

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

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

APPROVAL PROCESS:

Administrative Hearing

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

YES NO

Operator Conoco Inc.

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

Lease San Juan 28-7

Well No 256

Unit Ltr Sec Twp Rge B-17, T-28-N, R-7-W

County Rio Arriba

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 16608 API NO. 30-039-21731 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	Mesa Verde 72319		Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4892' - 5852' OA	RECEIVED IN AUG - 8 1997 OIL CON. DIV. DIST. 3	7522' - 7750'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Expect to Flow		Flowing
5. Bottom hole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 800 PSIA	a.	a. 1054 PSIA
	b (Original) 1192 PSIA	b.	b. 2925 PSIA
6. Oil Gravity (*API) or Gas BTU Content	1253		1212
7. Producing or Shut-In?	To be completed		Producing
Production Marginal? (yes or no)	Yes		Yes
• If Shut-In give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.</small> • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Date Rates Incremental Production by subtraction	Date Rates	Date Rates Mid-Year Avg. rates - see table
8. Fixed Percentage Allocation Formula - % for each zone	oil: % Gas %	oil: % Gas %	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 No
 If not, have all working, overriding, and royalty interests been notified by certified mail? X Yes No
 Have all offset operators been given written notice of the proposed downhole commingling? Yes No
CONOCO IS ONLY OFFSET OPERATOR

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 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 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 Jerry W. Hoover TITLE Sr. Conservation Coord. DATE 6/13/97

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-4-65

All distances must be from the outer boundaries of the Section.

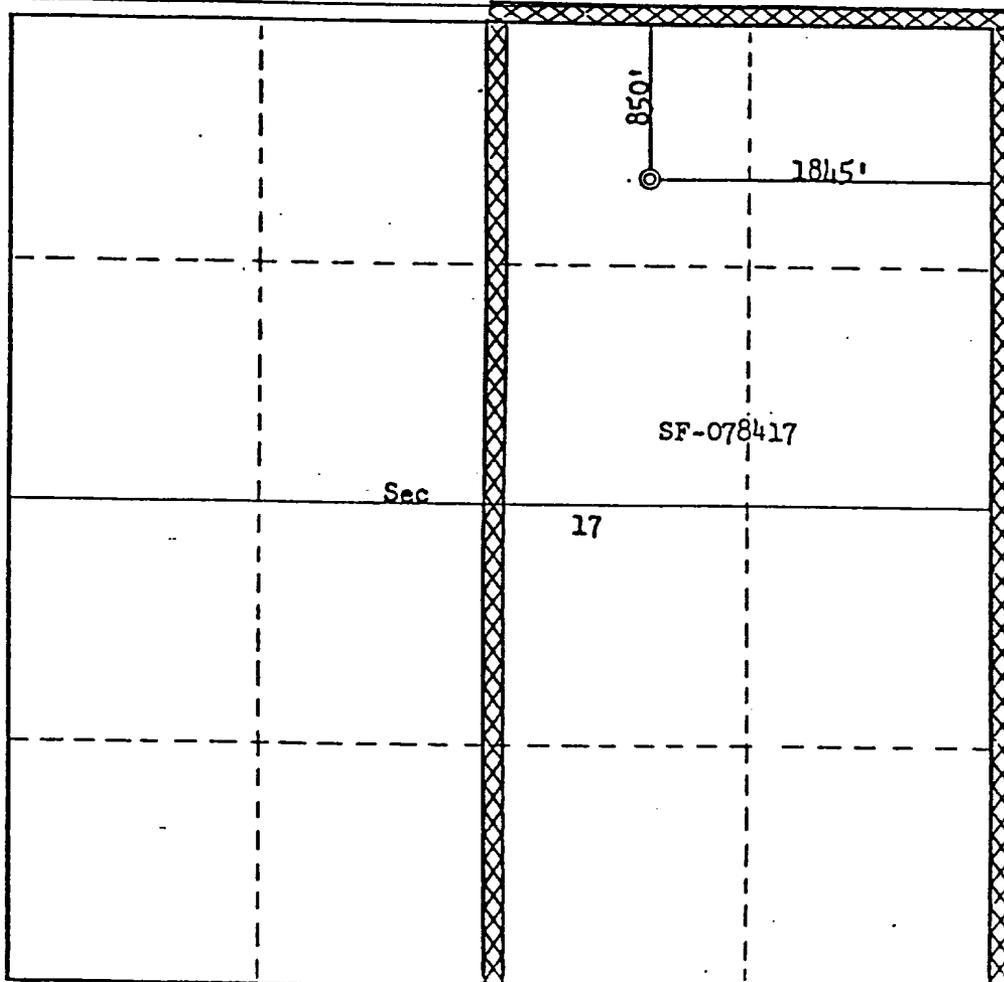
Operator El Paso Natural Gas Company			Lease San Juan 28-7 Unit (SF-078417)		Well No. 256
Unit Letter B	Section 17	Township 28N	Range 7W	County Rio Arriba	
Actual Footage Location of Well:					
850	feet from the North	line and	1845	feet from the East	line
Ground Level Elev. 6616	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 320.00		Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Unitization

