DATE IN 6/22/98	SUSPENSE 7/13/98	ENGINEER DC	LOGGED BY MV	TYPE DHC

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
2040 South Pacheco, Santa Fe, NM 87505

2000

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATION FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

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]

RECEIVED
JUN 22 1998
OIL CONSERVATION DIVISION

[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] or [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** - Certification

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 (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.***

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

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

OIL CONSERVATION DIVISION

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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A
New 3-12-96

APPROVAL PROCESS :
_X_ Administrative _Hearing

EXISTING WELLBORE
_X_ YES ___ NO

BURLINGTON RESOURCES OIL & GAS COMPANY (Operator) PO Box 4289, Farmington, NM 87499 (Address)

Zachry (Lease) 17E (Well No.) O, Sec. 35, T29N, R10W (Unit Ltr. - Sec - Twp - Rge) San Juan (County)

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7654 API NO. 30-045-24801 Federal _X_, 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	Chacra - 82329		Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	3023' – 3152'		6447'-6618'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 467 psia @ 3038'	a.	a. 486Psia @ 6533'
	(Original) b. 1059 psia @ 3038'	b.	b. 1272 Psia @ 6533'
6. Oil Gravity (°API) or Gas BTU Content	1163 BTU		1248 BTU
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	No		Yes
* If Shut-In 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	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give data and oil/gas/water water of recent test (within 60 days)	Date: 5/28/98 Rates: 18 MCFD, 0 BOD, 0 BWD	Date: Rates:	Date: 5/28/98 Rates: 125 MCFD, 0.4 BOD, 0 BWD
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: Gas: Will supply after commingling	Oil: Gas:	Oil: Gas: Will supply after commingling

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? _X_ 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? _X_ Yes ___ No

11. Will cross-flow occur? ___ Yes _X_ 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 other? _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). _____

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 _____ TITLE Operations Engineer DATE 06-18-98

TYPE OR PRINT NAME Kevin L. Midkiff TELEPHONE NO. (505) 326-9700

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

Operator	Lease	Well No.
SUPRON ENERGY CORPORATION	ZACHRY	17-E

Unit Letter	Section	Township	Range	County
O	35	29 NORTH	10 WEST	SAN JUAN

Actual Footage Location of Well:
1100 feet from the SOUTH line and 1585 feet from the EAST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
5801	Chacra Dakota	Bloomfield Extention Basin	SE¼ 160.00 S ½ 320.00 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

