

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1826

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

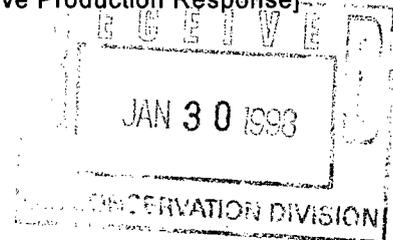
Check One Only for [B] and [C]

[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.

Kay Maddox
Print or Type Name

Kay Maddox
Signature

Regulatory Agent
Title

Jan 28, 98
Date

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

APPROVAL PROCESS:

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

Administrative Hearing

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

YES NO

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

Lease San Juan 28-7 Unit Well No 220M Unit Ltr Sec Twp Rge Section 22, T-28-N, R-7-W, F County Rio Arriba

OGRID NO. 005073 Property Code 016608 API NO. 30-039-25398 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	Blanco Mesaverde (72319)		Basin Dakota (71599)
2. TOP and Bottom of Pay Section (Perforations)	5116-6068'		7742-7944'
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	a (Current) 340 PSI	a.	a. 580 PSI
	b(Original) 1190 psi	b.	b. 2900 PSI
6. Oil Gravity (*API) or Gas BT Content	1238		1139
7. Producing or Shut-In?	Producing		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 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	Date Rates	Date Rates
	1/1/98 289 MCF, 5.78 BO, 0 BW	1/1/98 235 MCF, .32 BO, 0 BW	
8. Fixed Percentage Allocation Formula -% for each zone	oil: 95 % Gas 55 %	oil: % Gas %	oil: 5 % Gas 45

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?
 If not, have all working, overriding, and royalty interests been notified by certified mail?
 Have all offset operators been given written notice of the proposed downhole commingling?
 Yes No
 Yes No
 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

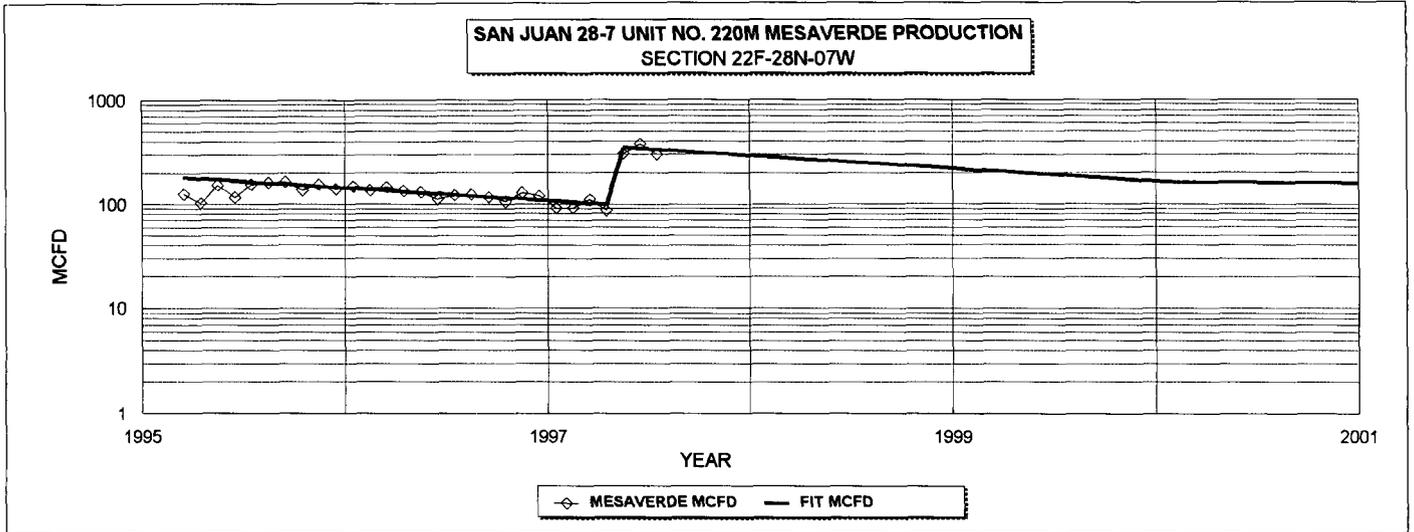
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). Order # R 10476 - B

