

DISTRICT I
11100 Box 1900 Hobbs NM 88241-1900

State of New Mexico
Energy Minerals and Natural Resources Department

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

DISTRICT II
611 South First St. Artesia NM 88210-1435

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS

☒ Administrative ☐ Hearing

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

☒ YES ☐ NO

Conoco Inc.

10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Buttram

#3

Section 23, T-26-N, R-6-W, C

Rio Arriba

Lease

Well No

Unit Ltr Sec Twp Rge

County

OGRID NO 005073

Property Code 003145

API NO

30-039-06426

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 Pictured Cliffs South 72439
2 TOP and Bottom of Pay Section (Perforations)	2858-3148'		3155-3242
3 Type of production (Oil or Gas)	Gas		Gas
4 Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5 Bottomhole Pressure	a (Current) 1160		301
Oil Zones - Artificial Lift Gas & Oil - Flowing All Gas Zones Estimated Or Measured Original	b (Original) 1160		1197
6 Oil Gravity (°API) or Gas BT Content	1250		1180
7 Producing or Shut-in?	To be completed		Producing
Production Marginal? (yes or no)	Expected to be		Yes
- If Shut-in give date and oil/gas/water rates of last production	Date Rates	Date Rates	Date Rates
- If Producing date and oil/gas/water rates of recent test (within 60 days)	Incremental Prod by Subtraction - Estimated 1st year 135 MCFD, 0 BW, 0 BO	Date Rates	Mid-Year Avg rates-See table - b 98 14 MCFD, 0 BW, 0 BO
8 Fixed Percentage Allocation Formula - % of each zone			

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 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):

16 ATTACHMENTS

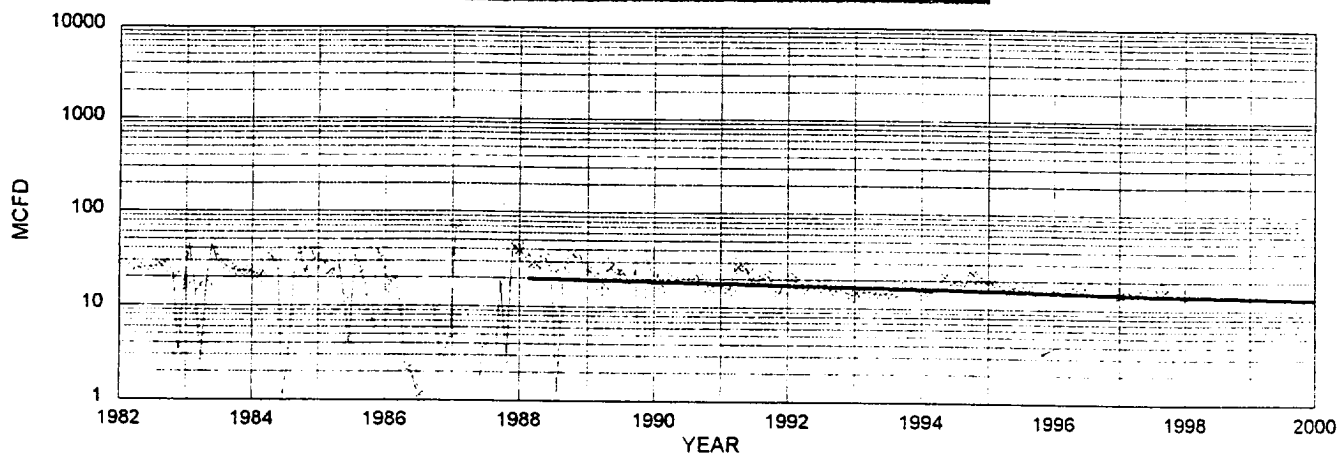
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation 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 8/11/98

