



RELEASE 2-10-93

Midland Division
Exploration and Production

OIL CONSERVATION DIVISION
Conoco Inc. RECEIVED
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400
JAN 27 1993 9 02

January 20, 1993

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Gentlemen:

BASIN
APPROVED
Application to Downhole Commingle the
Dakota and Mesaverde Gas Producing zones
in State Com AG #29E, 1500' FNL & 1565' FWL,
Sec. 36, T-29N, R-10W, San Juan County, New Mexico

It is proposed to downhole commingle the Dakota and Mesaverde Gas zones in this well to return it to economic operation and to maximize the efficient and effective recovery of Gas at this location.

After failing a packer leakage test in November, 1991, this dual completion was shut-in. Economic evaluation of the continued operation of this well as a dual completion has shown that it can only be economically returned to production if it can be downhole commingled and operated as a single completion.

The Dakota and Mesaverde producing rates had declined to marginal levels of 22 MCFGPD and 58 MCFGPD respectively prior to shut-in. Elimination of excess operational equipment and operating expense associated with dual operation would contribute to the maximization of the producing lives and recoveries from each pool. Downhole commingling would permit the elimination of one tubing string, one separator and one tank now required for the operation of this dual completion and would eliminate maintenance costs with maintaining isolation of the two completions.

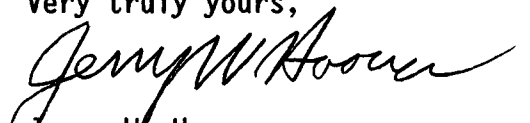
The following attachments are submitted in support of this application:

1. EXHIBIT A is a plat (a) showing Dakota wells in the area, (b) identifying the subject well, and (c) outlining the Dakota proration unit.
2. EXHIBIT B is a plat (a) showing Mesaverde wells in the area, (b) identifying the subject well, and (c) outlining the Mesaverde proration unit.
3. EXHIBIT C is the most recently filed GOR test (C-116) and documents the producing rates for each completion prior to being shut-in in November of 1991.
4. EXHIBITS D and E are current decline curves for Dakota and Mesaverde production.

5. EXHIBIT F is a plot of shut-in tubing pressures for both zones. The last recorded surface pressures can be converted to estimated bottom hole pressures of 706 psia for the Dakota and 569 psia for the Mesaverde.
6. WI, RI, AND ORRI ownerships are identical for both formations.
7. EXHIBITS G & H are respectively Dakota and Mesaverde gas analyses. BTU values are very similar for both and since sales are based on a \$/BTU rate, revenue for the combined gas stream will be the same as for the separated sales streams of the dual completion. Therefore, there would be no revenue or royalty loss due to commingling.
8. Allocation percentages based on the last reported C-116 tests are suggested as follows:

