

DHC 5/12/97

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

OIL CONSERVATION DIVISION

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

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

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE

YES  NO

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APR 22 1997

1541

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc.

Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease San Juan 28-7

Well No 104

Unit Ltr Sec Twp Rge M-3-T27N-R7W

County Rio Arriba

OGRID NO. 005073

Property Code 16608

API NO. 30-039-07160

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)	3274' - 3326'		5526' - 5654'
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	a (Current) 306 psia	a.	a. 476 psia
	b(Original) 1117 psia	b.	b. 1193 psia BHP
6. Oil Gravity (*API) or Gas BT Content	1267		1286
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 should 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. 14 mcf/d; 0 bopd		1/97 avg. 14 mcf/d; 0.2 bopd
8. Fixed Percentage Allocation Formula - % for each zone	0 % Gas 50 %	% Gas %	100 % Gas 50

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   
\* 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. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) \_\_\_\_\_

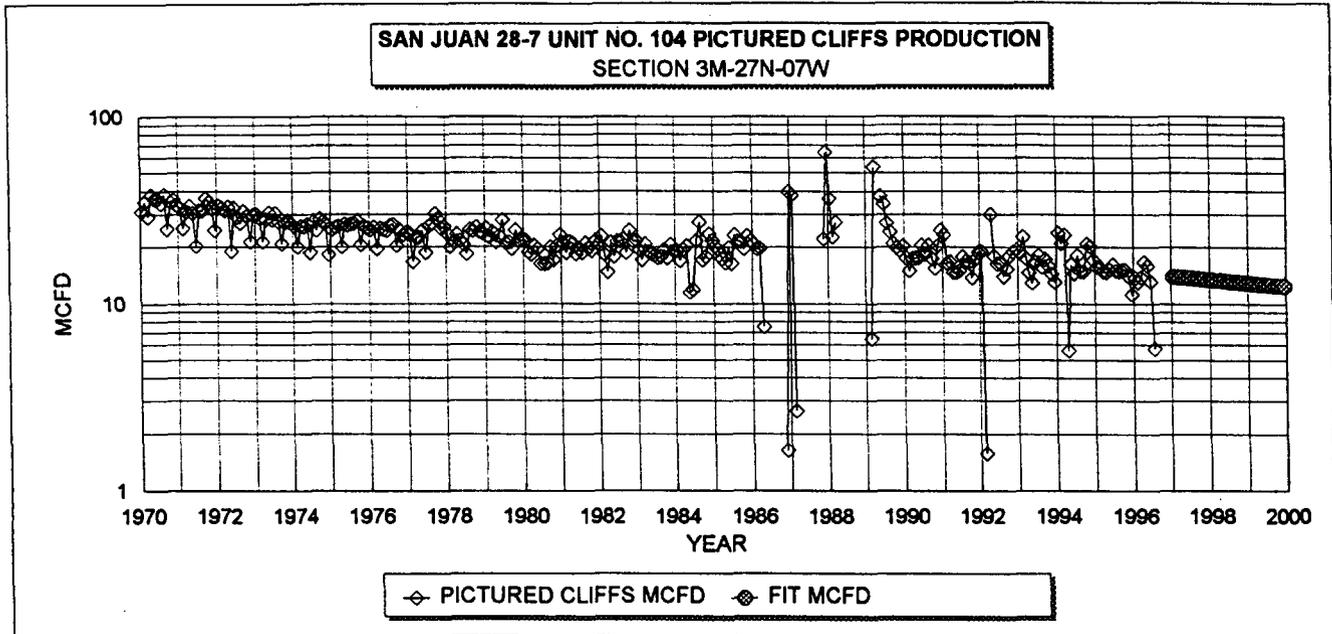
16. ATTACHMENTS

- \* 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.

