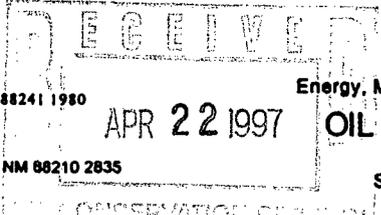


DHC 5/12/97



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 87505-8429

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

APPROVAL PROCESS:
 Administrative Hearing
EXISTING WELLBORE
 YES NO

1543

APPLICATION FOR DOWNHOLE COMMINGLING

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

Lease: San Juan 28-7 Well No: 99 Unit: N-29-T27N-R7W County: Rio Arriba

OGRID NO. 005073 Property Code 16608 API NO. 30-039-21729 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	Mesa Verde 72319		Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4912' - 5394' OA		7284' - 7484' OA
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) 800 psia	a.	a. 483 psia
	b(Original) 1192	b.	b. 2925
6. Oil Gravity (*API) or Gas BT Content	1278		1301
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
	Incremental Production by Subtraction		Mid-Year avg. rates - see table
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas %	Oil: % Gas %	Oil: % Gas %

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. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

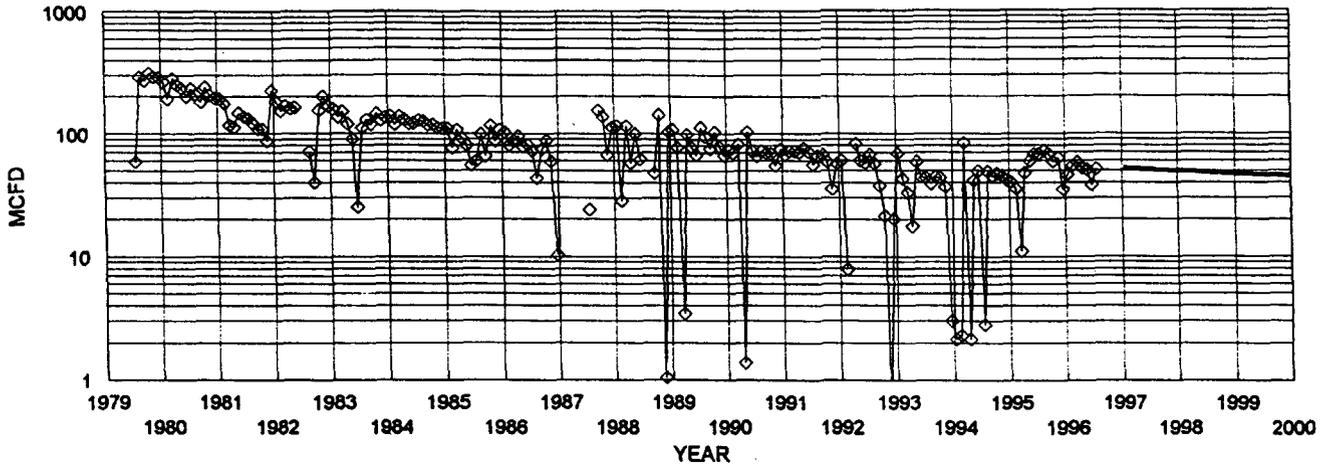
16. ATTACHMENTS
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to 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

**SAN JUAN 28-7 UNIT NO. 99 DAKOTA PRODUCTION
SECTION 29N-27N-07W**



◇ DAKOTA MCFD — FIT MCFD

DAKOTA HISTORICAL DATA:	1ST PROD: 07/79	DAKOTA PROJECTED DATA
OIL CUM:	10.18 MBO	1/1/97 Qi: 52 MCFD
GAS CUM:	556.8 MMCF	DECLINE RATE: 4.7% (EXPONENTIAL)
OIL YIELD:	0.0183 BBL/MCF	

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1996	51	0.9
1997	48	0.9
1998	46	0.8
1999	44	0.8
2000	42	0.8
2001	40	0.7
2002	38	0.7
2003	36	0.7
2004	35	0.6
2005	33	0.6
2006	31	0.6
2007	30	0.5
2008	28	0.5
2009	27	0.5
2010	26	0.5
2011	25	0.5
2012	24	0.4
2013	22	0.4
2014	21	0.4
2015	20	0.4
2016	19	0.4
2017	18	0.3
2018	18	0.3
2019	17	0.3
2020	16	0.3
2021	15	0.3
2022	15	0.3
2023	14	0.3
2024	13	0.2
2025	13	0.2
2026	12	0.2
2027	11	0.2
2028	11	0.2
2029	10	0.2
2030	10	0.2

