

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
2040 South Pacheco, Santa Fe, NM 87505



9724

ADMINISTRATIVE APPLICATION COVERSHEET

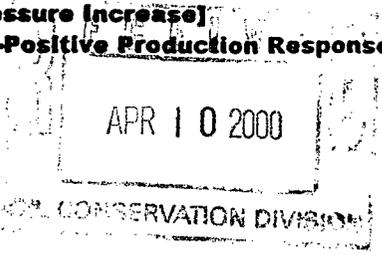
THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATION FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

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] or [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 - Certification

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 (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mark Stodola
Print or Type Name

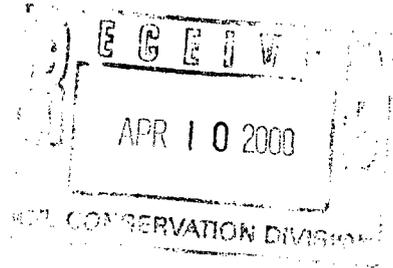
Mark Stodola
Signature

Reservoir Engr.
Title

4/7/00
Date



PHILLIPS PETROLEUM COMPANY
 FARMINGTON, NEW MEXICO 87401
 5525 HWY. 64 NBU 3004



April 7, 2000

New Mexico Oil & Gas Conservation Div.
 2040 South Pacheco
 Santa Fe, New Mexico 87505-6429

Downhole Commingling Allocation Method
 San Juan 29-6 Unit #8B

Dear Sirs:

Phillips is proposing to utilize the subtraction method on the subject well for approximately 12 months after actual commingling occurs. After the first 12 months, we will convert to the ratio method as indicated in our commingling application. We believe this will be a more accurate method of allocating production considering plans are to the Dakota interval has been producing for several months and that the production will not be stabilized on the Mesaverde for several months.

Dakota Production Forecast

October 1999	227 (actual)	April 2000	1,181
November 1999	4,331 "	May 2000	1,217
December 1999	2,250 "	June 2000	1,175
January 2000	1,607 "	July 2000	1,211
February 2000	1,195 "	August 2000	1,208
March 2000	1,223	September 2000	1,088

For example, if the total volume for September 2000 were 5,200 mcf, then the Dakota would be allocated 1,088 mcf and the Mesaverde 4,112 mcf. And subsequently, the Dakota would be allocated (1,088/5,200) or 20.92%, and Mesaverde would be allocated (4,112/5,200) or 79.08%.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Mark Stodola

Mark W. Stodola
 Reservoir Engineer

MS/pc

cc: OCD – Aztec
 BLM- Farmington
 NM Commissioner of Public Lands – Santa Fe

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 South First St., Artesia, NM 86210-2835
DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410-1693

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
New 3-12-96

APPROVAL PROCESS:
 Administrative Hearing
EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Phillips Petroleum Company 5525 Hwy. 64, Farmington, N.M. 87401
Operator Address
San Juan 29-6 Unit #8B D 1 29N 6W Rio Arriba
Lease Well No. Unit Ltr. - Sec - Twp - Rge County
OGRID NO. 017654 Property Code 009257 API NO. 30-039-26184 Spacing Unit Lease Types: (check 1 or more)
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	72319 Blanco Mesaverde		71599 Basin Dakota
2. Top and Bottom of Pay Section (Perforations)	4333' - 5886'		7948' - 8069'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 750 psi (est.)	a.	a. 753 psig (24-hr. SI)
	b. (Original) 1280 psi (est.)	b.	b. 3130 psi (est.)
6. Oil Gravity (^o API) or Gas BTU Content	1200 BTU/SCF		1020 BTU/SCF
7. Producing or Shut-in?			Producing
Production Marginal? (yes or no)	Yes		Yes
* 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: 500 mcf/d (estimated)	Date: Rates:	Date: 2/29/00 Rates: 40 mcf/d 0 BWP/D
8. Fixed Percentage Allocation Formula - % for each zone	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
Have all offset operators been given written notice of the proposed downhole commingling? 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-11187
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 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 Mark Stodola TITLE Reservoir Engineer DATE 4/7/00
TYPE OR PRINT NAME Mark Stodola TELEPHONE NO. (505) 599-3455

