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
_X_ YES ___ NO

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

Grenier A (Lease) 3M (Well No.) D, Sec. 34, T30N, R10W (Unit Ltr. - Sec - Twp - Rge) San Juan (County)

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 18531 API NO. 30-045-2583300 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 Mesa Verde-72319		Basin Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	4220'-4902'		6888'-7185'
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	(Current) a. 363 psia @ 4561'	a.	a. 690 psia @ 7037'
	(Original) b. 1162 psia @ 4561'	b.	b. 2501 psia @ 7037'
6. Oil Gravity (°API) or Gas BTU Content	1214 Btu		1081 Btu
7. Producing or Shut-In?	Producing		Shut-In
Production Marginal? (yes or no)	Yes		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: Rates:	Date: Rates:	Date: 01/01/97 Rates: 15 MCFD, 0 BOD, 0 BWD
* If Producing, give data and oil/gas/water water of recent test (within 60 days)	Date: 10/31/98 Rates: 67 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 after commingling	Oil: Gas:	Oil: Gas: Will supply after 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? _X_ 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? _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-flowed 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 Bureau 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). _____

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 Kevin L. Midkiff TITLE Operations Engineer DATE 12-14-98

TYPE OR PRINT NAME Kevin L. Midkiff TELEPHONE NO. (505) 326-9700

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
SOUTHLAND ROYALTY COMPANY	GRENIER "A"	3M

Unit Letter	Section	Township	Range	County
D	34	30N	10W	San Juan

Actual Footage Location of Well:
1110 feet from the North line and 930 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6049' GL	Dakota	Basin	320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

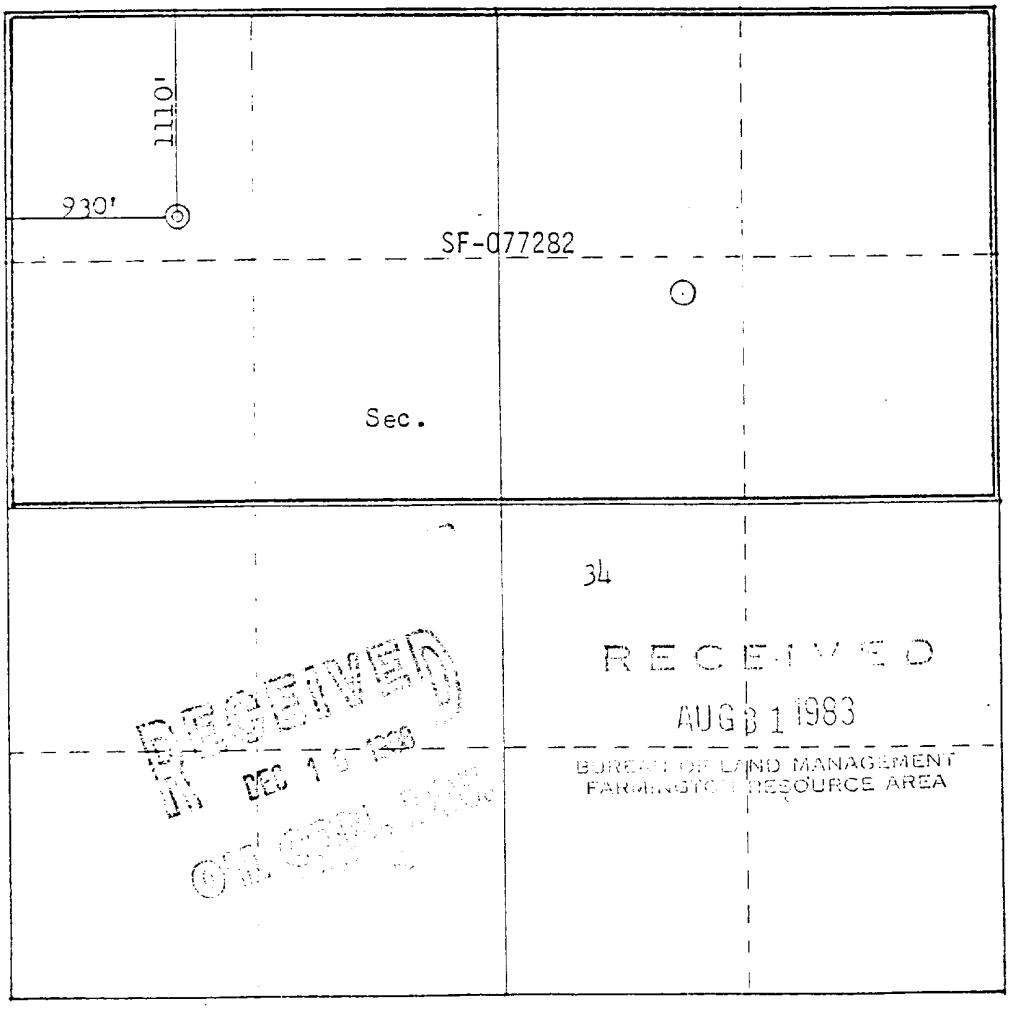
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1000'

