

119246802 ~~116640776~~ DHC 7/5/01

District I
1625 N. French Drive, Hobbs, NM 68240

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-107A
Revised May 15, 2000

District II
811 South First Street, Artesia, NM 87010

OIL CONSERVATION DIVISION

APPLICATION TYPE
Single Well

District III
1000 Rio Brazos Road, Aztec, NM 87410

2040 South Pacheco
Santa Fe, New Mexico 87505

Established Pre-Approved Pools

District IV
2040 South Pacheco, Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
Yes No

CONOCO, INC. P.O. BOX 2197 DU 3084 HOUSTON TX 77252

Operator Address

JOHNSTON LS 6x M 10 28N 9W SAN JUAN
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 005073 Property Code 22391 API No. 30-045-07562 Lease Type Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	AZTEC PICTURED CLIFFS	OTERO CHACRA	BLANCO MESAVERDE
Pool Code	71280	82329	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2553' - 2611' PROPOSED	3515' - 3653' PROPOSED	4988' - 5648'
Method of Production (Flowing or Artificial Lift)	EXPECTED TO FLOW	EXPECTED TO FLOW	FLOWING
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	EST. 500psi	EST. 1000psi	EST. 600psi orig 1190psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1100-1200	1100-1200	1310
Producing, Shut-in or New Zone	NEW ZONE	NEW ZONE	PRODUCING
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: EST. 200MCFD	Date: Rates: EST. 175MCFD	Date: Rates: CURRENT 30-40MCFD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or part production, supporting data or explanation will be required.)	Oil Gas % % Test	Oil Gas % % Test	Oil Gas % % Subtraction

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingling zones?
If not, have all working royalty and overriding royalty interest owners been notified by certified mail? Yes No
Yes No

Are all produced fluids from all commingling zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

- 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, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.

Pre-Approved Pools

If application is to establish Pre-Approved Pools, the following additional information will be required:

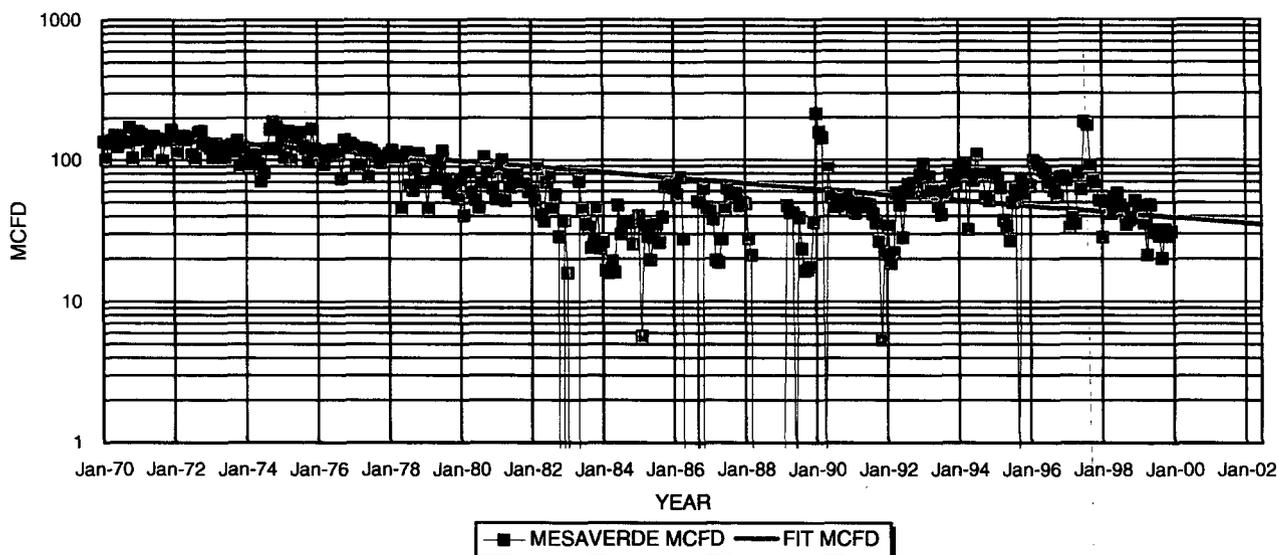
- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Deborah Marberry TITLE REGULATORY ANALYST DATE 6/13/2001

TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. (281)293-1005

**JOHNSTON LS 6X MESAVERDE PRODUCTION
SECTION 10M-28N-09W, SAN JUAN COUNTY, NEW MEXICO**



MESAVERDE PRODUCTION		1ST PROD: 07/57	MESAVERDE PROJECTED DATA	
OIL CUM:	3.65	MBO	Jan.00 Qi:	40
GAS CUM:	1236.1	MMCF	DECLINE RATE:	4.5%
OIL YIELD:	0.0030	BBL/MCF		MCFD (EXPONENTIAL)
			API #30-045-07562	

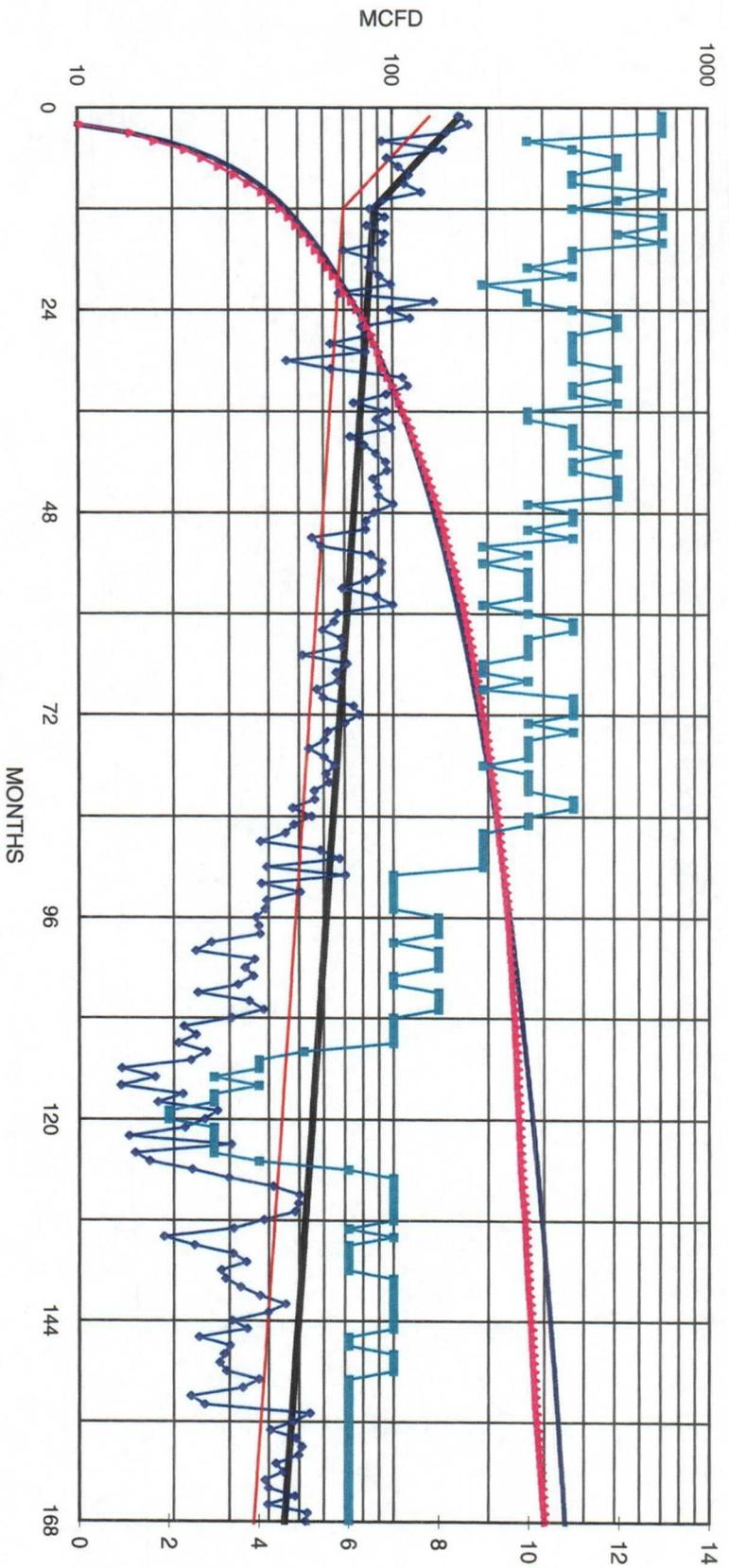
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NOTE: Current decline rate is approximately 4.5%/year. This rate is expected to continue for the duration of the well based on production trends observed during the life of this well.

