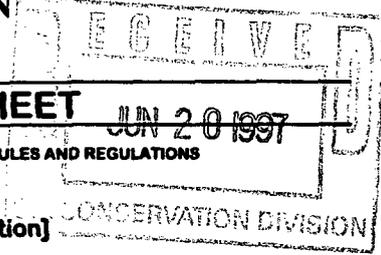


DATE IN 6/20/97	SUSPENSE 7/10/97	ENGINEER DC	LOGGED BY W	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**



THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling  
 NSL  NSP  DD  SD

1615

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

**[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Jerry W. Hoover  
 Print or Type Name

*Jerry W. Hoover*  
 Signature

Sr. Conservation Coordinator 6-13-97  
 Title Date

EXHIBIT "A" - Location and Elevation Plat

All distances shall be from the outer boundaries of the section.

Name of Lessee <b>Supron Energy</b>		Lease <b>SF-078433 (Newsom)</b>		Well No. <b>Newsom #17E</b>
Section <b>20</b>	Township <b>26 North</b>	Range <b>8 West</b>	County <b>San Juan</b>	

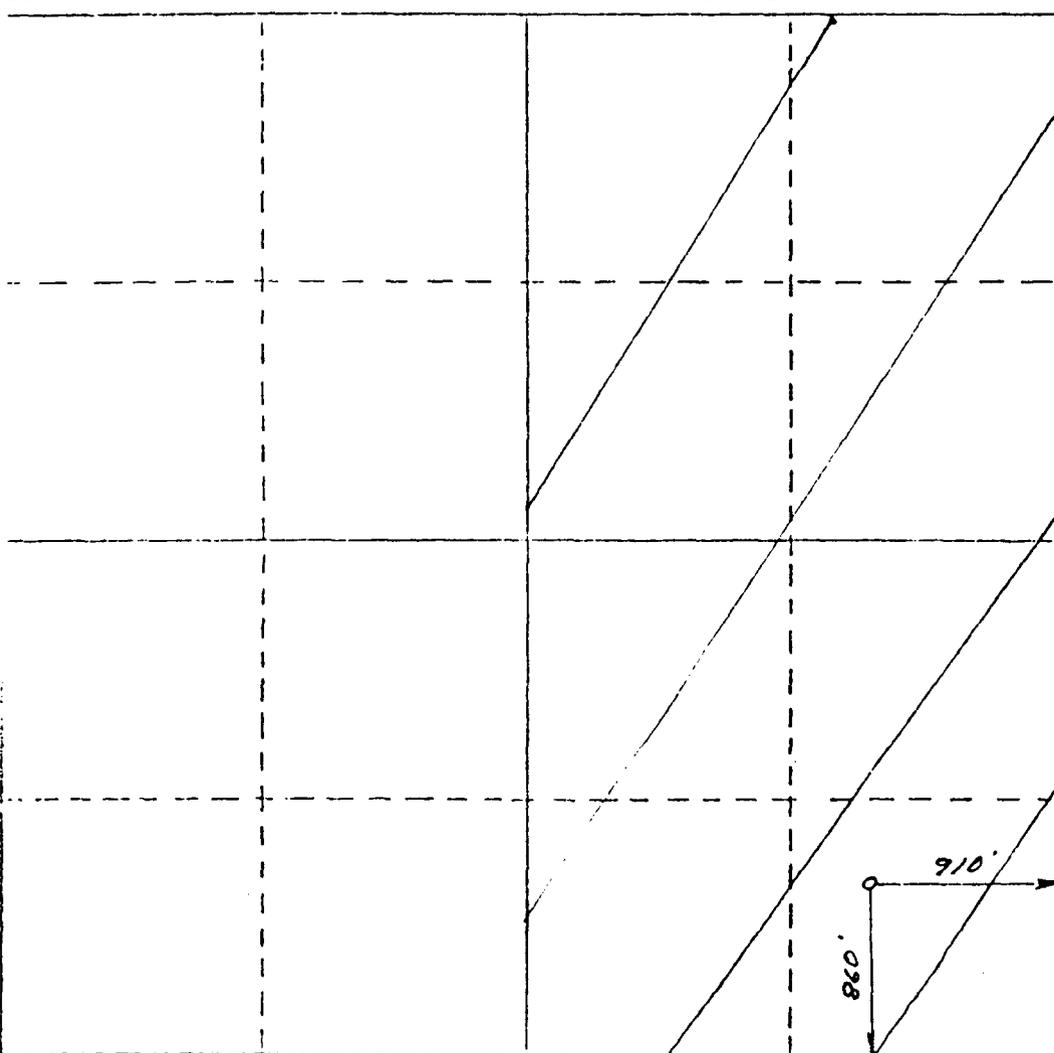
Well Location <b>860</b> feet from the <b>South</b>	Line and <b>910</b> feet from the <b>East</b>	Well <b>Basin Dakota</b>	Dedicated Acreage <b>320</b> Acres
Surface Level Elev. <b>6368'</b>	Producing Formation <b>Dakota</b>		

