

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2590

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]

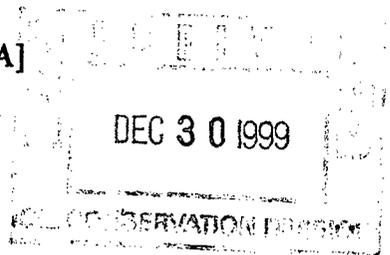
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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 12/29/99
 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

__X__ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

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

Operator Address

SAN JUAN 28-7 184 K, SEC 9, T-27N, R7W RIO ARRIBA

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

OGRID NO. 005073 Property Code 016608 API NO. 30-039-20771 Federal __X__, 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 MESA VERDE 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4933 -5605 PROPOSED		7507-7728
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	EXPECTED TO FLOW		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 517	a.	a. 750
	b. (Original) 1250	b.	b. 3150
6. Oil Gravity (EAPI) or Gas BTU Content	1250		1120
7. Producing or Shut-In?	TO BE COMPLETED		PRODUCING
8. 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: EXPECTED RATED Rates: 350 - 450 mcf/d	Date: Rates:	Date: CURRENT RATE: Rates: 80 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 (Not necessary)
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) 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 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 12/29/99

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

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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 30-039-20679		² Pool Code 71599 / 72319		³ Pool Name Blanco Mesaverde / Basin Dakota	
⁴ Property Code 016608		⁵ Property Name San Juan 28-7			⁶ Well Number 184
⁷ OGRID No. 005073		⁸ Operator Name Conoco Inc.			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
U	24	28N	7W		900'	North	990'	East	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

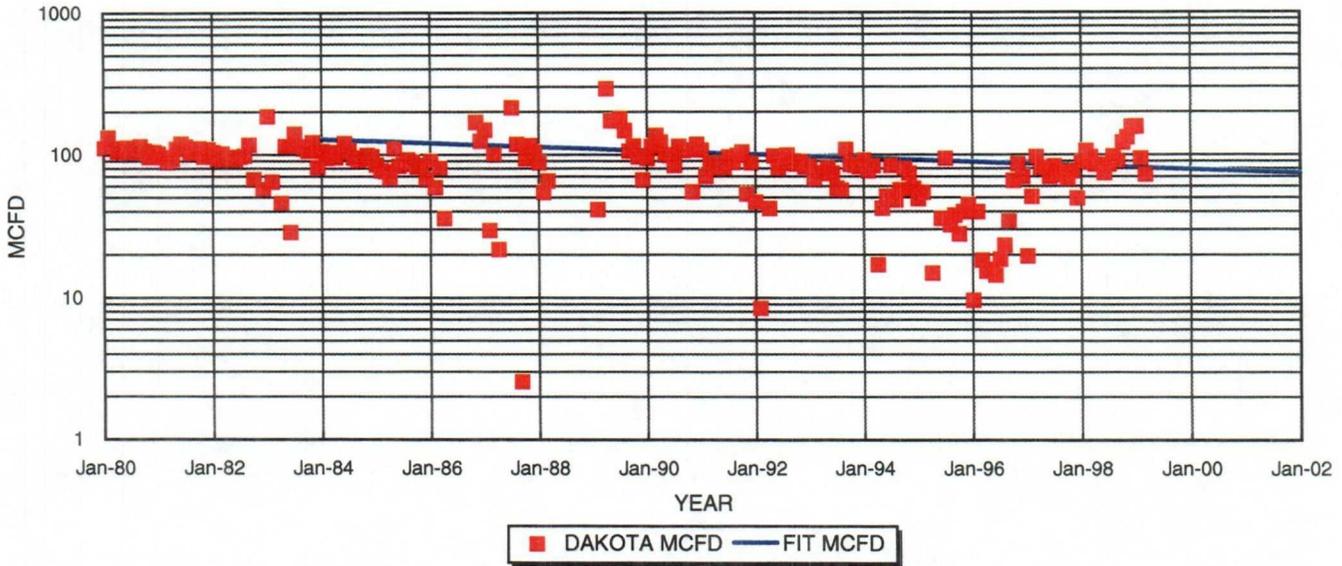
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160/80	¹³ Joint or Infill I	¹⁴ Consolidation Code U	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

	<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: 12/29/99</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 Surveyor:</p>
<p>Certificate Number</p>	

