

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 87505-8429

APPROVAL PROCESS:
 Administrative Hearing

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
 YES NO

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

Lease San Juan 28-7 Well No 223 Unit Ltr Sec Twp Rge H-26-T28N-R7W County Rio Arriba

OGRID NO. 005073 Property Code 16608 API NO. 30-039-20882 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) | 4959' - 5691' OA | | 7576' - 7766' |
| 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 Or Measured Original | a (Current) 800 psia | a. | a. 595 psia |
| | b(Original) 1192 | b. | b. 2925 |
| 6. Oil Gravity (*API) or Gas BT Content | 1213 | | 1074 |
| 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 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 |
| | Date Rates Incremental Production by Subtraction | Date Rates | Date Rates 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? 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) _____

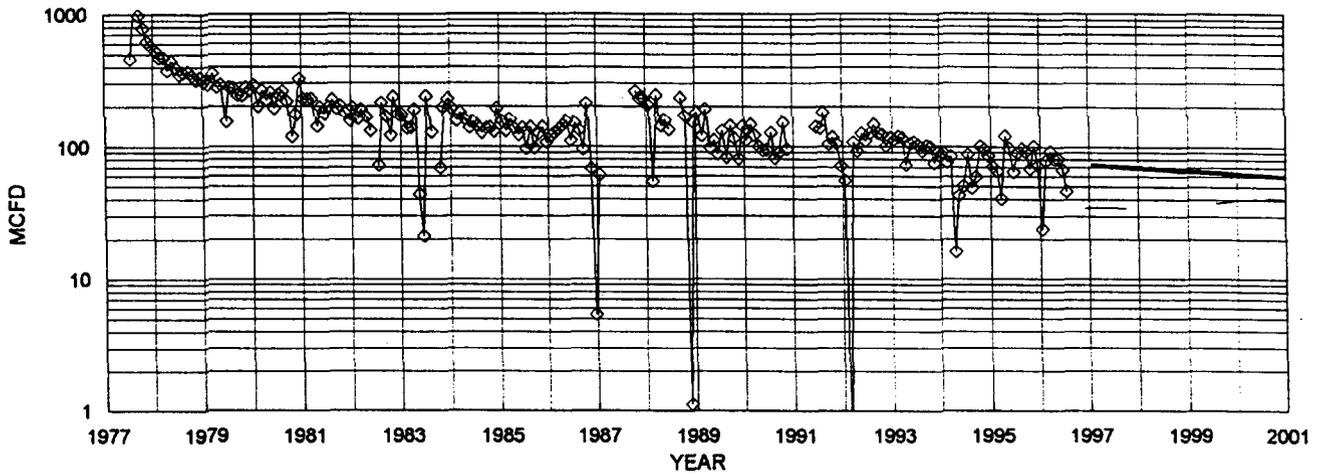
16. ATTACHMENTS
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - * Production curve for each zone for at least one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - *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

**SAN JUAN 28-7 UNIT NO. 223 DAKOTA PRODUCTION
SECTION 26H-28N-07W**



◇ DAKOTA MCFD — FIT MCFD

DAKOTA HISTORICAL DATA: 1ST PROD: 7/77

OIL CUM: 2.35 MBO
 GAS CUM: 1112.2 MMCF
 CUM OIL YIELD 0.0021 BBL/MCF
 OIL YIELD: 0.0025 BBL/MCF, LAST 3 YRS

DAKOTA PROJECTED DATA

1/1/97 Q1: 73 MCFD
 DECLINE RATE: 4.8% (EXPONENTIAL)

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

| YEAR | MID-YEAR AVG. MCFD | MID-YEAR AVG. BOPD |
|------|-----------------------|-----------------------|
| 1996 | 71 | 0.2 |
| 1997 | 68 | 0.1 |
| 1998 | 65 | 0.1 |
| 1999 | 61 | 0.1 |
| 2000 | 59 | 0.1 |
| 2001 | 56 | 0.1 |
| 2002 | 53 | 0.1 |
| 2003 | 50 | 0.1 |
| 2004 | 48 | 0.1 |
| 2005 | 46 | 0.1 |
| 2006 | 44 | 0.1 |
| 2007 | 41 | 0.1 |
| 2008 | 39 | 0.1 |
| 2009 | 38 | 0.1 |
| 2010 | 36 | 0.1 |
| 2011 | 34 | 0.1 |
| 2012 | 32 | 0.1 |
| 2013 | 31 | 0.1 |
| 2014 | 29 | 0.1 |
| 2015 | 28 | 0.1 |
| 2016 | 27 | 0.1 |
| 2017 | 25 | 0.1 |
| 2018 | 24 | 0.1 |
| 2019 | 23 | 0.0 |
| 2020 | 22 | 0.0 |
| 2021 | 21 | 0.0 |
| 2022 | 20 | 0.0 |
| 2023 | 19 | 0.0 |
| 2024 | 18 | 0.0 |
| 2025 | 17 | 0.0 |
| 2026 | 16 | 0.0 |
| 2027 | 16 | 0.0 |
| 2028 | 15 | 0.0 |
| 2029 | 14 | 0.0 |
| 2030 | 13 | 0.0 |

