

10/9/07 DATE IN	SUSPENSE	W. Jones ENGINEER	LOGGED IN	10/9/07	TYPE PLC 294	APP NO. PTD50728252090
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify Surface Commingling

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

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[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Patsy Clugston

Print or Type Name

Patsy Clugston
Signature

Regulatory Specialist

Title

10/4/07

Date

clugspl@conocophillips.com
 e-mail Address

BURLINGTON
RESOURCES

3401 East 30th Street
Farmington, NM 87402

October 4, 2007
Sent Overnight UPS

New Mexico Oil Conservation Division
Attn: Will Jones
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Surface Commingling
4 wells - Section 12 & 13 of T28N, R5W
SJ 28-5 Unit #102E, 102N, 31M and 31B
Rio Arriba Co., New Mexico

Dear Mr. Jones:

This is a request for administrative approval to Surface Commingle four wells (1 existing and 3 new drills) in the SJ 28-5 Unit from the Blanco Mesaverde and the Basin Dakota pools.

Burlington Resources, LP, a wholly owned subsidiary of ConocoPhillips Company has directional drilled and is in the process of completing three MV/DK wells in which we utilized an existing well's location. The intent of the multi-well location was to minimize surface disturbance which is recognized as an industry best management practice. Also utilizing a multi-well location reduces costs by allowing us to build fewer roads, minimizing rig move time and operate with less facility equipment by surface commingling fluids. These advantages result in lower operating costs and less gas used to run the facility equipment.

The referenced wells are all being completed in the Dakota and Mesaverde intervals and we have received downhole commingling approval (see attached copies). We also feel that commingling (surface or downhole) will not reduce the value of the remaining production. Until the wells have been completed we won't know how much production there will be, but all were deemed economical from the beginning.

The entire fluid to be commingled is from a common source of supply, the Mesaverde and Dakota formations. One of the wells involved is not in the SJ 28-5 Unit PA for DK (SJ 28-5 #31B), but all are in the MV PA, therefore the WI ownership differs. Burlington is the offset operator and notification has been provided to the WI owners involved. See the attached certification of notification.

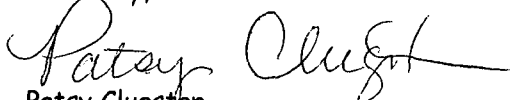
To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval of this non-standard location:

1. C107B - Surface Commingling Application
2. Spreadsheet detailing the pool commingle information as well as the well name and numbers, lease names, API and DHC numbers and Pool Commingling Information
3. Copies of approved DHC applications and C102 plat for wells to be surface commingled
4. Lease map indicating the leases involved and placement of the BH location of the wells
5. Lease & PA map showing where the NE/4 of Section 13 is not included in the DK PA
6. Allocation method for both the oil & gas as previously approved with Order R-12237
7. Schematic of facility, including legal description of the location
8. List of WI owners and certification of notification

Re: Surface Commingling
SJ 28-5 Unit #102E, 102N, 31M and 31B
October 4, 2007
Page 2

We are hoping to obtain approval as soon as possible so the well tie-ins can occur before the BLM winter restrictions are in effect, which is December 1. Please let me know if there are issues that we may have inadvertently failed to address. Thank you for considering our Surface Commingling Application.

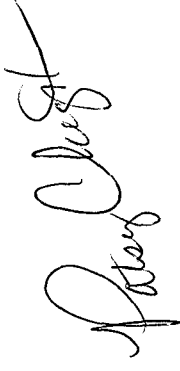
Sincerely,

A handwritten signature in cursive script, appearing to read "Patsy Clugston".

Patsy Clugston
Sr. Regulatory Specialist
ConocoPhillips Company
505-326-9518

Surface Commingling Application
SJ 28-5 Unit # 102E, 102N, 31M and 31B

I hereby certify that since Burlington is the offset operator the Working Interest Owners have been notified by certified mail of our application for administrative approval for surface commingling of the subject wells.



