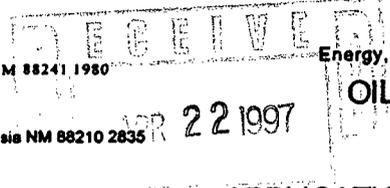


DHC 5/12/97

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

APPLICATION FOR DOWNHOLE COMMINGLING

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

Lease: San Juan 28-7 Well No: 222 Unit Ltr Sec Twp Rgs: K-25-T28N-R7W County: Rio Arriba

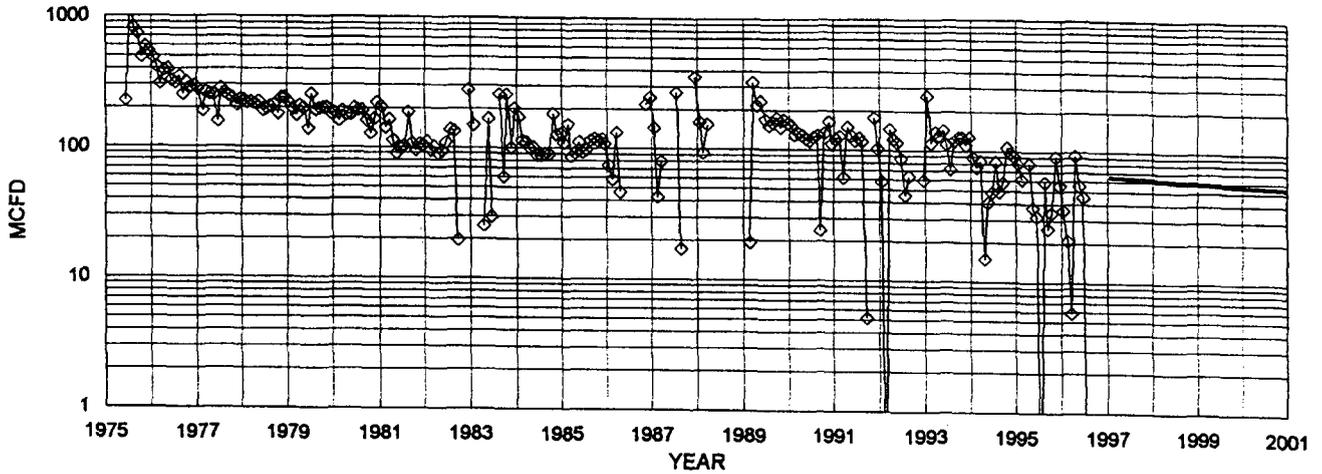
OGRID NO. 005073 Property Code 16608 API NO. 30-039-21003 Spacing Unit Lease Types: (check 1 or more)
Federal State (and/or) Fee

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)	4509' - 5213' OA		7130' - 7331'
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 800 psia	a.	a. 828 psia
	b(Original) 1192	b.	b. 2925
6. Oil Gravity (*API) or Gas BT Content	1207		1120
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
	Incremental Production by Subtraction		Mid-Year avg. rates - see table
8. Fixed Percentage Allocation Formula - % for each zone	% Gas %	% Gas %	% 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. 222 DAKOTA PRODUCTION
SECTION 25K-28N-07W**



◇ DAKOTA MCFD — FIT MCFD

DAKOTA HISTORICAL DATA:		1ST PROD: 6/75	DAKOTA PROJECTED DATA	
OIL CUM:	13.88	MBO	1/1/97 Q1:	65 MCFD
GAS CUM:	1097.0	MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
CUM OIL YIELD	0.0127	BBL/MCF		
OIL YIELD:	0.0026	BBL/MCF, LAST 3 YRS		

YEAR	MID-YEAR	
	AVG. MCFD	AVG. BOPD
1996	64	0.8
1997	61	0.8
1998	58	0.7
1999	55	0.7
2000	53	0.7
2001	50	0.6
2002	48	0.6
2003	46	0.6
2004	44	0.6
2005	42	0.5
2006	40	0.5
2007	38	0.5
2008	37	0.5
2009	35	0.4
2010	33	0.4
2011	32	0.4
2012	30	0.4
2013	29	0.4
2014	28	0.4
2015	26	0.3
2016	25	0.3
2017	24	0.3
2018	23	0.3
2019	22	0.3
2020	21	0.3
2021	20	0.3
2022	19	0.2
2023	18	0.2
2024	18	0.2
2025	17	0.2
2026	16	0.2
2027	15	0.2
2028	15	0.2
2029	14	0.2
2030	13	0.0