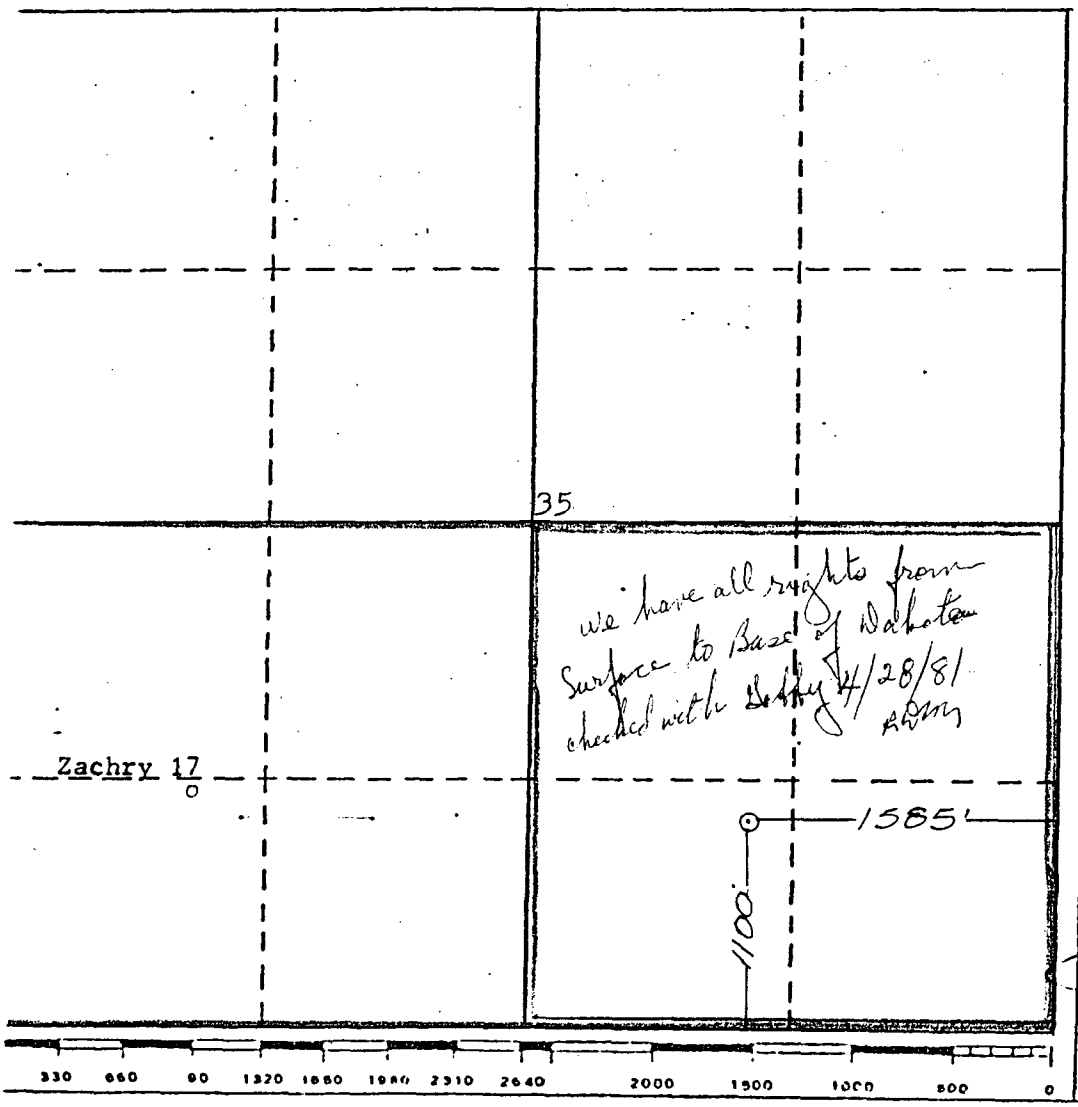
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 _____

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.

