

ABOVE THIS LINE FOR DIVISION USE ONLY

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



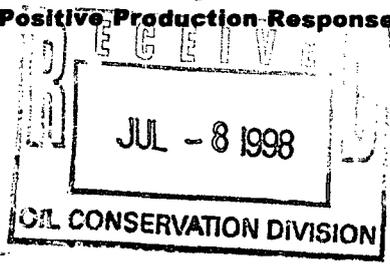
2058

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]



[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 [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

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

APPROVAL PROCESS :
 Administrative Hearing

EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil & Gas Company PO Box 4289, Farmington, NM 87499

Operator Address
San Juan 27-4 Unit **70M** **E 04-27N-04W** **Rio Arriba**

Lease Well No. Unit Ltr. - Sec - Twp - Rge County
Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7452 API NO. 30-039-not assigned 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)	will be supplied upon completion		will be supplied upon completion
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. 614 psi (see attachment)	a.	a. 1118 psi (see attachment)
	(Original) b. 1415 psi (see attachment)	b.	b. 3182 psi (see attachment)
6. Oil Gravity (API) or Gas BTU Content	BTU 1182		BTU 1015
7. Producing or Shut-In?	shut in		shut in
Production Marginal? (yes or no)	no		yes
* If Shut-In and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
* If Producing, give data and oil/gas/water water of recent test (within 60 days)	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: % Gas: % will be supplied upon completion	Oil: % Gas: %	Oil: % Gas: % will be supplied upon completion

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 other? 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 Sean Woolverton TITLE: Reservoir Engineer DATE: 06-29-98

TYPE OR PRINT NAME Sean Woolverton TELEPHONE NO. (505) 326-9700

District I
 PO Box 1980, Hobbs NM 88241-1980
 District II
 PO Drawer KK, Artesia, NM 87211-0719
 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

Form C-102
 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		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name SAN JUAN 27-4 UNIT			⁶ Well Number # 70M
⁷ OGRID No.		⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			⁹ Elevation 7250

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
E	4	27 N	4 W		1925	NORTH	1040	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

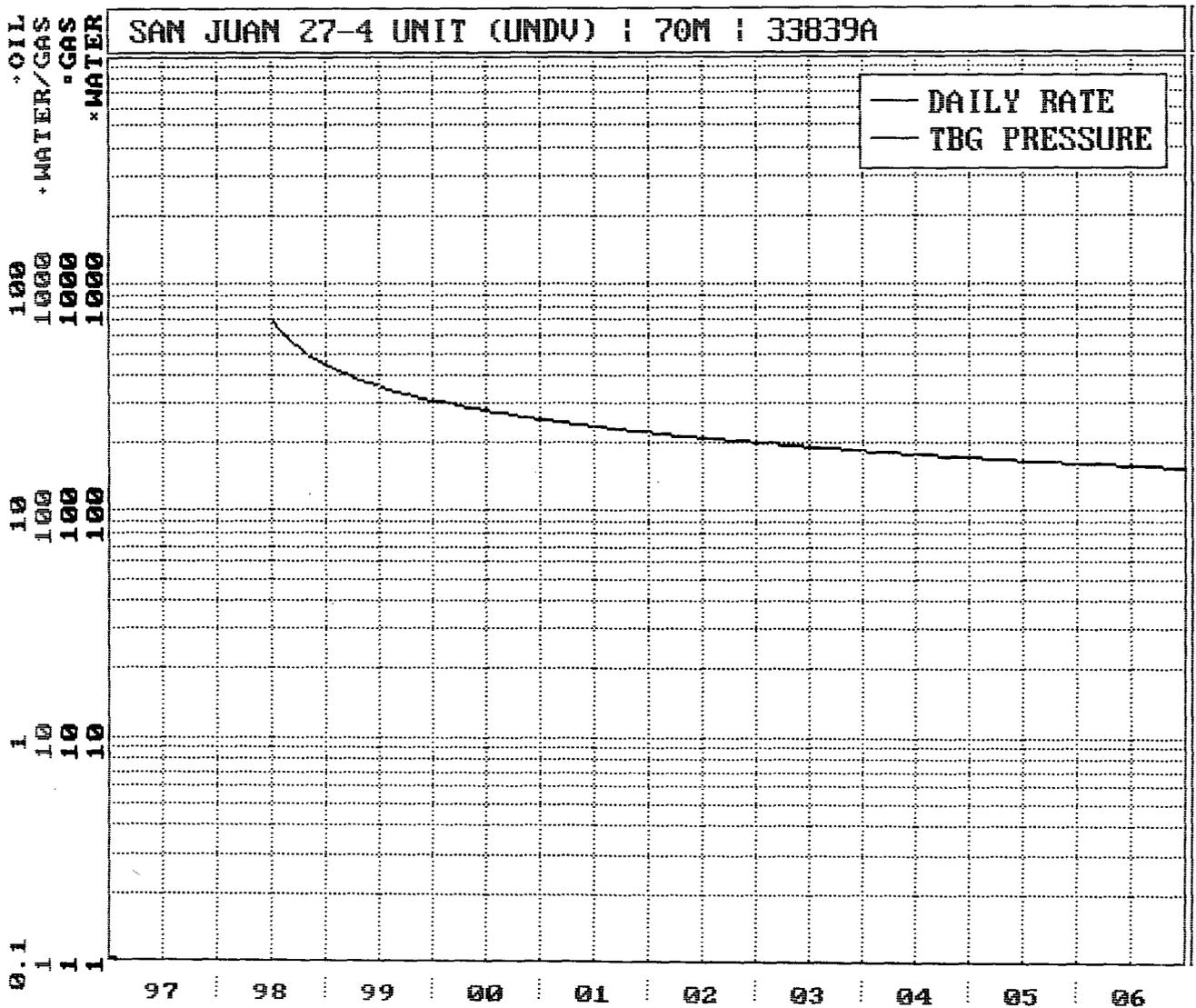
⁷ UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