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO (915) 686-5798

**BUTTRAM NO. 3 PICTURED CLIFFS PRODUCTION
SECTION 23C-26N-06W**



--- PICTURED CLIFFS MCFD — FIT MCFD

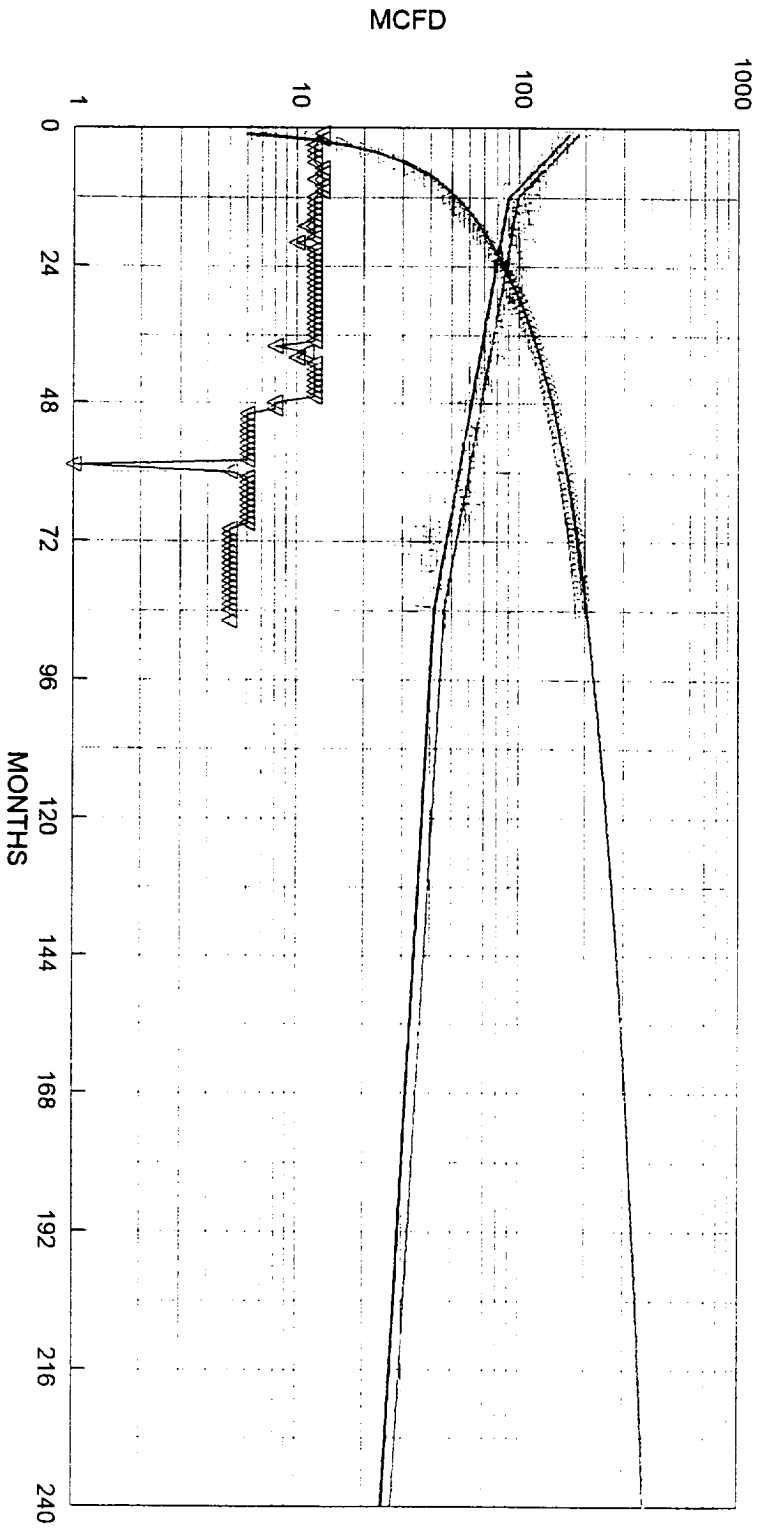
FIELD : BLANCO SOUTH (PICTURED CLIFFS)

PC HISTORICAL DATA:		PC PROJECTED DATA	
1ST PROD: 12/53		1/1/98 Q1: 14 MCFD	
OIL CUM:	0.00 MBO	DECLINE RATE:	3.5% (EXPONENTIAL)
GAS CUM:	355.6 MMCF (SINCE '70)		
CUM OIL YIELD:	0.0000 BBL/MCF		
OIL YIELD:	0.0000 BBL/MCF, LAST 3 YRS		
AVG. USED:	0.0000 BBL/MCF		
GAS CUM:	1205.5 MMCF (SINCE '53)		

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1998	13.8	0.0
1999	13.3	0.0
2000	12.8	0.0
2001	12.4	0.0
2002	12.0	0.0
2003	11.5	0.0
2004	11.1	0.0
2005	10.7	0.0
2006	10.4	0.0
2007	10.0	0.0
2008	9.7	0.0
2009	9.3	0.0
2010	9.0	0.0
2011	8.7	0.0
2012	8.4	0.0
2013	8.1	0.0
2014	7.8	0.0
2015	7.5	0.0
2016	7.3	0.0
2017	7.0	0.0
2018	6.8	0.0
2019	6.5	0.0
2020	6.3	0.0
2021	6.1	0.0
2022	5.9	0.0
2023	5.7	0.0
2024	5.5	0.0
2025	5.3	0.0
2026	5.1	0.0
2027	4.9	0.0
2028	4.7	0.0
2029	4.6	0.0
2030	4.4	0.0
2031	4.3	0.0
2032	4.1	0.0

NORMALIZED FRUITLAND COAL PRODUCTION
13 WELLS SINCE 1990; TOWNSHIP 26N RANGE 6&7 W



— FIT MCFD — FIT CUM MMCF
 ▴ WELLS ON PRODUCTION — RISKED MCFD

NORMALIZED AVG:

