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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 20, 1994

HAND DELIVERED

11036

Mr. Michael E. Stogner
Chief Hearing Examiner
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Bruington Well No. 15E
Unit F-15-30N-11W
Application of Conoco Inc.
for Downhole Commingling,
San Juan County, New Mexico

Dear Mr. Stogner:

On behalf of Conoco Inc., please find enclosed our referenced application which we request be set for hearing on the next available Examiner's docket now scheduled for July 21, 1994.

Notices are being sent certified mail, hereby we are notifying all interested parties of their right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application and that failure to appear at the hearing may preclude them from any involvement in this case at a later date.

Oil Conservation Division

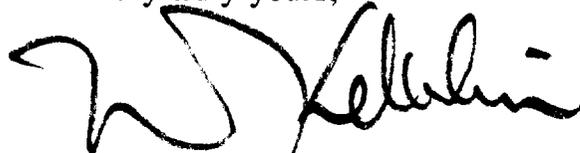
June 20, 1994

Page 2

Pursuant to the Division's Memorandum 2-90, all parties are hereby informed that if they appear in this case, then they are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, July 15, 1994, with a copy delivered to the undersigned.

Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin'. The signature is fluid and cursive, with a large initial 'W' and a long, sweeping tail.

W. Thomas Kellahin

cc: Conoco Inc.

2.1.10

PROPOSED ADVERTISEMENT

Case 11036 Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle Basin-Dakota Gas Pool production with Blanco Mesaverde Gas Pool production within the wellbore of its Bruington Well No. 15E, located 1740 feet FNL and 1650 feet FWL (Unit F) Sec 15, T30N, R11W, with the W/2 of said Section 15 being dedicated to the Blanco Mesaverde Pool and to the Basin Dakota Pool. Said well is located approximately 1 mile southeast from Aztec, New Mexico;

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF CONOCO INC.
FOR DOWNHOLE COMMINGLING
SAN JUAN COUNTY, NEW MEXICO.

CASE: 11036

APPLICATION

Comes now CONOCO INC., ("Conoco") by and through its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division for approval to downhole commingle Blanco-Mesaverde Gas Pool production with Basin-Dakota Gas Pool production within the wellbore of its Bruington Well No. 15E, located 1740 feet FNL and 1650 feet FWL (Unit F) Sec 15, T30N, R11W, with the W/2 of said Section 15 being dedicated to the Blanco Mesaverde Pool and to the Basin Dakota Pool.

In support of its application, Conoco states:

(1) Conoco is the operator of the Bruington Well No. 15E which is an existing dually completed well producing from the Dakota formation (See Exhibit "A") and from the Mesaverde formation (See Exhibit "B").

(2) This well is to be reconfigured so that production from the Blanco-Mesaverde Pool and the Basin-Dakota Gas Pool can be downhole commingled in the wellbore.

(3) The ownership is not common between these two spacing units.

(4) In accordance with Division Rule 303-C-1.(b), the Applicant states and will demonstrate at hearing:

1. That this well is currently a dual completion in the Dakota formation and in the Mesaverde formation, is marginal and production cannot be economically continued unless it is done so by downhole commingling that production.

2. That there will be no crossflow between the two zones commingled.

3. That the value of the commingled production will not be less than the sum of the values of the individual production.

4. It is expected that the bottom hole pressure of the lower pressure zone is not less than 50 percent of the bottom hole pressure of the higher pressure zone adjusted to a common datum.

(5) In order to salvage the remaining Dakota production and Mesaverde production from this spacing unit, Conoco seeks approval to produce this well as a downhole commingled well.

(6) Conoco will submit at the hearing, its proposed formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula.

(7) That in order to allocate the commingled production to each of the commingled zones in this well, Conoco requests a provision in the order delegating to the Supervisor of the Aztec District Office of the Division the authority to determine an allocation formula for each of the production zones.

(8) Applicant requests that this matter be docketed for hearing on the Division's Examiner docket now scheduled for July 21, 1994.

(9) Notice of this application has been sent to all owners of production within each of the spacing units who may be affected by downhole commingling as identified on Exhibit "C" attached.

