

DHC 5/12/97

1537

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 1680

RECEIVED  
APR 22 1997  
State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
2040 S. Pacheco  
Santa Fe, New Mexico 87505-8429

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

APPROVAL PROCESS:  
 Administrative  Hearing  
EXISTING WELLBORE  
 YES  NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Conoco Inc. Address: 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease: San Juan 28-7 Well No: 79 Unit: H-11-T27N-R7W Rio Arriba County

OGRID NO. 005073 Property Code 16608 API NO. 30-039-07135 Spacing Unit Lease Types: (check 1 or more)  
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	Pictured Cliffs 72439		Mesa Verde 72319
2. TOP and Bottom of Pay Section (Perforations)	2834' - 2870'		4506' - 5138'
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: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 429 psia BHP	a.	a. 395 psia BHP
	b(Original) 1101 psia	b.	b. 1226 psia
6. Oil Gravity (*API) or Gas BT Content	1150		1205
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
• If Shut-In give 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  • If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	1/97 avg. 32 mcf/d; 0 bopd		1/97 avg. 71 mcf/d; 0 bopd
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas: 31 %	Oil: % Gas: %	Oil: 100 % Gas: 69

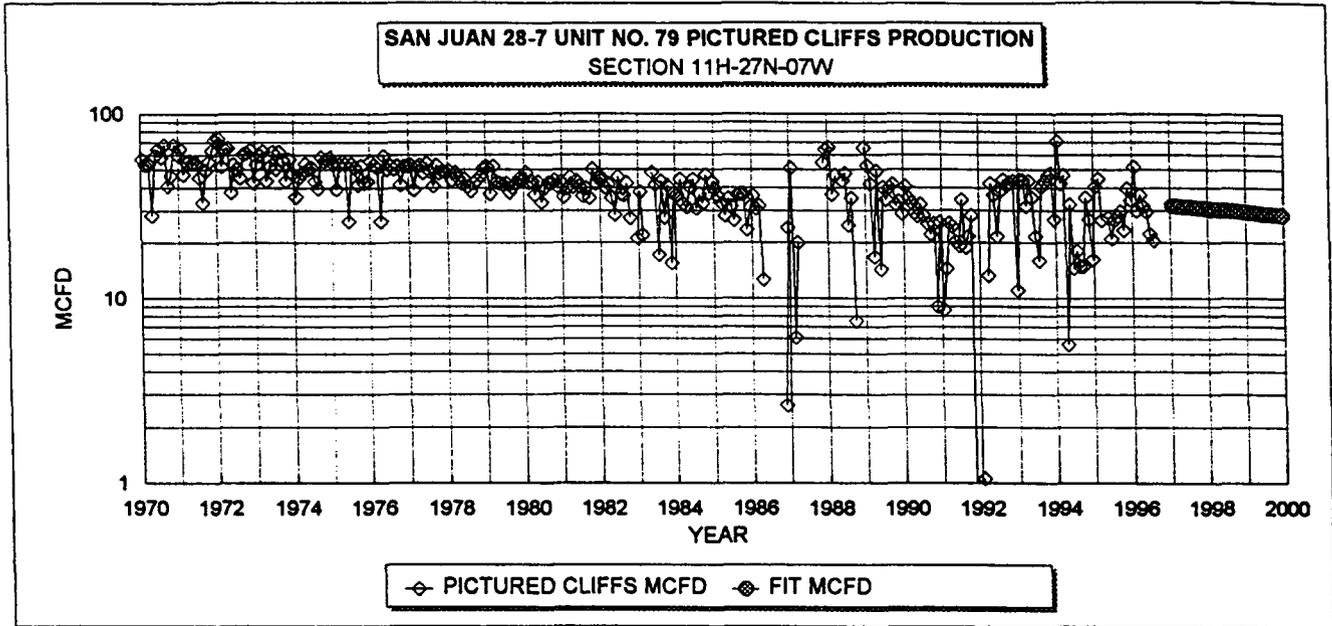
9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones?  
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  
\* Conoco is offset operator to all San Juan 28-7 Unit wells.
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 others  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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). \_\_\_\_\_

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.

