

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2034

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]

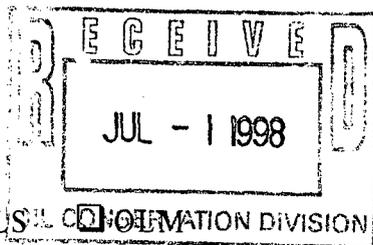
[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [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

- [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

6/29/98
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 First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

DISTRICT III
 1000 Rio Brazos Rd. Aztec, NM 87410 1693

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

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Operator

Address

San Juan 28-7 Unit

100M

Section 30, T-27-N, R-7-W, P

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

OGRID NO. 005073 Property Code 016608 API NO. 30-039-25881 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)	5180-5520'		7243-7467'
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) 558	a.	a. 736
	b(Original) 1161	b.	b. 255
6. Oil Gravity (°API) or Gas BT Content	1347		1319
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 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
	Est 1st Yr Average 144 MCFD-Final to be supplied upon completion	Date Rates	Est 1st Yr Average 252MCFD-Final to be supplied upon completion
8. Fixed Percentage Allocation Formula -% or 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

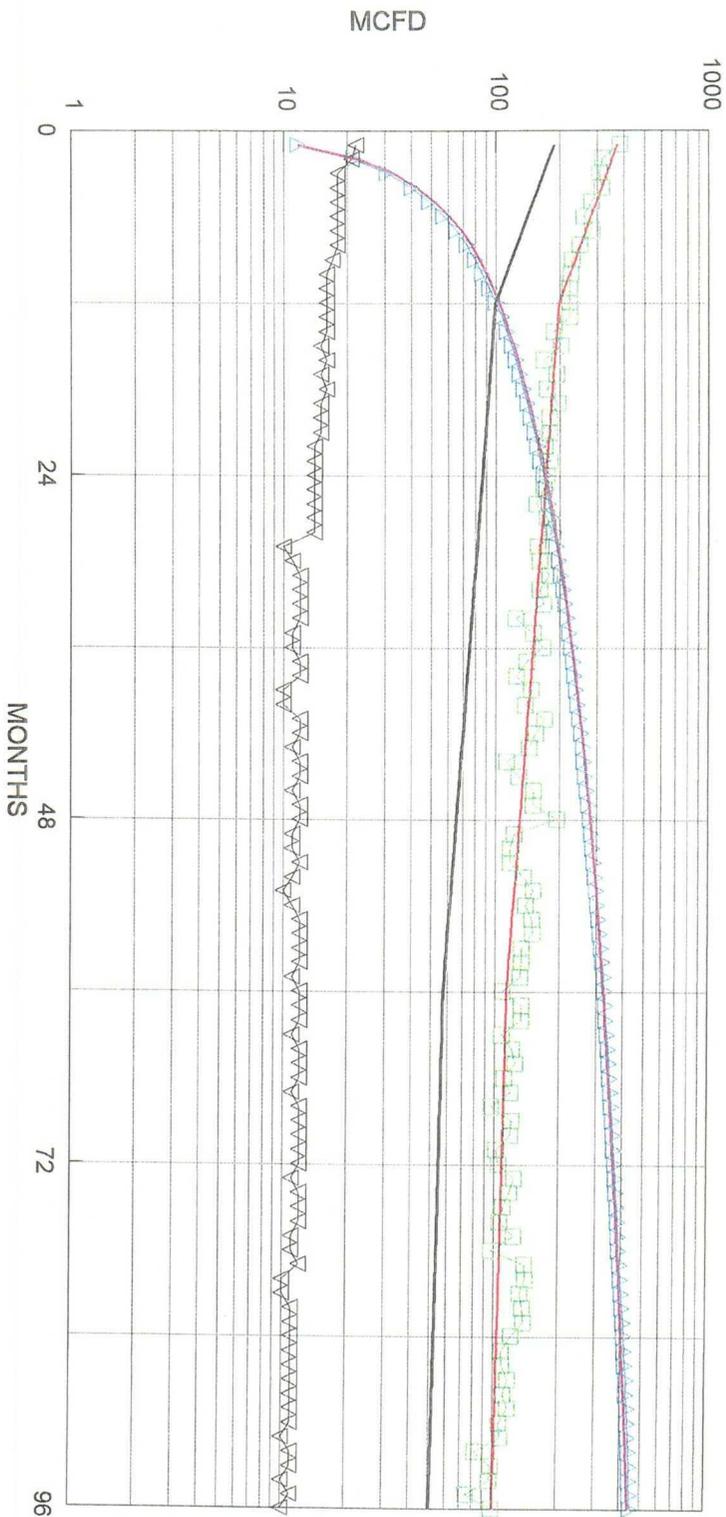
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 June 29, 1990

