

DHC 12/28/99

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

OIL CONSERVATION DIVISION APPLICATION FOR DOWNHOLE COMMINGLING

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

Operator Address

STATE COM G 3 P, SEC 32, T-29N, R8W SAN JUAN

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

OGRID NO. 005073 Property Code 003267 API NO. 30-045-29785 Federal State X (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 Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4132' top 5138' base		6814' top 7074' base
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING INITIALLY		FLOWING INITIALLY
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) est. 410 psi	a.	a. est. 920 psi
	b. (Original) est. 1215 psi	b.	b. est. 2900 psi
6. Oil Gravity (EAPI) or Gas BTU Content	1214		1200
7. Producing or Shut-In?			
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)	Yes		Yes
	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Rates: est. 600-700 mcf/d	Date: Rates:	Date: Rates: est. 400 mcf/d
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	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
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 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 12/7/99
TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 293-1005

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO. 30-045-29781
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: STATE
8. Well No. 4E
9. Pool name or Wildcat Mesa Verde/Dakota
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5924' GR

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 Conoco Inc.

3. Address of Operator
 P.O. Box 2197 DU 3066 Houston, TX 77252-2197

4. Well Location
 Unit D : 790 feet from the NORTH line and 890 feet from the WEST line
 Section 32 Township 29N Range 8W NMPM County SAN JUAN

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 5924' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPLETION

OTHER: DHC

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
 CASING TEST AND CEMENT JOB

OTHER:

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

CONOCO, INC. PROPOSES TO DOWNHOLE COMMINGLE THIS WELL USING THE ATTACHED PROCEDURE.

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

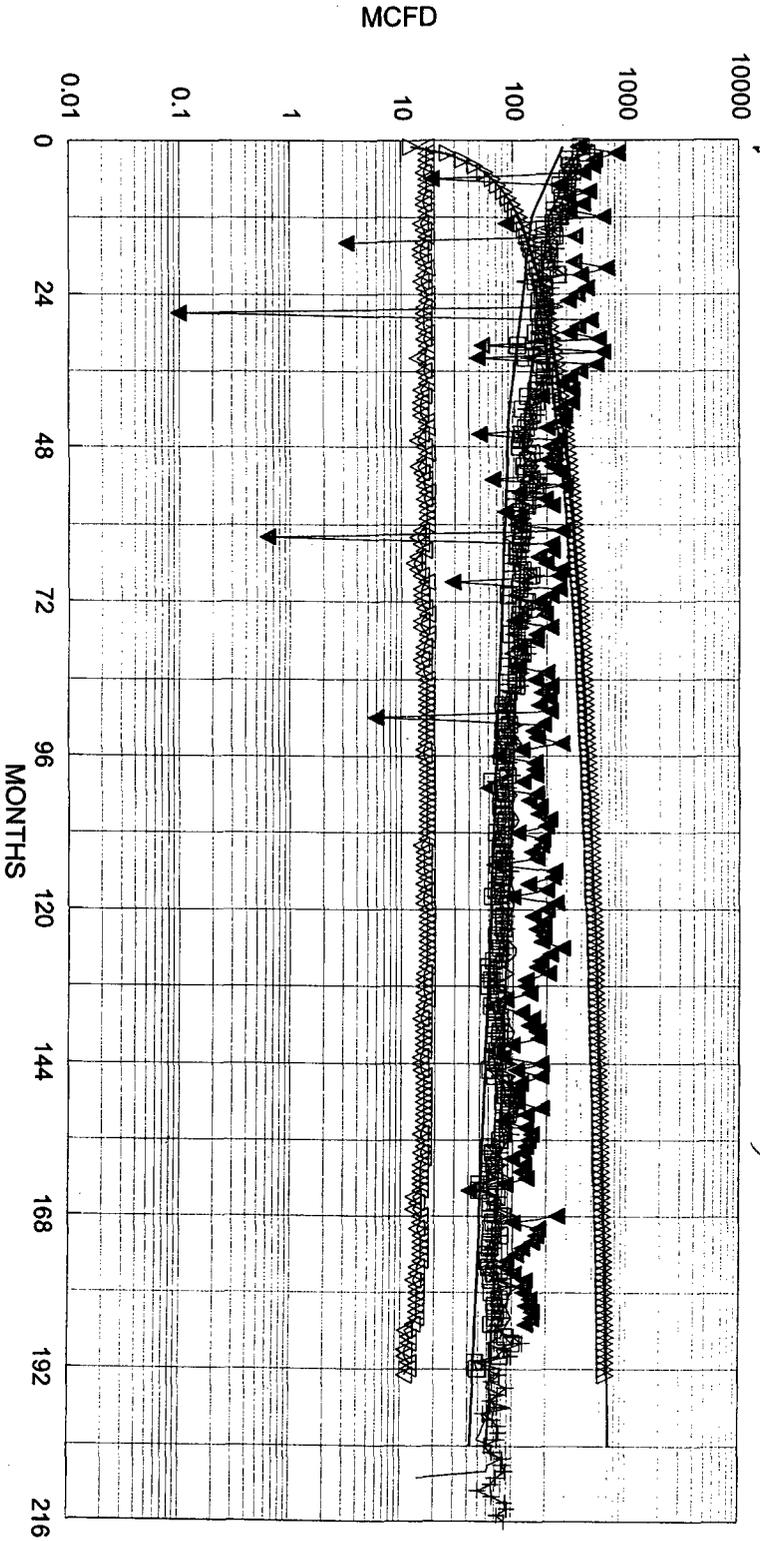
SIGNATURE Deborah Moore TITLE Regulatory Analyst DATE 12/7/99