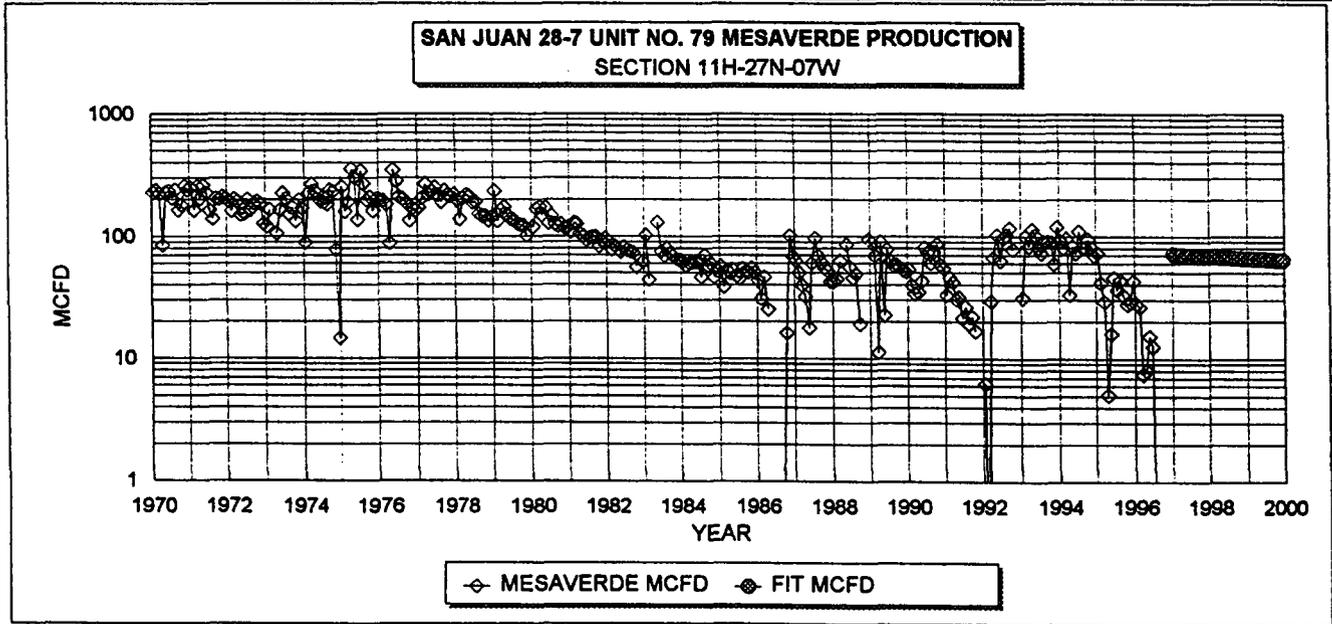
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Hoover TITLE Sr. Conservation Coord DATE 1/27/97

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548



<b>PICTURED CLIFFS HISTORICAL DATA</b> 1ST PROD: 12/57		<b>PICTURED CLIFFS PROJECTED DATA</b>	
OIL CUM:	0.00 MBO	1/1/97 Q1:	32 MCFD
GAS CUM:	609.3 MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0000 BBL/MCF		



<b>MESAVERDE HISTORICAL DATA</b> 1ST PROD: 12/57		<b>MESAVERDE PROJECTED DATA</b>	
OIL CUM:	0.6 MBO	1/1/97 Q1:	71 MCFD
GAS CUM:	2346.0 MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0002 BBL/MCF		

<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>		
	GAS	OIL
PICTURED CLIF	31%	0%
MESAVERDE	69%	100%

GAS ALLOCATION BASED ON PROJECTED 1997 RATES  
 OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS  
 NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