**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.

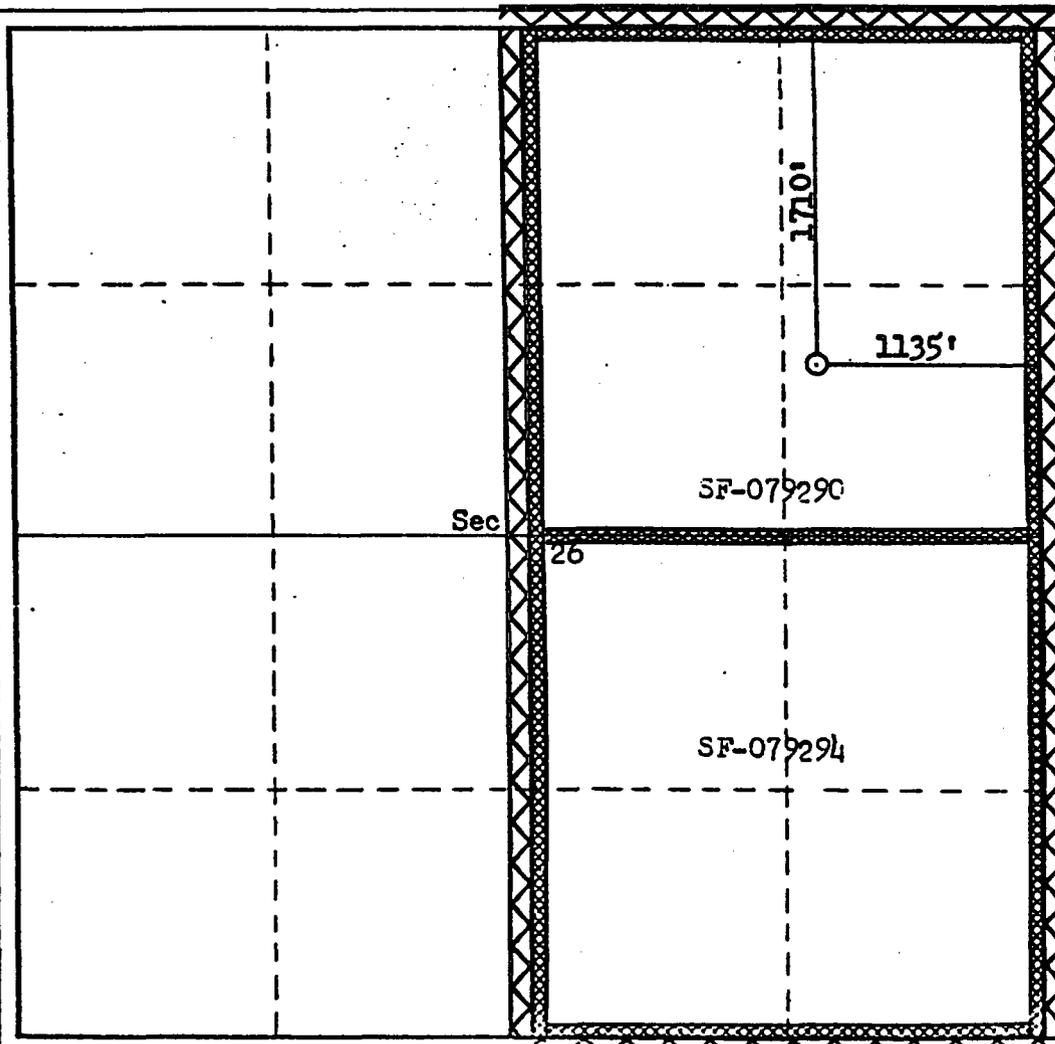
| | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------|------------------------------------------------|-------------------------------------------|------------------------|
| Operator El Paso Natural Gas Company | | | Lease San Juan 28-7 Unit (SF-079290) | | Well No. 223 |
| Unit Letter H | Section 26 | Township 28N | Range 7W | County Rio Arriba | |
| Actual Footage Location of Well: 1710 feet from the North line and 1135 feet from the East line | | | | | |
| Ground Level Elev. 6627 | 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.

