

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

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]

2506

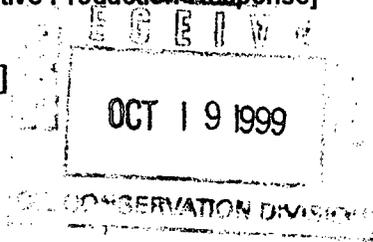
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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
 Print or Type Name

Deborah Moore
 Signature Regulatory Analyst
 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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A Revised March 17, 1999

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

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

Operator San Juan 28-7 #52 Address H, Sec. 27, T-28N, R-7W Rio Arriba

Lease Well No. Unit Ltr. - Sec - Twp - Rge Spacing Unit Lease Types: (check 1 or more) OGRID NO. 005073 Property Code 016608 API NO. 30-039-07315 Federal State (and/or) Fee

Table with 4 columns: Zone (Upper, Intermediate, Lower) and 8 rows of production data including Pool Name, Pay Section, Production Type, Method, Pressure, Gravity, and Allocation.

- 9. If allocation formula is based upon something other than current or past production...
10. Are all working, overriding, and royalty interests identical in all commingled zones?
11. Will cross-flow occur?
12. Are all produced fluids from all commingled zones compatible with each other?
13. Will the value of production be decreased by commingling?
14. If this well is on, or communitized with, state or federal lands...
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.
* 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.

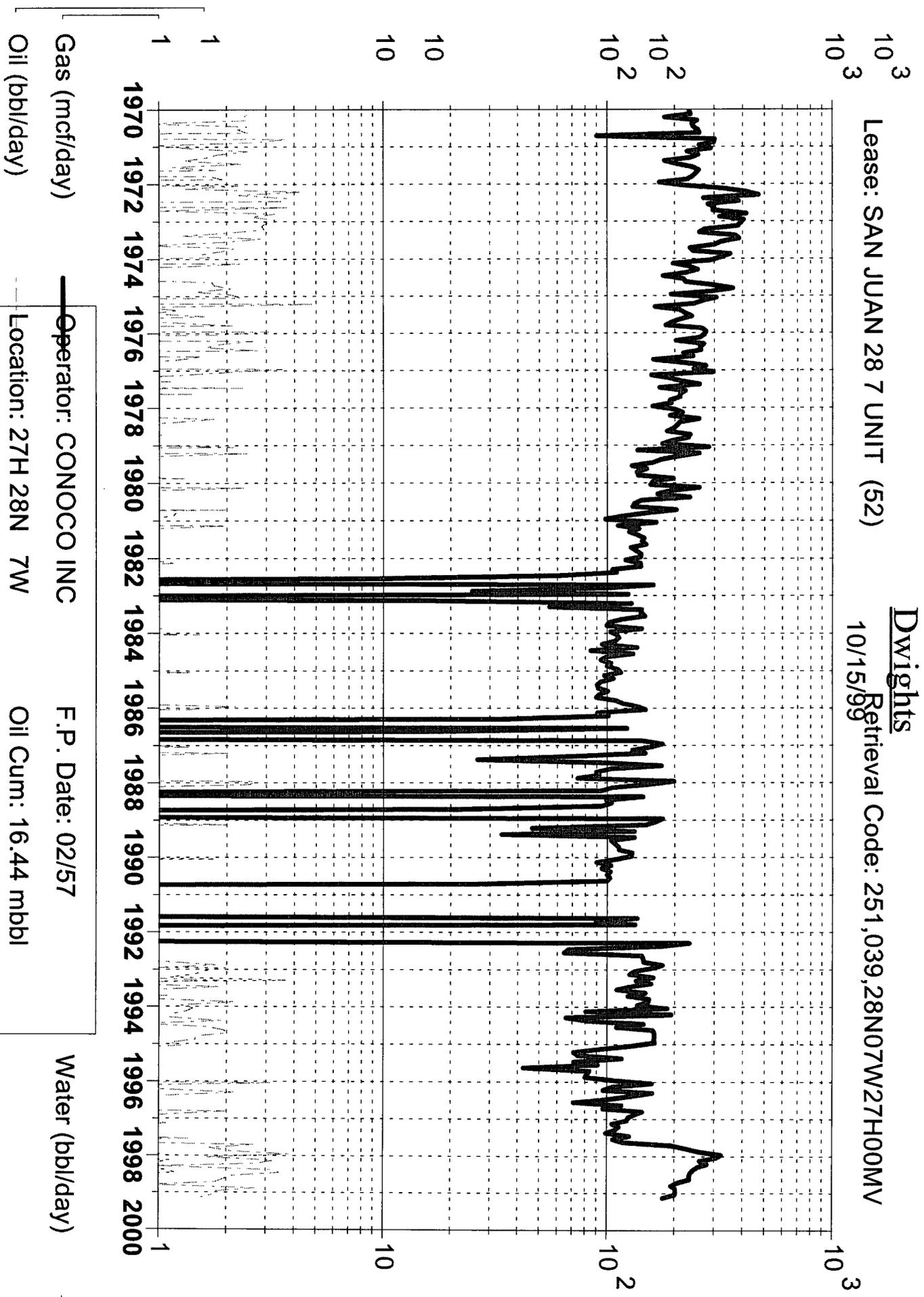
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Regulatory Analyst DATE 09/07/99