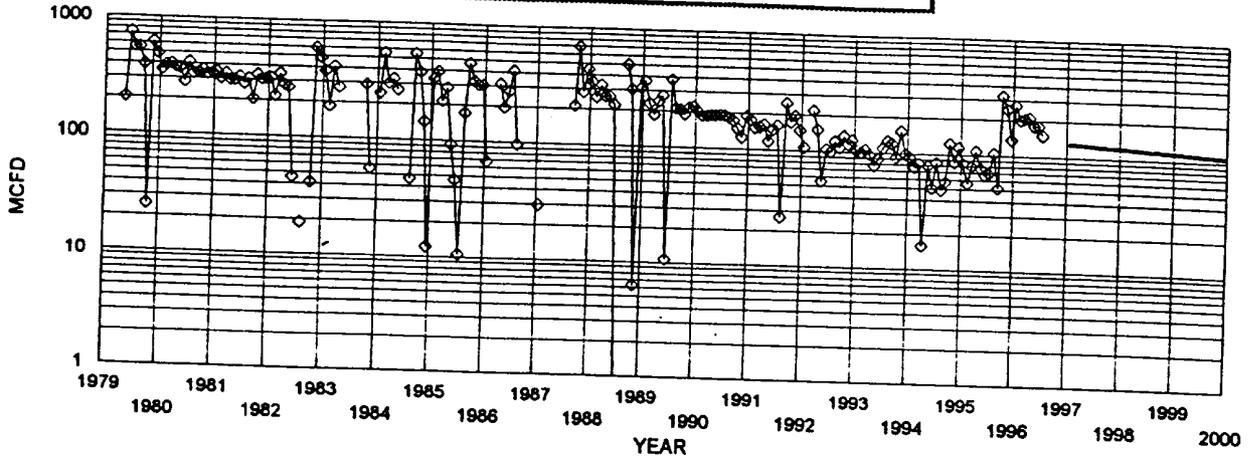
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION
<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
<i>[Signature]</i>
Drilling Clerk
El Paso Natural Gas Co
Company April 10, 1978
Date
<i>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 knowledge and belief.</i>
Date Surveyed February 24, 1978
Registered Professional Engineer and/or Land Surveyor <i>[Signature]</i> Fred R. Kerr Jr.

**SAN JUAN 28-7 UNIT NO. 256 DAKOTA PRODUCTION
SECTION 17B-28N-07W**



◆ DAKOTA MCFD — FIT MCFD

DAKOTA HISTORICAL DATA:		1ST PROD: 05/79		DAKOTA PROJECTED DATA	
OIL CUM:	18.84	MBO		1/1/97 Qi:	132 MCFD
GAS CUM:	1226.7	MBCF		DECLINE RATE:	6.0% (EXPONENTIAL)
OIL YIELD:	0.0154	BBL/MCF			

YEAR	MID-YEAR	
	AVG. MCFD	AVG. BOPD
1996	128	2.0
1997	120	1.8
1998	113	1.7
1999	106	1.6
2000	100	1.5
2001	94	1.4
2002	88	1.4
2003	83	1.3
2004	78	1.2
2005	73	1.1
2006	69	1.1
2007	65	1.0
2008	61	0.9
2009	57	0.9
2010	54	0.8
2011	51	0.8
2012	48	0.7
2013	45	0.7
2014	42	0.6
2015	40	0.6
2016	37	0.6
2017	35	0.5
2018	33	0.5
2019	31	0.5
2020	29	0.4
2021	27	0.4
2022	26	0.4
2023	24	0.4
2024	23	0.3
2025	21	0.3
2026	20	0.3
2027	19	0.3
2028	18	0.3
2029	17	0.3
2030	16	0.2