District I
 711 Box 1908, Hobbs, NM 88241-1908
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brava Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

RECEIVED
 BLM

99 MAY 20 PM 3:40 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAN

* API Number		* Pool Code 71599	* Pool Name Basin Dakota
* Property Code 009257	* Property Name SAN JUAN 29-6		* Well Number 8B
* OGRID No. 017654	* Operator Name PHILLIPS PETROLEUM COMPANY		* Elevation 6635'

10 Surface Location

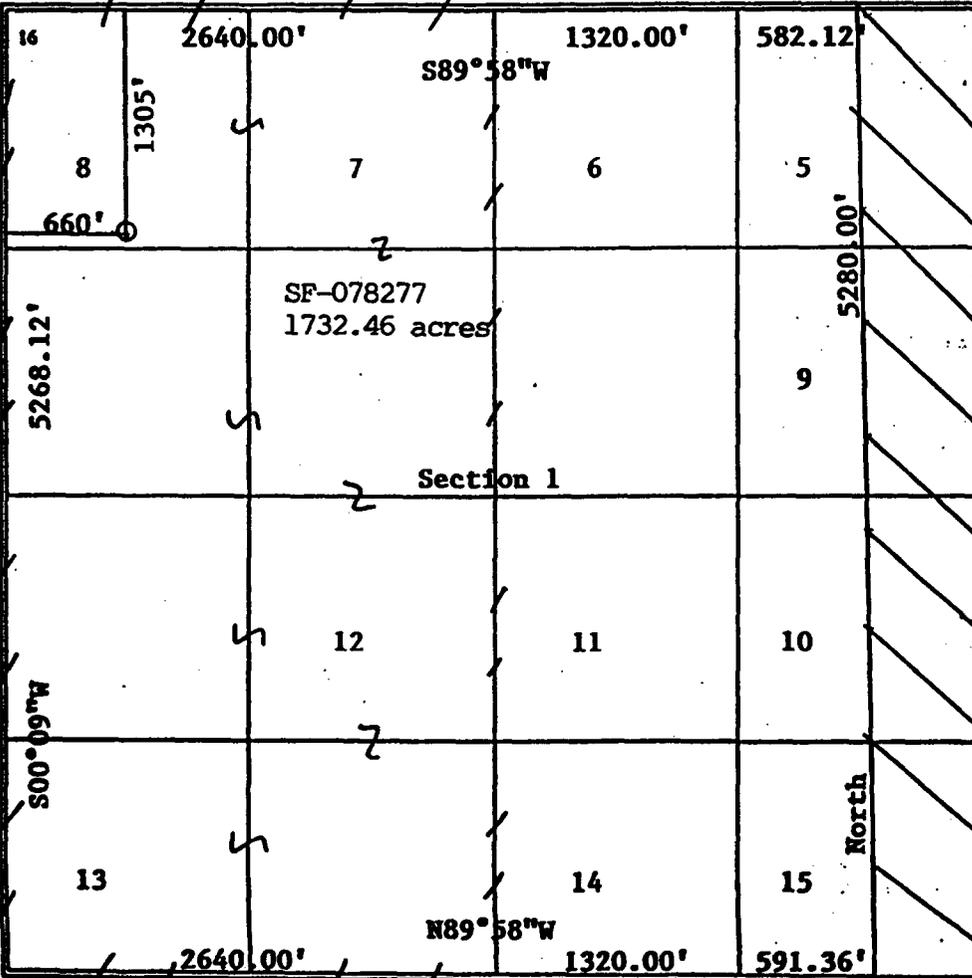
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	1	29N	6W		1305'	NORTH	660'	WEST	RIO ARRIBA

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
D									

* Dedicated Acres 319.49 W/2	* Joint or Infill	* Consolidation Code U	* Order No. DHC and unorthodox approvals submitted
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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



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

Patsy Clugston
 Signature
 Patsy Clugston
 Printed Name
 Regulatory Assistant
 Title
 May 17, 1999
 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.

