DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 South First St., Artesia, NM 88210-2835
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

APPLICATION FOR DOWNHOLE COMMINGLING

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

APPROVAL PROCESS :
__ Administrative __Hearing

EXISTING WELLBORE
__YES _x__ NO

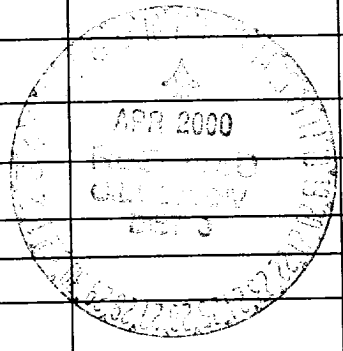
Burlington Resources Oil and Gas — P.O. Box 4289 Farmington, NM 87499
Operator — Address

Grenier B — #5E — I-06-29N-10W — San Juan
Lease — Well No. — Unit Ltr. - Sec - Twp - Rge — County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 18532 API NO. 30-039-XXXXX Federal __x__, State ____, Fee _____

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Otero Chacra - 82329		Blanco Mesaverde - 72319
2. Top and Bottom of Pay Section (Perforations)	Will be supplied on completion		Will be supplied upon completion
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: Estimated Current Gas & Oil – Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 388 psi (see attachment)		a. 389 psi (see attachment)
	(Original) b. 1193 psi (see attachment)		b. 1172 psi (see attachment)
6. Oil Gravity (°API) or Gas BTU Content	BTU 1150		BTU 1250
7. Producing or Shut-In?	Shut-In		Shut In
Production Marginal? (yes or no)	No		No
* If Shut-In 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	Date: Rates: mcfd		Date: N/A Rates:
* If Producing, give data and oil/gas/water water of recent test (within 60 days)	Date: Rates:		Date: Rates: mcfd bopd
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Will be supplied upon completion.		Will be supplied upon completion.



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 _X_No
If not, have all working, overriding, and royalty interests been notified by certified mail? _X_Yes __No

11. Will cross-flow occur? _X_ 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. _X__ Yes _____No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? _X_ Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes _X_ 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. _X__Yes ___ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

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 working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

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I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____ TITLE SR. Reservoir Engineer DATE 04-07-00

TYPE OR PRINT NAME Ralph Nelms TELEPHONE NO. (_505_) _326-9700____