

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2474

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]

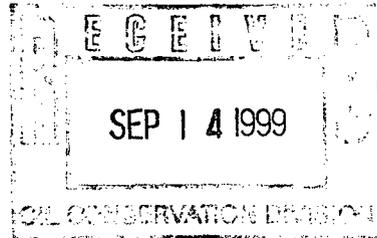
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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.

Deborah Moore (281) 293-1005 *Deborah Moore* Regulatory Analyst 9/31/99
 Print or Type Name Signature Title Date

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

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
Revised August 1999

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc. P.O. Box 2197 DU 3066, Houston, TX 77252

Operator Address

Storey C LS 7 B Sec. 27 T-28N, R-9W San Juan

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 22423 API NO. 30-045-07198 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	Aztec Pictured Cliffs 71280		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	3026 - 3068		5302 - 5500
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 Current Measured Current Estimated Or Measured Original	a. (Current) 237	a.	a. 574
	b. (Original) 859	b.	b. 1225
6. Oil Gravity (EAPI) or Gas BTU Content	1142		1330
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no) * 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, give date and oil/gas/water rates of recent test (within 60 days)	NO		NO
	Date: Rates:	Date: Rates:	Date: Rates:
	Date: April/May 99 rates Rates: 101 MCFD	Date: Rates:	Date: April/May 99 rates Rates: 92 MCFD
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 0 % Gas: 62 %	Oil: % Gas: %	Oil: 100% Gas: 38%

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

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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

16. ATTACHMENTS:

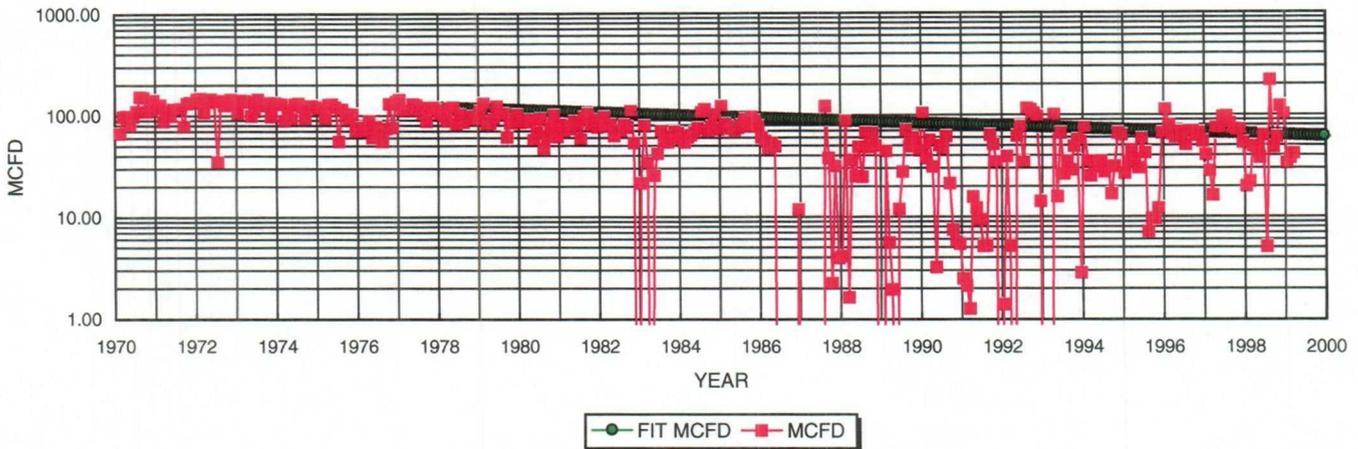
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of 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 Deborah Moore TITLE Regulatory Analyst DATE 08/3199

TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 293-1005

**STOREY CLS #7 MESAVERDE PRODUCTION
SECTION 27B-28N-09W**



MESAVERDE HISTORICAL DATA:

