

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

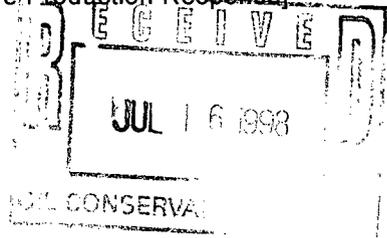
2074

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

7/14/98
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

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

State #3A Well No Section 32, T-29-N, R-8-W,F County San Juan

Lease 005073 Property Code 003251 API NO. 30-045-21632 Spacing Unit Lease Types: (check 1 or more)
Federal State (and/or) Fee

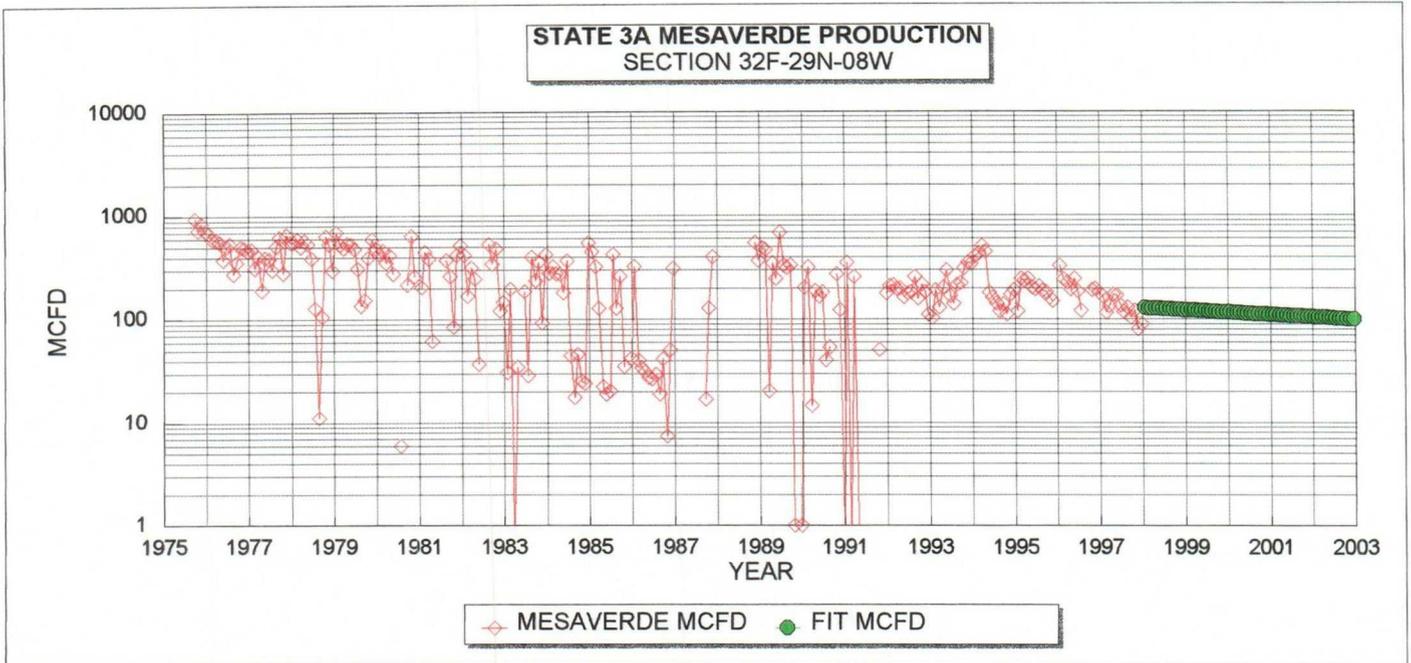
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Pictured Cliffs 72359		Blanco Mesaverde 72319
2. TOP and Bottom of Pay Section (Perforations)	2360-2379'		4006-4796'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Or Measured Original	a (Current) 159	a.	a. 243
	b(Original) 1023	b.	b. 810
6. Oil Gravity (°API) or Gas BT Content	1191		1202
7. Producing or Shut-In?	Shut-in		Shut-in
Production Marginal? (yes or no)	Yes		Yes
• If Shut-In give date and oil/gas/water rates of lsst production <small>Note For new zones with no production history applicant shall be required to attach production estimates and supporting data</small> • If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date 6/98 Rates 60 MCFD	Date Rates:	Date 6/98 Rates 90 MCFD
	Date Rates	Date Rates	Date Rates
8. Fixed Percentage Allocation Formula - % of each zone	oil: 0 % Gas 37 %	oil: % Gas %	oil: 100 % Gas 63 %

