Form 3 160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 3 1,1993

5. Lease Designation and Seriai No.

Cont 147

SUNDRY NOTICES AND REPORTS ON WELLS

6. If Indian, Allonee or Tribe Name

Use "APPLICATION FOR PERMIT—" for such proposals		Jicarilla - Apache
SUBMIT IN TRIPLICA TE		7. If Unit or CA, Agreement Designation
1. Type of Well Oil Well Other 2. Name of Operator CONOCO INC. 3. Address and Telephone No. 10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5424 4. Location of Well (Footage. Sec., T. R. M. or Survey Description) 1695' FSL & 950' FWL, Sec. 6, T 25N, R 5W, Unit Ltr. 'L', Lot 6		8. Well Name and No. AXI Apache J, Well #22 9. API Well No. 30-039-20438 10. Field and Pool, or Exploratory Area Blanco MV / Otero-Chacra 11. County or Parish, State Rio Arriba, NM
CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPOR	<u> </u>
TYPE OF SUBMISSION	TYPE OF ACTION	
Notice of Intent Subsequent Repon Final Abandonment Notice	Abandonment Recompletion Plugging Back Casing Repair Altering Casing Other Downhole Commingle	Change of Plans New Construction Non-Routine Fracrunng Water Shut-Off Conversion to Injection Dispose Water INole: Reponresults of multiple compition on Wdi Completion or Recompletion Report and Log form.)
 Describe Proposed or Completed Operations (Clearly state ail p give subsurface locations and measured and true vertica 	pertinent details, and give pertinent dates, including estimated date of starting I depths for all markers and zones pertinent to this work.)*	g any proposed work. If well is directionally drilled,

Downhole commingle of the Blanco Mesaverde and the Otero-Chacra pools per NMOCD Order DHC-1291, approved July 16, 1996, was implemented on February 1, 1997.

Test dated 2-2-97: 100 BO/D, 0.1 BW/D, 100 MCF.

Allication Ratio:

Oil

Gas

Blanco Mesaverde

100% 66%

Otero-Chacra

0% 34%

A copy of the NMOCD Administrative order DHC-1291 is attached.

OIL CON. DIV.

14. I hereby certify that the foregoing is true and correct Signed	Bill R. Keathly	
	Title Sr. Regulatory Specialist	Date9-24-97
(This space for Federal or State office use)	TitleACCEPTED FOR RECORD	
Approved by	Title ACCEPTED	Date
BLM(6), SHEAR, PONCA, COST ASST, FILE ROOM		
Fitle 18 U.S.C. Section 1001, makes it a crime for any person know	ringly and willfully to make to any department or agency of the U	nited States any false, fictitious or fraudulent sta

or representations as to any matter within its junsdiction.



OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

30-039-2043800

ADMINISTRATIVE ORDER DHC-1291

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705

Attention: Mr. Jerry W. Hoover

AXI Apache "J" Well No. 22
Unit L, Section 6, Township 25 North, Range 5 West, NMPM,
Rio Arriba County, New Mexico.
Otero-Chacra (Gas - 82329) and
Blanco-Mesaverde (Prorated Gas - 72319) Pools

Dear Mr. Hoover:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Otero-Chacra Pool	Oil 0%	Gas 34%
Blanco-Mesaverde Pool	Oil 100%	Gas 66%

REMARKS: The operator shall notify the Aztec District Office of the Division upon