NEW MEXICO  
OIL CONSERVATION COMMISSION

Form O-124

WELL LOCATION AND/OR GAS PRORATION PLAT

DATE MARCH 16, 1957

OPERATOR EL PASO NATURAL GAS COMPANY LEASE SAN JUAN 28-7 UNIT SF 078972

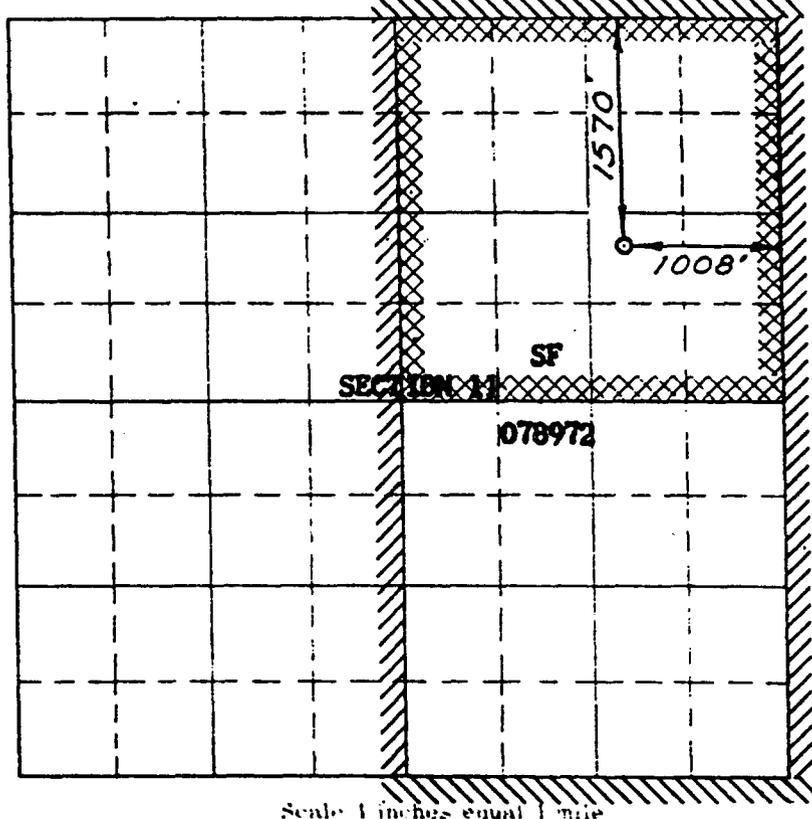
WELL NO. 79 (PM) SECTION 11 TOWNSHIP 27 N RANGE 7 W NMPM

LOCATED 1570 FEET FROM NORTH LINE 1008 FEET FROM EAST LINE

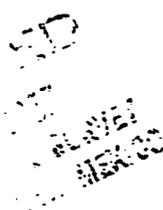
RIO ARRIBA COUNTY, NEW MEXICO WELL ELEVATION 6231

NAME OF PRODUCING FORMATION P.C. & M.V. SO. BLANCO EXT. P.C. 160 AC. P.C.  
BLANCO M.V. 320 AC. M.V. (1862 PLAT)

Note: All distances must be from corner boundaries of section.



Scale 1 inch = equal 1 mile



NOTE

This section of form is to be used for gas wells only



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed FEBRUARY 6, 1957

E. O. Walker  
Registered Professional Engineer and/or Land Surveyor



(Seal)

1. Is this well a Dual Comp.  
Yes  No
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage.  
Yes  No

Name Original Signed EWELL N. WALSH

Position Petroleum Engineer

Representing El Paso Natural Gas Co.