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 July 14, 1998

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

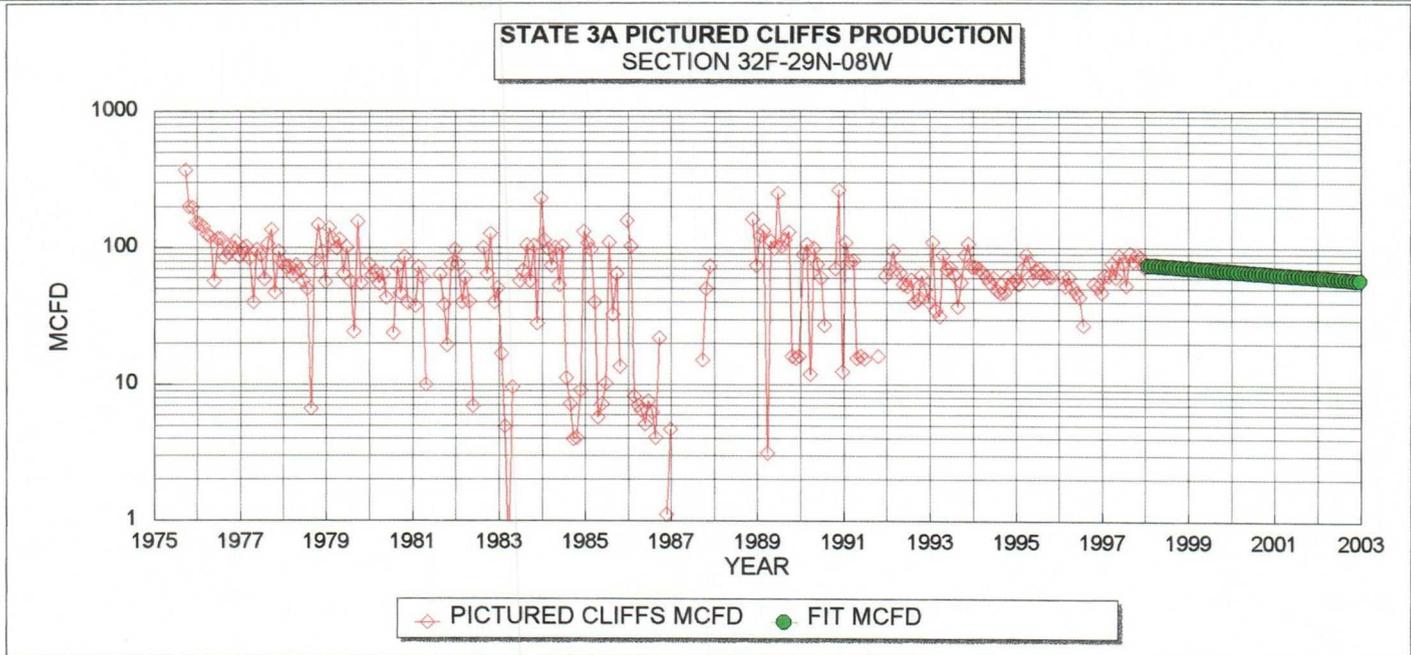


MESAVERDE HISTORICAL DATA: 1ST PROD: 03/83

OIL CUM:	2.88 MBO
GAS CUM:	1880.9 MMCF
OIL YIELD:	0.0015 BBL/MCF

MESAVERDE PROJECTED DATA

1/1/98 Qi:	129 MCFD
DECLINE RATE:	5.0% (EXPONENTIAL)



