



RELEASE 2-15-93

Midland Division
Exploration and Production

OIL CONSERVATION DIVISION
Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400
JAN 26 1993

January 21, 1993

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Gentlemen:

**Application to Downhole Commingle the
Dakota and Mesaverde Gas Producing zones
in State Com AF #28E, 1460' FSL & 1100' FEL,
Sec. 36, T-29N, R-10W, San Juan County, New Mexico**

It is proposed to downhole commingle the Dakota and Mesaverde Gas zones in this well to maintain economic operation and to maximize the efficient and effective recovery of Gas at this location. Economic evaluation of the continued operation of this well as a dual completion has shown that it can only be economically maintained if it can be downhole commingled and operated as a single completion.

The Dakota and Mesaverde producing rates have declined to marginal levels of 20 MCFGPD and 44 MCFGPD respectively. Elimination of excess operational equipment and operating expense associated with dual operation would contribute to the maximization of the producing lives and recoveries from each pool. Downhole commingling would permit the elimination of one tubing string, one separator and one tank now required for the operation of this dual completion and would eliminate maintenance costs with maintaining isolation of the two completions.

The following attachments are submitted in support of this application:

1. EXHIBIT A is a plat (a) showing Dakota wells in the area, (b) identifying the subject well, and (c) outlining the Dakota proration unit.
2. EXHIBIT B is a plat (a) showing Mesaverde wells in the area, (b) identifying the subject well, and (c) outlining the Mesaverde proration unit.
3. EXHIBIT C is the most recently filed GOR test (C-116) and documents the producing rates for each completion as recently as 11/24/92.
4. EXHIBITS D and E are current decline curves for Dakota and Mesaverde, showing production through December, 1992.
5. EXHIBIT F is a plot of shut-in tubing pressures for both zones. The last recorded surface pressures can be converted to estimated bottom hole pressures of 701 psia for the Dakota and 596 psia for the Mesaverde.

6. WI, RI, AND ORRI ownerships are identical for both formations.
7. EXHIBITS G & H are respectively Dakota and Mesaverde gas analyses. BTU values are very similar for both and since sales are based on a \$/BTU rate, revenue for the combined gas stream will be the same as for the separated sales streams of the dual completion. Therefore, there would be no revenue or royalty loss due to commingling.
8. Allocation percentages based on the last reported C-116 tests are suggested as follows:
- | | <u>Oil</u> | <u>Gas</u> | <u>Water</u> |
|------------------|------------|------------|--------------|
| Basin Dakota | 0% | 31% | 0% |
| Blanco Mesaverde | 0% | 69% | 0% |
9. Additional interest owners in both completions of this well are: Amoco Production Company, Meredian, and Southland Royalty. Copies of this application were sent by certified mail to each and EXHIBIT I includes copies of each certified mail receipt to them.