442 MMCF EUR
 377 MMCF IN 20 YRS
 20 MCFD E.L.
 0.0000 bbl/mcf oil yield

200 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 12% DECLINE, NEXT 72 MONTHS
 4% FINAL DECLINE

RISKED AVG:

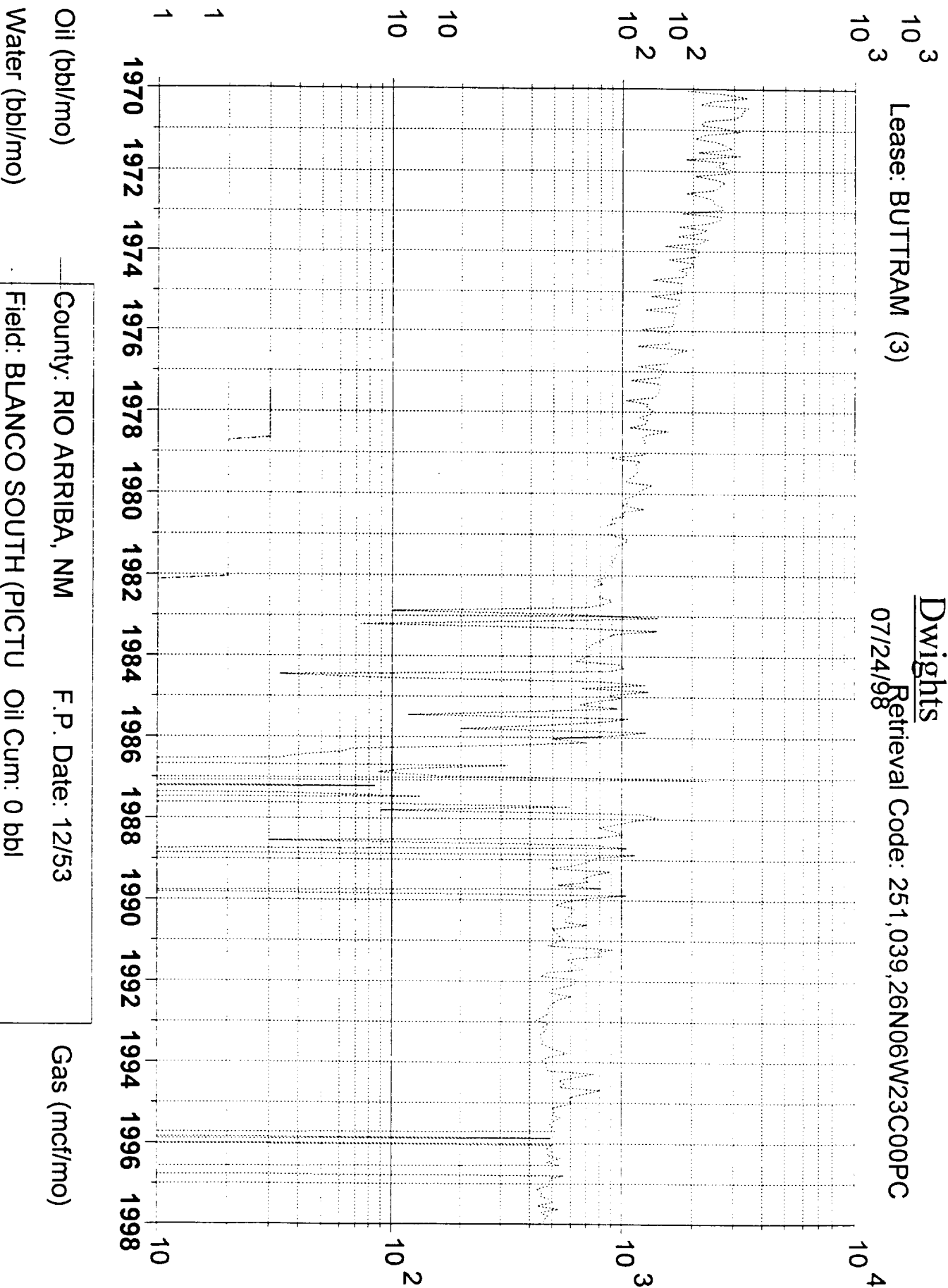
10% RISK

380 MMCF EUR
 340 MMCF IN 20 YRS
 20 MCFD E.L.
 0.0000 bbl/mcf oil yield

180 MCFD IP
 50.0% DECLINE, 1ST 12 MONTHS
 12.0% DECLINE, NEXT 72 MONTHS
 4.0% FINAL DECLINE

Lease: BUTTRAM (3)

Dwights
Retrieval Code: 251,039,26N06W23C00PC
07/24/98



Oil (bbl/mo)

Water (bbl/mo)

County: RIO ARRIBA, NM

F.P. Date: 12/53

Gas (mcf/mo)