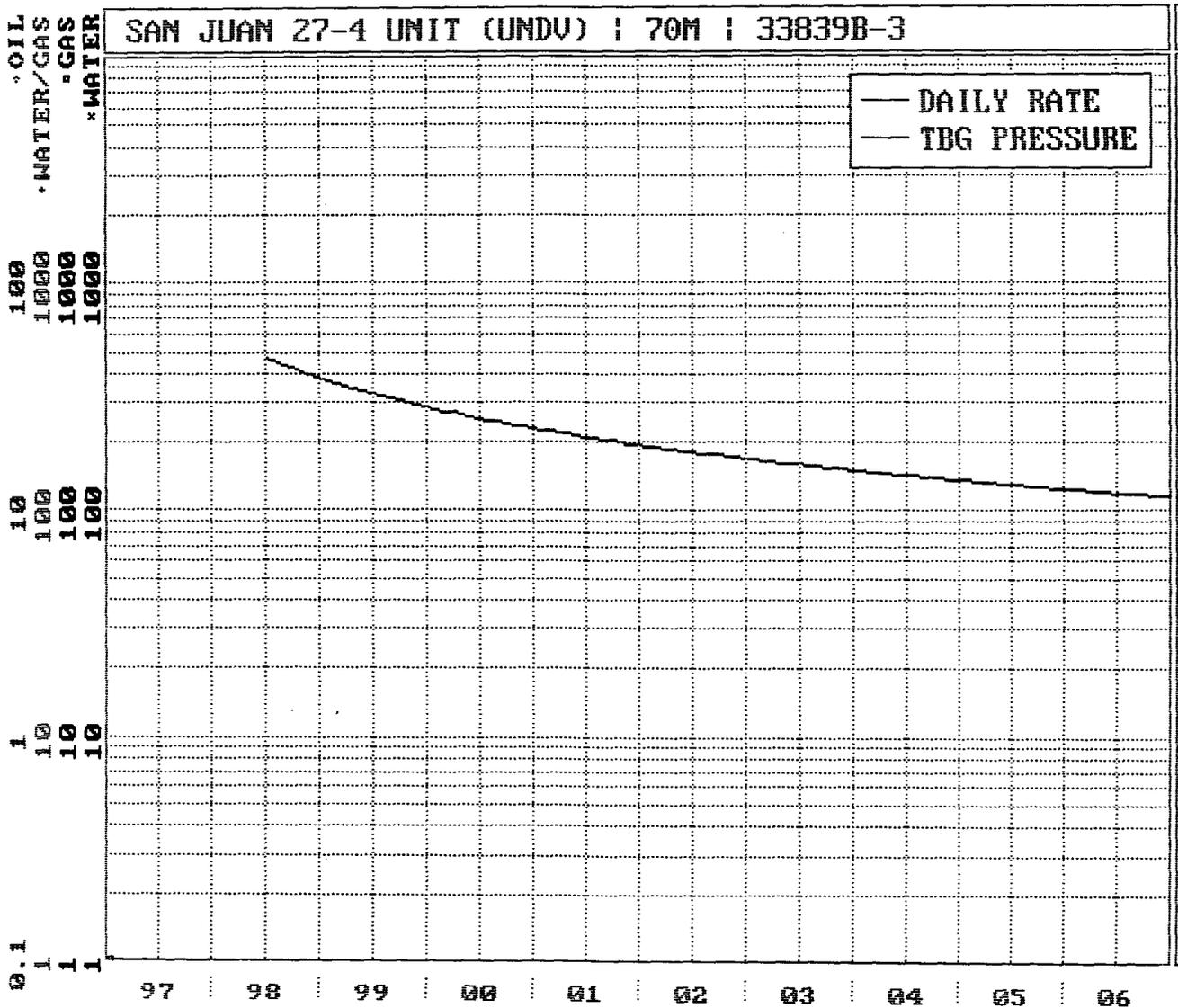
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁶</p> <p>5280'(R)</p> <p>Lot 4 Lot 3 Lot 2 Lot 1</p> <p>1925'</p> <p>1040'</p> <p>5267'(R)</p> <p>4</p> <p>5274'(R)</p> <p>NMSF - 080668</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>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>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>February 26, 1998</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p>	<p>7016 Certificate Number</p>