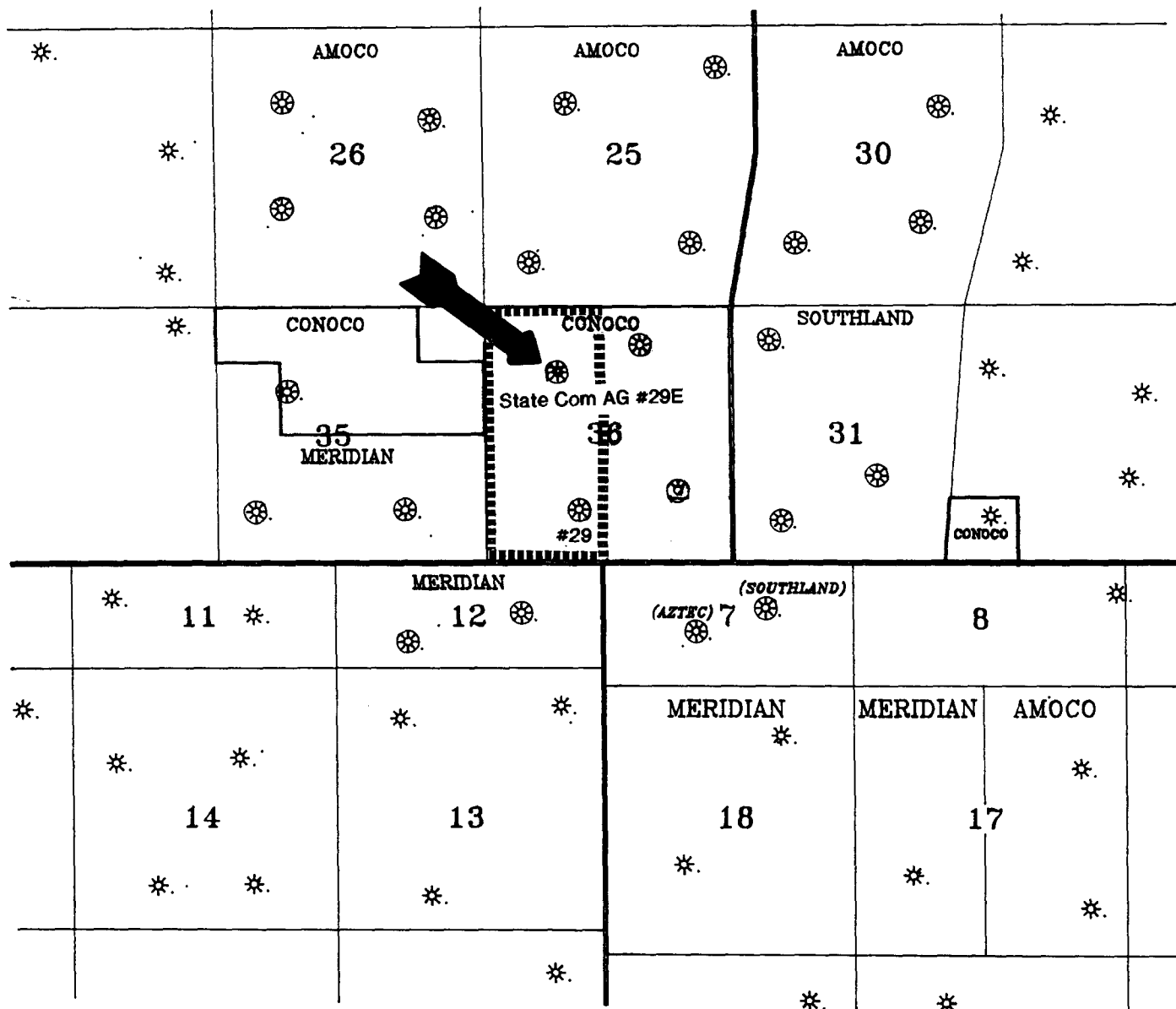
	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Basin Dakota	50%	33%	0%
Blanco Mesaverde	50%	67%	100%
9. Additional interest owners in both completions of this well are: Amoco Production Company, Meredian, and Southland Royalty. Copies of this application were sent by certified mail to each and EXHIBIT I includes copies of each certified mail receipt to them.