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

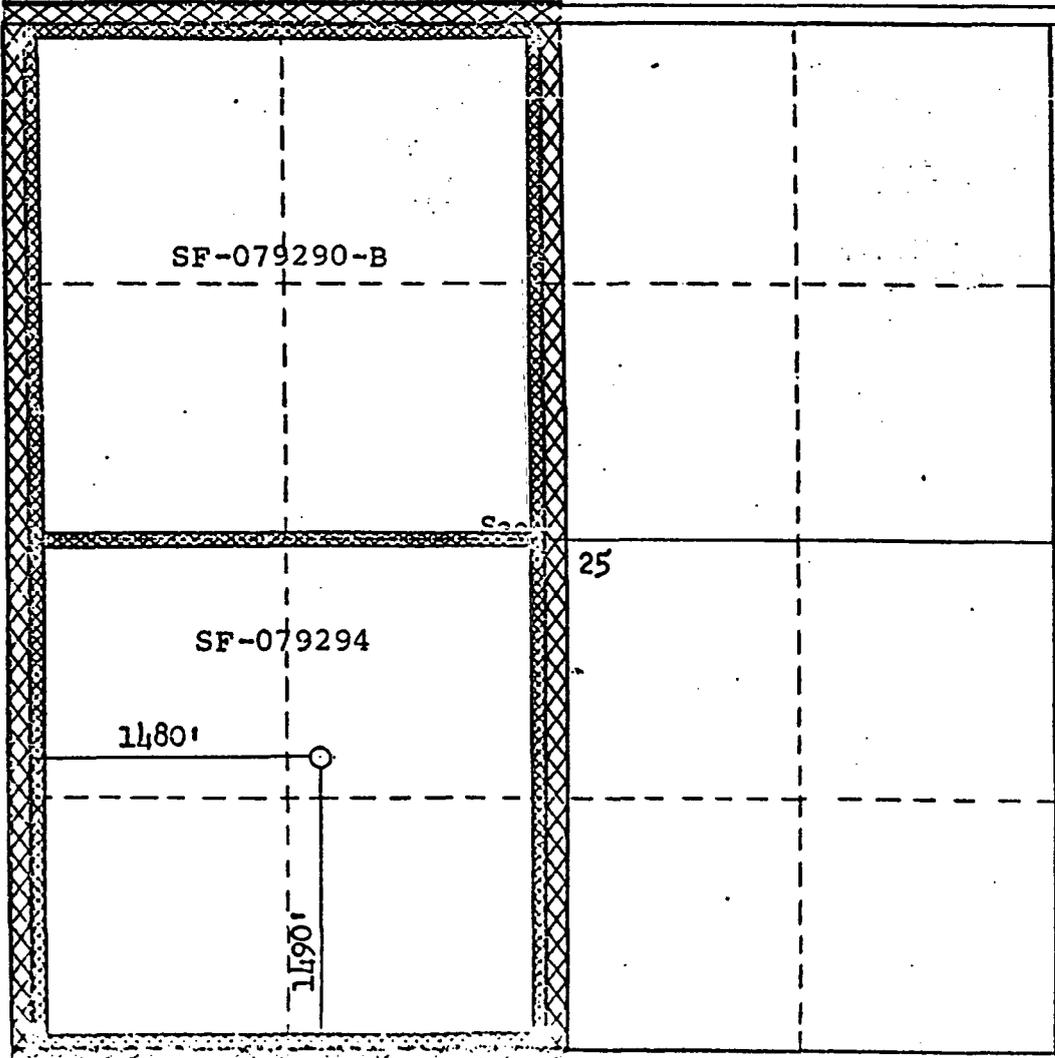
Operator El Paso Natural Gas Company		Lease San Juan 28-7 Unit (SF-079294)		Well No. 222
Unit Letter K	Section 25	Township 28N	Range 7W	County Rio Arriba
Actual Footage Location of Well: 1490 feet from the South line and 1480 feet from the West line				
Ground Level Elev. 6174	Producing Formation Dakota	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.



