

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 First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

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 San Juan Unit 28-7 Well No #214M Unit Ltr Sec Twp Rge Section 4, T-27-N, R-7-W, P County Rio Arriba

OGRID NO. 005073 Property Code 16608 API NO. 30-039-25793 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)	4940-5890'		7540-7777'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 457	a.	a. 713
	b(Original) 1230	b.	b. 2946
6. Oil Gravity (°API) or Gas BT Content	1270		1236
7. Producing or Shut-In?	To be Completed		To be Completed
Production Marginal? (yes or no)	Yes (expected)		Yes (expected)
• 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, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	350 MCFD Anticipated 1st Yr average		330 MCFD Anticipated 1st Yr Average
8. Fixed Percentage Allocation Formula - % for each zone	% Gas %	% Gas %	% 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 Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes Yes No

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

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

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

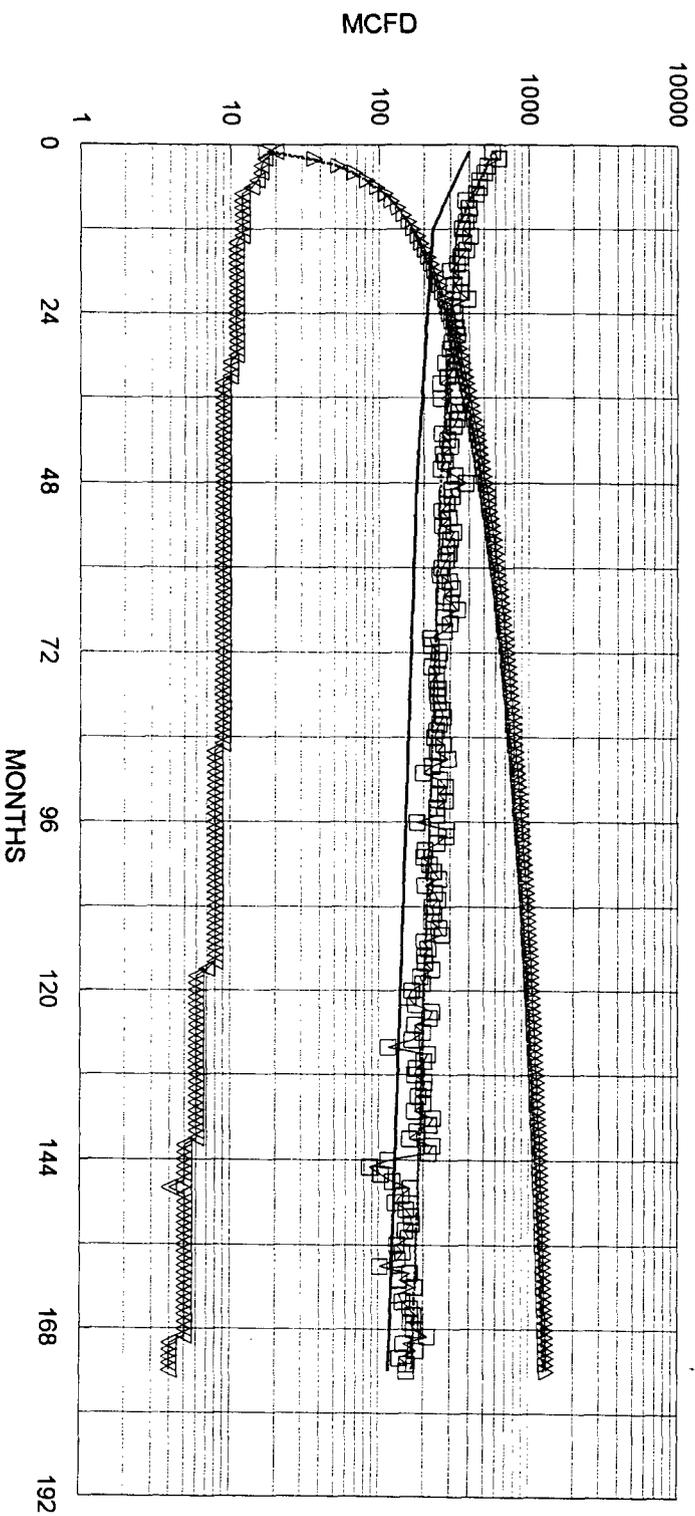
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes Yes No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-10476 B NSL 3950

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 4/6/98
TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

