

DHC 12/28/99

DISTRICT I  
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

Form C-107-A  
Revised August 1999

DEC - 8 1999

OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE

YES  NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc. P.O. Box 2197 Houston, TX 77252-2197

Operator Address

STATE 4 B, SEC 32, T-29N, R8W SAN JUAN

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 005073 Property Code 003251 API NO. 30-045-29780 Federal State X (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)	4241' top 5247' base		6813' top 7173' base
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING INITIALLY		FLOWING INITIALLY
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) est. 410 psi	a.	a. est. 920 psi
	b. (Original) est. 1215 psi	b.	b. est. 2900 psi
6. Oil Gravity (EAPI) or Gas BTU Content	1214		1200
7. Producing or Shut-In?	Yes		Yes
Production Marginal? (yes or no)  * 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, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Rates: est. 1P 600-700 mcf/d	Date: Rates:	Date: Rates: est. 1P 400 mcf/d
	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: % Gas: %	Oil: % Gas: %	Oil: % 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

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 communized 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 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 Deborah Moore TITLE Regulatory Analyst DATE 12/7/99

TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 293-1005

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 87240  
 District II  
 811 South First, Artesia, NM 87210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO.  
 30-045-29780

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:  
 State

SUNDRY NOTICES AND REPORTS ON WELLS  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Conoco Inc.

8. Well No. 4

3. Address of Operator  
 P.O. Box 2197 DU 3066 Houston, TX 77252-2197

9. Pool name or Wildcat  
 Mesa Verde/Dakota

4. Well Location  
 Unit B; 910 feet from the NORTH line and 1590 feet from the EAST line  
 Section 32 Township 29N Range 8W NMPM County SAN JUAN

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 6093 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK  PLUG AND ABANDON   
 TEMPORARILY ABANDON  CHANGE PLANS   
 PULL OR ALTER CASING  MULTIPLE COMPLETION   
 OTHER: DHC

SUBSEQUENT REPORT OF:

REMEDIAL WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS.  PLUG AND ABANDONMENT   
 CASING TEST AND CEMENT JOB   
 OTHER:

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

CONOCO, INC. PROPOSES TO DOWNHOLE COMMINGLE THIS WELL USING THE ATTACHED PROCEDURE.