San Juan 27-4 Unit #70M
 Expected Production Curve
 Blanco Mesaverde



San Juan 27-4 Unit #70M
 Expected Production Curve
 Basin Dakota



SJ 27-4 Unit #70M
 Bottom Hole Pressures
 Flowing and Static BHP
 Cullender and Smith Method
 Version 1.0 3/13/94

Mesaverde		Dakota	
<u>MV-Current</u>		<u>DK-Current</u>	
GAS GRAVITY	0.693	GAS GRAVITY	0.598
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.14	%N2	0.36
%CO2	1.01	%CO2	1.71
%H2S	0	%H2S	0
DIAMETER (IN)	2.375	DIAMETER (IN)	1.5
DEPTH (FT)	6593	DEPTH (FT)	8586
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137	BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	519	SURFACE PRESSURE (PSIA)	931
BOTTOMHOLE PRESSURE (PSIA)	<input type="text" value="614.4"/>	BOTTOMHOLE PRESSURE (PSIA)	<input type="text" value="1117.5"/>
<u>MV-Original</u>		<u>DK-Original</u>	
GAS GRAVITY	0.693	GAS GRAVITY	0.598
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.14	%N2	0.36
%CO2	1.01	%CO2	1.71
%H2S	0	%H2S	0
DIAMETER (IN)	2.375	DIAMETER (IN)	1.5
DEPTH (FT)	6593	DEPTH (FT)	8586
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137	BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1171	SURFACE PRESSURE (PSIA)	2624
BOTTOMHOLE PRESSURE (PSIA)	<input type="text" value="1414.9"/>	BOTTOMHOLE PRESSURE (PSIA)	<input type="text" value="3181.9"/>

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. Print Time: Mon Jan 19 15:44:26 1998

Property ID: 1651

Property Name: SAN JUAN 27-4 UNIT | 59 | 45029A-1

Table Name: K:\ARIES\RR98PDP\TEST.DBF

--DATE-- M SIWHP
■■■■■■■■■■ ■■■Psi■■■

06/17/71	2624.0	-original
12/13/71	1867.0	
05/30/72	1612.0	
05/16/73	1454.0	
06/23/75	1182.0	
07/06/77	1042.0	
05/01/79	936.0	
05/01/81	998.0	
09/21/83	1051.0	
06/05/85	975.0	
05/18/88	1159.0	
05/30/90	1071.0	
07/28/92	931.0	-current