NORMALIZED MESAVERDE PRODUCTION
 PROD. SINCE 1975; 20 MV WELLS LOCATED IN W 2/3 OF 28N-7W AND N/3 OF 27N-7W



Expected Mesaverde Production - #145M, 156M, 199E, 214M, 215M, 249M
 Expected Avg. Rate for Yr. 1 = 452MCFD

— FIT MCFD □ NORMALIZED MCFD △ NORM CUM MMCF
 ▣ WELLS ON PRODUCTION - - - FIT CUM MMCF - - - RISKED MCFD

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*APE Number		*Pool Code	*Pool Name
		72319/71599	Blanco Mesaverde/Basin Dakota
*Agency Code	*Property Name		*Well Number
016608	SAN JUAN 28-7 UNIT		214M
*OGIPB No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6707'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
P	4	27N	7W		870	South	270	East	RIO ARRIBA

11 Bottom Hole Location If Different From Surface

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

*Dedicated Acres	*Joint or Infill	*Consolidation Code	*Order No.
E/320	Y	U	Non-Standard Location (Applied for)

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>15</p> <p>2635.38'</p> <p>1364.22'</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p> <p>1371.48'</p> <p>2742.96'</p> <p>5292.54'</p>	<p>2591.16'</p>		<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>Mike L. Mankin</i></p> <p>Signature Mike L. Mankin Printed Name Right of Way Agent Title 2-5-98 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>OCTOBER 29, 1997 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>NEALE C. EDWARDS NEW MEXICO 6857 REGISTERED PROFESSIONAL SURVEYOR</p>
	<p>1352.34'</p>		
	<p>1346.40'</p>		
	<p>2692.14'</p>		

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. LEASE DESIGNATION AND SERIAL NO. SF 078570
1. TYPE OF WORK a. TYPE OF WELL DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Conoco Inc. 5073		7. UNIT AGREEMENT NAME 16608 San Juan 28-7
3. ADDRESS AND TELEPHONE NO. 10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500		8. FARM OR LEASE NAME WELL NO. 214M
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 870' FSL & 270' FEL At proposed prod. zone 870' FSL & 270' FEL		9. API WELL NO. 30-039-25793
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		10. FIELD AND POOL, OR WILDCAT AND SURVEY OR AREA Blanco MV/Basin Dakota
5. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if Any)	16. NO. OF ACRES IN LEASE	11. SEC. T., R., M. OR BLK. AND SURVEY OR AREA P Sec. 4, T27N, R7W
8. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	17. NO. OF ACRES ASSIGNED TO THIS WELL E/320 7/599/320.17	12. COUNTY OR PARISH Rio Arriba
21. ELEVATIONS (Show whether DF, RT, GR, etc) 670' GR	19. PROPOSED DEPTH 7777'	13. STATE NM
23. PROPOSED CASING AND CEMENTING PROGRAM		20. ROTARY OR CABLE TOOLS Rotary
22. APPROX. DATE WORK WILL START*		3/1/98

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55, 9-5/8"	36#	250'	145 sxs, circ.
8-3/4"	K-55, 7"	23#	3565'	470 sxs, circ.
6-1/4"	K-55, 4-1/2"	9.5#	7777'	530 sxs, toc @ 3400'

It is proposed to drill a vertical wellbore to the Blanco Mesaverde and Basin Dakota Pools. An NOS was filed 10/10/97. The well will be drilled and equipped according to the following additional attachments:

1. Well Location & Acreage Dedication Plat (C-102).
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan with Production Facility layout.
6. Temporary Pipeline Tie Specifications.

RECEIVED
FEB 27 1998
OIL CON. DIV.
DIST. 3

RECEIVED
OIL
070 FARMINGTON, NM
99 FEB -6 PM 3:04

This application includes ROW's for the well pad, access road, cathodic protection and pipeline.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Mike L. Mankin* TITLE Right of Way Agent DATE 2-5-98