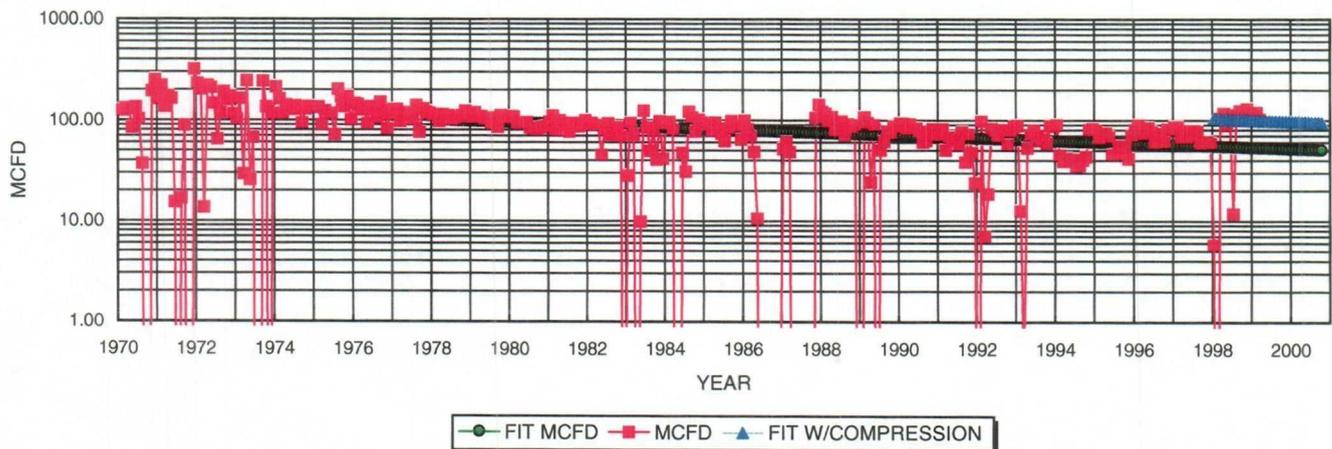
1ST PROD: 09/57

MESAVERDE PROJECTED DATA:

OIL CUM: 11.21 MBO
GAS CUM: 1564.9 MMCF
OIL YIELD: 0.0072 BBL/MCF

09/01/99 Qi: 63 MCFD
DECLINE RATE: 3.0% (EXPONENTIAL)

**STOREY CLS #7 PICTURED CLIFFS PRODUCTION
SECTION 27B-28N-09W**



PICTURED CLIFFS HISTORICAL DATA:

1ST PROD: 09/579

PICTURED CLIFFS PROJECTED DATA:

OIL CUM: 0.0 MBO
GAS CUM: 1690.3 MMCF
OIL YIELD: 0.0000 BBL/MCF

09/01/99 Qi: 101 MCFD
DECLINE RATE: 3.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

API # 30-045-07198

	GAS	OIL
MESAVERDE	38%	100%
PICTURED CLIFFS	62%	0%

GAS ALLOCATION BASED ON PROJECTED 1999 RATES
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