03/25/99
 Date of Survey

Signature and Seal of Professional Surveyor:

 Certificate No. _____

District I
 741 Box 1988, Hobbs, NM 88241-1988
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
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OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number		Pool Code	Pool Name
		72319	Blanco Mesaverde
Property Code	Property Name		Well Number
009257	SAN JUAN 29-6		8B
OGRID No.	Operator Name		Elevation
017654	PHILLIPS PETROLEUM COMPANY		6635'

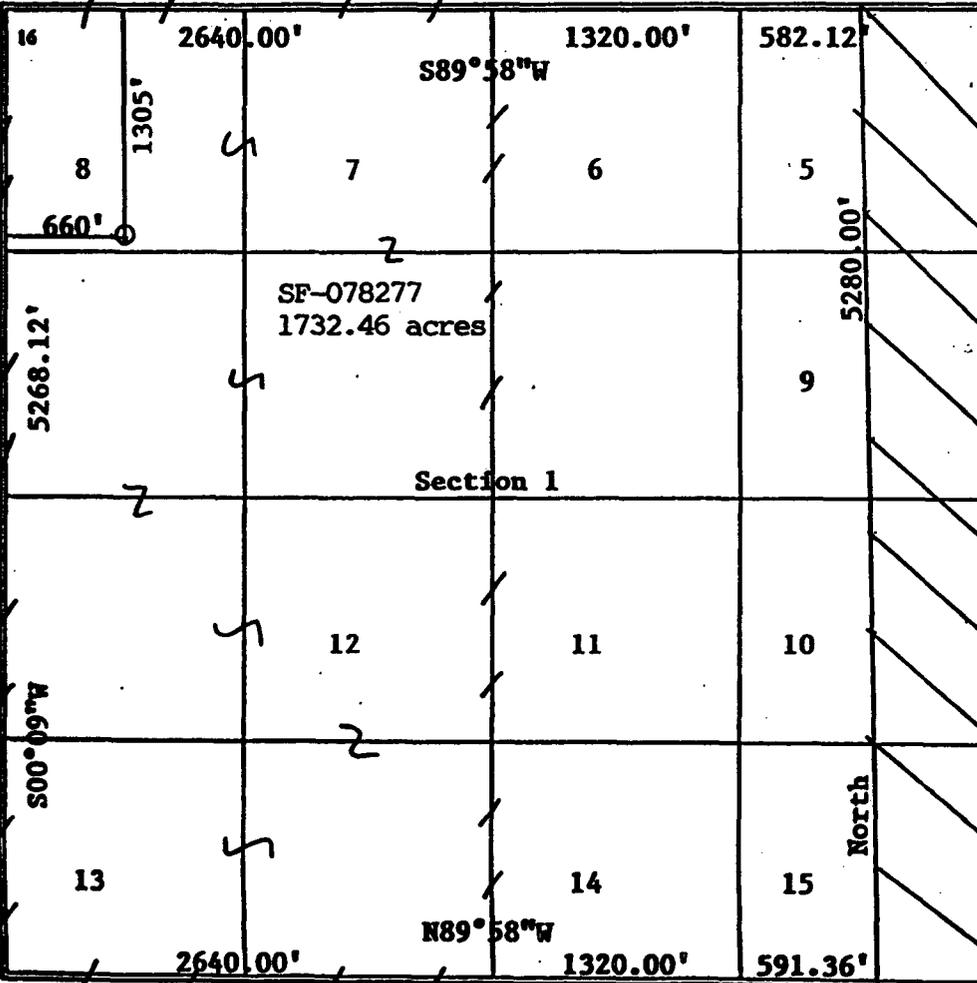
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
D	1	29N	6W		1305'	NORTH	660'	WEST	RIO ARRIBA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
D									
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
319.49 W/2		I		U		DHC approval submitted			

