

DHC 5/12/97

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
811 South First St. Artesia NM 88210 2835

APR 22 1997

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

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

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc.

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

Lease San Juan 28-7

Well No 125

Unit Ltr Sec Twp Rge M-12-T27N-R7W

County Rio Arriba

OGRID NO. 005073

Property Code

16608

API NO.

30-039-07102

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)	4930' - 5651' OA		7641' - 7732' OA
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Expected to be 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. 690 psia
	b(Original) 1192	b.	b. 2925
6. Oil Gravity (*API) or Gas BT Content	1248		1148
7. Producing or Shut-in?	To Be Completed		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
	Date Rates Incremental Production by Subtraction	Date Rates	Date Rates Mid-Year avg. rates - see table
8. Fixed Percentage Allocation Formula - % of 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? 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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

16. ATTACHMENTS

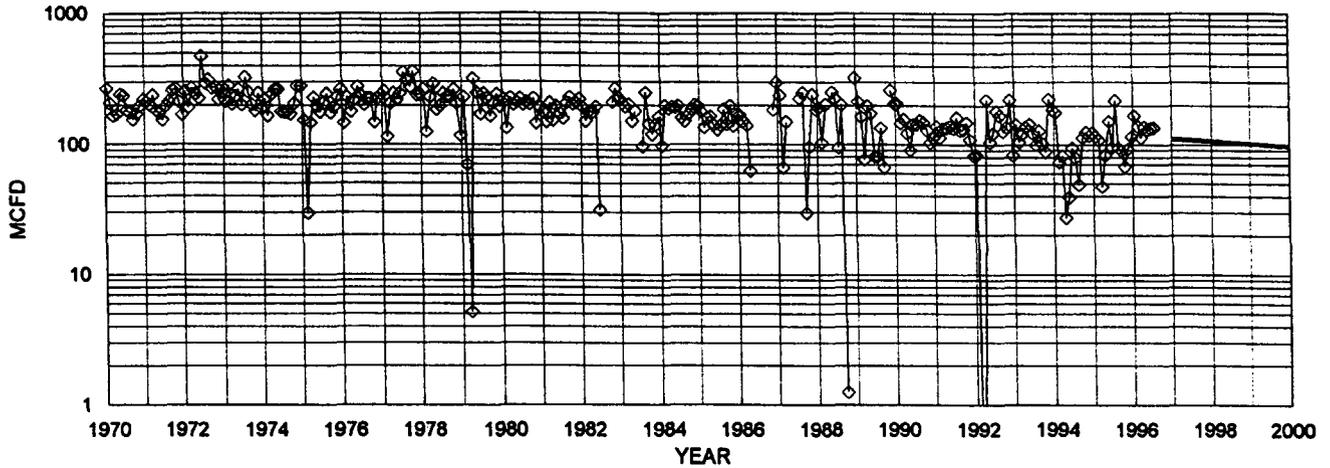
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation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

**SAN JUAN 28-7 UNIT NO. 125 DAKOTA PRODUCTION
SECTION 12M-27N-07W**



◇ DAKOTA MCFD — FIT MCFD

DAKOTA HISTORICAL DATA:	1ST PROD: 11/81	DAKOTA PROJECTED DATA
OIL CUM:	9.78 MBO	1/1/97 QI: 112 MCFD
GAS CUM:	2657.0 MMCF	DECLINE RATE: 4.5% (EXPONENTIAL)
OIL YIELD:	0.0037 BBL/MCF	

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1996	109	0.4
1997	105	0.4
1998	100	0.4
1999	95	0.4
2000	91	0.3
2001	87	0.3
2002	83	0.3
2003	79	0.3
2004	76	0.3
2005	72	0.3
2006	69	0.3
2007	66	0.2
2008	63	0.2
2009	60	0.2
2010	57	0.2
2011	55	0.2
2012	52	0.2
2013	50	0.2
2014	48	0.2
2015	46	0.2
2016	44	0.2
2017	42	0.2
2018	40	0.1
2019	38	0.1
2020	36	0.1
2021	35	0.1
2022	33	0.1
2023	32	0.1
2024	30	0.1
2025	29	0.1
2026	28	0.1
2027	26	0.1
2028	25	0.1
2029	24	0.1
2030	23	0.1

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date JULY 3, 1961

Operator EL PASO NATURAL GAS COMPANY Lease SAN JUAN 28-7 UNIT SF 079298-B
 Well No. 125 Unit Letter M Section 12 Township 27-N Range 7-W NMPM
 Located 990 Feet From SOUTH Line, 1190 Feet From WEST Line
 County RIO ARriba G. L. Elevation 6646 Dedicated Acreage 320 Acres
 Name of Producing Formation DAKOTA Pool BASIN DAKOTA

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

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.