PICT. CLIFFS HISTORICAL DATA 1ST PROD: 09/75

OIL CUM:	0.0 MBO
GAS CUM:	489.7 MMCF
OIL YIELD:	0.0000 BBL/MCF

PICT. CLIFFS PROJECTED DATA

1/1/98 Qi:	75 MCFD
DECLINE RATE:	5.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE	63%	100%
PICT. CLIFFS	37%	0%

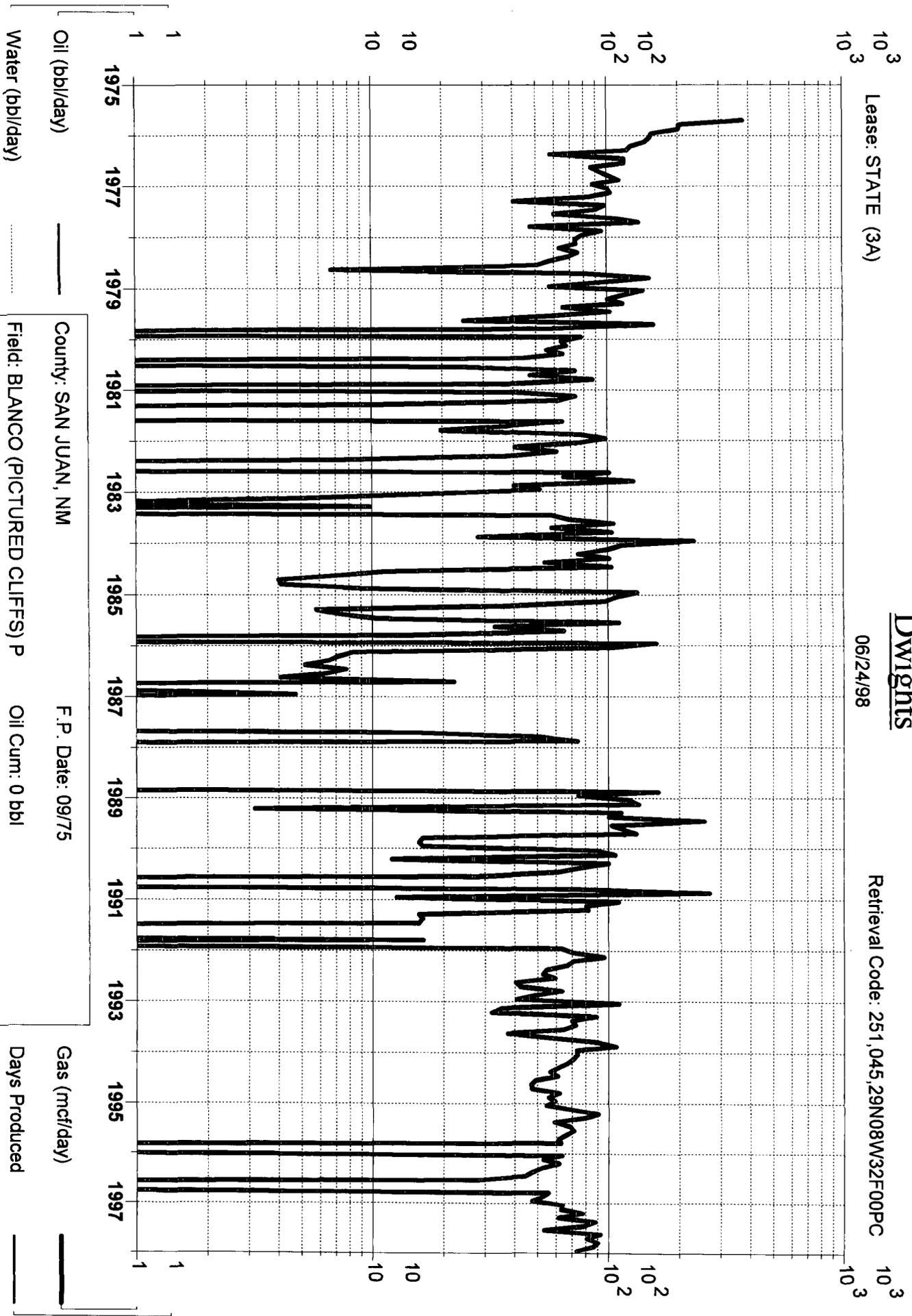
GAS ALLOCATION BASED ON PROJECTED 1998 RATES
 OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS
 NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Dwights