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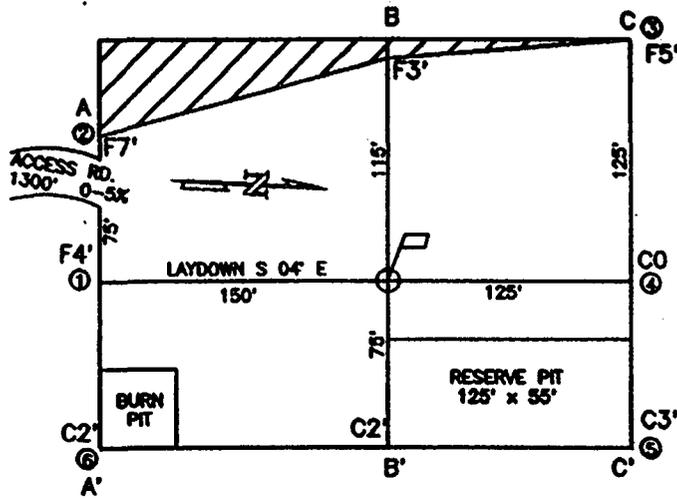
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 Date

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03/25/99
 Date of Survey
 Signature and Seal of Professional Surveyor:

 Certificate Number



ELEVATION A-A'

		C/L		
6655
6645
6635			
6625
6615

B-B'

		C/L		
6655
6645
6635			
6625
6615

C-C'

		C/L		
6655
6645
6635			
6625
6615

COMPANY: PHILLIPS PETROLEUM COMPANY

LEASE: SAN JUAN 29-6 UNIT No.8B

FOOTAGE: 1305' FNL, 660' FWL UNIT D

SEC. 1 TWN. 29-N RNG. 06-W N.M.P.M.

COUNTY, RIO ARRIBA STATE, N.M.

