

25037755

DHC 9/25/00

DISTRICT I

P.O. 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

OIL CONSERVATION DIVISION

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

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

APPROVAL PROCESS:

X Administrative \_\_\_ Hearing

EXISTING WELLBORE

X YES \_\_\_ NO

SEP - 5 2000

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC.

Operator

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

Address

SAN JUAN 28-7

Lease

32

Well No.

L, SEC.19 T28N R7W

Unit Ltr. - Sec - Twp - Rge

RIO ARRIBA

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 016608 API NO. 30-039-07367 Federal X, State, (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone <i>SOUTH</i>	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal 71629	Blanco Pictured Cliffs 72359	Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	2744'-2880' proposed	2883'-3003' proposed	open hole
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	flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 1,035	a. 360	a. 200
	b. (Original) 1,035	b. * EST. 800-1100	b. 1227
6. Oil Gravity (° API) or Gas BTU Content			
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	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: EST. 150MCFD	Date: Rates: EST. 250MCFD	Date: Rates: CURRENT 145MCFD
8. Fixed Percentage Allocation Formula -% for each zone	Allocate by test Oil: % Gas: %	Allocate by test Oil: % Gas: %	Allocate by subtraction method. Oil: % 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 X No  
If not, have all working, overriding, and royalty interests been notified by certified mail? \_\_\_ Yes X No  
Have all offset operators been given written notice of the proposed downhole commingling? \_\_\_ Yes X No
11. Will cross-flow occur? X 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. X Yes \_\_\_ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? X Yes \_\_\_ No
13. Will the value of production be decreased by commingling? \_\_\_ Yes X 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. X Yes \_\_\_ No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) R-10476B

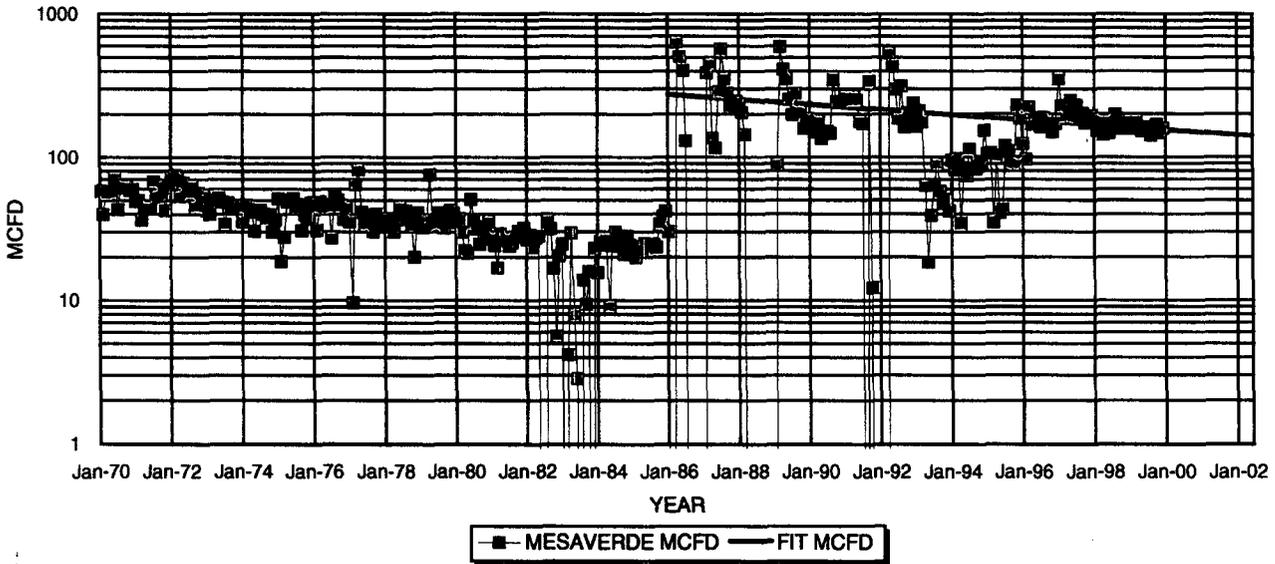
16. ATTACHMENTS:
- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
  - \* Production curve for each zone for at least one year. (If not available, attach explanation)
  - \* For zones with no production history, estimated production rates and supporting data.
  - \* 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. (sec. 30 -28N-7W)
  - \* Any additional statements, data, or documents required to support commingling
- \*Note: Offset PC producer (94A) had original est. BHP at 950 psi on 8/80.