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 \_\_\_\_\_

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 Division.



CERTIFICATION

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

*George Lapaseotes*

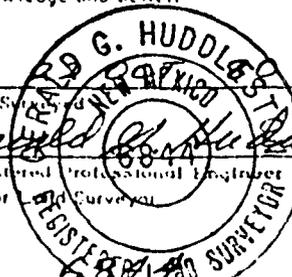
Name **George Lapaseotes**  
Position **V. President Powers Elevation**

Agent Consultant for  
Company **Supron Energy Corporation**

Date  
**November 14, 1980**

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 **11/14/80**  
*Wayne G. Huddleston*  
Registered Professional Engineer  
and/or Registered Surveyor



Certificate No. \_\_\_\_\_

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

OIL CONSERVATION DIVISION

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

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 Newsom Well No 17E Unit Ltr Sec Twp Rge P-20-T26N-R8W County San Juan

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 18109 API NO. 30045-24722 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	Fruitland Coal <del>7113113</del> 71629		Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	1900' - 2115' OA		6585' - 6770'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5. Bottom hole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 612 PSIA	a.	a. 613 PSIA BHP
	b (Original) 691 PSIA	b.	b. 2569 PSIA BHP
6. Oil Gravity (°API) or Gas BTU Content	1164		1288
7. Producing or Shut-in?	To Be Completed		Producing
Production Marginal? (yes or no)  • 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, give date and oil/gas/water rates of recent test (within 60 days)	Expected To Be		Yes
	Date Rates	Date Rates	Date Rates
	Date Rates Incremental Production by subtraction	Date Rates	Date Rates Mid-year Average rates Please 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?  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

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.

