

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 Southl First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

APPROVAL PROCESS:
 Administrative Hearing

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

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 28-7 Unit Well No # 219 M Section 20, T-28-N, R-7-W, L County Rio Arriba

OGRID NO. 005073 Property Code _____ API NO. 30-039- 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)	4451-5472'		7097-7344'
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. 750
	b(Original) 1230	b.	b. 2946
6. Oil Gravity (°API) or Gas BT Content	1250		1268
7. Producing or Shut-In?	To be completed		To be completed
Production Marginal? (yes or no)	Expected Yes		Expected Yes
• 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
	Est Rates 350-450 MCFD Allocation by test upon completion	Date Rates	Est Rates 400-500 MCFD Allocation by test upon completion
8. Fixed Percentage Allocation Formula -% for 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? 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). 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.

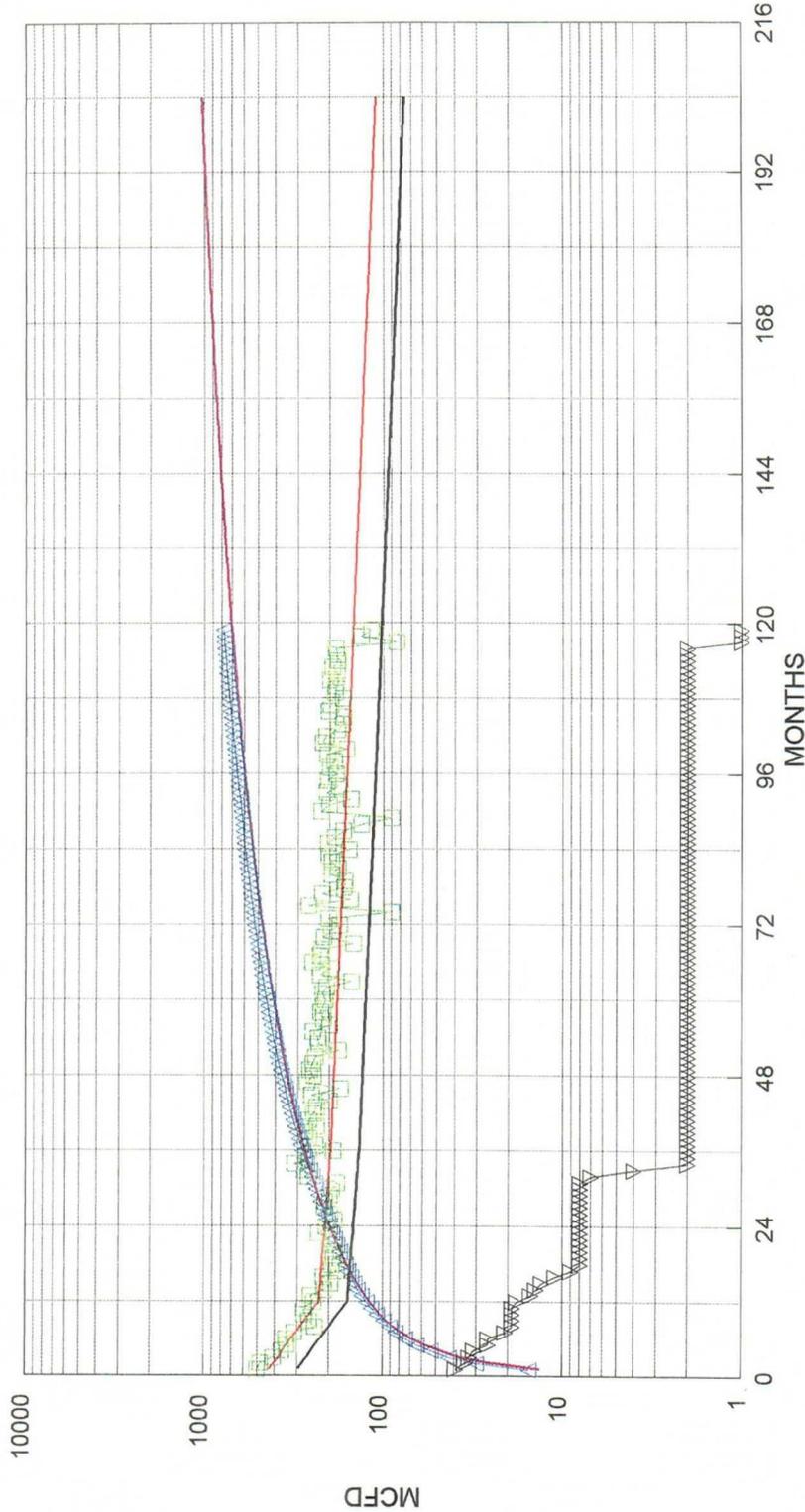
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE February 20, 1999