Production data from PI/Dwights Plus.

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
2001	39	0.12
2002	37	0.11
2003	36	0.11
2004	34	0.10
2005	32	0.10
2006	31	0.09
2007	30	0.09
2008	28	0.08
2009	27	0.08
2010	26	0.08
2011	25	0.07
2012	24	0.07
2013	22	0.07
2014	21	0.06
2015	20	0.06
2016	20	0.06
2017	19	0.06
2018	18	0.05
2019	17	0.05
2020	16	0.05
2021	16	0.05
2022	15	0.04
2023	14	0.04
2024	14	0.04
2025	13	0.04
2026	12	0.04
2027	12	0.03
2028	11	0.03

NORMALIZED CHACRA PRODUCTION
 CH wells located in S/2 of T29N R9W



— FIT MCFD
 —■— Normalized MCFD
 —■— FIT CUME, MMCF
 —■— Normalized Cume, MMCF
 — Risked MCFD
 —■— # Wells

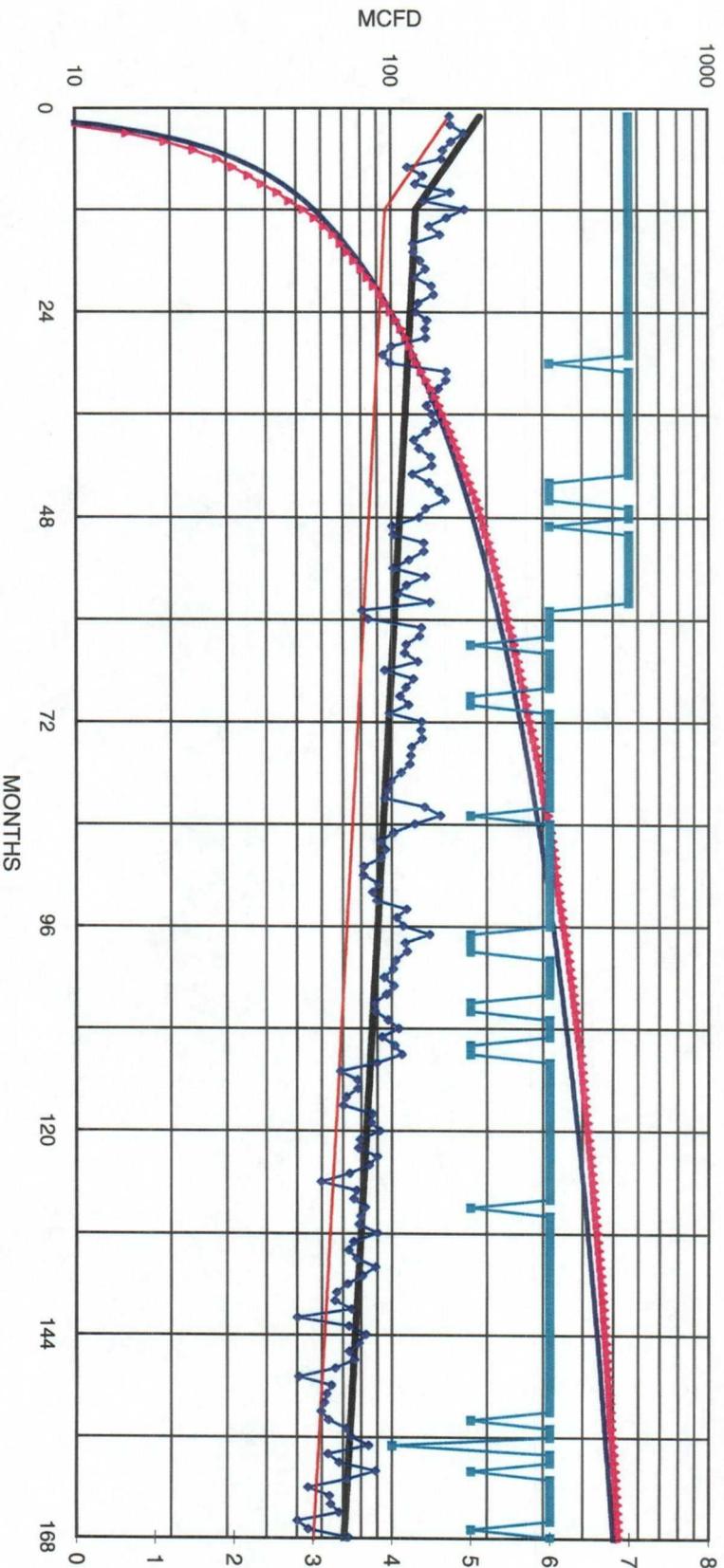
NORMALIZED AVG:
 562 MMCF EUR
 584 MMCF/ 40 YRS
 15 MCFD E.L.
 0.00000 Yield

