

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

2005 SEP 14

| | |
|---|-------------------------------|
| 5. Lease Serial No. | NMSF079289A |
| 6. If Indian, Allottee or Tribe Name | |
| 7. If Unit or CA/Agreement, Name and/or No. | 070 FARMINGTON NM |
| 8. Well Name and No. | San Juan 28-7 Unit #255 |
| 9. API Well No. | 30-039-21721 |
| 10. Field and Pool, or Exploratory Area | Blanco Mesaverde/Basin Dakota |
| 11. County or Parish, State | Rio Arriba NM |

SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | |
|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | |
| 2. Name of Operator ConocoPhillips Co. | |
| 3a. Address P.O. Box 2197, WL3-6085 Houston Tx 77252 | 3b. Phone No. (include area code) (832)486-2463 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 15 T28N R7W SWNW 1890FNL 1130FWL | |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/ Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Allocation |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

ConocoPhillips requests using the subtraction method commingle allocation on this well as per attached information submitted to the OCD back in 1996. I have also attached a letter dated 6/20/96 and signed by Duane Spencer, which approves our allocation data for downhole commingling.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Christina Gustartis

Signature

Chris Gustartis

Title

Regulatory Specialist

Date

09/12/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

MMOCD



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:

June 20, 1996

San Juan 28-7 Unit (MV PA)
San Juan 28-7 Unit (DK PA)
3162.7-3 (07327)

Mr. Jerry W. Hoover
Sr. Conservation Coordinator
Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

RE: San Juan 28-7 Unit
Allocation Data for Downhole Commingling
Mesaverde and Dakota Formations
Rio Arriba County, New Mexico

Dear Mr. Hoover:

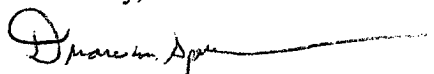
The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated June 4, 1996, concerning allocation data for downhole commingling of the Blanco Mesaverde (MV) and Basin Dakota (DK) Formations for the following wells:

| WELL | FOOTAGES | LOCATION |
|-----------------------|-----------------------|---------------------|
| No. 242E SJ 28-7 Unit | 900' FSL & 800' FWL | Section 7-T28N-R7W |
| No. 233 SJ 28-7 Unit | 1460' FNL & 1000' FWL | Section 14-T28N-R7W |
| No. 255 SJ 28-7 Unit | 1890' FNL & 1130' FWL | Section 15-T28N-R7W |
| No. 255E SJ 28-7 Unit | 1540' FSL & 800' FWL | Section 15-T28N-R7W |
| No. 234 SJ 28-7 Unit | 2150' FSL & 1840' FEL | Section 15-T28N-R7W |
| No. 231 SJ 28-7 Unit | 1495' FNL & 875' FWL | Section 16-T28N-R7W |
| No. 195 SJ 28-7 Unit | 1550' FSL & 1840' FEL | Section 17-T28N-R7W |
| No. 257E SJ 28-7 Unit | 990' FSL & 1850' FEL | Section 19-T28N-R7W |
| No. 194E SJ 28-7 Unit | 1670' FSL & 1060' FEL | Section 21-T28N-R7W |
| No. 192 SJ 28-7 Unit | 736' FNL & 900' FWL | Section 33-T28N-R7W |
| No. 191 SJ 28-7 Unit | 890' FSL & 1780' FEL | Section 33-T28N-R7W |

The projected midyear production values for gas and oil production from the Dakota formation has been verified for each of these wells.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,


Duane W. Spencer
Chief, Branch of Reservoir Management

June 4, 1996

Mr. Duane W. Spencer
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Re: ALLOCATION DATA for Downhole Commingling 11 Wells
in the San Juan 28-7 Unit (Nos. 242E, 233, 255, 255E, 234,
231, 195, 257E, 194E, 192, 191) as Previously Approved by
OCD Order R-10476 and the Bureau of Land Management

Dear Mr. Spencer:

All 11 of these wells were approved by both the BLM (by letter of July 7, 1995) and the OCD (by Order No. R-10476) for downhole commingling of the Dakota and Mesaverde formations. Each of the wells are existing Dakota single-completion producers with a long Dakota production history and established shallow declines. Conoco is now in the process of recompleting to the Mesaverde in each well in preparation for downhole commingling.