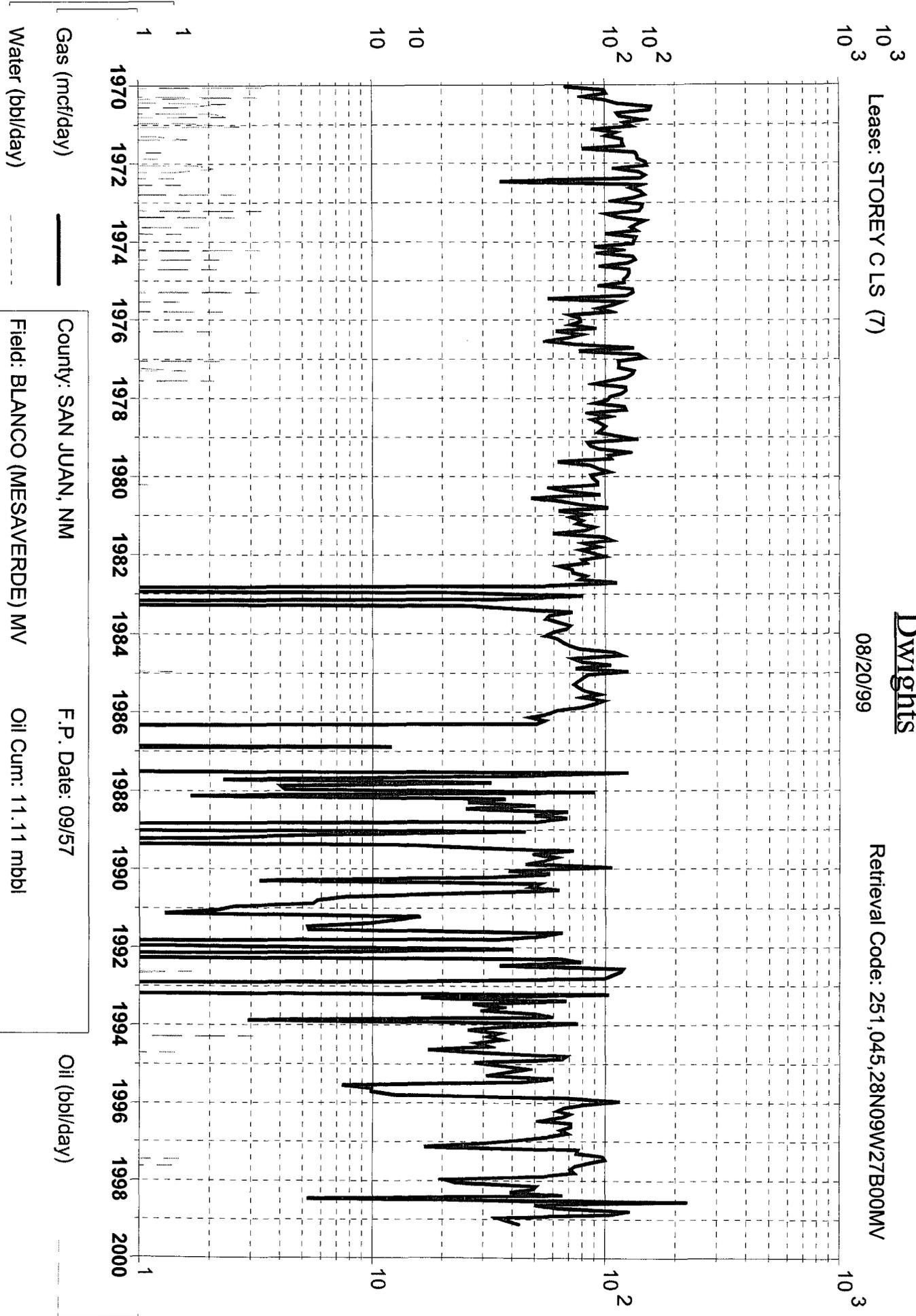
NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Dwights

Lease: STOREY C LS (7)