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

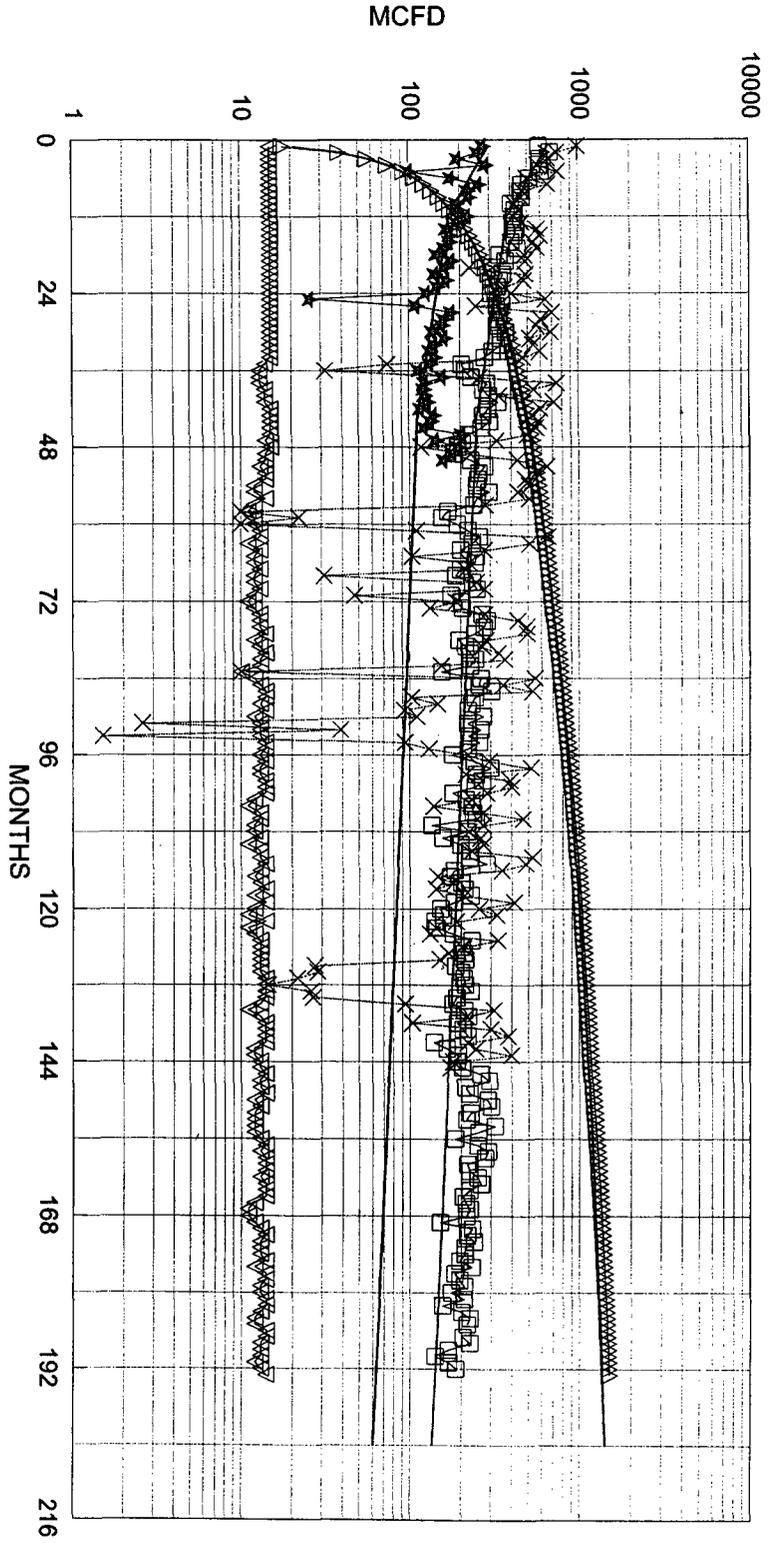
SIGNATURE Deborah Moore TITLE Regulatory Analyst DATE 12/7/99

Type or print name Deborah Moore Telephone No. (281) 293-1005  
 (This space for State use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of approval, if any:

