing  
 EXISTING WELLBORE  
 YES  NO

BURLINGTON RESOURCES OIL & GAS COMPANY PO Box 4289, Farmington, NM 87499  
 Operator Address

Zachry 40 I, Sec 10, T28N, R10W San Juan  
 Lease Well No. Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

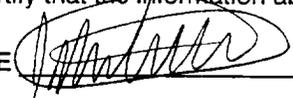
OGRID NO. 14538 Property Code 7654 API NO. 30-045-2546900 Federal  State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesa Verde - 72319		Armenta Gallup - 2290
2. Top and Bottom of Pay Section (Perforations)	3859' - 4554'		5464' - 5006'
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. 168 psia @ 4206'		a. 656 psia @ 5735'
	(Original) b. 1355 psia @ 4206'		b. 2952 psia @ 5735'
6. Oil Gravity (EAPI) or Gas BTU Content	1358 BTU		1000 BTU
7. 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 Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: 04/30/95 Rates: 52 MCFD, 0 BOD, 0 BWD
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 12/31/99 Rates: 10 MCFD 0 BOD, 0 BWD	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: Gas: Will supply for commingling	Oil: % Gas: %	Oil: Gas: Will supply for commingling

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
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) \_\_\_\_\_

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.  
 \* 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  TITLE Operations Engineer DATE 03/15/00

TYPE OR PRINT NAME Joe A. Michetti TELEPHONE NO. (505) 326-9700