Lease: STATE (3A)

06/24/98

Retrieval Code: 251,045,29N08W32F00PC



Oil (bbl/day) ———

Water (bbl/day) - - - - -

Gas (mcf/day) - - - - -

Days Produced ———

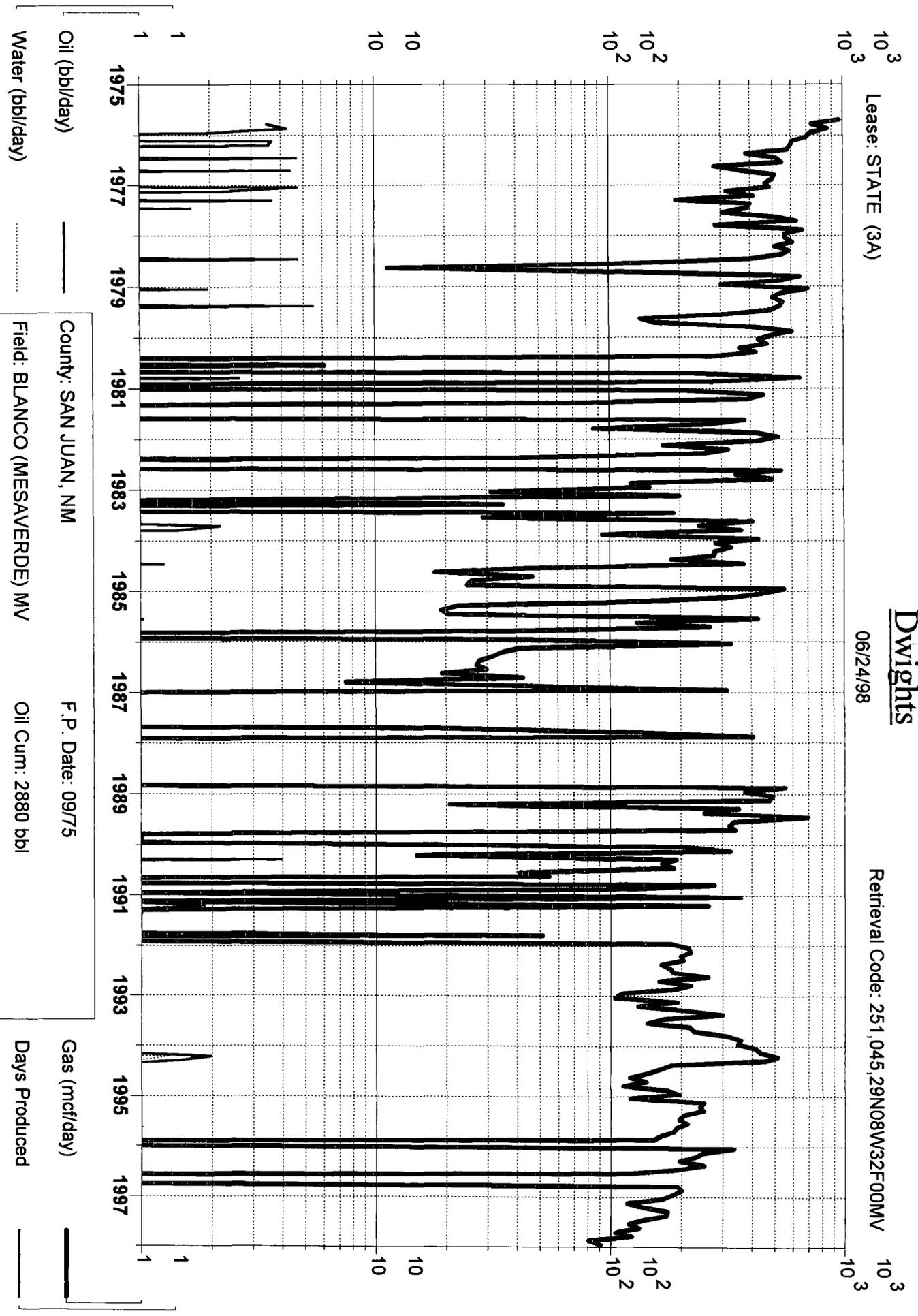
County: SAN JUAN, NM
Field: BLANCO (PICTURED CLIFFS) P
Reservoir: PICTURED CLIFFS
Operator: CONOCO INC
F.P. Date: 09/75
Oil Cum: 0 bbl
Gas Cum: 489.7 mmcf
Location: 32F 29N 8W