**SJ 28-7 #184 DAKOTA PRODUCTION
SECTION 9K-27N-07W, RIO ARRIBA COUNTY, NEW MEXICO**

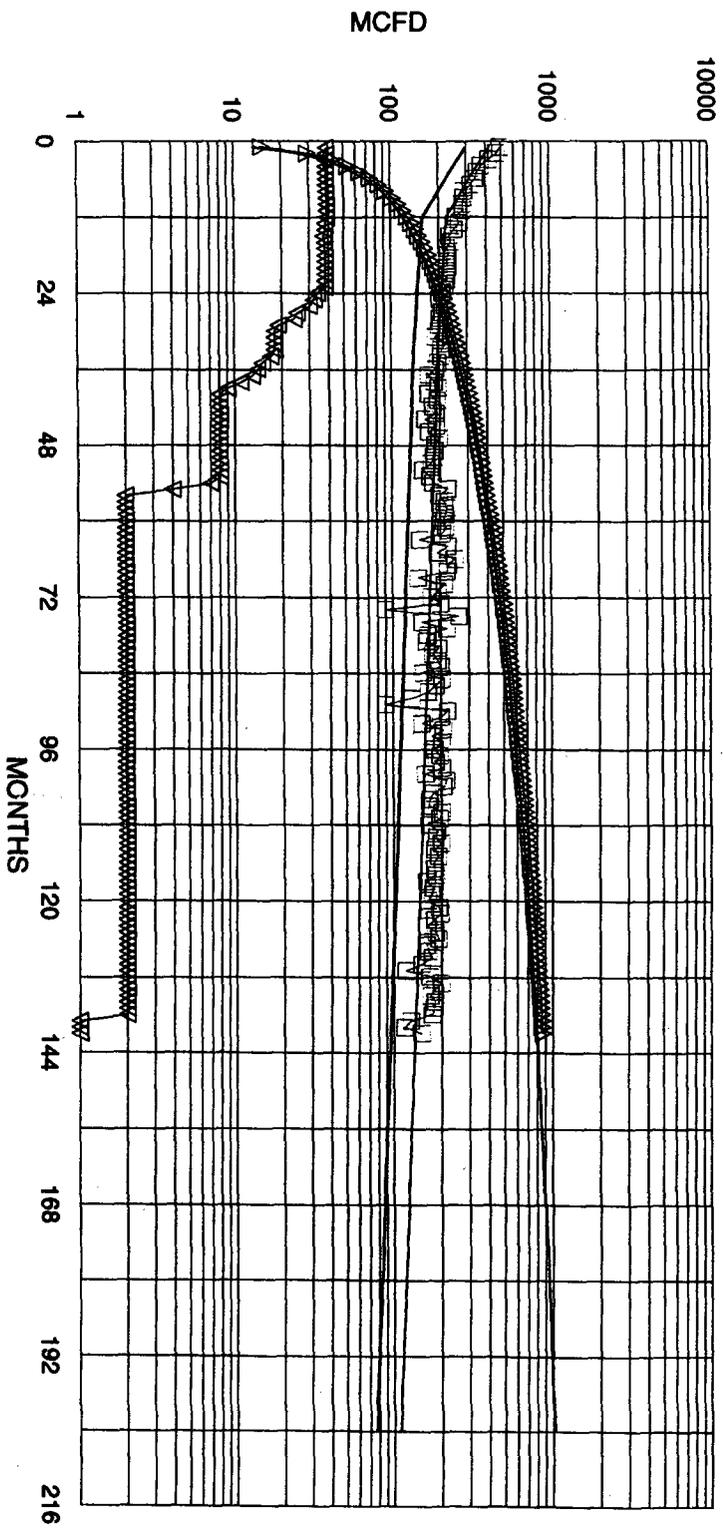


DAKOTA PRODUCTION		1ST PROD: 03/74	DAKOTA PROJECTED DATA		
OIL CUM:	10.12	MBO	Jan.00 Qi:	80	MCFD
GAS CUM:	953.9	MMCF	DECLINE RATE:	3.0%	(EXPONENTIAL)
OIL YIELD:	0.0106	BBL/MCF	API #30-039-20771		

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	79	1
2001	76	0
2002	74	0
2003	72	0
2004	70	0
2005	68	0
2006	65	0
2007	64	0
2008	62	0
2009	60	0
2010	58	0
2011	56	0
2012	55	0
2013	53	0
2014	51	0
2015	50	0
2016	48	0
2017	47	0
2018	45	0
2019	44	0
2020	43	0
2021	41	0
2022	40	0
2023	39	0
2024	38	0
2025	37	0
2026	36	0
2027	35	0

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



Expected Mesaverde Production - 325 MCFD for Yr. 1

- FIT MCFD
- ⋄ NORMALIZED MCFD
- ⋄ WELLS ON PRODUCTION
- FIT CUM MMCF
- NORM CUM MMCF
- RISKED MCFD

NORMALIZED AVG:
 1788 MMCF EUR
 1145 MMCF IN 20 YRS
 25 MCFD E.L.
 0.0139 bbl/mcf oil yield

450 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 7% DECLINE, NEXT 24 MONTHS
 4% FINAL DECLINE