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

N MEXICO OIL CONSERVATION COMMISS
 WEL LOCATION AND ACREAGE DEDICATION LAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

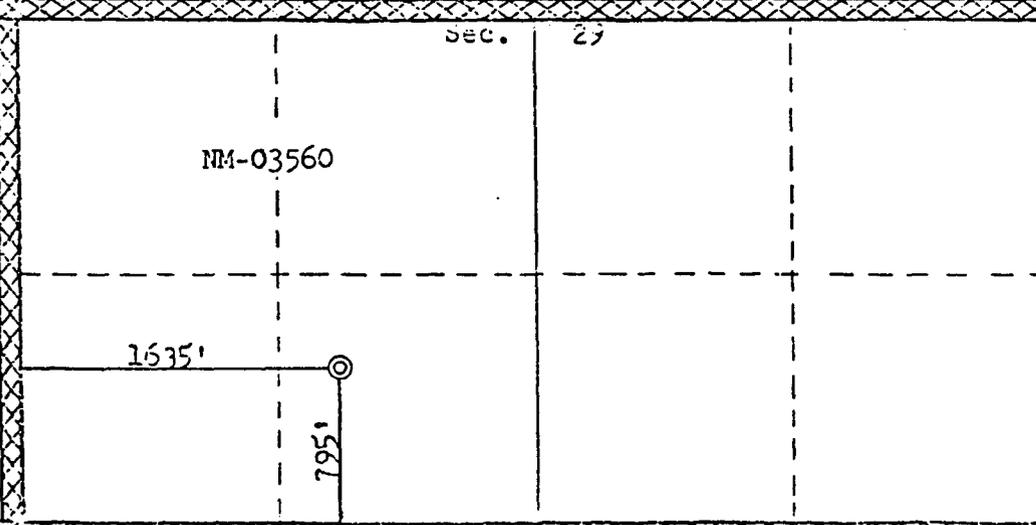
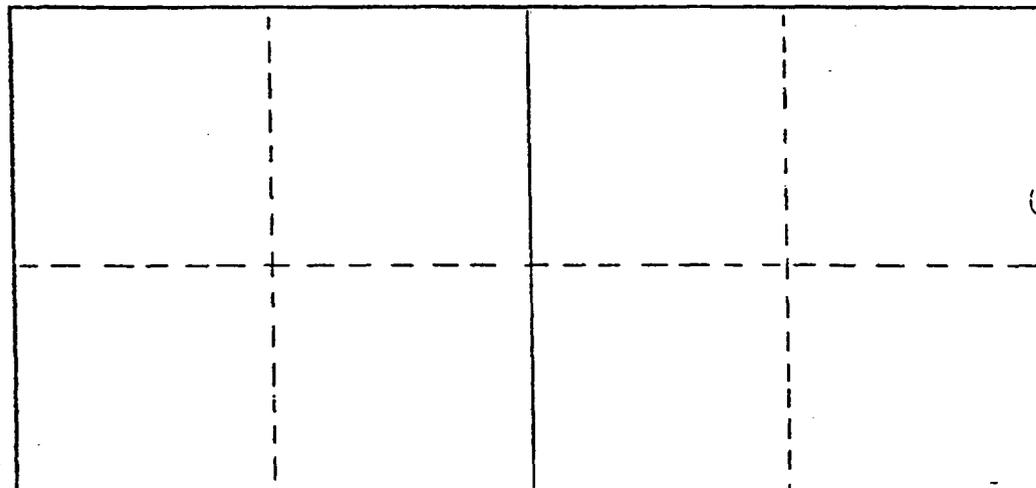
Operator El Paso Natural Gas Company			Lease San Juan 28-7 Unit (NM-03560)			Well No. 99		
Unit Letter N	Section 29	Township 27N	Range 7W	County Rio Arriba				
Actual Footage Location of Well: 795 feet from the South line and 1635 feet from the West line								
Ground Level Elev. 6672		Producing Formation 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

If answer is "no," list the owners and tract descriptions which have actually been 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. **REVISED TO SHOW CORRECTED DEDICATION 3-7-78**



CERTIFICATION

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

[Signature]

Name
Drilling Clerk

Position
El Paso Natural Gas Co.

