

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

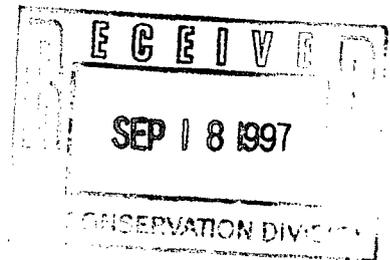
1697

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]



[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Directional Drilling

- NSL NSP DD SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

- DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

- WFX PMX SWD IPI EOR PPR

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

<u>Jerry W. Hoover</u> Print or Type Name	 Signature	<u>Sr. Conservation Coordinator</u> Title	<u>9/16/97</u> Date
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DISTRICT 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

DISTRICT II
 811 South First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:
 Administrative Hearing
 EXISTING WELLBORE
 YES NO

DISTRICT III
 1000 Rio Brazos Rd. Aztec, NM 87410 1693

APPLICATION FOR DOWNHOLE COMMINGLING

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

Lease Salmon Well No 1E Unit Ltr Sec Twp Rge B - Section 30, T-29-N, R-11-W County San Juan

OGRID NO. 005073 Property Code 003240 API NO. 30-045-24340 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	Otero-Chacra 82329		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	2569-2687'		6027-6146'
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: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 472 psia	a.	a. 453 psia
	b(Original) 1047 psia	b.	b. 1430 psia
6. Oil Gravity (°API) or Gas BT Content	1169		1282
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		No
• 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, date and oil/gas/water rates of recent test (within 60 days)	Date Rates: 7/15/97 41 MCFD 0 BOPD/ .2 BWPD	Date Rates: 7/15/97 151 MCFD 1.4 BOPD/ 0.7 BWPD	Date Rates: 7/15/97 151 MCFD 1.4 BOPD/ 0.7 BWPD
	Date Rates: 7/15/97 41 MCFD 0 BOPD/ .2 BWPD	Date Rates: 7/15/97 151 MCFD 1.4 BOPD/ 0.7 BWPD	Date Rates: 7/15/97 151 MCFD 1.4 BOPD/ 0.7 BWPD
8. Fixed Percentage Allocation Formula -% of each zone	Oil: 3 % Gas 29 %	Oil: % Gas %	Oil: 97 % Gas 71