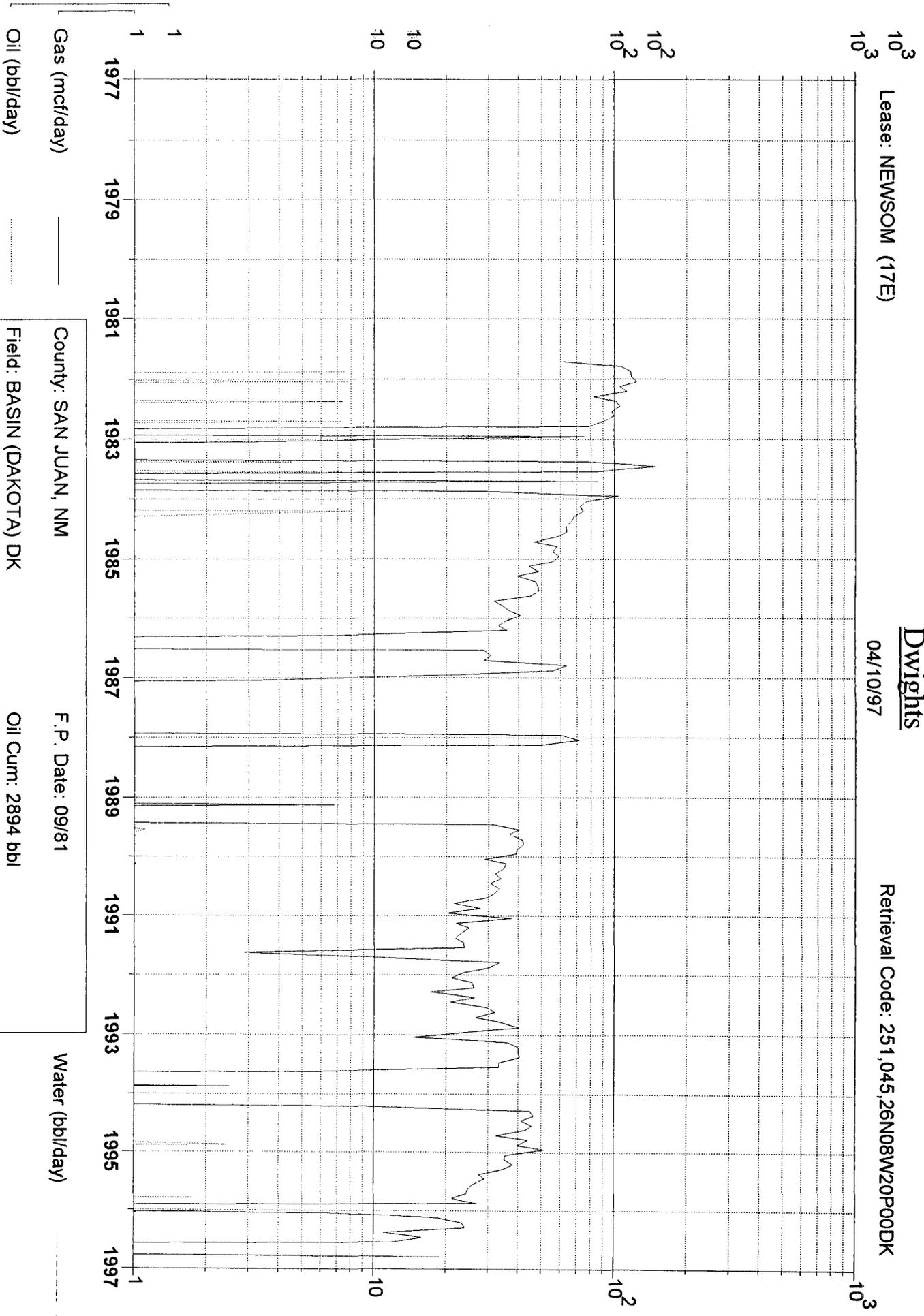
SIGNATURE Jerry W. Hoover TITLE Sr. Conservation Coord. DATE 6/13/97

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

Lease: NEWSOM (17E)