Company
April 10, 1978

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
February 23, 1978
 Registered Professional Engineer and/or Land Surveyor

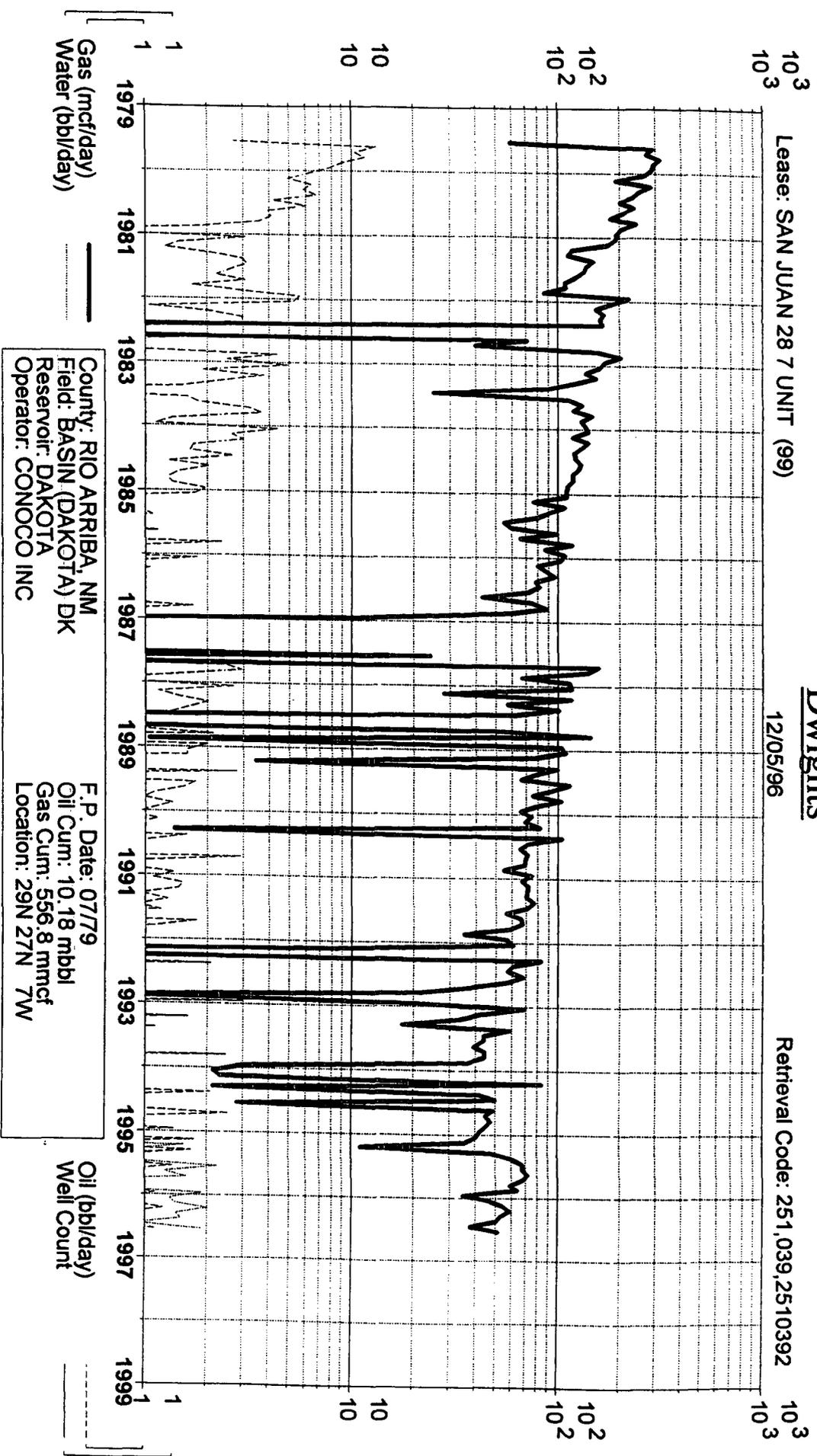
[Signature]
Fred B. Kopp Jr.

Dwights

Lease: SAN JUAN 28 7 UNIT (99)

12/05/96

Retrieval Code: 251,039,2510392



County: RIO ARRIBA, NM
Field: BASIN (DAKOTA) DK
Reservoir: DAKOTA
Operator: CONOCO INC

F.P. Date: 07/79
Oil Cum: 10.18 mbbl
Gas Cum: 556.8 mmcf
Location: 29N 27N 7W