Very truly yours,


Jerry W. Hoover
Senior Conservation Coordinator

R 10 W

R 9 W



R 10 W

R 9 W

██████████ Dakota Proration Unit

EXHIBIT A


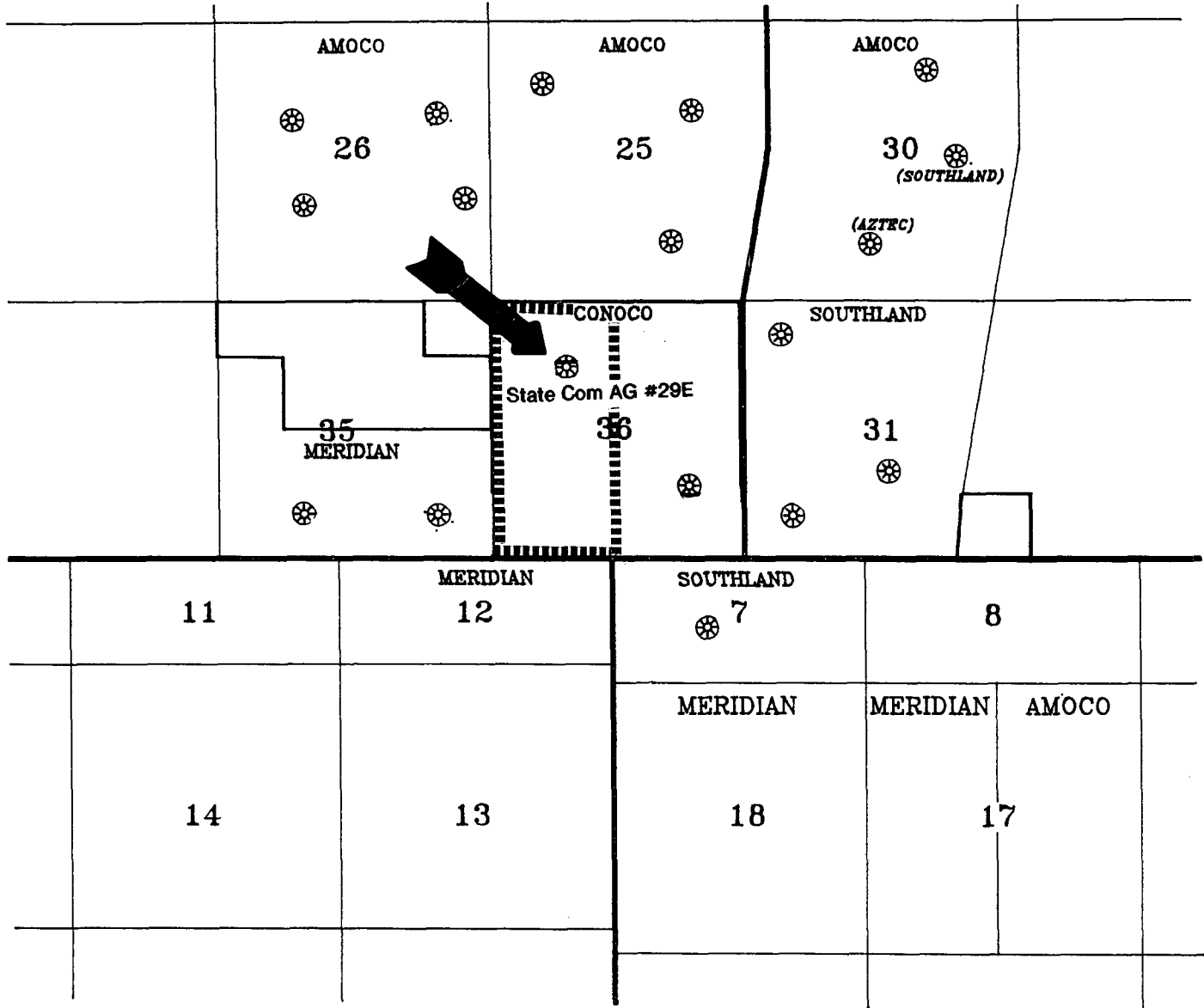
 EPNMNA MIDLAND DIVISION	
DAKOTA WELLS	
FED. LEASE NO:	DRAWING NO. BA 1163

EXHIBIT B

FED. LEASE NO:	DRAWING NO. BA 1164
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R 10 W

R 9 W



T
29
N

T
28
N

R 10 W

R 9 W

..... Mesaverde Proration Unit

EXHIBIT B



EPNGNA
MIDLAND DIVISION

MESAVERDE WELLS

FED. LEASE NO.

DRAWING NO.

BA 1164

Submit 2 copies to Appropriate
District Office.

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator Conoco Inc.		Pool Blanco Mesaverde		Basin Dakota		County San Juan									
Address #10 Desta Drive, Suite 100W		Midland, TX 79705		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input type="checkbox"/>									
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABL	LENGTH OF TEST HOURS	PROD. DURING TEST		GAS - OIL RATIO CU.FT/BBL.			
		U	S	T						R	WATER BBL.S.		GRAV. OIL	OIL BBL.S.	GAS MCF.
State Com AG (Mesaverde)	29E	F	36	29N	10W	10-1-91	--	--	195	24	3	--	1	58	58,000
	29E	F	36	29N	10W	10-1-91	--	--	434	24	0	--	1	22	22,000
								Shared with State Com AG #29							

