

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
SF 079298B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
SAN JUAN #62

9. API Well No.
30-039-07133

10. Field and Pool, or Exploratory Area
71629 72319 72359

11. County or Parish, State
RIO ARRIBA
NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
CONOCO, INC.

3a. Address
P.O. BOX 2197 DU 3066 HOUSTON, TX 77252

3b. Phone No. (include area code)
(281)293-1005

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
G SEC. 12 T27N R9W 7W
1630' FNL & 1550' FNL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DHC</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Conoco proposes to downhole trimingle this well in the Basin Fruitland Coal, Blanco Pictured Cliffs, and Blanco Mesaverde.

DHC-2820



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) DEBORAH MARBERRY	Title REGULATORY ANALYST
Signature <i>Deborah Marberry</i>	Date 08/22/2000

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title	Date 08/22/2000
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Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

D. STRICT I
P. O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

D. STRICT II
811 South First St., Artesia, N.M. 88210-2835

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

D. STRICT III
1010 Rio Brazos Rd., Aztec, NM 87410-1693

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC.

P.O. BOX 2197 DU 3066 HOUSTON, TX 77252

Operator

Address

SAN JUAN 28-7

62

G - 12 - 27N - 7W

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. 30-039-07133 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	BASIN FRUITLAND COAL 71629	BLANCO P.C. SOUTH 72439	BLANCO MESAVERDE 72319
2. Top and Bottom of Pay Section (Perforations)	3173'-3048' PROPOSED	3313'-3185' PROPOSED	4894'-5498'
3. Type of production (Oil or Gas)	GAS EXPECTED	GAS EXPECTED	GAS
4. Method of Production (Flowing or Artificial Lift)	EXPECTED TO FLOW	EXPECTED TO FLOW	EXPECTED TO FLOW
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 430 PSI b. (Original)	a. 320 PSI b.	a. 600 PSI b.
6. Oil Gravity (° API) or Gas BTU Content	1,045	1,189	1,250
7. Producing or Shut-in?	TO BE COMPLETED	TO BE COMPLETED	PRODUCING
Production Marginal? (yes or no)	YES	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: EST. 150MCFD	Date: Rates: EST. 250MCFD	Date: Rates: CURRENT 190MCFD
8. Fixed Percentage Allocation Formula - % for each zone	Allocate FC/PC by test Oil: % Gas: %	Allocate FC/PC by test Oil: % Gas: %	Allocate MV by subtraction Oil: % Gas: % method.

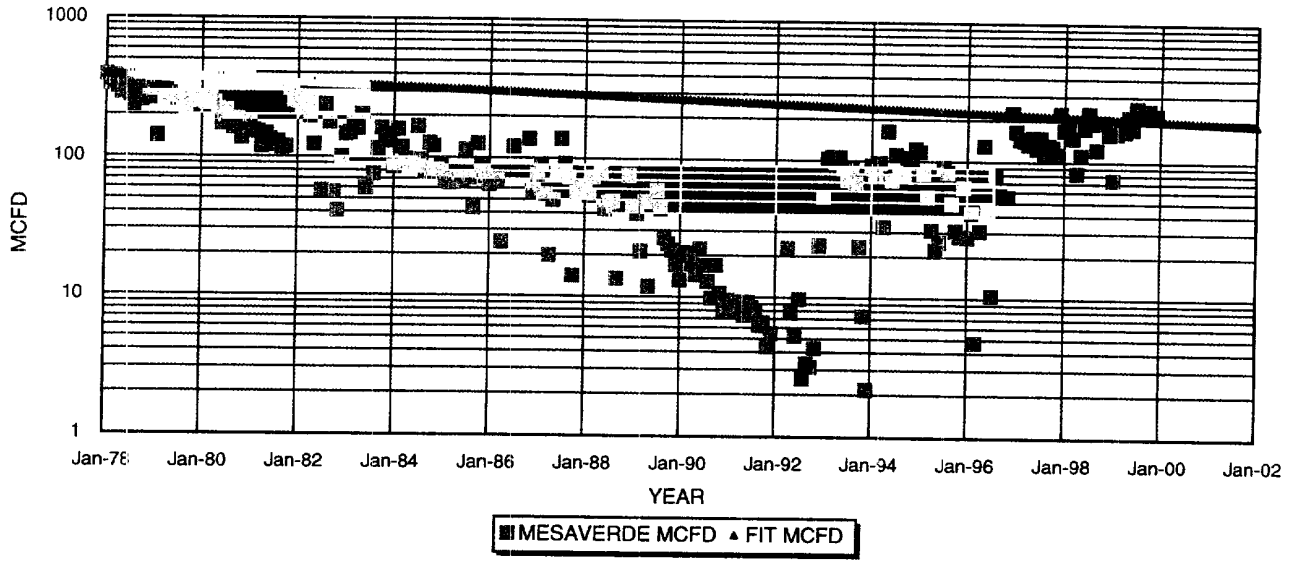
9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical 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-10476B
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 all offset operators.
 * Notification list of all 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 Marberry TITLE REGULATORY ANALYST DATE 08/16/2000

TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. () (231)293-1005

**SJ 28-7 #62 MESAVERDE PRODUCTION
SECTION 12G-27N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



MESAVERDE PRODUCTION		1ST PROD: 06/56		MESAVERDE PROJECTED DATA		(API #30-039-07113)	
OIL CUM:	7.45	MBO		Jan.00 Qi:	199	MCFD	
GAS CUM:	2969.8	MMCF		DECLINE RATE1:	3.0%	(EXPONENTIAL)	
OIL YIELD:	0.0025	BBL/MCF					

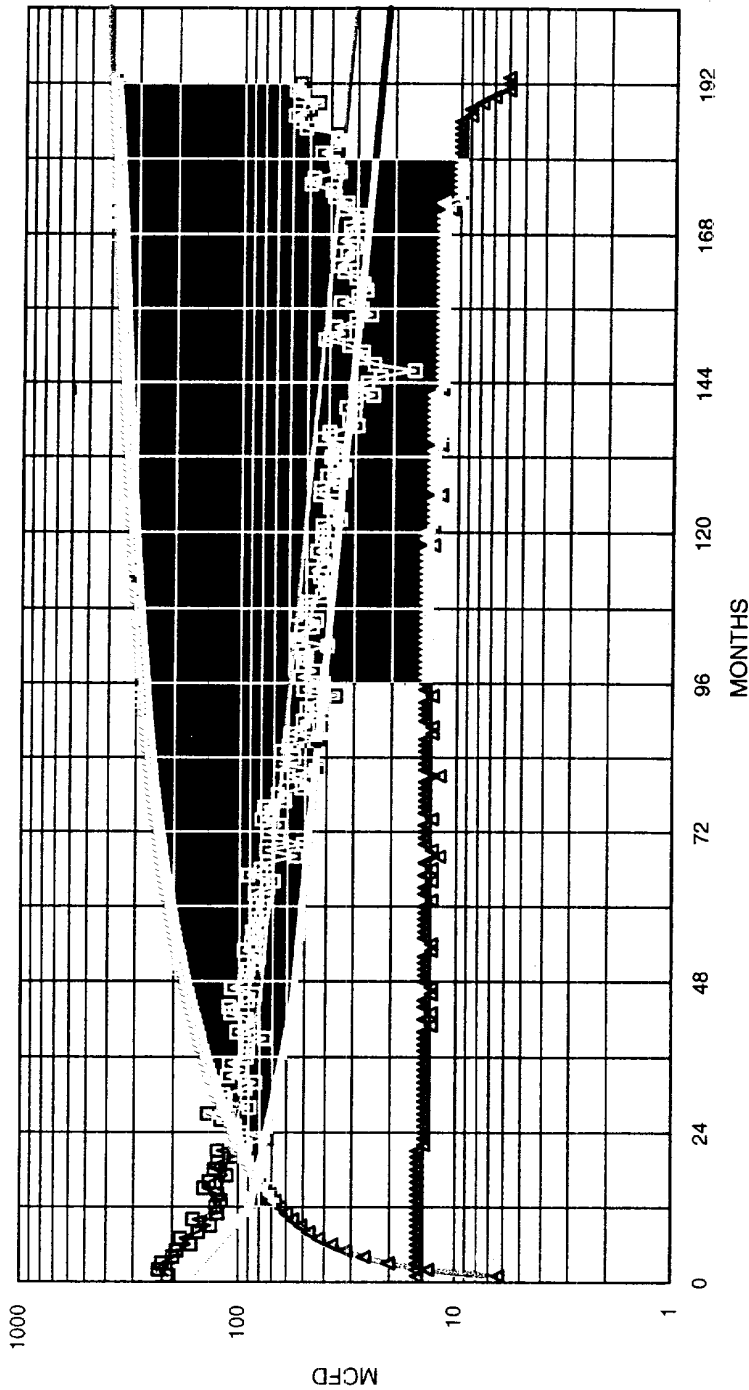
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NOTE: Current decline rate is approximately 3%/year. This rate is expected to continue for the duration of the well based on production trends observed during the life of this well.

Production data from PI/Dwights Plus.