ADELANTE OIL & GAS LLC	P O BOX 2471			DURANGO	CO	81302	SJ 28-5 M-PAD-P. CLUGSTON
ANDREA T LUCERO	505 N. 4TH			BLOOMFIELD	NM	87413	SJ 28-5 M-PAD-P. CLUGSTON
ASCENSION T WALKER	2107 NORTHWEST AVENUE D			SEMINOLE	TX	79360	SJ 28-5 M-PAD-P. CLUGSTON
ATKO PARTNERS LTD	STE A		260 IH 45 S	HUNTSVILLE	TX	77340	SJ 28-5 M-PAD-P. CLUGSTON
BOLACK MINERALS COMPANY	3901 BLOOMFIELD HIGHWAY			FARMINGTON	NM	87401	SJ 28-5 M-PAD-P. CLUGSTON
BOLACK MINERALS COMPANY	3901 BLOOMFIELD HIGHWAY			FARMINGTON	NM	87401	SJ 28-5 M-PAD-P. CLUGSTON
BP AMERICA PRODUCTION COMPANY	PO BOX 848103			DALLAS	TX	75284-8	SJ 28-5 M-PAD-P. CLUGSTON
C A HANSON	PO BOX 1054			EDWARDS	CO	81632	SJ 28-5 M-PAD-P. CLUGSTON
CARROLL D MYER	10712 GLENWOOD ST #E			OVERLAND PARK	KS	66211	SJ 28-5 M-PAD-P. CLUGSTON
CARROLL D. MYER, II	485 FLORIDA RD., #C12			DURANGO	CO	81301	SJ 28-5 M-PAD-P. CLUGSTON
CASA GRANDE ROYALTY CO INC	ATTN CHARLES L HOUSE		PO BOX 2305	MIDLAND	TX	79702-23	SJ 28-5 M-PAD-P. CLUGSTON
CHARLES W GAY	PO BOX 291445			KERRVILLE	TX	78029-14	SJ 28-5 M-PAD-P. CLUGSTON
DELFINITA G. CHAVEZ	603 WHITE AVE.			AZTEC	NM	87410	SJ 28-5 M-PAD-P. CLUGSTON
DENNIS R & TERESA M REIMERS JT	1594 CACTUS DRIVE			BAYFIELD	CO	81122	SJ 28-5 M-PAD-P. CLUGSTON
DEREK PETER VENEZIA	PO BOX 432976			SAN DIEGO	CA	92143-29	SJ 28-5 M-PAD-P. CLUGSTON
DONALD MANGUM	PO BOX 772			WARNER	OK	74469	SJ 28-5 M-PAD-P. CLUGSTON
DUGAN PRODUCTION CORP	PO BOX 420			FARMINGTON	NM	87499-04	SJ 28-5 M-PAD-P. CLUGSTON
ELIZABETH TURNER CALLOWAY	PO BOX 191767			DALLAS	TX	75219-85	SJ 28-5 M-PAD-P. CLUGSTON
FJJD LIMITED PARTNERSHIP	5959 NORTHWEST EXPRESSWAY,			OKLAHOMA CITY	OK	73123	SJ 28-5 M-PAD-P. CLUGSTON
FOREST OIL CORP	STE. B		PO BOX 22100	DENVER	CO	80202	SJ 28-5 M-PAD-P. CLUGSTON
FRED E TURNER	STE 3600		707 17TH ST	DALLAS	TX	75206	SJ 28-5 M-PAD-P. CLUGSTON
FRIEDA M HOLT	1 ENERGY SQUARE #852		4925 GREENVILLE AVE	PORT MATILDA	PA	16870	SJ 28-5 M-PAD-P. CLUGSTON
G. ELEANOR TRUJILLO	151 WOODPECKER LN			ELLENBERG	WA	98926	SJ 28-5 M-PAD-P. CLUGSTON
GARCIA FAMILY TRUST	2114 S. MT. DANIELS DR.			ALBUQUERQUE	NM	87111	SJ 28-5 M-PAD-P. CLUGSTON
GENIEVE A. RINERSON	3805 CAMINO DON DIEGO NE			FARMINGTON	NM	87402	SJ 28-5 M-PAD-P. CLUGSTON
GENIEVE CANDELARIA	5400 ANGEL PLACE			BLANCO	NM	87412	SJ 28-5 M-PAD-P. CLUGSTON
GENOVEVA JUANITA GOMEZ CANDELARIA	PO BOX 348			BLANCO	NM	87412	SJ 28-5 M-PAD-P. CLUGSTON
GERALD G WILLIAMS	P.O. BOX 348			AZTEC	NM	87410-20	SJ 28-5 M-PAD-P. CLUGSTON
GLADYS M RIDDLE INTER-VIVOS TRUST	315 N CLARK DR			LAWTON	OK	73501	SJ 28-5 M-PAD-P. CLUGSTON
GOMEZ QUADRANT LLC	909 SW D AVE			ALBUQUERQUE	NM	87199-36	SJ 28-5 M-PAD-P. CLUGSTON
GOMEZ TRUST DTD 2-20-97	PO BOX 93656			SACRAMENTO	CA	95835-2	SJ 28-5 M-PAD-P. CLUGSTON
GRAY REVOCABLE LIVING TRUST	2751 ASPEN VALLEY LANE			HILL CITY	SD	57745	SJ 28-5 M-PAD-P. CLUGSTON
GREGORY MYER	JEAN S GRAY & HENRY N GRAY CO TRUSTEES			BALDWIN CITY	KS	66006	SJ 28-5 M-PAD-P. CLUGSTON
GUY R CAMPBELL	PO BOX 522			NEW PORT RICHEY	FL	34655	SJ 28-5 M-PAD-P. CLUGSTON
I H STEWART	8336 BASUTO DR.			GREENWOOD VILLAGE	CO	80121	SJ 28-5 M-PAD-P. CLUGSTON
IRIS ANN DAHARSH	1859 OAK CREEK DR			HESPERUS	CO	81326	SJ 28-5 M-PAD-P. CLUGSTON
J GLENN TURNER JR	3620 CR 126			DALLAS	TX	75219	SJ 28-5 M-PAD-P. CLUGSTON
JAM RAYMOND LTD	STE 1450		3838 OAK LAWN	KERRVILLE	TX	78029-14	SJ 28-5 M-PAD-P. CLUGSTON
JABCO LLP	P O BOX 291445			DALLAS	TX	75284-07	SJ 28-5 M-PAD-P. CLUGSTON
JAMES R PAYNE & JEAN PAYNE	C/O BANK OF AMERICA NA		PO BOX 840738	ALBUQUERQUE	NM	87114-24	SJ 28-5 M-PAD-P. CLUGSTON
JANE ANN BOND WHEELER	614 PASEO DEL BOSQUE N W			MIDLAND	TX	79701-35	SJ 28-5 M-PAD-P. CLUGSTON
JEFF H. CALLOW	2609 LOCKHEAD DR			WALLA WALLA	WA	99362	SJ 28-5 M-PAD-P. CLUGSTON
JOAN E. MYER	626 CRAIG ST.			LAWRENCE	KS	66049-41	SJ 28-5 M-PAD-P. CLUGSTON
JOE G JAQUEZ & GREGORITA G JAQUEZ	315 ELDRIDGE LN			AZTEC	NM	87410	SJ 28-5 M-PAD-P. CLUGSTON
JOE P TRUJILLO	338 RD 3000			FARMINGTON	NM	87401	SJ 28-5 M-PAD-P. CLUGSTON
JOHN LEE TURNER	P O BOX 351		317 SIDNEY BAKER	KERRVILLE	TX	78028	SJ 28-5 M-PAD-P. CLUGSTON
JOHN PATRICK WILLIAMS TRUSTEE	STE 400			AZTEC	NM	87410	SJ 28-5 M-PAD-P. CLUGSTON
JOSE E & CLARA E GOMEZ, LIVING TRUST DTD	321 CLARK DR			AZTEC	NM	87410	SJ 28-5 M-PAD-P. CLUGSTON
JOSE E GOMEZ TRUST DTD 9/8/2004	TRUSTEES		PO DRAWER 520	DULCE	NM	87528	SJ 28-5 M-PAD-P. CLUGSTON