Original Signed by
D. G. Brisco

Name
Drilling Clerk

Position
El Paso Natural Gas Company

Company
April 25, 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 25, 1974

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

Certificate No.

3950

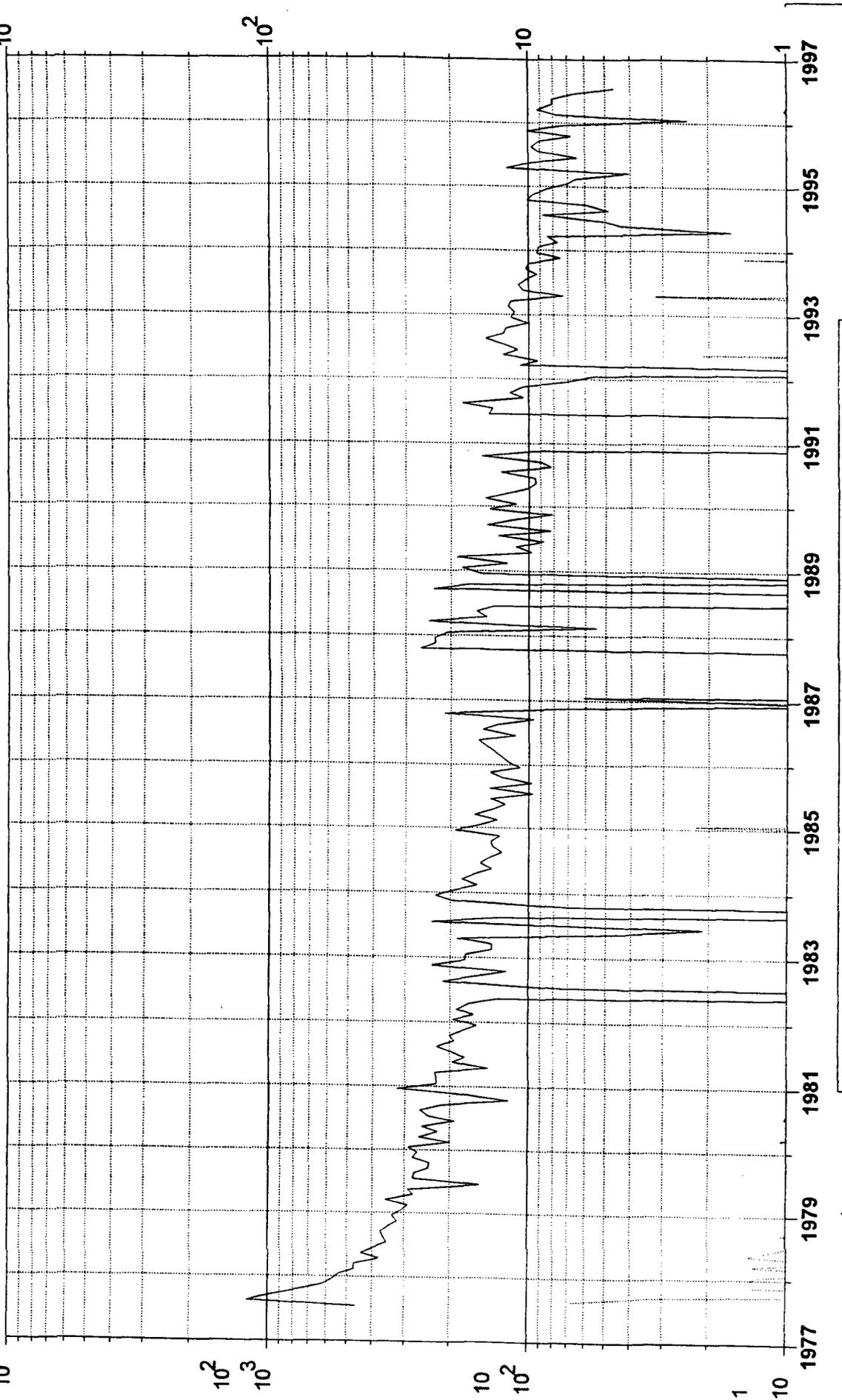
Dwights

Lease: SAN JUAN 28 7 UNIT (223)

Retrieval Code: 251,039,2510392

11/19/96

10³
10⁴
10²
10³
10
10²
1
10



Gas (mcf/day) ———
Oil (bbl/day) ·····

Water (bbl/day) - - - - -

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

F.P. Date: 07/77
Oil Cum: 2350 bbl
Gas Cum: 1112 mmcf
Location: 26H 28N 7W