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature

Jerry W. Hoover

Sr. Conservation
Coordinator

Printed name and title

1/19/93

Date

(915) 686-6548

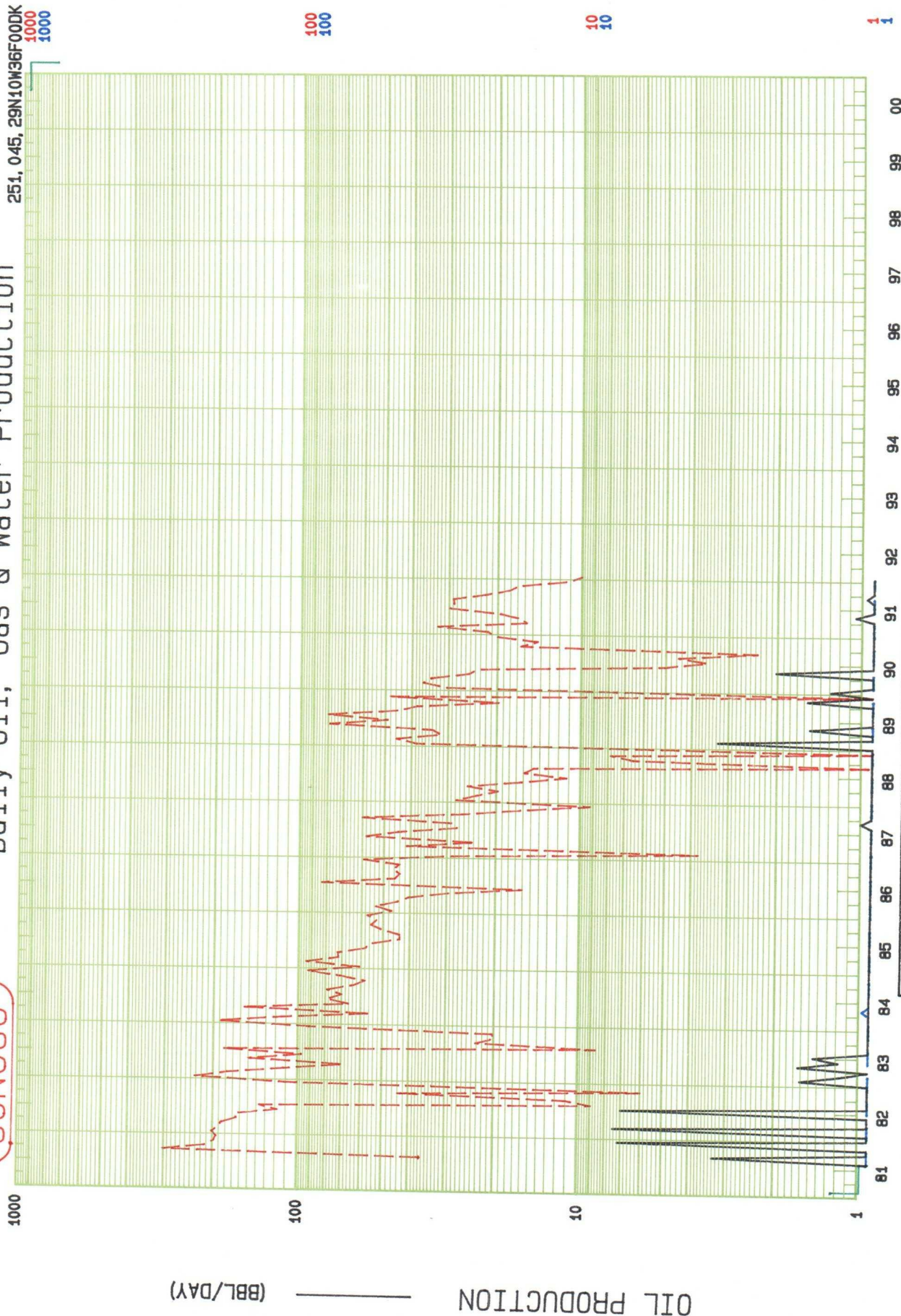
Telephone No.