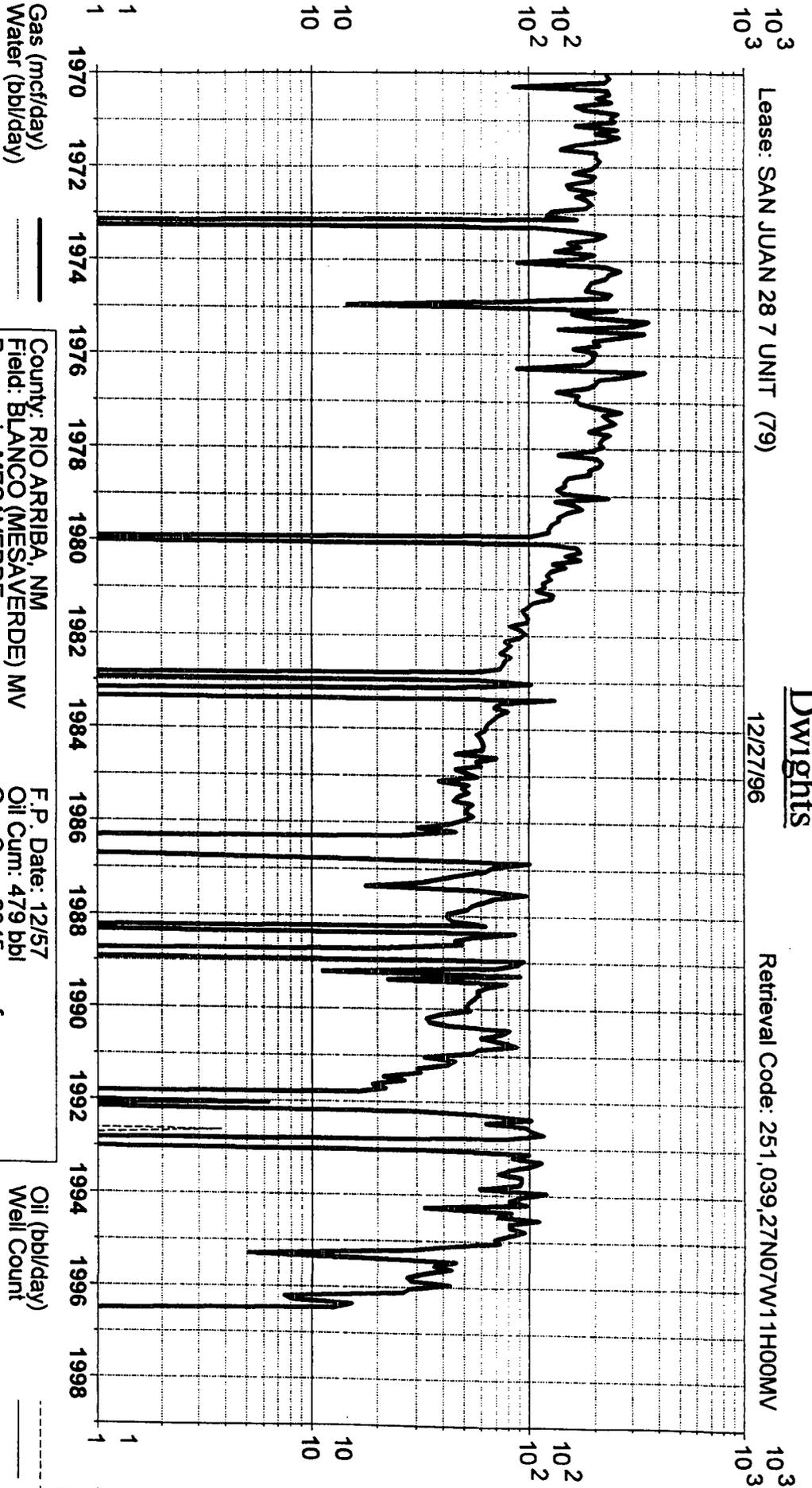
Address Box 997 - Farmington, N.M.

# Dwights

Lease: SAN JUAN 28 7 UNIT (79)

12/27/96

Retrieval Code: 251,039,27N07W11H00MV



County: RIO ARRIBA, NM  
Field: BLANCO (MESAVERDE) MV  
Reservoir: MESAVERDE  
Operator: CONOCO INC