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 07/12/2000

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

**SJ 28-7 #32 MESAVERDE PRODUCTION  
SECTION 19L-28N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



<b>MESAVERDE PRODUCTION</b>		<b>1ST PROD: 7/55</b>	<b>MESAVERDE PROJECTED DATA</b>	
OIL CUM:	2.87	MBO	Jan.00 Qi:	155 MCFD
GAS CUM:	1359.4	MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0021	BBL/MCF	API #30-039-07367	

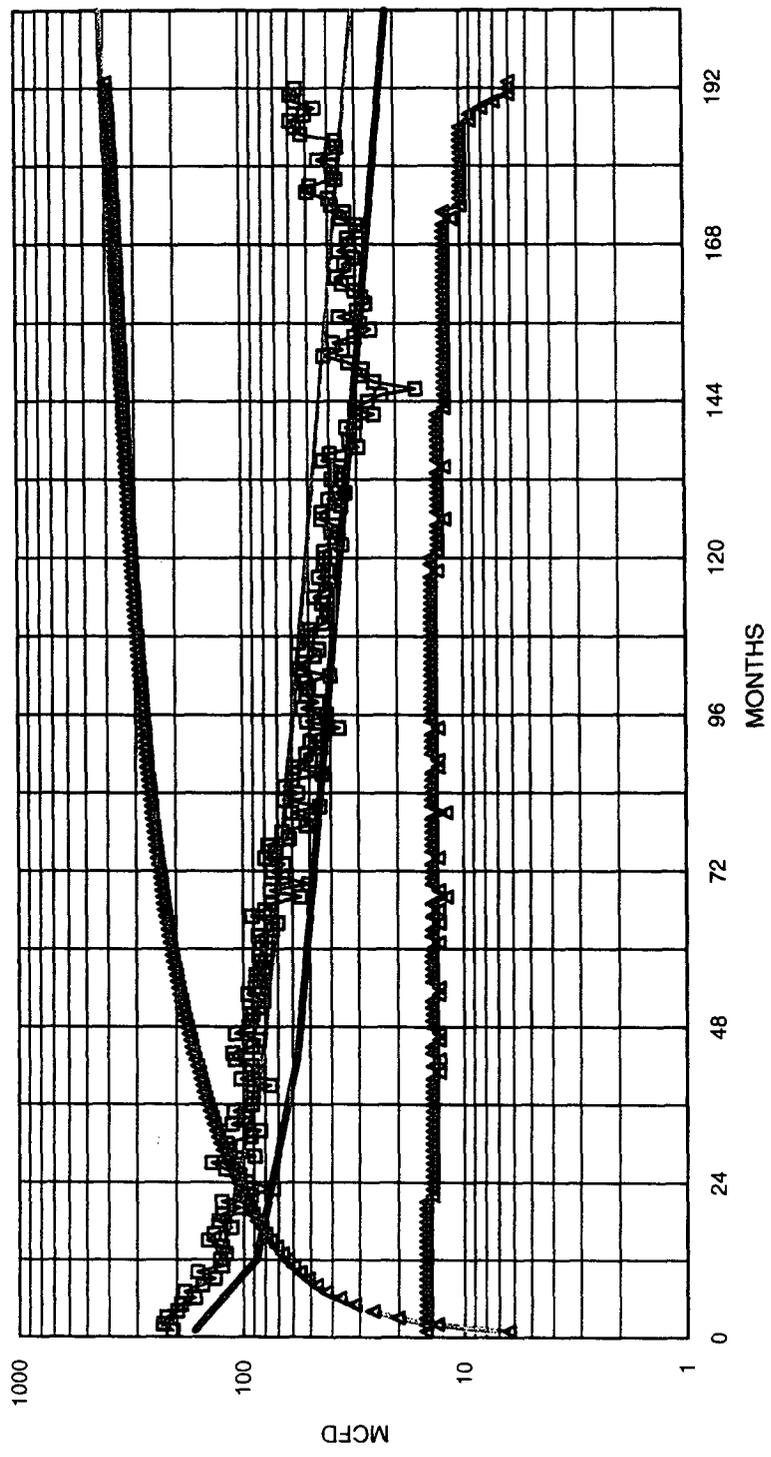
**PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION**

NOTE: Current decline rate is approximately 4.0%/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 P/Dwights Plus.

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	152	0.3
2001	146	0.3
2002	140	0.3
2003	135	0.3
2004	129	0.3
2005	124	0.3
2006	119	0.3
2007	114	0.2
2008	110	0.2
2009	105	0.2
2010	101	0.2
2011	97	0.2
2012	93	0.2
2013	89	0.2
2014	86	0.2
2015	82	0.2
2016	79	0.2
2017	76	0.2
2018	73	0.2
2019	70	0.1
2020	67	0.1
2021	65	0.1
2022	62	0.1
2023	59	0.1
2024	57	0.1
2025	55	0.1
2026	53	0.1
2027	51	0.1

