

24128908

DHC 9/14/00

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

AUG 25 2000

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

2820

APPROVAL PROCESS:
 Administrative Hearing
EXISTING WELLBORE
 YES NO

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

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC.
Operator

P.O. BOX 2197 DU 3066 HOUSTON, TX 77252
Address

SAN JUAN 28-7
Lease

62
Well No

G - 12 - 27N - 7W
Unit Ltr. - Sec - Twp - Rge

RIO ARRIBA
County

OGRID NO. 005073 Property Code 016608 API NO. 30-039-07133 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	BASIN FRUITLAND COAL 71629	BLANCO P.C. SOUTH 72439	BLANCO MESAVERDE 72319
2. Top and Bottom of Pay Section (Perforations)	3173'-3048' PROPOSED	3313'-3185' PROPOSED	4894'-5498'
3. Type of production (Oil or Gas)	GAS EXPECTED	GAS EXPECTED	GAS
4. Method of Production (Flowing or Artificial Lift)	EXPECTED TO FLOW	EXPECTED TO FLOW	EXPECTED TO FLOW
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 430 PSI	a. 320 PSI	a. 600 PSI
	b. (Original)	b.	b.
6. Oil Gravity (°API) or Gas BTU Content	1,045	1,189	1,250
7. Producing or Shut-In?	TO BE COMPLETED	TO BE COMPLETED	PRODUCING
Production Marginal? (yes or no)	YES	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, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
	EST. 150MCFD	EST. 250MCFD	CURRENT 190MCFD
8. Fixed Percentage Allocation Formula - % for each zone	Allocate FC/PC by test Oil: % Gas: %	Allocate FC/PC by test Oil: % Gas: %	Allocate MV by subtraction Oil: % Gas: % method: %

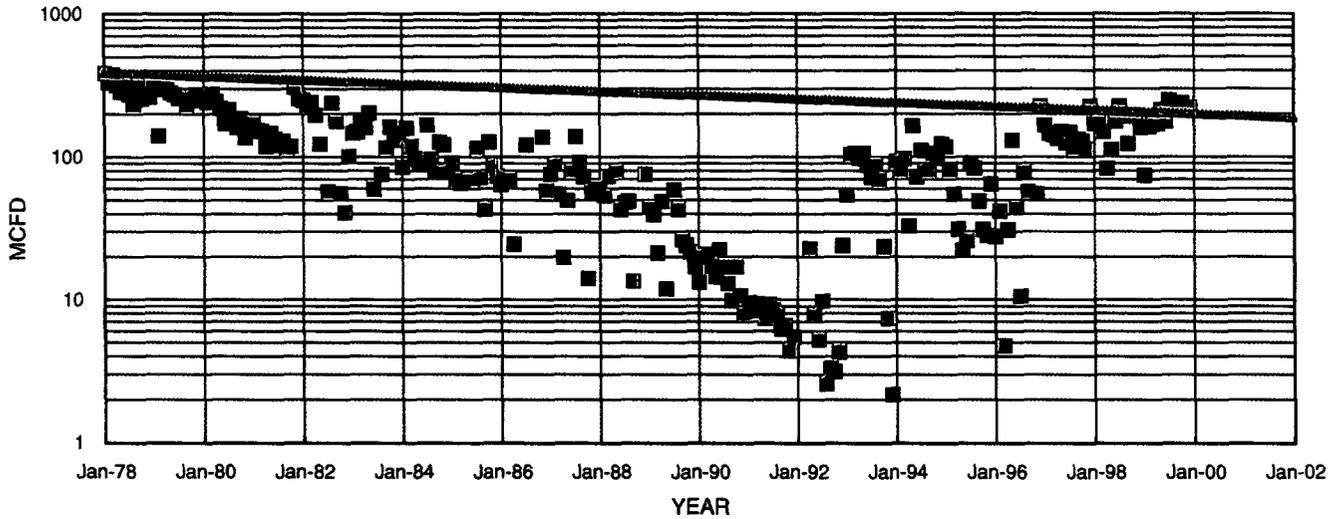
9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical 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 *minimal* 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 other? 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). R-10476B
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 all offset operators.
 * Notification list of all 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 Deborah Marberry TITLE REGULATORY ANALYST DATE 08/16/2000

TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. () (281)293-1005

**SJ 28-7 #62 MESAVERDE PRODUCTION
SECTION 12G-27N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



■ MESAVERDE MCFD ▲ FIT MCFD

MESAVERDE PRODUCTION		1ST PROD: 06/56		MESAVERDE PROJECTED DATA		(API #30-039-07113)	
OIL CUM:	7.45	MBO		Jan.00 Qi:	199	MCFD	
GAS CUM:	2969.8	MMCF		DECLINE RATE1:	3.0%	(EXPONENTIAL)	
OIL YIELD:	0.0025	BBL/MCF					

