

DHC 11/17/97

1737

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W. THOMAS KELLAHIN*

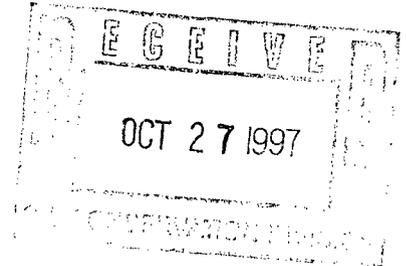
*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

October 27, 1997

HAND DELIVERED

Mr. David Catanach
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87502



Re: **ADMINISTRATIVE DHC APPLICATIONS**
Application of Conoco Inc. for
Downhole Commingling Approval for
four wells in the San Juan 28-7 Unit
Rio Arriba County, New Mexico

Dear Mr. Catanach:

On behalf of Conoco Inc., please find enclosed four administrative applications for approval to downhole commingled production in the following wells:

- Unit Well No. 224M, Unit I Section 28, T28N, R7W;
- Unit Well No. 226M, Unit D Section 28, T28N, R7W;
- Unit Well No. 227M, Unit J Section 36, T28N, R7W;
- Unit Well No. 232M, Unit I Section 20, T28N, R7W;

Very truly yours,

W. Thomas Kellahin

cfx: Conoco Inc.
Attn: Jerry Hoover

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

Lease San Juan 28-7 Unit Well No 224M Unit Ltr Sec Twp Rge I-28-T28N-R7W County Rio Arriba

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 016608 API NO. 30-039-25697 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	Blanco Mesaverde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4292'-5096' est.		6902'-7137' est.
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 900 psia	a.	a. 1700 psia
	b (Original) 1267 psia	b.	b. 3288 psia
6. Oil Gravity (°API) or Gas BTU Content	1242 BTU		1188 BTU
7. Producing or Shut-In?	to be drilled		to be drilled
Production Marginal? (yes or no)	No		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, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Rates to be determined after completion & submitted to Aztec Office for allocation	Date Rates	Rates to be determined after completion & submitted to Aztec Office for allocation
8. Fixed Percentage Allocation Formula -% for each zone	Oil: NA % Gas NA %	Oil: % Gas %	Oil: NA % Gas NA

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 X No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes X No
Have all offset operators been given written notice of the proposed downhole commingling? X Yes No
Conoco is the only offset operator

11. Will cross-flow occur? X 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. X Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each others X Yes No

13. Will the value of production be decreased by commingling? Yes X 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. X Yes No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-10476-B

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 10-23-97

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

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 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

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 72319/71599		3 Pool Name Blanco Mesaverde/Basin Dakota	
4 Property Code		5 Property Name San Juan 28-7 Unit			6 Well Number 224M
7 OGRID No. 05073		8 Operator Name CONOCO, INC.			9 Elevation 6034'

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
I	28	28-N	7-W		1450	South	790	East	R. A.

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	13 Joint or Infill	14 Consolidation Code	15 Order No.
E/320			

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

	<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 5/15/97 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>11/02/96 Date of Survey Signature and Seal of Professional Surveyor Certificate Number 6857</p>