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

NORMALIZED MESAVERDE PRODUCTION

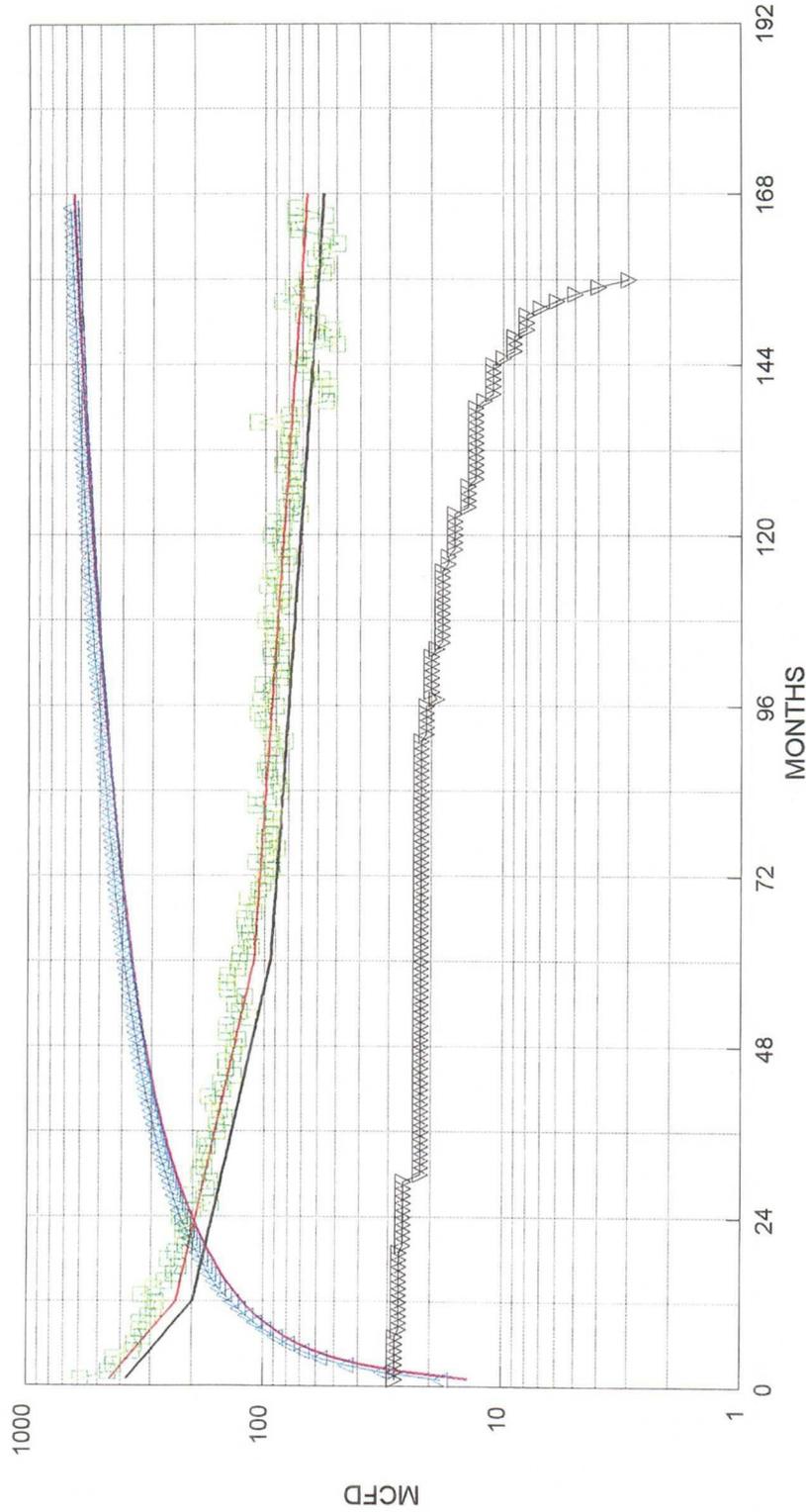
PROD. SINCE 1985; 39 MV WELLS LOCATED IN 28N-7W (37 wells are 1990's completions)



— FIT MCFD □ NORMALIZED MCFD ▲ NORM CUM MMCF
 ▽ WELLS ON PRODUCTION — FIT CUM MMCF — RISKED MCFD

NORMALIZED AVG: 1788 MMCF EUR 1145 MMCF IN 20 YRS 25 MCFD E.L. 0.0139 bbl/mcf oil yield	RISKED AVG: 30% RISK 1184 MMCF EUR 315 MCFD IP 802 MMCF IN 20 YRS 50.0% DECLINE, 1ST 12 MONTHS 25 MCFD E.L. 7.0% DECLINE, NEXT 24 MONTHS 0.0139 bbl/mcf oil yield 4.0% FINAL DECLINE
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NORMALIZED DAKOTA PRODUCTION
 PROD. SINCE 1980; 29 DK WELLS LOCATED IN W 2/3 OF 28N-7W AND 27N-7W



