

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]

1676

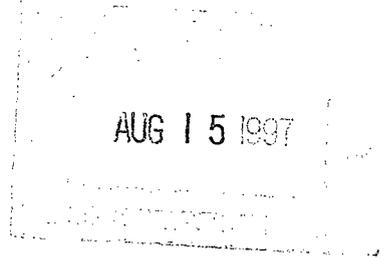
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

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

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.

Ann E. Ritchie
 Print or Type Name

Ann E. Ritchie
 Signature

Regulatory Agent
 Title

8-12-97
 Date

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

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

OIL CONSERVATION DIVISION

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

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**

Federal

10E

G-I, T-29N, R-II-W

San Juan

Lease Well No Unit Ltr Sec Twp Rge County
Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 003170 API NO. 30 045 24058 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)	4164-4745'(Proposed)		6634-6794'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		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) 557 PSIA	a.	a. 763 PSIA
	b (Original) 1047 PSIA	b.	b. 1768 PSIA
6. Oil Gravity (°API) or Gas BTU Content	1200 BTU Est.		1181 BTU
7. Producing or Shut-in?	new zone		Shut-in
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)	YES		YES
	Date Rates new zone	Date Rates:	Date Rates 3/31/96 64 mcf/d 0 BOPD, 0.3 BWPD
	Date Rates Incremental Production by subtraction	Date Rates	Date Rates Incremental Production by subtraction(see data)
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

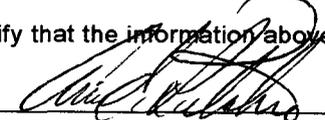
13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)

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). _____

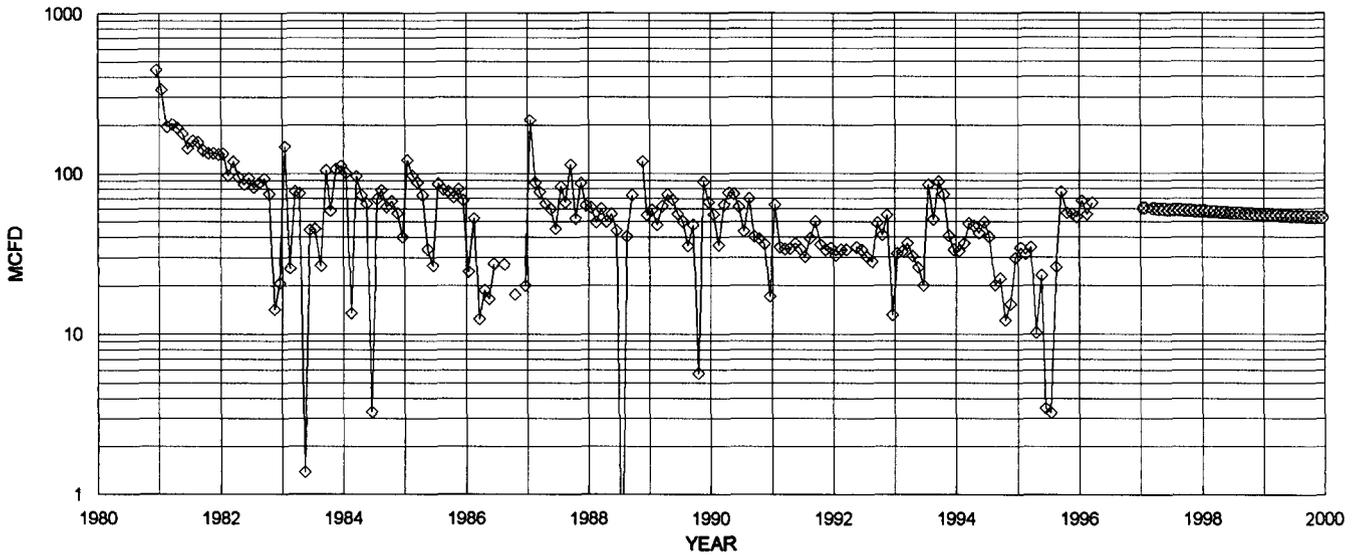
16. ATTACHMENTS
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - * Production curve for each zone for at least one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - * 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  TITLE Regulatory Agent DATE 8-11-97

TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. (915) 686-6548/684-6381

**FEDERAL #10E DAKOTA PRODUCTION
SECTION 01G-29N-11W**



◇ DAKOTA MCFD ◆ FIT MCFD

DAKOTA HISTORICAL DATA	1ST PROD: 12/80	DAKOTA PROJECTED DATA	
OIL CUM:	0.7 MBO	1/1/87 Qi:	61 MCFD
GAS CUM:	349.4 MMCF	DECLINE RATE:	4.60% (EXPONENTIAL)
OIL YIELD:	0.0019 BBL/MCF	OIL YIELD:	0.0007 BBL/MCF, LAST 3 YEARS

YEAR	MID-YEAR AVG MCFD	MID-YEAR AVG BOPO
1997	59	0.04
1998	57	0.04
1999	54	0.04
2000	52	0.04
2001	49	0.03
2002	47	0.03
2003	45	0.03
2004	43	0.03
2005	41	0.03
2006	39	0.03
2007	37	0.03
2008	36	0.02
2009	34	0.02
2010	33	0.02
2011	31	0.02
2012	30	0.02
2013	28	0.02
2014	27	0.02
2015	26	0.02
2016	25	0.02
2017	24	0.02
2018	23	0.02
2019	21	0.01
2020	21	0.01
2021	20	0.01
2022	19	0.01
2023	18	0.01
2024	17	0.01
2025	16	0.01
2026	16	0.01
2028	16	0.01

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-4719
 District III
 1008 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1993
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* AFI Number 30-045-24058		* Pool Code 71629	* Pool Name Basin Fruitland Coal
* Property Code 003170	* Property Name Federal		* Well Number 10E
* OGRID No. 005073	* Operator Name CONOCO INC.		* Elevation 5869'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	1	29N	11		1230 1275	North	1745	East	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres E/2 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Jerry W. Hoover</i> Signature Jerry W. Hoover Printed Name Sr. Conservation Coordinator Title 2/27/96 Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p>				
	<p>Certificate Number</p>				

Conoco, Inc.
Federal, Well #10E
San Juan County, New Mexico
Attachment to Form C-107-A

Offset Operators-other than Conoco:

Burlington O & G Resources Co.
P.O. Box 4289
Farmington, NM 87499

Amoco Production Co.
P.O. Box 800
Denver, CO 80201

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499-0420

Four Star Oil & Gas Co.
3300 N. Butler Ave., Suite 100
Farmington, NM 87401

Copies of C-107-A & attachments sent to above 8-12-97.