Field: BLANCO SOUTH (PICTU Oil Cum: 0 bbl

Reservoir: PICTURE CLIFFS

Gas Cum: 1205 mmcf

Operator: CONOCO INC

Location: 23C 26N 6W

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

District II
PO Drawer DD, Artesia, NM 88211-0719

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

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

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-06426	2 Pool Code 71629	3 Pool Name Basin Fruitland Coal
4 Property Code 003145	5 Property Name Buttram	6 Well Number #3
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation DF 6809'

10 Surface Location

UL or lot no C	Section 23	Township 26N	Range 6W	Lot Idn	Feet from the 990'	North/South line North	Feet from the 1650'	East/West line West	County Rio Arriba
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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	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	990'		
1650'	0'		

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Kay Maddox
Signature
Kay Maddox

Printed Name
Regulatory Agent

Title
July 29, 1998

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.

Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date ~~March 16, 1934~~

~~Pubco Development, Inc.~~ ~~Federal Buttram~~ ~~21-2~~
Operator Lease Well No. #3

Name of Producing Formation So. Blanco Pool ~~Pictured Cliffs~~
~~Pictured Cliffs~~

No. Acres Dedicated to the Well 160

Indicate Land Ownership Status. (Federal, State, Patented)
~~XXXXXXXXXX~~

SECTION 22 TOWNSHIP 26N RANGE 6W

	0		

R
MAR 28 1934
PUBCO DEVELOPMENT

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name M. E. Maxwell Jr.
Position Supt. Prod. Dept.
Representing Pubco Development, Inc.
Address Box 344, Albuquerque, New Mexico

Buttram #3
Section 23, T-26-N, r-6-W, C
Rio Arriba County, NM
API # 30-039-06426

RE: Application to Downhole Commingle

Offset Operators:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Little Oil & Gas
PO Box 258
Farmington, NM 87499-1258

Caulkins Oil Co.
1600 Broadway STE 1400
Denver, CO 80202-4927

Conditions of Approval

Conoco Inc.
Buttram No. 3
990' FNL and 1650' FWL
Sec 23-26N-06W

- 1) After a review well performance for this well and several Pictured Cliffs and Fruitland Coal seam wells in the vicinity, we concur with your proposed method of allocation. Production allocation attributable to the Basin Fruitland coal will be based on the difference in the established mid-year production forecast for the Pictured Cliffs and the commingled gas stream of both intervals.

Commingled production from each zone must be reported in accordance with the allocation procedure authorized above. Because oil production has been historically negligible in both of these formations, any oil production will be allocated equally between these two zones. The effective date of commingling will be the date commingling of production first occurs.

- 2) Within 30 days of commingling the production in this well bore, file a Sundry Notice (form 3160-5) subsequent report of all operations conducted. Also, file Well Completion Report (form 3160-4) after completion operations in the Basin Fruitland coal.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
CONOCO INC.

3. Address and Telephone No.
10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5424

4. Location of Well (Footage, Sec., T. R. M. or Survey Description)
**Section 23, T-26-N, R-6-W, C
990' FNL & 1650' FWL**

5. Lease Designation and Serial No.

SF 079296

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Buttram #3

9. API Well No.

30-039-06426

10. Basin, Field or Coal, Blk. or Pictured Cliffs South

11. County or Parish, State

Rio Arriba, NM

RECEIVED
AUG 25 1998

OIL CON. DIV.
DIST. 3

CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Repon	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracuring
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Downhole Commingle	<input type="checkbox"/> Dispose Water

(Note: Repon result of multiple completion on well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

It is proposed to Downhole Commingle the Fruitland Coal and the Pictured Cliffs in this well.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

50 AUG 13 PM 1:05
070 FARMINGTON, NM

14. I hereby certify that the foregoing is true and correct

Signed **Kay Maddox** Title **Regulatory Agent**

Date **8/11/98**

(This space for Federal or State office use)

Approved by **/S/ Duane W. Spencer** Title

Date **AUG 21 1998**

Conditions of approval if any:

BLM(6), NMOCD(1), SHEAR, PONCA, COST ASST, FILE ROOM

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.

*See Instruction on Reverse Side

NMOCD

DISTRICT I

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

DISTRICT II

611 South First St. Artesia NM 88210-1835

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 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Registration

Address

Lease Buttram

Well No #3

Unit Ltr Sec Twp Rge Section 23, T-26-N, R-6-W, C

County Rio Arriba

OGRID NO 005073

Property Code 003145

API NO

30-039-06426

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 71b29		Blanco Pictured Cliffs South 72439
2 TOP and Bottom of Pay Section (Perforations)	2858-3148'		3155-3242
3 Type of production (Oil or Gas)	Gas		Gas
4 Method of Production (Flowing or Artificial Lift)	To Flow		Flowing
5 Bottomhole Pressure	a (Current) 1160		301
Oil Zones - Artificial Lift Gas & Oil - Flowing All Gas Zones Estimated Current Measured Current Estimated Or Measured Original	b (Original) 1160	b	1197
6 Oil Gravity (%API) or Gas BT Content	1250		1180
7 Producing or Shut-In?	To be completed		Producing
Production Marginal? (yes or no)	Expected to be		Yes
- If Shut-In give date and oil/gas/water rates of last production	Date Rates	Date Rates	Date Rates
- If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates Incremental Prod by Subtraction - Estimated 1st year 135 MCFD, 0 BW, 0 BO	Date Rates	Date Rates Mid-Year Avg rates-See table - 6 98 14 MCFD, 0 BW, 0 BO
8 Fixed Percentage Allocation Formula % for each zone			

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?

