

DHC 5/12/97

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
APR 22 1997 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 Well No 221 Unit Ltr Sec Twp Rge B-25-T28N-R7W County Rio Arriba

OGRID NO. 005073 Property Code 16608 API NO. 30-039-21064 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	Mesa Verde 72319		Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4582' - 5333' OA		7200' - 7370' OA
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Expected to be Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 800 psia	a.	a. 834 psia
	b(Original) 1192	b.	b. 2925
6. Oil Gravity (*API) or Gas BT Content	1232		1118
7. Producing or Shut-In?	To Be Completed		Producing
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 • If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Incremental Production by Subtraction		Mid-Year avg. rates - see table
8. Fixed Percentage Allocation Formula -% for each zone	% Gas %	% Gas %	% Gas %

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 offset operator to all San Juan 28-7 Unit wells.
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) _____

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 1/27/97
TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

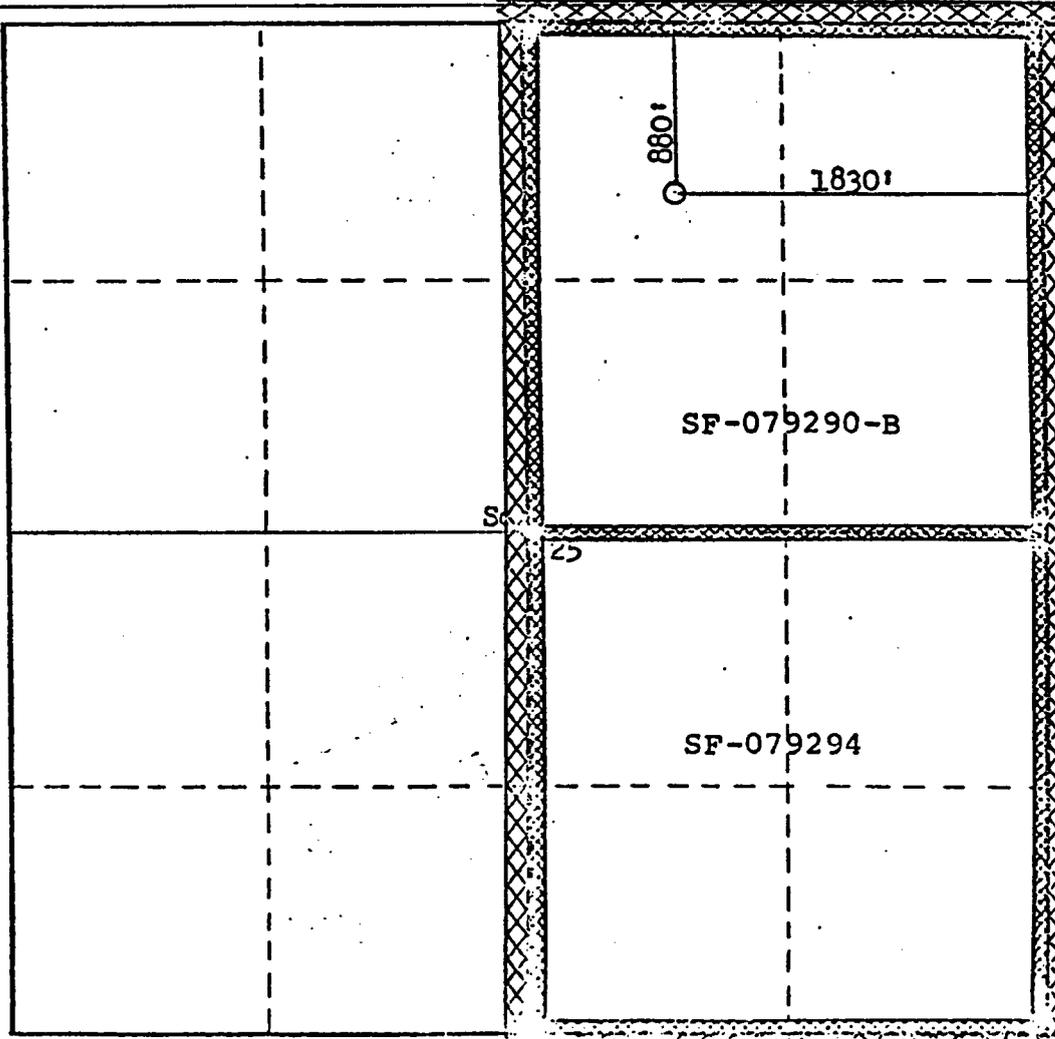
Operator El Paso Natural Gas Company		Lease San Juan 28-7 Unit (SF-079290-B)		Well No. 221
Unit Letter B	Section 25	Township 28N	Range 7W	County Rio Arriba
Actual Footage Location of Well: 880 feet from the North line and 1830 feet from the East line				
Ground Level Elev. 6220	Producing Formation Dakota	Pool Basin Dakota		Dedicated Acreage: 320.00 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 Unitization

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.