Rudy D. Motto

Name
Rudy D. Motto

Position
Area Superintendent

Company
SUPRON ENERGY CORPORATION

Date
October 13, 1980

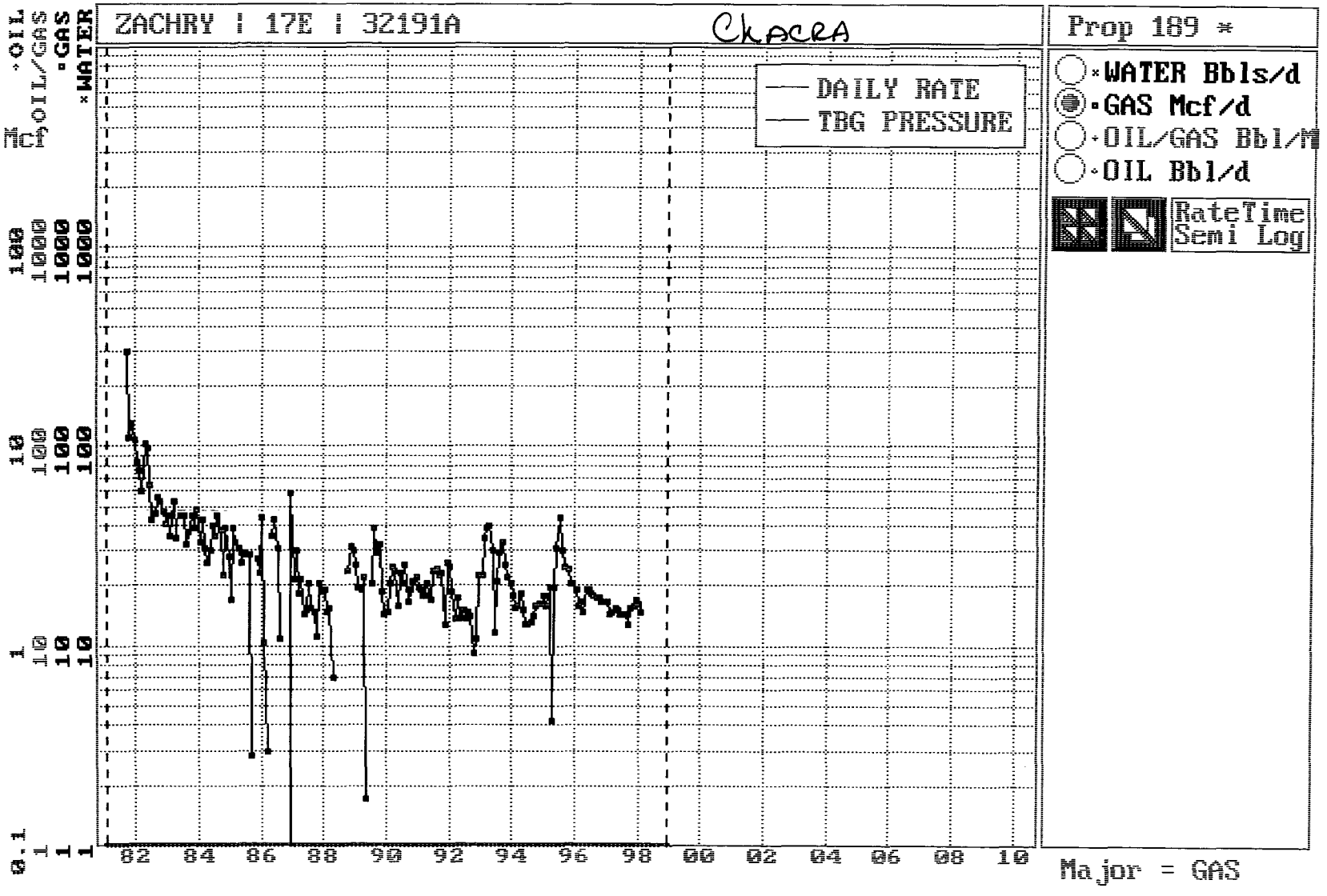
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