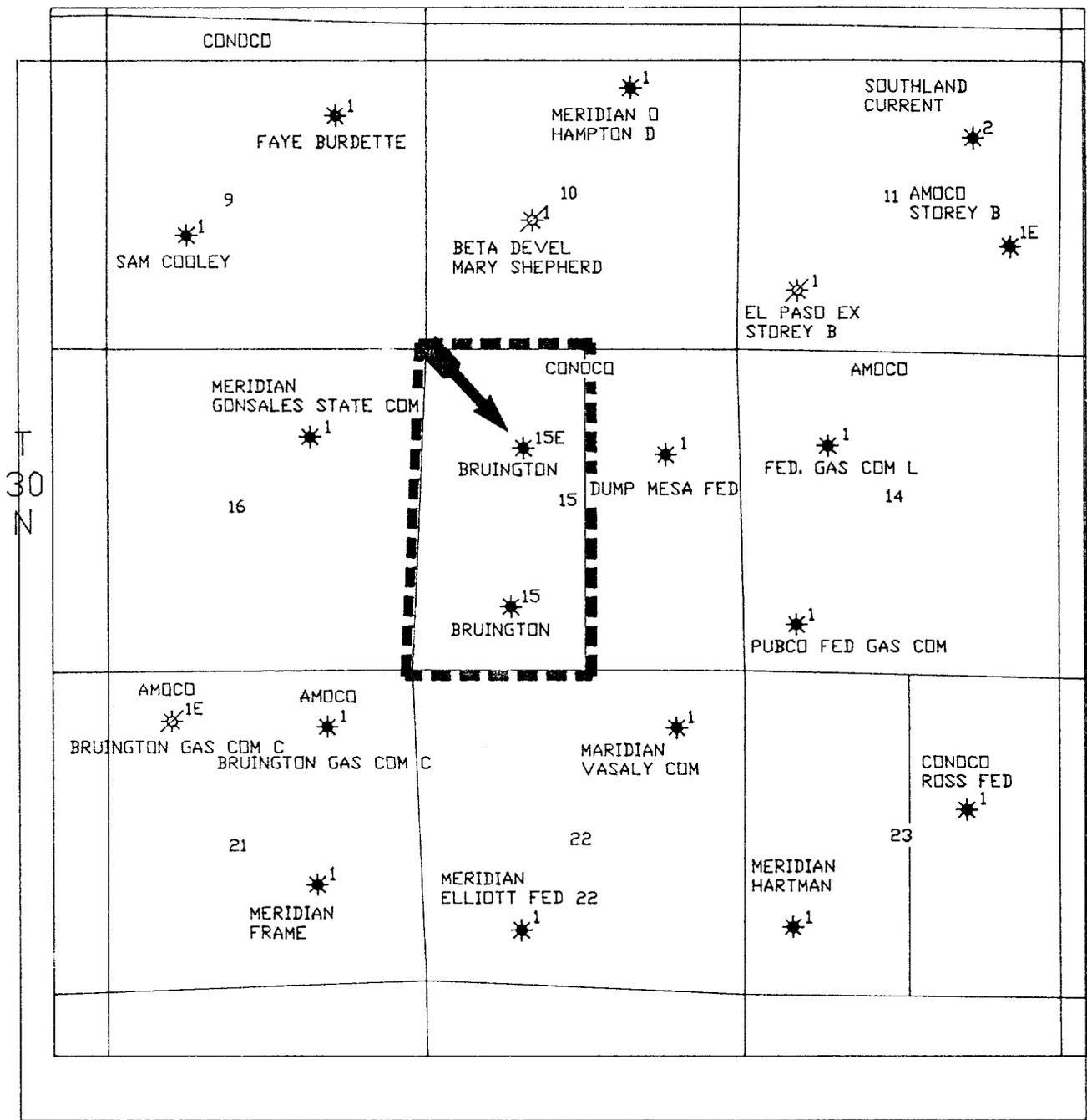
WHEREFORE Applicant requests that this matter be set for hearing on July 21, 1994 before a duly appointed Examiner of the Oil Conservation Division and that after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

W. Thomas Kellahin
KELLAHIN and KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87501
(505) 982-4285
Attorneys for Applicant

R11W



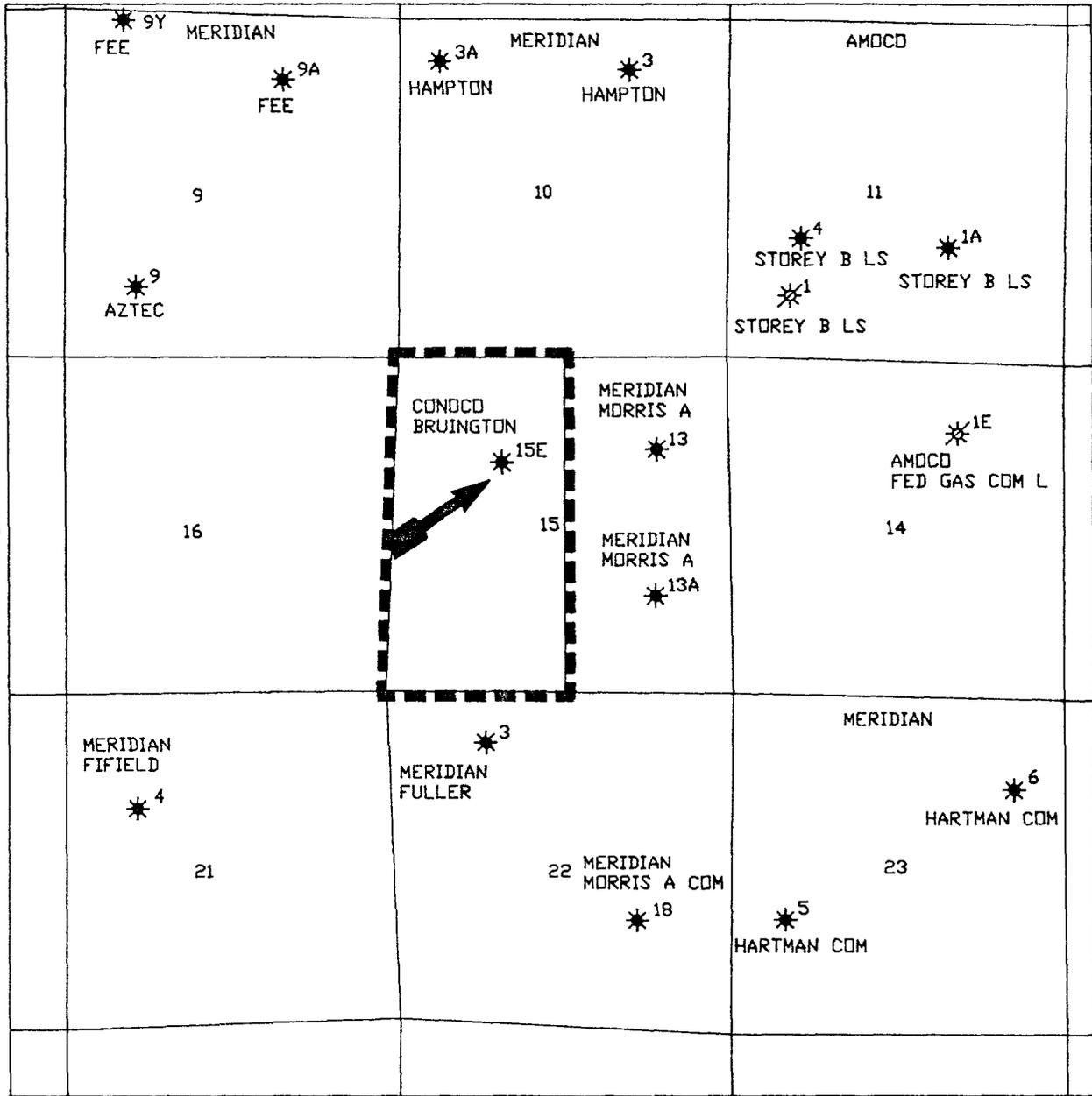
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--- DAKOTA PRORATION UNIT

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|  | | EPNGNA MIDLAND DIVISION | |
| BRINGTON FED #15E | | | |
| DAKOTA WELL ONLY | | | |
| | | DRAWING NO. PL1156 | |

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--- MESAVARDE PRORATION UNIT

| | |
|---|----------------------------|
|  | EPNGNA MIDLAND DIVISION |
| BRUINGTON FED #15E MESAVARDE WELL ONLY | |
| DRAWING NO. PL1145 | |

EXHIBIT B

BRUINGTON 15E

Conoco A/C Mesa Royalty Trust
P.O. Box 1267
Ponca City, OK 74602-1267

Conoco A/C Shirley Bernstein
654 Madison Avenue
New York, NY 10021-8404

Conoco A/C Atwell & Company
% United States Trust Co. of New York
Box 456, Wall Street Station
New York, NY 10005

Conoco A/C Kathleen B. Lipkins
654 Madison Avenue
New York, NY 10021-8404

Aztec Orchards Investment Company
Joseph F. Burns, Successor Trustee
109 South Mesa Verde
Aztec, NM 87410-2142

Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, NM 87401

Maureen G. Wright, Trustee
U/R/T/A dated 10-18-76
2816 Kentucky NE
Albuquerque, NM 87110

M. J. Florance Trust
Ameritrust Texas N.A., Trustee
P.O. Box 951412
Dallas, TX 75395-1412

El Paso Production Company
% Meridian Oil Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Southwest Production Company
% Joseph Driscoll
2405 S. Shiloh
Garland, TX 75041

Amoco Production Company
P.O. Box 800
Denver, CO 80201

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

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| E 40.00 Fee owned | F 40.00 Fee owned A | G 40.00 Fee owned A | 2 39.12 Federal owned A A |

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
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PF04 GoTo
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Sec : 15 Twp : 30N Rng : 11W Section Type : NORMAL

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