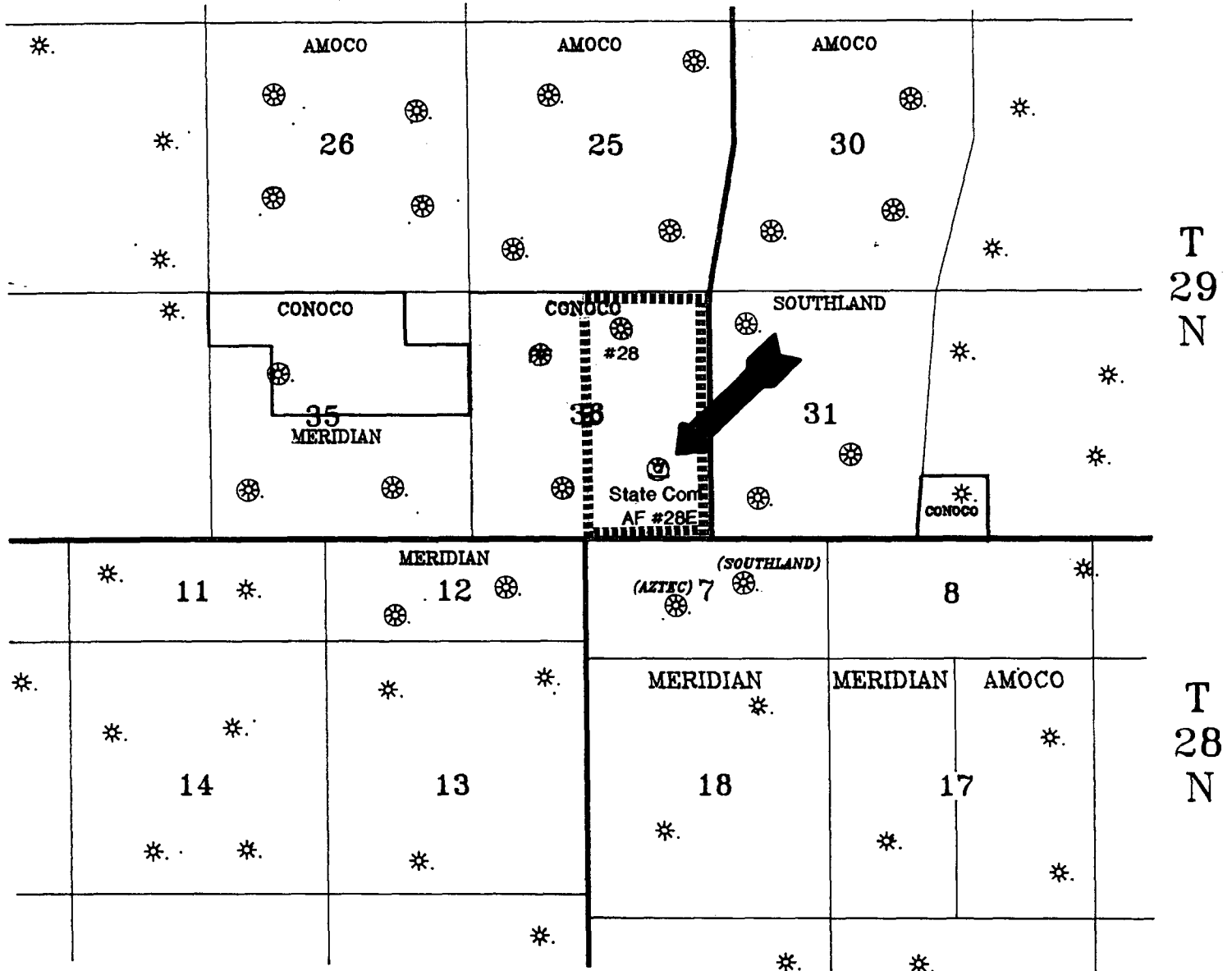
Very truly yours,



Jerry W. Hoover
Senior Conservation Coordinator

R 10 W

R 9 W



R 10 W

R 9 W

..... Dakota Proration Unit

EXHIBIT A



EPNGNA
MIDLAND DIVISION

DAKOTA WELLS

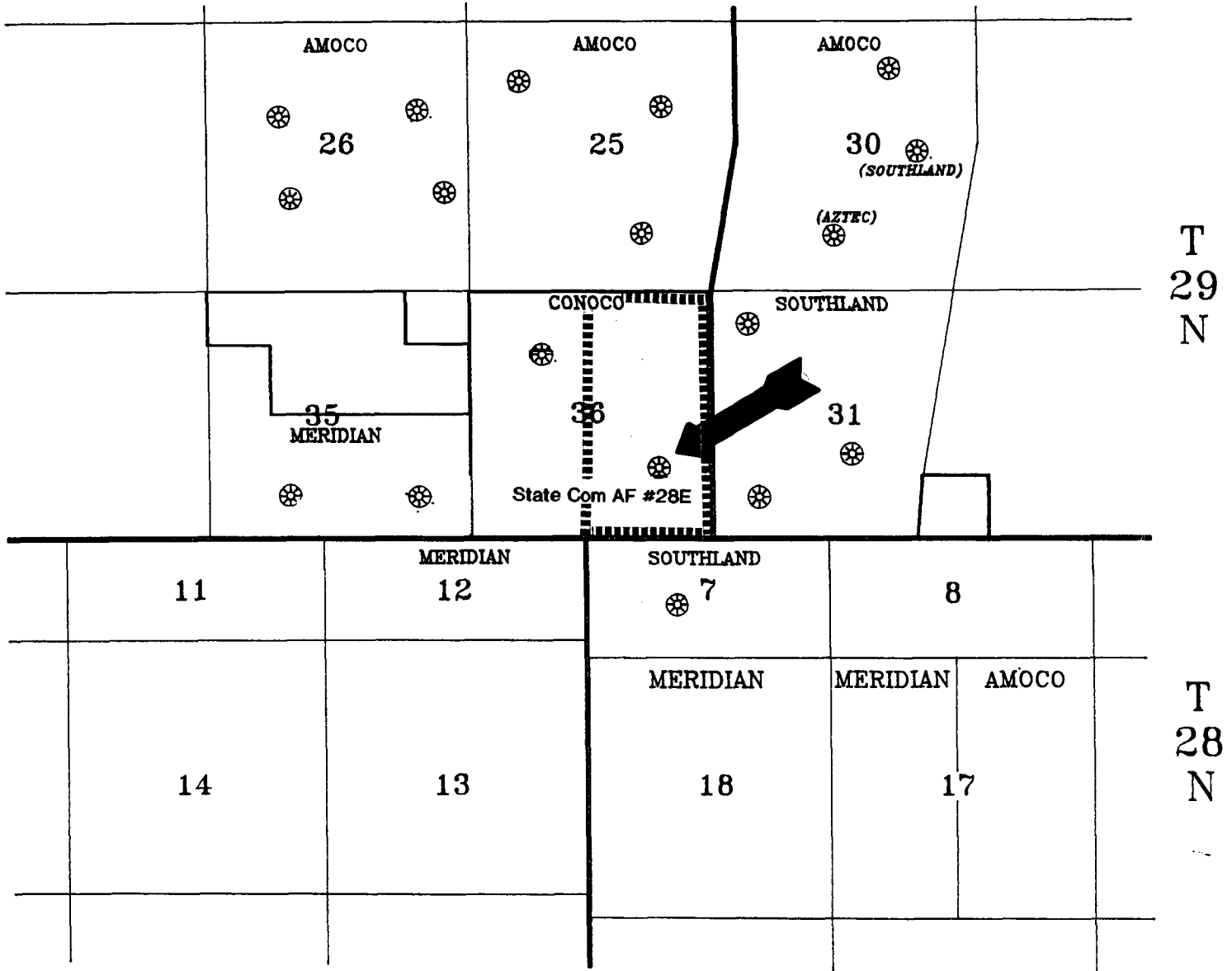
FED. LEASE NO:

DRAWING NO.

BA 1163

R 10 W

R 9 W



R 10 W

R 9 W

..... Mesaverde Proration Unit

EXHIBIT B



EPNGNA
MIDLAND DIVISION

MESAVERDE WELLS

FED. LEASE NO.

DRAWING NO.

BA 1164

Submit 2 copies to Appropriate
District Office.

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator Conoco Inc.		Pool Blanco Mesaverde		Basin Dakota		County San Juan								
Address #10 Desta Drive, Suite 100W Midland, TX 79705		TYPE OF TEST - (X)		Scheduled <input checked="" type="checkbox"/> Special <input type="checkbox"/>		Completion <input type="checkbox"/>								
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW- ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO	
		U	S	T						R	WATER BBL.S.	GRAV. OIL	OIL BBL.S.	GAS M.C.F.
State Com AF (Mesaverde)	28E	I	36	29N	10W	11-24-92	F	--		24	--	--	44	--
	28E	I	36	29N	10W	11-24-92	F	--	Shared with State COM AF #28	24	--	--	20	--