175 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 5% DECLINE, NEXT 48 MONTHS
 5% FINAL DECLINE

20% RISK FACTOR
RISKED AVG:
 428 MMCF EUR
 467 MMCF/ 40 YRS
 15 MCFD E.L.

140 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 5% DECLINE, NEXT 48 MONTHS
 5% FINAL DECLINE

NORMALIZED PICTURED CLIFFS PRODUCTION
 PC wells located in N/2 of T28N R9W



— FIT MCFD
 —●— Normalized MCFD
 — FIT CUME, MMCF
 —●— Normalized Cume, MMCF
 — Risked MCFD
 —■— # Wells

NORMALIZED AVG: 996 MMCF EUR 912 MMCF/40 YRS 15 MCFD E.L. 0.000000 Yield	200 MCFD IP 40% DECLINE, 1ST 12 MONTHS 4% DECLINE, NEXT 48 MONTHS 4% FINAL DECLINE	RISKED AVG: 770 MMCF EUR 729 MMCF/40 YRS 15 MCFD E.L.	20% RISK FACTOR 160 MCFD IP 40% DECLINE, 1ST 12 MONTHS 4% DECLINE, NEXT 48 MONTHS 4% FINAL DECLINE
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State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-07562		² Pool Code 82329		³ Pool Name OTERO CHACRA	
⁴ Property Code 22391		⁵ Property Name JOHNSTON LS			⁶ Well Number 6x
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation

¹⁰ Surface Location

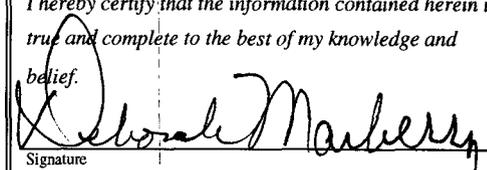
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	28N	9W		1168'	SOUTH	1090'	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature DEBORAH MARBERRY Printed Name REGULATORY ANALYST Title 6/14/2001 Date
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

1090' 0
1168'

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⁴ Property Code 22391		⁵ Property Name JOHNSTON LS			⁶ Well Number 6x
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation

¹⁰ Surface Location

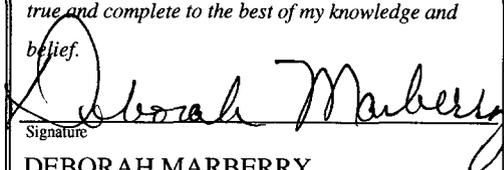
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1090'

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¹ API Number 30-045-07562		² Pool Code 72319		³ Pool Name BLANCO MESAVERDE	
⁴ Property Code 22391		⁵ Property Name JOHNSTON LS			⁶ Well Number 6x
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation

¹⁰ Surface Location

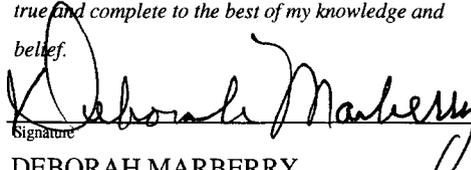
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Handwritten annotations on the plat: 1090' (horizontal distance), 1168' (vertical distance), and a small circle at the end of the vertical line.