Dwights  
04/10/97

Retrieval Code: 251,045,26N08W20P00DK



County: SAN JUAN, NM

F.P. Date: 09/81

Field: BASIN (DAKOTA) DK

Oil Cum: 2894 bbl

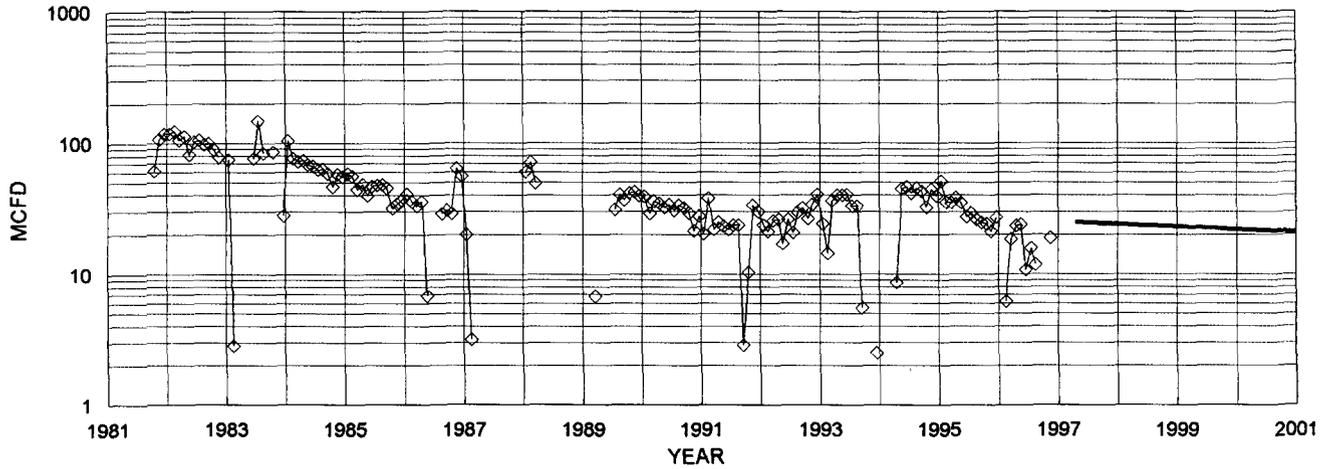
Reservoir: DAKOTA

Gas Cum: 186.3 mmcf

Operator: CONOCO INC

Location: 20P 26N 8W

**NEWSOM 17E DAKOTA PRODUCTION  
SECTION 20P-26N-08W**



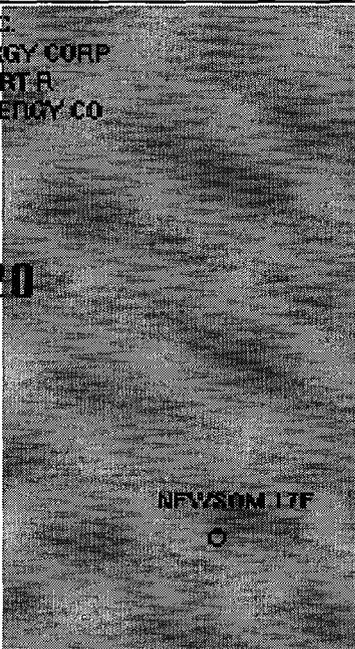
◆ DAKOTA MCFD    — FIT MCFD

<b>DAKOTA HISTORICAL DATA:</b>		<b>1ST PROD: 09/81</b>		<b>DAKOTA PROJECTED DATA</b>	
OIL CUM:	2.89 MBO	6/1/97 QI:	25 MCFD		
GAS CUM:	186.3 MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)		
CUM OIL YIELD	0.0155 BBL/MCF				
OIL YIELD:	0.0133 BBL/MCF, LAST 3 YRS				
AVG. USED:	0.0144 BBL/MCF				

**PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION**

YEAR	MID-YEAR	
	AVG. MCFD	AVG. BOPD
1996	24	0.4
1997	23	0.3
1998	22	0.3
1999	21	0.3
2000	20	0.3
2001	19	0.3
2002	19	0.3
2003	18	0.3
2004	17	0.2
2005	16	0.2
2006	15	0.2
2007	15	0.2
2008	14	0.2
2009	13	0.2
2010	13	0.2
2011	12	0.2
2012	12	0.2
2013	11	0.2
2014	11	0.2
2015	10	0.1
2016	10	0.1
2017	9	0.1
2018	9	0.1
2019	8	0.1
2020	8	0.1
2021	8	0.1
2022	7	0.1
2023	7	0.1
2024	7	0.1
2025	6	0.1
2026	6	0.1
2027	6	0.1

**NEWSOM #17E**  
**OFFSET OPERATORS**

<p>ROMO CORP CONOCO, INC. DURLINGTON RES. EL PASO NAT GAS RODNEY PROD.</p> <p><b>18</b></p>	<p>CONOCO, INC. HURLINGTON RES.</p> <p><b>17</b></p>	<p>AMOCO PROD. HURLINGTON RES. HALLWOOD P-1R. CONOCO, INC. HICKMAN J FELIX</p> <p><b>16</b></p>
<p>CONOCO, INC. BURLINGTON RES. EL PASO NAT GAS</p> <p><b>19</b></p>	<p>CONOCO, INC. MERIT ENERGY CORP CLICK ROBERT R. SUTTON ENERGY CO</p> <p><b>20</b></p>  <p>NEWSOM 17E ○</p>	<p>SNYDER DR CORP CLICK ROBERT R. CONOCO, INC.</p> <p><b>21</b></p>
<p>HURLINGTON RES. EL PASO NAT GAS</p> <p><b>30</b></p>	<p>CONOCO, INC. HURLINGTON RES. SOUTHERN UNION EX.</p> <p><b>29</b></p>	<p>CLICK ROBERT R. CONOCO, INC. SOUTHERN UNION EX.</p> <p><b>28</b></p>

