

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 Houston, TX 77252-2197

Operator Address

SAN JUAN 28-7 241 L4- SEC 9, T-28N, R7W RIO ARRIBA

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

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 016608 API NO. 30-039-21081 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	Blanco Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	5030 - 5704 PROPOSED		7646 - 7844
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) 450	a.	a. 740
	b. (Original) 1250	b.	b. 3150
6. Oil Gravity (EAPI) or Gas BTU Content	1250		1120
7. Producing or Shut-In?	TO BE COMPLETED		FLOWING
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)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Rates: EXPECTED RATE: 350 - 450 mcfd	Date: Rates:	Date: Rates: CURRENT RATE: 90 mcfd
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) 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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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 30-039-21081		² Pool Code 71599 / 72319		³ Pool Name Basin Dakota / Blanco Mesaverde	
⁴ Property Code 016608		⁵ Property Name San Juan 28-7			⁶ Well Number 241
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
L4	9	28N	7W		1690'	South	810'	West	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

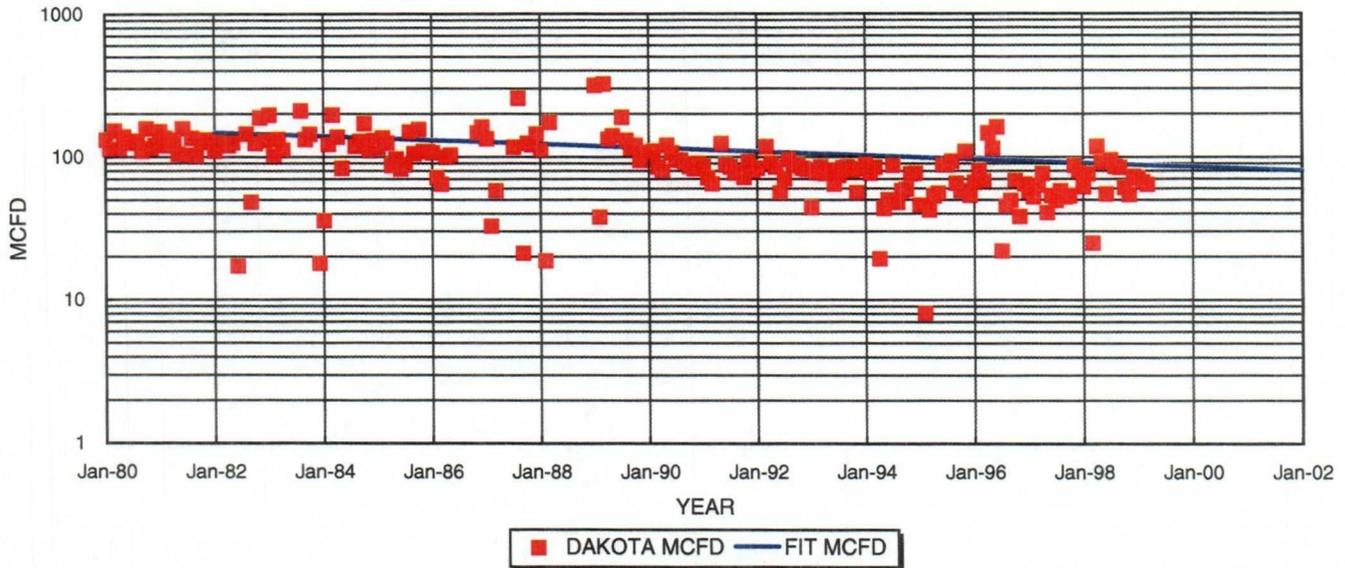
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160/80	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

16					¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>			
					Signature <i>Deborah Moore</i> Printed Name Deborah Moore Title Regulatory Analyst Date <i>12/29/99</i>			
				¹⁸ SURVEYOR CERTIFICATION <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>				
				Date of Survey Signature and Seal of Professional Surveyer:				
				Certificate Number				