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

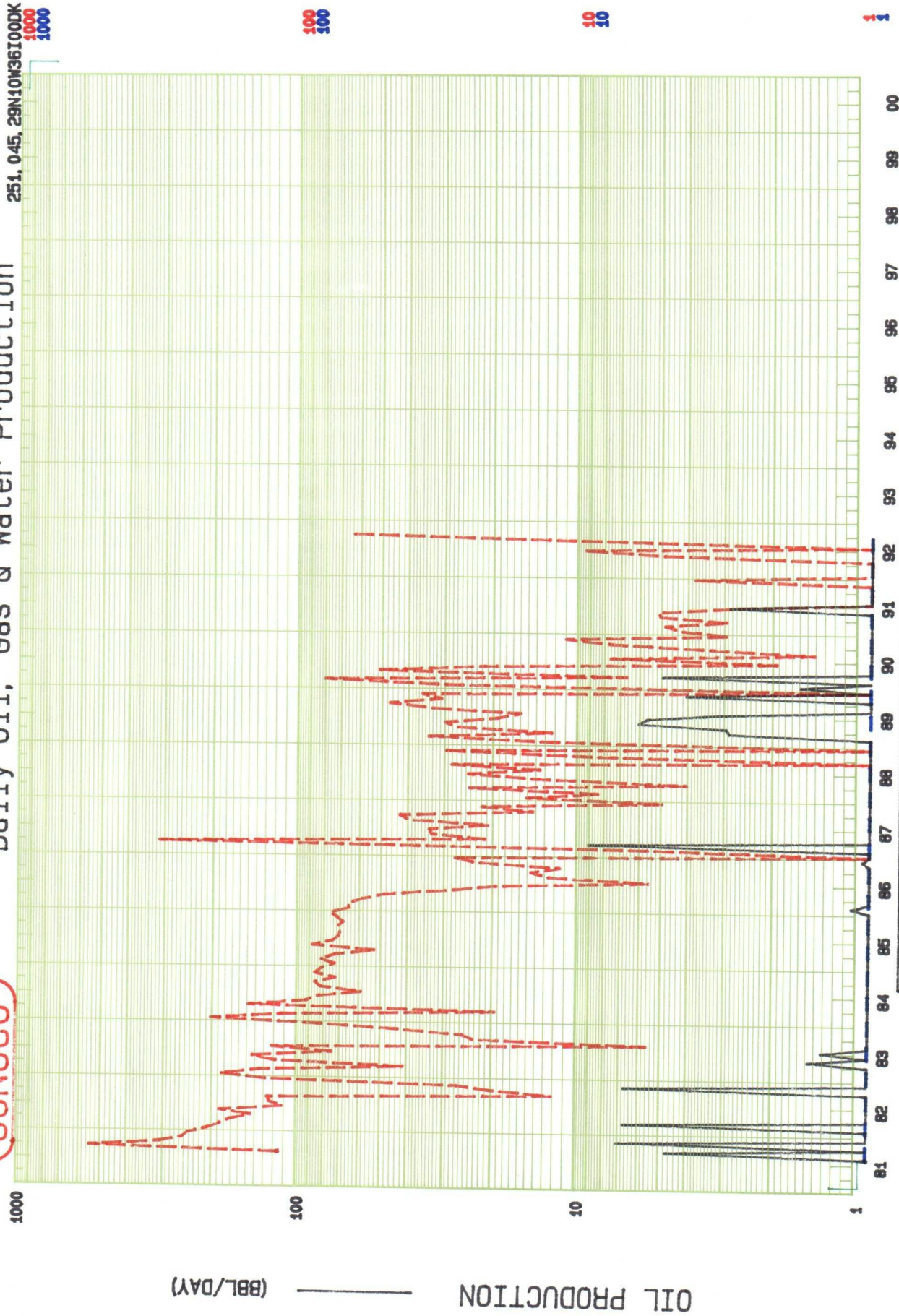
Signature	Sr. Conservation
Jersey W. Hoover	Coordinator
Printed name and title	
1/19/93	(915) 686-6548
Date	Telephone No.

