



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

February 2, 1999

Oil Conservation Division
1000 Rio Brazos Rd
Aztec, New Mexico 87410

RE: Downhole Commingling

Dear Mr. Busch,

I am writing to inform you that Conoco's **San Juan 28-7 Unit well # 243** (API #30-039-21084) was commingled January 27, 1999, (DHC Order # 1801). The production from this well will be allocated based on the subtraction method submitted on the C107A application. The **Storey Com C # 4E** (API #30-045-24685) was commingled January 27, 1999, (DHC Order # 1888). The production from this well will be allocated based on the subtraction method submitted on the C107A application. *A-31-51N-700*
R-15-28N-9W

If any additional information is required please let me know (915) 686-5798. Thank you.

Sincerely,

Kay Maddox – Regulatory Agent, Conoco, Inc.

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FEB 10 1999
FBI - ALBUQUERQUE



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER DHC-1801

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attention: Ms. Kay Maddox

*San Juan 28-7 Unit No. 243
API No. 30-039-21084
Unit N, Section 31, Township 28 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Maddox:

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.

Production from the subject well shall be allocated as follows:

Gas and oil production from the Basin-Dakota Gas Pool shall be determined utilizing the mid-year average production forecast submitted by the applicant as an attachment to the downhole commingling application. Gas and oil production from the Blanco-Mesaverde Gas Pool shall be determined by subtracting Basin-Dakota Gas Pool production from the well's total monthly oil and gas production.

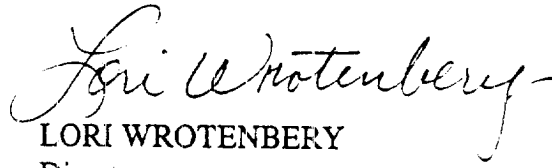
The allocation method established herein may be altered at some time subsequent to initiating downhole commingling operations upon request by the operator and for good cause shown.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 24th day of February, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

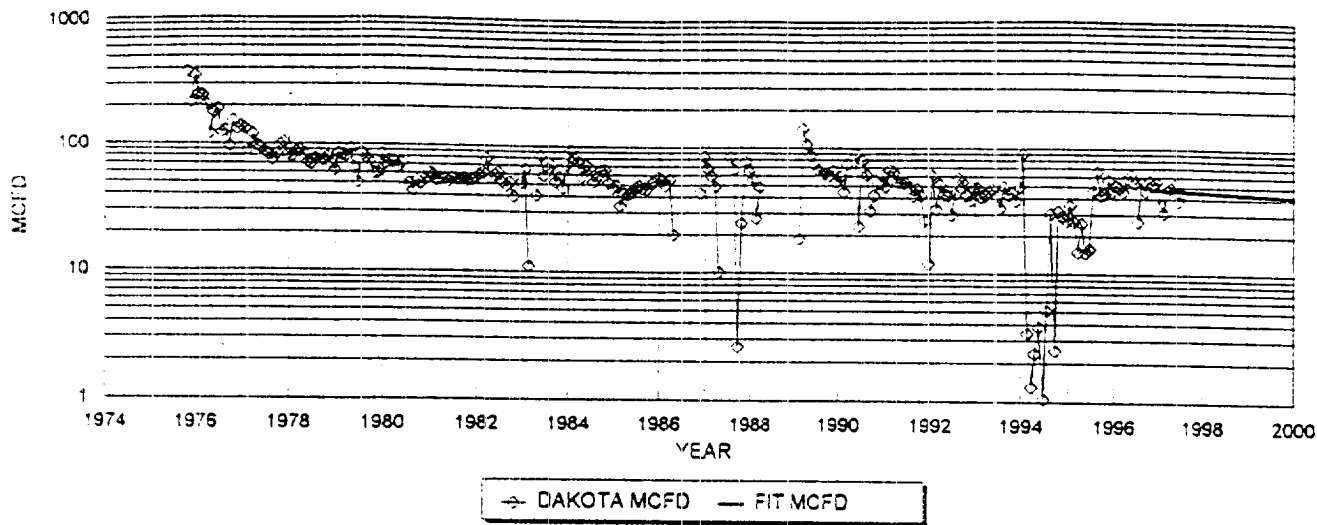

LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Aztec
Bureau of Land Management-Farmington

SAN JUAN 28-7 NO. 243 DAKOTA PRODUCTION
SECTION 31N-28N-37W



DAKOTA HISTORICAL DATA:		1ST PROD: 10/75	DAKOTA PROJECTED DATA	
OIL CUM:	2.31	MBO	1/1/98 Q1:	45 MCFD
GAS CUM:	466.5	MMCF	DECLINE RATE:	3.5% (EXPONENTIAL)
CUM OIL YIELD:	0.0062	BBL/MCF		
OIL YIELD:	0.0062	BBL/MCF, LAST 3 YRS		
AVG. USED:	0.0062	BBL/MCF		

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1998	44.6	0.3
1999	43.3	0.3
2000	41.5	0.3
2001	40.1	0.2
2002	38.7	0.2
2003	37.3	0.2
2004	36.0	0.2
2005	34.3	0.2
2006	33.5	0.2
2007	32.4	0.2
2008	31.2	0.2
2009	30.1	0.2
2010	29.1	0.2
2011	28.1	0.2
2012	27.1	0.2
2013	26.1	0.2
2014	25.2	0.2
2015	24.3	0.2
2016	23.5	0.1
2017	22.7	0.1
2018	21.9	0.1
2019	21.1	0.1
2020	20.4	0.1
2021	19.7	0.1
2022	19.0	0.1
2023	18.3	0.1
2024	17.7	0.1
2025	17.0	0.1
2026	16.4	0.1
2027	15.9	0.1
2028	15.3	0.1
2029	14.8	0.1
2030	14.3	0.1
2031	13.8	0.1
2032	13.3	0.1



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1888

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attention: Ms. Kay Maddox

*Storey Com "C" No. 4E
API No. 30-045-24685
Unit G, Section 15, Township 28 North, Range 9 West, NMPM,
San Juan County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Maddox:

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.