ELEVATION: 6635

LATITUDE: 36-45-30

LONGITUDE: 107-25-14

 **PHILLIPS PETROLEUM COMPANY**
FARMINGTON, NEW MEXICO

SURVEYED: 3/25/99	REV. DATE:	APP. BY H.B.
DRAWN BY: T.G.	DATE DRAWN: 3/30/99	FILE NAME: P008201

 **UNITED FIELD SERVICES INC.**
P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505)334-0408

PHILLIPS PETROLEUM COMPANY
5525 HWY 64 NBU 3004
FARMINGTON, NEW MEXICO 87401

DATE: FEBRUARY 21, 2000

WELL NAME: SAN JUAN 29-6 # 8B
FORMATION: DAKOTA

TYPE TEST: STATIC GRADIENT

COUNTY: RIO ARRIBA
STATE: NEW MEXICO

TOTAL DEPTH:
PERFS: MID PERFS 8009'
TUBING: 2 3/8" 7861'
CASING SIZE:
PACKER:
OTHER: FN @ 7831'
PRESSURED UP @ 09:10

CASING PRESSURE: 620
TUBING PRESSURE: 620
OIL LEVEL:
WATER LEVEL: 7910'
TEMPERATURE:
ELEMENT NO.
ELEMENT RANGE 0 TO 3000

WELL STATUS: SHUT IN

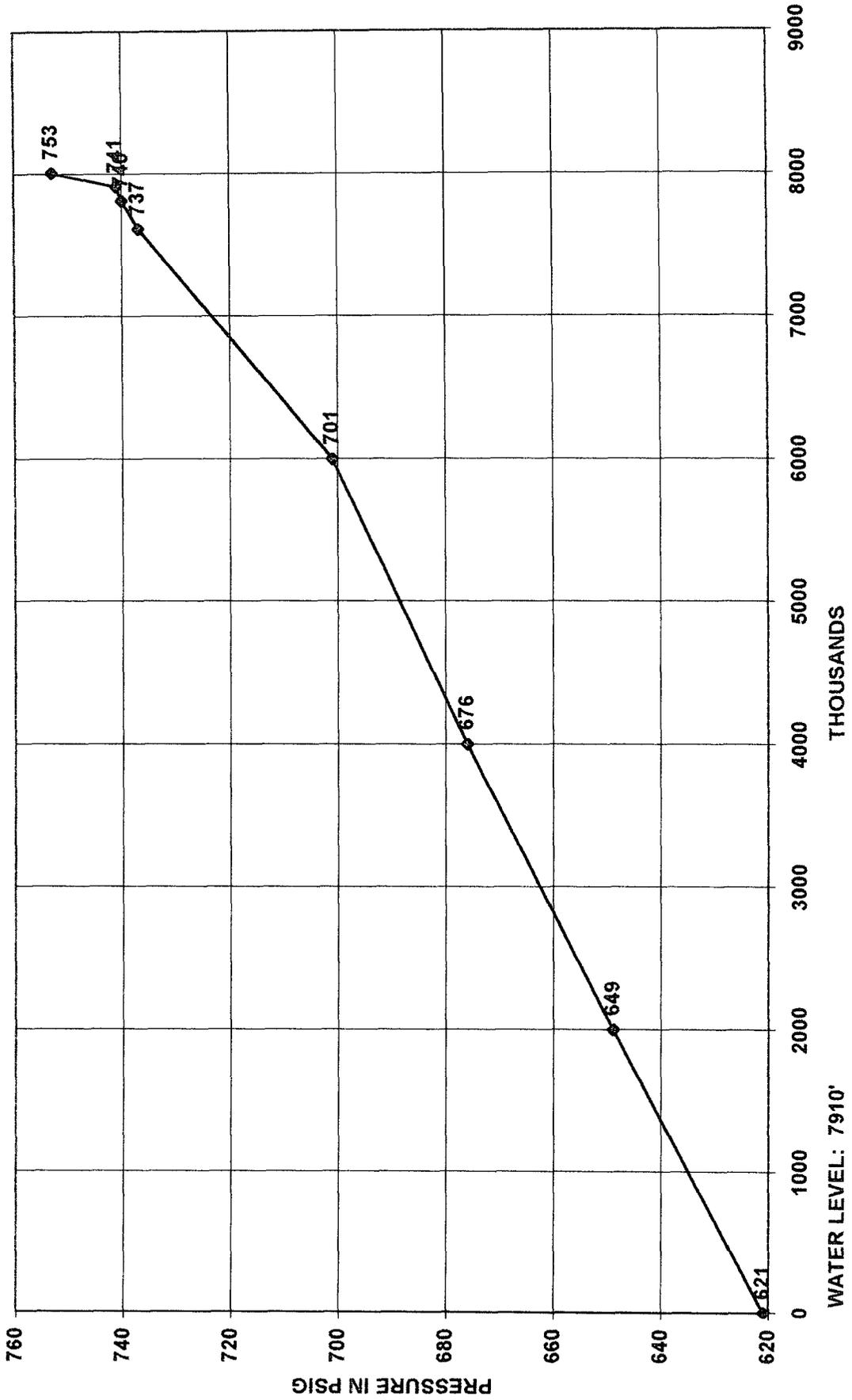
DEPTH IN FEET	PRESSURE PSIG	GRADIENT PSI/FOOT
0	621	
2000	649	0.014
4000	676	0.013
6000	701	0.012
7609	737	0.022
7809	740	0.015
8009	753	0.065

TD @ 8089'