CERTIFICATION

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

R. E. Fielder

Name: R. E. Fielder

Position: District Engineer

Company: Southland Royalty Company

Date: August 29, 1983

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 knowledge and belief.

Date Surveyed: Re-issued August 24, 1983

Registered Professional Engineer and Land Surveyor.

Fred B. Kerr Jr.

Certificate No. 3950

FORM 24-1

Page No.: 1
Print Time: Tue Dec 01 10:43:35 1998
Property ID: 63
Property Name: GRENIER A | 3M | 25687-1 Mesa Verde
Table Name: S:\JSMITH\ARIES\99WORK\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi	
04/30/83	0	1007.0	Initial
10/03/84	39348	761.0	
12/04/85	123745	589.0	
03/12/86	137271	496.0	
05/10/89	236405	441.0	
06/17/91	279281	400.0	
07/10/91	281651	412.0	
07/30/93	334209	356.0	
9/30/98	453883	312.0	Based on Pressure vs Cum Gas Curve

Page No.: 1
Print Time: Tue Dec 01 11:38:37 1998
Property ID: 615
Property Name: GRENIER A | 3 | 25652-1 DAKOTA offset Well
Table Name: K:\ARIES\RR99PDP\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi	
03/31/64	0	2011.0	Initial
04/17/70	415768	740.0	
04/18/71	468589	725.0	
04/18/72	524736	612.0	
09/26/73	591991	563.0	
08/02/75	686183	591.0	
04/17/77	747255	592.0	
05/16/79	809314	464.0	
09/01/81	890531	625.0	
05/02/83	927719	755.0	
10/03/84	970314	722.0	
07/25/85	991848	740.0	
01/13/88	1046856	747.0	
06/08/90	1093708	648.0	
04/28/92	1119155	678.0	
9/30/98	1209758	565.0	Based on Pressure vs Cum Gas Curve from offset Well

Grenier A 3M
Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method

Version 1.0 3/13/94

Mesaverde

MV-Current

GAS GRAVITY	0.7
COND. OR MISC. (C/M)	M
%N2	0.34
%CO2	0.86
%H2S	0
DIAMETER (IN)	4.408
DEPTH (FT)	4561
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	131
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	324
BOTTOMHOLE PRESSURE (PSIA)	363.4

MV-Original

GAS GRAVITY	0.7
COND. OR MISC. (C/M)	M
%N2	0.34
%CO2	0.86
%H2S	0
DIAMETER (IN)	4.408
DEPTH (FT)	4561
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	131
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1019
BOTTOMHOLE PRESSURE (PSIA)	1162.0