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

Lease: SAN JUAN 28 7 UNIT (52)

Dwights
Retrieval Code: 251,039,28N07W27H00MV
10/15/99



Gas (mcf/day)

Oil (bbl/day)

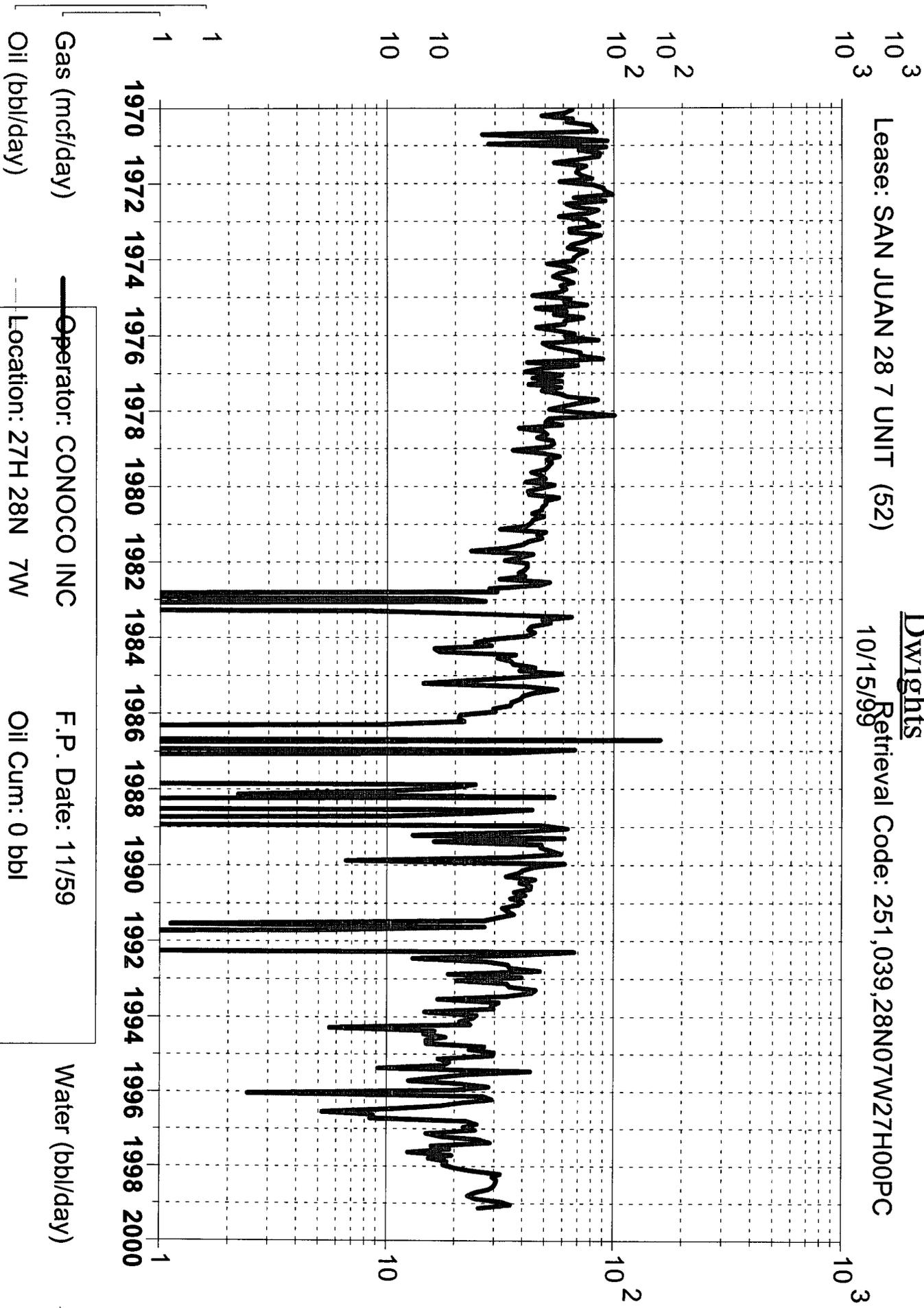
Water (bbl/day)

Operator: CONOCO INC
Location: 27H 28N 7W
Field: BLANCO (MESAVERDE)
Reservoir: MESAVERDE

F.P. Date: 02/57
Oil Cum: 16.44 mbbl
Gas Cum: 3044 mmcf
L.P. Date: 02/99

Lease: SAN JUAN 28 7 UNIT (52)

