

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

State 32E Well No A36-T30N-R11W Unit Ltr Sec Twp Rge San Juan County

Lease 005073 Property Code 3251 API NO. N/A 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	Mesa Verde 72319		Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4450'-4700' (est.)		6750'-6850' (est.)
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5. Bottom hole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 543 psia		a. 602 psia
	b (Original) 1032 psia	b.	b. 2481 psia
6. Oil Gravity (*API) or Gas BTU Content	1200 BTU		1200 BTU
7. Producing or Shut-in?	To be drilled		To be drilled
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. • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Date Rates To be determined from tests on completion	Date Rates	Date Rates To be determined from tests on completion
8. Fixed Percentage Allocation Formula -% for each zone	Will be supplied upon completion oil: % Gas %		Will be supplied upon completion 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? 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. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

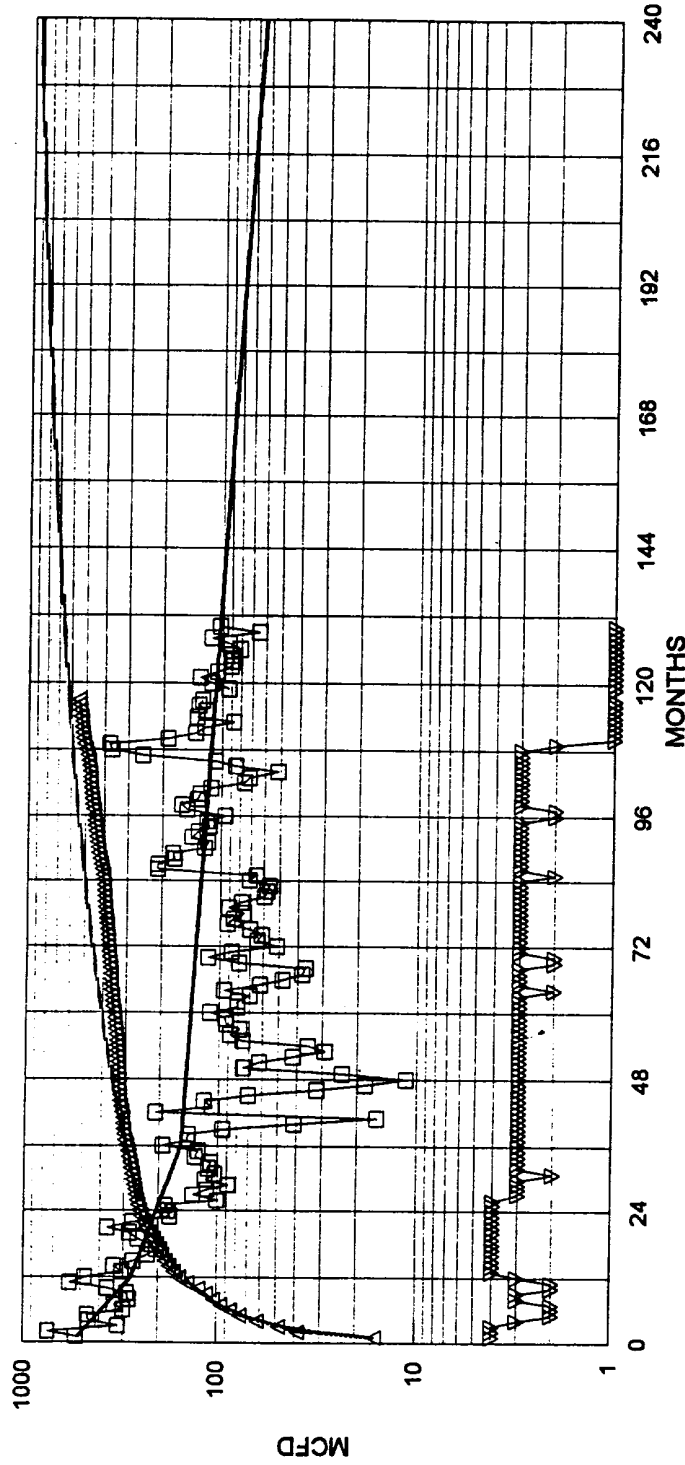
16. ATTACHMENTS
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - * Production curve for each zone for at least one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - * 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 7/11/97