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
2000	196	0.5
2001	191	0.5
2002	185	0.5
2003	179	0.4
2004	174	0.4
2005	169	0.4
2006	164	0.4
2007	159	0.4
2008	154	0.4
2009	149	0.4
2010	145	0.4
2011	141	0.4
2012	136	0.3
2013	132	0.3
2014	128	0.3
2015	124	0.3
2016	121	0.3
2017	117	0.3
2018	114	0.3
2019	110	0.3
2020	107	0.3
2021	104	0.3
2022	101	0.3
2023	98	0.2
2024	95	0.2
2025	92	0.2
2026	89	0.2
2027	86	0.2

**NORMALIZED PICTURED CLIFFS PRODUCTION
 PROD. SINCE 1980; 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)**



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

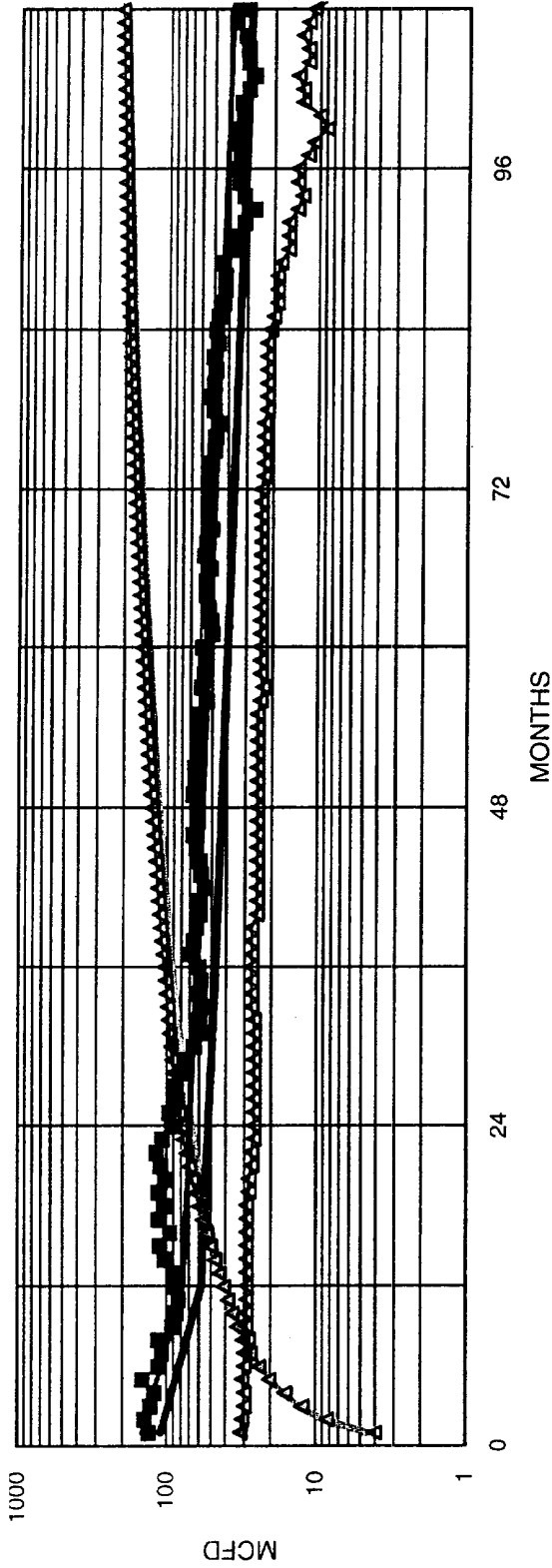
NORMALIZED AVG:
 522 MMCF EUR
 524 MMCF/ 33.5YRS
 10 MCFD E.L.
 0.000158 bb/mcf oil yield

RISKED AVG: 30% RISK
 350 MMCF EUR
 349 MMCF/ 27.8 YRS
 10 MCFD E.L.
 0.000158 bb/mcf oil yield

250 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 15% DECLINE, NEXT 36 MONTHS
 7% FINAL DECLINE

175 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 15% DECLINE, NEXT 36 MONTHS
 7% FINAL DECLINE

**NORMALIZED FRUITLAND COAL PRODUCTION
29 WELLS SINCE 1990; 28N-7W & 27N-7W**



■ NORM MCFD
 ▲ NORM CUM MMCF
 ◆ WELLS ON PRODUCTION
 --- FIT CUM MMCF
 --- RISKED MCFD
 --- FIT MCFD

NORMALIZED AVG:
 323 MMCF EUR
 300 MMCF IN 20 YRS
 10 MCFD E.L.
 0.0000 bbl/mcf oil yield

155 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 10.0% DECLINE, NEXT 24 MONTHS
 8.0% FINAL DECLINE

RISKED AVG: 25% RISK
 231 MMCF EUR
 225 MMCF IN 20 YRS
 10 MCFD E.L.
 0.0000 bbl/mcf oil yield

116 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 10.0% DECLINE, NEXT 24 MONTHS
 8.0% FINAL DECLINE