As provided for in OCD Order R-10476 (paragraph 3, page 7) and BLM approval, Dakota allocation is to be determined by annual mid-year projections of Dakota production from submitted production decline curves. These Dakota production curves, decline projections, and tables of projected mid-year annual rates are attached for each of the 11 wells listed above.

Mesaverde allocation is to then be attributed to any production over these projections. Copies of the OCD Order R-10476 and the BLM approval letter are attached for your convenience also. Your approval of these submitted Dakota production projections is requested for use in allocation of downhole commingled production from the 11 subject wells.

Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

NMNM78413C (PA)

SAN JUAN 28-7 DK

MARCH, 2004



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

GARY E. JOHNSON
GOVERNOR

AT&T DISTRICT OFFICE
1800 RIO BRAZOS ROAD
ALBUQUERQUE, NEW MEXICO 87106
(505) 234-6170 FAX (505) 234-61

JENNIFER A. SALISBURY
CABINET SECRETARY

August 23, 1996

Mr Jerry Hoover
Senior Conservation Coordinator
Conoco Inc
10 Desta Dr Ste 100W
Midland TX 79705-4500

Re: San Juan 28-7 Unit #255, 30-039-21721, E-¹⁵~~23~~-28N-07W

Dear Jerry:

I received your letter dated June 4, 1996, in which you detailed mid-year production projections. Your recommended allocation based on annual mid-year production projections for the existing Basin Dakota and your attribution of any production over these projections to the Blanco Mesaverde is hereby approved for the referenced well.

Yours truly,

A handwritten signature in cursive script, appearing to read "Ernie Busch".

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/sh

cc: well file

NMNM78413C (PA)