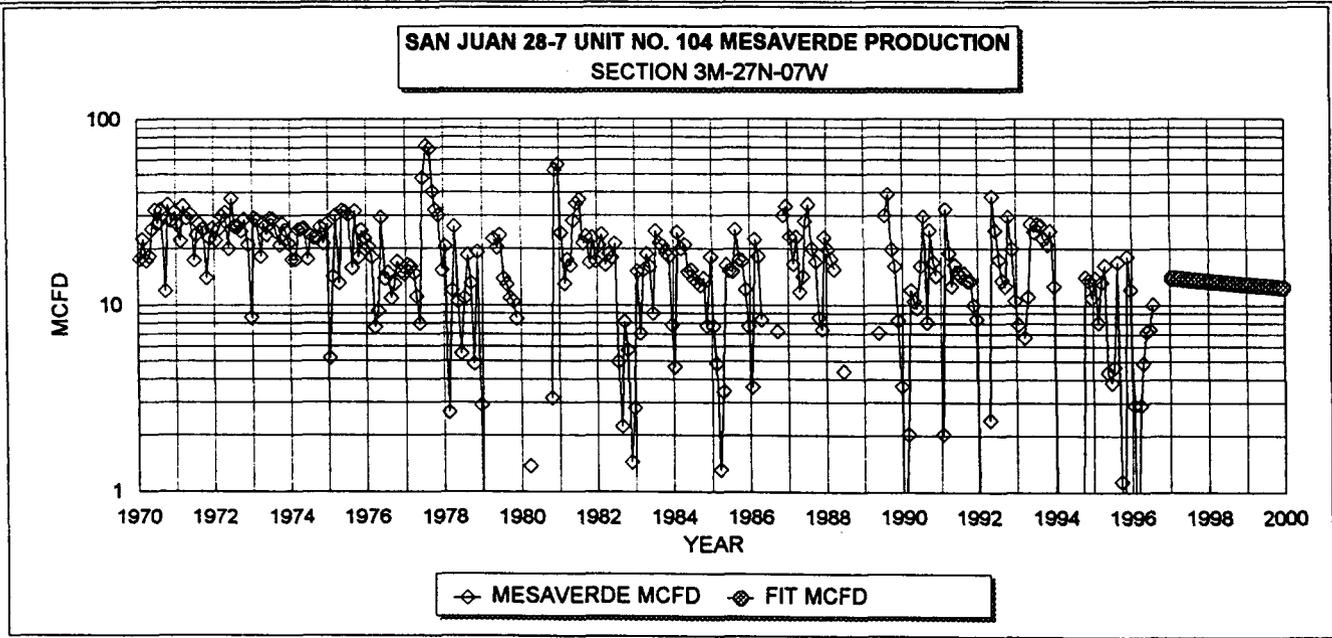
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

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 1ST PROD: 11/69</b>		<b>PICTURED CLIFFS PROJECTED DATA</b>	
OIL CUM:	0.00 MBO	1/1/97 QI:	14 MCFD
GAS CUM:	347.9 MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0000 BBL/MCF		



<b>MESAVERDE HISTORICAL DATA 1ST PROD: 11/69</b>		<b>MESAVERDE PROJECTED DATA</b>	
OIL CUM:	4.1 MBO	1/1/97 QI:	14 MCFD
GAS CUM:	276.4 MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0149 BBL/MCF		

<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>		
	GAS	OIL
PICTURED CLIF	50%	0%
MESAVERDE	50%	100%

GAS ALLOCATION BASED ON PROJECTED 1997 RATES  
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

*NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA*

Well Location and Acreage Dedication Plat

Section A.

Date APRIL 8, 1959

Operator EL PASO NATURAL GAS COMPANY Lease SAN JUAN 28-7 UNIT SF 078972  
 Well No. 104(PH) Unit Letter K Section 3 Township 27-N Range 7-W NMFN  
 Located 1600 Feet From SOUTH Line, 1750 Foot From WEST Line  
 County RIO ARriba G. L. Elevation 6711 Dedicated Acreage 160 & 319.99 Acres  
 Name of Producing Formation PICTURED CLIFF & MESA VERDE Pool SO. BLANCO PC & BLANCO MV

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?  
 Yes  No
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes  No . If answer is "yes", Type of Consolidation.
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner	Land Description
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APR 14 1959

LOGICAL SURVEY  
NEW MEXICO

Section B.

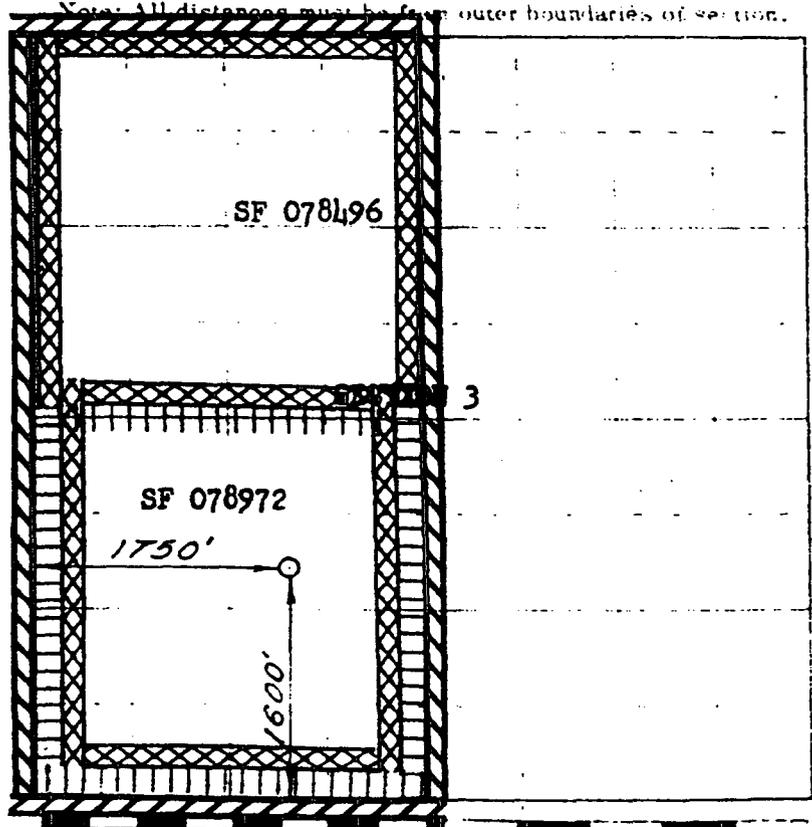
This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