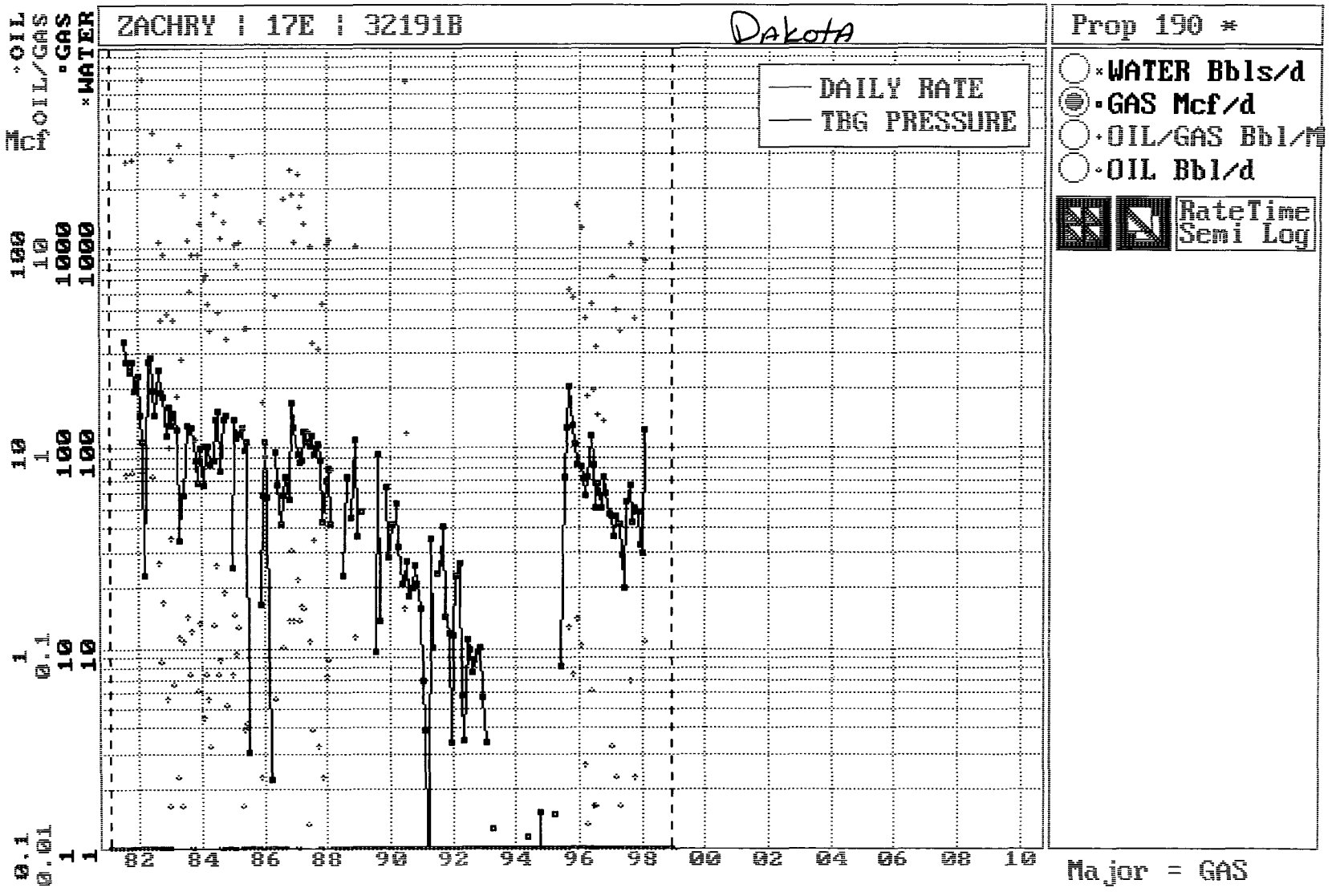
REGISTERED PROFESSIONAL ENGINEER & LAND SURVEYOR STATE OF NEW MEXICO NO. 1463 JAMES P. LEESE

Date Surveyed
September 30, 1980

Registered Professional Engineer and/or Land Surveyor
James P. Leese

Certificate No.
1463


ZACHRY | 17E | 32191A
Chacra
DAILY RATE
TBG PRESSURE
Prop 189 *
WATER Bbls/d
GAS Mcf/d
OIL/GAS Bbl/M
OIL Bbl/d
RateTime
Semi Log
Mcf OIL/GAS GAS WATER
Major = GAS


ZACHRY : 17E : 32191B
Dakota
DAILY RATE
TBG PRESSURE
Prop 190 *
WATER Bbls/d
GAS Mcf/d
OIL/GAS Bbl/M
OIL Bbl/d
RateTime
Semi Log
Major = GAS
OIL
GAS
WATER
Mcf
OIL/GAS
82
84
86
88
90
92
94
96
98
00
02
04
06
08
10

Zachry #17E
BHP
Cullender and Smith Method
Version 1.0 3/13/94

Chacra

CH - Current

GAS GRAVITY	0.6699
COND. OR MISC. (C/M)	M
%N2	0.025
%CO2	0.27
%H2S	0
DIAMETER (IN)	4.5
DEPTH (FT)	3038
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	98
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	432
BOTTOMHOLE PRESSURE (PSIA)	466.6

CH - Original

GAS GRAVITY	0.6699
COND. OR MISC. (C/M)	M
%N2	0.25
%CO2	0.27
%H2S	0
DIAMETER (IN)	4.5
DEPTH (FT)	3038
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	98
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	972
BOTTOMHOLE PRESSURE (PSIA)	1059.0

Dakota

DK-Current

GAS GRAVITY	0.7465
COND. OR MISC. (C/M)	M
%N2	0.31
%CO2	1.54
%H2S	0
DIAMETER (IN)	4.5
DEPTH (FT)	6533
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	141
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	407
BOTTOMHOLE PRESSURE (PSIA)	486.4