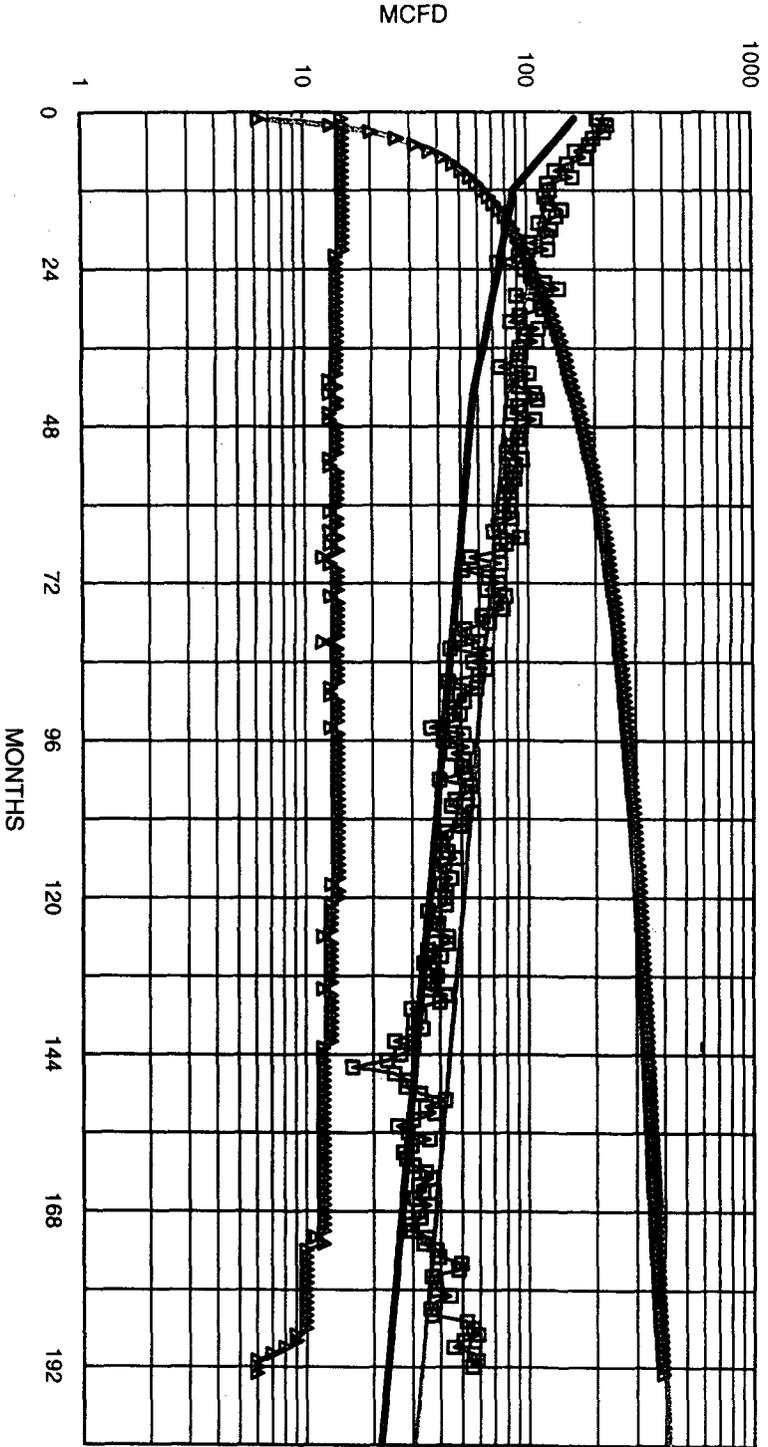
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NOTE: Current decline rate is approximately 3%/year. This rate is expected to continue for the duration of the well based on production trends observed during the life of this well.

Production data from PI/Dwights Plus.

