

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

DHC 12/28/99

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 Houston, TX 77252-2197

Operator STATE COM G Address 3E N, SEC 32, T-29N, R8W SAN JUAN

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

OGRID NO. 005073 Property Code 003267 API NO. 30-045-29786 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)	3956' top 4962' base		6630' top 6890' 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. IP 600-700 mcf/d	Date: Rates:	Date: Rates: est. IP 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 REGULATORY ANALYST TITLE DATE 12/16/99

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. 30-045-29786
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		7. Lease Name or Unit Agreement Name: STATE COM G
2. Name of Operator Conoco Inc.	8. Well No. 3E	
3. Address of Operator P.O. Box 2197 DU 3066 Houston, TX 77252-2197	9. Pool name or Wildcat Mesa Verde/Dakota	
4. Well Location Unit <u>N</u> : <u>790</u> feet from the <u>SOUTH</u> line and <u>1665</u> feet from the <u>WEST</u> line Section <u>32</u> Township <u>29N</u> Range <u>8W</u> NMPM County <u>SAN JUAN</u>		
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5848 GR		

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: DHC <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
--	--	---	--

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

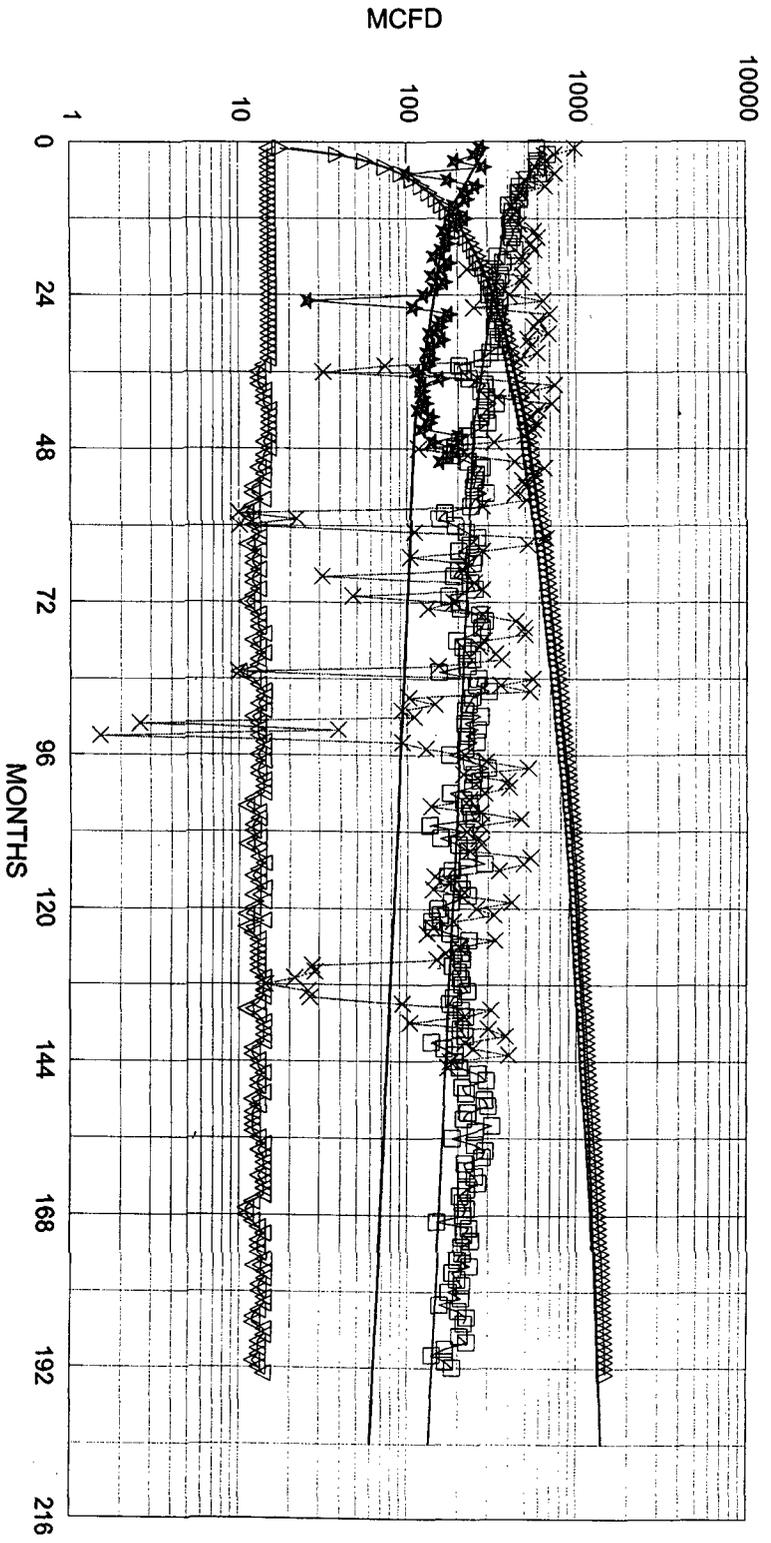
Type or print name Deborah Moore Telephone No. (281) 293-1005

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

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



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

— FIT MCFD □ NORMALIZED MCFD ▽ NORM CUM MMCF ☆ WELLS ON PRODUCTION
 — FIT CUM MMCF — RISKED MCFD * Sec. 32 Infill Wells (2) ★ Hughes LS 99 (9/94 Completion)

NORMALIZED AVG:

2277 MMCF EUR
 2104 MMCF/40YRS
 25 MCFD E.L.
 0.004840 bbl/mcf oil yield

700 MCFD IP
 45% DECLINE, 1ST 12 MONTHS
 15% DECLINE, NEXT 36 MONTHS
 4.5% FINAL DECLINE

RISKED AVG: 55% RISK

907 MMCF EUR 315 MCFD IP
 903 MMCF/36 YRS 45% DECLINE, 1ST 12 MONTHS
 25 MCFD E.L. 15% DECLINE, NEXT 36 MONTHS
 0.004840 bbl/mcf oil yield 4.5% FINAL DECLINE

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 30-045-29786		*Pool Code 71599	*Pool Name BASIN DAKOTA
*Property Code 003267	*Property Name STATE COM G		*Well Number 3E
*OGRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 5848'

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
N	32	29N	8W		790	SOUTH	1665	WEST	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.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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

¹⁵

5291.88'

RECEIVED

JAN 15 1999

OIL CON. DIV.

DIST. 3

32

5200.80'

2602.38'

2598.42'

790'

1665'

5171.10'

¹⁷ OPERATOR CERTIFICATION

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

Mike L. Mankin

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

NEALE C. EDWARDS

Signature and Seal of Professional Surveyor

NEW MEXICO

6857

Certificate Number