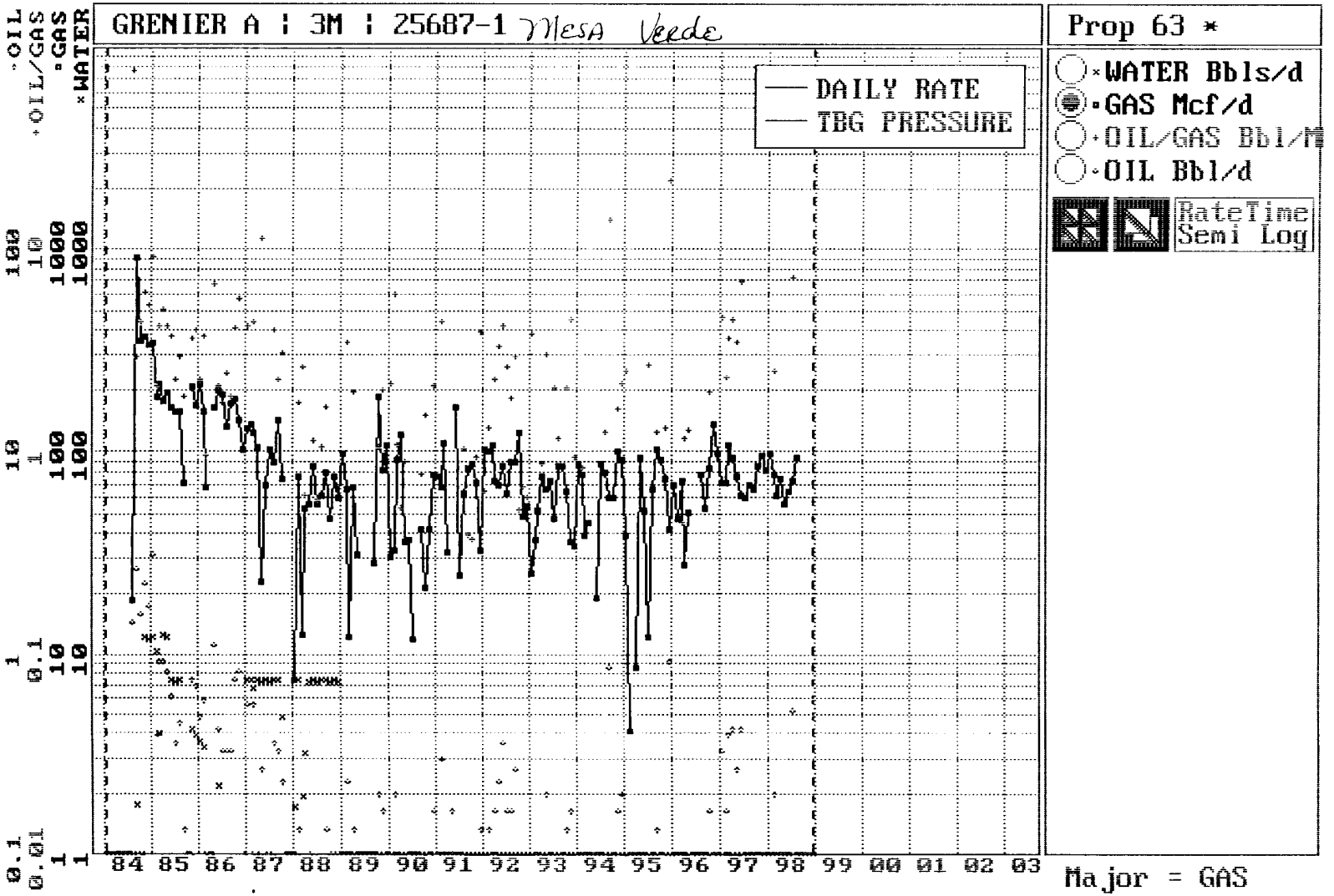
Dakota

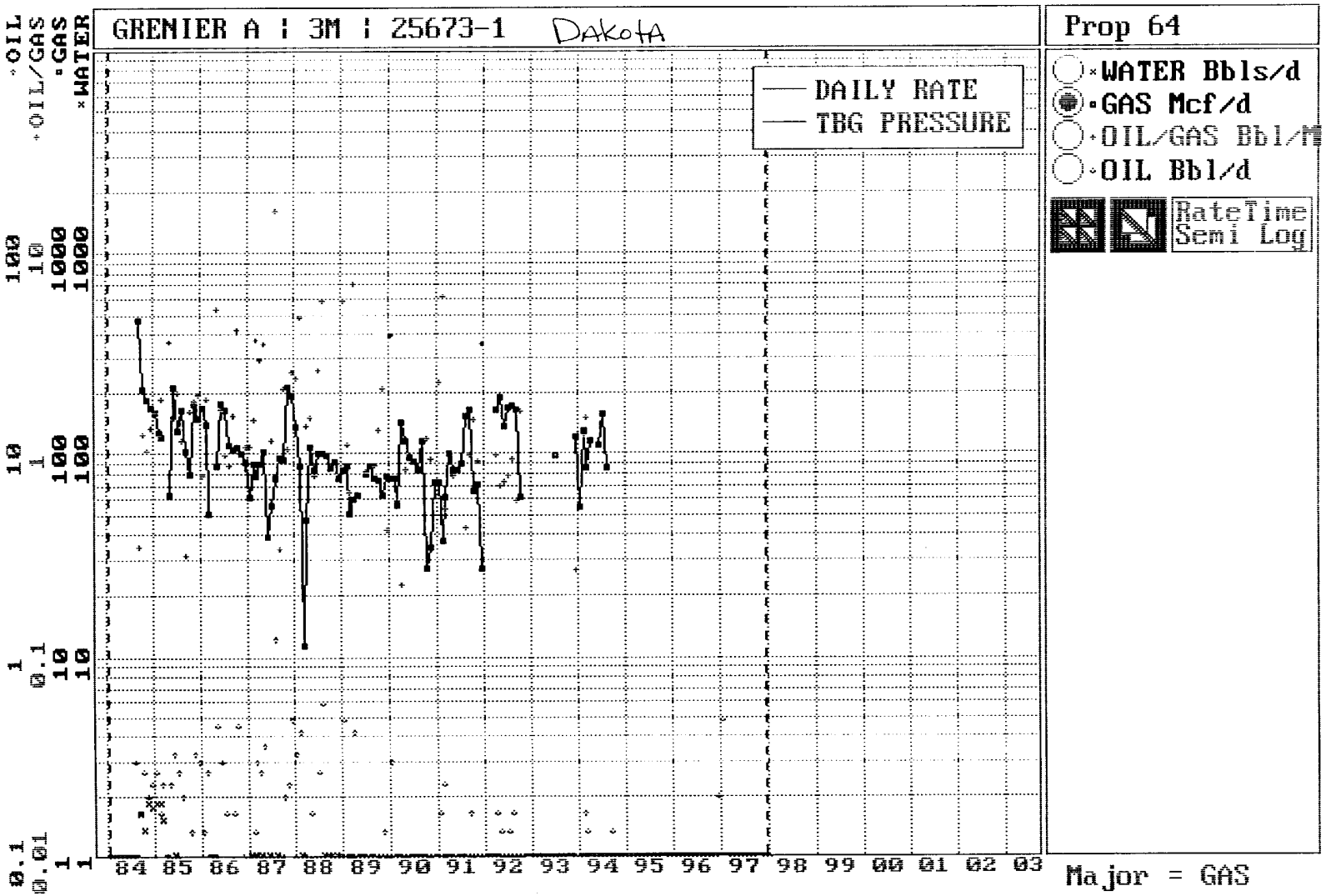
DK-Current

GAS GRAVITY	0.7
COND. OR MISC. (C/M)	M
%N2	0.34
%CO2	0.86
%H2S	0
DIAMETER (IN)	4.408
DEPTH (FT)	7037
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	169
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	577
BOTTOMHOLE PRESSURE (PSIA)	689.8

DK-Original

GAS GRAVITY	0.7
COND. OR MISC. (C/M)	M
%N2	0.34
%CO2	0.86
%H2S	0
DIAMETER (IN)	4.408
DEPTH (FT)	7037
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	169
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	2023
BOTTOMHOLE PRESSURE (PSIA)	2500.8


GRENIER A ¦ 3M ¦ 25687-1 Mesa Verde
DAILY RATE
TBG PRESSURE
OIL
OIL/GAS
GAS
WATER
84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03
Prop 63 *
WATER Bbls/d
GAS Mcf/d
OIL/GAS Bbl/M
OIL Bbl/d
RateTime
Semi Log
Major = GAS


