

DHC

11/17/97

**KELLAHIN AND KELLAHIN**

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EL PATIO BUILDING

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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)

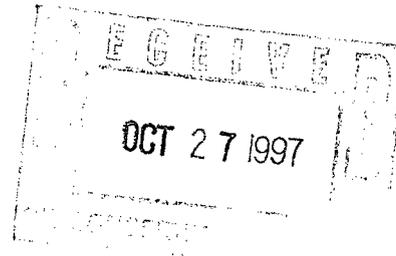
October 27, 1997

1738

**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 226M Unit Ltr Sec Twp Rge D-28-T28N-R7W County Rio Arriba

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 016608 API NO. 30-039-25694 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)	4472'-5161' est.		7076'-7283' 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		1152 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
	Date Rates Rates to be determined after completion & submitted to Aztec Office for allocation	Date Rates	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  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 the only offset operator

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

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number		Pool Code		Pool Name	
		72319/71599		Blanco Mesaverde/Basin Dakota	
Property Code		Property Name			Well Number
		San Juan 28-7 Unit			226M
OGRID No.		Operator Name			Elevation
05073		CONOCO, INC.			6149'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	28-N	7-W		790	North	790	West	R.A.

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
W/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><sup>17</sup> 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><sup>18</sup> 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>10/31/96        Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>6857        Certificate Number</p> <p>NEALE C. EDWARDS        NEW MEXICO        6857        REGISTERED PROFESSIONAL SURVEYOR</p>

RECEIVED  
 MAY 19 1996  
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