

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

# APPLICATION FOR DOWNHOLE COMMINGLING

  X   YES             NO

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538      Property Code 7139      API NO. 30-045-28943      Federal X, 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		Kutz West Pictured Cliffs - 79680
2. Top and Bottom of Pay Section (Perforations)	1692' - 1852'		1860' - 1872'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial L ft)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	(Current) a. 86 psia @ 1771'  (Original) b. 195 psia @ 1771'	APR 2000 RECEIVED OIL & GAS DIVISION DALLAS, TEXAS	a. 64 psia @ 1866'  b. 196 psia @ 1866'
6. Oil Gravity (°API) or Gas BTU Content	1026 BTU		1033 BTU
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	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: 01/31/00 Rates: 11 MCFD 0 BOD, 0 BWD	Date: Rates:	Date: 01/31/00 Rates: 338 MCFD, 0 BOD, 0 BWD
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil:                      Gas: Will supply for commingling	Oil:                      Gas: %                      %	Oil:                      Gas: Will supply for commingling

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?   X   Yes   X   No  
If not, have all working, overriding, and royalty interests been notified by certified mail?   X   Yes        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). \_\_\_\_\_
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 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 [Signature] TITLE Operations Engineer DATE 04/05/00

TYPE OR PRINT NAME Joe A. Michetti TELEPHONE NO. (505) 326-9700

DCO