GRENIER A | 3M | 25673-1 Dakota
DAILY RATE
TBG PRESSURE
·OIL
·OIL/GAS
▪GAS
×WATER
84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03
Prop 64
×WATER Bbls/d
▪GAS Mcf/d
·OIL/GAS Bbl/M
·OIL Bbl/d
RateTime
Semi Log
Major = GAS

FARMINGTON ANNUAL PRODUCTION FOR 25673 Dakota PHS020M1
GRENIER A 3M
BASIN DAKOTA (PRORATED GAS) FIELD DAKOTA ZONE

====== OIL CUM =======		====== GAS CUM =======		==== WATER CUM =====
PC DATE	BBLS	PC DATE	MCF	DATE BBLS

YEAR	OIL	OIL CUM	GAS	GAS CUM	WATER	WATER CUM
1994	13	471	22618	332594		1209
1995		471		332594		1209
1996	6	477		332594		1209
1997	15	492		332594		1209
1998		492		332594		1209

POSITION CURSOR BY YEAR AND PRESS ENTER TO DISPLAY MONTHLY PRODUCTION
ENTER - CONTINUES ANNUAL DISPLAY
PF3 - TRANSFER TO UPDATE
PF6 - RETURN TO WELL-INFO DISPLAY
PF9 - ANNUAL INJECTION DISPLAY
PF10 - HELP INFORMATION

FARMINGTON 1998 MONTHLY PRODUCTION FOR 25673 Dakota PHS030M1
GRENIER A 3M
BASIN DAKOTA (PRORATED GAS) FIELD DAKOTA ZONE

			DAYS	====== OIL =======			========== GAS ==========						
MO	T	S	ON	PC	PROD	GRV	PC	PROD	ON	BTU	PRESS	WATER PROD	C
1	2	S		02			01				15.025		
2	2	S		02			01				15.025		
3	2	F	1	02			01		1		15.025		
4	2	F	30	02			01		30		15.025		
5	2	F	31	02			01		31		15.025		
6	2	S	12	02			01		12		15.025		
7	2	S		02			01				15.025		
8	2	S		02			01				15.025		
9	2	S		02			01				15.025		
10													
11													
12													

PF6 - RETURNS TO ANNUAL DISPLAY PF3 - TRANSFER TO UPDATE
PF10 - HELP INFORMATION PF9 - DISPLAY MONTHLY INJECTION
00/00/00 00:00:00:0 PRS 11/04/98

FARMINGTON ANNUAL PRODUCTION FOR 25687) Mesa Verde PHS020M1
GRENIER A 3M
BLANCO MESAVERDE (PRORATED GAS FIELD MESAVERDE ZONE

