

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

1904

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

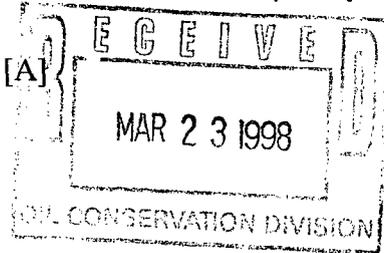
Check One Only for [B] and [C]

[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
Print or Type Name

Kay Maddox
Signature

Regulatory Agent
Title

3/6/98
Date

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 I First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

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

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 Jackson COM Well No 1 Unit Ltr Sec Twp Rge Section 9, T-28-N, R-9-W, O County San Juan

OGRID NO. 005073 Property Code _____ API NO. 30-045-25314 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	Blanco Mesaverde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4819-5564'		7314-7435'
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	563		715
Gas & Oil - Flowing: Measured Current	b(Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1175		2423
6. Oil Gravity (°API) or Gas BT Content	1335		1268
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 should be required to attach production estimates and supporting data			
• If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Production allocated by Subtraction - See Attached Table		EST 1/98 62 MCFD, .78 BOPD, 0 BWPD
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

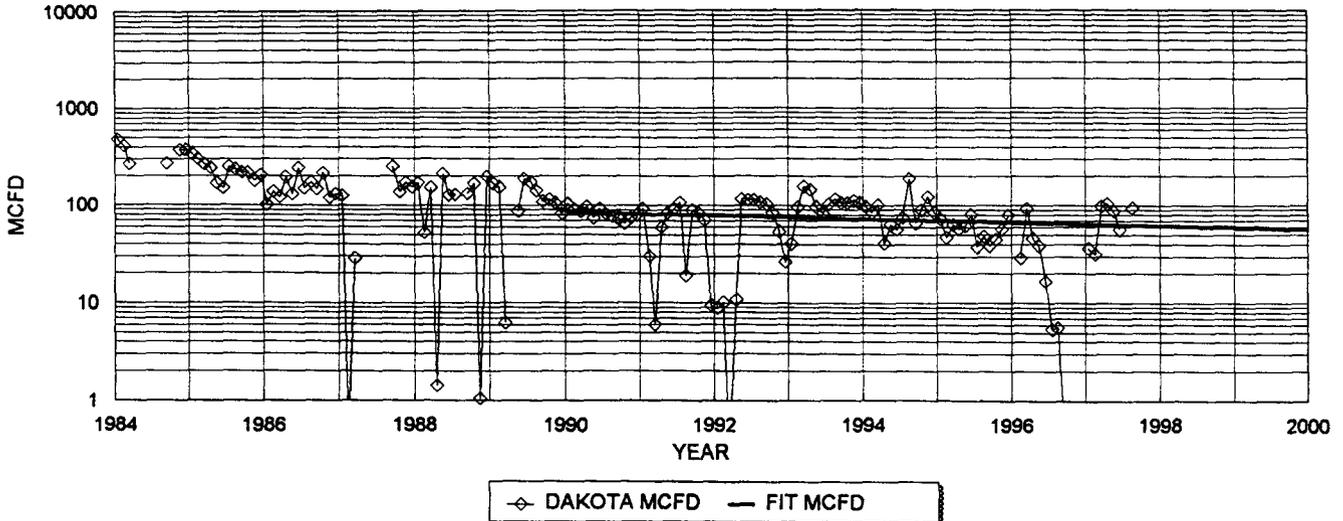
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 Kay Maddox TITLE Regulatory Agent DATE 3/6/98

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

**JACKSON COM 1 DAKOTA PRODUCTION
SECTION 90-28N-09W**



DAKOTA HISTORICAL DATA:		1ST PROD: 03/83		DAKOTA PROJECTED DATA	
OIL CUM:	7.26 MBO	1/1/98 QI:	62 MCFD		
GAS CUM:	578.6 MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)		
CUM OIL YIELD:	0.0125 BBL/MCF				
OIL YIELD:	0.0038 BBL/MCF, LAST 3 YRS				
AVG. USED:	0.0082 BBL/MCF				