DK-Original

GAS GRAVITY	0.7465
COND. OR MISC. (C/M)	M
%N2	0.31
%CO2	1.54
%H2S	0
DIAMETER (IN)	4.5
DEPTH (FT)	6533
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	141
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1036
BOTTOMHOLE PRESSURE (PSIA)	1272.3

Page No.: 1
Print Time: Thu May 28 11:15:51 1998
Property ID: 189
Property Name: ZACHRY | 17E | 32191A Chacra
Table Name: S:\ARIES\KLMWORK\TEST.DBF

--DATE--	---CUM GAS-- Mcf	M SIWHP Psi	
05/16/81	0	960.0	- INITIAL PRESSURE
10/16/81	12491	607.0	
04/24/82	29632	543.0	
04/16/83	48518	541.0	
07/11/93	132502	461.0	
4/1/98	162768	420.00	CURRENT BASED ON PRESSURE VS. CUM GAS PLOT

Page No.: 1
Print Time: Thu May 28 11:16:09 1998
Property ID: 190
Property Name: ZACHRY | 17E | 32191B DAKOTA
Table Name: S:\ARIES\KLMWORK\TEST.DBF

--DATE--	---CUM_GAS-- Mcf	M_SIWHP Psi	
05/23/81	0	1024.0	- Initial Pressure
04/24/82	64519	738.0	
04/16/83	124437	683.0	
07/02/85	203597	551.0	
08/17/88	272569	549.0	
07/13/93	307928	301.0	
4/1/98	377315	395.0	Current based on Pressure vs Cum Gas Plot

Package Preparation
Volume Data

DPNo: 32191A **ZACHRY** **17E** **Form: CH**

Supt: 60 KEN RAYBON **FF:** 338 JOHNNY ELLIS **MS:** 389 JOE BECKER
Pipeline: MOI **Plunger:** No **Dual:** Yes **Compressor:** No

Ownership (No Trust)

	Gas	Oil
GWI:	100.0000%	100.0000%
GNI:	82.0000%	82.0000%

Volumes (Days On)	MCFD	BOPD
7 Day Avg	15	0.0
30 Day Avg	18	0.0
60 Day Avg	16	0.0
3 Mo Avg	16	0.0
6 Mo Avg	17	0.0
12 MoAvg	16	0.0

Volumes (Days in Month)	MCFD	BOPD
30 Day Avg	15	0.0
60 Day Avg	15	0.0
3 Mo Avg	16	0.0
6 Mo Avg	16	0.0
12 Mo Avg	16	0.0

	Prior Year			Current Year		
	MCF/M	BOPM	Days On	MCF/M	BOPM	Days On
Jan	520	0.0	31	502	0.0	31
Feb	447	0.0	28	463	0.0	28
Mar	466	0.0	31	469	0.0	31
Apr	489	0.0	30	0	0.0	25.9
May	473	0.0	31	0	0.0	0
Jun	452	0.0	30	0	0.0	0
Jul	450	0.0	31	0	0.0	0
Aug	447	0.0	31	0	0.0	0
Sept	399	0.0	30	0	0.0	0
Oct	487	0.0	21.2	0	0.0	0
Nov	498	0.0	30	0	0.0	0
Dec	536	0.0	31	0	0.0	0
Total	5,664	0.0		1,434	0.0	

Print Form

Exit Volumes Data

5/28/98

Package Preparation
Volume Data

DPNo: 32191B **ZACHRY** **17E** **Form: DK**

Supt: 60 KEN RAYBON **FF:** 338 JOHNNY ELLIS **MS:** 389 JOE BECKER
Pipeline: MOI **Plunger:** No **Dual:** Yes **Compressor:** No

Ownership (No Trust)

	Gas	Oil
GWI:	100.0000%	100.0000%
GNI:	82.0000%	82.0000%

Volumes (Days On)	MCFD	BOPD
7 Day Avg	92	6.7
30 Day Avg	125	0.4
60 Day Avg	123	0.4
3 Mo Avg	95	0.5
6 Mo Avg	71	0.3
12 MoAvg	57	0.2

Volumes (Days in Month)	MCFD	BOPD
30 Day Avg	96	0.3
60 Day Avg	109	0.4
3 Mo Avg	95	0.5
6 Mo Avg	70	0.3
12 Mo Avg	57	0.2