08/20/99

Retrieval Code: 251,045,28N09W27B00MV



County: SAN JUAN, NM F.P. Date: 09/57

Field: BLANCO (MESAVERDE) MV Oil Cum: 11.11 mbbl

Reservoir: MESAVERDE Gas Cum: 1565 mmcf

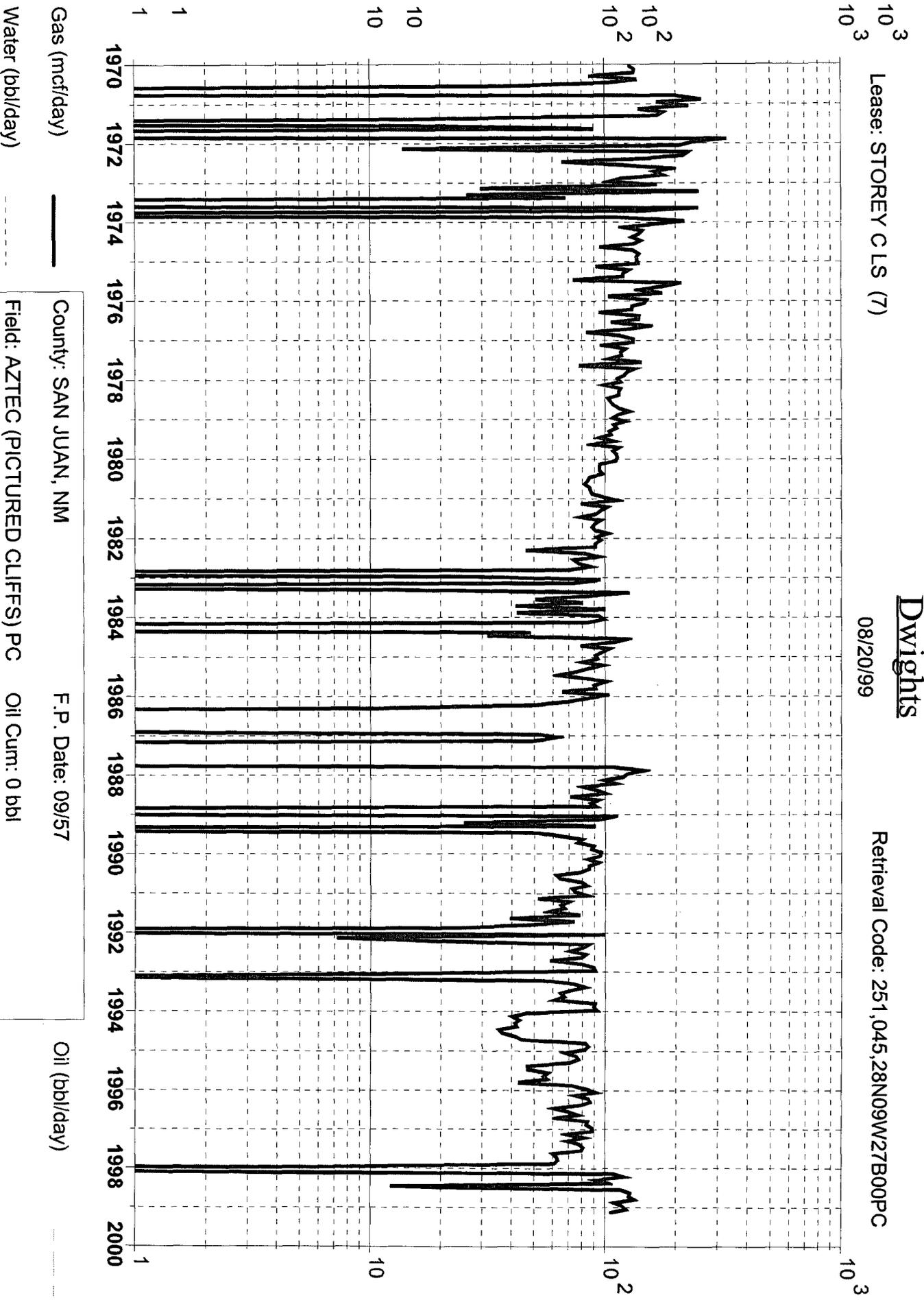
Operator: CONOCO INC Location: 27B 28N 9W

Dwights

Lease: STOREY CLS (7)