**Township 26N --- Range 8W**

Conoco, Inc.  
Form C-107-A, Application for Downhole Commingling  
Filing date: June 13, 1997

**Offset Operators for Wells as listed below:**

Jicarilla K, Well #11  
Marathon Oil Co.  
Burlington Resources  
Amoco Production Co.

Jicarilla K, Well #17  
Burlinton Resources  
Amoco Production

Jicarilla K, Well #16  
Burlington Resources  
Amoco Production

Newsom, Well #17E  
Amoco Production  
~~Snyder Oil Co.~~  
~~Robert R. Glick~~

Jicarilla K, Well #15E  
Burlington Resources

Jicarilla E, Well #10  
Burlington Resources

Jicarilla E, Well #12  
Burlington Resources

Federal, Well #13E  
Burlington Resources  
Caulkins Oil Co.

AXI Apache J, Well #18A  
Amoco Production  
Elm Ridge Resources

Federal, Well #11E  
Caulkins Oil Co.  
Amoco Production  
Burlington Resources

Reames COM, Well #2  
Caulkins Oil Co.  
Burlington Resources

Conoco, Inc.  
Form C-107-A, Application for Downhole Commingling  
Filing Date: June 13, 1997  
Address List for Offset Operators

RE: Jicarilla K, Well #11, Jacarilla K, Well #17, Jicarilla K, Well #16, Newsom, Well #17E, Jicarilla K, Well #15E, Jicarilla E, Well #10, Jicarilla E, Well #12, Federal, Well 313E, AXI Apache J, Well #18A, Federal, Well #11E, Reames COM, Well #2

Marathon Oil Co., Box 552, Midland, Texas 79702

Burlington Resources, c/o Meridian Oil, Inc., Box 51810, Midland, Texas 79710-1810

Amoco Production Co., Exploration & Production Sector, Box 4891, Houston, Texas 77210

Caulkins Oil Co., Box 340, Bloomfield, NM 87413

Elm Ridge Resources, Box 3946, Farmington, NM 87499

Snyder Oil Co., no longer an operator in the New Mexico Aztec District as per District Office.

Robert R. Click, no longer an operator in the New Mexico Aztec District as per District Office.

P 497 368 595

US Postal Service  
Receipt for Certified Mail

Amoco Production Co.  
Expl. & Prod. Sector  
Box 4891  
Houston, Texas 77210

Postage	\$ 1.93
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 4.38</b>
Postmark or Date	6-18-97

PS Form 3800, April 1995

P 497 368 594

US Postal Service  
Receipt for Certified Mail

Burlington Resources  
c/o Meridian Oil, Inc.  
Box 51810  
Midland, Texas 79710-1810

Postage	\$ 2.90
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 5.35</b>
Postmark or Date	6-18-97

PS Form 3800, April 1995

P 497 368 593

US Postal Service  
Receipt for Certified Mail

Marathon Oil Co.  
Box 552  
Midland, Texas 79702

Postage	\$ .78
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.23</b>
Postmark or Date	6-18-97

PS Form 3800, April 1995

P 497 368 597

US Postal Service  
Receipt for Certified Mail

Elm Ridge Resources  
Box 3946  
Farmington, NM 87499

Postage	\$ .78
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.23</b>
Postmark or Date	6-18-97

PS Form 3800, April 1995

P 497 368 596

US Postal Service  
Receipt for Certified Mail

Caulkins Oil Co.  
Box 340  
Bloomfield, NM 87413

Postage	\$ 1.24
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.69</b>
Postmark or Date	6-18-97

PS Form 3800, April 1995