	Prior Year			Current Year		
	MCF/M	BOPM	Days On	MCF/M	BOPM	Days On
Jan	1,428	10.0	31	934	0.0	31
Feb	1,142	0.0	28	3,873	33.0	28
Mar	1,442	7.0	31	3,783	15.0	31
Apr	1,313	5.0	30	0	0.0	23.1
May	917	0.0	31	0	0.0	0
Jun	622	0.0	30	0	0.0	0
Jul	1,714	0.0	31	0	0.0	0
Aug	2,027	21.0	31	0	0.0	0
Sept	1,354	0.0	30	0	0.0	0
Oct	1,598	7.0	28.1	0	0.0	0
Nov	1,490	0.0	30	0	0.0	0
Dec	1,021	0.0	31	0	0.0	0
Total	16,068	50.0		8,590	48.0	

Print Form

Exit Volumes Data

5/28/98

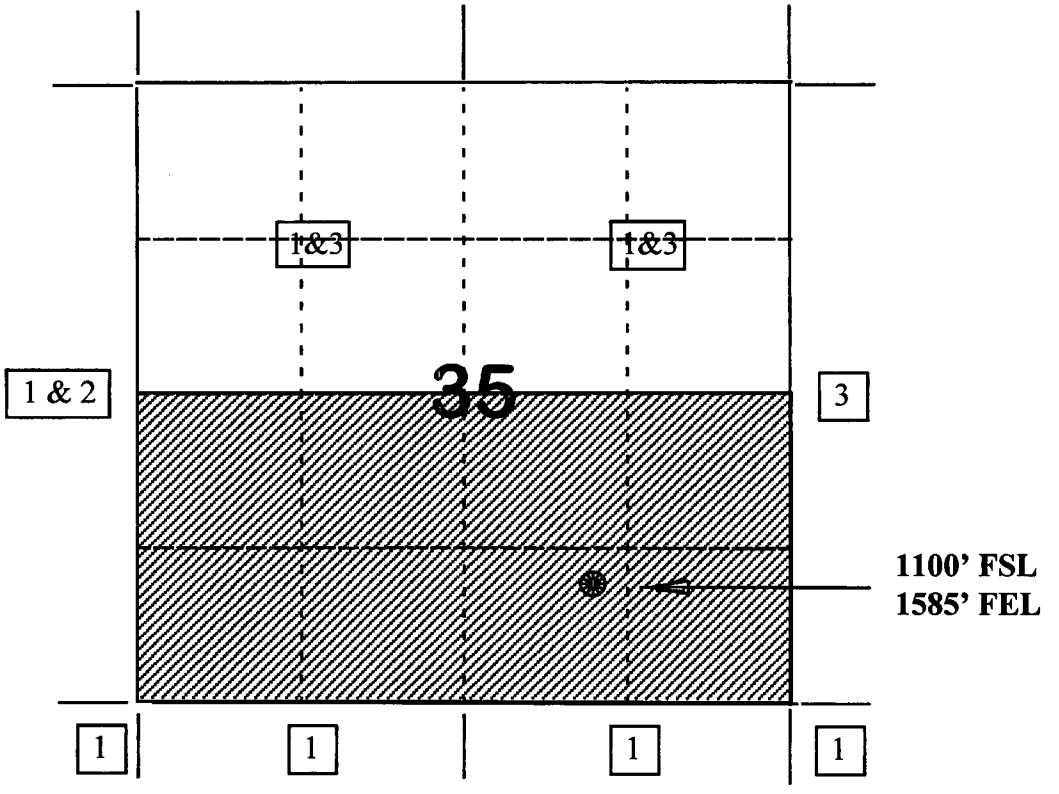
BURLINGTON RESOURCES OIL AND GAS COMPANY