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

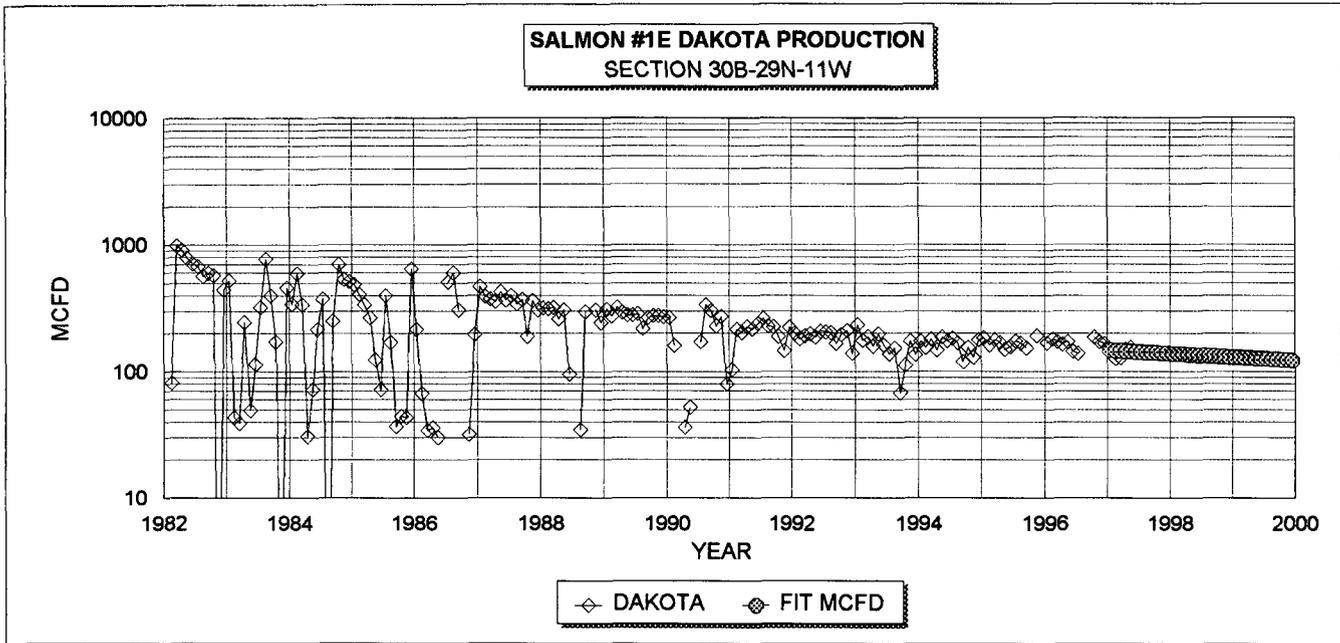
16. ATTACHMENTS

- * 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.

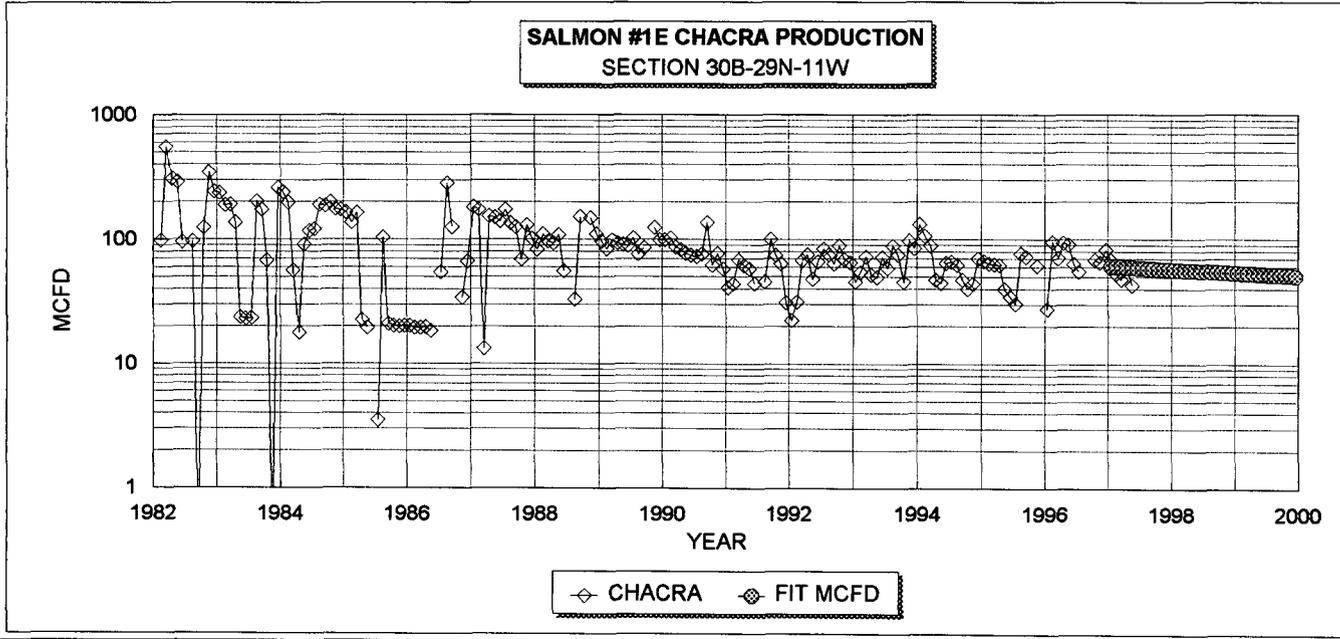
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE x Jerry W. Hoover TITLE Sr. Conservation Coord DATE 9/12/97