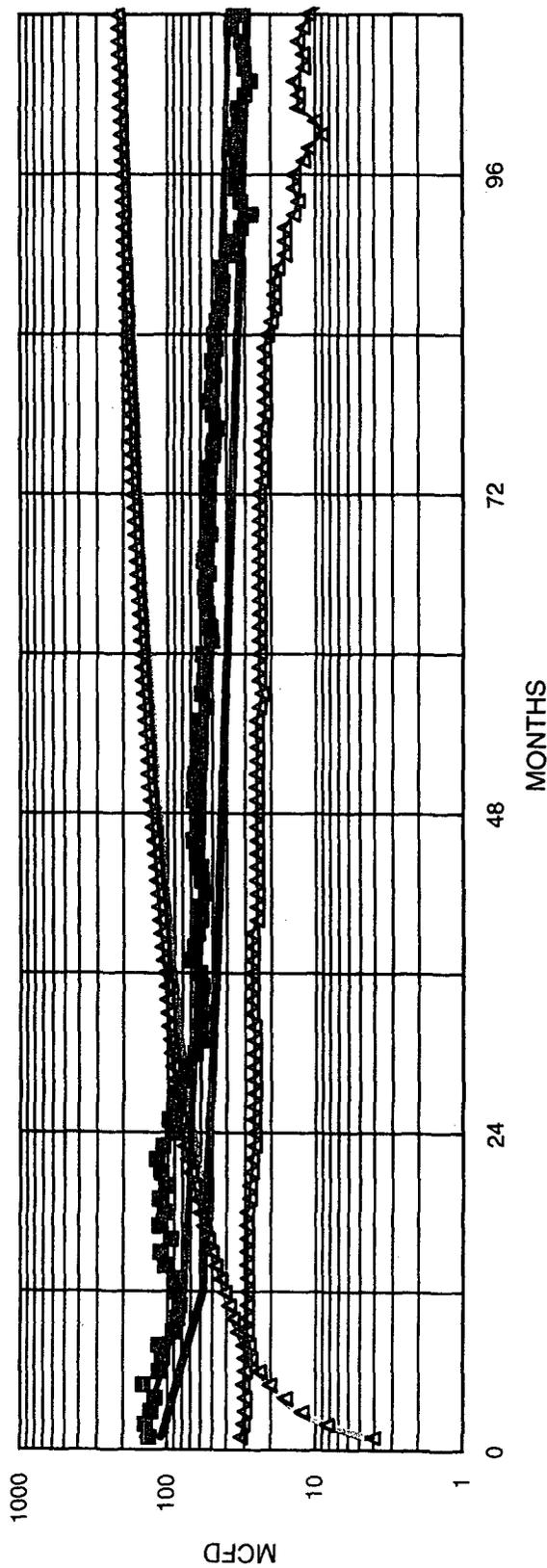
**NORMALIZED PICTURED CLIFFS PRODUCTION  
PROD. SINCE 1980; 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)**



—▲— NORMALIZED MCFD —▲— NORM CUM MMCF —▲— WELLS ON PRODUCTION ——— FIT CUM MMCF ——— RISKED MCFD ——— FIT MCFD

<p><b>NORMALIZED AVG:</b> 522 MMCF EUR 524 MMCF/ 33.5YRS 10 MCFD E.L. 0.000158 bbl/mcf oil yield</p>		<p><b>RISKED AVG:</b> 350 MMCF EUR 349 MMCF/ 27.8 YRS 10 MCFD E.L. 0.000158 bbl/mcf oil yield</p>		<p><b>30% RISK</b> 175 MCFD IP 50% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS 7% FINAL DECLINE</p>	
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**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	231 MMCF EUR 225 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield	25% RISK	116 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE
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 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-07367		<sup>2</sup> Pool Code 72359		<sup>3</sup> Pool Name BLANCO PICTURED CLIFFS	
<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7			<sup>6</sup> Well Number 32
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

<sup>10</sup> Surface Location

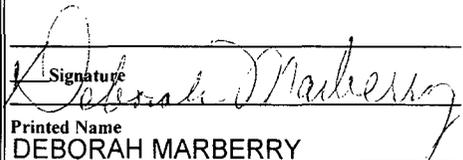
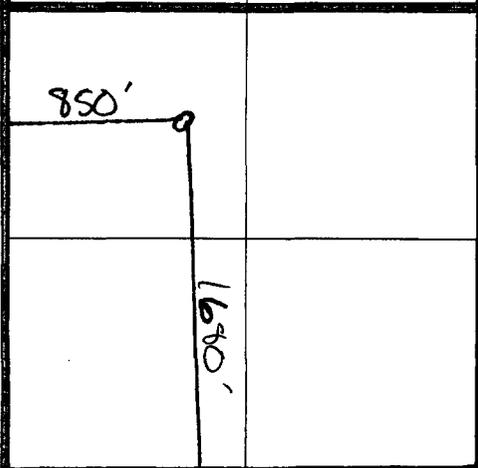
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	28N	7W		1680'	SOUTH	850'	WEST	RIO ARRIBA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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				<b><sup>17</sup> OPERATOR CERTIFICATION</b>	
				<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 <b>DEBORAH MARBERRY</b>		
			Title <b>REGULATORY ANALYST</b> Date <b>08/24/2000</b>		
			<b><sup>18</sup> SURVEYOR CERTIFICATION</b>		
			<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		

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-07367		<sup>2</sup> Pool Code 71629		<sup>3</sup> Pool Name BASIN FRUITLAND COAL	
<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7			<sup>6</sup> Well Number 32
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

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						Certificate Number _____

Handwritten annotations on the plot grid:  
 - 850' (horizontal line)  
 - 1680' (vertical line)

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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-07367		<sup>2</sup> Pool Code 72319		<sup>3</sup> Pool Name BLANCO MESAVERDE	
<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7			<sup>6</sup> Well Number 32
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

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