SAN JUAN 28-7 DK

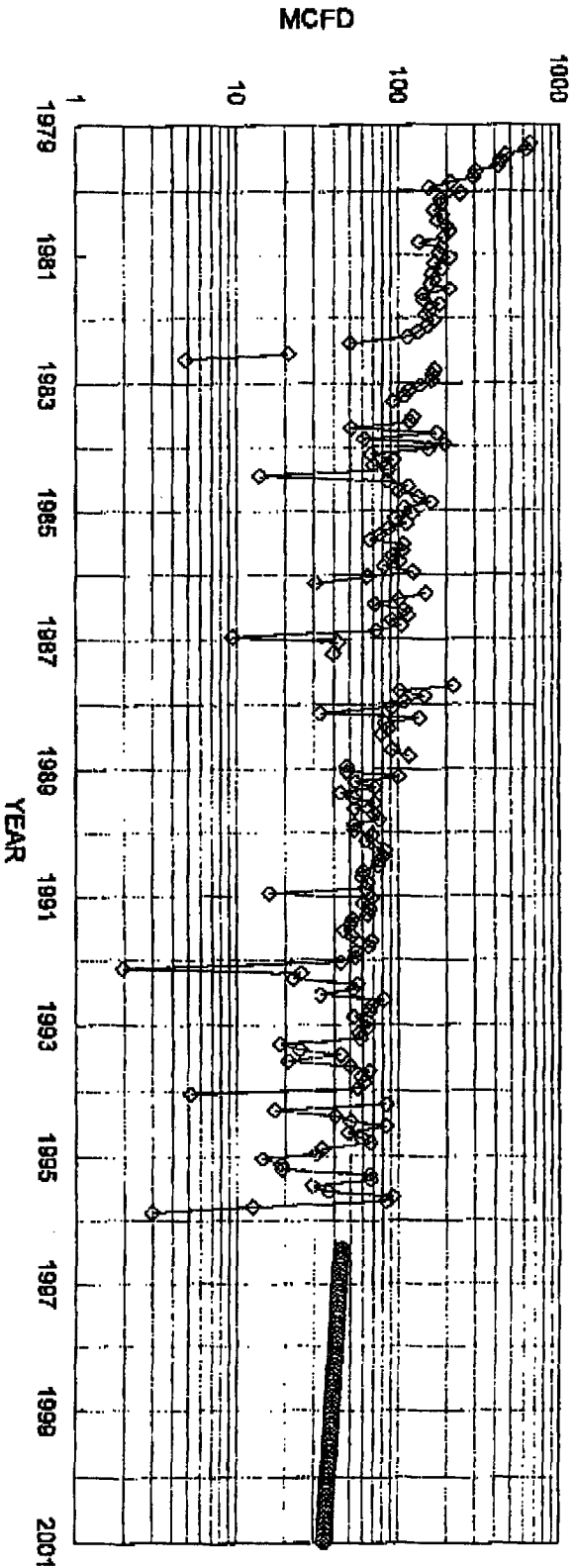
MARCH, 2004

SAN JUAN 28-7 UNIT NO. 255 DAKOTA PRODUCTIONUnit E, Sec. ¹⁵~~33~~, T-28N, R-7W**ANNUAL MID-YEAR DAKOTA PRODUCTION RATES TO ABANDONMENT****@ 5 % Annual Decline**

| YEAR | Mid-Year Avg. MCFGPD | Mid-Year Avg. BOPD |
|------|-------------------------|-----------------------|
| 1996 | 43 | 0.12 |
| 1997 | 41 | 0.11 |
| 1998 | 39 | 0.11 |
| 1999 | 37 | 0.10 |
| 2000 | 35 | 0.10 |
| 2001 | 33 | 0.09 |
| 2002 | 32 | 0.09 |
| 2003 | 30 | 0.08 |
| 2004 | 29 | 0.08 |
| 2005 | 27 | 0.08 |
| 2006 | 26 | 0.07 |
| 2007 | 24 | 0.07 |
| 2008 | 23 | 0.06 |
| 2009 | 22 | 0.06 |
| 2010 | 21 | 0.06 |
| 2011 | 20 | 0.06 |
| 2012 | 19 | 0.05 |
| 2013 | 18 | 0.05 |
| 2014 | 17 | 0.05 |
| 2015 | 16 | 0.05 |
| 2016 | 15 | 0.04 |
| 2017 | 15 | 0.04 |
| 2018 | 14 | 0.04 |
| 2019 | 13 | 0.04 |
| 2020 | 13 | 0.04 |
| 2021 | 12 | 0.03 |
| 2022 | 11 | 0.03 |
| 2023 | 11 | 0.03 |
| 2024 | 10 | 0.03 |
| 2025 | 10 | 0.03 |

PREPARED BY: PDB

SAN JUAN 28-7 UNIT NO. 255 DAKOTA PRODUCTION
SECTION 15E-28N-07W



◆ DAKOTA MCFD ◆ FIT MCFD

| DAKOTA HISTORICAL DATA: | | DAKOTA PROJECTED DATA | |
|-------------------------|----------------|-----------------------|--------------------|
| OIL CUM: | 1.50 MBO | 6/1/98 DI: | 44 MCFD |
| GAS CUM: | 582.9 MMCF | DECLINE RATE: | 8.0% (EXPONENTIAL) |
| OIL YIELD: | 0.0027 BBL/MCF | | |

*1998 AVG IS FOR 2ND HALF OF YEAR

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLED ALLOCATION

| YEAR | MID-YEAR AVG. MCFD | MID-YEAR AVG. BOPD |
|-------|-----------------------|-----------------------|
| 1996* | 43 | 0.12 |
| 1997 | 41 | 0.11 |
| 1998 | 38 | 0.11 |
| 1999 | 37 | 0.10 |
| 2000 | 35 | 0.10 |