Dwights
Retrieval Code: 251,039,28N07W27H00PC
10/15/99



Operator: CONOCO INC F.P. Date: 11/59

Location: 27H 28N 7W Oil Cum: 0 bbl

Field: BLANCO SOUTH (PICTU Gas Cum: 701.5 m mcf

Reservoir: PICTURE CLIFFS L.P. Date: 02/99

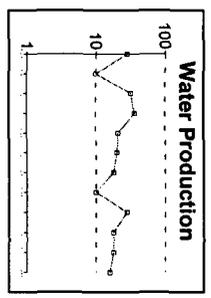
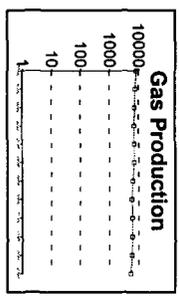
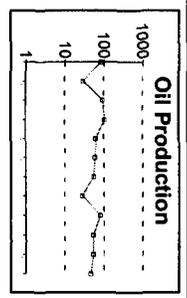
Water (bbl/day) - - - - -

Lease: SAN JUAN 28 7 UNIT
 Field: BLANCO (MESASVERDE) MV
 Operator: CONOCO INC
 RCI #: 251.039.28ND07W27H00MV
 API #: 30-039-07315-00

Well #: 52
 Location: 27H 28N 7W
 Liquid Cum: 16,441 bbls
 Gas Cum: 3,044,132 mcf
 Status: ACT GAS

FP Date: 57-02
 LP Date: 99-02
 Liq Since: FPDATE
 Gas Since: FPDATE

DATE	OIL, BBLS	GAS, MCF	WATER, BBLs	WELLS
03/1998	83	8,437	28	1
04/1998	30	7,663	10	1
05/1998	95	7,309	32	1
06/1998	105	7,126	36	1
07/1998	63	7,047	21	1
08/1998	59	7,055	20	1
09/1998	54	6,265	18	1
10/1998	28	5,859	10	1
11/1998	81	6,117	28	1
12/1998	54	6,122	18	1
01/1999	54	6,086	18	1
02/1999	47	5,394	16	1
Total	753	80,480	255	



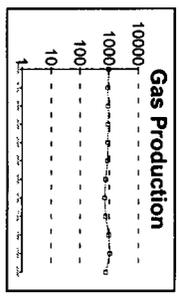
2/99
 192.6 MCF/D

Lease: SAN JUAN 28 7 UNIT
 Field: BLANCO SOUTH (PICTURE CLIFFS) PC
 Operator: CONOCO INC
 RCI #: 251,039,28N07W27H00PC
 API #: 30-039-07315-00

Well #: 52
 Location: 27H 28N 7W
 Liquid Cum: 701,488 mcf
 Gas Cum: 701,488 mcf
 Status: ACT GAS

FP Date: 59-11
 LP Date: 99-02
 Lq Since: FPDATE
 Gas Since: FPDATE

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
03/1998	0	964	0	1
04/1998	0	894	0	1
05/1998	0	932	0	1
06/1998	0	922	0	1
07/1998	0	905	0	1
08/1998	0	865	0	1
09/1998	0	751	0	1
10/1998	0	696	0	1
11/1998	0	751	0	1
12/1998	0	976	0	1
01/1999	0	1,070	0	1
02/1999	0	778	0	1
Total	0	10,504	0	1



2/99 - 778
 077 mcf/d

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

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised March 17, 1999

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe. NM 87505

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

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-07315		² Pool Code 72439/72319		³ Pool Name Blanco Picture Cliff South / Blanco Mesaverde	
⁴ Property Code 016608		⁵ Property Name San Juan 28-7 Unit			⁶ Well Number 52
⁷ OGRID No. 005073		⁸ Operator Name Conoco Inc.			⁹ Elevation 6168

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
H	27	28N	7W		1840'	NORTH	990	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 160/320	¹³ Joint or Infill Y	¹⁴ Consolidation Code U	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>
		Signature <i>Deborah Moore</i>
		Printed Name Deborah Moore
		Title Regulatory Analyst
Date 10/14/99	<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>	
Date of Survey	Signature and Seal of Professional Surveyer:	
Certificate Number		



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5795

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5752

October 20, 1999

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

Attn: Ms. Deborah Moore

Re: Downhole Commingling Application
San Juan 28-7 Unit Well No. 52
Unit Letter H, Section 27-28N-07W
Blanco Pictured Cliffs South and Blanco Mesaverde Pools
Rio Arriba County, New Mexico

Dear Ms. Moore:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on October 1, 1999. Your application requests our approval to downhole commingle the Blanco Pictured Cliffs South and Blanco Mesaverde production within the wellbore of the San Juan 28-7 Unit Well No. 52, Unit Letter H, located in Section 27-28N-07W, Rio Arriba County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil%</u>	<u>Gas %</u>
Blanco Pictured Cliffs South	0%	20%
Blanco Mesaverde	100%	80%
	-----	-----
	100%	100%

Since it appears that the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please submit your filing fee in the amount of \$30.00.

Also, please submit a copy of the Oil Conservation Division's Order approving this application.

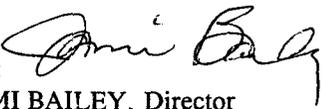
"WE WORK FOR EDUCATION"

Conoco Inc.
October 20, 1999
Page 2

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
xc: Reader File

cc: OCD--Attention: David Catanach, Ben Stone

BLM