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE FEB 24 1998

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY

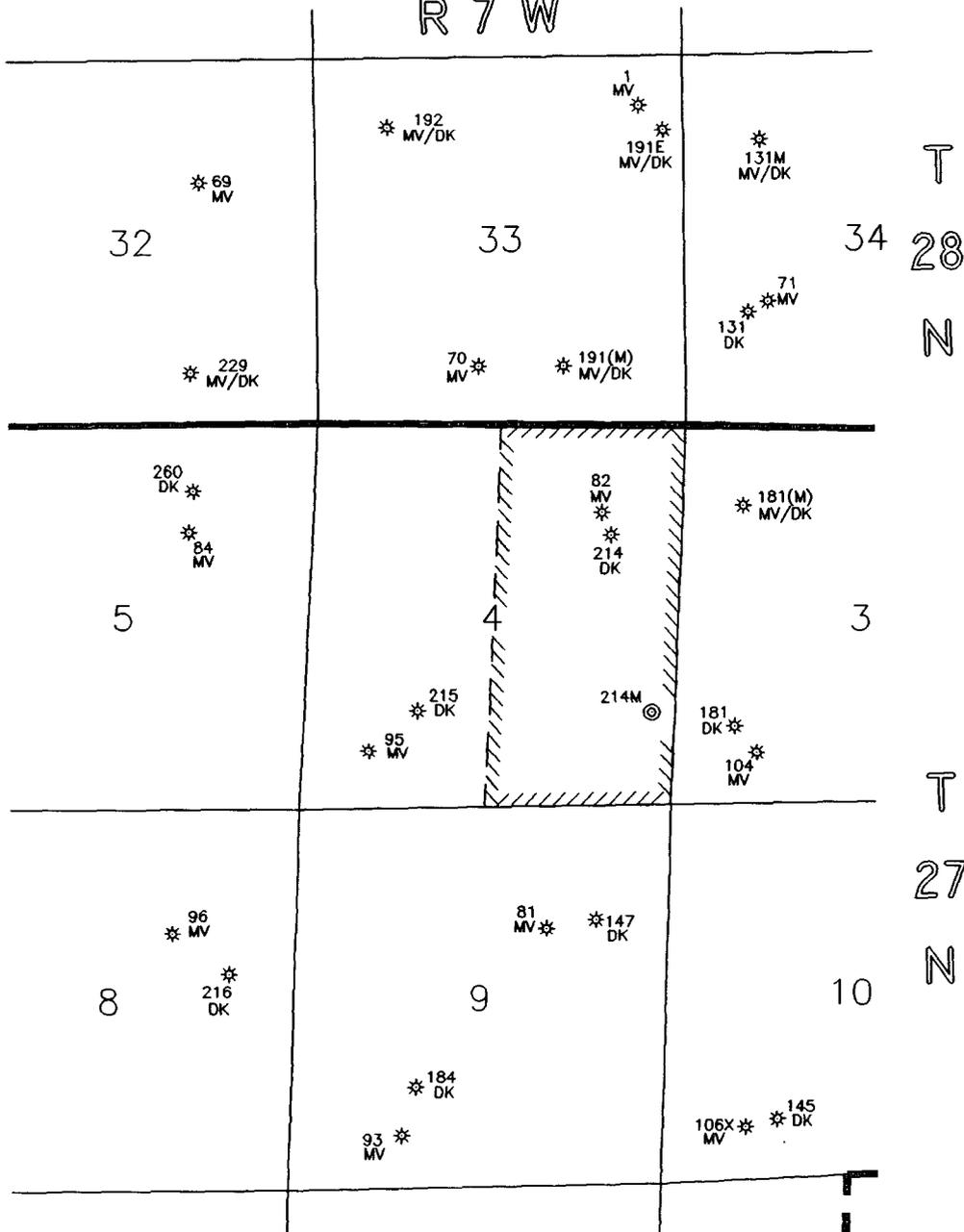
APPROVED BY _____ TITLE _____ DATE 2/24/98

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Hold C-109 For NSL @ NMCO

R 7 W



**SAN JUAN 28-7 UNIT
RIO ARRIBA CO., N.M.**

<p>NOTES</p> <p>CONOCO OPERATES ALL MESAVERDE AND DAKOTA WELLS WITHIN THE 28-7 UNIT.</p> <p>MAP SHOWS ONLY MESAVERDE AND DAKOTA WELLS</p>	DATE: 02/06/98		EPNGNA MIDLAND DIVISION		
	DRAWN BY: GLG		CONOCO 28-7 UNIT MESAVERDE & DAKOTA PRODUCERS San Juan 28-7 Unit #214M Non-Standard Location		
	CHECKED BY:				
	APPROVED BY:		STATE	API COUNTY	DRAWING
	SCALE: 1" = 2640'		039	\ 30	28-7_214
STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003		CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705			

April 6, 1998

RE: Application C-107A to Downhole Commingle

Notification Of Offset Operators:

Conoco, Inc. is the only offset operator