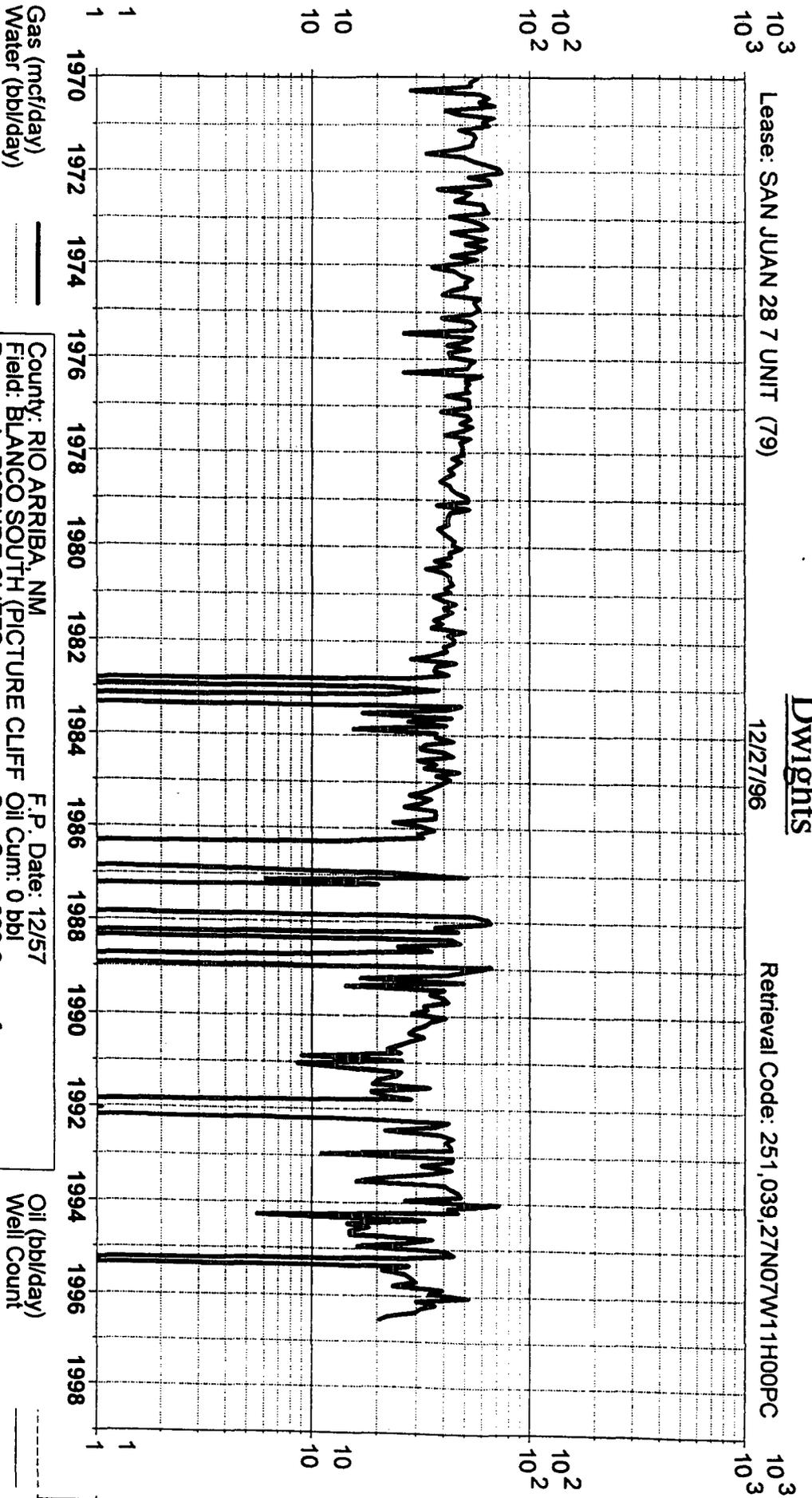
F.P. Date: 12/57  
Oil Cum: 479 bbl  
Gas Cum: 2345 mmcf  
Location: 11H 27N 7W

# Dwights

Lease: SAN JUAN 28 7 UNIT (79)

12/27/96

Retrieval Code: 251,039,27N07W11H00PC



Gas (mcf/day)  
Water (bbl/day)

County: RIO ARRIBA, NM  
Field: BLANCO SOUTH (PICTURE CLIFF)  
Reservoir: PICTURE CLIFFS  
Operator: CONOCO INC

F.P. Date: 12/57  
Oil Cum: 0 bbl  
Gas Cum: 609.3 mmcf  
Location: 11H 27N 7W

Oil (bbl/day)  
Well Count