

DHC 5/12/97

DISTRICT I
PO 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
APR 22 1997 OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

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

APPROVAL PROCESS:
 Administrative Hearing
EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Conoco Inc. Address: 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease: San Juan 28-7 Well No: 227 Unit Ltr Sec Twp Rge: A-36-T28N-R7W County: Rio Arriba

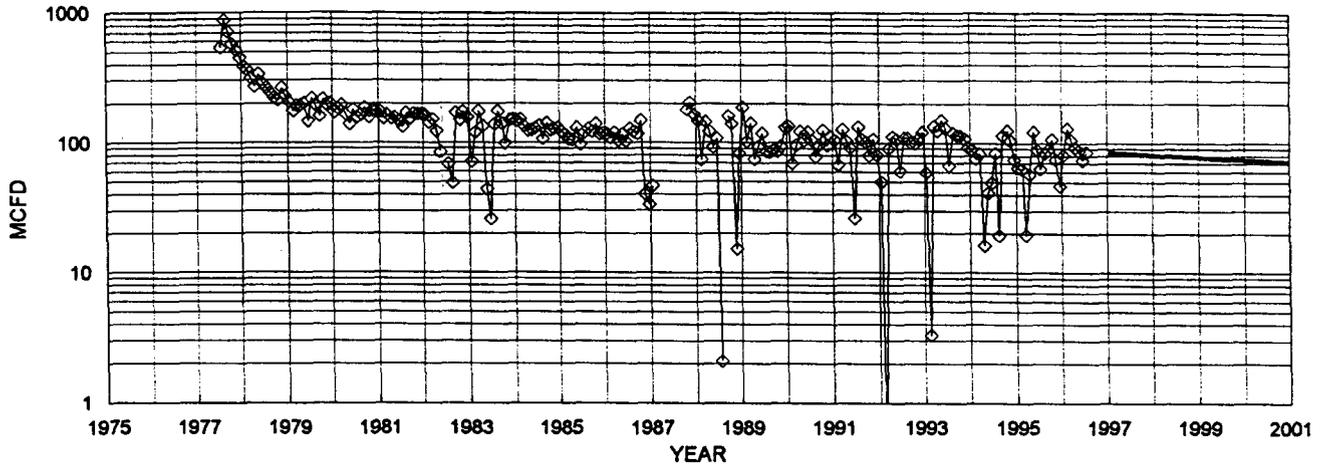
OGRID NO. 005073 Property Code 16608 API NO. 30-039-20887 Spacing Unit Lease Types: (check 1 or more)
Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Mesa Verde 72319		Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4981 - - 5890' OA		
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Expected to be Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 800 psia	a.	a. 680 psia
	b(Original) 1192	b.	b. 2925
6. Oil Gravity (*API) or Gas BT Content	1230		1129
7. Producing or Shut-In?	To Be Completed		Producing
Production Marginal? (yes or no)	Yes		Yes
• If Shut-In give date and oil/gas/water rates of last production Note For new zones with no production history applicant should be required to attach production estimates and supporting data • If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Date Rates Incremental Production by Subtraction	Date Rates	Date Rates Mid-Year avg. rates - see table
8. Fixed Percentage Allocation Formula - % for each zone	% Gas %	% Gas %	% Gas %

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
 * Conoco is offset operator to all San Juan 28-7 Unit wells.
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 others 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) _____
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 all offset operators.
 • Notification list of 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 Jerry W. Hoover TITLE Sr. Conservation Coord DATE 1/27/97
TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

**SAN JUAN 28-7 UNIT NO. 227 DAKOTA PRODUCTION
SECTION 36A-28N-07W**



◇ DAKOTA MCFD — FIT MCFD

DAKOTA HISTORICAL DATA:	1ST PROD: 7/77	DAKOTA PROJECTED DATA
OIL CUM: 2.85 MBO		1/1/97 Qi: 85 MCFD
GAS CUM: 922.9 MMCF		DECLINE RATE: 4.1% (EXPONENTIAL)
CUM OIL YIELD 0.0031 BBL/MCF		
OIL YIELD: 0.0021 BBL/MCF, LAST 3 YRS		

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1996	83	0.2
1997	80	0.2
1998	77	0.2
1999	73	0.2
2000	70	0.1
2001	68	0.1
2002	65	0.1
2003	62	0.1
2004	60	0.1
2005	57	0.1
2006	55	0.1
2007	53	0.1
2008	50	0.1
2009	48	0.1
2010	46	0.1
2011	44	0.1
2012	43	0.1
2013	41	0.1
2014	39	0.1
2015	38	0.1
2016	36	0.1
2017	35	0.1
2018	33	0.1
2019	32	0.1
2020	30	0.1
2021	29	0.1
2022	28	0.1
2023	27	0.1
2024	26	0.1
2025	25	0.1
2026	24	0.0
2027	23	0.0
2028	22	0.0
2029	21	0.0
2030	20	0.0

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NEW MEXICO OIL CONSERVATION COMMISSION

UNITIZATION AND ACREAGE DEDICATION REPORT

Form C-102
Supersedes C-128
Effective 1-4-65

All distances must be from the outer boundaries of the Section.