Dwights

Lease: STATE (3A)

06/24/98

Retrieval Code: 251,045,29N08W32F00MV



Oil (bbl/day) ———
Water (bbl/day) - - - - -

Gas (mcf/day) ———
Days Produced - - - - -

County: SAN JUAN, NM
Field: BLANCO (MESAVERDE) MV
Reservoir: MESAVERDE
Operator: CONOCO INC
F.P. Date: 09/75
Oil Cum: 2880 bbl
Gas Cum: 1881 mmcf
Location: 32F 29N 8W

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.

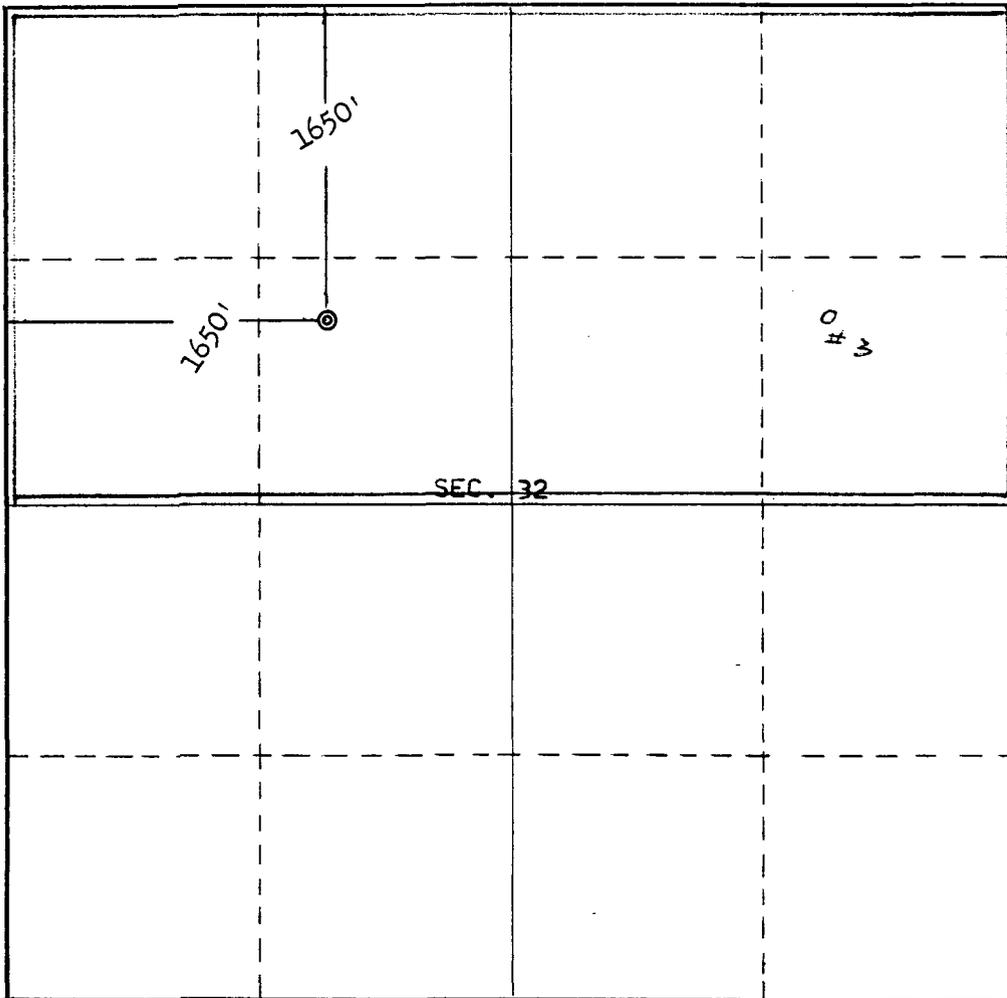
Operator Mesa Petroleum Co.		Lease State		Well No. 3 A
Unit Letter F	Section 32	Township 29 North	Range 8 West	County San Juan
Actual Footage Location of Well: 1650 feet from the North line and 1650 feet from the West line				
Ground Level Elev. 5851	Producing Formation Mesa Verde	Pool Blanco blanco	Dedicated Acreage: 320 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.