EXHIBIT C

CONOCO

Daily Oil, Gas & Water Production

WATER PRODUCTION (BBL/DAY) --- GAS PRODUCTION (MCF/DAY) ---



Operator:	CONOCO INC	Location:	36 29N 10W
Lease:	STATE COM AG	County:	SAN JUAN
Well #	00029E	State:	NM
Field:	BASIN (DAKOTA)	Cum. Oil:	DK860
Reservoir:	DAKOTA	Cum. Gas:	228398

EXHIBIT D

07-22-92

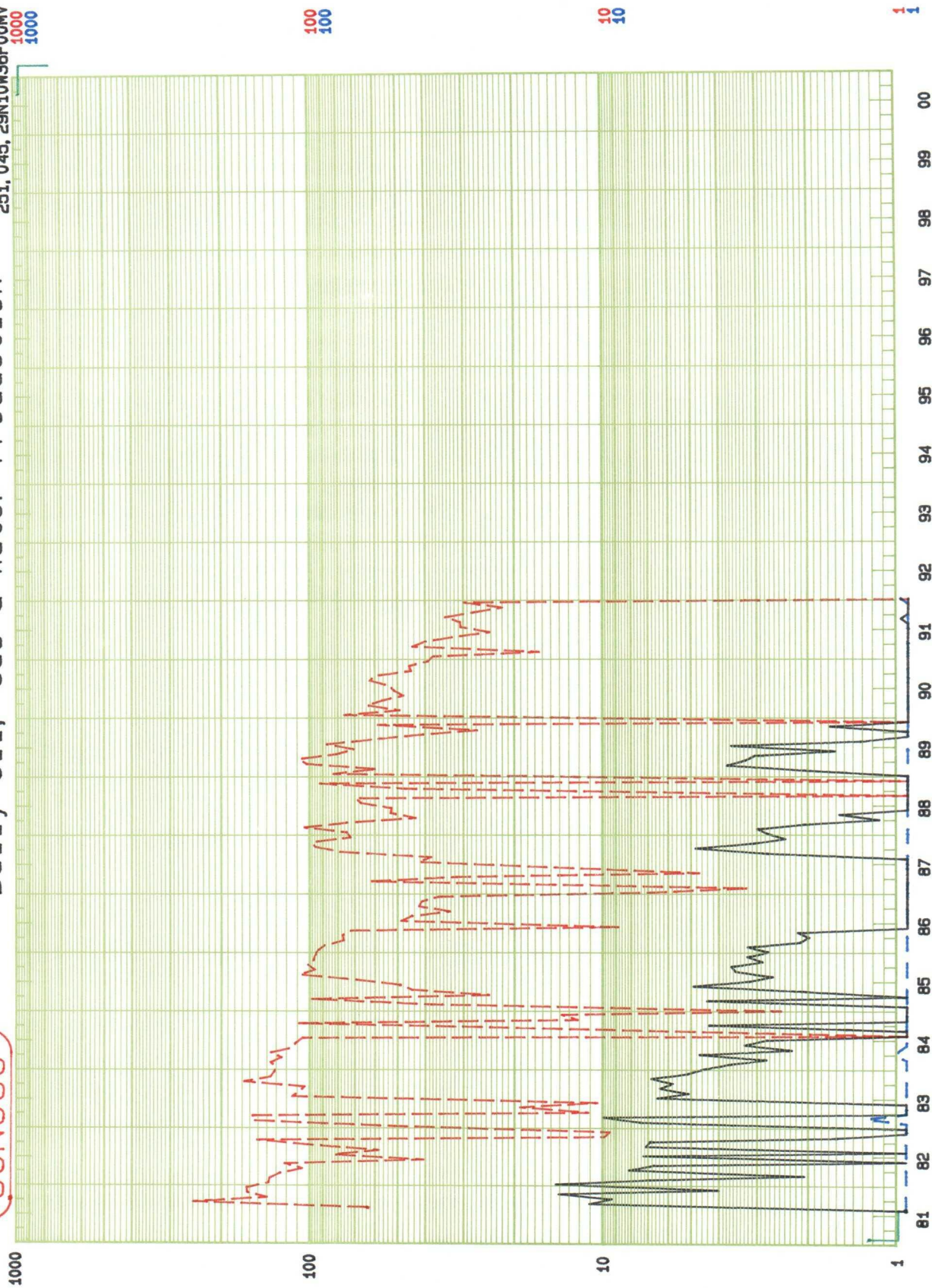
CONOCO

Daily Oil, Gas & Water Production

251, 045, 29N10W36F00WV
1000
1000

OIL PRODUCTION (BBL/DAY)