JUAN C. GOMEZ, JR.	PO BOX 1238	512 THUNDER CREST	PO BOX 840738	EL PASO	NM	87410	SJ 28-5 M-PAD-P. CLUGSTON
KATHERINE KOLIKER MCINTYRE		NATIONS BANK OIL & GAS ACQ		DALLAS	TX	79922	SJ 28-5 M-PAD-P. CLUGSTON
KATHLEEN QUINN		6117 WESTOVER DRIVE		FORT WORTH	TX	75284-07	SJ 28-5 M-PAD-P. CLUGSTON
KATHRIN BOND MALONE		6042 ASTER CT		BLOOMFIELD	TX	76107	SJ 28-5 M-PAD-P. CLUGSTON
KATHRYN L CAMPBELL		9415 N SUMMER HILL		CITRUS HEIGHTS	NM	87413	SJ 28-5 M-PAD-P. CLUGSTON
KENNETH ROBERT SCHMIDT		8591 HIGHWAY 285 SOUTH		FOUNTAIN HILLS	CA	95610	SJ 28-5 M-PAD-P. CLUGSTON
LANGDON C HARRISON		802 BAIRD CIRCLE	PO DRAWER 2188	ROSWELL	AZ	85268	SJ 28-5 M-PAD-P. CLUGSTON
LEOLA S. LUCHETTI		C/O JIA DATA SEARCH		ALAMOSA	NM	88202	SJ 28-5 M-PAD-P. CLUGSTON
LINDA JANE WILLIAMS TRUSTEE		435 AMHERST NE		ALBUQUERQUE	CO	81101	SJ 28-5 M-PAD-P. CLUGSTON
LINDA JANE WILLIAMS TRUSTEE		435 AMHERST NE		ALBUQUERQUE	NM	87410	SJ 28-5 M-PAD-P. CLUGSTON
LORRAYN GAY HACKER		435 AMHERST NE		KERRVILLE	TX	78029-14	SJ 28-5 M-PAD-P. CLUGSTON
LORRAINE G. LUCERO		435 AMHERST NE		SPARKS	NV	89436	SJ 28-5 M-PAD-P. CLUGSTON
MANUEL A FERRAN		435 AMHERST NE		ALBUQUERQUE	NM	87106	SJ 28-5 M-PAD-P. CLUGSTON
MANUEL S & BERNADETTE GOMEZ LIV TR DTD	4/29/1997	ATTN M A ROMERO		DULCE	NM	87528	SJ 28-5 M-PAD-P. CLUGSTON
MAR OIL & GAS CORPORATION		ATTN M A ROMERO	PO BOX 5155	SANTA FE	NM	87502	SJ 28-5 M-PAD-P. CLUGSTON
MARALEX RESOURCES INC		PO BOX 338		IGNACIO	CO	81137	SJ 28-5 M-PAD-P. CLUGSTON
MARIE ARNOLD		PO BOX 1833		FARMINGTON	NM	87499	SJ 28-5 M-PAD-P. CLUGSTON
MAURICIO E GOMEZ & MARY M GOMEZ REV TR	DTD 2-2-98	PO BOX 372		DULCE	NM	87528	SJ 28-5 M-PAD-P. CLUGSTON
MAURICE MILLER MAST TRUST		PO BOX 291445		KERRVILLE	TX	78029-14	SJ 28-5 M-PAD-P. CLUGSTON
MCCLAVIN OIL COMPANY		PO BOX 801888		DALLAS	TX	75380-18	SJ 28-5 M-PAD-P. CLUGSTON
MICKAY OIL & GAS LLC		PO BOX 14738		ALBUQUERQUE	NM	87191-07	SJ 28-5 M-PAD-P. CLUGSTON
MICHAEL A & GLORIA WILLIAMS TR	8/22/2003	114 NORTH 7TH STREET		BLOOMFIELD	NM	87413	SJ 28-5 M-PAD-P. CLUGSTON
MINERALS MGT SERVICE		PO BOX 5810		DENVER	CO	80217-58	SJ 28-5 M-PAD-P. CLUGSTON
MONSIGNOR LEO GOMEZ TRUST DTD 4-10-03		10009 BRIDGEPOINTE NE		ALBUQUERQUE	NM	87111	SJ 28-5 M-PAD-P. CLUGSTON
MONSIGNOR LEO L GOMEZ TURSTEE		3045 PARK LANE # 1032		DALLAS	TX	75220	SJ 28-5 M-PAD-P. CLUGSTON
NATHAN D MYER		C/O ZIA DATA SEARCH CORP	PO DRAWER 2188	ROSWELL	NM	88202	SJ 28-5 M-PAD-P. CLUGSTON
NAVATEX ENERGY LP		-EDNA MORRELL LIVING TRU	P O BOX 5383	DENVER	CO	80217	SJ 28-5 M-PAD-P. CLUGSTON
NORWEST BANK NEW MEXICO NA TRUSTEE OF		P. O. BOX 911		BRECKENRIDGE	TX	76424-03	SJ 28-5 M-PAD-P. CLUGSTON
PETCO LIMITED		SUITE 209	14860 MONTFORT DR	DALLAS	TX	75254	SJ 28-5 M-PAD-P. CLUGSTON
PROVIDENCE MINERALS LLC		BOX 2372		BLOOMFIELD	NM	87413	SJ 28-5 M-PAD-P. CLUGSTON
RICHARD ARNOLD		C/O EDDY DREYER MGMT C	4925 GREENVILLE AVE SUITE	DALLAS	TX	75206	SJ 28-5 M-PAD-P. CLUGSTON
RIO ARIBAGAS LTD		C/O ROBERT P EARNST	PO BOX 91036	SAN DIEGO	CA	92169	SJ 28-5 M-PAD-P. CLUGSTON
ROBERT P EARNST & ANNA DOKUS EARNST TR		C/O BANK OF AMERICA NA	PO BOX 840845	DALLAS	TX	75283	SJ 28-5 M-PAD-P. CLUGSTON
ROMERO FAMILY LIMITED PARTNERSHIP		10945 CYPRESS AVE		RIVERSIDE	CA	92505	SJ 28-5 M-PAD-P. CLUGSTON
ROSALIE ARNOLD		10 ROAD 2980		AZTEC	NM	87410	SJ 28-5 M-PAD-P. CLUGSTON
RUBY JAJUEZ GOAL SEAM PROPERTIES LLC		842 MUIRLANDS VISTA WY		LA JOLLA	CA	92037	SJ 28-5 M-PAD-P. CLUGSTON
RUTH ZIMMERMAN TRUST		13515 PINO CANYON PL NE		ALBUQUERQUE	NM	87111-71	SJ 28-5 M-PAD-P. CLUGSTON
SAMUEL LIONEL DAZZO JR SOLE & SEPARATE		PO BOX 432976		SAN DIEGO	CA	92143-29	SJ 28-5 M-PAD-P. CLUGSTON
SCOTT ANTHONY VENEZIA		6600 DODD PT NE		ALBUQUERQUE	NM	87110	SJ 28-5 M-PAD-P. CLUGSTON
SHIRLEY V KEMPER REVOC TRUST	DTD 11/1/2001	PO BOX 269		DE BEQUE	TX	81630-02	SJ 28-5 M-PAD-P. CLUGSTON
STANLEY R ARNOLD		3821 MONTICELLO DR		FORT WORTH	TX	76107-17	SJ 28-5 M-PAD-P. CLUGSTON
SUSAN LEE BOND GREEN		1050 17TH ST STE 1800		DENVER	CO	80265	SJ 28-5 M-PAD-P. CLUGSTON
T H MCCLAVIN OIL AND GAS PROP		PO BOX 1885		ALBUQUERQUE	NM	87103	SJ 28-5 M-PAD-P. CLUGSTON
THOMAS P TINNIN		C/O TINNIN LAW FIRM	500 MARQUETTE NW STE 11	ALBUQUERQUE	NM	87102	SJ 28-5 M-PAD-P. CLUGSTON
TINMIL A NM LLC		P O BOX 970	KENNETT SQUARE	PA	19348	SJ 28-5 M-PAD-P. CLUGSTON	
VAUGHAN-MCELVAIN ENERGY INC		PO BOX 971	CANON CITY	CO	81212	SJ 28-5 M-PAD-P. CLUGSTON	
VERDIA L MCGUIRE		PO CHARLES D DAVID JR	221 WOODCREST DR	RICHARDSON	TX	75080-20	SJ 28-5 M-PAD-P. CLUGSTON
W G PEAVY OIL COMPANY		ATTN KARISE ROBERSON	PO BOX 100	OLNEY	IL	62450-01	SJ 28-5 M-PAD-P. CLUGSTON
WALTER K HOWARD ESTATE		PO BOX 5383		DENVER	CO	80217	SJ 28-5 M-PAD-P. CLUGSTON
WELLS FARGO BANK TRUSTEE		SUITE 201	2507 NORTH FRAZIER STRE	CONROE	TX	77303	SJ 28-5 M-PAD-P. CLUGSTON
WILLIAM W BRAMLETT		PO BOX 52296		TULSA	OK	74152	SJ 28-5 M-PAD-P. CLUGSTON
WOODBINE FINANCIAL CORP.		136 S LASALLE ST		CHICAGO	IL	60674-48	SJ 28-5 M-PAD-P. CLUGSTON
XTO ENERGY INC		PO BOX 730586		DALLAS	TX	75373-05	SJ 28-5 M-PAD-P. CLUGSTON