— FIT MCFD □ NORMALIZED MCFD ▲ NORM CUM MMCF
 ▽ WELLS ON PRODUCTION — FIT CUM MMCF — RISKED CUM MMCF

<p>NORMALIZED AVG:</p> <p>924 MMCF EUR 779 MMCF IN 20 YRS 25 MCFD E.L. 0.0079 bbl/mcf oil yield</p>	<p>RISKED AVG: 15% RISK</p> <p>761 MMCF EUR 662 MMCF IN 20 YRS 25 MCFD E.L. 0.0079 bbl/mcf oil yield</p>	<p>986 MMCF IN 40 YRS 470 MCFD IP 50% DECLINE, 1ST 12 MONTHS 17% DECLINE, NEXT 48 MONTHS 5.5% FINAL DECLINE</p>	<p>400 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 17.0% DECLINE, NEXT 48 MONTHS 5.5% FINAL DECLINE</p>
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District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
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

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

API Number 30-039- N/A	2 Pool Code 72319 / 71599	3 Pool Name Blanco Mesaverde / Basin Dakota
4 Property Code	5 Property Name San Juan 28-7 Unit	6 Well Number 219 M
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation

10 Surface Location

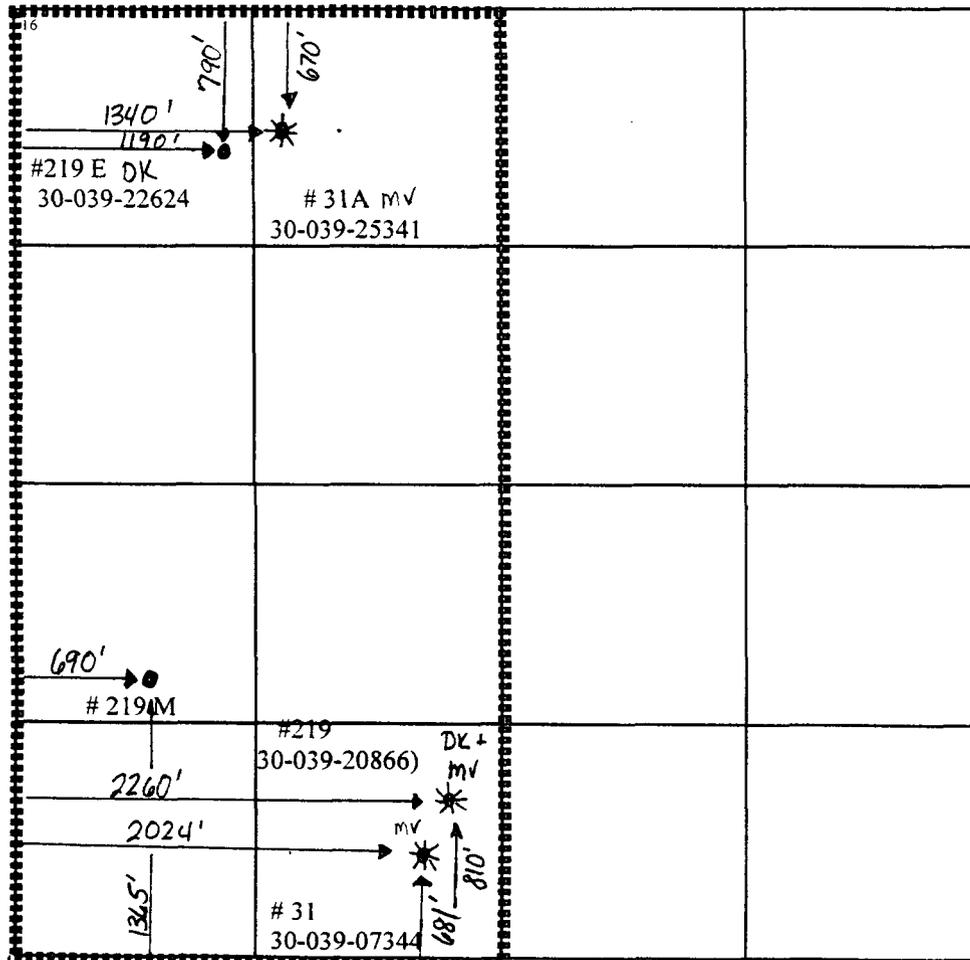
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	20	28N	7W		1365	South	690	West	Rio Arriba

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	14 Consolidation Code	15 Order No. R -10987 - A
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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

Kay Maddox
Printed Name

Regulatory Agent
Title

February 20, 1999
Date

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

February 20, 1999

RE: Notification of Offset Operators of C-107A Application
San Juan 28-7 Unit Well # 219M

Conoco, Inc. is the sole operator of the San Juan 28-7 Unit. This well does not encroach on any outside unit boundary lines therefore there are no offset operators that require notification.