08/20/99

Retrieval Code: 251,045,28N09W27B00PC



County: SAN JUAN, NM

F.P. Date: 09/57

Field: AZTEC (PICTURED CLIFFS) PC

Oil Cum: 0 bbl

Reservoir: PICTURED CLIFFS

Gas Cum: 1690 mmcf

Operator: CONOCO INC

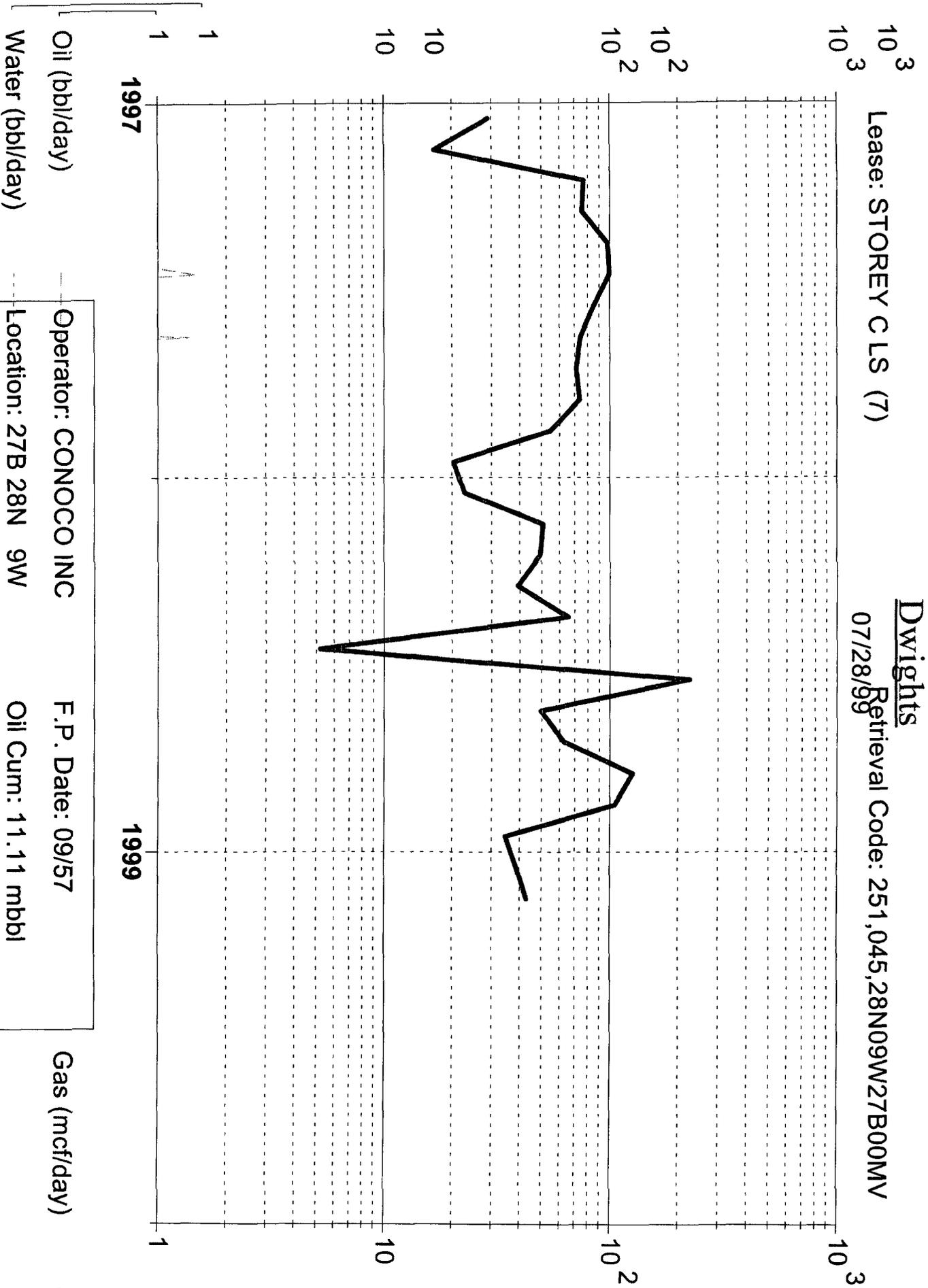
Location: 27B 28N 9W

Oil (bbl/day)

Lease: STOREY C LS (7)

Dwights
07/28/99

Retrieval Code: 251,045,28N09W27B00MV



Gas (mcf/day)

Operator: CONOCO INC

F.P. Date: 09/57

Oil (bbl/day)

Location: 27B 28N 9W

Oil Cum: 11.11 mbbl

Water (bbl/day)