Type or print name Deborah Moore Telephone No. (281) 293-1005
 (This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

NORMALIZED DAKOTA PRODUCTION
 PROD. SINCE 1970: 17 DK WELLS OFFSETTING 32-29N-8W



Normalized plot for supporting State Com G-3, G-3E, 4 and 4E wells

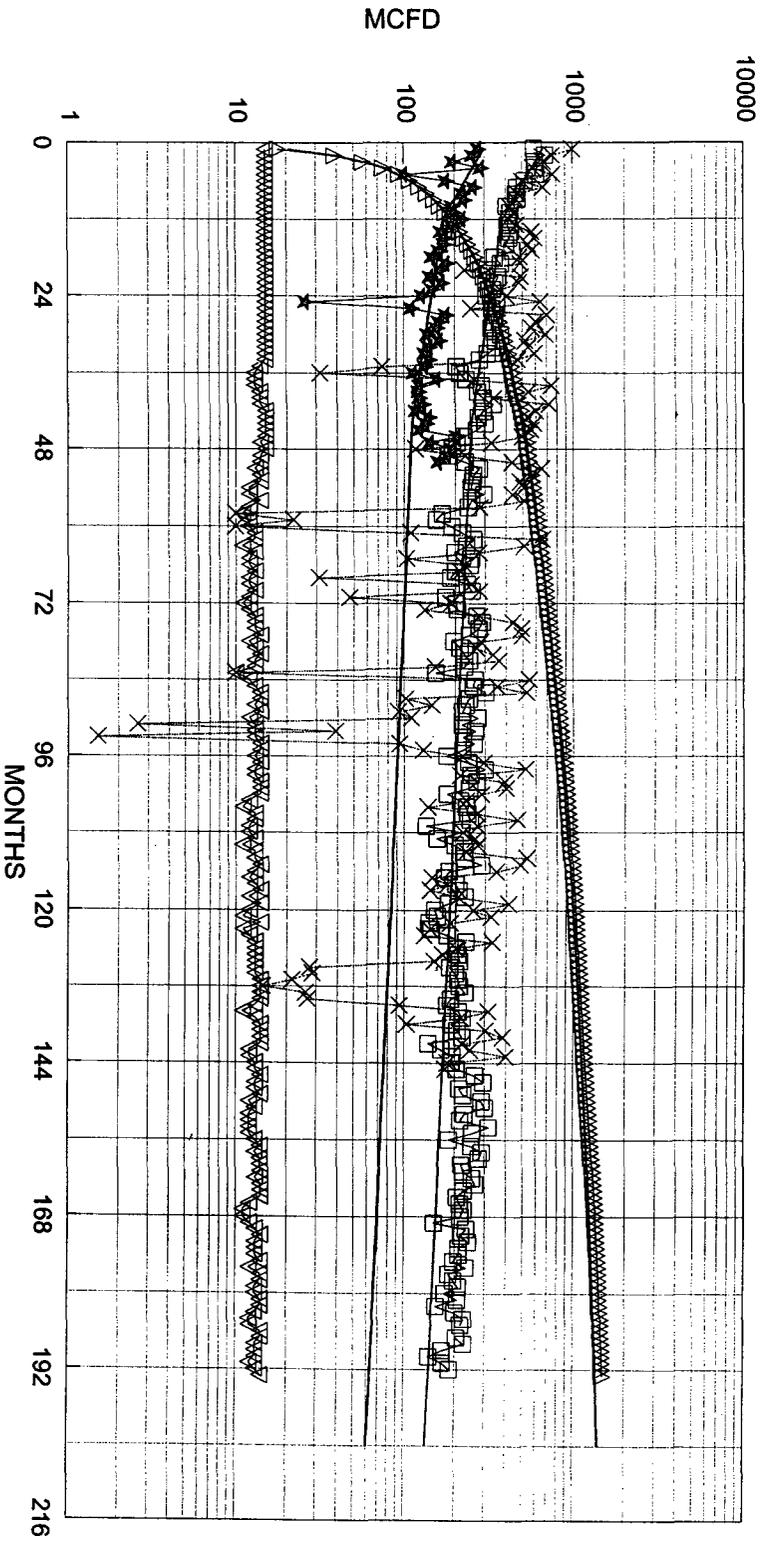
— FIT MCFD □ NORMALIZED MCFD Δ NORM CUM MMCF ▽ WELLS-ON PRODUCTION — FIT CUM MMCF
 - - - RISKED MCFD + 1980+ wells (14 wells) - Sec. 32(Direct offsets-6) ▼ Hughes 6E (P10 Case)