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Burlington Resources Oil & Gas, LP

OPERATOR ADDRESS: 3401 East 30th Street, Farmington, NM 87402

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING - SEE ATTACHED SPREADSHEET

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code. Blanco Mesaverde - 72319; Basin Dakota - 71599

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT - N/A

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Patsy Clugston TITLE: Regulatory Specialist DATE: 10/4/07

TYPE OR PRINT NAME Patsy Clugston TELEPHONE NO. 505-326-9518

E-MAIL ADDRESS clugspl@conocophillips.com



To Whom It May Concern:

ConocoPhillips intends to surface commingle gas and oil from the wells located on the 28 North, 5 West, Section 12, Unit O location. There are three new wells and one existing well on the location. The three new wells are, the San Juan 28-5 Units 102N, 31B and 31M, and the existing well is the 102E. The oil from each well will be measure and an allocation will be established. After the allocation has been established, the oil will be routed to a common storage tank for custody transfer. Each well will receive their portion of revenue based on their contribution to the total tank volume. Please see the Oil Allocation Procedure for more detail.

The gas from each well will be combined and sold from a Central Delivery Point (CDP), but each well will be individually metered to determine the actual production (and corresponding revenue) from each wellbore. Within each wellbore, a standard separator test will be used to determine the contribution from each formation. Please see the Oil and Gas Allocation Procedure for more information.

Fuel gas for pumping units and separators will be supplied from each individual well as required, and large multi-well compression will be supplied downstream of the CDP and metered to ensure each well contributes equally.

It should be noted, the intent of multi-well locations is an attempt to minimize surface disturbance, but also, multi-well locations reduce cost by building fewer roads, minimizing rig move time and utilizing less facility equipment by surface commingling fluids.



Oil and Gas Allocation Procedure

The following procedure will be used to allocated the oil production from the San Juan 28-5 Units 31B, 31M, 102N and 102E (existing).

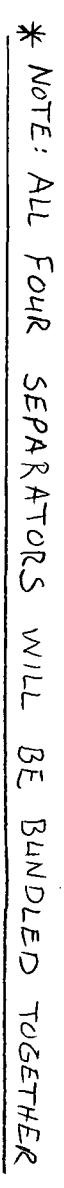
- 1) Produce the three new wells for a minimum of 90 days (stabilization period).
- 2) During the stabilization period, oil production will be allocated to each well equally if both zones are anticipated to produce oil; otherwise all the oil will be allocated only to the zone that is anticipated to produce oil.
- 3) Direct tank measurements will be taken from each of all three new wells for a 24 hour period after stabilization. This will be accomplished by isolating each of the new wells and obtaining direct tank measurements to verify oil production (see attached schematic for isolation clarification). Historic oil production from the existing well (the San Juan 28-5 Unit 102E) will be used.
- 4) The direct measurements will be totaled with the historical production (from the 102E), and the oil production will be allocation based on the percent contribution from each well.

The gas production will be allocated as follows:

- 1) A separator test will be utilized to determine the allocation for each formation within each of the wellbores.
- 2) Each well will be metered downstream of the separator, to determine total production from that well.
- 3) All four wells will have a Central Delivery Point (CDP) for custody transfer.

(Pease see attached schematic for more clarification)

5) 28-5
102E (EXISTING)
102N (NEW)
31B (NEW)
31M (NEW)



LOCATION: 28N-5W-SEC 12 UNIT O

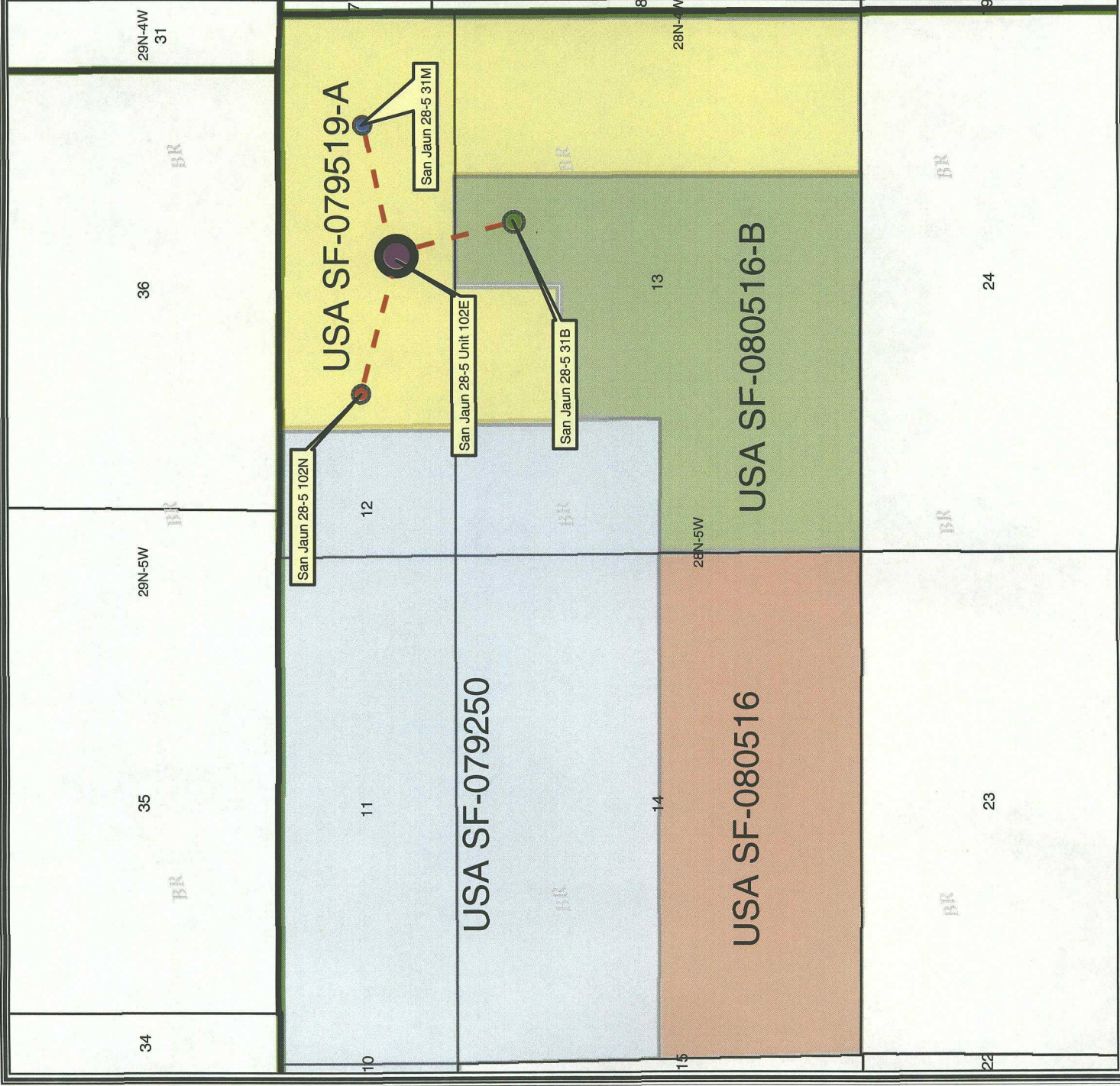
[illegible]

