

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]

1802

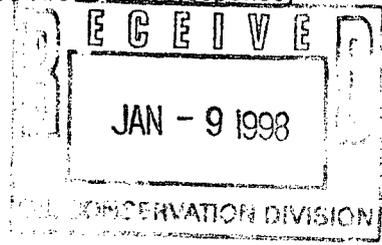
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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.

Kay Maddox
Kay Maddox
Regulatory Agent
1/6/98

Print or Type Name
Signature
Title
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

Lease San Juan 28-7 Unit Well No 245 Unit Ltr Sec Twp Rge Section 18, T-28-N, R-7-W, B County Rio Arriba

OGRID NO. 005073 Property Code 016608 API NO. 30-039-21179 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	Basin Fruitland Coal 71629		Blanco PC South 72439
2. TOP and Bottom of Pay Section (Perforations)	3208-3404'		3417-3542'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5. Bottomhole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	432		389
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1167		1164
6. Oil Gravity (°API) or Gas BT Content	1200		1242
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	Date Rates	Date Rates	Date Rates
Note For new zones with no production history applicant shall be required to attach production estimates and supporting data			
• If Producing, date and oil/gas/water rates of recent test (within 60 days)	Incremental Production by Subtraction	Date Rates	Mid-Year Avg. Rates - 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? 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

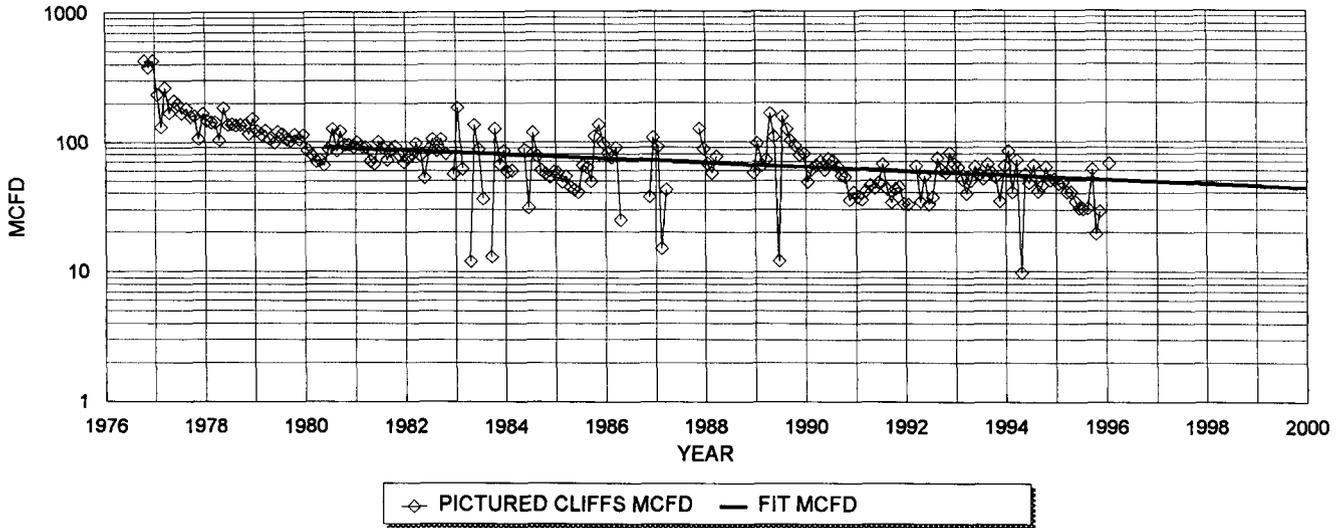
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) R-10476-B

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 Kay Maddox TITLE Regulatory Agent DATE January 7, '98
 TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

**SAN JUAN 28-7 NO. 245 PICTURED CLIFFS PRODUCTION
SECTION 18B-28N-07W**



PC HISTORICAL DATA:	1ST PROD: 10/76	PC PROJECTED DATA
OIL CUM: 0.47 MBO		1/1/98 QI: 47 MCFD
GAS CUM: 563.4 MMCF		DECLINE RATE: 3.7% (EXPONENTIAL)
CUM OIL YIELD: 0.0008 BBL/MCF		
OIL YIELD: 0.0004 BBL/MCF, LAST 3 YRS		
AVG. USED: 0.0006 BBL/MCF		