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548



DAKOTA HISTORICAL DATA:	1ST PROD: 02/82	DAKOTA PROJECTED DATA
OIL CUM:	13.38 MBO	1/1/97 Qi: 147 MCFD
GAS CUM:	1318.3 MMCF	DECLINE RATE: 6.0% (EXPONENTIAL)
OIL YIELD:	0.0102 BBL/MCF	



CHACRA HISTORICAL DATA	1ST PROD: 02/82	CHACRA PROJECTED DATA
OIL CUM:	0.3 MBO	1/1/97 Qi: 61 MCFD
GAS CUM:	483.8 MMCF	DECLINE RATE: 6.0% (EXPONENTIAL)
OIL YIELD:	0.0007 BBL/MCF	

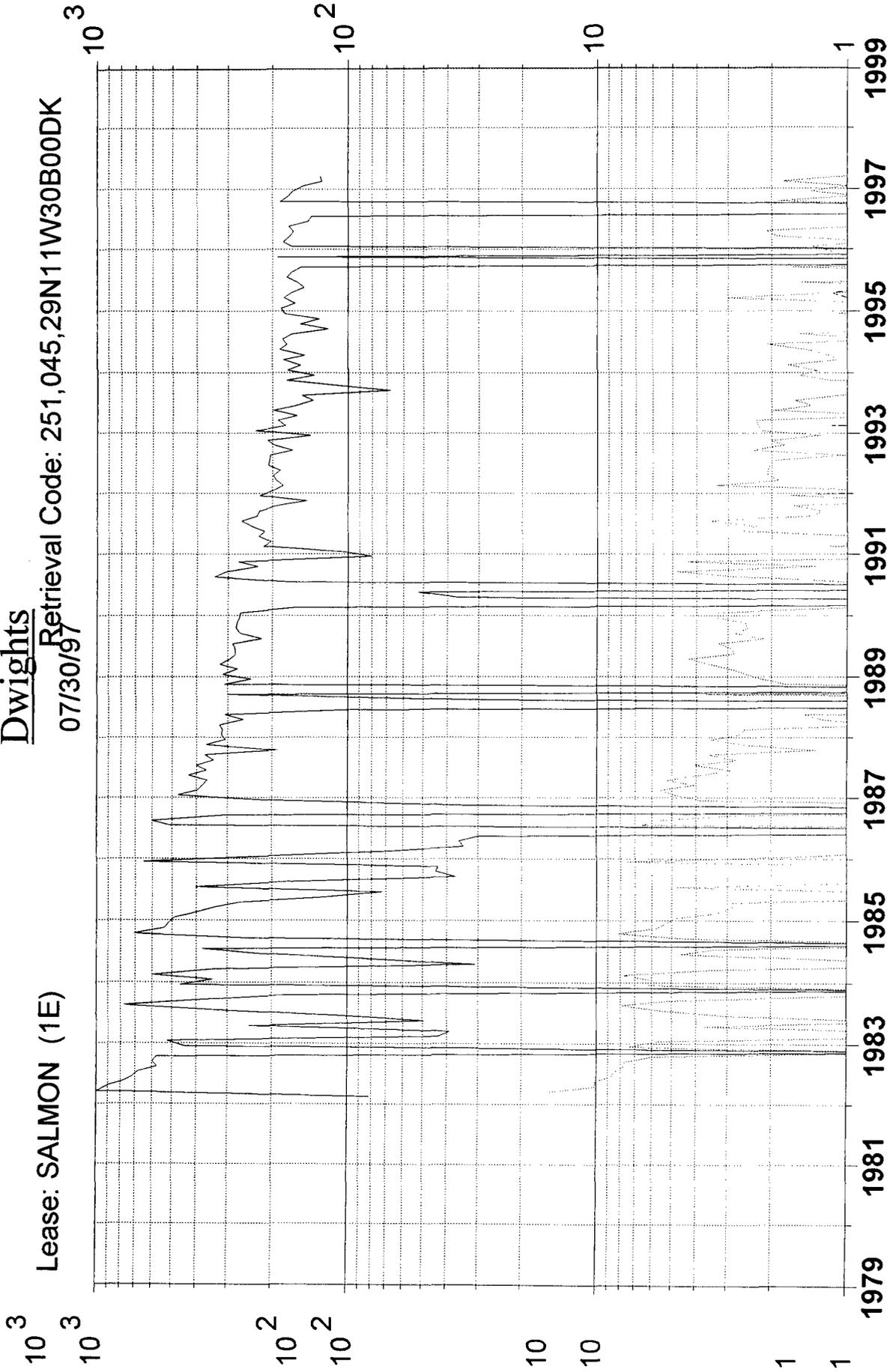
FIXED COMMINGLE ALLOCATION FACTORS:		
	GAS	OIL
DAKOTA	71%	97%
CHACRA	29%	3%

GAS ALLOCATION BASED ON PROJECTED 1997 RATES
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Dwights

Lease: SALMON (1E) Retrieval Code: 251,045,29N11W30B00DK
07/30/97



Water (bbl/day)

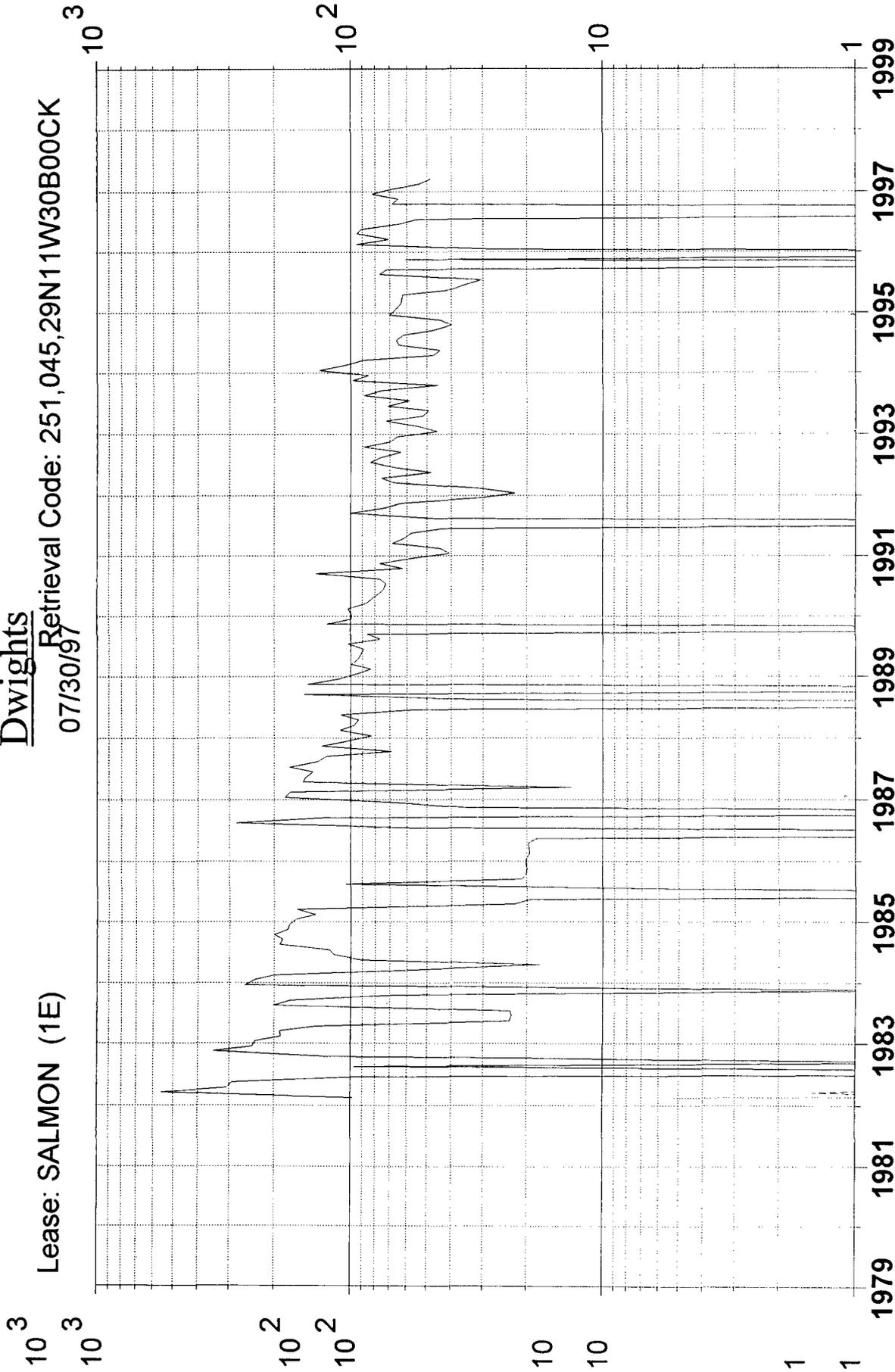
Gas (mcf/day)