X Yes ___ No
 Yes ___ No
 X 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 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) _____

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 of 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.

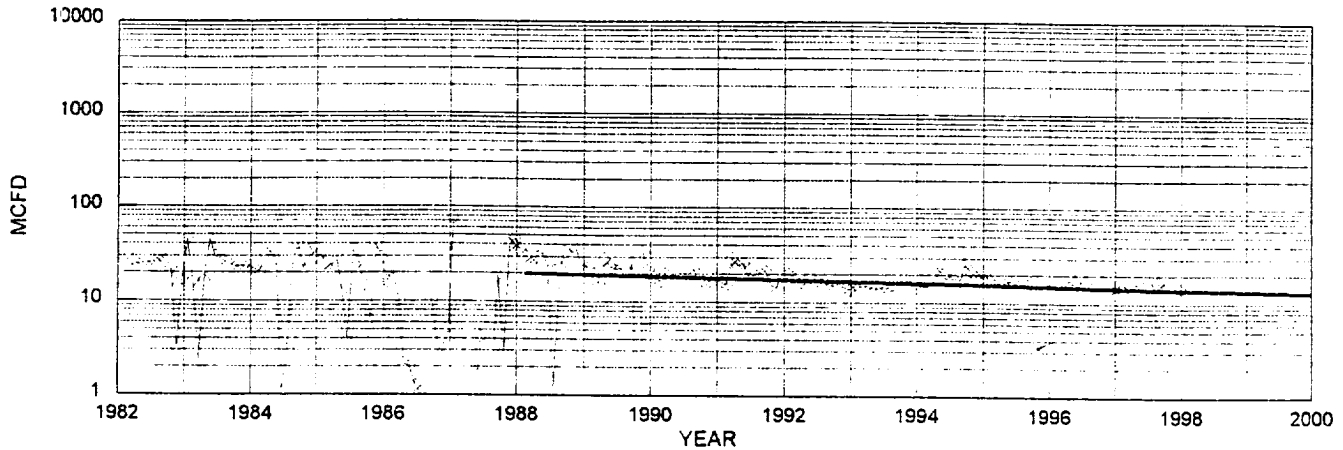
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE 8/11/98TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

