

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
____ Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes ____ No

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCOPHILLIPS CO. P.O. BOX 2197 WL3 6108 HOUSTON TX 77252
Operator Address
SAN JUAN 29-5 UNIT 24 B 17 29N 5W RIO ARRIBA
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 217817 Property Code 31325 API No. 30-039-07637 Lease Type: ____ Federal ____ State ____ Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|--|--|-------------------|--|
| Pool Name | Basin Fruitland Coal <input checked="" type="checkbox"/> | | Blanco Mesaverde <input checked="" type="checkbox"/> |
| Pool Code | 71629 | | 72319 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | to be determined by TDT | | 4295 - 5828 |
| Method of Production (Flowing or Artificial Lift) | 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) | 800 est. | | 575 |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | 1100 | | 1150 |
| Producing, Shut-In or 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: | Date: Rates: | Date: 04/12/2004 Rates: 130 mcfg + <100 <100 |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil Gas Subtraction % | Oil Gas % | Oil Gas See attached % |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ____ No X
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ____ No X
Are all produced fluids from all commingled zones compatible with each other? Yes X No ____
Will commingling decrease the value of production? Yes ____ No X
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 X No ____
NMOCD Reference Case No. applicable to this well: R-10770; EXEMPTS NOTICE REQUIREMENTS

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 03/08/2004
TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. (____) (832)486-2326
E-MAIL ADDRESS deborah.marberry@conocophillips.com

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|-------------------------------------|-----------------------------|
| API Number 30-039-07637 | Pool Code 71629 | Pool Name FRUITLAND COAL |
| Property Code 31325 | Property Name SAN JUAN 29-5 UNIT | Well Number 24 |
| OGRID No. 217817 | Operator Name CONOCOPHILLIPS CO. | Elevation 6592 GR |

¹⁰Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| B | 17 | 29N | 5W | | 990 | NORTH | 1650 | EAST | RIO ARRIBA |

¹¹Bottom Hole Location If Different From Surface

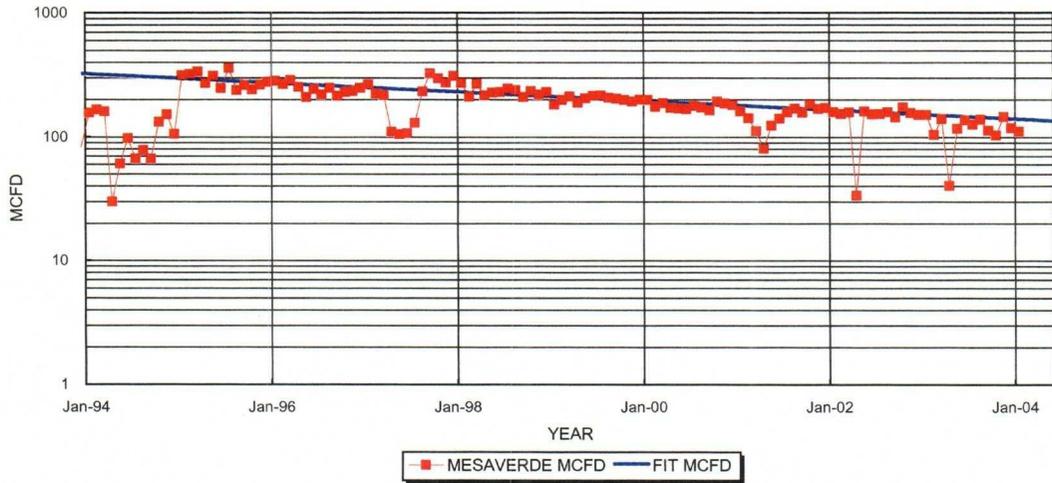
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|----------------------------|----------------------|--------------------|-----------|
| Dedicated Acres 320 E/2 | Joint or Infill I | 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

| | | | |
|----|------|-------|--|
| 16 | 990' | 1650' | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Deborah Marberry</i> Signature DEBORAH MARBERRY Printed Name REGULATORY ANALYST deborah.marberry@conocophillips.com Title and E-mail Address 04/16/2004 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 Signature and Seal of Professional Surveyor: |
| | | | Certificate Number |

**SAN JUAN 29-5 UNIT #24 MESAVERDE PRODUCTION
SECTION 17-29N-5W, RIO ARRIBA CO., NEW MEXICO**



| | | | | | |
|-----------------------------|--------|----------------|---------------------------------|------|---------------|
| MESAVERDE PRODUCTION | | 1ST PROD: 3/56 | MESAVERDE PROJECTED DATA | | |
| OIL CUM: | 2.10 | MBO | Jan '04 Qi: | 138 | MCFD |
| GAS CUM: | 5224.3 | MMCF | DECLINE RATE: | 8.0% | (EXPONENTIAL) |
| OIL YIELD: | 0.40 | BBL/MMCF | API #30-039-07637 | | |

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NOTE: Current yearly decline rate is approximately 8.0%.
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 OFM.

| YEAR | MID-YEAR | MID-YEAR |
|------|-----------|-----------|
| | AVG. MCFD | AVG. BOPD |
| 2004 | 132 | 0.1 |
| 2005 | 122 | 0.0 |
| 2006 | 112 | 0.0 |
| 2007 | 103 | 0.0 |
| 2008 | 95 | 0.0 |
| 2009 | 87 | 0.0 |
| 2010 | 80 | 0.0 |
| 2011 | 74 | 0.0 |
| 2012 | 68 | 0.0 |
| 2013 | 62 | 0.0 |
| 2014 | 57 | 0.0 |
| 2015 | 53 | 0.0 |
| 2016 | 49 | 0.0 |
| 2017 | 45 | 0.0 |
| 2018 | 41 | 0.0 |
| 2019 | 38 | 0.0 |
| 2020 | 35 | 0.0 |
| 2021 | 32 | 0.0 |
| 2022 | 29 | 0.0 |
| 2023 | 27 | 0.0 |
| 2024 | 25 | 0.0 |
| 2025 | 23 | 0.0 |
| 2026 | 21 | 0.0 |
| 2027 | 19 | 0.0 |
| 2028 | 18 | 0.0 |
| 2029 | 16 | 0.0 |
| 2030 | 15 | 0.0 |
| 2031 | 14 | 0.0 |
| 2032 | 13 | 0.0 |
| 2033 | 12 | 0.0 |
| 2034 | 11 | 0.0 |
| 2035 | 10 | 0.0 |
| 2036 | 9 | 0.0 |
| 2037 | 8 | 0.0 |
| 2038 | 8 | 0.0 |
| 2039 | 7 | 0.0 |
| 2040 | 7 | 0.0 |
| 2041 | 6 | 0.0 |
| 2042 | 6 | 0.0 |
| 2043 | 5 | 0.0 |
| 2044 | 5 | 0.0 |