CONTINUE DECLINE UNTIL ABANDONMENT

05/31/96

287255.WK4

10:15 AM

NMNM78413C (PA)
SAN JUAN 28-7 DK
MARCH 2004

10³
10²
10¹

Lease: SAN JUAN 28 7 UNIT 000255

Dwights
05/29/96

Retrieval Code: 251,039,28N07W15E00DK

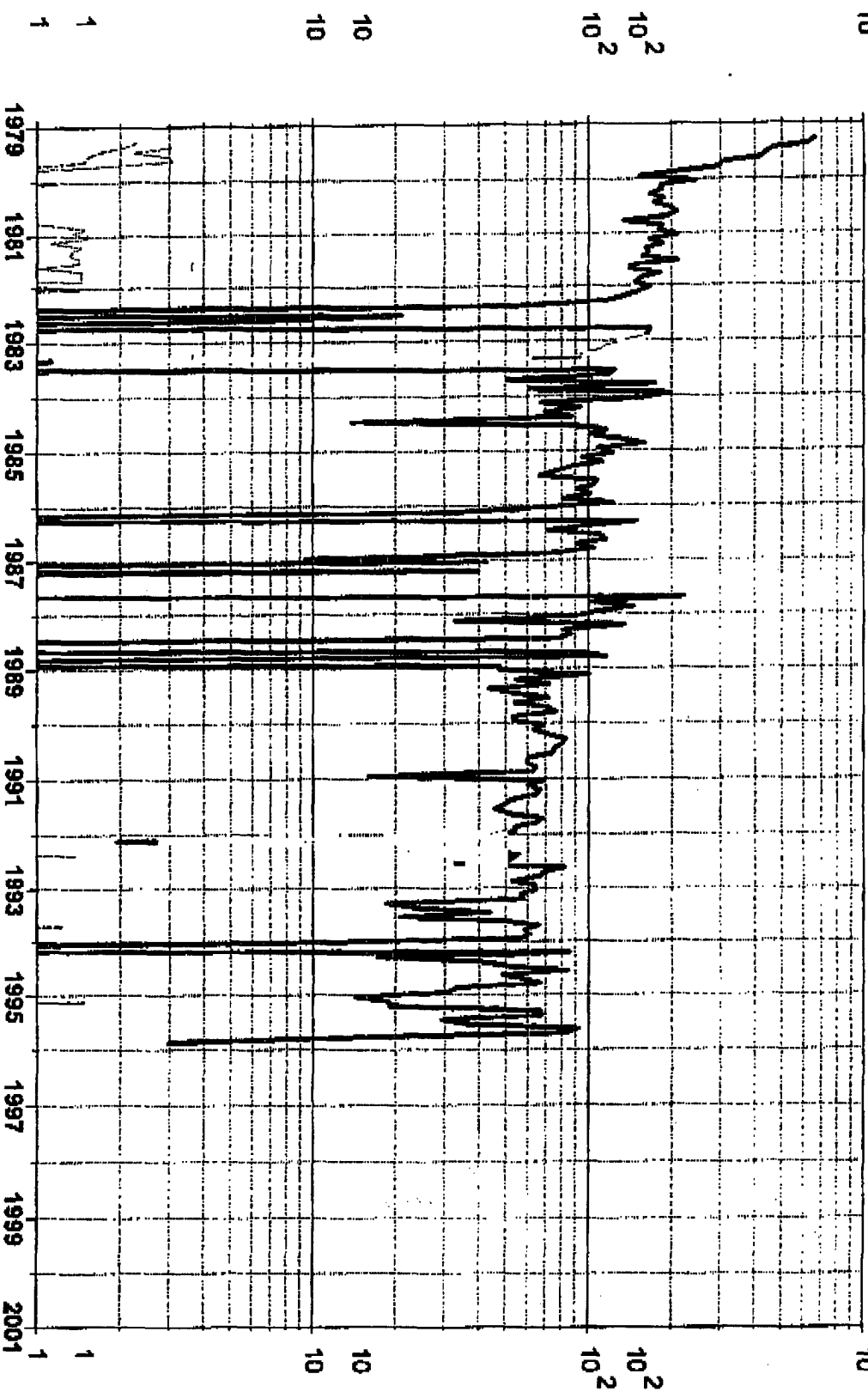
10³
10²
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Gas (mcf/day)
Water (bbl/day)

County: RIO ARriba, NM
Field: BASIN (DAKOTA) DK
Reservoir: DAKOTA
Operator: CONOCO INC

F.P. Date: 04/79
Oil Cum: 1602 bbl
Gas Cum: 582.9 mmcf
Location: 15E 28N 7W

Oil (bbl/day)
Well Count



NMANM78413C (PA)
SAN JUAN 28-7 DK
MARCH, 2004