====== OIL CUM =======		====== GAS CUM =======		==== WATER CUM =====	
PC DATE	BBLS	PC DATE	MCF	DATE	BBLS

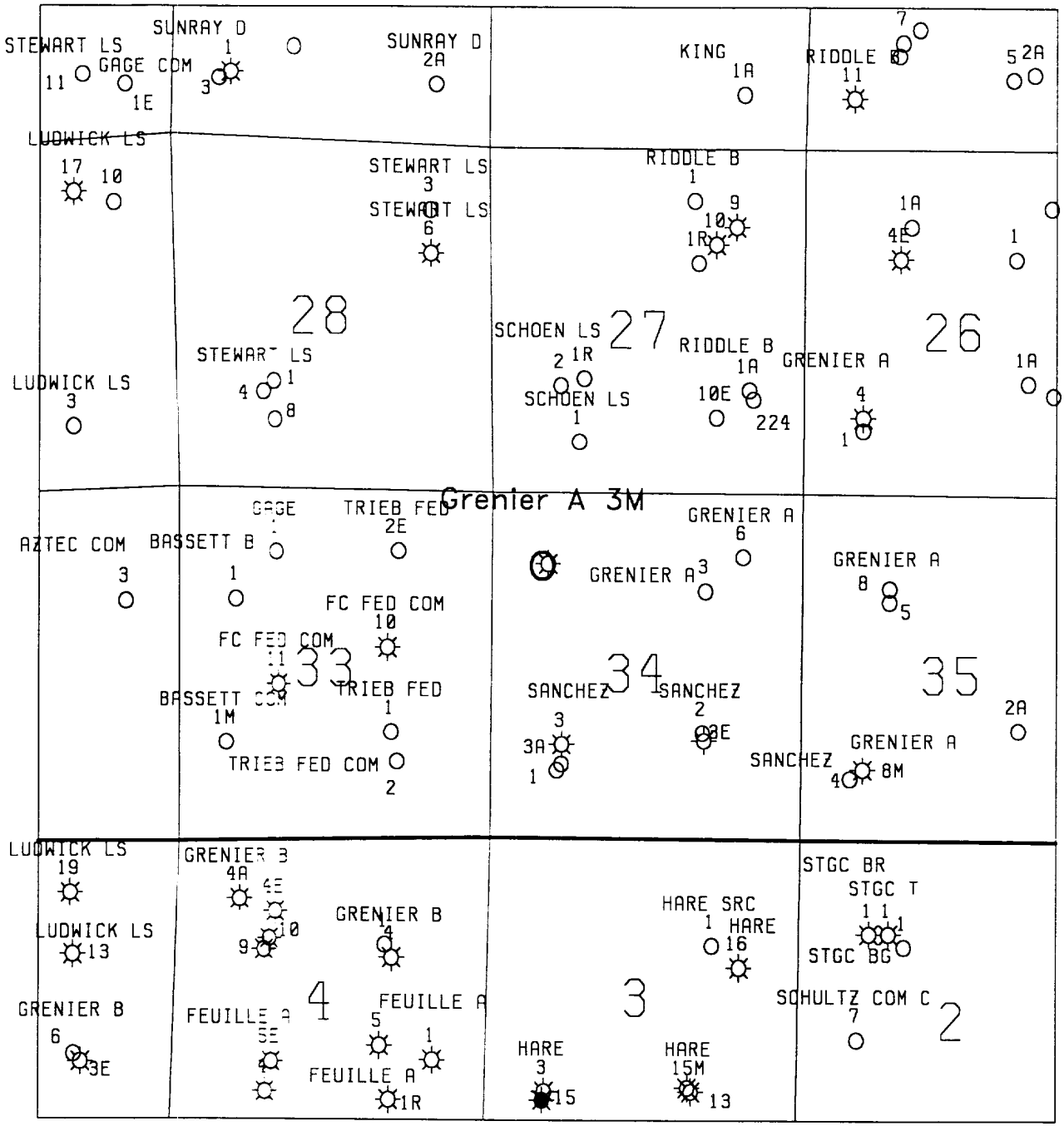
YEAR	OIL	OIL CUM	GAS	GAS CUM	WATER	WATER CUM
1991	24	891	24822	290306		8059
1992	51	942	30768	321074		8059
1993	27	969	20835	341909		8059
1994	42	1011	22834	364743		8059
1995	39	1050	17997	382740		8059
1996	9	1059	21887	404627		8059
1997	61	1120	28756	433383		8059
1998	22	1142	20500	453883		8059

POSITION CURSOR BY YEAR AND PRESS ENTER TO DISPLAY MONTHLY PRODUCTION
ENTER - CONTINUES ANNUAL DISPLAY PF3 - TRANSFER TO UPDATE
PF6 - RETURN TO WELL-INFO DISPLAY PF9 - ANNUAL INJECTION DISPLAY
PF10 - HELP INFORMATION

FARMINGTON 1998 MONTHLY PRODUCTION FOR 25687 (Meshleese) PHS030M1
GRENIER A 3M
BLANCO MESAVERDE (PRORATED GAS FIELD MESAVERDE ZONE