EXHIBIT C

CONOCO

Daily Oil, Gas & Water Production

WATER PRODUCTION (BBL/DAY) --- GAS PRODUCTION (MCF/DAY) ---



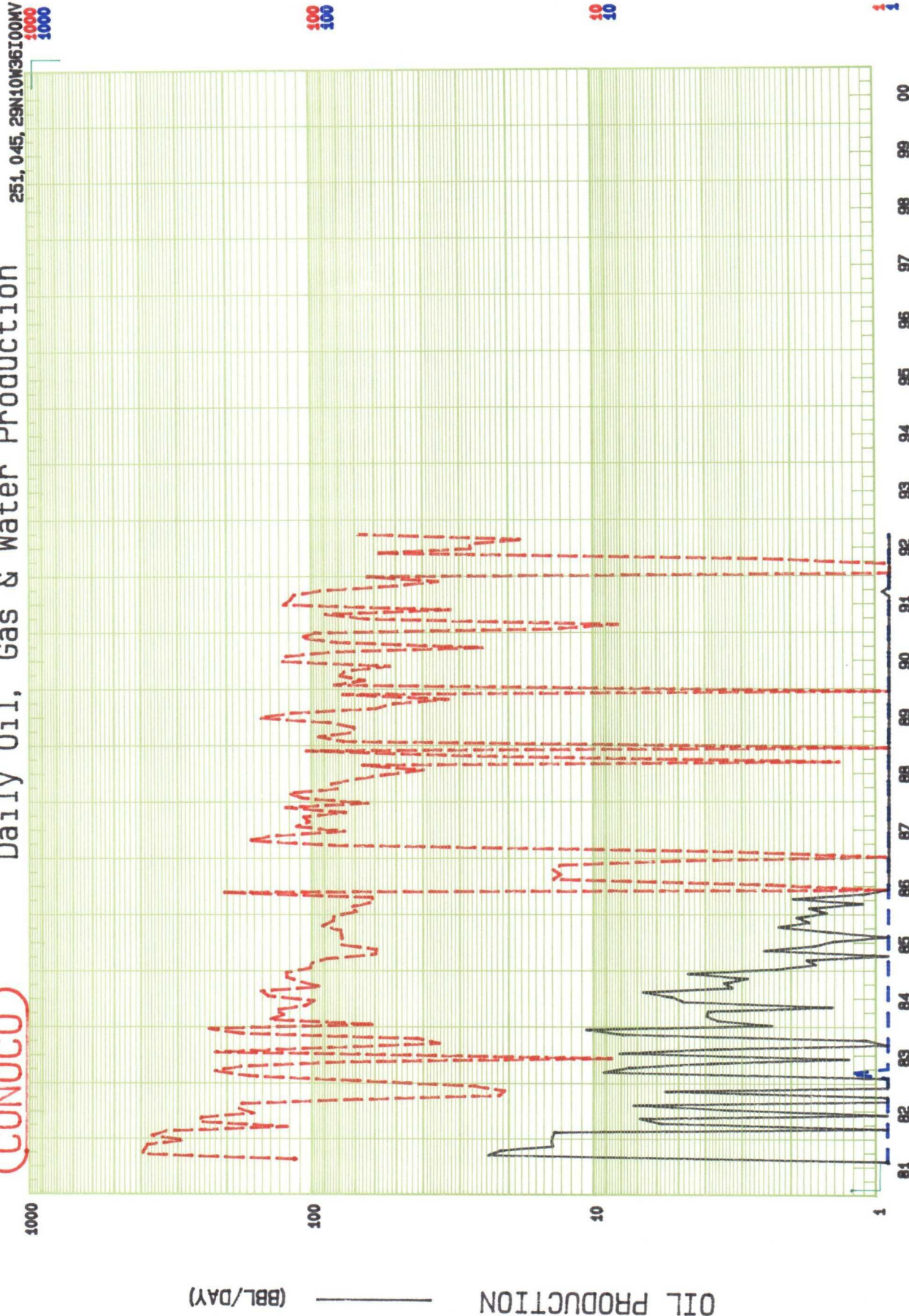
Operator:	CONOCO INC	Location:	36T 29N 10W
Lease:	STATE CON AF	County:	SAN JUAN
Well #	00028E	State:	NM
Field:	BASIN (DAKOTA)	Cum. Oil:	DN2350
Reservoir:	DAKOTA	Cum. Gas:	242514