J. L. Reichen
Name
J. L. REICHEN
Position
DRILLING FOREMAN
Company
MESE PETROLEUM CO.
Date
1/3/75

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.

Date Surveyed
December 31, 1974
Registered Professional Engineer and/or Land Surveyor
E. V. Echohawk
Certificate No. **3602**
E.V.Echohawk LS



XC 1-546 7/5/75

XC 1-546 7/5/75

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

RECEIVED

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

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

JUN 16 1975

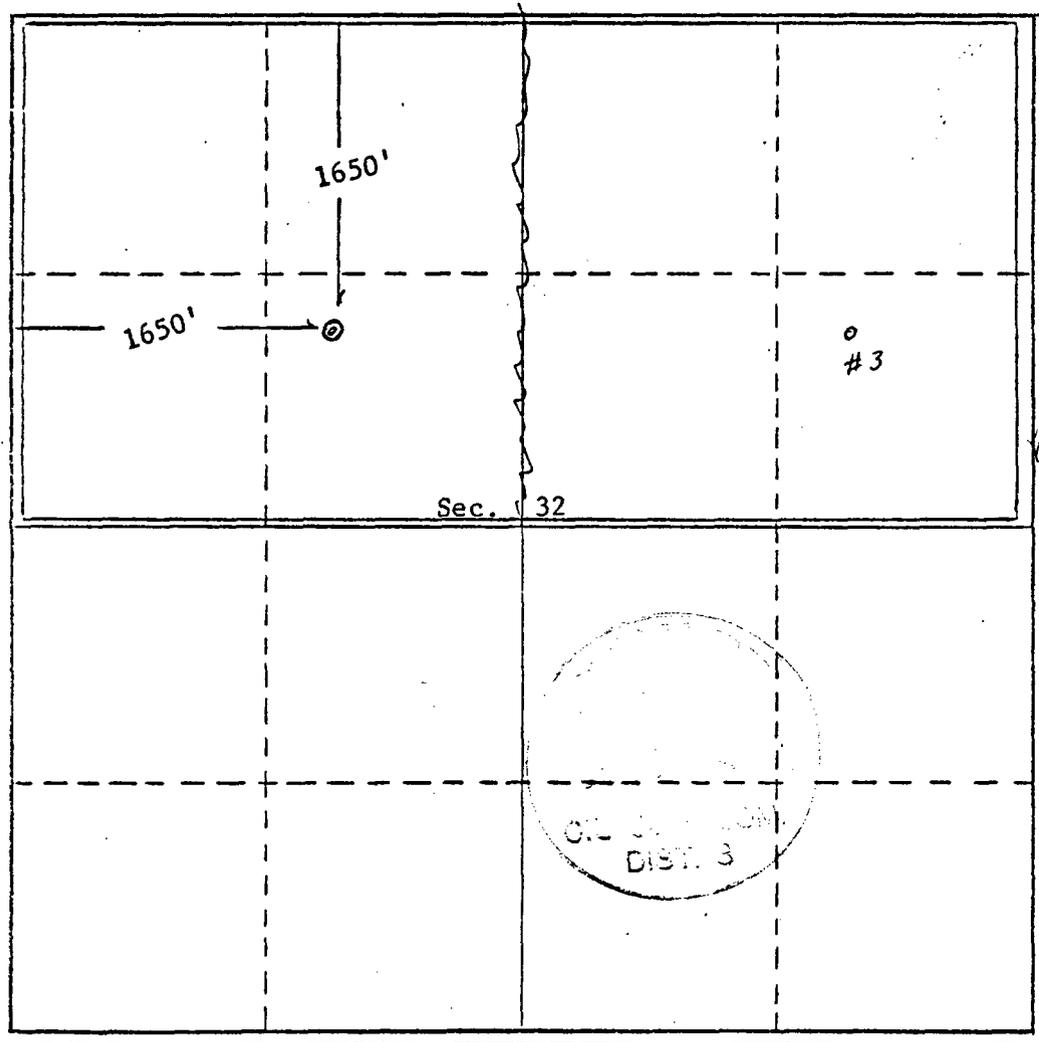
Operator Mesa Petroleum Co.		Lease State		Well No. 3A
Unit Letter F	Section 32	Township 29 North	Range 8 West	County San Juan
Actual Footage Location of Well: 1650 feet from the North line and 1650 feet from the West line				
Ground Level Elev. 5851'	Producing Formation Pictured Cliffs	Pool Blanco	Dedicated Acreage: 320 / 160 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.