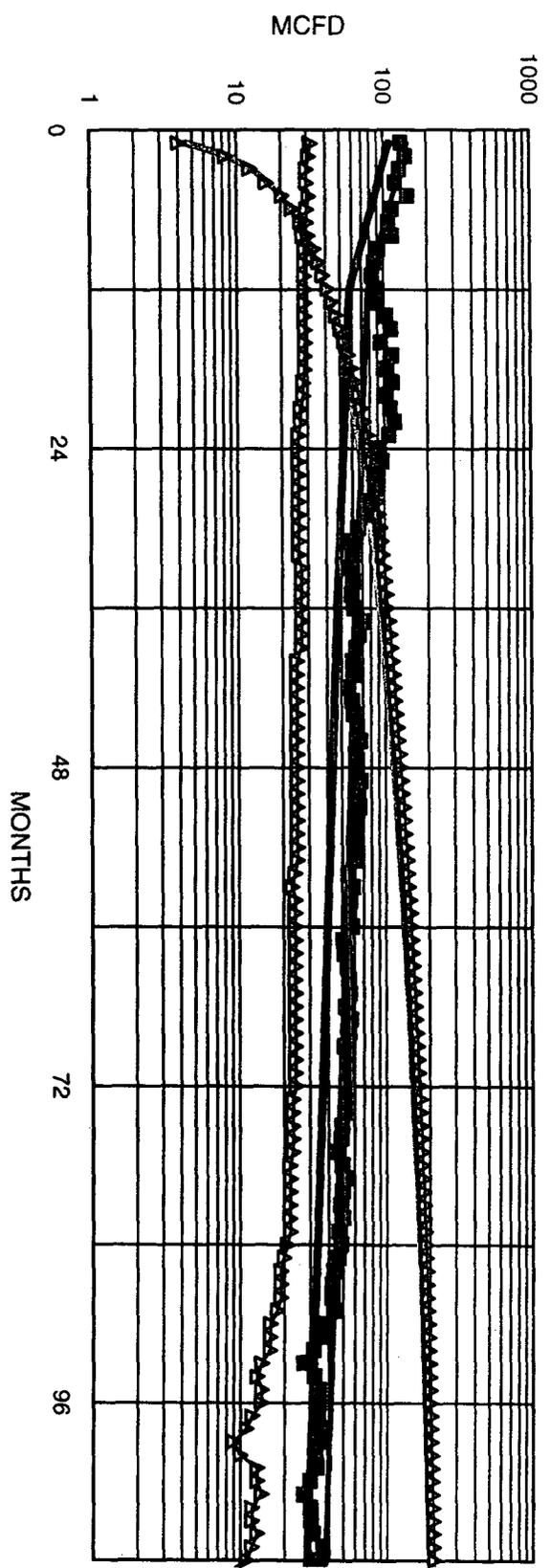
YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	196	0.5
2001	191	0.5
2002	185	0.5
2003	179	0.4
2004	174	0.4
2005	169	0.4
2006	164	0.4
2007	159	0.4
2008	154	0.4
2009	149	0.4
2010	145	0.4
2011	141	0.4
2012	136	0.3
2013	132	0.3
2014	128	0.3
2015	124	0.3
2016	121	0.3
2017	117	0.3
2018	114	0.3
2019	110	0.3
2020	107	0.3
2021	104	0.3
2022	101	0.3
2023	98	0.2
2024	95	0.2
2025	92	0.2
2026	89	0.2
2027	86	0.2

**NORMALIZED PICTURED CLIFFS PRODUCTION
 PROD. SINCE 1980; 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)**



NORMALIZED AVG: 522 MMCF EUR 524 MMCF/33.5YRS 10 MCFD E.L. 0.000158 bbl/mcf oil yield		250 MCFD IP 50% DECLINE; 1ST 12 MONTHS 15% DECLINE; NEXT 36 MONTHS 7% FINAL DECLINE		RISKED AVG: 30% RISK 350 MMCF EUR 349 MMCF/27.8 YRS 10 MCFD E.L. 0.000158 bbl/mcf oil yield		175 MCFD IP 50% DECLINE; 1ST 12 MONTHS 15% DECLINE; NEXT 36 MONTHS 7% FINAL DECLINE	
---	--	--	--	---	--	--	--

**NORMALIZED FRUITLAND COAL PRODUCTION
29 WELLS SINCE 1990; 28N-7W & 27N-7W**



■— NORM MCFD ▲— NORM CUM MMCF ◆— WELLS ON PRODUCTION ●— FIT CUM MMCF ◊— RISKED MCFD ○— FIT MCFD

NORMALIZED AVG: 323 MMCF EUR 300 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield	155 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE	RISKED AVG: 25% RISK 231 MMCF EUR 225 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield	116 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE
--	--	---	--

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1994
 Instruction on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-07133		² Pool Code 72359		³ Pool Name Blanco Pictured Cliff	
⁴ Property Code 016608		⁵ Property Name SAN JUAN 28-7 #62			⁶ Well Number 62
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation

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
G	12	27N	7W		1630'	NORTH	1650'	EAST	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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

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					¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>	
					Signature 	
					Printed Name DEBORAH MARBERRY Title REGULATORY ANALYST Date 08/22/2000	
¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under</i>						
Date of Survey Signature and Seal of Professional Surveyer						
Certificate Number						

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1994
 Instruction on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-07133		² Pool Code 72319		³ Pool Name BLANCO MESAVERDE	
⁴ Property Code 016608		⁵ Property Name SAN JUAN 28-7 #62			⁶ Well Number 62
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation

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
G	12	27N	7W		1630'	NORTH	1650'	EAST	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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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					<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p>Signature: <i>Deborah Marberry</i></p> <p>Printed Name: DEBORAH MARBERRY</p> <p>Title: REGULATORY ANALYST</p> <p>Date: 08/22/2000</p>	
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under</i></p>	
					<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer</p>	
					<p>Certificate Number</p>	

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1994
 Instruction on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-07133		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 016608		⁵ Property Name SAN JUAN 28-7 #62			⁶ Well Number 62
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation

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
G	12	27N	7W		1630'	NORTH	1650'	EAST	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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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					<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p>Signature: <i>Deborah Marberry</i></p> <p>Printed Name: DEBORAH MARBERRY</p> <p>Title: REGULATORY ANALYST</p> <p>Date: 08/22/2000</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer</p>				
	<p>Certificate Number</p>				