NORMALIZED AVG: (P50 Case)
 948 MMCF EUR
 945 MMCF/32YRS
 25 MCFD E.L.
 0.005723 bbl/mcf oil yield

425 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 17% DECLINE, NEXT 36 MONTHS
 5.5% FINAL DECLINE

RISKED AVG: 30% RISK (P90 Case)
 615 MMCF EUR 298 MCFD IP
 612 MMCF/26 YRS 50% DECLINE, 1ST 12 MONTHS
 25 MCFD E.L. 17% DECLINE, NEXT 36 MONTHS
 0.005723 bbl/mcf oil yield 6% FINAL DECLINE

NORMALIZED MESAVERDE PRODUCTION
PROD. SINCE 1978; 15 MV WELLS OFFSETTING 32-29N-8W



Normalized plot for supporting State 4, 4E, G3, G3E

<p>NORMALIZED AVG:</p> <p>2277 MMCF EUR 2104 MMCF/ 40YRS 25 MCFD E.L. 0.004840 bbl/mcf oil yield</p>		<p>RISKED AVG:</p> <p>700 MCFD IP 45% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS 4.5% FINAL DECLINE</p>		<p>RISKED AVG: 55% RISK</p> <p>907 MMCF EUR 903 MMCF/ 36 YRS 25 MCFD E.L. 0.004840 bbl/mcf oil yield</p>		<p>315 MCFD IP</p> <p>45% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS 4.5% FINAL DECLINE</p>	
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District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

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

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

AMENDED REPORT

District IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-29785		*Pool Code 71599	*Pool Name BASIN DAKOTA
*Property Code 003267	*Property Name STATE COM G		*Well Number 3
*GRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 6019'

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
P	32	29N	8W		940	SOUTH	1015	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 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature MIKE L. MANKIN Printed Name RIGHT-OF-WAY AGENT Title 12-15-98 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. NOVEMBER 17, 1998 Date of Survey Signature and Seal of Surveyor NEALE O. EDWARDS NEW MEXICO 6857 Certificate Number