RECEIVED
 AUG 25 1998
 OIL CON. DIV.
 DIST. 3

8/11/98 PM 1:05
 OIL CON. DIV.
 DIST. 3

**BUTTRAM NO. 3 PICTURED CLIFFS PRODUCTION
SECTION 23C-26N-06W**



--- PICTURED CLIFFS MCFD — FIT MCFD

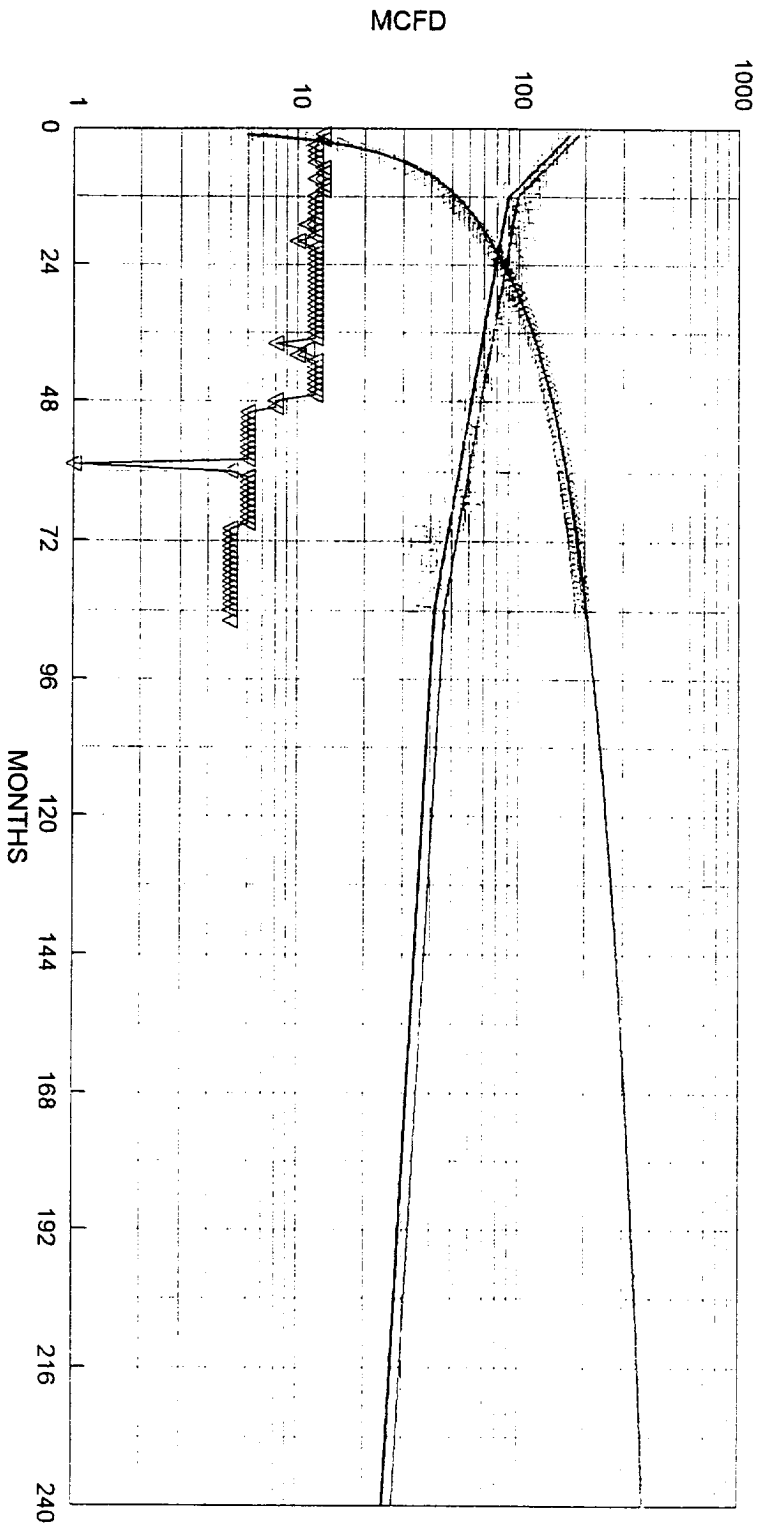
FIELD: BLANCO SOUTH (PICTURED CLIFFS)

PC HISTORICAL DATA:		PC PROJECTED DATA	
1ST PROD: 12/53		1/1/98 Q1: 14 MCFD ✓	
OIL CUM:	0.00 MBO	DECLINE RATE:	3.5% (EXPONENTIAL) ✓
GAS CUM:	355.6 MMCF (SINCE '70)		
CUM OIL YIELD:	0.0000 BBL/MCF		
OIL YIELD:	0.0000 BBL/MCF, LAST 3 YRS		
AVG. USED:	0.0000 BBL/MCF		
GAS CUM:	1205.5 MMCF (SINCE '53)		

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1998	13.8	0.0
1999	13.3	0.0
2000	12.8	0.0
2001	12.4	0.0
2002	12.0	0.0
2003	11.5	0.0
2004	11.1	0.0
2005	10.7	0.0
2006	10.4	0.0
2007	10.0	0.0
2008	9.7	0.0
2009	9.3	0.0
2010	9.0	0.0
2011	8.7	0.0
2012	8.4	0.0
2013	8.1	0.0
2014	7.8	0.0
2015	7.5	0.0
2016	7.3	0.0
2017	7.0	0.0
2018	6.8	0.0
2019	6.5	0.0
2020	6.3	0.0
2021	6.1	0.0
2022	5.9	0.0
2023	5.7	0.0
2024	5.5	0.0
2025	5.3	0.0
2026	5.1	0.0
2027	4.9	0.0
2028	4.7	0.0
2029	4.6	0.0
2030	4.4	0.0
2031	4.3	0.0
2032	4.1	0.0

NORMALIZED FRUITLAND COAL PRODUCTION
13 WELLS SINCE 1990, TOWNSHIP 26N RANGE 6&7 W



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

NORMALIZED AVG:

442 MMCF EUR
 377 MMCF IN 20 YRS
 20 MCFD E.L.
 0.0000 bbl/mcf oil yield

RISKED AVG: 10% RISK

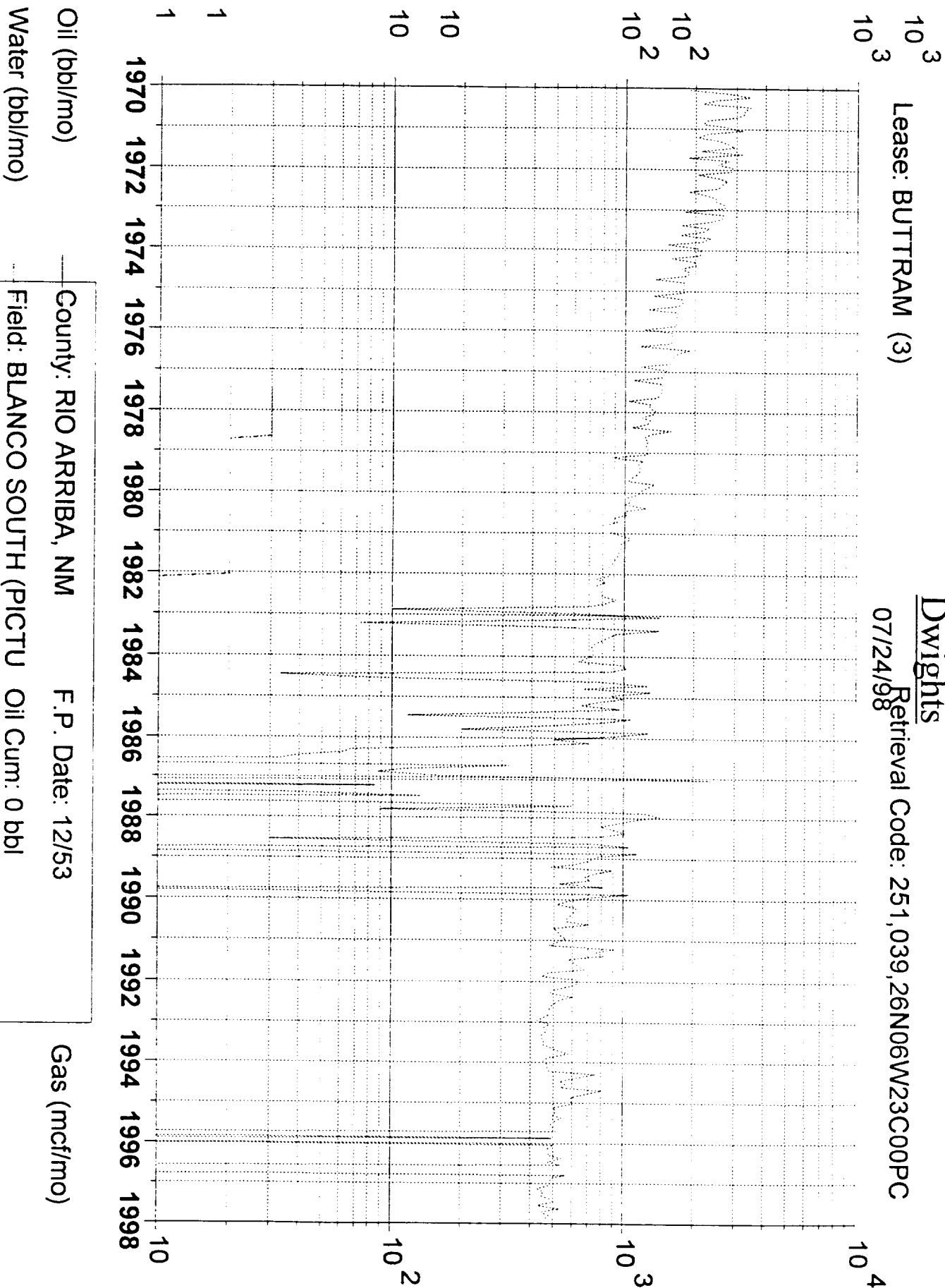
200 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 12% DECLINE, NEXT 72 MONTHS
 4% FINAL DECLINE

380 MMCF EUR 180 MCFD IP
 340 MMCF IN 20 YRS 50.0% DECLINE, 1ST 12 MONTHS
 20 MCFD E.L. 12.0% DECLINE, NEXT 72 MONTHS
 0.0000 bbl/mcf oil yield 4.0% FINAL DECLINE

Lease: BUTTRAM (3)

Dwights

Retrieval Code: 251,039,26N06W23C00PC
07/24/98



Oil (bbl/mo)

Water (bbl/mo)

County: RIO ARRIBA, NM

F.P. Date: 12/53

Field: BLANCO SOUTH (PICTU Oil Cum: 0 bbl

Reservoir: PICTURE CLIFFS

Gas Cum: 1205 mmcf

Operator: CONOCO INC

Location: 23C 26N 6W

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

District II
PO Drawer DD, Artesia, NM 88211-0719

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

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

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-06426	2 Pool Code 71629	3 Pool Name Basin Fruitland Coal
4 Property Code 003145	5 Property Name Buttram	6 Well Number #3
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation DF 6809'