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1998	60.3	0.5
1999	57.9	0.5
2000	55.6	0.5
2001	53.4	0.4
2002	51.2	0.4
2003	49.2	0.4
2004	47.2	0.4
2005	45.3	0.4
2006	43.5	0.4
2007	41.8	0.3
2008	40.1	0.3
2009	38.5	0.3
2010	37.0	0.3
2011	35.5	0.3
2012	34.1	0.3
2013	32.7	0.3
2014	31.4	0.3
2015	30.1	0.2
2016	28.9	0.2
2017	27.8	0.2
2018	26.7	0.2
2019	25.6	0.2
2020	24.6	0.2
2021	23.6	0.2
2022	22.6	0.2
2023	21.7	0.2
2024	20.9	0.2
2025	20.0	0.2
2026	19.2	0.2
2027	18.5	0.2
2028	17.7	0.1
2029	17.0	0.1
2030	16.3	0.1
2031	15.7	0.1
2032	15.1	0.1

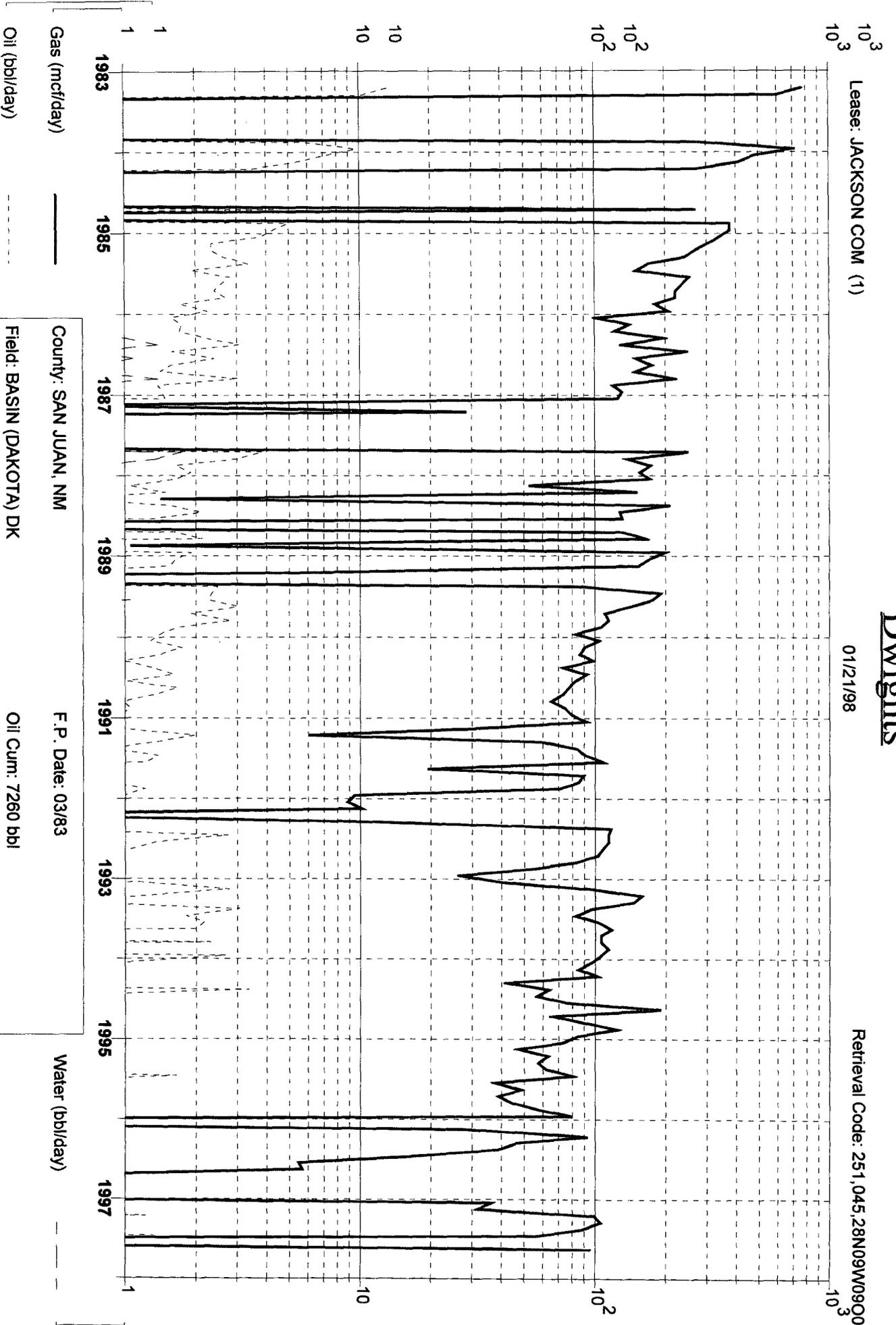
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