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

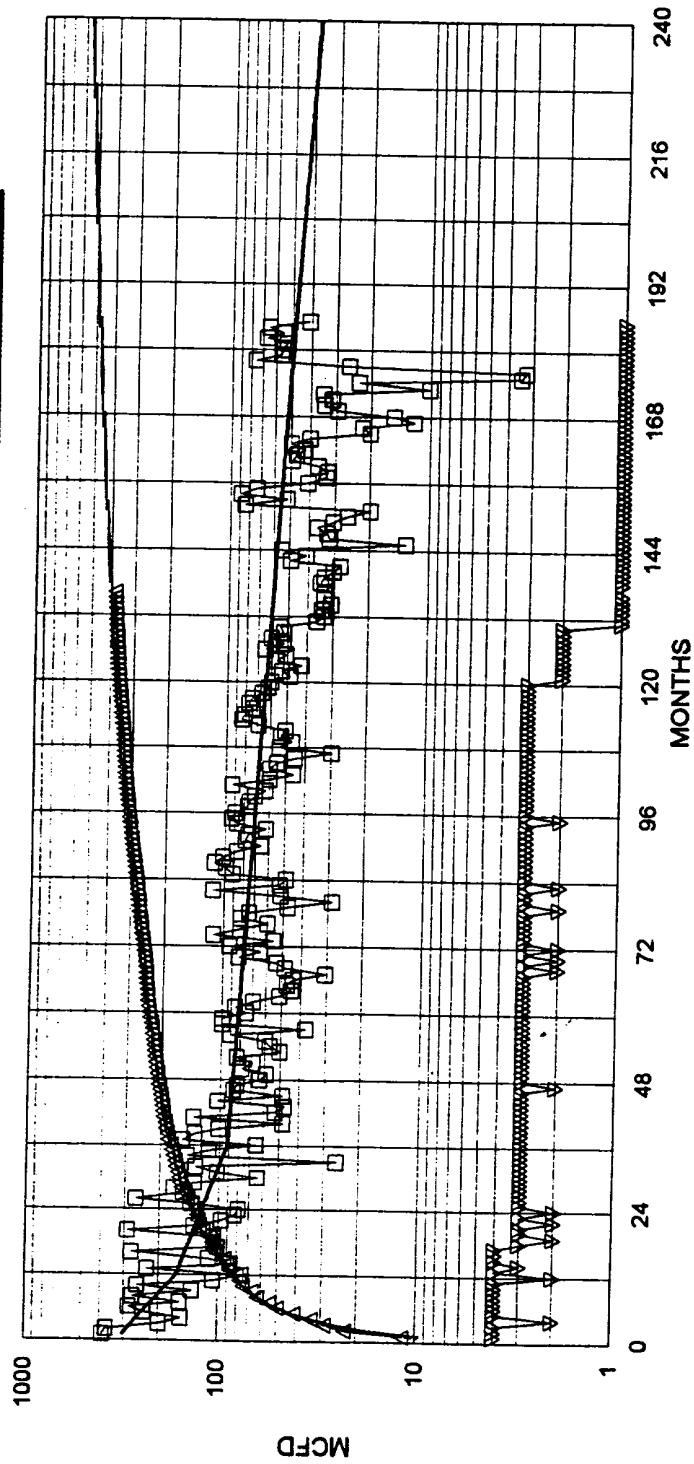
NORMALIZED MESAVERDE PRODUCTION
4 WELLS SINCE 1980, OFFSET TO SECTION 36-30N-11W; (STATE 32 OFFSETS)



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

NORMALIZED AVG: 1220 MMCF EUR 940 MMCF IN 20 YRS 25 MCFD E.L. 0.0021 bbl/mcf oil yield	. 550 MCFD IP 50% DECLINE, 1ST 12 MONTHS 25% DECLINE, NEXT 24 MONTHS 5.0% FINAL DECLINE	RISKED AVG: 1220 MMCF EUR 940 MMCF IN 20 YR 25 MCFD E.L. 0.0021 bbl/mcf oil yield	0% RISK 650 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 25.0% DECLINE, NEXT 24 MONTHS 5.0% FINAL DECLINE
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**NORMALIZED DAKOTA PRODUCTION
4 WELLS SINCE 1980; OFFSET TO SECTION 36-30N-11W; (STATE 32 OFFSETS)**



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

NORMALIZED AVG: 648 MMCF EUR 555 MMCF IN 20 YRS 25 MCFD E.L. 0.0050 bbl/mcf oil yield	RISKED AVG: 648 MMCF EUR 555 MMCF IN 20 YR 25 MCFD E.L. 0.0050 bbl/mcf oil yield	0% RISK 325 MCFD IP 50% DECLINE, 1ST 12 MONTHS 25% DECLINE, NEXT 24 MONTHS 5.0% FINAL DECLINE	0% RISK 325 MCFD IP 60.0% DECLINE, 1ST 12 MONTHS 26.0% DECLINE, NEXT 24 MONTHS 5.0% FINAL DECLINE
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District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Mio 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 <i>30-045-29442</i>		Pool Code 72319/71599	Pool Name Blanco Mesaverde/Basin Dakota
Property Code <i>3251</i>	Property Name State		Well Number 3251 <i>E</i>
OGRID No. 05073	Operator Name CONOCO, INC.		Elevation 5965'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	36	30-N	11-W		1040	North	1095	East	S. J.

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres <i>3240/320</i> <i>80-360</i>	13 Joint or Infill	14 Consolidation Code	15 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

5217.96'

1095'

1095'

2618.22'

2607.00'

5311.68'

36

RECEIVED
MAR 19 1997
OIL CONSERVATION DIVISION

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

Signature: *Jerry W. Hoover*
 Printed Name: Jerry W. Hoover
 Title: Sr. Conservation Coordinator
 Date: 3/17/97

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: 1/14/97
 Signature and Seal of Professional Surveyor: *Neale C. Edwards*
 Certificate Number: 6857

P 497 368 605

US Postal Service
Receipt for Certified Mail

Williams Production Co.
P. O. Box 3102 MS 37-3
One Williams Center
Tulsa, OK 74101

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995

P 497 368 604

US Postal Service
Receipt for Certified Mail

Sunland Oil Company
6200 Desert Moon Loop
Tucson, AZ 85715-0997

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995

P 497 368 602

US Postal Service
Receipt for Certified Mail

Dugan Production
P. O. Box 420
Farmington, NM 84799-0420

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995

P 497 368 601

US Postal Service
Receipt for Certified Mail

Burlington Resources Oil & Gas
P. O. Box 4289
Farmington, NM 87499

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995

P 497 368 603

US Postal Service
Receipt for Certified Mail

Phillips Petroleum Co.
5525 Hwy. #64
Farmington, NM 87401-1578

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995

P 497 368 600

US Postal Service
Receipt for Certified Mail

Amoco Production Co.
P. O. Box 800
Denver CO, 80202

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	7-11-97

PS Form 3800, April 1995