EXHIBIT D

CONOCO

Daily Oil, Gas & Water Production

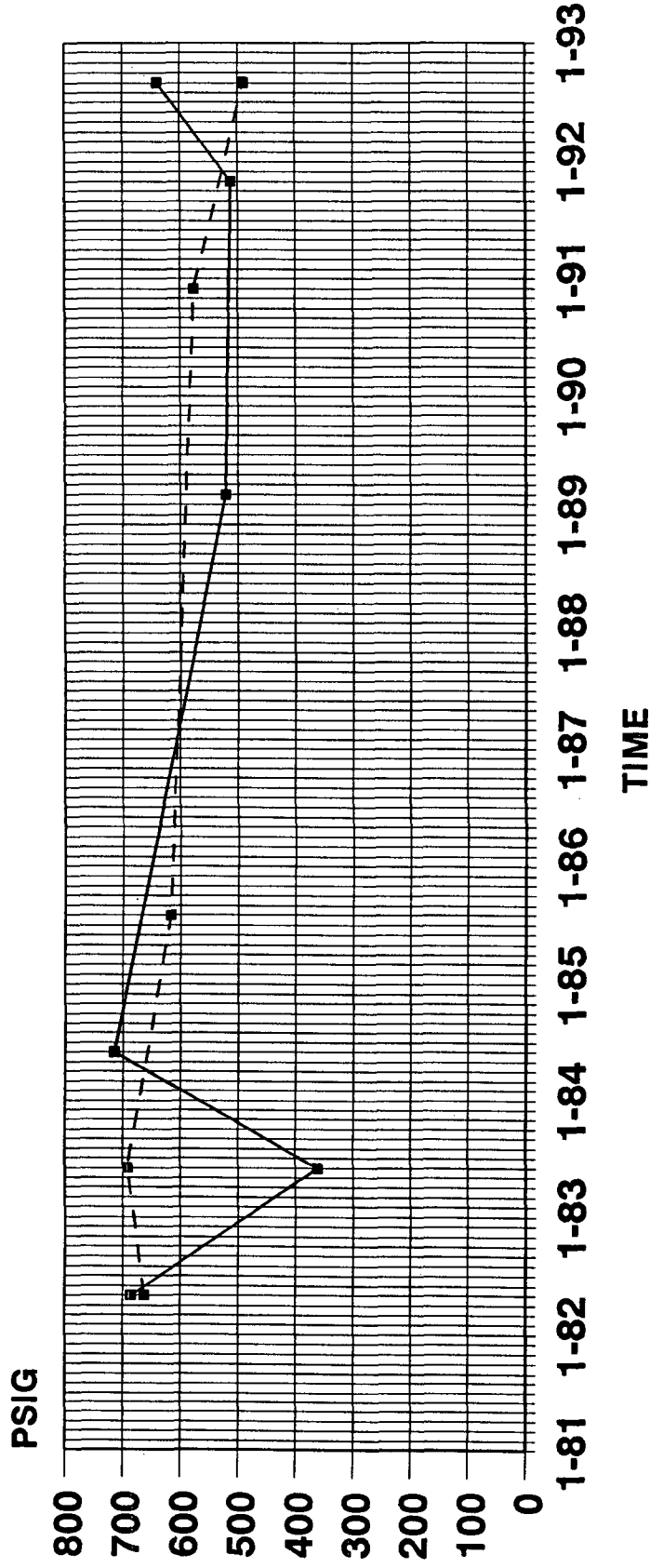
WATER PRODUCTION (BBL/DAY) --- GAS PRODUCTION (MCF/DAY) ----



Operator:	CONOCO INC	Location:	361 23N 10W
Lease:	STATE CON AF	County:	SAN JUAN
Well #	00028E	State:	NM
Field:	BLANCO (MESAVERT)	Cum. Oil:	M8164
Reservoir:	MESAVERT	Cum. Gas:	400877

EXHIBIT E

**SAN JUAN OPERATIONAL UNIT
STATE COM AF #28E
SHUT-IN TUBING PRESSURE**



MESAVERDE DAKOTA

WELL DELIVERABILITY TEST REPORT (FORM C-122A)
WELL COMPLETED MARCH 16, 1981

EXHIBIT F



1115 FARMINGTON AVE. - FARMINGTON, NM 87401

(505) 325-6622

ANALYSIS NO. CON10037

WELL/LEASE INFORMATION

COMPANY: CONOCO, INC.