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

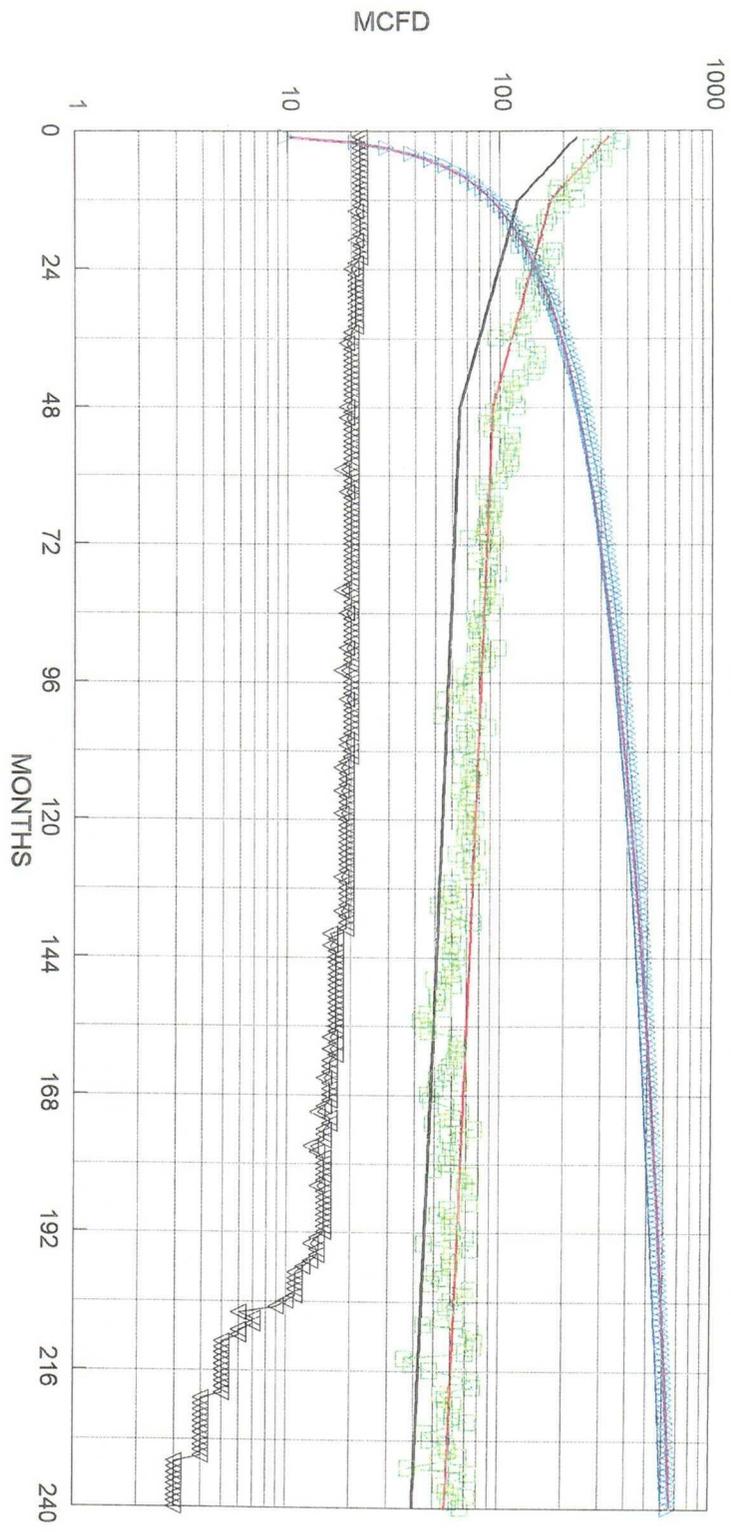
NORMALIZED MESAVERDE PRODUCTION
PROD. SINCE 1972: 22 MV WELLS LOCATED IN 27N-7W AND 27N-8W AREA