Name: **J. L. Farrell**
 Position: **Operations Manager**
 Company: **Mesa Petroleum Co.**
 Date: **6/3/75**

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.

Date Surveyed: _____
 Registered Professional Engineer and/or Land Surveyor: _____

Certificate No. _____

5 - State (Asst. Sec.)
 1 - Archer
 1-546



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

June 10, 1975

MV
I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
PHIL R. LUCERO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

RECEIVED

JUN 16 1975

AMA PROD.

Mesa Petroleum Company
P. O. Box 2009
Amarillo, Texas 79105

Attention: R. J. Flaker

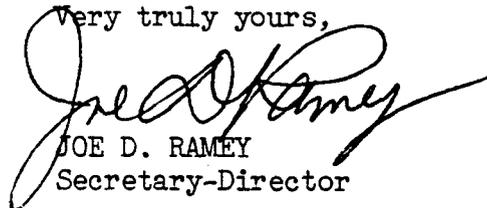
Re: Administrative Order No. MC-²¹⁶⁹~~2890~~

Gentlemen:

Enclosed herewith please find Administrative Order MC-2890
for the following described well:

State Well No. 3-A located in
Unit F of Section 32, Township
29 North, Range 8 West, NMPM,
San Juan County, New Mexico.

Very truly yours,


JOE D. RAMEY
Secretary-Director

JDR/CU/og

cc: Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

Corrected copy - The order was numbered incorrectly.

THE APPLICATION OF MESA PETROLEUM COMPANY
FOR A DUAL COMPLETION.

ORDER NO. MC-2189
RECEIVED

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

JUL 17 1975

Under the provisions of Rule 112 A Mesa Petroleum Company made application to the New Mexico Oil Conservation Commission on May 21, 1975, for permission to dually complete its State Well No. 3-A located in Unit F of Section 32, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Blanco-Pictured Cliffs Pool and from the Blanco-Mesaverde Pool. ^{-AMA PROD.}

NOW, on this 10th day of June, 1975, the Secretary-Director finds:

- (1) That application has been duly filed under the provisions of Rule 112-A of the Commission's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- (3) That no objections have been received within the waiting period as prescribed by said rule.
- (4) That the proposed dual completion will not cause waste nor impair correlative rights.
- (5) That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, Mesa Petroleum Company, be and the same is hereby authorized to dually complete its State Well No. 3-A located in Unit F of Section 32, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Blanco-Pictured Cliffs Pool and from the Blanco-Mesaverde Pool through parallel strings of tubing.

PROVIDED HOWEVER, that applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PROVIDED FURTHER, that applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Blanco-Mesaverde Pool.

IT IS FURTHER ORDERED: that jurisdiction of this cause is hereby retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

State # 3A
Section 32, T-29-N, R-8-W, F
API # 30-045-21632
San Juan County, NM

RE: Application to Downhole Commingle C-107A

Offset Operators:

Amoco Production Co
PO Box 800
Denver, CO 80201

Richardson Operating
1700 Lincoln ST STE 1700
Denver, CO 80203

West Largo Corp
PO Box 621088
Little3ton, CO 80162-1088

Kukui Operating Co.
1415 Louisiana STE 3650
Wedge International Tower
Houston, TX 77002

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

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

A copy of the C-107A application has been sent tp the above listed parties.