



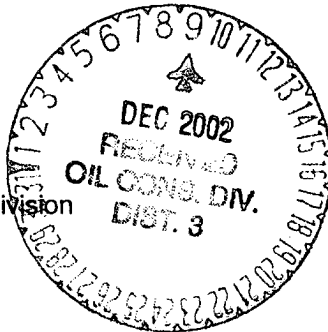
JIC 100

Yolanda Perez
Sr. Regulatory Analyst
San Juan Asset Team
Exploration-Production USSA

Conoco Inc.
P. O. Box 2197, WL3 3046
Houston, TX 77252-2197
(832) 424-2329 Fax (832) 486-2717

November 26, 2002

New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505



010 ALBUQUERQUE, N.M. AFMSS

Adjud	<i>Amg</i>
Engr	
Geol	
Surf	
Appvl	

Attn: Will Jones

30-039-08100

RE: Application to surface commingle Conoco Inc.'s operated Jicarilla "D" 10

H-31-26N-3W

Dear Mr. Jones,

By way of this application, Conoco Inc. respectfully requests approval to surface commingle all zones currently completed in the Jicarilla "D" 10 well (Unit Ltr H, Section 31-T26N-R3W). The API number of the subject well is 30-039-08100. The "D" 10 is currently a dually completed Tapacito Pictured Cliffs (XER) and Blanco Mesaverde (RON) producer. Working, net revenue, and royalty interests are identical for all producing horizons.

The following items are submitted in support of this application:

1. Exhibit A is a plat of the lease with the subject well identified.
2. Exhibit B contains production volume reports of zones completed in the well.
3. Exhibit C contains gas analysis reports for zones completed in subject well & offset wells.
4. Exhibit D is a schematic of the facilities for subject well.
5. Exhibit E is a wellbore diagram of the subject well. Completion information is included.
6. Exhibit F is a copy of administrative order DHC-1786 showing the proposed allocation of production.

This well was drilled in 1966 for the purpose of producing the Dakota and Pictured Cliffs formations. When found to be non-commercial after initial testing in October 1966, the Dakota was abandoned and the well was completed as a Pictured Cliffs single producer. In February 1998, Conoco Inc. received approval to recomple the Mesaverde formation and downhole commingle the Mesaverde flowstream with that from the Pictured Cliffs. The Mesaverde recompletion work was successfully completed in March 1998.

Because of less than satisfactory downhole commingled well test results, the wellbore was configured as a dual Mesaverde and Pictured Cliffs producer prior to the rig leaving location in April 1998, and has been producing as such since that time. The Pictured Cliffs and Mesaverde zones were separated with a 5 1/2" OD casing packer set at 3,980 feet. Additionally, hydrocarbon flowstreams from these formations have been surface commingled since that time, producing through one meter run and one set of production facilities.

The Mesaverde interval in the Jicarilla "D" 10 is currently active, producing at an allocated daily rate of 69 Mcfg. The Pictured Cliffs producing interval in the Jicarilla "D" 10 is also active, producing at an allocated daily rate of 18 Mcfg. Production from these two zones has been allocated based on subtracting Pictured Cliffs production from the well's total monthly oil and gas production, as set out in Administrative Order DHC-1786.

ACCEPTED FOR REVIEW
DEC 03 2002
By Brian W. Davis

Conoco Inc. recently discovered that this well has been surfaced commingled on the basis of an approved downhole commingle order, and wishes to correct this oversight. We therefore respectfully request NMOCD approval to operate this well as a surface commingled, dually completed Pictured Cliffs and Mesaverde producer. Reconfiguring this wellbore to a downhole commingled Pictured Cliffs/Mesaverde producer is not recommended since this could result in lower rates of production, as experienced after initial DHC testing in 1998. Also, the Pictured Cliffs production rate of 18 Mcfpd is insufficient to justify the cost of purchasing and installing additional metering equipment for this well.

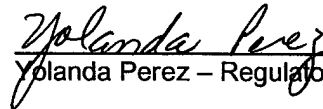
If you have any questions or require any further information please feel free to contact me at (832) 486-2329.

Sincerely,

A handwritten signature in black ink that reads "Yolanda Perez". The signature is written in a cursive, flowing style.

Yolanda Perez
Sr. Regulatory Analyst
San Juan/Rockies Business Unit

Please be advised that copies of Conoco's application to surface commingle the Pictured Cliffs and Mesaverde formations in the Jicarilla "D" 10 well (H-31-T26N-R3W), Rio Arriba County, New Mexico, were sent Certified Mail/Return receipt requested to the following parties November 26, 2002.


Yolanda Perez – Regulatory Analyst

Surface Owner:

United States Department of the Interior
Bureau of Land Management
Albuquerque Area
435 Montano N.E.
Albuquerque, NM 87107
Attn: Brian Davis

Working Interest Owner:

Burlington Resources
P. O. Box 4289
Farmington, NM 87499-4289
Attn: Shannon Nichols

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication

☐ NSL ☐ NSP ☐ 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

[D] Other: Specify _____

[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

Yolanda Perez
Print or Type Name

Yolanda Perez
Signature

SE. Regulatory Analyst 11/26/02
Title Date

yolanda.perez@conocophillips.com
e-mail Address