Dwights

Lease: JACKSON COM (1)

01/21/98

Retrieval Code: 251.045.28N09W09Q00DK



Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

County: SAN JUAN, NM	F.P. Date: 03/83
Field: BASIN (DAKOTA) DK	Oil Cum: 7260 bbl
Reservoir: DAKOTA	Gas Cum: 578.6 mmcf
Operator: AMOCO PRODUCTION CO	Location: 90 28N 9W

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

1 API Number 30-045-25314		2 Pool Code 71599		3 Pool Name Basin Dakota	
4 Property Code		5 Property Name Jackson COM			6 Well Number 1
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6612

10 Surface Location

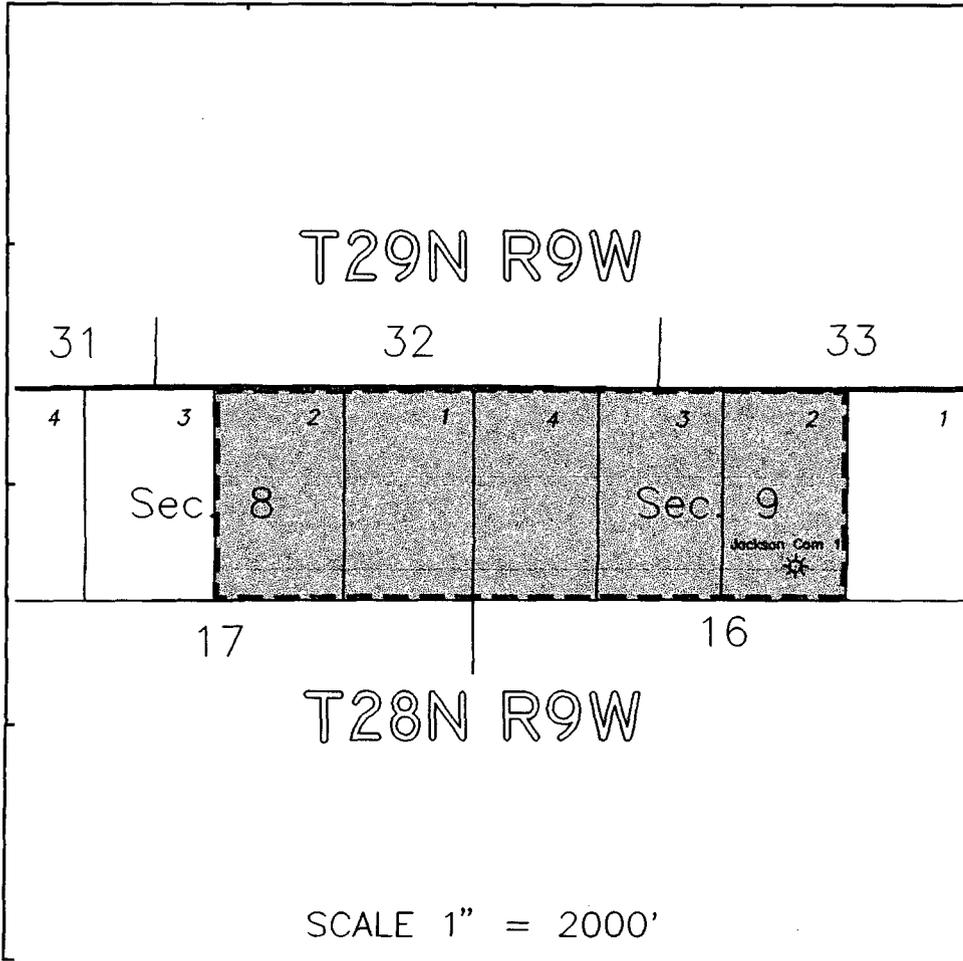
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	9	28N	9W		440	South	1790	East	San Juan