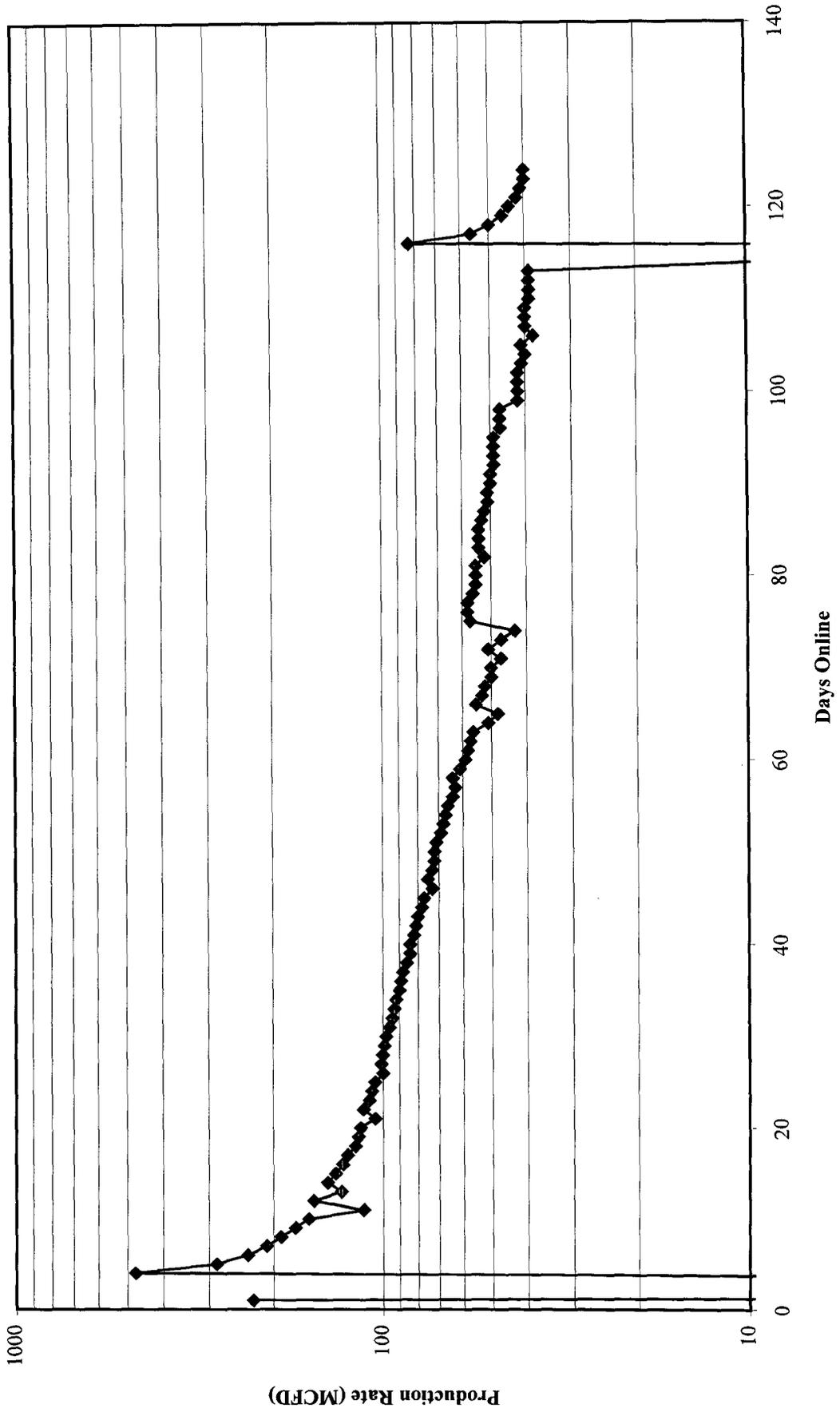
H & H WIRELINE SERVICE INC.
P. O. BOX 899
FLORA VISTA, NEW MEXICO 87415
OPERATOR: C. HUGHES
UNIT NO. T-11