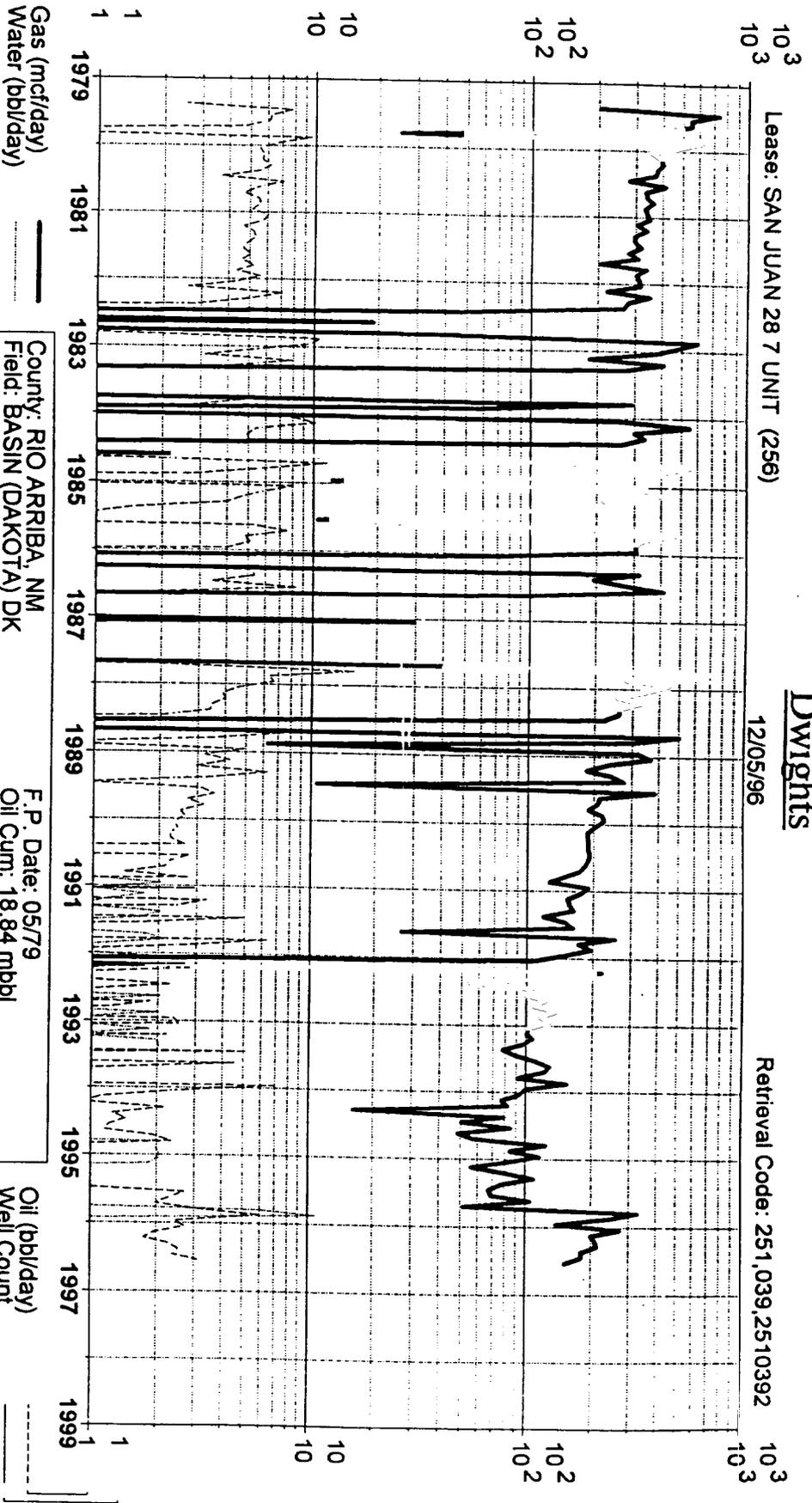
PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

Dwights

Lease: SAN JUAN 28 7 UNIT (256)

12/05/96

Retrieval Code: 251,039,2510392



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

Oil (bbl/day)
Well Count

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

F.P. Date: 05/79
Oil Cum: 18,84 mbbl
Gas Cum: 1227 mmcf
Location: 17B 28N 7W

SAN JUAN 28-7 #256

OFFSET OPERATORS

CONOCO,INC 7	CONOCO,INC 8	CONOCO,INC 9
CONOCO,INC 18	CONOCO,INC AMDCO PHH1 17	CONOCO,INC 16
CONOCO,INC 19	CONOCO,INC 20	CONOCO,INC 21

Township 28N --- Range 7W