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1998	46.2	0.0
1999	44.5	0.0
2000	42.9	0.0
2001	41.3	0.0
2002	39.8	0.0
2003	38.3	0.0
2004	36.9	0.0
2005	35.5	0.0
2006	34.2	0.0
2007	32.9	0.0
2008	31.7	0.0
2009	30.5	0.0
2010	29.4	0.0
2011	28.3	0.0
2012	27.3	0.0
2013	26.3	0.0
2014	25.3	0.0
2015	24.4	0.0
2016	23.5	0.0
2017	22.6	0.0
2018	21.7	0.0
2019	20.9	0.0
2020	20.2	0.0
2021	19.4	0.0
2022	18.7	0.0
2023	18.0	0.0
2024	17.3	0.0
2025	16.7	0.0
2026	16.1	0.0
2027	15.5	0.0
2028	14.9	0.0
2029	14.4	0.0
2030	13.8	0.0
2031	13.3	0.0
2032	12.8	0.0

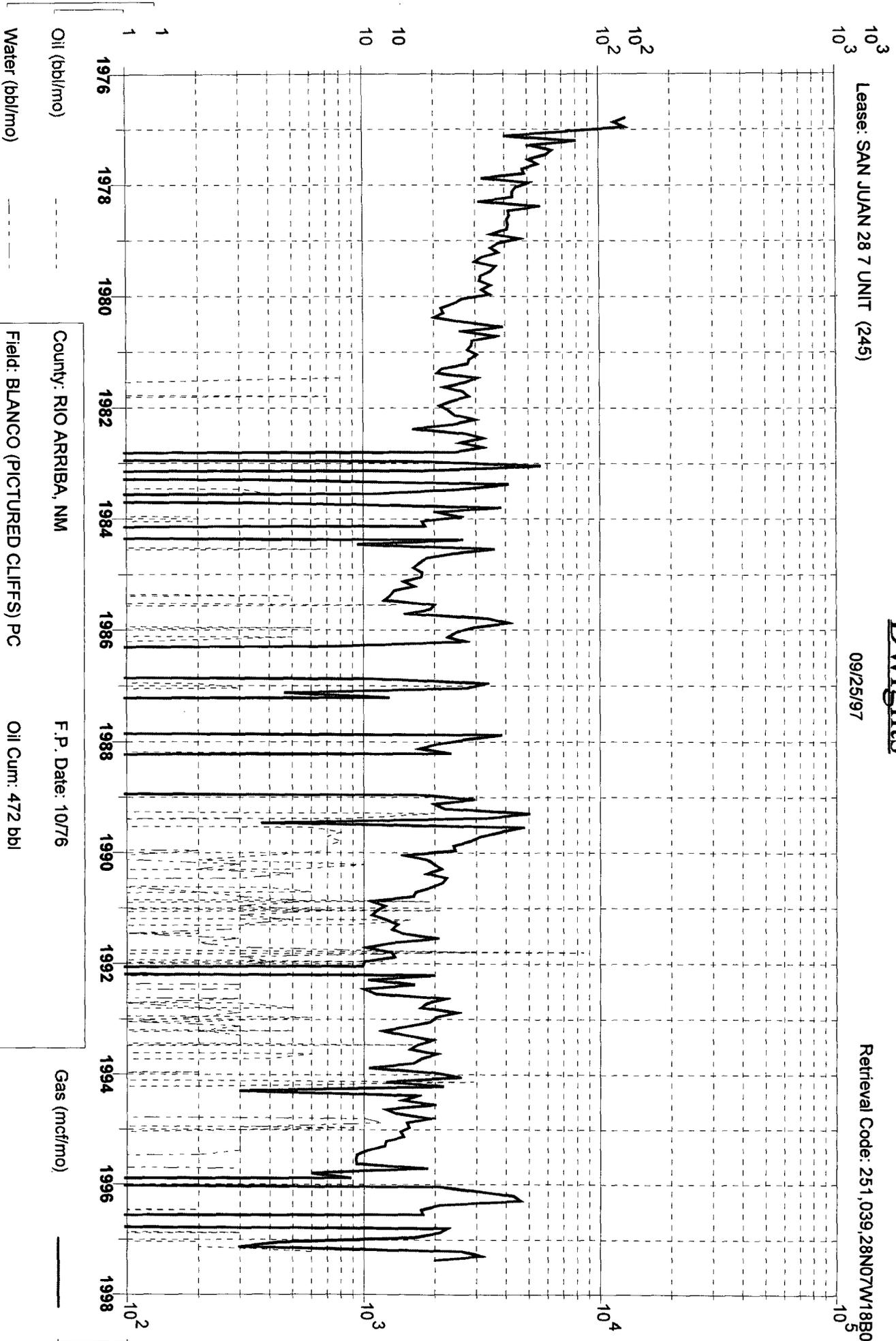
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