16. ATTACHMENTS

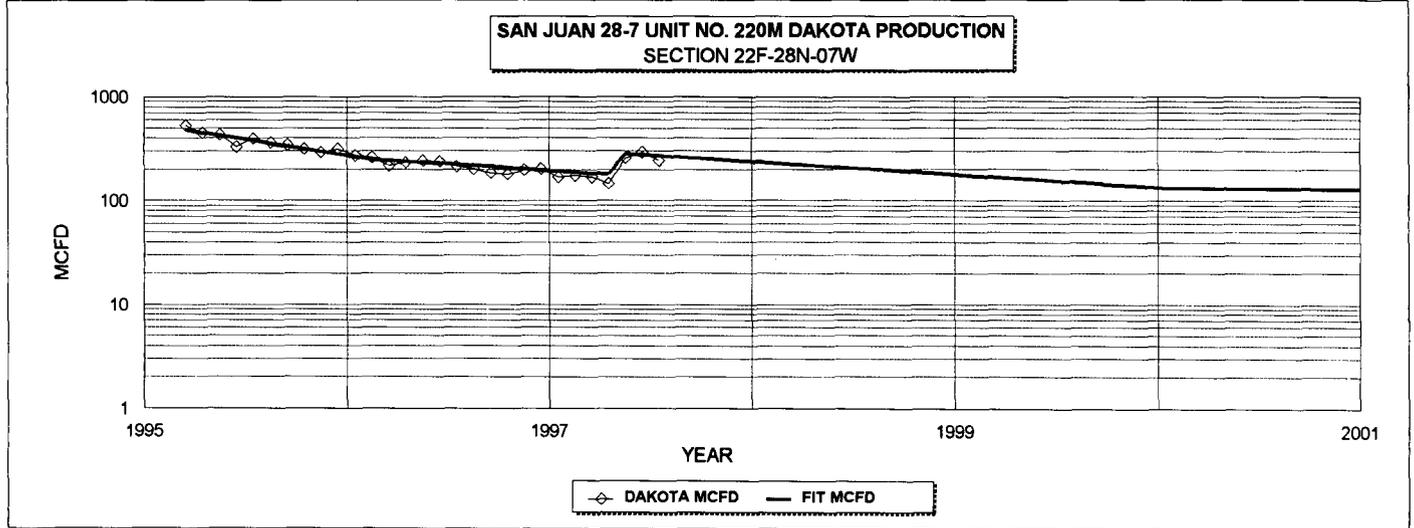
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 Kay Maddox TITLE Regulatory Agent DATE January 28, 1998
 TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798



MESAVERDE HISTORICAL DATA:		1ST PROD: 3/95		MESAVERDE PROJECTED DATA	
OIL CUM:	2.60	MBO	1/1/98 Qi:	289	MCFD
GAS CUM:	130.2	MMCF	DECLINE RATE:	25.0%	THROUGH 1/2000
OIL YIELD:	0.0200	BBL/MCF		3.5%	FINAL DECLINE



DAKOTA HISTORICAL DATA		1ST PROD: 3/95		DAKOTA PROJECTED DATA	
OIL CUM:	0.3	MBO	1/1/98 Qi:	235	MCFD
GAS CUM:	238.2	MMCF	DECLINE RATE:	25.0%	THROUGH 1/2000
OIL YIELD:	0.0014	BBL/MCF		3.5%	FINAL DECLINE

FIXED COMMINGLE ALLOCATION FACTORS:		
	GAS	OIL
DAKOTA	45%	5%
MESAVERDE	55%	95%

GAS ALLOCATION BASED ON TABLE AT RIGHT
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