Zachry #17E

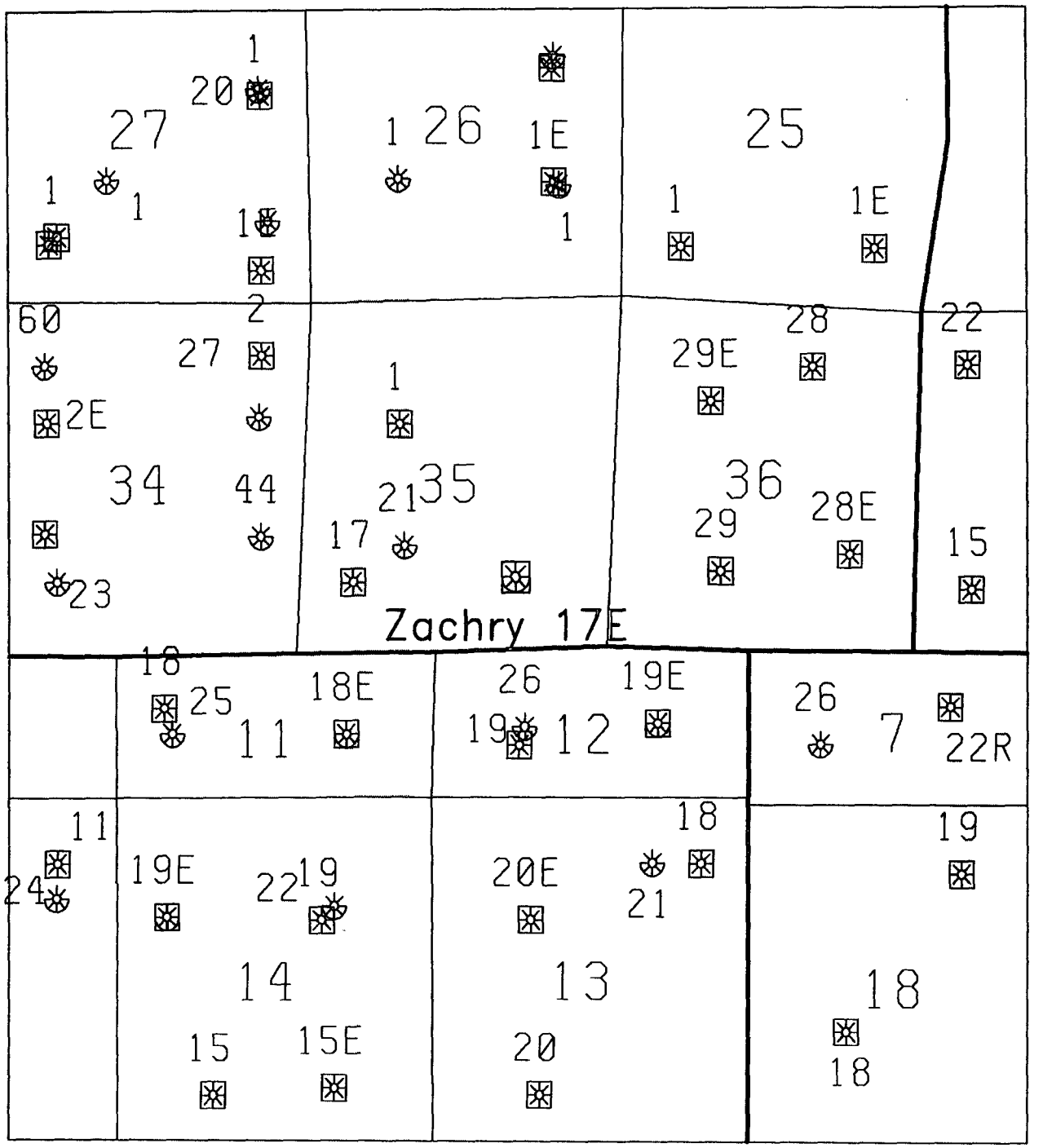
OFFSET OPERATOR/OWNER PLAT

Chacra (SE/4) /Dakota (S/2) Formations Commingle Well

Township 29 North, Range 10 West



1) Burlington Resources
2) Taurus Exploration
   Attn: Rich Corcoran
   2198 Bloomfield Hwy.
   Farmington, NM 87401
3) Conoco Inc.
   Attn: Lori Thorpe
   10 Desta Drive, Ste. 100W
   Midland, TX 79705-4500



JMS 4/29/98

Zachry 17E

Sec. 35, T29N, R10W

Chacra/Dakota