Expected MV Prod - #98M, 100M, 101M, 110M, 110M, 111M, 113M, 153E
 Expected 1st Yr. Avg. Rate = 144MCF/D Wells are expected to follow "50% risk case"

NORMALIZED AVG:		RISKED AVG:	
1130 MMCF EUR	400 MCFD IP	50% RISK (Based on actual 99/100/100/101/110/111)	453 MMCF EUR
800 MMCF IN 20 YRS	50% DECLINE, 1ST 12 MONTHS		200 MCFD IP
25 MCFD E.L.	13% DECLINE, NEXT 48 MONTHS		50.0% DECLINE, 1ST 12 MONTHS
0.0091 bbl/mcf oil yield	4% FINAL DECLINE		13.0% DECLINE, NEXT 48 MONTHS
			4.0% FINAL DECLINE

**NORMALIZED DAKOTA PRODUCTION
PROD. SINCE 1975: 22 DAKOTA COMPLETIONS**



Expected DK Prod - #98M, 100M, 101M, 110M, 111M, 113M, 153E
Expected 1st Yr. Avg. Rate = 252 MCFD Wells expected to follow "Normalized case"

- FIT MCFD
- ▽ WELLS ON PRODUCTION
- NORMALIZED MCFD
- FIT CUM MMCF
- ▽ NORM CUM MMCF
- RISKED MCFD

NORMALIZED AVG:

1049 MMCF EUR
666 MMCF IN 20 YRS
25 MCFD E.L.
0.0134 bbl/mcf oil yield

RISKED AVG: 30% RISK

350 MCFD IP
50% DECLINE, 1ST 12 MONTHS
19% DECLINE, NEXT 36 MONTHS
3% FINAL DECLINE

644 MMCF EUR
466 MMCF IN 20 YRS
26 MCFD E.L.
0.0134 bbl/mcf oil yield

245 MCFD IP
50.0% DECLINE, 1ST 12 MONTHS
19.0% DECLINE, NEXT 36 MONTHS
3.0% FINAL DECLINE

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994
instructions on back

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088
Santa Fe, NM 87504-2088

District IV
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		2 Pool Code 72319/71599		3 Pool Name Blanco Mesaverde/Basin Dakota	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number 100M
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6653'