SJ 27-4 Unit #70M
Dakota Offset

Page No.: 2

. Print Time: Mon Jan 19 15:44:26 1998

Property ID: 3779

Property Name: SAN JUAN 27-4 UNIT | 146 | 44654A-1

Table Name: K:\ARIES\RR98PDP\TEST.DBF

--DATE-- M SIWHP
■■■■■■■■■■ ■■■Psi■■■

SJ 27-4 Unit # 70M

Mesaverde Offset

10/14/82	1171.0	- original
07/29/83	710.0	
06/20/84	815.0	
11/05/85	529.0	
04/21/86	585.0	
08/07/89	533.0	
02/18/91	541.0	
08/20/91	553.0	
05/03/93	519.0	-current

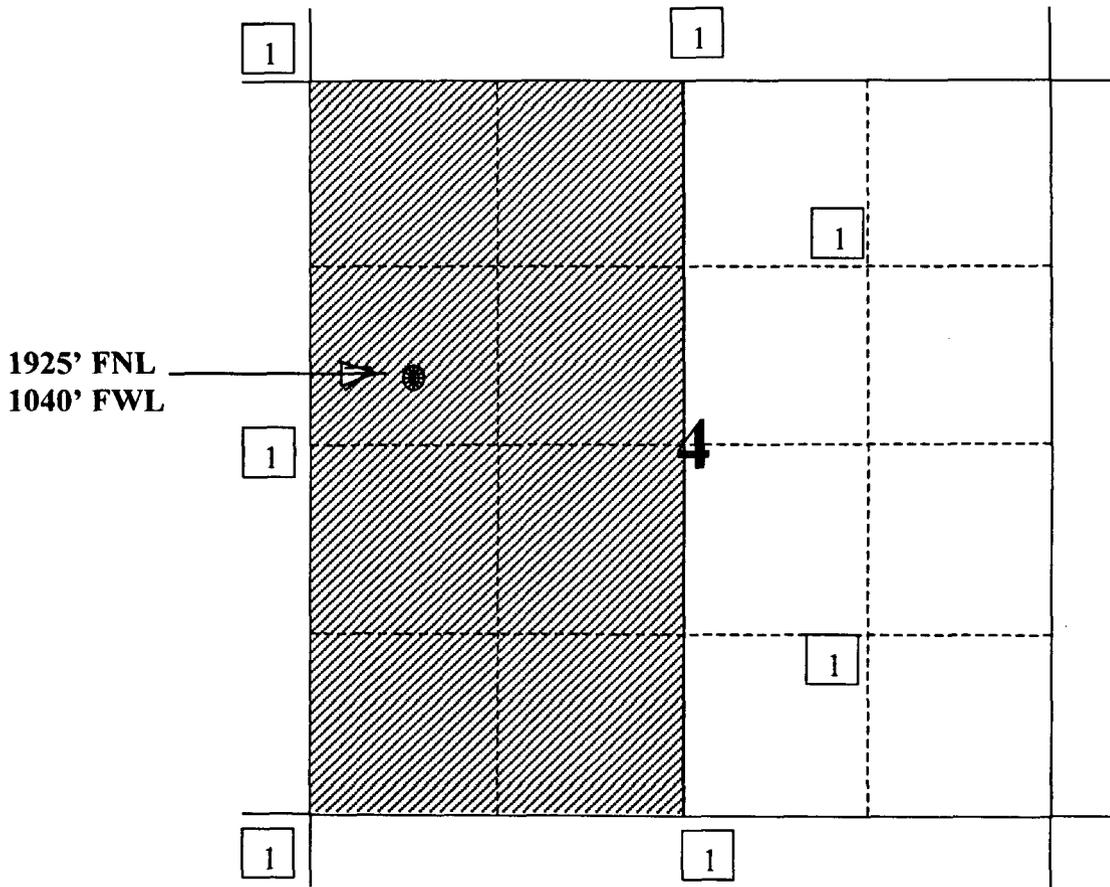
BURLINGTON RESOURCES OIL AND GAS COMPANY

San Juan 27-4 Unit #70M

OFFSET OPERATOR/OWNER PLAT

Mesaverde / Dakota Formations Commingle Well

Township 27 North, Range 4 West



1) Burlington Resources