			DAYS	====== OIL =======			========== GAS ==========					
MO	T	S	ON	PC	PROD	GRV	PC	PROD	ON	BTU	PRESS	WATER PROD C
1	2	F	31	02			01	2973	31	1195	15.025	
2	2	F	28	02	6		01	2398	28	1195	15.025	
3	2	F	31	02			01	1876	31	1195	15.025	
4	2	F	27	02			01	2266	27	1192	15.025	
5	2	F	31	02			01	1705	31	1192	15.025	
6	2	F	30	02		42.5	01	1982	30	1192	15.025	
7	2	F	31	02	16		01	2194	31	1192	15.025	
8	2	F	31	02			01	2894	31	1192	15.025	
9	2	F	30	02			01	2212	30	1192	15.025	
10												
11												
12												

PF6 - RETURNS TO ANNUAL DISPLAY PF3 - TRANSFER TO UPDATE
PF10 - HELP INFORMATION PF9 - DISPLAY MONTHLY INJECTION
00/00/00 00:00:00:0 PRS 11/04/98



Grenier A 3M

Sec 34 T30N R10W

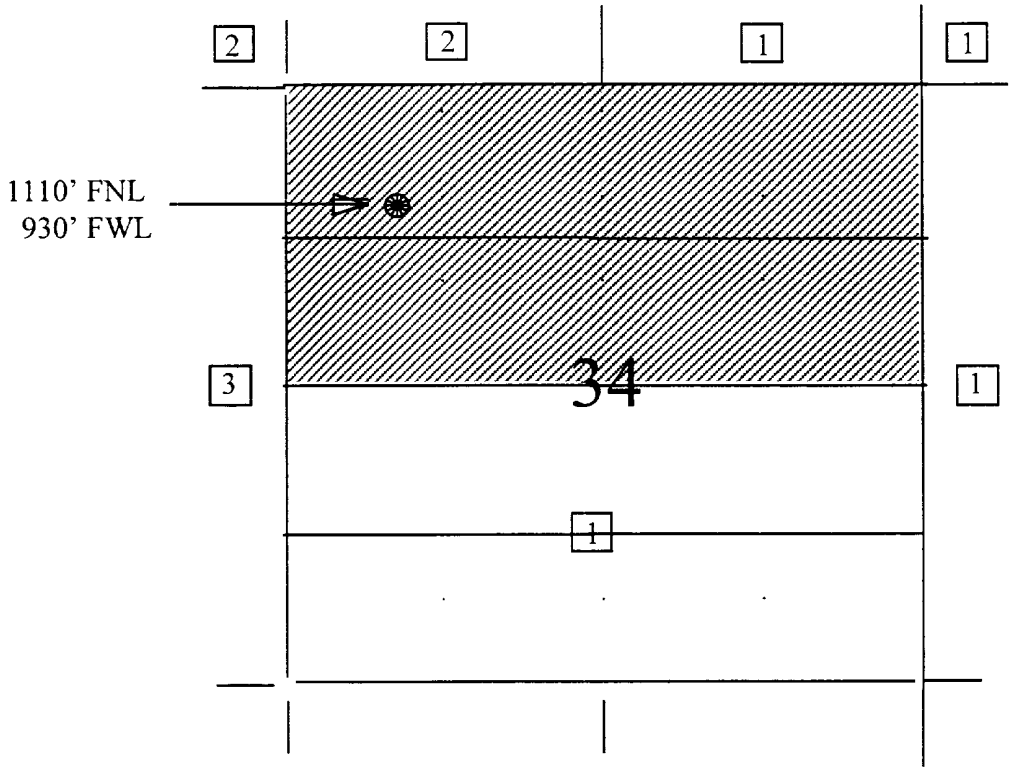
Mesa Verde/Dakota

BURLINGTON RESOURCES OIL AND GAS COMPANY

Grenier A #3M
OFFSET OPERATOR \ OWNER PLAT
Downhole Commingle

Mesaverde / Dakota Formations Well

Township 30 North, Range 10 West



1) Burlington Resources

2) Amoco Production Company - Land Dept.
Attn: Steve Trefz
P.O. Box 800
1670 Broadway
Denver, CO 80201

3) Conoco Inc.
Attn: Lori Thorpe
10 Desta Drive, Suite 100W
Midland, TX 79705

vkh 12-10-98