**El Paso Natural Gas Company**  
(Operator)

Original Signed **C. D. COX**  
(Representative)

**Box 997**  
(Address)

**Farmington, New Mexico**



Scale: 1 inch equals 1 mile

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.

(Seal)

Farmington, New Mexico

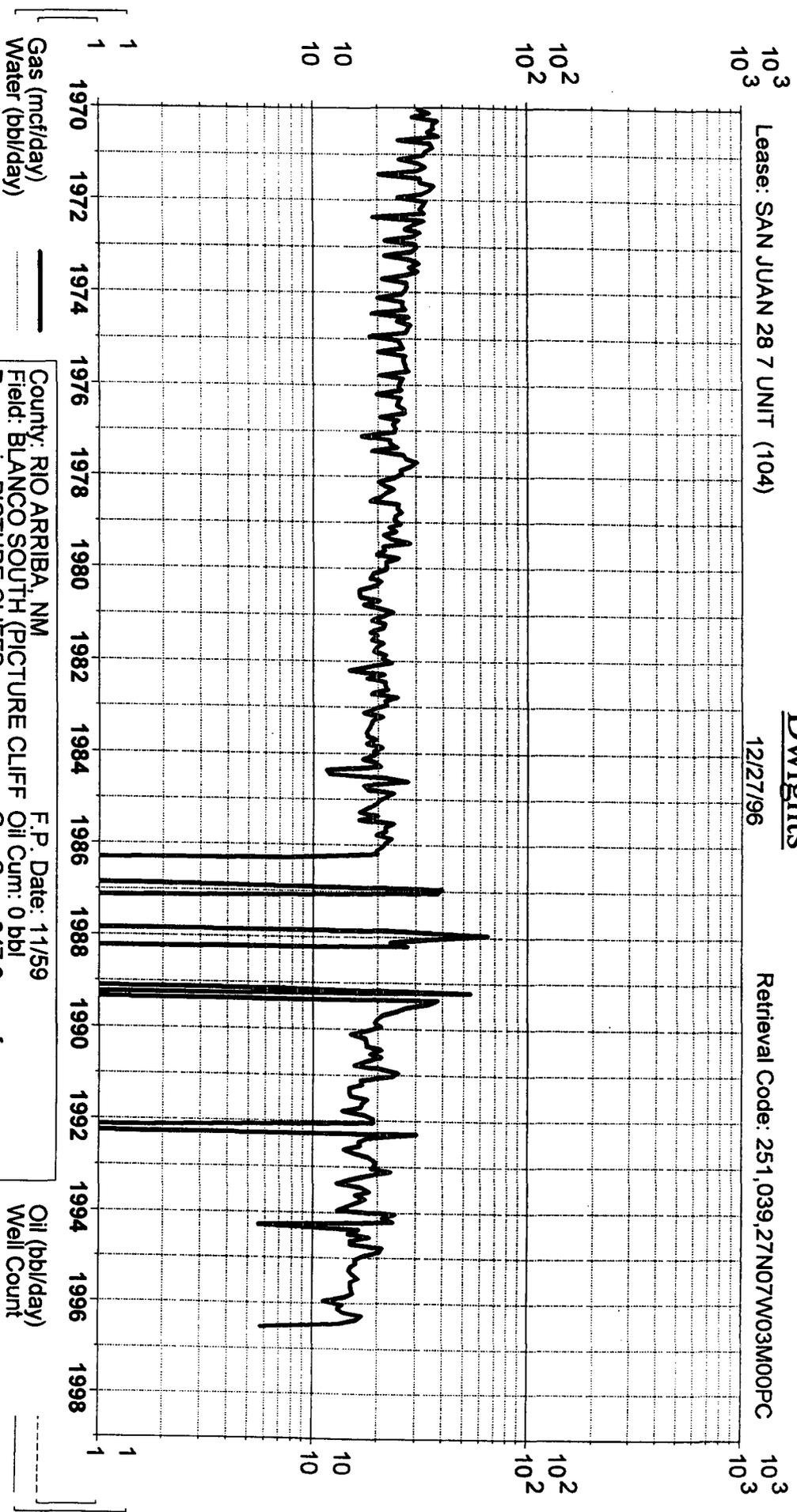
Date MARCH 10, 1959  
*David O. Kilmer*  
 Surveyor