**NORMALIZED MESAVERDE PRODUCTION**  
**PROD. SINCE 1978; 15 MV WELLS OFFSETTING 32-29N-8W**

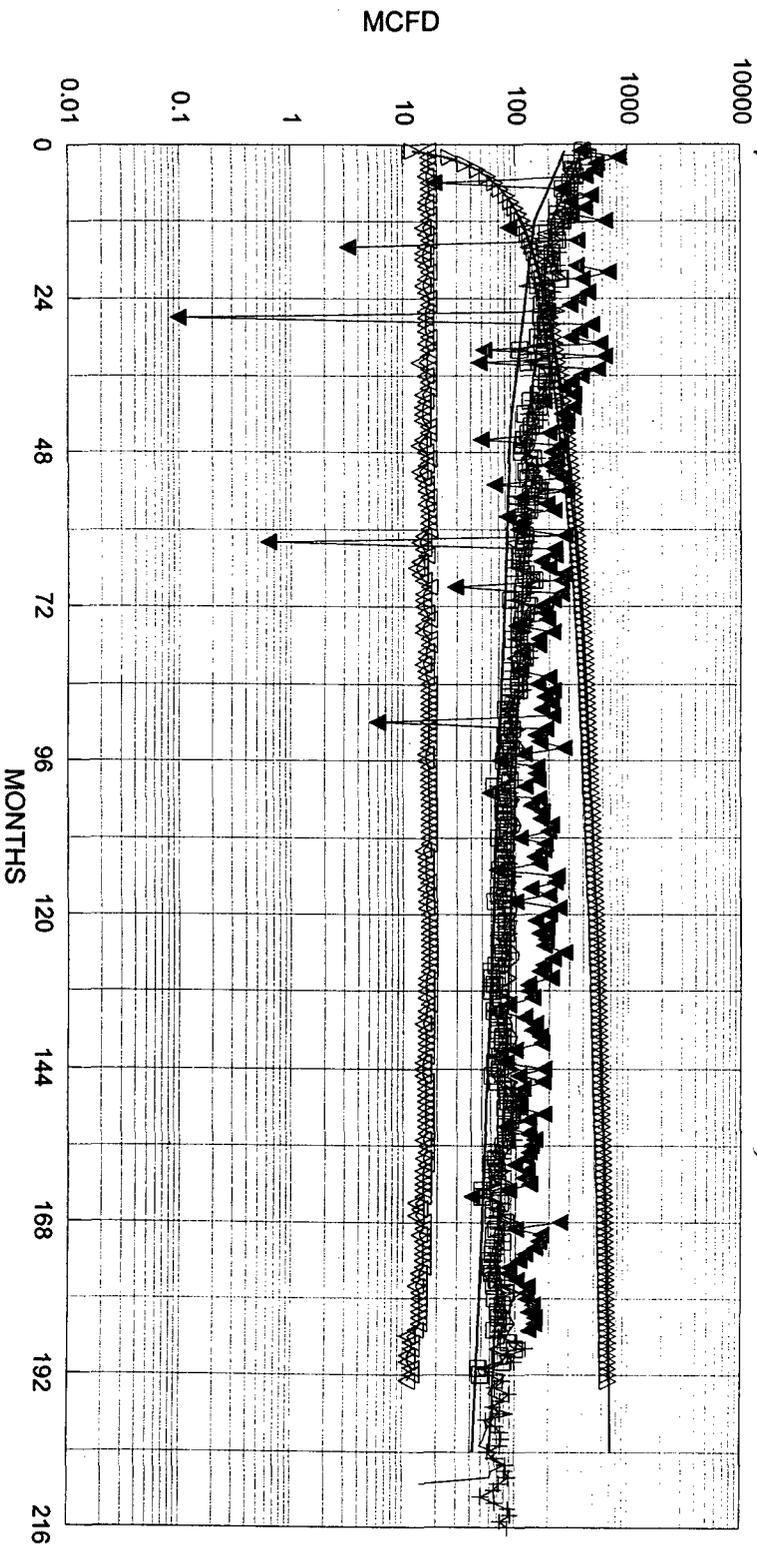


— FIT MCFD                      □ NORMALIZED MCFD                      △ NORM CUM MMCF                      ▽ WELLS ON PRODUCTION  
 — FIT CUM MMCF                      — RISKED MCFD                      × Sec. 32 Infill Wells (2)                      ★ Hughes LS 99 (9/94 Completion)

Normalized plot for supporting State 4, 4E, G3, G3E

<b>NORMALIZED AVG:</b> 2277 MMCF EUR 2104 MMCF/40YRS 25 MCFD E.L. 0.004840 bbl/mcf oil yield		<b>RISKED AVG:</b> <b>55% RISK</b> 700 MCFD IP                      315 MCFD IP 45% DECLINE, 1ST 12 MONTHS                      45% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS                      15% DECLINE, NEXT 36 MONTHS 4.5% FINAL DECLINE                      4.5% FINAL DECLINE	
<b>RISKED AVG:</b> 907 MMCF EUR 903 MMCF/36 YRS 25 MCFD E.L. 0.004840 bbl/mcf oil yield		<b>55% RISK</b> 315 MCFD IP 45% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS 4.5% FINAL DECLINE	

**NORMALIZED DAKOTA PRODUCTION**  
 PROD. SINCE 1970; 17 DK WELLS OFFSETTING 32-29N-8W



Normalized plot for supporting State Com G-3, G-3E, 4 and 4E wells

NORMALIZED AVG: (P50 Case)

948 MMCF EUR
945 MMCF/ 32YRS
25 MCFD E.L.
0.005723 bbl/mcf oil yield

425 MCFD IP
50% DECLINE, 1ST 12 MONTHS
17% DECLINE, NEXT 36 MONTHS
5.5% FINAL DECLINE

RISKED AVG: 30% RISK (P90 Case)

615 MMCF EUR	298 MCFD IP
612 MMCF/ 26 YRS	50% DECLINE, 1ST 12 MONTHS
25 MCFD E.L.	17% DECLINE, NEXT 36 MONTHS
0.005723 bbl/mcf oil yield	6% FINAL DECLINE