PHILLIPS PETROLEUM: SAN JUAN 29-6 # 8B

DATE: FEBRUARY 21, 2000



San Juan 29-6 Unit #8B Dakota Production



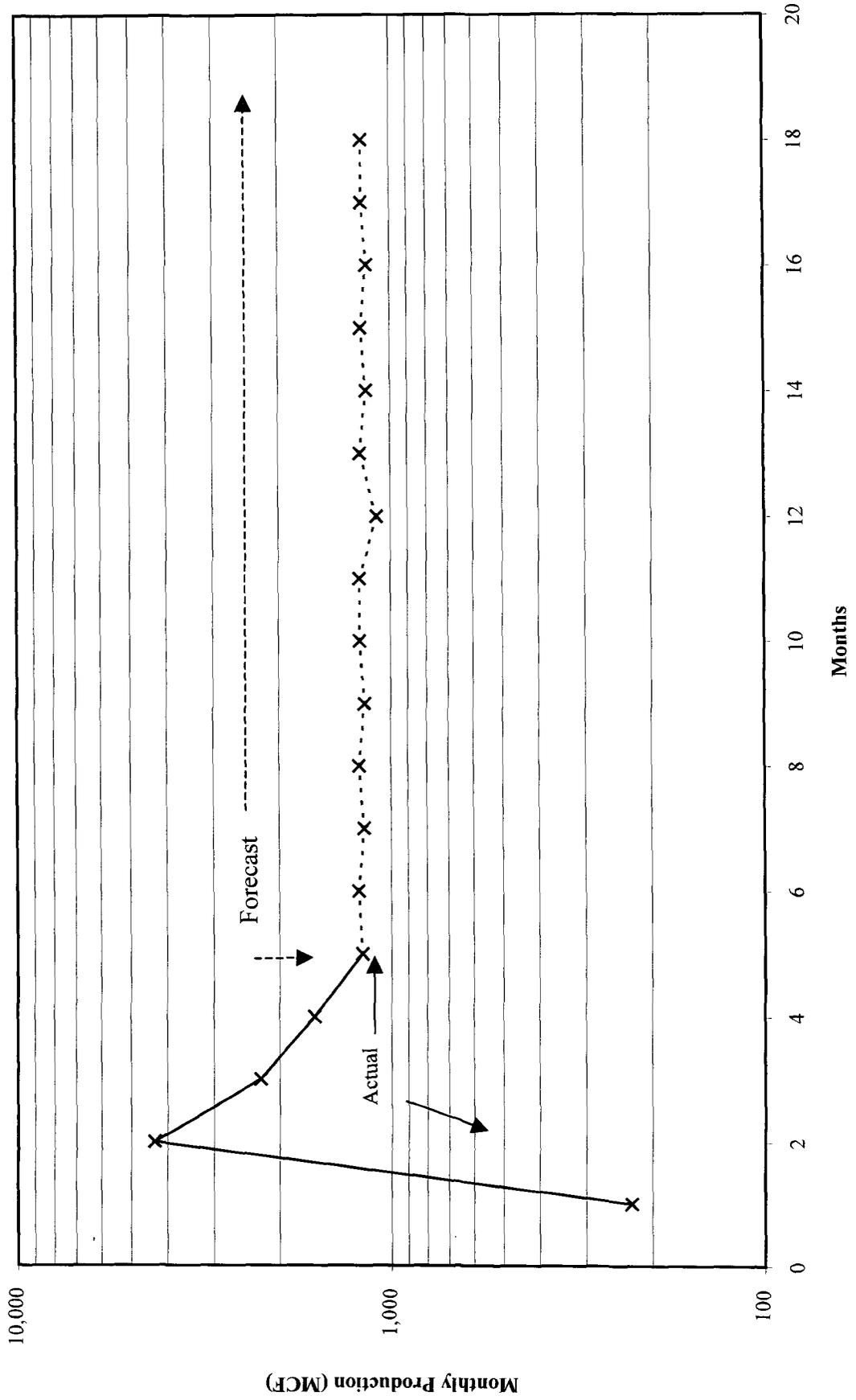
29-6 Unit #8B Dakota Forecast

<i>Initial Production Rate</i>	=	40 MCFD
<i>Hyperbolic Exponent</i>	=	0.33
<i>Decline Rate</i>	=	3 %

	Month	Monthly MCF	
1999	Oct	227	actual (1 day)
	Nov	4,331	actual
	Dec	2,250	actual
2000	Jan	1,607	actual
	Feb	1,195	actual
	Mar	1,223	
	Apr	1,181	
	May	1,217	
	Jun	1,175	
	Jul	1,211	
	Aug	1,208	
	Sep	1,088	
	Oct	1,202	
	Nov	1,160	
	Dec	1,196	
2001	Jan	1,155	
	Feb	1,190	
	Mar	1,187	

Use subtraction method for +/- 12 months based on this Dakota forecast.

San Juan 29-6 Unit #8B Dakota - Monthly Production and Forecast



**San Juan 29-6 Unit #8B Area Mesaverde Production
First Five Years**