Oil (bbl/day)

County: SAN JUAN, NM	F.P. Date: 02/82
Field: BASIN (DAKOTA) DK	Oil Cum: 13.31 mbbl
Reservoir: DAKOTA	Gas Cum: 1309 mmcf
Operator: CONOCO INC	Location: 30B 29N 11W

Dwights

Lease: SALMON (1E) Retrieval Code: 251,045,29N11W30B00CK
07/30/97



County: SAN JUAN, NM	F.P. Date: 02/82
Field: OTERO (CHACRA) CK	Oil Cum: 316 bbl
Reservoir: CHACRA	Gas Cum: 480.7 mmcf
Operator: CONOCO INC	Location: 30B 29N 11W

Gas (mcf/day) Water (bbl/day)
Oil (bbl/day)

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

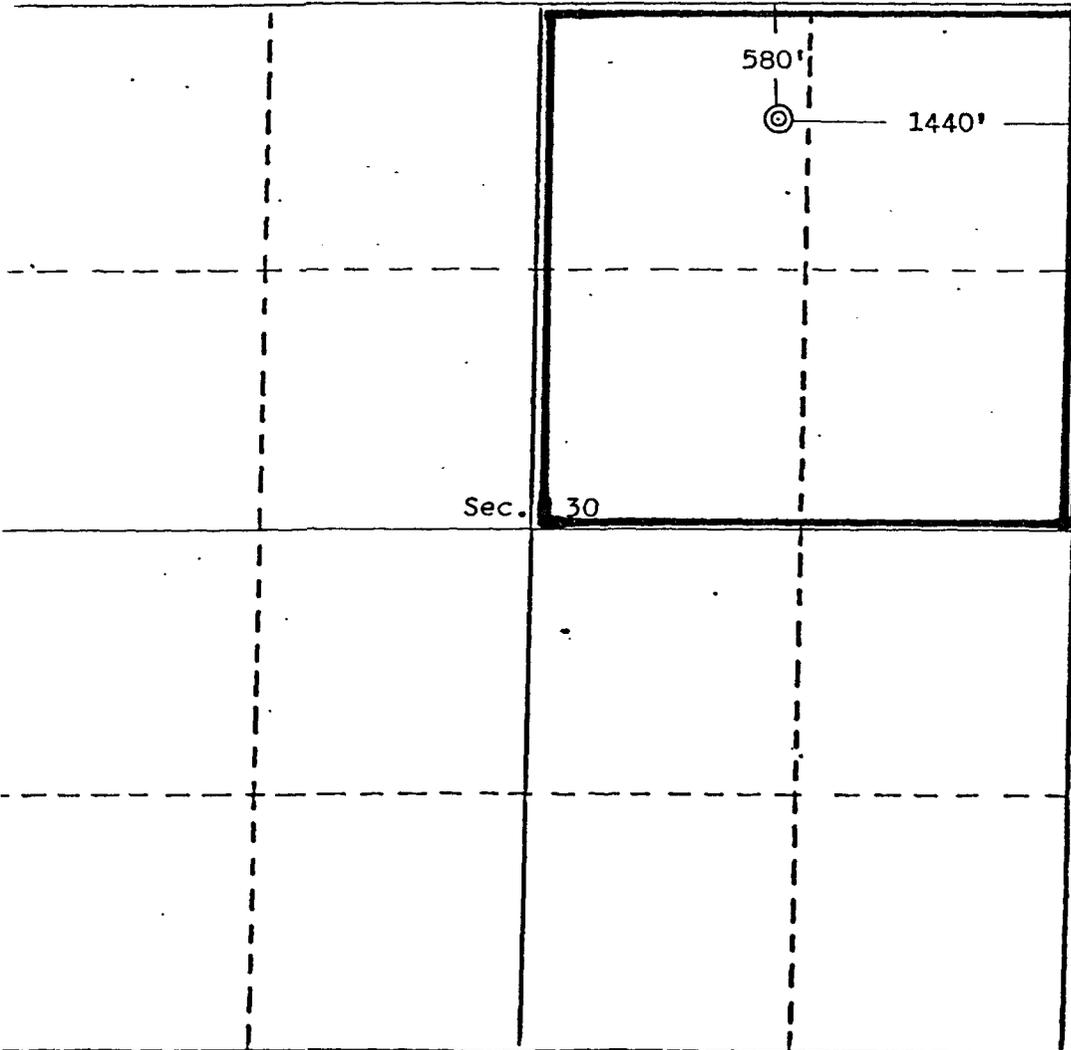
Operator Pioneer Production		Lease Salmon			Well No. 1E
Well Letter B	Section 30	Township 29 North	Range 11 West	County San Juan	
Actual Footage Location of Well:					
580	feet from the North line and		1440	feet from the East line	
Ground Level Elev. 5462	Producing Formation Chacra		Pool Undesignated Chacra		Dedicated Acreage: 160 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 _____

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 Division.



CERTIFICATION

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

Thomas A. Dugan
Name
Thomas A. Dugan

Position
Agent

Company
Dugan Production Corp.

Date
1-15-82

I have personally examined all location sheets and notes from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