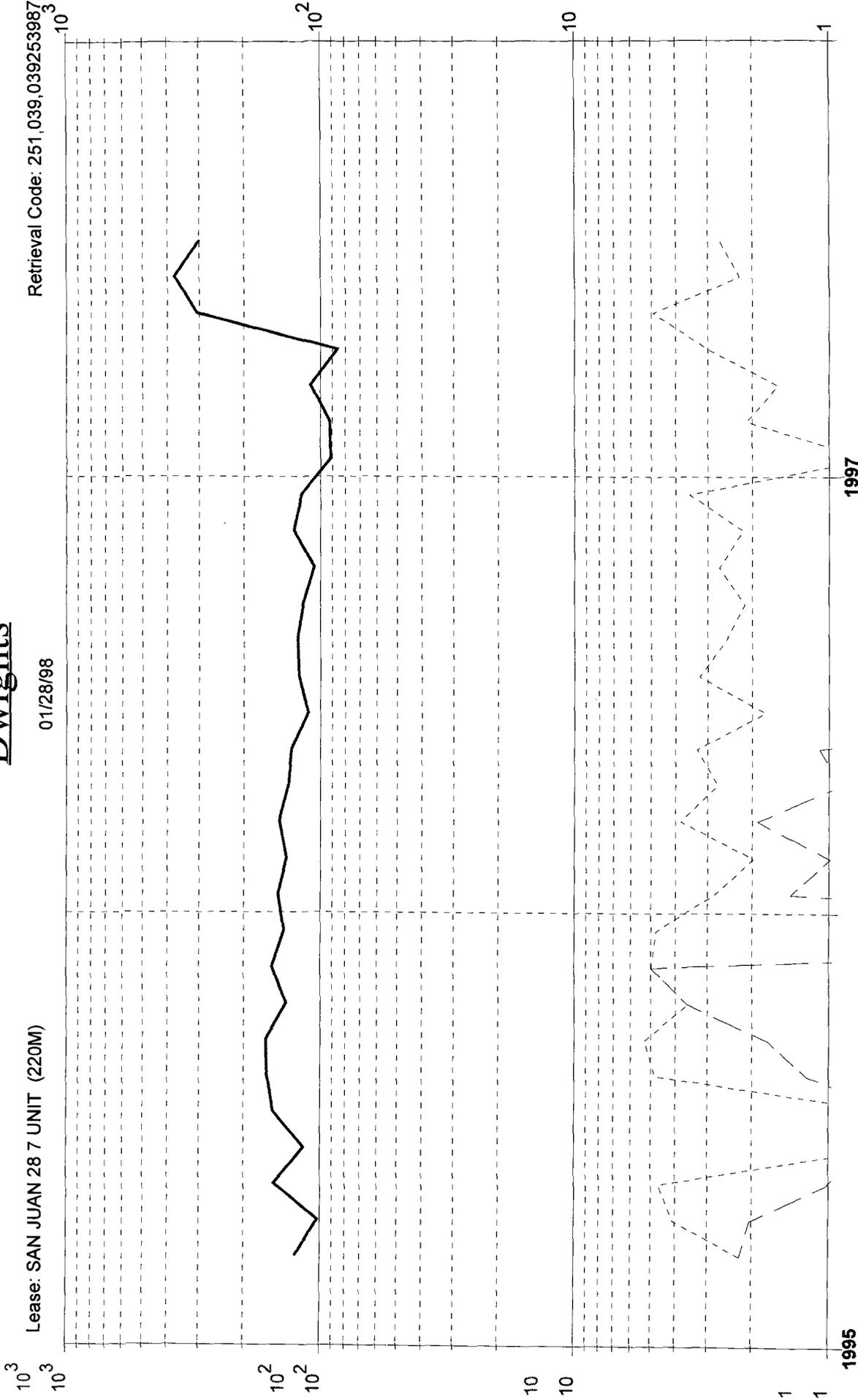
NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Dwights

Lease: SAN JUAN 28 7 UNIT (220M)

01/28/98

Retrieval Code: 251,039,0392539872319



County: RIO ARRIBA, NM
Field: BLANCO (MESAVERDE) MV
Reservoir: MESAVERDE
Operator: CONOCO INC