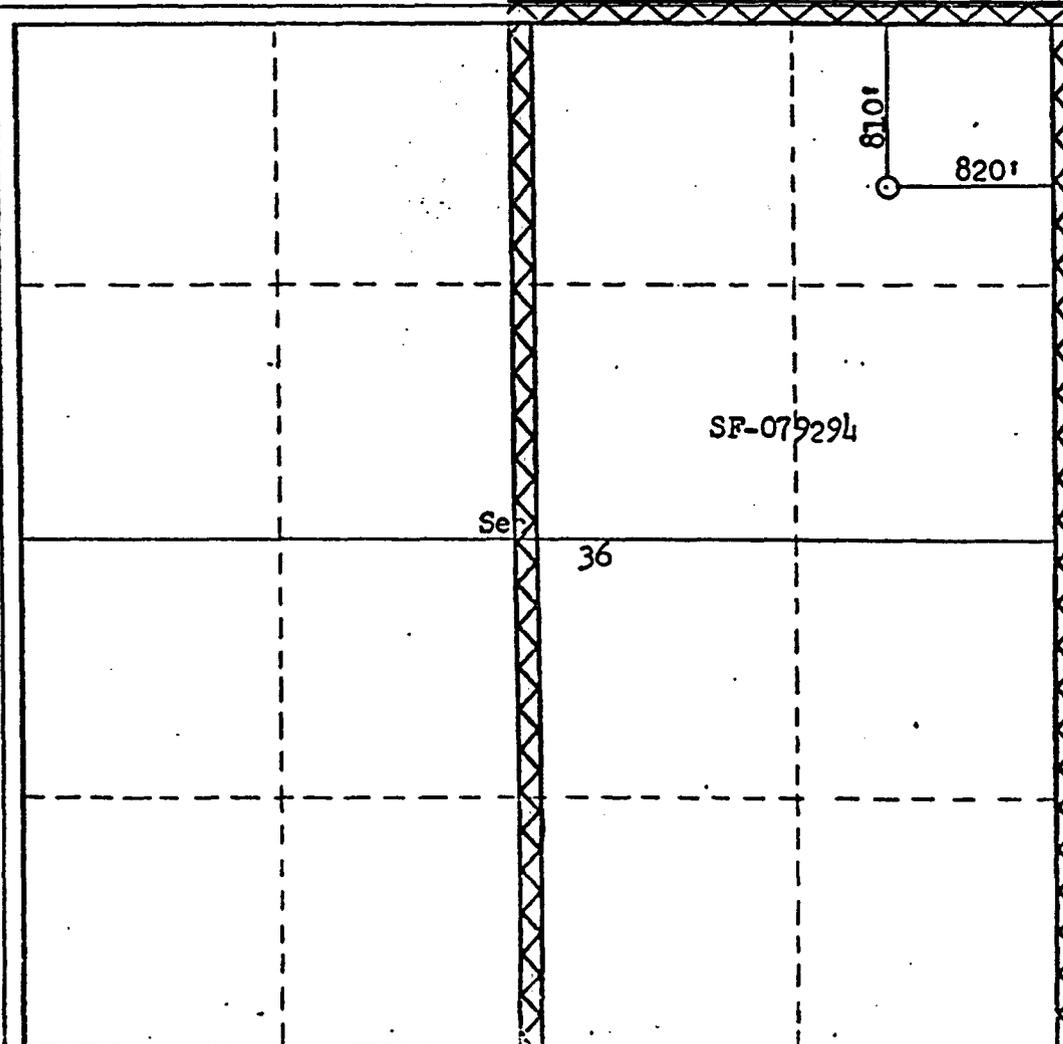
Operator El Paso Natural Gas Company			Lease San Juan 28-7 Unit (SF-079294)		Well No. 227
Unit Letter A	Section 36	Township 28N	Range 7W	County Rio Arriba	
Actual Footage Location of Well: 810 feet from the North line and 820 feet from the East line					
Ground Level Elev. 6626	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: 328.06 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

M. G. Bisco

Name **Drilling Clerk**

Position **El Paso Natural Gas Co.**

Company **April 25, 1974**

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **March 25, 1974**

Registered Professional Engineer and/or Land Surveyor

Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certificate No. **3050**