**SJ 28-7 #241 DAKOTA PRODUCTION
SECTION 9L-28N-07W, RIO ARRIBA COUNTY, NEW MEXICO**

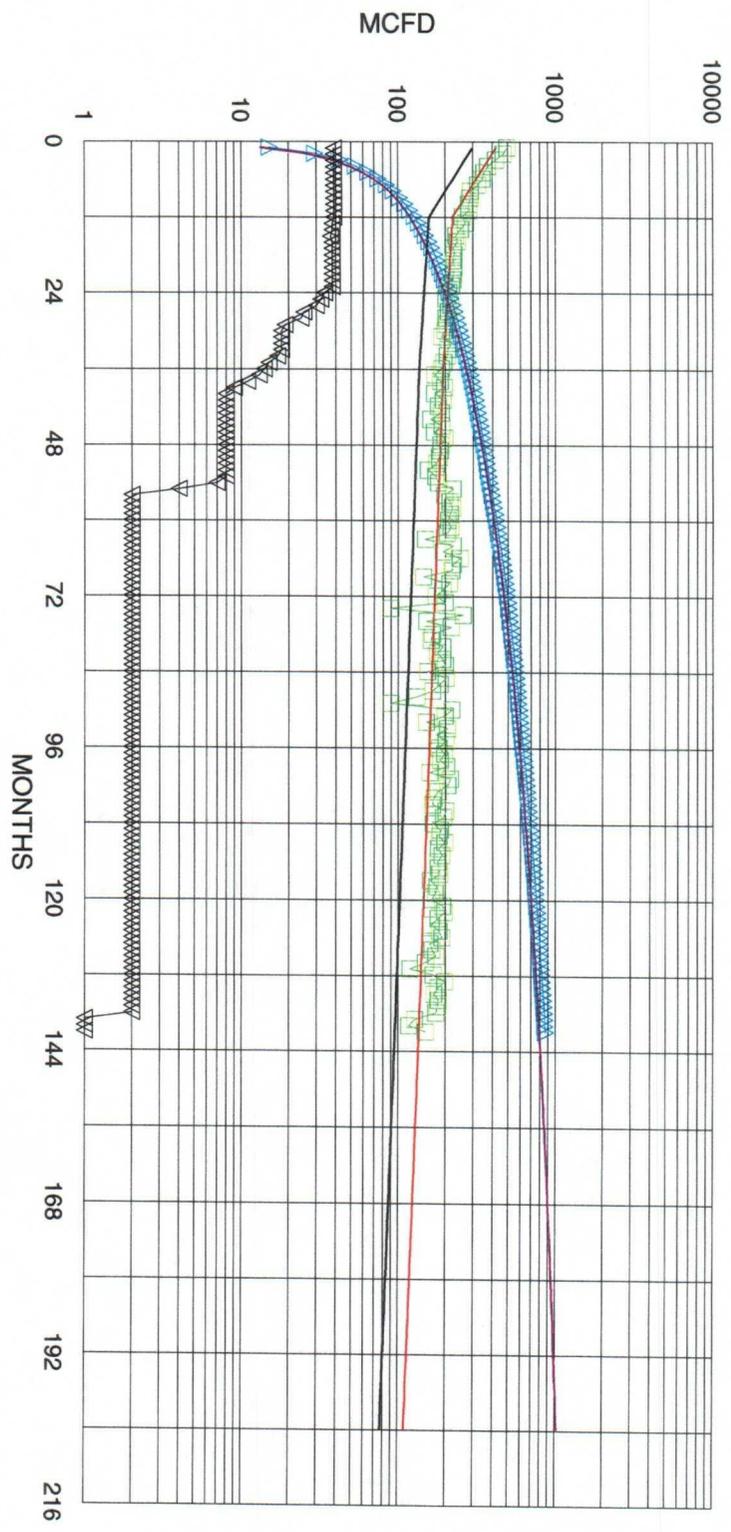


DAKOTA PRODUCTION		1ST PROD: 11/75	DAKOTA PROJECTED DATA	
OIL CUM:	7.93	MBO	Jan.00 Qi:	87 MCFD
GAS CUM:	910.7	MMCF	DECLINE RATE:	3.0% (EXPONENTIAL)
OIL YIELD:	0.0087	BBL/MCF	API #30-039-21081	

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	85	1
2001	83	0
2002	80	0
2003	78	0
2004	76	0
2005	73	0
2006	71	0
2007	69	0
2008	67	0
2009	65	0
2010	63	0
2011	61	0
2012	59	0
2013	57	0
2014	56	0
2015	54	0
2016	52	0
2017	51	0
2018	49	0
2019	48	0
2020	46	0
2021	45	0
2022	44	0
2023	42	0
2024	41	0
2025	40	0
2026	39	0
2027	38	0

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



— FIT MCFD ■ NORMALIZED MCFD — FIT CUM MMCF ▲ NORM CUM MMCF
▽ WELLS ON PRODUCTION

Expected Mesaverde Production - 325 MCFD for Yr. 1

NORMALIZED AVG:

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

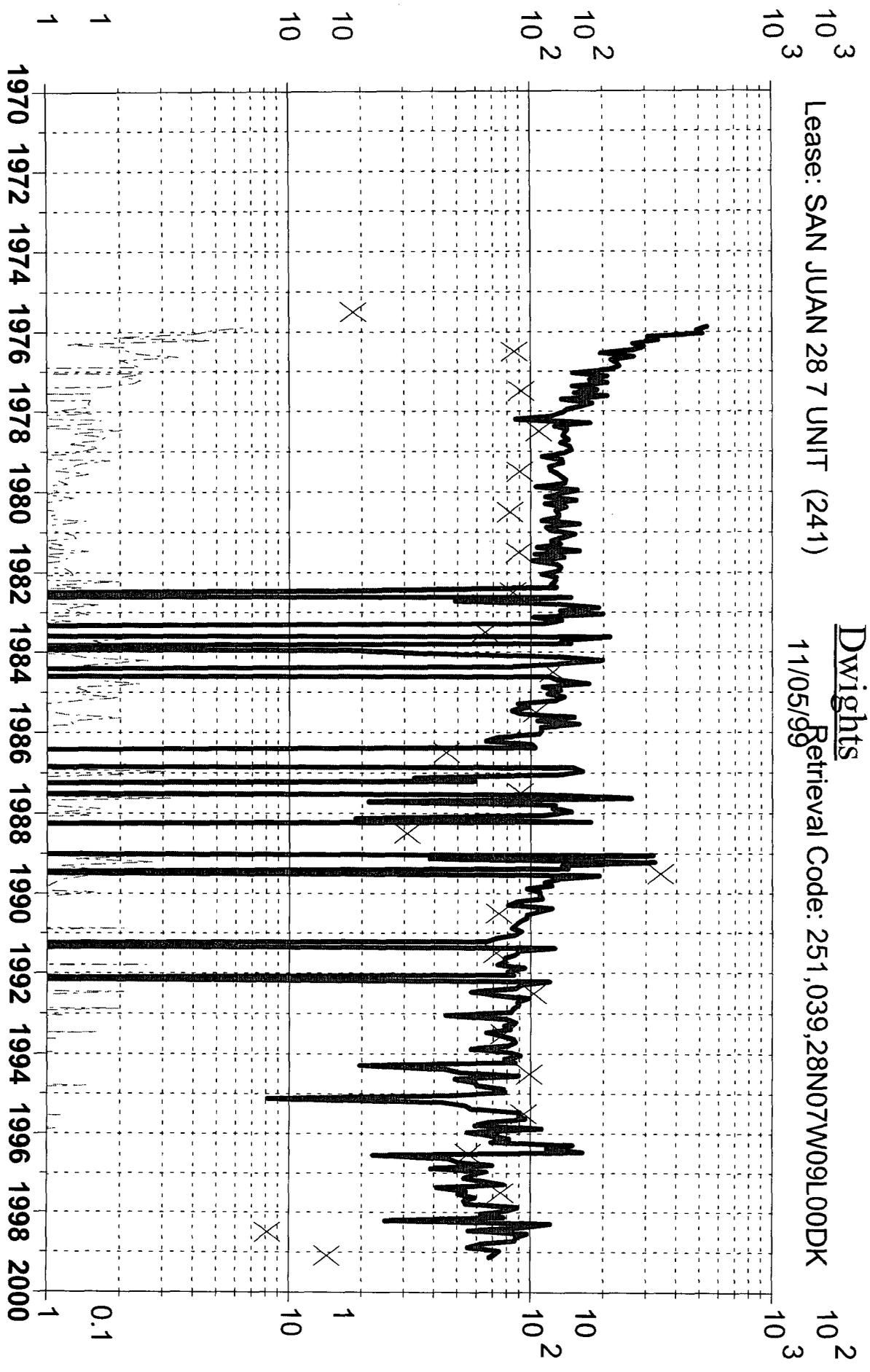
RISKED AVG: 30% RISK

1184 MMCF EUR 315 MCFD IP
 802 MMCF IN 20 YRS 50.0% DECLINE, 1ST 12 MONTHS
 25 MCFD E.L. 7.0% DECLINE, NEXT 24 MONTHS
 0.0139 bbl/mcf oil yield 4.0% FINAL DECLINE

Lease: SAN JUAN 28 7 UNIT (241)

Dwights
11/05/99

Retrieval Code: 251,039,28N07W09L00DK



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

Operator: CONOCO INC
Location: 9L 28N 7W
Field: BASIN (DAKOTA) DK
Reservoir: DAKOTA

F.P. Date: 11/75
Oil Cum: 7929 bbl
Gas Cum: 899.9 mmcf
L.P. Date: 02/99

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

Lease: SAN JUAN 28 7 UNIT
 Field: BASIN (DAKOTA) DK
 Operator: CONOCO INC
 RCI #: 251.039,28N07W09L00DK
 API #: 30-039-21081-00

Well #: 241
 Location: 9L 28N 7W
 Liquid Cum: 7,929 bbls
 Gas Cum: 899,943 mcf
 Status: ACT GAS

FP Date: 75-11
 LP Date: 99-02
 Liq Since: FPDATE
 Gas Since: FPDATE

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
03/1998	2	759	2	1
04/1998	0	3,655	0	1
05/1998	0	2,828	0	1
06/1998	0	1,686	0	1
07/1998	0	2,933	0	1
08/1998	0	2,640	0	1
09/1998	0	2,605	0	1
10/1998	0	1,877	0	1
11/1998	0	1,671	0	1
12/1998	4	2,250	4	1
01/1999	2	2,174	2	1
02/1999	4	2,053	4	1
Total	12	27,131	12	1