Dwights

Lease: SAN JUAN 28 7 UNIT (245)

09/25/97

Retrieval Code: 251,039,28N07W18B00PC



Oil (bbl/mo)

Water (bbl/mo)

Gas (mcf/mo)

County: RIO ARRIBA, NM
Field: BLANCO (PICTURED CLIFFS) PC
Reservoir: PICTURED CLIFFS
Operator: CONOCO INC

F.P. Date: 10/76
Oil Cum: 472 bbl
Gas Cum: 561.6 mmcf
Location: 18B 28N 7W

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

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 30-039-21179		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number 245
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6781' GL

10 Surface Location

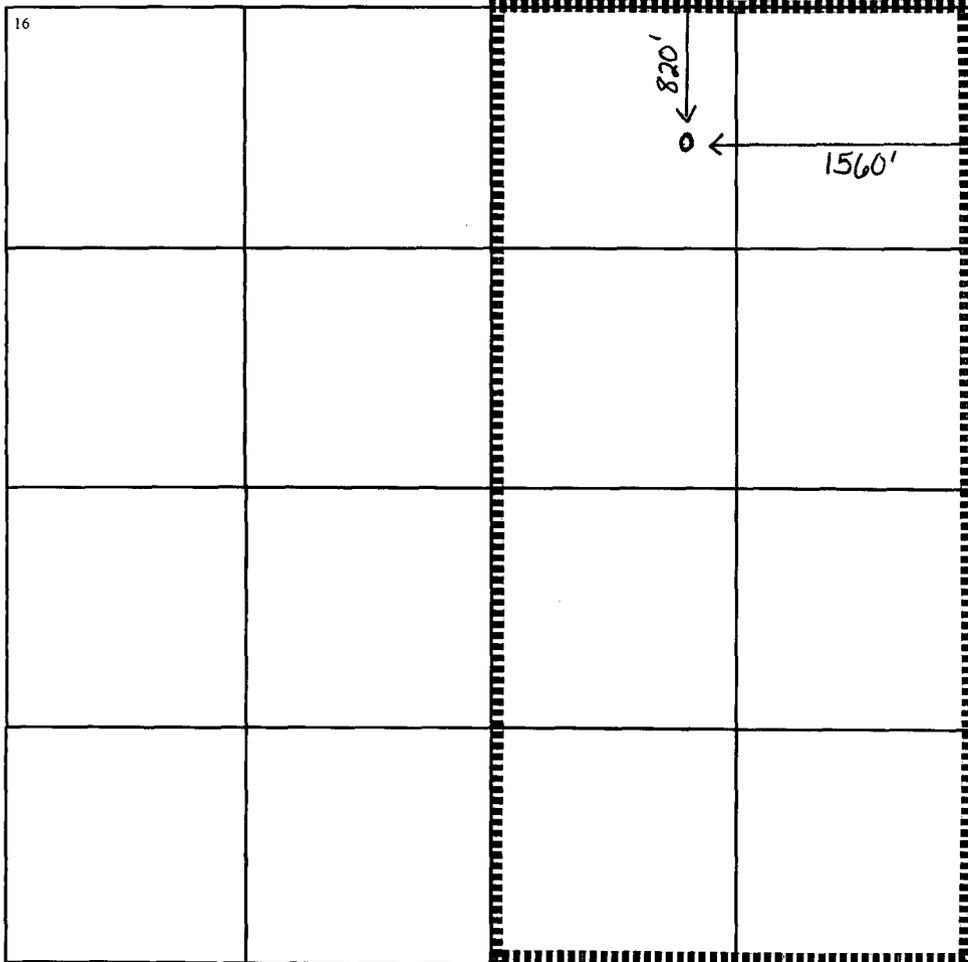
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	18	28N	7W		820	North	1560	East	Rio Arriba

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 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



17 OPERATOR CERTIFICATION

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

Kay Maddox
Signature
Kay Maddox
Printed Name
Regulatory Agent
Title
January 7, 1998
Date

18 SURVEYOR CERTIFICATION

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.

Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number

NEW MEXICO OIL CONSERVATION COMMISSION
 WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-192
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

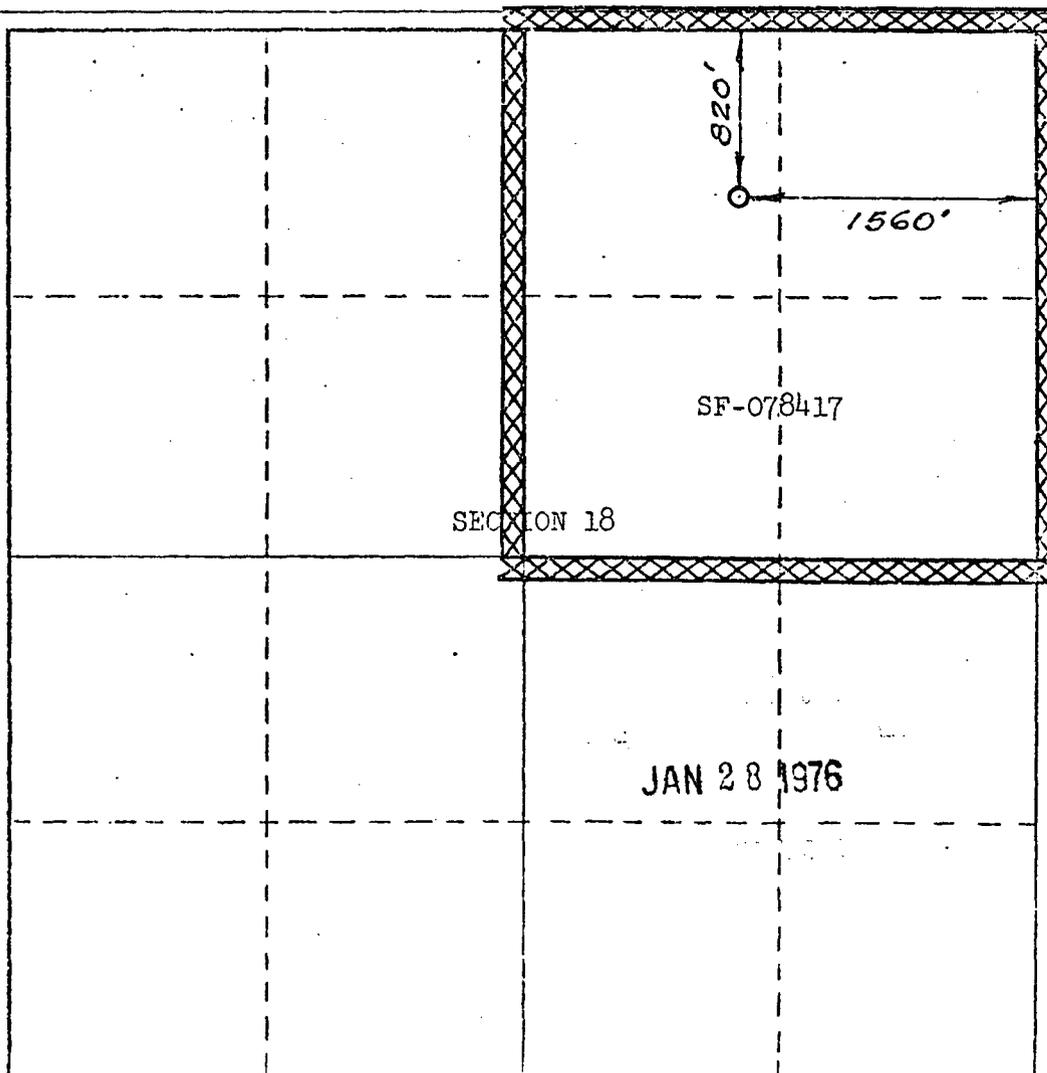
Operator EL PASO NATURAL GAS COMPANY		Lease SAN JUAN 28-7 UNIT (SF-078417)		Well No. 245
Unit Letter B	Section 18	Township 28-N	Range 7-W	County RIO ARRIBA
Actual Footage Location of Well: 820 feet from the NORTH line and 1560 feet from the EAST line				
Ground Level Elev. 6781	Producing Formation PICTURED CLIFFS	Pool SO. BLANCO PICTURED CLIFFS EXT.	Dedicated Acreage: 160.00 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 _____
X 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 Co
 Company
January 27, 1976
 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
JUNE 26, 1975
 Registered Professional Engineer
 and/or Land Surveyor

[Signature]
 Certificate No. **1760**



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

Downhole Commingle Application - C107A
San Juan Unit 28-7 Well #'s 146, 161, 168, 245

RE: Notification of Offset Operators

Conoco, Inc. Is the only offset operator of the above listed wells.