10 Surface Location

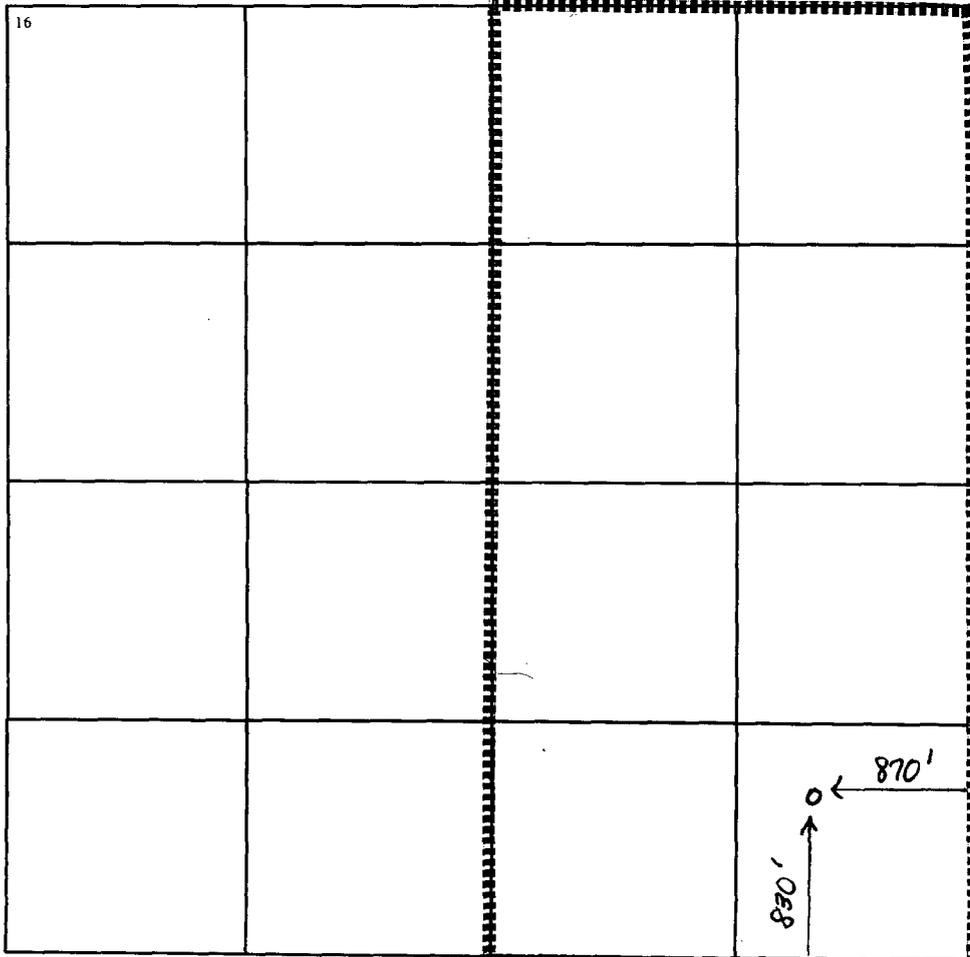
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	=30	27N	7W		830'	South	870'	East	Rio Arriba

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 Y	14 Consolidation Code U	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
Printed Name Kay Maddox
Title Regulatory Agent
Date May 7, 1998

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instructions on
reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
 Conoco Inc. 005073

5. LEASE DESIGNATION AND SERIAL NO
 NM 03560

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 San Juan 28-7 016608

8. FARM OR LEASE NAME WELL NO
 100M

9. APT WELL NO
 30-039-25881

10. FIELD AND POOL, OR WILDCAT
 Blanco MV/Basin Dakota 72319 71599

11. SEC. T., R., M., OR BLK.
 AND SURVEY OR AREA
 Sec.30, T27N, R7W

3. ADDRESS AND TELEPHONE NO
 10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
 At surface 830' FSL & 870' FEL
 At proposed prod. zone 830' FSL & 870' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 RIO ARRIBA, NM

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
 320

17. NO. OF ACRES ASSIGNED TO THIS WELL
 320

8. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
 7467'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc)
 6653' GR

22. APPROX. DATE WORK WILL START*
 6/30/98

23. PROPOSED CASING AND CEMENTING PROGRAM

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#	3180'	390 sxs, circ.
6-1/4"	K-55, 4-1/2"	9.5#	7467'	515 sxs, toc @ 3000'

It is proposed to drill a vertical wellbore to the Blanco Mesaverde and Basin Dakota Pools. An NOS was filed 10/13/97. 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. Pipeline Tie Specifications with plat.

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

RECEIVED
 BLM
 98 JUN -8 AM 11:23
 070 FARMINGTON, NM

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 Jo Ann Johnson TITLE Sr. Property Analyst DATE 5-28-98

(This space for Federal or State office use)

PERMIT NO _____ APPROVAL DATE JUN 10 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 [Signature] TITLE Pat. Engineer DATE JUN 10 1998

*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.

San Juan 28-7 Unit # 100 M
Section 30, T-27-N, R-7-W, P
Rio Arriba , New Mexico
API # 30-039-25881

RE: Application to Downhole Commingle (C 107 A)

OFFSET OPERATORS:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Bledsoe Petroleum Corp.
1717 Main STE 5850
Dallas, TX 75201

Chateau Oil & Gas Inc.
5950 Berkshire Ln STE 275
Dallas, TX 75225

Lively Exploration Co.
1300 Post Oak Blvd. # 1900
Houston, TX 77056-3013

M & G Drilling
PO Box 2406
Farmington, NM 87499

Western Oil & Minerals LTD
PO Drawer 1228
Farmington, NM 87499