EDGAR L. RISENKO
REGISTERED LAND SURVEYOR
NEW MEXICO
5979

Date Surveyed
June 5, 1981

Registered Professional Engineer and/or Land Surveyor

Edgar L. Risenko

Certificate No. 5979

CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

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

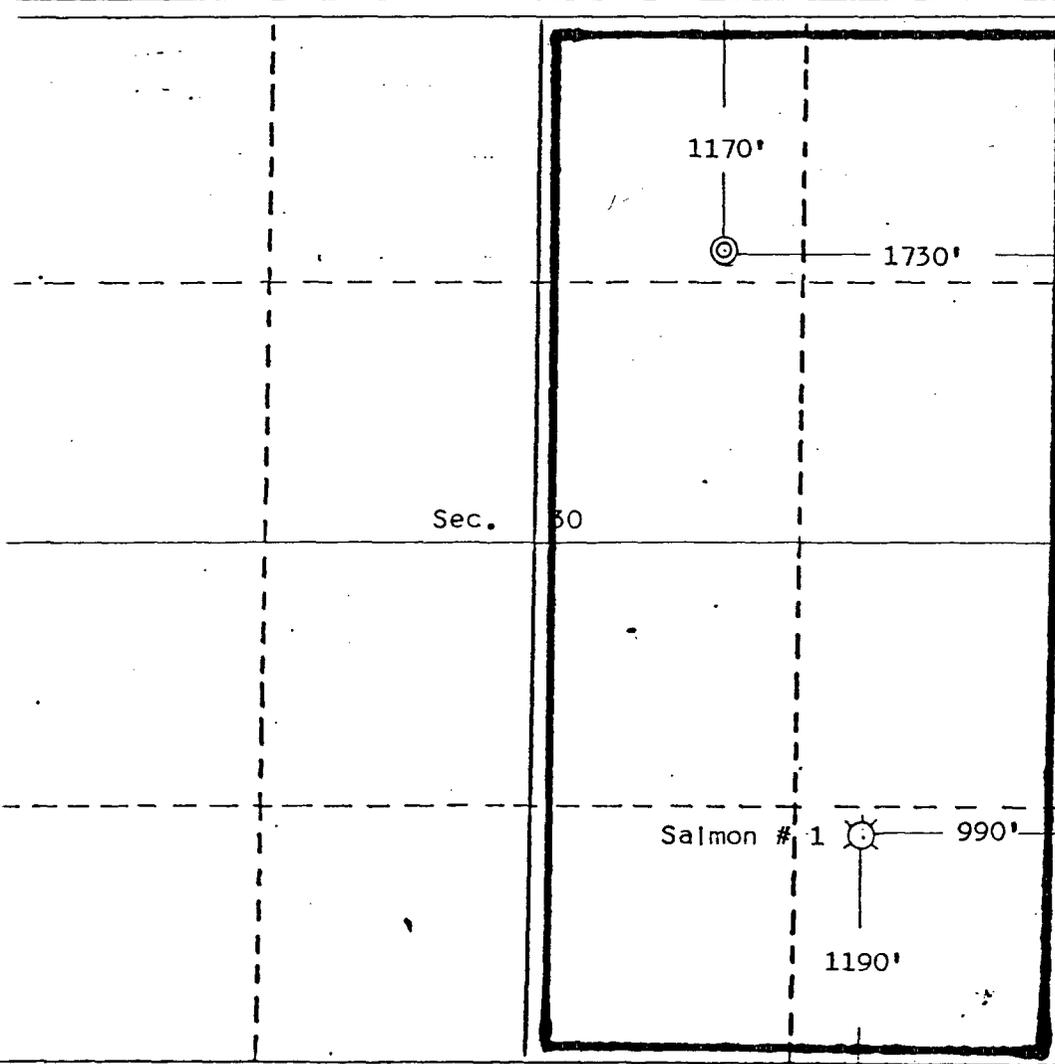
Operator Pioneer Production Corporation		Lease Salmon			Well No. 1E
Well Letter B	Section 30	Township 29 North	Range 11 West	County San Juan	
Actual Footage Location of Well: 1170 feet from the North line and 1730 feet from the East line					
Ground Level Elev. 5413	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: 320 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 _____

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 Division.



7 CERTIFICATION

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

Jim L. Jacobs

Name
Jim L. Jacobs

Position
Agent

Company
Dugan Production Corp.

Date
2-25-81

EDGAR L. RISENHOWER
NEW MEXICO
5979
REGISTERED LAND SURVEYOR

Date Surveyed