CERTIFICATION

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

D. G. Dukes
Name

Drilling Clerk

Position
El Paso Natural Gas Co.

Company
January 29, 1975

Date

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.

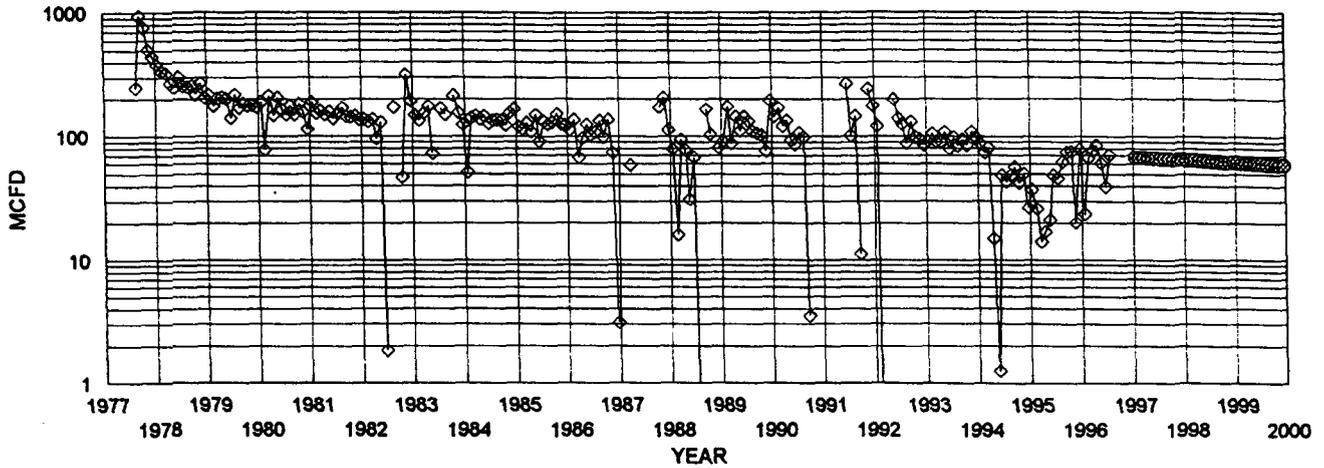
Date Surveyed
March 28, 1974

Registered Professional Engineer
and/or Land Surveyor

Fred B. Kern Jr.
Fred B. Kern Jr.

Certificate No.

**SAN JUAN 28-7 UNIT NO. 221 DAKOTA PRODUCTION
SECTION 25B-28N-07W**



◇ DAKOTA MCFD ● FIT MCFD

DAKOTA HISTORICAL DATA:	1ST PROD: 08/77	DAKOTA PROJECTED DATA	
OIL CUM:	0.97 MBO	1/1/97 Q1:	68 MCFD
GAS CUM:	844.6 MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
OIL YIELD:	0.0011 BBL/MCF		

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1996	66	0.1
1997	63	0.1
1998	61	0.1
1999	58	0.1
2000	55	0.1
2001	53	0.1
2002	50	0.1
2003	48	0.1
2004	46	0.1
2005	44	0.1
2006	42	0.0
2007	40	0.0
2008	38	0.0
2009	37	0.0
2010	35	0.0
2011	33	0.0
2012	32	0.0
2013	30	0.0
2014	29	0.0
2015	28	0.0
2016	26	0.0
2017	25	0.0
2018	24	0.0
2019	23	0.0
2020	22	0.0
2021	21	0.0
2022	20	0.0
2023	19	0.0
2024	18	0.0
2025	17	0.0
2026	17	0.0
2027	16	0.0
2028	15	0.0
2029	15	0.0
2030	14	0.0

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION