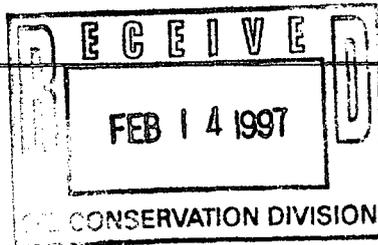


**BURLINGTON
RESOURCES**

SAN JUAN DIVISION



February 10, 1997

SENT FEDERAL EXPRESS

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: San Juan 28-5 Unit #76
1610'FNL, 1460'FEL Section 21, T-28-N, R-5-W, Rio Arriba County, NM
API #30-039-20107

Dear Mr. LeMay:

This is a request for administrative approval for downhole commingling the Blanco Mesa Verde and Basin Dakota in the subject well. This well was originally drilled as a Dakota; it is intended to add the Mesa Verde and commingle.

To comply with the New Mexico Oil Conservation Division rules, Burlington Resources Oil & Gas is submitting the following for your approval of this commingling:

1. Form C107A - Application for Downhole Commingling;
2. C-102 plat for each zone showing its spacing unit and acreage dedication;
3. Production curve for the Dakota for at least one year;
4. Notification list of offset operators - Burlington is the offset operator;
5. Shut in wellhead pressure and calculated down hole pressure;
6. Nine-section plats for the Dakota and Mesa Verde

Notification of Mesa Verde and Dakota interest owners is covered under Reference Order #R-10695 issued November 12, 1996 attached.

We will consult with the Supervisor of the Aztec District Office of the New Mexico Oil Conservation Division to establish an allocation formula.

Please let me know if you require additional data.

Sincerely,

Peggy Bradfield
Regulatory/Compliance Administrator
encs.

xc: Bureau of Land Management

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
811 South First St., Artesia, NM 88210-2835

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS :

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil & Gas Company

PO Box 4289, Farmington, NM 87499

Operator **San Juan 28-5 Unit** Address **76 G 21-28-5 Rio Arriba**

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

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7460 API NO. 30-039-20107 Federal State _____ (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 Mesaverde - 72319		Basin Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	will be supplied upon completion (5392-5935'est)		7898-8048
3. Type of production (Oil or Gas)	gas		gas
4. Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 1086 psi (est)	a.	a. 1135 psi
	(Original) b. 1225 psi (est)	b.	b. 3287 psi
6. Oil Gravity (°API) or Gas BTU Content	1187		1062
7. Producing or Shut-In?	not yet completed		producing
Production Marginal? (yes or no)	no		yes
* If Shut-In 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: n/a Rates:	Date: Rates:	Date: n/a Rates:
* If Producing, give data and oil/gas/water of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 12-29-96 Rates: 1 mcf/d; 0.12 bopd; 0 bwpd
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % will be supplied upon completion	Oil: % Gas: %	Oil: % Gas: % will be supplied upon completion

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
Have all offset operators been given written notice of the proposed downhole commingling? 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 communitized 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) Reference Order R-10695 attached
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 all offset operators.
* 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 Lori L. Lantz TITLE Production Engineer DATE 02-10-97

TYPE OR PRINT NAME Lori L. Lantz TELEPHONE NO. (505) 326-9700

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator EL PASO NATURAL GAS COMPANY		Lease SAN JUAN 28-5 UNIT (SF-079519-A)		Well No 76	
Unit Letter G	Section 21	Township 28-N	Range 5-W	County RIO ARRIBA	
Actual Footage Location of Well:					
1610 feet from the NORTH line and		1460 feet from the EAST line			
Ground Level Elev 6722	Producing Formation DAKOTA		Pool BASIN DAKOTA	Dedicated Acreage: 320.00 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 + 100%

If answer is "no," list the owners and tract descriptions which have actually 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.

CERTIFICATION

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

Original signed by
Carl E. Matthews

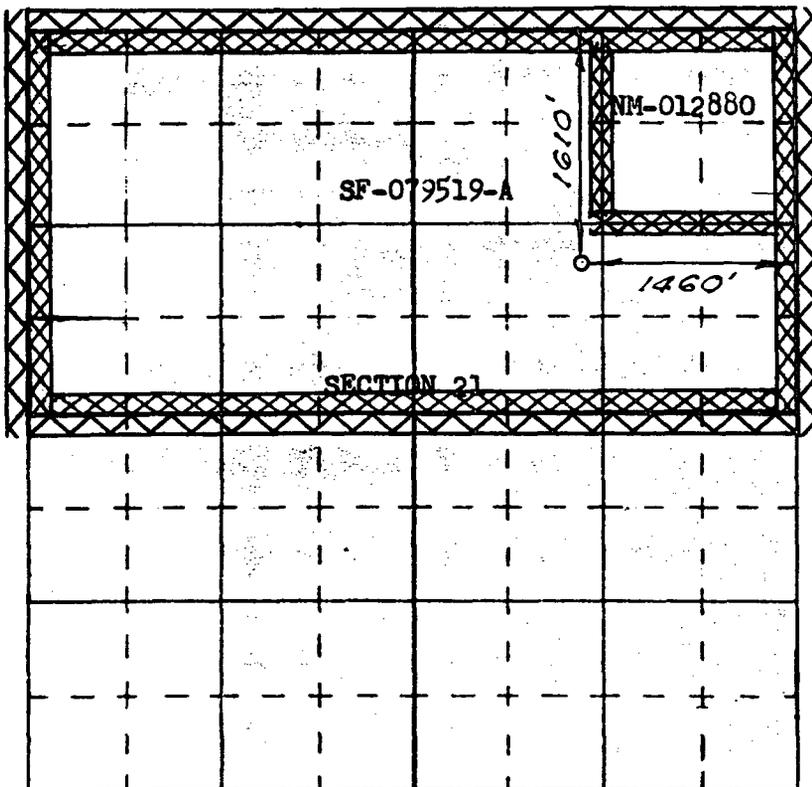
Name
Petroleum Engineer
Position
El Paso Natural Gas Company
Company
June 10, 1968
Date

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.

Date Surveyed
JANUARY 9, 1968

Registered Professional Engineer
and/or Land Surveyor

Paul Wilburn
Certificate No **1760**



District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Mio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-20107		Pool Code 72319	Pool Name Blanco Mesa Verde
Property Code 7460°	Property Name San Juan 28-5 Unit		Well Number 76
GRID No. 14538	Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		Elevation 6722'

10 Surface Location

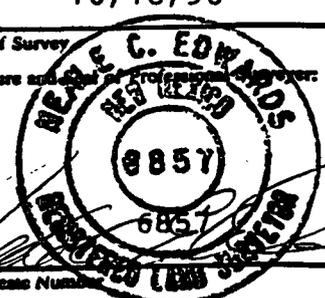
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	21	28-N	5-W		1610	North	1460	East	R.A.

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

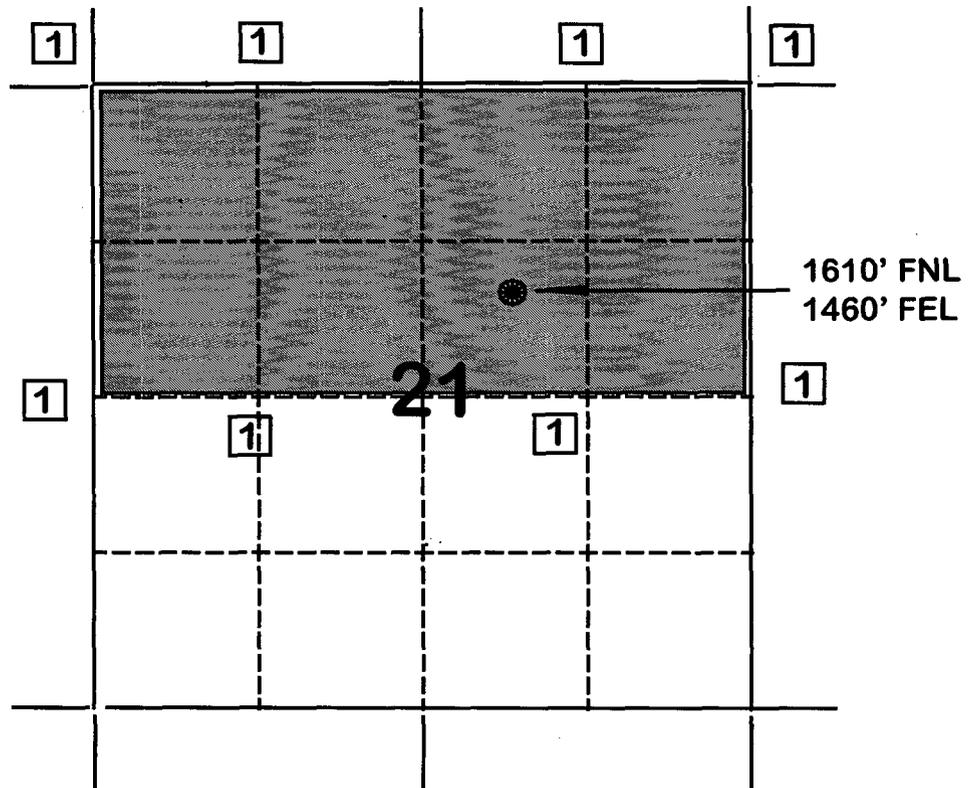
16	21	1610'	1460'	17 OPERATOR CERTIFICATION
				<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Peggy Bradfield</i> Signature Peggy Bradfield Printed Name Regulatory Admin. Title 2/9/97 Date</p>
				18 SURVEYOR CERTIFICATION
				<p><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></p> <p>10/18/96 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number</p>
				<p>Not resurveyed, prepared from a plat by David O. Vilven dated 1-9-68.</p>

BURLINGTON RESOURCES OIL AND GAS COMPANY

**San Juan 28-5 Unit #76
OFFSET OPERATOR \ OWNER PLAT**

Mesaverde/Dakota Formations Commingle Well

Township 28 North, Range 5 West



1) Burlington Resources Oil and Gas Company Successor to Meridian Oil Inc.

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.611</u>	
COND. OR MISC. (C/M)	<u>M</u>	
%N2	<u>0.12</u>	
%CO2	<u>1.53</u>	
%H2S	<u>0</u>	
DIAMETER (IN)	<u>2.5</u>	
DEPTH (FT)	<u>7973</u>	
SURFACE TEMPERATURE (DEG F)	<u>60</u>	
BOTTOMHOLE TEMPERATURE (DEG F)	<u>190</u>	
FLOWRATE (MCFPD)	<u>0</u>	
SURFACE PRESSURE (PSIA)	<u>2730</u>	
 BOTTOMHOLE PRESSURE (PSIA)	 <table border="1"><tr><td>3287.4</td></tr></table>	3287.4
3287.4		

San Juan 28-5 Unit #76 - Dakota
Initial Bottomhole Pressure

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.611</u>	
COND. OR MISC. (C/M)	<u>M</u>	
%N2	<u>0.12</u>	
%CO2	<u>1.53</u>	
%H2S	<u>0</u>	
DIAMETER (IN)	<u>2.5</u>	
DEPTH (FT)	<u>7973</u>	
SURFACE TEMPERATURE (DEG F)	<u>60</u>	
BOTTOMHOLE TEMPERATURE (DEG F)	<u>190</u>	
FLOWRATE (MCFPD)	<u>0</u>	
SURFACE PRESSURE (PSIA)	<u>952</u>	
 BOTTOMHOLE PRESSURE (PSIA)	 <table border="1"><tr><td>1134.9</td></tr></table>	1134.9
1134.9		

San Juan 28-5 Unit #76 - Dakota
Current Bottomhole Pressure

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.684</u>
COND. OR MISC. (C/M)	<u>M</u>
%N2	<u>0.17</u>
%CO2	<u>1.04</u>
%H2S	<u>0</u>
DIAMETER (IN)	<u>2.5</u>
DEPTH (FT)	<u>5664</u>
SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>120</u>
FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>1042</u>
 BOTTOMHOLE PRESSURE (PSIA)	 <u>1225.2</u>

San Juan 28-5 Unit #76 - Mesaverde
Initial Bottomhole Pressure

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.684</u>	
COND. OR MISC. (C/M)	<u>M</u>	
%N2	<u>0.17</u>	
%CO2	<u>1.04</u>	
%H2S	<u>0</u>	
DIAMETER (IN)	<u>2.5</u>	
DEPTH (FT)	<u>5664</u>	
SURFACE TEMPERATURE (DEG F)	<u>60</u>	
BOTTOMHOLE TEMPERATURE (DEG F)	<u>120</u>	
FLOWRATE (MCFPD)	<u>0</u>	
SURFACE PRESSURE (PSIA)	<u>927</u>	
 BOTTOMHOLE PRESSURE (PSIA)	 <table border="1"><tr><td>1086.1</td></tr></table>	1086.1
1086.1		

San Juan 28-5 Unit #76 - Mesaverde
Current Bottomhole Pressure

FDG055M4 G020
START OF DATA
DP NO: 52217A
SAN JUAN 28-5 UNIT
S

WELL PRODUCTION 8/8'S VOLUME

12/31/96 16:10:17

DATE: 961229 (YYMMDD FORMAT)

SCROLL FORWARD BY DATE: _

76

E L	DATE PRODUCED	HOURS ON	-OIL PRODN- (BOPD)	BOPM)	-GAS PRODN- (MCFD	MCFM)	-WATER PRODN- (BWPD	BWPM)
-	12/29/96	24.0	0.12	3.48	1	29	0.00	0.00
-	12/28/96	24.0	0.12	3.36	1	28	0.00	0.00
-	12/27/96	24.0	0.12	3.24	1	27	0.00	0.00
-	12/26/96	24.0	0.12	3.12	1	26	0.00	0.00
-	12/25/96	24.0	0.12	3.00	1	25	0.00	0.00
-	12/24/96	24.0	0.12	2.88	1	24	0.00	0.00
-	12/23/96	24.0	0.12	2.76	1	23	0.00	0.00
-	12/22/96	24.0	0.12	2.64	1	22	0.00	0.00
-	12/21/96	24.0	0.12	2.52	1	21	0.00	0.00
-	12/20/96	24.0	0.12	2.40	1	20	0.00	0.00
-	12/19/96	24.0	0.12	2.28	1	19	0.00	0.00

ENTER I UNDER SEL FOR MAINTENANCE

PF12=MAIN MENU
B MY JOB

PF6=NRI PF10=BROWSE MENU
ENTER=BACKWARDS
LU #22

PF11=INQ/UPDATE MENU
PF24=HELP

SAN JUAN 28-5 UNIT #76
SECTION 21G, T28N, R5W
RIO ARRIBA COUNTY, NM

<p>1110  28A 7/31/85 CMP</p> <p>2090  28 1/25/58 CMP</p> <p>17</p> <p>1881  33 3/26/59 CMP</p> <p>774  33A 8/17/85 CMP</p>	<p>914  16 9/13/57 CMP</p> <p>16</p> <p>1602  6 8/24/54 CMP</p>	<p>770  27 1/26/58 CMP</p> <p>377  88M 11/9/85 CMP</p> <p>15</p> <p>1287  10 12/28/55 CP</p>
<p>755  14A 11/4/80 CMP</p> <p>20</p> <p>2589  17 5/15/57 CP</p> <p>99b  14 7/20/56 CMP</p> <p>926  17A 11/21/80 CMP</p>	<p>734  76M 10/9/85 CMP</p> <p>76</p> <p>2275  22 3/21/57 CP</p> <p>764  67M 10/27/85 CMP</p> <p>21</p>	<p>390  30A 8/7/85 CMP</p> <p>1813  30 7/12/58 CMP</p> <p>22</p> <p>415  48A 8/15/85 CMP</p> <p>48 ST in '96</p>
<p>1369  1 7/25/53 CMP</p> <p>29</p> <p>2575  9 8/21/55 CMP</p>	<p>1794  23 CMP</p> <p>28</p> <p>2674  50 3/10/61 CP</p>	<p>8199  40 5/12/60 CP</p> <p>27</p> <p>622  44 8/12/60 P</p>

CUM

WELL #
SPUD DATE
COMPLETED ZONES

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:

CASE NO. 11627
ORDER NO. R-10695

APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY FOR THE ESTABLISHMENT
OF A DOWNHOLE COMMINGLING "REFERENCE
CASE" FOR ITS SAN JUAN 28-5 UNIT PURSUANT
TO DIVISION RULE 303.E. AND THE ADOPTION
OF SPECIAL ADMINISTRATIVE RULES THEREFOR,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 17 and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 12th day of November, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico.

(3) Division Rule No. 303.E., amended by Order No. R-10470-A, currently states:

“If sufficient data exists on a lease, pool, formation, geographic area, etc., so as to render it unnecessary to repeatedly provide such data on Form C-107-A, an operator may except any of the various criteria required under Paragraph 303.D. of this rule by establishing a “reference case”. The Division, upon its own motion, or by application from an operator, may establish “reference cases” either administratively or by hearing. Upon Division approval of such “reference cases” for specific criteria, subsequent applications to downhole commingle (Form C-107-A) will be required only to cite the Division order number which established such exceptions and shall not be required to submit data for those criteria.”

(4) The applicant is the current operator of the San Juan 28-5 Unit which encompasses some 17,399 acres in Township 28 North, Range 5 West, NMPM, San Juan County, New Mexico.

(5) Within the San Juan 28-5 Unit, the applicant currently operates sixty-seven (67) Basin-Dakota Gas Pool wells, seventy-one (71) Blanco-Mesaverde Gas Pool wells, sixteen (16) Gobernador-Pictured Cliffs, Oso-Pictured Cliffs and Tapacito-Pictured Cliffs Gas Pool wells, and nineteen (19) Basin-Fruitland Coal Gas Pool wells.

(6) According to its evidence and testimony, Burlington seeks to:

- a) establish a “reference case” for marginal economic criteria in the Dakota and Pictured Cliffs formations whereby these formations and/or pools may be identified as “marginal” on Form C-107-A’s subsequently filed for wells within the San Juan 28-5 Unit. The applicant further proposes that the data provided in the immediate case serve as supplemental data or confirmation that these formations and/or pools should be classified as “marginal”;
- b) establish a “reference case” for pressure criteria in the Dakota and Pictured Cliffs formations whereby the Division may utilize data provided in the immediate case to verify the pressure data provided on Form C-107-A’s subsequently filed for wells within the San Juan 28-5 Unit;

- c) establish a "reference case" whereby the Division utilizes the data presented in the immediate case to endorse or approve certain methods of allocating production whereby the applicant need not submit additional data or justification when proposing a certain method of allocating production on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit; and,
- d) establish a "reference case" or an administrative procedure for authorizing the downhole commingling of existing or future drilled wells within the San Juan 28-5 Unit without additional notice to each affected interest owner as required by Division Rule No. 303.D.

(7) In support of its request to except marginal economic criteria, the applicant presented geologic and engineering evidence and testimony which indicates that within the San Juan 28-5 Unit:

- a) the structure and thickness of the Dakota and Pictured Cliffs formations are very consistent;
- b) the average recoverable Dakota and Pictured Cliffs gas reserves underlying an undeveloped drill block are approximately 1,258 MMCFG and 77 MMCFG, respectively;
- c) the average initial producing rate for a newly drilled or recompleted Dakota and Pictured Cliffs gas well is approximately 276 MCFGD and 136 MCFGD, respectively; and,
- d) the estimated ultimate gas recoveries and initial producing rates from the Dakota and Pictured Cliffs formations are insufficient to justify drilling stand alone wells and/or dually completed wells to recover such gas reserves.

(8) The evidence and testimony presented by the applicant indicates that the Dakota and Pictured Cliffs formations within the San Juan 28-5 Unit should be properly classified as "marginal".

(9) In support of its request to except pressure criteria within the Dakota and Pictured Cliffs formations within the San Juan 28-5 Unit, the applicant presented engineering evidence and testimony which indicates that:

- a) the average shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations at the time of initial development were approximately 3,149 psi and 1,143 psi, respectively; and,
- b) the average current shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations are approximately 1,059 psi and 714 psi, respectively.

(10) There is sufficient pressure data available within the San Juan 28-5 Unit so as to except pressure criteria as proposed by the applicant.

(11) The applicant testified that various allocation methods will be utilized for downhole commingled wells within the San Juan 28-5 Unit depending on the circumstances. Some of the methods and circumstances are described as follows:

- a) the subtraction method will likely be utilized in those instances involving the Basin-Fruitland Coal Gas Pool and in those instances where a zone with a well established decline rate is commingled with a newly completed zone;
- b) a fixed allocation formula will be utilized in those instances where production history for both zones is available, or in those instances where newly completed zones are tested and stabilized flow rates obtained.

(12) The allocation methods proposed by the applicant are routinely utilized by industry and approved by the Division and therefore, the proposal to except allocation formulas should be approved.

(13) In support of its request to establish a "reference case" or administrative procedure for providing notice within the San Juan 28-5 Unit the applicant presented evidence and testimony which indicates that:

- a) the interest ownership between two zones within a given wellbore in the San Juan 28-5 Unit is generally not common;
- b) pursuant to Division Rule No. 303.D., applicant is currently required to notify all interest owners within the San Juan 28-5 Unit every time a Form C-107-A is submitted to the Division. There are a considerable number of such interest owners within the unit;

- c) providing notice to each interest owner within the San Juan 28-5 Unit of subsequent downhole comminglings is unnecessary and is an excessive burden on the applicant;
- d) the downhole commingling of wells within the San Juan 28-5 Unit Area will benefit working, royalty, and overriding royalty interest owners. In addition, the downhole commingling of wells within the San Juan 28-5 Unit should not violate the correlative rights of any interest owner;
- e) no interest owner appeared at the hearing in opposition to the establishment of a "reference case" or administrative procedure for notice.

(14) An administrative procedure should be established within the San Juan 28-5 Unit for obtaining approval for subsequent downhole commingled wells without notice to Unit interest owners, provided however that, all other provisions contained within Division Rule No. 303.C. are complied with.

(15) Approval of the proposed "reference cases" for marginal economic criteria, pressure criteria, allocation formulas and notice will lessen the burden on the applicant insofar as providing the data required pursuant to Division Rule No. 303.D. and Form C-107-A, will provide the applicant a streamlined method for obtaining downhole commingling approvals within the San Juan 28-5 Unit, and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Burlington Resources Oil & Gas Company to establish a "reference case" for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico, is hereby approved.

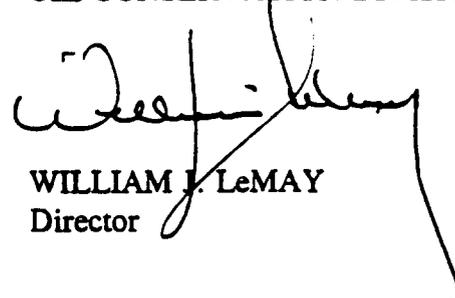
(2) Upon filing of Division Form No. C-107-A's for wells subsequently downhole commingled within the San Juan 28-5 Unit Area, the applicant shall not be required to submit supporting data to justify the classification of the Pictured Cliffs and Dakota formations as "marginal", supporting data to verify the Pictured Cliffs and Dakota pressure information provided, and support or justification for utilizing a given method or formula for allocation of production, provided however, in the event any of the data described above appearing on Form C-107-A appears to be beyond the data range provided in this case, the Division may require the submittal of additional supporting data.

(3) In order to obtain Division authorization to downhole commingle wells within the San Juan 28-5 Unit, the applicant shall file a Form C-107-A with the Santa Fe and Aztec Offices of the Division. Such application shall contain all the information required under Rule No. 303.C. of the Division Rules and Regulations, provided however that the applicant shall not be required to provide notice to all interest owners within the San Juan 28-5 Unit of such proposed commingling.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LeMAY
Director

S E A L

PROJECT STATUS FILE
 COMPLETED WELLS - FOREMAN & TYPE OF WORK
 WAITING ON DELIVERY
 AS OF 7 Feb 97

STIMATED DELIVERY DATE	METER #	DPMO	WELLNAME	PIPE	WELLNO	LINE	FRM	TWN	RNG	SEC	DATE	DATE	DATE	DATE	DETAIL	BOG1	WELL	EST	TYPE	OF	WORK	COMPLETION	AREA									
												PL	PL			YR	STAT	MCFD			SINCE	FOREMAN										
												PL	PL	COMPL	NOTIF	COMPL	C104	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE
2/16/97	91901145	60451A	UTE MTN UTE	42 WGR	0121	032N	014W	30			970113	960318	0	970203	MO: ADD'L REG PARRMRK 2/3/97	1996	NA	1.000	NEW	DRILL		25	331									
2/15/97	993358	59613A	ATLANTIC C	48 EPFS	0465	031N	010W	31			970203	951120	960509	0	C104 SENT 2/6/97	1995	NA	500	NEW	DRILL		4	332									
3/25/97	993335	61189A	SAN JUAN 29-7 UNIT	505R	EPFS	1238	029N	007W	05		960914	960926	0	961113	MO: P/L (PROB W/LANDOWNER)	1996	NA	300	NEW	DRILL		146	333									
2/25/97	993322	33686A	SAN JUAN 29-7 UNIT	4A	EPFS	0465	029N	007W	10		961127	960506	0	961230	MO: PROB W/LANDOWNER 11/25/96	1996	NA	1.000	NEW	DRILL-DU		72	333									
3/15/97	993315	35786A	SAN JUAN 29-7 UNIT	90A	EPFS	0465	029N	007W	05		961115	960320	0	961219	MO: PROB W/LANDOWNER 11/15/96	1996	NA	800	NEW	DRILL-DU		84	333									
2/28/97	81901	36132A	*PRUD* SAN JUAN 28-5 UNIT	58M	WFS	0465	028N	005W	30		970122	960912	0	0	C104 SENT 2/3/97:NEED DHC	1996	NA	500	NEW	DRILL-CO		16	335									
2/25/97	81904	36097A	*PRUD* SAN JUAN 28-6 UNIT	153M	WFS	0465	028N	006W	25		970129	960912	0	0	NEED C104 & DHC 1/29/97	1996	NA	400	NEW	DRILL-CO		9	335									
2/28/97	81900	36298A	SAN JUAN 28-5 UNIT	35M	WFS	0465	028N	005W	19		970109	960912	0	0	C104 SENT 1/30/97:NEED DHC	1996	NA	350	NEW	DRILL-CO		29	335									
2/25/97	81957	51503A	*PRUD* SAN JUAN 28-6 UNIT	116	WFS	0115	028N	006W	33		970104	0	0	0	C104 SENT 2/3/97:NEED DHC	1996	54	277	RECOMP-COMIN		34	335										
2/15/97	92096	2554A	*PRUD* SAN JUAN 29-7 UNIT	138	EPFS	0115	029N	007W	25		961215	0	0	0	C104 SENT 2/3/97:NEED DHC	1996	77	140	RECOMP-COMIN		54	335										
2/25/96	95279	53762A	*PRUD* SAN JUAN 29-7 UNIT	123	EPFS	0115	029N	007W	26		961206	0	0	0	C104 SENT 12/30/96:NEED DHC	1996	74	300	RECOMP-COMMI		63	335										
3/20/97	81984	44097A	SAN JUAN 28-6 UNIT	185	WFS	0115	028N	006W	33		970114	0	0	0	C104 SENT 2/3/97:NEED DHC	1996	54	125	RECOMP-COMMI		24	335										
2/22/97	993356	61364A	GRANDELL	500	EPFS	1238	026N	009W	11		970201	960830	0	0	C104 SENT 2/5/97	1997	NA	300	NEW	DRILL		6	337									
2/28/97	993351	34572A	BROOKHAVEN COM	7A	EPFS	0465	027N	008W	36		970125	960904	0	0	C104 SENT 2/5/97	1996	NA	350	NEW	DRILL-DU		13	337									
2/20/97		29963B	HUDSON A D	4	WFSB	1332	027N	009W	29		970119	0	0	0	C104 SENT 2/5/97	1997	NA	167	RECOMPLETION		19	337										
2/15/97	74209	50912A	MCHANUS	1	EPFS	0580	026N	008W	30		970207	0	0	0	MO: RESET FACIL 2/7/97	1997	00	150	WORKOVER-RES		0	337										
2/14/97	92451	3717A	HUBBELL COM	296	EPFS	1238	029N	010W	20		970207	0	0	0	MO: FACIL & SICP 2/7/97	1997	00	158	WORKOVER-RES		0	338										
2/25/97	87882	43941A	JOHNSTON A COM G	17	EPFS	0115	026N	006W	36		961105	0	0	0	PROB W/C104:NEED DHC 2/7/97	1996	74	177	RECOMP-TRIMI		94	339										
2/25/97	90810	43937A	SANCHEZ A	2	EPFS	0115	026N	006W	20		961003	0	0	0	PROB W/C104:NEED DHC 2/7/97	1996	74	250	RECOMP-TRIMI		127	339										

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