CUSTOMER: CONOCOPHILLIPS	
—	DRAWN BY: TRJ
TITLE: MULTI-WELL DEVIATED PAD PILOT PROJECT (N-PAD) PRODUCTION SEPARATOR SCHEMATIC	SCALE: NONE
DRAWING: ENTER DRAWING TITLE HERE	REV. #

Pool Names and Codes	Well Name	API number	Lease Number	DHC approval Number	Calculated Gravities			Calculated Value of Commingled Production **	Gas Volumes	Oil Volumes
					Gravities / BTU of non-commingle production	/ BTU of commingled production *				
1 Mesaverde - 72319	San Juan 28-5 Unit #102E	30-039-23855	SF-079519A	DHC-1815	N/A	52.9 @ 60 degrees		197.88	170	<1 bpd
Dakota - 71599	San Juan 28-5 Unit #102E	30-039-23855	SF-079519A	DHC-1815	N/A	52.9 @ 60 degrees		69.84	60	<1 bpd
2 Mesaverde - 72319	San Juan 28-5 Unit #102N	30-039-29855	SF-079519A	DHC-2539AZ	N/A	52.9 @ 60 degrees		372.48	320	<1 bpd
Dakota - 71599	San Juan 28-5 Unit #102N	30-039-29855	SF-079519A	DHC-2539AZ	N/A	52.9 @ 60 degrees		314.28	270	<1 bpd
3 Mesaverde - 72319	San Juan 28-5 Unit #31B	30-039-27823	SF-079519A	DHC-2542AZ	N/A	52.9 @ 60 degrees		93.12	80	<1 bpd
Dakota - 71599	San Juan 28-5 Unit #31B	30-039-27823	SF-079519A	DHC-2542AZ	N/A	52.9 @ 60 degrees		535.44	460	<1 bpd
4 Mesaverde - 72319	San Juan 28-5 Unit #31M	30-039-29853	SF-079519A	DHC-2540AZ	N/A	52.9 @ 60 degrees		400.416	344	<1 bpd
Dakota - 71599	San Juan 28-5 Unit #31M	30-039-29853	SF-079519A	DHC-2540AZ	N/A	52.9 @ 60 degrees		419.04	360	<1 bpd

* - Average gravity & temperature for San Juan Basin

** This is estimated production Xs BTU value which is 1.164 per mcf for surrounding wells



Legend

- LSE USA-079250.shp
- LSE USA-080516.shp
- LSE USA-080516-B.shp
- LSE USA-079519-A.shp
- San Juan 28-5 102E

- San Juan 28-5 102N
- San Juan 28-5 31M
- San Juan 28-5 31B

ConocoPhillips

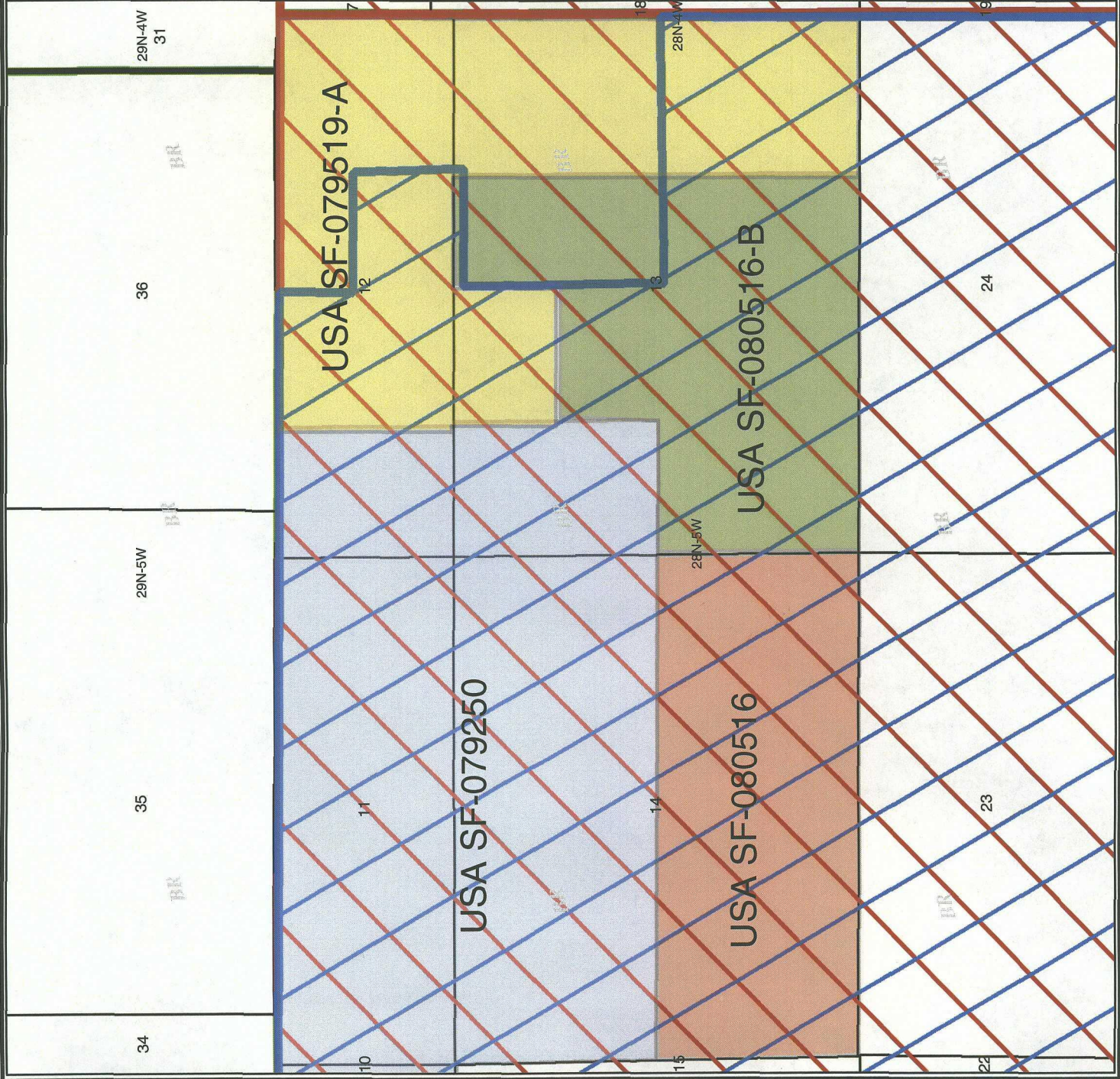
© Unpublished Work, Burlington Resources, Inc.