Lower Perf: 5500 ft

Gas Cum: 1565 mmcf

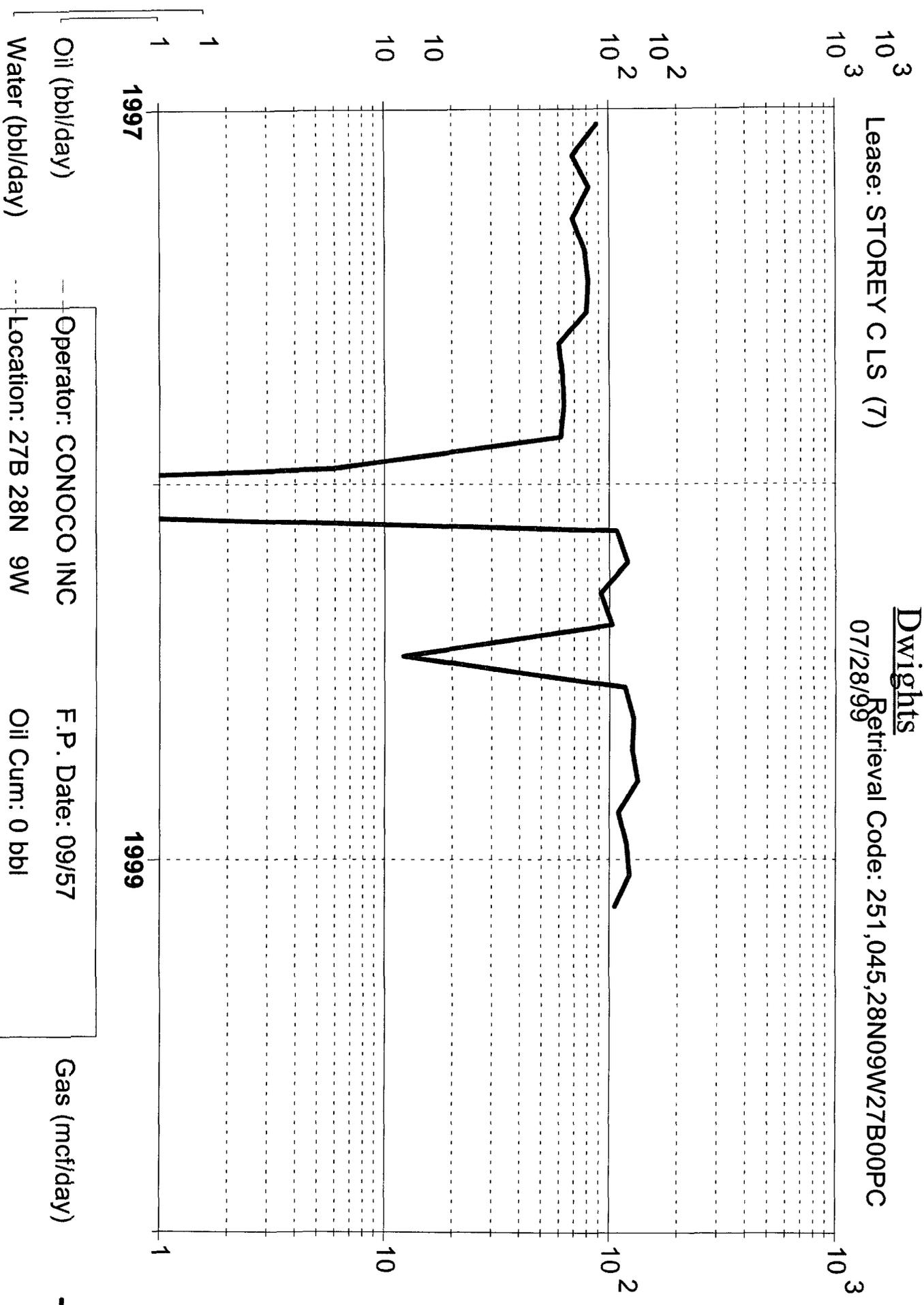
Upper Perf: 5302 ft

L.P. Date: 02/99

Lease: STOREY C LS (7)

Dwights
07/28/99

Retrieval Code: 251,045,28N09W27B00PC



Operator: CONOCO INC	F.P. Date: 09/57
Location: 27B 28N 9W	Oil Cum: 0 bbl
Lower Perf: 3068 ft	Gas Cum: 1690 mmcf
Upper Perf: 3026 ft	L.P. Date: 02/99

Gas (mcf/day)

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe. NM 87505

Form C-102
Revised March 17, 1999

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-07198		² Pool Code 71280, 72319		³ Pool Name Aztec Pictured Cliffs, Blanco Mesaverde	
⁴ Property Code 22423		⁵ Property Name Storey C LS			⁶ Well Number 7
⁷ OGRID No. 005073		⁸ Operator Name Conoco Inc.			⁹ Elevation 6824.12