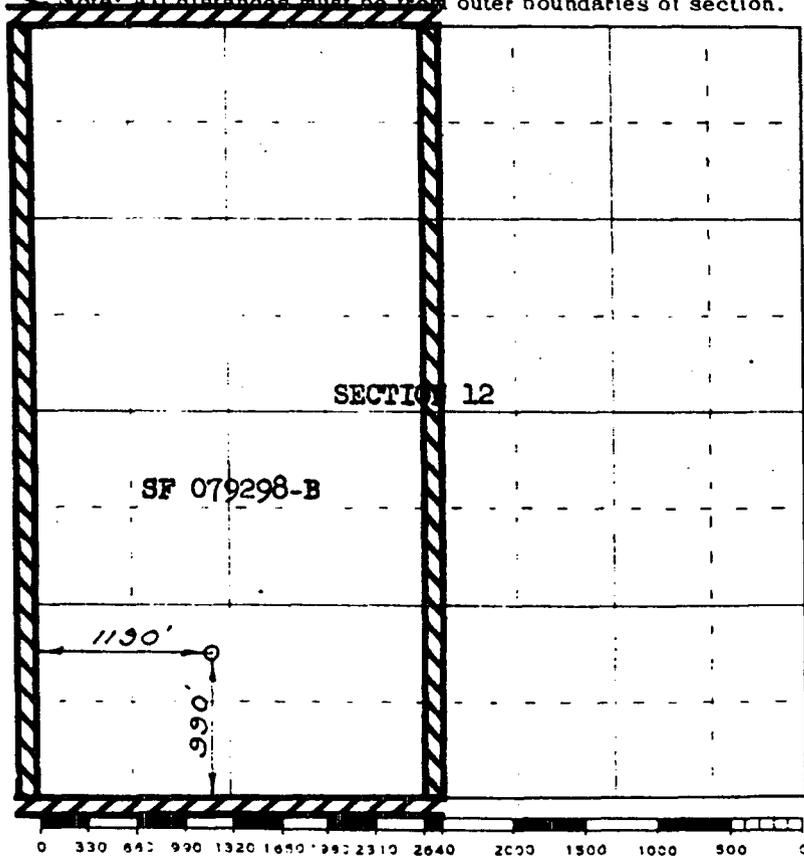
El Paso Natural Gas Company

(Operator)
Original Signed **R. G. MILLER**

(Representative)
Box 990

(Address)
Farmington, New Mexico

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



Scale 4 inches equal 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)

Date Surveyed JUNE 15, 1961

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

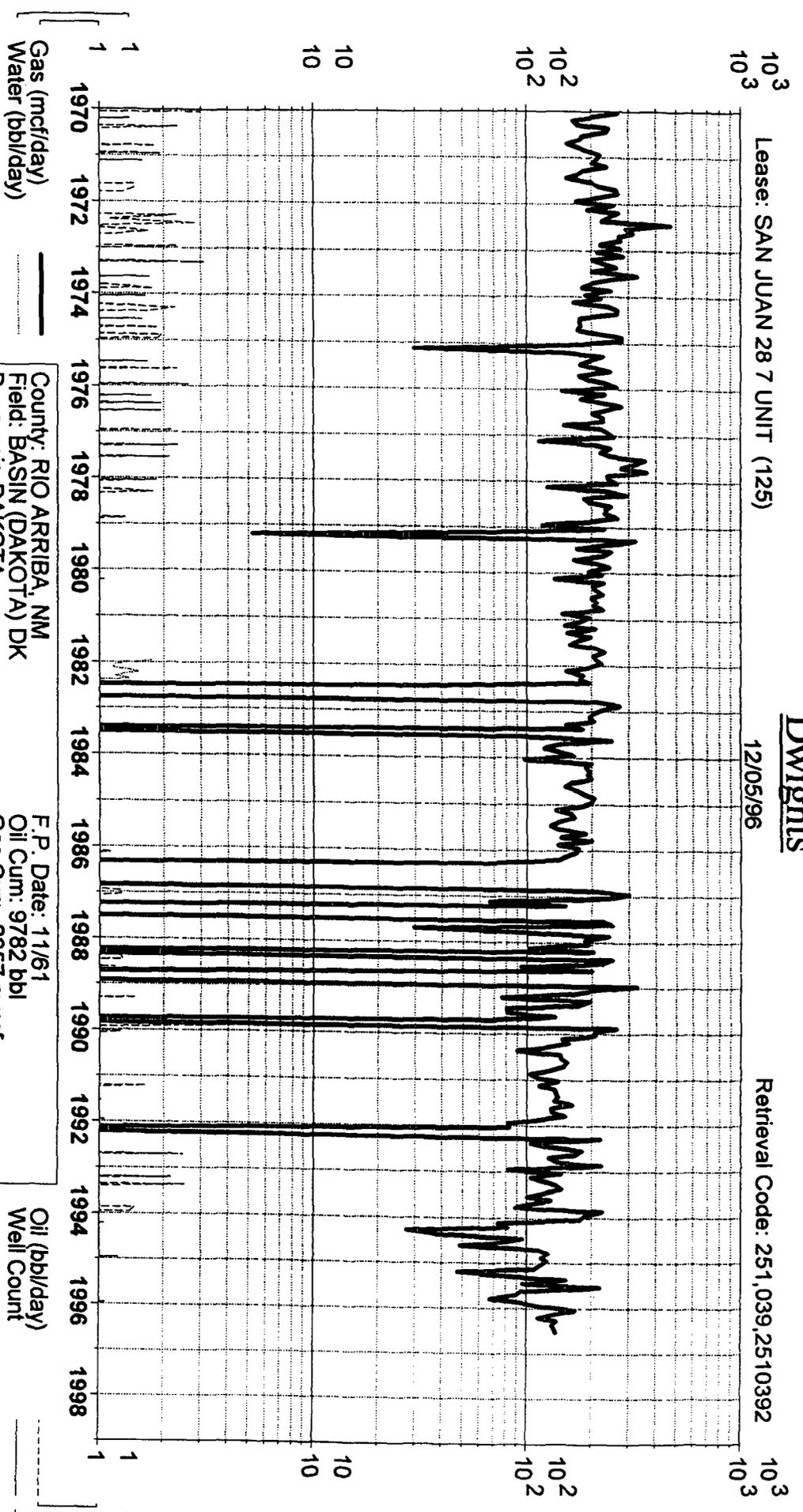
Farmington, New Mexico

Dwights

Lease: SAN JUAN 28 7 UNIT (125)

12/05/96

Retrieval Code: 251,039,2510392



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

F.P. Date: 11/61
Oil Cum: 9782 bbl
Gas Cum: 2657 mmcf
Location: 12M 27N 7W

Oil (bbl/day)
Well Count