1:21,989 - 1" equals 1,832'

 GCS North American 1927

ConocoPhillips Company San Juan	
Leases & Wells T28N, R5W Rio Arriba, NM	
Prepared By: <u>davisrl</u>	Date: <u>2/8/2007</u>
File Number:	Revised Date: <u>2/8/2007</u>
File Name: <u>r:\data\client\Projects\San Juan NSL Template\San Juan NSL Template.mxd</u>	



Legend

- LSE USA-079250.shp
- LSE USA-080516.shp
- LSE USA-080516-B.shp
- LSE USA-079519-A.shp
- Mesaverde Participating Area
- Dakota Participating Area

© Unpublished Work, Burlington Resources, Inc.

PLAT

1:21,989 - 1" equals 1,832'

GCS North American 1927

ConocoPhillips Company San Juan	
Leases & PAs T28N, R5W Rio Arriba, NM	
Prepared By: davisrt	Date: 2/8/2007
File Number:	Revised Date: 2/8/2007
File Name: c:\platt\unpub\proj\cat\San_Juan_NSL_Template\San_Juan_NSL_Template.mxd	

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

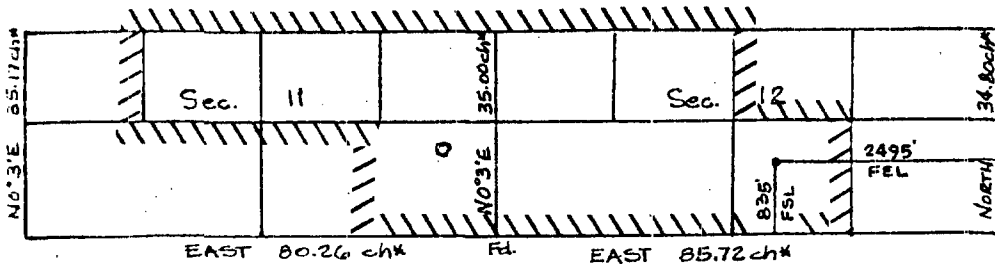
Operator EL PASO NATURAL GAS COMPANY			Lease SAN JUAN 28-5 UNIT (SF 079519A)		Well No. 102E
Unit Letter 0	Section 12	Township 28N	Range 5W	County Rio Arriba	
Actual Footage Location of Well: 835 feet from the South line and 2495 feet from the East line					
Ground Level Elev. 7299	Producing Formation Dakota	Pool Basin		Dedicated Acreage: 310.19 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.



*Record GLO plat 1915

Fd. W.C. for.

17 T28N
18 R4W
0.94 ch* North

1" = 2000'

CERTIFICATION

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

Name
Drilling Clerk
Position
El Paso Natural Gas
Company
July 31, 1985
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.

7-18-85
Surveyed
William E. Mahnke II
Registered Professional Engineer and Land Surveyor
Certificate No.
2466



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1815

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, New Mexico 87499

Attention: Ms. Peggy Bradfield

*San Juan 28-5 Unit No. 102E
API No. - 30-039-23855
Unit O, Section 12, Township 28 North, Range 5 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Bradfield:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

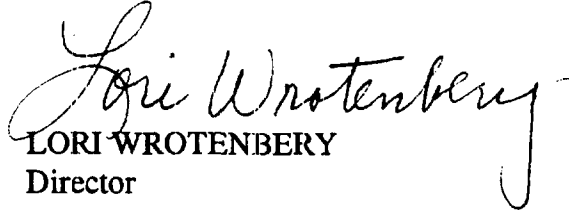
The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to establish a fixed allocation of production from each of the commingled zones. Upon approval by the Division's District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 26th day of February, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Aztec
Bureau of Land Management-Farmington

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-039-29855
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Federal Lease NMSF-079519-A
7. Lease Name or Unit Agreement Name San Juan 28-5 Unit
8. Well Number #102N
9. OGRID Number 14538
10. Pool name or Wildcat Blanco MV / Basin DK

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator Burlington Resources	
3. Address of Operator P.O. Box 4289, Farmington, NM 87499-4289	
4. Well Location Unit Letter <u>O</u> : <u>830'</u> feet from the <u>South</u> line and <u>2475'</u> feet from the <u>East</u> line Section <u>12</u> Township <u>28N</u> Range <u>5W</u> NMPM Rio Arriba County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7305'	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: Commingle <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

13. 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 recompletion.

In reference to Order #R-11363 ConocoPhillips proposed to downhole commingle in the Basin Dakota and Blanco Mesaverde.

Existing perforations are: MV - 6122' - 6748'; DK - 8544' - 8729'

Allocation will be tested.

Commingle will not reduce the value of the remaining production.

The BLM has been notified of our intent.

As referenced in Order R - 10695 interest owners were not re-notified.

RCVD FEB27'07

OIL CONS. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Rhonda Rogers TITLE Regulatory Technician DATE 2-26-07

Type or print name Rhonda Rogers E-mail address: rogerr@conocophillips.com Telephone No. 505-599-4018

(This space for State use)

014C 2539 AZ

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE FEB 27 2007
Conditions of approval, if any:

8

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
611 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

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

*API Number 30-039- 29855		*Pool Code 72319 / 71599		*Pool Name Blanco Mesaverde / Basin Dakota	
*Property Code 7460		*Property Name SAN JUAN 28-5 UNIT			*Well Number 102N
*OGBD No. 14538		*Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP			*Elevation 7305'

¹⁰ Surface Location

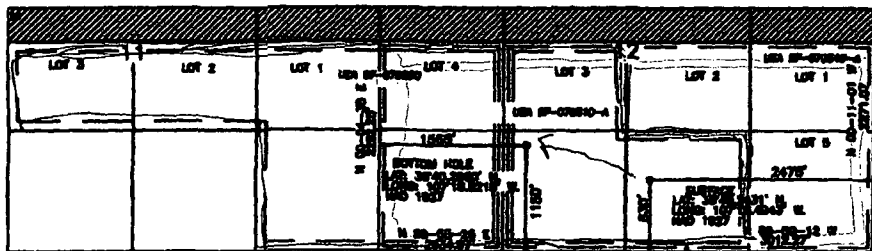
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	12	28-N	5-W		830'	SOUTH	2475'	EAST	RIO ARriba

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
N	12	28-N	5-W		1150'	SOUTH	1565'	WEST	RIO ARriba

*Dedicated Acres OK - Sec 11, Lots 1, 2, 3 + P Sec 12, Lots 3, 4 + M, N, O MV/299.04 ac ac Ac of Sec 12		*Joint or Infill	*Consolidation Code	*Order No. OK-R2448 Unit 5
--	--	------------------	---------------------	-------------------------------

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

Philana Thompson
Signature
Philana Thompson
Printed Name
Regulatory Assistant III
Title
2/14/2006
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.