February 15, 1981

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhower

Certificate No. 5979

Salmon Well # 1E

<u>Name & Address</u>	<u>Type Interest</u>	<u>Chacra % Int</u>	<u>Dakota % Int</u>
Conoco, A/C Watts Reynolds III STE 2403 500 Throckmorton Ft. Worth, TX 76102-3811	Working	.0150391	.0097982
Carl D. Reimers III Investment Mgmt Acct #01/0628500 C/O Nations Bank Tx N A Agnt for United States Tr Co New York-agent PO Box 840738 Dallas, TX 75284-0738	Working	.0150391	.0097982
Mariposa Properties Inc. 1813 Schofield lane Farmington, NM 87401-2510	Royalty	.0054688	.0027344
Thomas Byrne Reynolds Ste 2403, 500 Throckmorton Fort Woth, TX 76102-3811	Working	.0150391	.0097982
Avis D. Slamon First Fidelity Bank Acct # 5-274-528 1 Lafayette Pl. PO Box 838 Greenwich, CT 06836-0838	Royalty	.2250000	.1500000
Katherine Howard Clifton C/O Howard Energy Inc 931 san Pedro SE Albq., NM 87108-4815	Royalty	.0257811	.0128906
Kathryn V. Schreck Trustee Under Agreement DTD 11-1 PO Box 1563 Aztec, NM 87410-4563	Royalty		.0117188