WATER PRODUCTION (BBL/DAY) ---
GAS PRODUCTION (MCF/DAY) ---

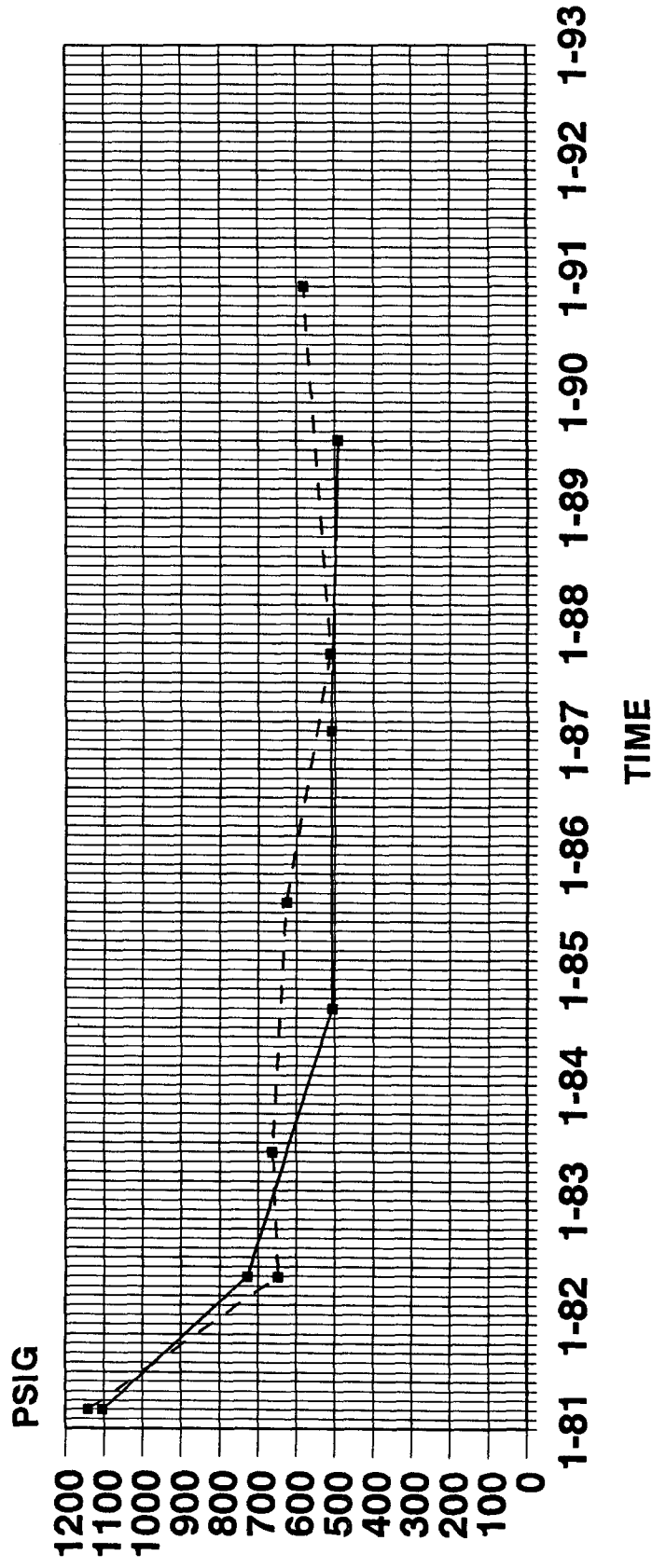


Operator:	CONOCO INC	Location:	36 29N 10W
Lease:	STATE COM AG	County:	SAN JUAN
Well #	00029E	State:	NM
Field:	BLANCO (MESAVERDE)	Cum. Oil:	M18499
Reservoir:	MESAVERDE	Cum. Gas:	265866

EXHIBIT E

07-22-92

**SAN JUAN OPERATIONAL UNIT
STATE COM AG #29E
SHUT-IN TUBING PRESSURE**



MESAVERDE - DAKOTA

WELL DELIVERABILITY TEST REPORT (FORM C-122A)
WELL COMPLETED FEBRUARY 14, 1981



1115 FARMINGTON AVE. - FARMINGTON, NM 87401

(505) 325-6622

ANALYSIS NO. CON10037

WELL/LEASE INFORMATION

COMPANY: CONOCO, INC.