CERTIFICATION

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

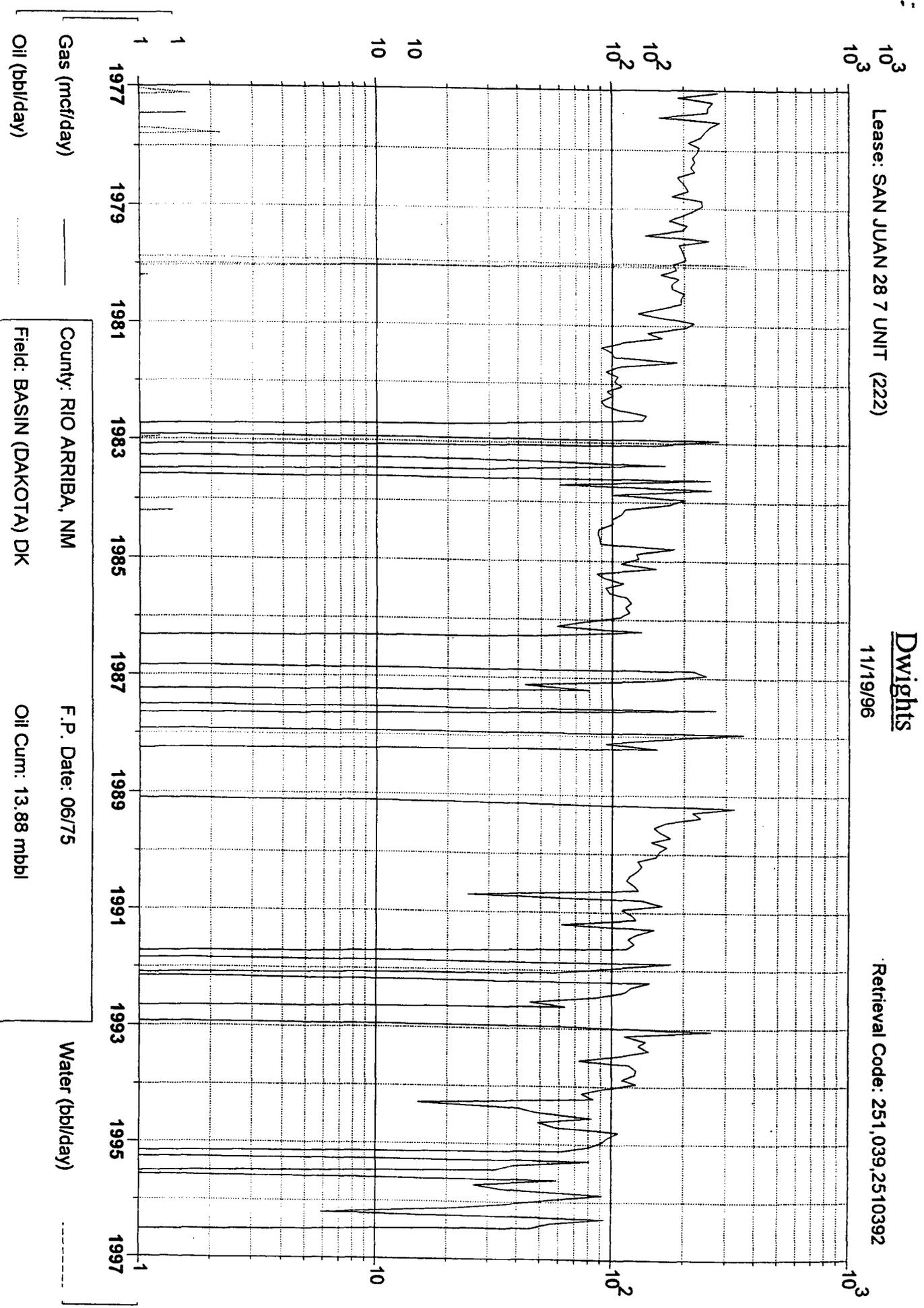
A. G. Davis
Name
Drilling Clerk
Position
El Paso Natural Gas Co.
Company
August 22, 1974
Date

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
March 23, 1974

Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certificate No. _____



County: RIO ARRIBA, NM	F.P. Date: 06/75
Field: BASIN (DAKOTA) DK	Oil Cum: 13.88 mbbl
Reservoir: DAKOTA	Gas Cum: 1097 mmcf
Operator: CONOCO INC	Location: 25K 28N 7W