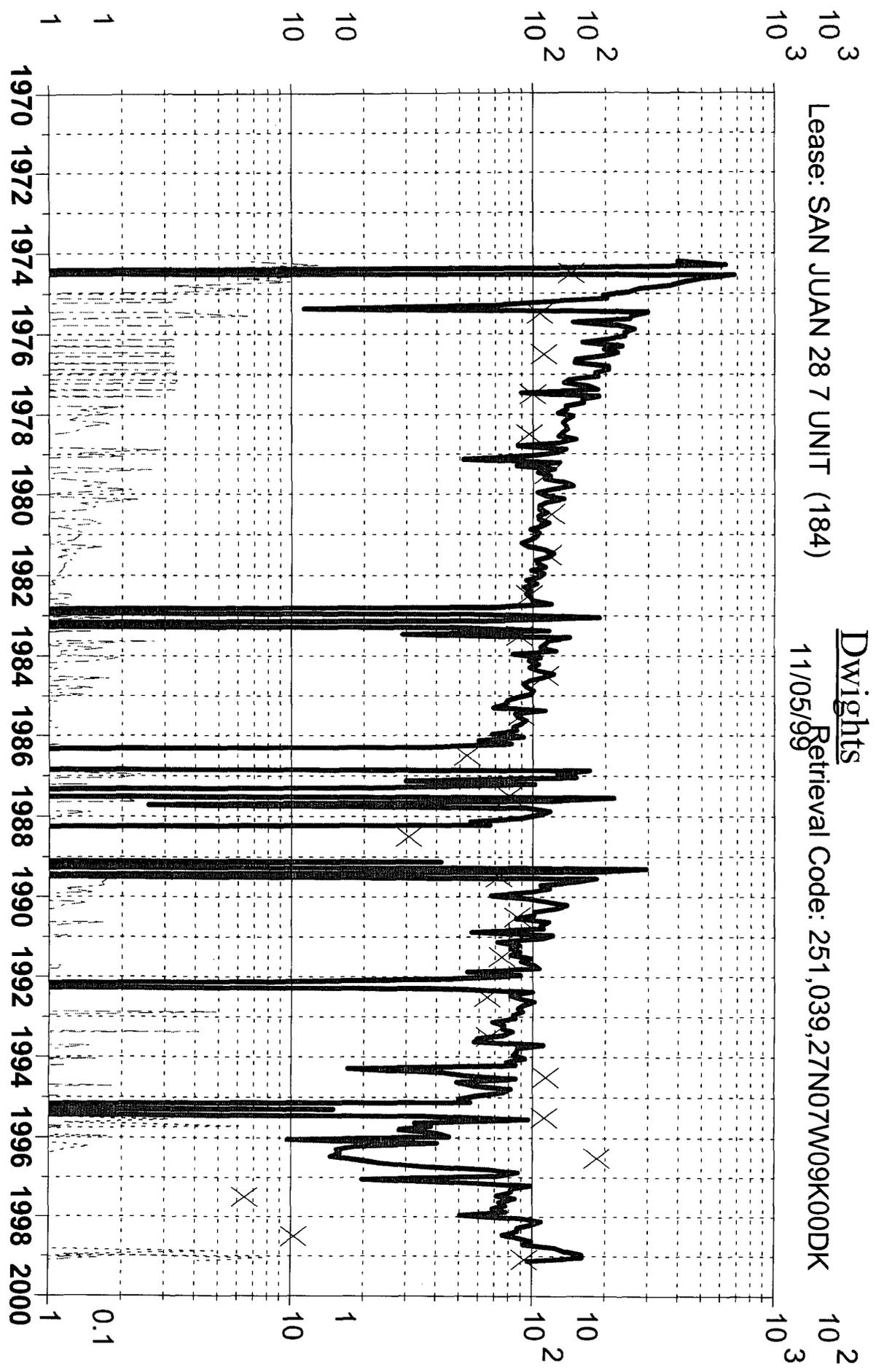
RISKED AVG: 30% RISK
 1184 MMCF EUR
 802 MMCF IN 20 YRS
 25 MCFD E.L.
 0.0139 bbl/mcf oil yield

315 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 7.0% DECLINE, NEXT 24 MONTHS
 4.0% FINAL DECLINE

Lease: SAN JUAN 28 7 UNIT (184)

Dwights
11/05/99

Retrieval Code: 251,039,27N07W09K00DK



Gas (mcf/day)
Oil (bbl/day)

Operator: CONOCO INC
Location: 9K 27N 7W
Field: BASIN (DAKOTA) DK
Reservoir: DAKOTA

F.P. Date: 03/74
Oil Cum: 10.11 mbbbl
Gas Cum: 939.6 mmcf
L.P. Date: 02/99

Water (bbl/day)
Yield (bbl/mmcf) Av

X

Lease: SAN JUAN 28 7 UNIT
 Field: BASIN (DAKOTA) DK
 Operator: CONOCO INC
 RCI #: 251.039,27N07W09K00DK
 API #: 30-039-20771-00

Well #: 184
 Location: 9K 27N 7W
 Liquid Cum: 10,107 bbls
 Gas Cum: 939,564 mcf
 Status: ACT GAS

FP Date: 74-03
 LP Date: 99-02
 Liq Since: FPPDATE
 Gas Since: FPPDATE

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
03/1998	0	2,974	0	1
04/1998	0	2,628	0	1
05/1998	0	2,627	0	1
06/1998	0	2,285	15	1
07/1998	3	2,631	15	1
08/1998	0	3,001	0	1
09/1998	1	2,779	5	1
10/1998	3	3,761	15	1
11/1998	29	4,097	145	1
12/1998	7	4,841	35	1
01/1999	48	4,853	240	1
02/1999	25	2,901	125	1
Total	116	39,378	595	