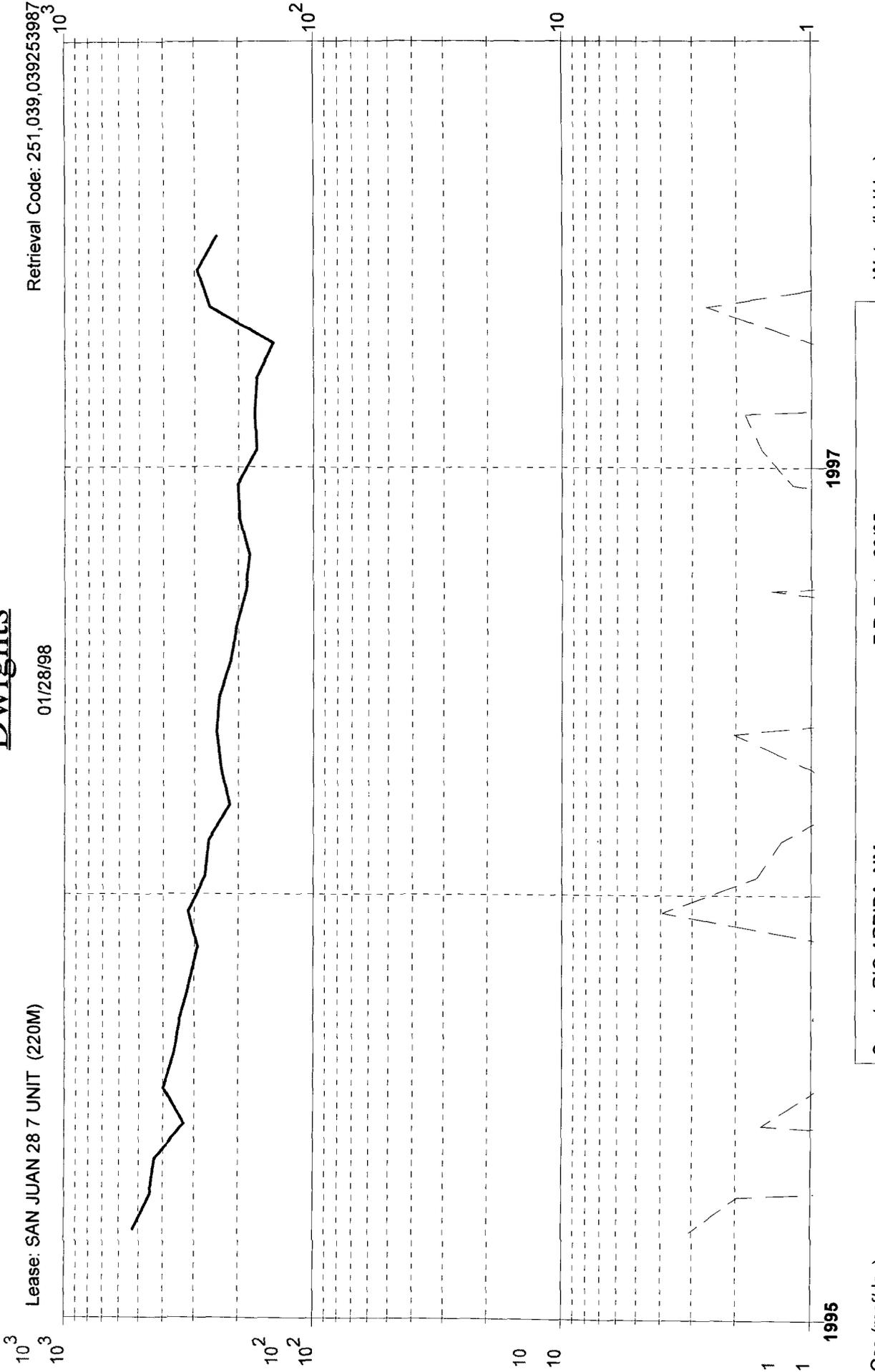
F.P. Date: 03/95
Oil Cum: 2599 bbl
Gas Cum: 130.2 mmcf
Location: 22F 28N 7W

Dwights

Lease: SAN JUAN 28 7 UNIT (220M)

01/28/98

Retrieval Code: 251,039,0392539871599



County: RIO ARRIBA, NM	F.P. Date: 03/95
Field: BASIN (DAKOTA) DK	Oil Cum: 324 bbl
Reservoir: DAKOTA	Gas Cum: 239.2 mmcf
Operator: CONOCO INC	Location: 22F 28N 7W

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 98211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 21, 1991

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-039-25398		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 001013		5 Property Name San Juan 28-7 Unit			6 Well Number 220M
7 OGRID No. 000778		8 Operator Name AMOCO PRODUCTION COMPANY			9 Elevation 6807'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	22	28N	7W		1490	North	1800	West	Rio Arriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill Y	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 1490 FNL 1800 FWL SECTION 22	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>A. Wayne Branam</i> Signature A. Wayne Branam Printed Name Business Analyst Title 092994 Date
	18 SURVEYOR CERTIFICATION 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 belief. October 15, 1993 Date of Survey Signature and Seal of Professional Surveyor: On File 7016 Certificate Number

District I
 PO Box 1980, Hobbs, NM 88241-1980
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APT Number 30-039-25398		2 Pool Code 71599		3 Pool Name Basin Dakota	
4 Property Code 001013		5 Property Name San Juan 28-7 Unit			6 Well Number 220M
7 OGRID No. 000778		8 Operator Name Amoco Production Company			9 Elevation 6807'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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San Juan Unit 28-7 Well # 220M

Offset Operators:

El Paso Energy Corp.
1001 Louisiana
Houston, TX 77002

Amoco
PO Box 800
Denver, CO. 80201