# Dwights

Lease: SAN JUAN 28 7 UNIT (104)

12/27/96

Retrieval Code: 251,039,27N07W03M00PC



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

F.P. Date: 11/59  
Oil Cum: 0 bbl  
Gas Cum: 347.9 mmcf  
Location: 3M 27N 7W

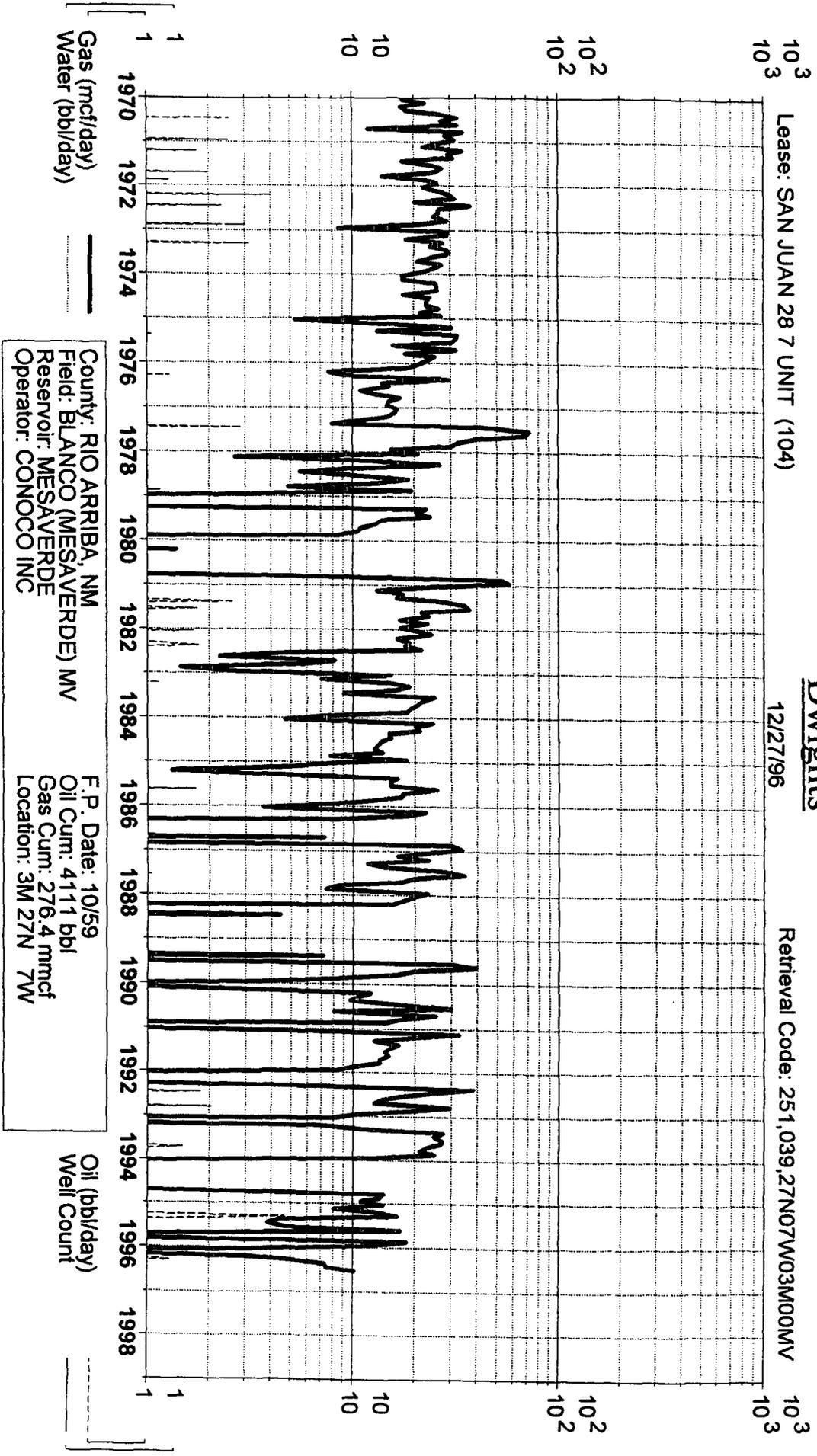
Oil (bbl/day)  
Well Count

# Dwights

Lease: SAN JUAN 28 7 UNIT (104)

12/27/96

Retrieval Code: 251,039,27N07W03M00MV



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

F.P. Date: 10/59  
Oil Cum: 4111 bbl  
Gas Cum: 276.4 mmcf  
Location: 3M 27N 7W

Oil (bbl/day)  
Well Count