

0021732758

DHC

8/16/00

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:

Administrative Hearing

EXISTING WELLBORE

X YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC. Operator

P.O. BOX 2197 HOUSTON, TX 77252 Address

SAN JUAN 28-7 Lease

20 Well No.

M - 8 - 28N Unit Ltr. - Sec - Twp - Rge

RIO ARRIBA County

OGRID NO. 005073

Property Code 016608

API NO. 30-039-07446

Spacing Unit Lease Types: (check 1 or more) Federal X, State, (and/or) Fee

Table with 4 columns: The following facts are submitted in support of downhole commingling, Upper Zone, Intermediate Zone, Lower Zone. Rows include Pool Name and Pool Code, Top and Bottom of Pay Section (Perforations), Type of production (Oil or Gas), Method of Production (Flowing or Artificial Lift), Bottomhole Pressure, Oil Gravity, Producing or Shut-In?, Production Marginal?, Fixed Percentage Allocation Formula.

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 (minimal during testing) 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? 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:

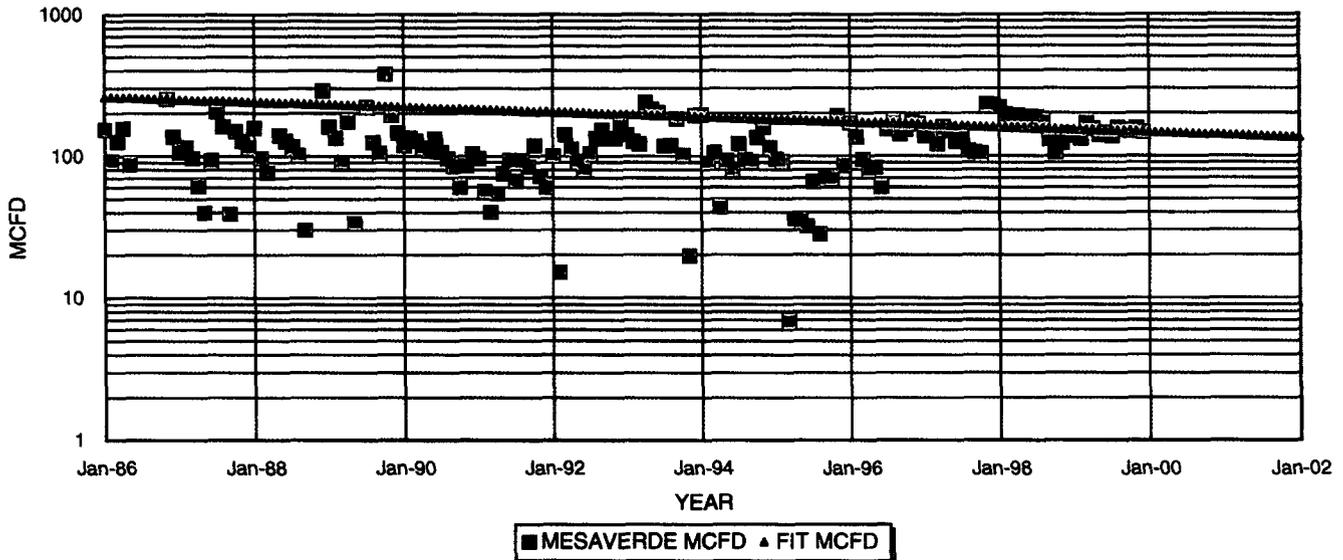
- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
\* Production curve for each zone for at least one year. (If not available, attach explanation.)
\* For zones with no production history, estimated production rates and supporting data.
\* Data to support allocation method or formula.
\* Notification list all offset operators.
\* Notification list of all working, overriding, and royalty interests for uncommon interest cases.
\* 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 07/20/2000

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

**SJ 28-7 #20 MESAVERDE PRODUCTION  
SECTION 8M-28N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



<b>MESAVERDE PRODUCTION</b>		<b>1ST PROD: 12/55</b>		<b>MESAVERDE PROJECTED DATA</b>		<b>(API #30-039-07446)</b>	
OIL CUM:	14.29	MBO		Jan.00 Qi:	148	MCFD	
GAS CUM:	3037.7	MMCF		DECLINE RATE1:	4.0%	(EXPONENTIAL)	
OIL YIELD:	0.0047	BBL/MCF					

**PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION**

NOTE: Current decline rate is approximately 4%/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 Dwights