<u>Name & Address</u>	<u>Type Interest</u>	<u>Chacra % Int</u>	<u>Dakota % Int</u>
Christmann Mineral Company A Texas Corporation PO Box 66 Pinedale, WY 82941-0066	Royalty		.0019531
Devon Enrgy Corporation (Nevada) PO Box 843559 Dallas, TX 75284-3559	Royalty		.0025519
Jerry Dale Winget & Sue Helen Winget Trustess of Jerry Dale Winget & Sue Helen Winget Reoc Trust DTD 4-7-87 371 Venture Out Mesa, Arizona 85205-8091	Royalty		.0117188
Herd Partners, LTD A Texas Limited Partnership PO Box 130 Midland, TX 79702-0130	Royalty		.0012760
Jack Markham STE 1212 1500 Broadway Lubbock, TX 79401-3107	Royalty		.0019531
Burlington Resources Oil & Gas Company PO Box 840656 Dallas, TX 75284-0656	Working Royalty Working	gas oil oil	.1250000 .0156250 .1093750

** Unless indicated interest is same for Gas & Oil

Conoco, Inc.
Salmon #1E
B- 30 T-29-N, R-11-W
San Juan County, New Mexico

Offset Operators:

Burlington Resources Oil & Gas Co,
PO Box 4289
Farmington, NM 87499

Amoco
PO Box 800
Denver, CO 80201

Mesa Operating Co.
2001 Ross Ave Ste 2600
Dallas, TX 75201

P 497 374 201

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Burlington Resources
PO Box 840656
Dallas, TX 75284-0656

PS Form 3800, April 1995

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Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
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TOTAL Postage & Fees	\$
Postmark or Date	

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Jack Markham STE 1212
1500 Broadway
Lubbock, TX 79401-3107

PS Form 3800, April 1995

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Postmark or Date	

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Herd Partners, LTD
A Texas Limited Partnership
PO Box 130
Midland, TX 79702-0130

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Postmark or Date	

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Jerry Dale Winget & Sue
DTD4-7-87
371 Venture Out
Mesa, Arizona 85205-8091

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Postmark or Date	

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Chrismann Mineral
PO Box 66
Pinedale, WY 82941-0066

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Postmark or Date	

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Kathryn V. Schreck
Trustee Under Agreement
PO Box 1563
Aztec, NM 87410-4563

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Postmark or Date	

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Thomas Byrne Reynolds
STE 2403, 500 Throckmorton
Fort Worth, TX 76102-3811

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Postmark or Date	

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Avis D. Salmon
First Fidelity Bank
Acct # 5-274-528
1 Lafayette Place PO Box 838
Greenwich, CT 06836-0838

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Postmark or Date	

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Katherine Howard Clifton
C/O Howard Energy Inc
931 San Pedro SE
Albq., NM 87108-4815

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

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Mariposa Properties Inc.
1813 Schofield Lane
Farmington, NM 87401-2510

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
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PS Form 3800, April 1995

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US Postal Service
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Carl D. Reimers III
Investment Mgmt Acct
01/0628500
PO Box 840738
Dallas, TX 75284-0738

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

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Conoco, A/C Watts
Reynolds III STE 2403
500 Throckmorton
Ft. Worth, TX 76102-3811

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Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
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Sent to
Devon Energy Corp.
Street & Number
PO BOX 843559
Post Office, State, & ZIP Code
DALLAS, TX 75284-3559

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

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