WELL NAME: STATE COM AF 24

LINE PRESSURE:

LOCATION:

SAMPLE TEMP.:

LEASE:

WELL FLOWING: YES

FORMATION: Dakota

DATE SAMPLED: 11/91

METER NO.:

SAMPLED BY: CONOCO

REMARKS:

ANALYSIS

COMPONENT	MOLE %	GPM	*B.T.U.	*SP. GR.
NITROGEN	0.833	0.0000	0.00	0.0081
CO2	1.578	0.0000	0.00	0.0240
METHANE	81.052	0.0000	820.49	0.4489
ETHANE	9.315	2.5417	165.22	0.0967
PROPANE	3.450	0.9700	87.02	0.0525
I-BUTANE	0.691	0.2304	22.51	0.0139
N-BUTANE	1.105	0.3553	36.12	0.0222
I-PENTANE	0.638	0.2381	25.58	0.0159
N-PENTANE	0.570	0.2107	22.91	0.0142
HEXANE	0.768	0.3418	39.50	0.0247
TOTAL	100.000	4.8880	1219.35	0.7211

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

COMPRESSIBILITY FACTOR (1/Z) 1.0036

BTU/CU.FT. (DRY) CORRECTED FOR (1/Z) 1248.2

BTU/CU.FT. (WET) CORRECTED FOR (1/Z) 1226.5

REAL SPECIFIC GRAVITY 0.7233

ANALYSIS RUN AT 15.025 PSIA & 60 DEGREES F

CYLINDER PRESSURE: 117 PSIG

DATE RUN: 11/26/91

ANALYSIS RUN BY: CHELLE DURBIN

EXHIBIT G

08-11-87

EL PASO NATURAL GAS COMPANY
MEASUREMENT DEPARTMENT
POST OFFICE BOX 1492
EL PASO, TEXAS 79978

MAILEE
04515

CHROMATOGRAPHIC GAS ANALYSIS REPORT

MESA OPERATING LTD PARTNERSHIP
P. O. BOX 2009
AMARILLO, TX 79189

Mesaverde Formation

ANAL DATE 00-00-00	METER STATION NAME STATE COM AF 828E MW	METER STA 93781 OPER 6014			
TYPE CODE	SAMPLE DATE	EFF. DATE	USE MOS	H2S GRAINS	LOCATION
00 ###	07-31-87	08-01-87	06	0	4 F 13

	NORMAL MOL%	GPM
CO2	.82	.000
H2S	.00	.000
N2	.43	.000
METHANE	75.40	.000
ETHANE	12.94	3.481
PROPANE	6.77	1.866
ISO-BUTANE	1.06	.347
NORM-BUTANE	1.62	.511
ISO-PENTANE	.49	.179
NORM-PENTANE	.38	.136
HEXANE PLUS	.29	.126
	100.00	6.628

SPECIFIC GRAVITY	.758
MIXTURE HEATING VALUE (BTU/CF @14.73 PSIA, 60 DEGREES, DRY)	1306
RATIO OF SPECIFIC HEATS	1.272

NO TEST SECURED FOR H2S CONTENT

TYPE CODE EXPLANATION: SINGLE METER ANALYSIS

GXC

DATE 11-4-87
REGULATORY
MARKETING
WF

EXHIBIT H

P 451 210 212

RECEIPT FOR CERTIFIED MAILNO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Meredian	
Street and No. P. O. Box 4289	
P.O., State and ZIP Code Farmington, NM 87499	
Postage	\$
Certified Fee XX	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 1/21/93	

P 451 210 214

RECEIPT FOR CERTIFIED MAILNO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Amoco Production Co.	
Street and No. P. O. Box 800	
P.O., State and ZIP Code Denver, CO 80201	
Postage	\$
Certified Fee XX	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 1/21/93	

P 451 210 213

RECEIPT FOR CERTIFIED MAILNO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Southland Royalty c/o Meredian	
Street and No. P. O. Box 4289	
P.O., State and ZIP Code Farmington, NM 87499	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 1/21/93	

EXHIBIT I