Date of Survey **2-2-06**

Signature and Seal of Registered Surveyor

Glen J. Duffell
GLEN J. DUFFELL
NEW MEXICO
15703
LICENSED SURVEYOR
Certificate Number **15703**

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

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

2005 MAR 20 PM 2 53

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039- 27823	² Pool Code 72319 / 71599	³ Pool Name Blanco Mesaverde / Basin Dakota
⁴ Property Code 7460	⁵ Property Name SAN JUAN 28-5 UNIT	⁶ Well Number 31B
⁷ OGRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP	⁹ Elevation 7305'

¹⁰ Surface Location

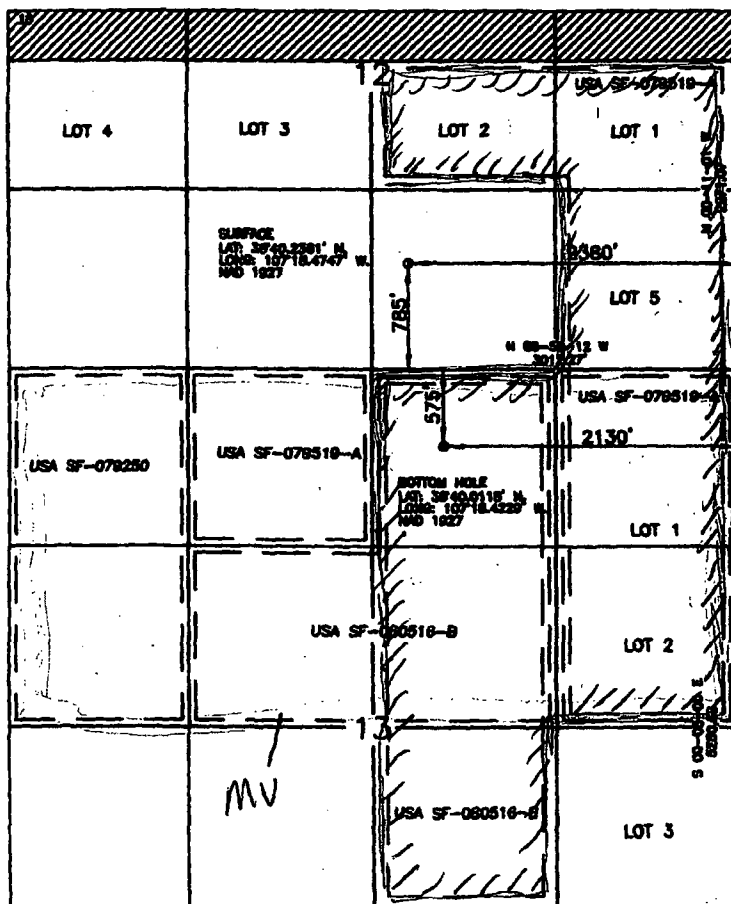
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	12	28-N	5-W		785'	SOUTH	2380'	EAST	RIO ARriba

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
8	13	28-N	5-W		575'	NORTH	2130'	EAST	RIO ARriba

¹² Dedicated Acres MV - N/2 Sec 13 OK - 342.30 See attached	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-2948 - Unit 6 OK
---	-------------------------------	----------------------------------	---

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.

Patsy Clugston
Signature
Patsy Clugston
Printed Name
Sr. Regulatory Specialist
Title
2/14/2006
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.

Date of Survey **2-2-06**
Signature *Calvin J. Russell*
NEW MEXICO
15703
LICENSED SURVEYOR
Certificate Number 15703

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-039-27823
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Federal Lease NMSF-080516-B
7. Lease Name or Unit Agreement Name San Juan 28-5 Unit
8. Well Number #31B
9. OGRID Number 14538
10. Pool name or Wildcat Blanco MV / Basin DK

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
Burlington Resources

3. Address of Operator
P.O. Box 4289, Farmington, NM 87499-4289

4. Well Location

Unit Letter O : 785' feet from the South line and 2380' feet from the East line

Section 12 Township 28N Range 5W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7305'

12. 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: Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. 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 recompletion.

In reference to Order #R-11363 ConocoPhillips proposed to downhole commingle in the Basin Dakota and Blanco Mesaverde.

Existing perforations are: MV - 5869' - 6738'; DK - 8529' - 8719'

Allocation will be tested.

Commingle will not reduce the value of the remaining production.

The BLM has been notified of our intent.

As referenced in Order R - 10695 interest owners were not re-notified.

RCVD FEB27'07

OIL CONS. DIV.

DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Rhonda Rogers TITLE Regulatory Technician DATE 2-26-07

Type or print name Rhonda Rogers E-mail address: rogerr@conocophillips.com Telephone No. 505-599-4018

(This space for State use)

014C 2542 A2

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE FEB 27 2007
Conditions of approval, if any:

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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.)		WELL API NO. 30-039-29853
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Burlington Resources		6. State Oil & Gas Lease No. Federal Lease NMSF-079519-A
3. Address of Operator P.O. Box 4289, Farmington, NM 87499-4289		7. Lease Name or Unit Agreement Name San Juan 28-5 Unit
4. Well Location Unit Letter <u>P</u> : <u>1175'</u> feet from the <u>South</u> line and <u>1010'</u> feet from the <u>East</u> line Section <u>12</u> Township <u>28N</u> Range <u>5W</u> NMPM Rio Arriba County		8. Well Number #31M
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7305'		9. OGRID Number 14538
		10. Pool name or Wildcat Blanco MV / Basin DK

12. 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: Commingle ☒

SUBSEQUENT REPORT OF:

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

13. 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 recompletion.

In reference to Order #R-11363 ConocoPhillips proposed to downhole commingle in the Basin Dakota and Blanco Mesaverde.

Existing perforations are: MV - 5880' - 6744'; DK - 8564' - 8755'

Allocation will be tested.

Commingle will not reduce the value of the remaining production.

The BLM has been notified of our intent.

As referenced in Order R - 10695 interest owners were not re-notified.

RCVD MAR6'07
OIL CONS. DIV.

DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Rhonda Rogers TITLE Regulatory Technician DATE 3-5-07

Type or print name Rhonda Rogers E-mail address: rogerrs@conocophillips.com Telephone No. 505-599-4018

(This space for State use)

DHC 2540AZ

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE MAR 06 2007
Conditions of approval, if any:

1825 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

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

DISTRICT III
1000 Rio Brazos Rd., Artesia, N.M. 87410

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT RCVD FEB23'07

API Number 30-039- 29853	Pool Code 72319/71599	Pool Name Blanco Mesaverde / Basin Dakota	OIL CONS. DIV. DIST. II
Property Code 7460	Property Name SAN JUAN 28-5 UNIT	Well Number 31M	
OGED No. 14538	Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP	Elevation 7305'	

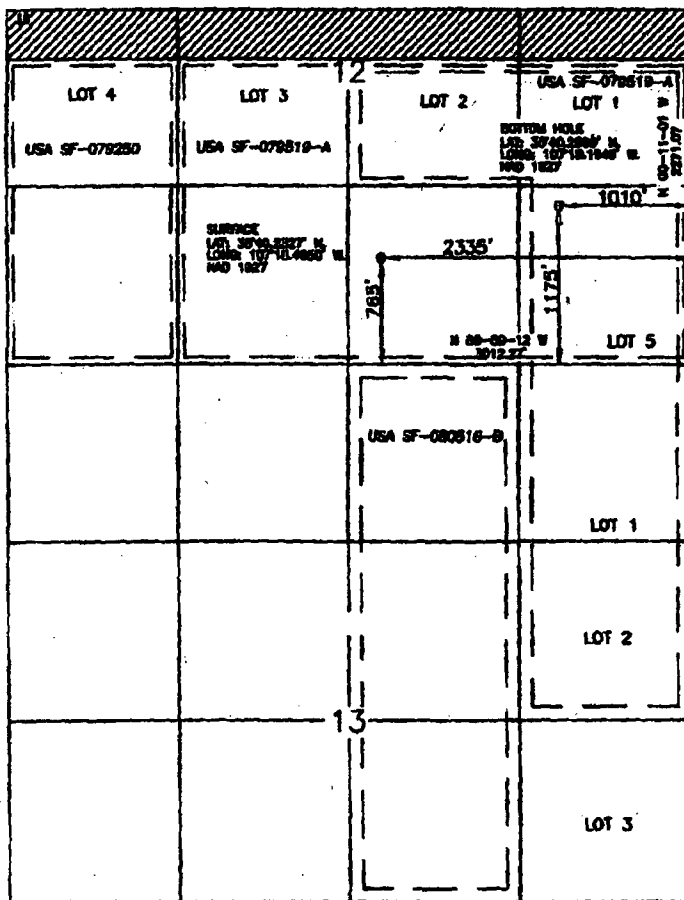
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	12	28-N	5-W		765'	SOUTH	2335'	EAST	RIO ARriba

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
P	12	28-N	5-W		1175'	SOUTH	1010'	EAST	RIO ARriba
Dedicated Acres DK-Sea 12, Lots 1, 2, & 5 MX 299-04 ac 8211		Joint or Infill 13 - Lots 1 & 2		Commodification Code W 1/2 NE 1/4 + NW 1/4 SE 1/4		Order No. H - 342.30 acres DK NSP - R - 2948			

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.

Signature
Philana Thompson
Printed Name
Regulatory Assistant III
Title
02/14/2006
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.

Date of Survey: 2-13-06
Signature and Seal of Surveyor
NEW MEXICO
15703
Certificate Number 15703

**Proposed Allocation Procedure
Burlington Resources Oil & Gas, LP
San Juan 28-5 Unit M-Pad Project
CDP Gas Sales Meter – 95549 (Enterprise Meter)
Rio Arriba County, New Mexico**

Base Data:

W = Gas Volume (MCF) from allocation meter at individual wells during allocation period.
X = Gas Volume (MCF) from CDP Sales Meter during Allocation period.
Y = BTU's from CDP Sales Meter during allocation period.

Allocation Period is typically a calendar month and will be the same for all wells.

1. **Individual Well Gas Production** = A + B + C + D + E

A = Allocated Sales Volume, MCF = $(W / \text{SUM } W) \times X$

B = On lease fuel usage, MCF, Determined from equipment specification and operating conditions.

C = Purged and/or vented gas from well and/or lease equipment, MCF calculated using equipment specifications and pressures.

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by $W / \text{SUM } W$ for the wells involved.

E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, MCF. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by $W / \text{SUM } W$.

2. **Allocated individual Wells BTU's** = $((W \times \text{individual well BTU}) / \text{Sum } (W \times \text{individual well BTU})) \times Y$. Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order No. 5).

Surface Commingle Worksheet

Contact: Patsy Clugston 505-326-9518
Operator: Burlington Resources Oil & Gas, LP clugspl@comcast.net
Address: 3401 East 30th Street 14538
 Farmington, NM 87402
County: Rio Arriba

Gas Delivery		Oil Delivery	
Point:	Not Available	Point:	On Lease
Pool A: Blanco-Mesaverde Prorated Gas Pool (72319)		Formation Mesaverde	
Pool B: Basin Dakota Prorated Gas Pool (71599)		Spacing 320	
		Spacing 320	

Lease 1: Federal SF-079519-A Sec 13: E/2 E/2 Sec 12: E/2, E/2 W/2
Lease 2: Federal SF-080516-B Sec 13: W/2 E/2, SW/4, SE/4 NW/5

API	Well	Well Status	BH Well Loc (Unit)	BH Well Loc (Sec)	Tsp Rge	Mesaverde Acreage Dedication		Dakota Acreage Dedication		DHC Order
						Acreage	Dedication	Acreage	Dedication	
30-039-23855	San Juan 28-5 Unit #102E	Existing	O	12	T28N R5W	299.04 Acres	All Sec 12	310.19 Acres	NSP R-2948 Unit 5	1815
30-039-29855	San Juan 28-5 Unit #102N	New	N	12	T28N R5W	299.04 Acres	All Sec 12	310.19 Acres	NSP R-2948 Unit 5	2538AZ
30-039-27823	San Juan 28-5 Unit #31B	New	B	13	T28N R5W	N/2 Sec 13		342.3 Acres	NSP R-2948 Unit 6	2542AZ
30-039-29853	San Juan 28-5 Unit #31M	New	P	12	T28N R5W	299.04 Acres	All Sec 12	342.3 Acres	NSP R-2948 Unit 6	2540AZ

API	Well	State /Fed Lease	Partic ipating Area(s)	Gas Vol	Expd	Gas Metering		Oil Metering	
						Method	Vol	Method	Vol
30-039-23855	San Juan 28-5 Unit #102E	1	Mvrd/Dkta	Gas Well		Alloc Meter	<1	Well Test	
30-039-29855	San Juan 28-5 Unit #102N	1	Mvrd/Dkta	Gas Well		Alloc Meter	<1	Well Test	
30-039-27823	San Juan 28-5 Unit #31B	2	Mvrd	Gas Well		Alloc Meter	<1	Well Test	
30-039-29853	San Juan 28-5 Unit #31M	2	Mvrd/?Dkta	Gas Well		Alloc Meter	<1	Well Test	