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	145	0.7
2001	139	0.7
2002	134	0.6
2003	128	0.6
2004	123	0.6
2005	118	0.6
2006	113	0.5
2007	109	0.5
2008	105	0.5
2009	100	0.5
2010	96	0.5
2011	92	0.4
2012	89	0.4
2013	85	0.4
2014	82	0.4
2015	79	0.4
2016	75	0.4
2017	72	0.3
2018	70	0.3
2019	67	0.3
2020	64	0.3
2021	61	0.3
2022	59	0.3
2023	57	0.3
2024	54	0.3
2025	52	0.2
2026	50	0.2
2027	48	0.2

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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

<sup>1</sup> API Number 30-039-07446		<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 #20			<sup>6</sup> Well Number 20
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

<sup>10</sup> Surface Location

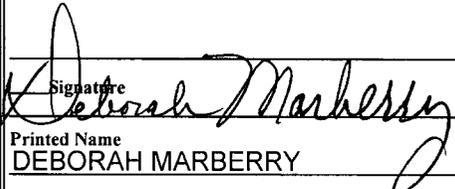
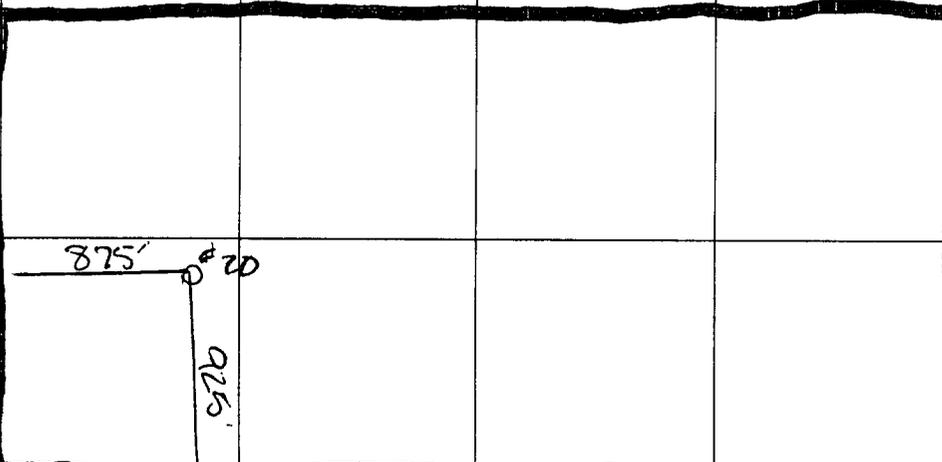
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	8	28N	7W		925'	SOUTH	875'	WEST	RIO ARRIBA

<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 320	<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code U	<sup>15</sup> 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					<sup>17</sup> 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 07/12/2000
					<sup>18</sup> 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

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<sup>1</sup> API Number 30-039-07446		<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 #20			<sup>6</sup> Well Number 20
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

<sup>10</sup> Surface Location

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875' #20 925'					<sup>18</sup> SURVEYOR CERTIFICATION
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<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7 #20			<sup>6</sup> Well Number 20
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

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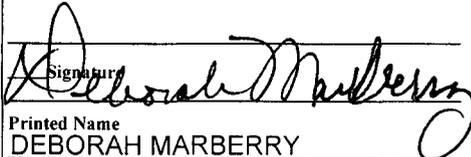
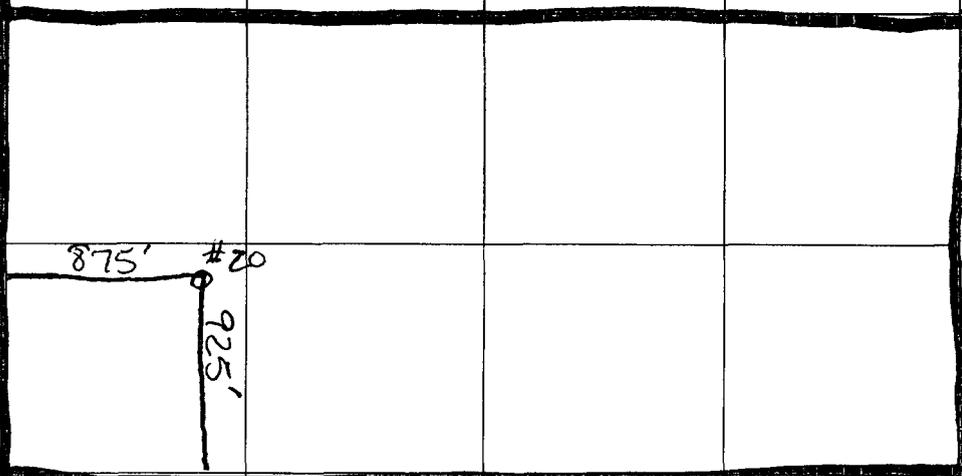
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