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
B	27	28N	9W		890'	North	1750'	East	San Juan

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 160/320	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.
--	------------------------------------	----------------------------------	-------------------------

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

16					<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p>Signature: <i>Deborah Moore</i></p> <p>Printed Name Deborah Moore</p> <p>Title Regulatory Analyst</p> <p>Date 08/31/99</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p>				
	<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p>				
	<p>Certificate Number</p>				

WELL LOCATION AND/OR GAS PRORATION PLAT

DATE APRIL 3, 1957

OPERATOR EL PASO NATURAL GAS COMPANY LEASE STOREY SF 077111

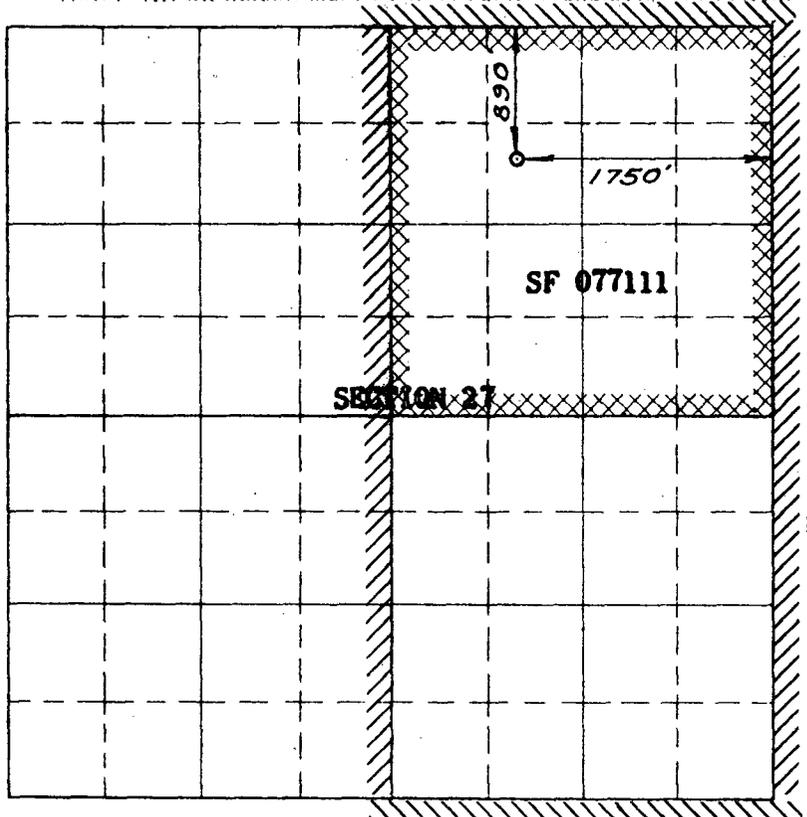
WELL NO. 7-C (PM) SECTION 27 TOWNSHIP 28 N RANGE 9 W NMPM

LOCATED 890 FEET FROM NORTH LINE 1750 FEET FROM EAST LINE

SAN JUAN COUNTY, NEW MEXICO WELL ELEVATION 6824.12

NAME OF PRODUCING FORMATION P.C. & N.V. OIL AZTEC P.C. ~~PC~~ 160 AC. PC
DEDICATED ACREAGE 320 AC NV (1919 PLAT)

Note: All distances must be from outer boundaries of section.



Scale 1 inch = 1 mile

RECEIVED

APR 5 1957

U. S. GEOLOGICAL SURVEY
FARMINGTON, NEW MEXICO

NOTE

This section of form is to be used for gas wells only

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed MARCH 4, 1957

E. O. Walker
Registered Professional Engineer and/or Land Surveyor

1. Is this well a Dual Comp.
Yes No
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage.
Yes No

Name Original Signed EWELL N. WALSH

Position Petroleum Engineer

Representing El Paso Natural Gas

Address Box 997 - Farmington, N.M.

(Seal)

Farmington, New Mexico