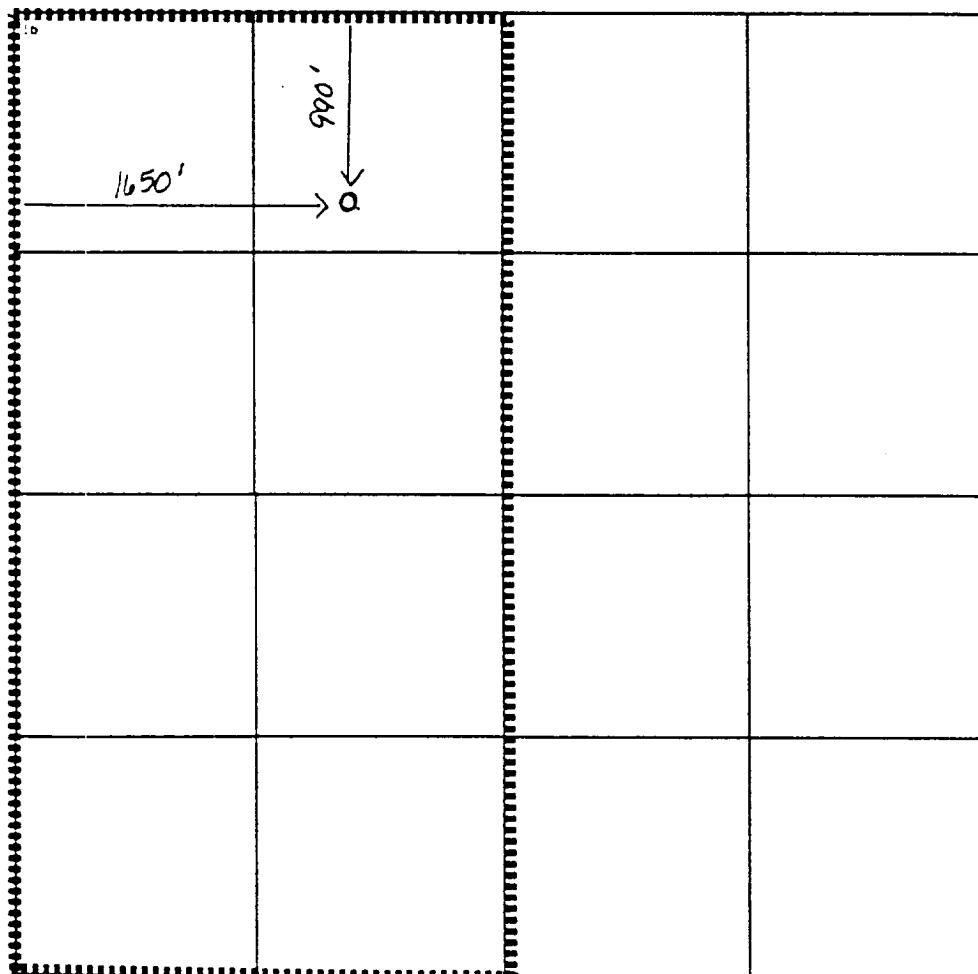
10 Surface Location

UL or lot no C	Section 23	Township 26N	Range 6W	Lot Idn	Feet from the 990'	North/South line North	Feet from the 1650'	East/West line West	County Rio Arriba
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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	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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Kay Maddox
Signature
Kay Maddox

Printed Name
Regulatory Agent

Title
July 29, 1998

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.

Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date ~~March 16, 1934~~

~~Pubco Development, Inc.~~ ~~Federal Buttram~~ ~~21-2~~
Operator Lease Well No. #3

Name of Producing Formation So. Blanco Pool ~~Pictured Cliffs~~
~~Pictured Cliffs~~

No. Acres Dedicated to the Well 160

Indicate Land Ownership Status. (Federal, State, Patented)
~~XXXXXX~~

SECTION 22 TOWNSHIP 26N RANGE 6W

	0		
			R MAY 28 1934 PUBCO DEVELOPMENT

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name H. E. Maxwell Jr.
Position Supt. Prod. Dept.
Representing Pubco Development, Inc.
Address Box 344, Albuquerque, New Mexico

Buttram #3
Section 23, T-26-N, r-6-W, C
Rio Arriba County, NM
API # 30-039-06426

RE: Application to Downhole Commingle

Offset Operators:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Little Oil & Gas
PO Box 258
Farmington, NM 87499-1258

Caulkins Oil Co.
1600 Broadway STE 1400
Denver, CO 80202-4927

Conditions of Approval

Conoco Inc.
Buttram No. 3
990' FNL and 1650' FWL
Sec 23-26N-06W

- 1) After a review well performance for this well and several Pictured Cliffs and Fruitland Coal seam wells in the vicinity, we concur with your proposed method of allocation. Production allocation attributable to the Basin Fruitland coal will be based on the difference in the established mid-year production forecast for the Pictured Cliffs and the commingled gas stream of both intervals.

Commingled production from each zone must be reported in accordance with the allocation procedure authorized above. Because oil production has been historically negligible in both of these formations, any oil production will be allocated equally between these two zones. The effective date of commingling will be the date commingling of production first occurs.

- 2) Within 30 days of commingling the production in this well bore, file a Sundry Notice (form 3160-5) subsequent report of all operations conducted. Also, file Well Completion Report (form 3160-4) after completion operations in the Basin Fruitland coal.