WELL NAME: STATE COM AF 28

LINE PRESSURE:

LOCATION:

SAMPLE TEMP.:

LEASE:

WELL FLOWING: YES

FORMATION: Dakota

DATE SAMPLED: 11/91

METER NO.:

SAMPLED BY: CONOCO

REMARKS:

ANALYSIS

COMPONENT	MOLE %	GPM	*B.T.U.	*SP. GR.
NITROGEN	0.833	0.0000	0.00	0.0081
CO2	1.578	0.0000	0.00	0.0240
METHANE	81.052	0.0000	820.49	0.4489
ETHANE	9.315	2.5417	165.22	0.0967
PROPANE	3.450	0.9700	87.02	0.0525
I-BUTANE	0.691	0.2304	22.51	0.0139
N-BUTANE	1.105	0.3553	36.12	0.0222
I-PENTANE	0.638	0.2381	25.58	0.0159
N-PENTANE	0.570	0.2107	22.91	0.0142
HEXANE	0.768	0.3418	39.50	0.0247
TOTAL	100.000	4.8880	1219.35	0.7211

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

COMPRESSIBILITY FACTOR (1/Z) 1.0036

BTU/CU.FT. (DRY) CORRECTED FOR (1/Z) 1248.2

BTU/CU.FT. (WET) CORRECTED FOR (1/Z) 1226.5

REAL SPECIFIC GRAVITY 0.7233

ANALYSIS RUN AT 15.025 PSIA & 60 DEGREES F

CYLINDER PRESSURE: 117 PSIG

DATE RUN: 11/26/91

ANALYSIS RUN BY: CHELLE DURBIN

EXHIBIT G

08-11-87

EL PASO NATURAL GAS COMPANY
MEASUREMENT DEPARTMENT
POST OFFICE BOX 1492
EL PASO, TEXAS 79978

MAILEE
04515

CHROMATOGRAPHIC GAS ANALYSIS REPORT

MESA OPERATING LTD PARTNERSHIP
P. O. BOX 2009
AMARILLO, TX 79189

Mesaverde Formation

ANAL DATE 00-00-00	METER STATION NAME STATE COM AF 828E NY1	METER STA 93761 OPER 8014			
TYPE CODE	SAMPLE DATE	EFF. DATE	USE MOS	H2S GRAINS	LOCATION
00 ***	07-31-87	08-01-87	06	0	4 F 13

	NORMAL MOL%	GPM
CO2	.62	.000
H2S	.00	.000
N2	.43	.000
METHANE	75.40	.000
ETHANE	12.94	3.461
PROPANE	6.77	1.866
ISO-BUTANE	1.06	.347
NORM-BUTANE	1.62	.511
ISO-PENTANE	.49	.179
NORM-PENTANE	.38	.138
HEXANE PLUS	.29	.126
	100.00	6.628

SPECIFIC GRAVITY .756

MIXTURE HEATING VALUE
(BTU/CF @14.73 PSIA, 60 DEGREES, DRY) 1306

RATIO OF SPECIFIC HEATS 1.272

NO TEST SECURED FOR H2S CONTENT

*** TYPE CODE EXPLANATION: SINGLE METER ANALYSIS

GXC

DATE 11-4-87
REGULATORY
MARKETING
WF

EXHIBIT H

P 451 210 209

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Amoco Production Co.	
Street and No. P. O. Box 800	
P.O., State and ZIP Code Denver, CO 80201	
Postage	\$
Certified Fee	XX
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 1/20/93	

P 451 210 211

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Meridian	
Street and No. P. O. Box 4289	
P.O., State and ZIP Code Farmington, NM 87499	
Postage	\$
Certified Fee	XX
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 1/20/93	

P 451 210 210

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Southland Royalty c/o Meridian	
Street and No. P. O. Box 4289	
P.O., State and ZIP Code Farmington, NM 87499	
Postage	\$
Certified Fee	XX
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 1/20/93	

EXHIBIT I