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 340	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
 Date 3/18/98

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

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
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PO Box 2088
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4 Property Code		5 Property Name Jackson COM			6 Well Number 1
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6612'

10 Surface Location

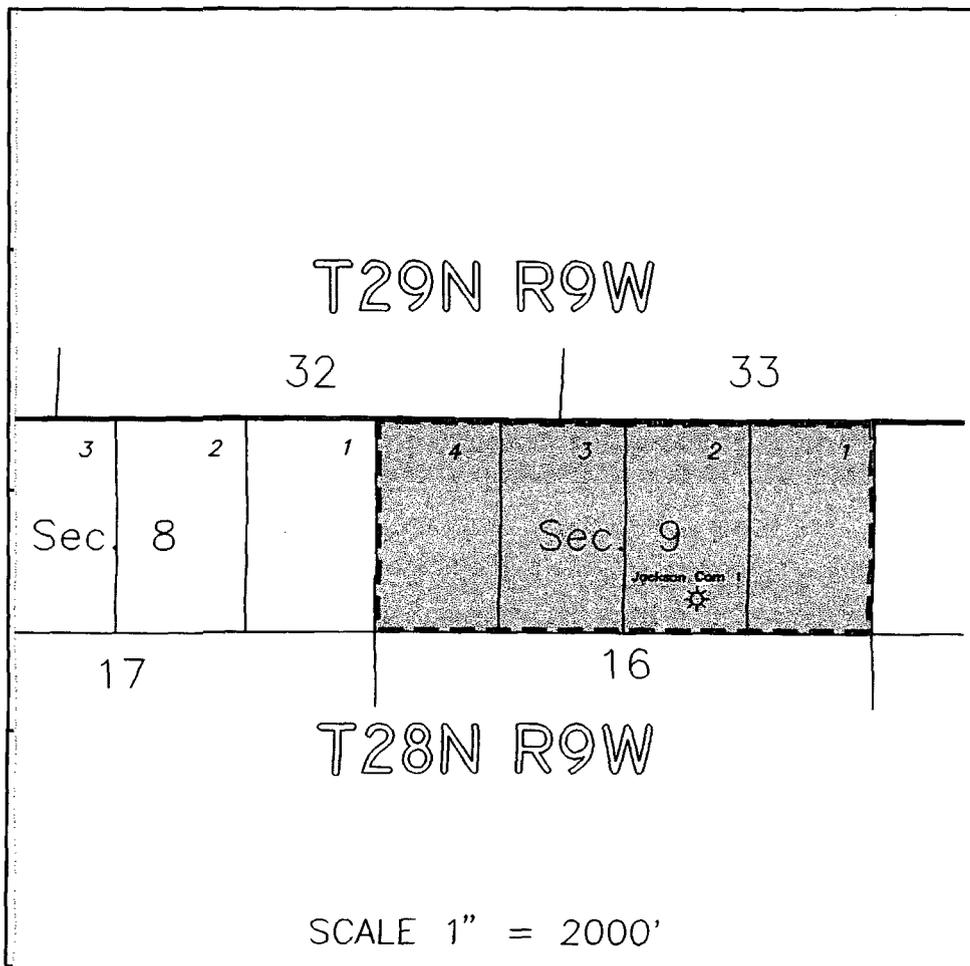
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 272.8	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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
March 16, 1998
Date

18 SURVEYOR CERTIFICATION

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Date of Survey
Signature and Seal of Professional Surveyor:
Certificate Number

Conoco, Inc.
10 Desta Dr Ste 100W
Midland, TX 79705

Re: Application to Downhole Commingle C-107A
Jackson COM #1 Sec 9, T-28-N, R-9-W, O
San Juan County, New Mexico

Notification Of Offset Operators:

Amoco
PO Box 800
Denver, CO 80201

Burlington Resources
PO Box 4289
Farmington, NM 87499

S&G Interests
811 Dallas DTE 1505
Houston, TX 77002

West Largo Corp.
6638 W. Ottawa Ave. STE 100
Littleton, CO 80123

Koch Exploration Co.
PO Box 2256
Wichita, Kansas 67201