Production from the subject well shall be allocated as follows:

Gas and oil production from the Basin-Dakota Gas Pool shall be determined utilizing the annual average production forecast submitted by the applicant as an attachment to the downhole commingling application. Gas and oil production from the Blanco-Mesaverde Gas Pool shall be determined by subtracting Basin-Dakota Gas Pool production from the well's total monthly oil and gas production.

The allocation method established herein may be altered at some time subsequent to initiating

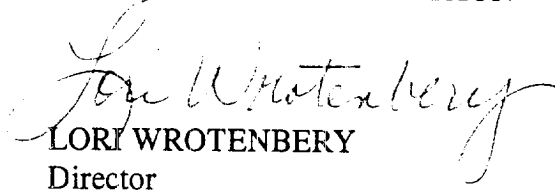
downhole commingling operations upon request by the operator and for good cause shown.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 9th day of April, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

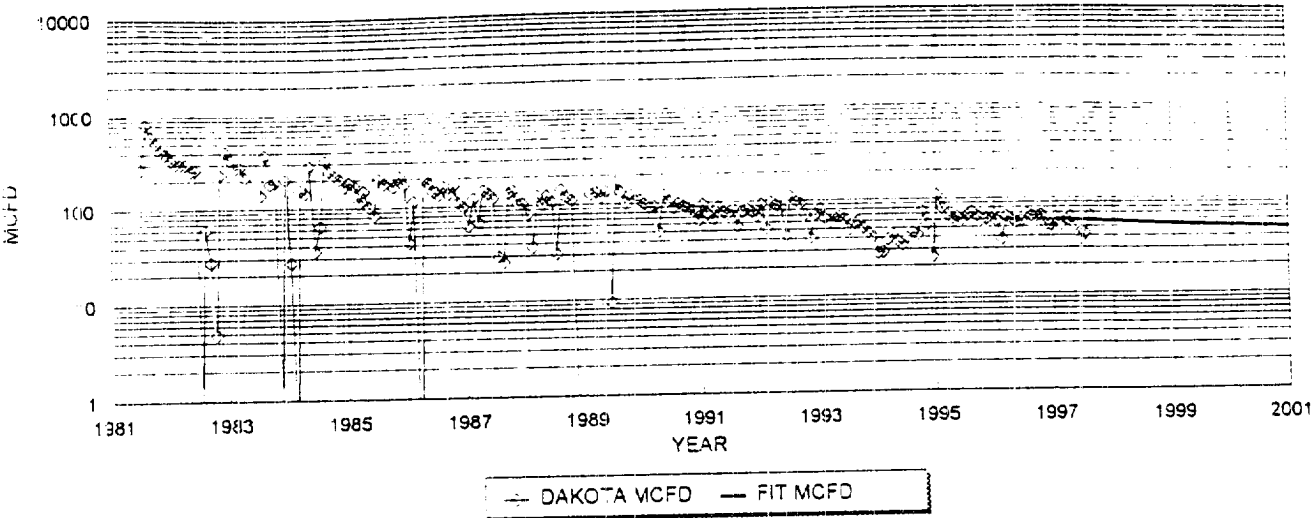

LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Aztec
Bureau of Land Management-Farmington

STOREY COM C #4E DAKOTA PRODUCTION
SECTION 15G-28N-09W



DATA HISTORICAL DATA:	1ST PROD: 07/81	DAKOTA PROJECTED DATA
CUM:	9.04 MBO	1/1/98 Q1: 56 MCFD
CUM:	686.1 MMCF	DECLINE RATE: 5.0% (EXPONENTIAL)
4 OIL YIELD:	0.0132 BBL/MCF	
YIELD:	0.0101 BBL/MCF, LAST 3 YRS	
3. USED:	0.0116 BBL/MCF	

DUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1998	54.7	0.6
1999	52.0	0.6
2000	49.4	0.6
2001	46.9	0.5
2002	44.6	0.5
2003	42.3	0.5
2004	40.2	0.5
2005	38.2	0.4
2006	36.3	0.4
2007	34.5	0.4
2008	32.8	0.4
2009	31.1	0.4
2010	29.6	0.3
2011	28.1	0.3
2012	26.7	0.3
2013	25.3	0.3
2014	24.1	0.3
2015	22.9	0.3
2016	21.7	0.3
2017	20.6	0.2
2018	19.6	0.2
2019	18.6	0.2
2020	17.7	0.2
2021	16.8	0.2
2022	16.0	0.2
2023	15.2	0.2
2024	14.4	0.2
2025	13.7	0.2
2026	13.0	0.2
2027	12.4	0.1
2028	11.7	0.1
2029	11.2	0.1
2030	10.6	0.1
2031	10.1	0.1
2032	9.6	0.1

PREPARED BY: PMS 02/18/98

JACKA3.WK4

08:25 AM

ACHMENTS:

ORDER NO(S)