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994

Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

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

AMENDED REPORT

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30045-29780		*Pool Code 71599	*Pool Name BASIN DAKOTA
*Property Code 003251	*Property Name STATE		*Well Number 4
*GRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 6093'

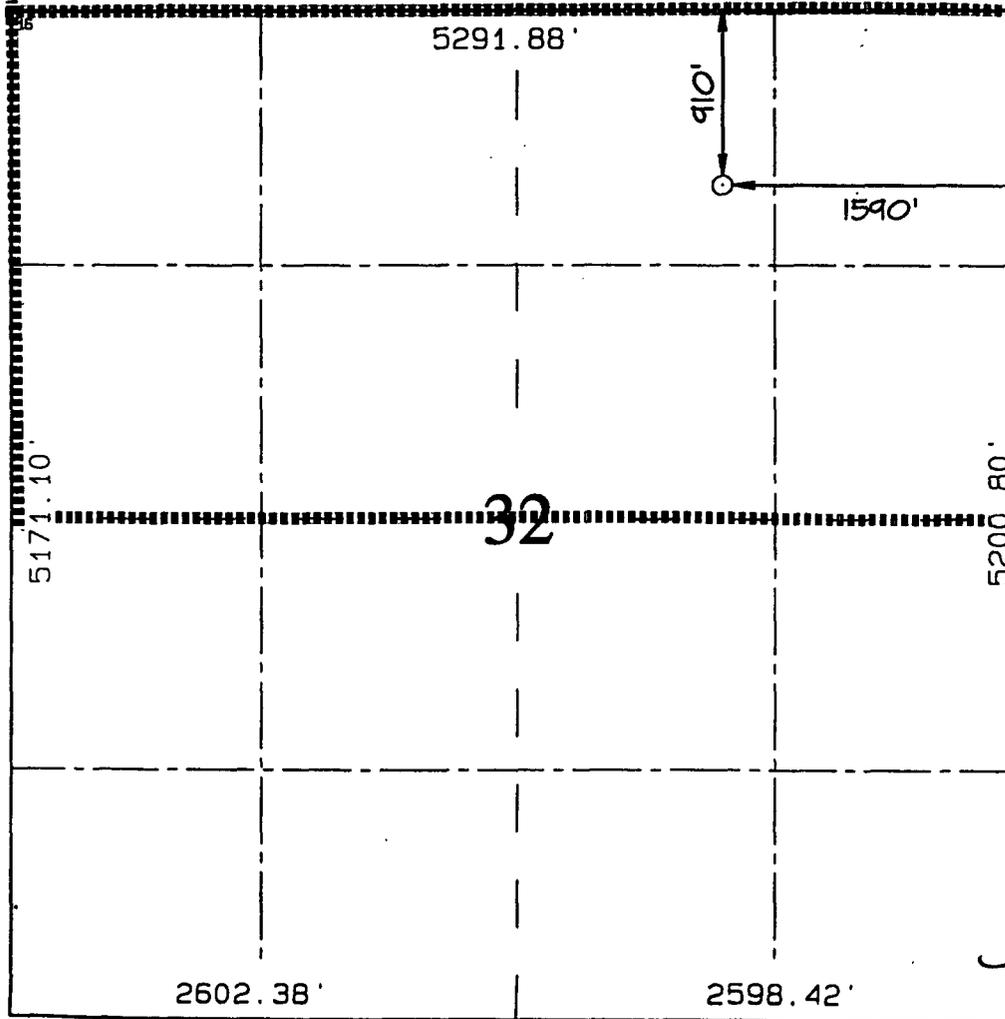
RECEIVED  
JAN 14 1999

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	East/West line	County
B	32	29N	8W		910	NORTH	EAST	SAN JUAN

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres 320	*Joint or Infill	*Consolidation Code	*Order No.
-------------------------	------------------	---------------------	------------

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



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

*Mike L. Mankin*  
Signature  
MIKE L. MANKIN  
Printed Name  
RIGHT-OF-WAY AGENT  
Title  
12-15-98  
Date

18 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.

NOVEMBER 17, 1998  
Date of Survey  
*Neale C. Edwards*  
Signature and Seal of Professional  
NEALE C. EDWARDS  
NEW MEXICO  
6857  
REGISTERED PROFESSIONAL SURVEYOR  
Certificate Number