

AKC

6/17/96

RECEIVED

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88241
 DISTRICT II
 811 South First St., Artesia, NM 88210-2835
 DISTRICT III CONSERVATION DIVISION
 1000 Rio Brazos Rd., Aztec, NM 87410-1693

MAY 28 1996

State of New Mexico
 Energy, Minerals and Natural Resources Department

1278

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

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland TX 79705

Lease State Com H Well No. 4A Unit Ltr. - Sec. - Twp. - Rge F-32-31N-9W County San Juan

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 003268 API NO. 30-045-21708 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	Blanco PC 72359		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	3362' - 3392'		4876' - 5728'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 211 psi	a.	a. 254 psi
	b. (Original) 1222 psi	b.	b. 986 psi
6. Oil Gravity (° API) or Gas BTU Content	1183 BTU		1162 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: 1/96 Rates: .0005 bbl/mcf 55 mcf/gpd, 0 bwpd	Date: Rates:	Date: 1/96 Rates: .0055 bbl/mcf 410 mcf/gpd, 0 bwpd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 1 % Gas: 12 %	Oil: % Gas: %	Oil: 99 % Gas: 88 %

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 other? 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 Jerry W. Hoover TITLE Sr. Conservation Coordinator DATE 5/17/96

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (715) 686-6548

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

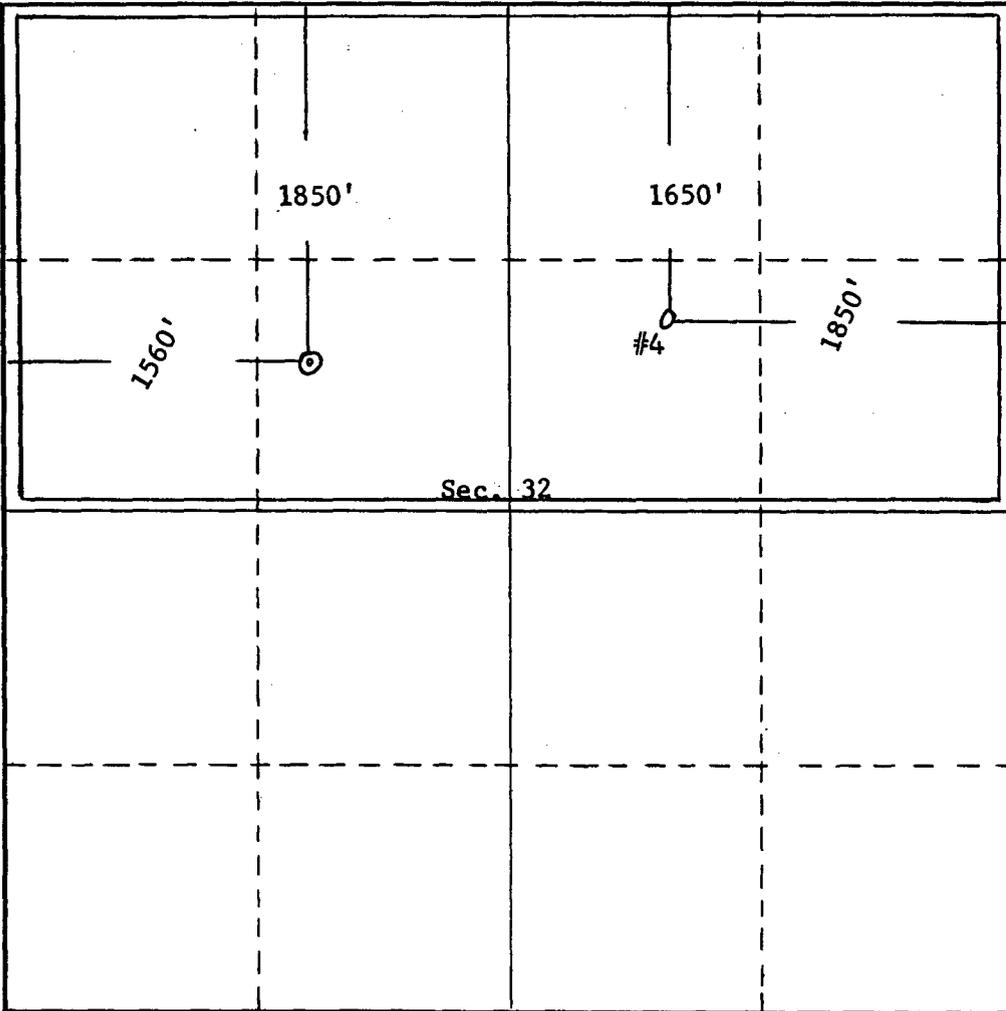
Operator Mesa Petroleum Co.		Lease State Com H			Well No. #4A
Unit Letter F	Section 32	Township 31 North	Range 9 West	County San Juan	
Actual Footage Location of Well:					
1850 feet from the North line and		1560 feet from the West line			
Ground Level Elev. 6589'	Producing Formation Pictured Cliffs	Pool Blanco		Dedicated Acreage: 320 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 _____

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

Name
J. L. Farrell

Position
Operations Manager

Company
Mesa Petroleum Co.

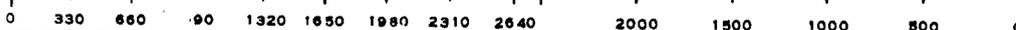
Date
6/4/75

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.

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

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

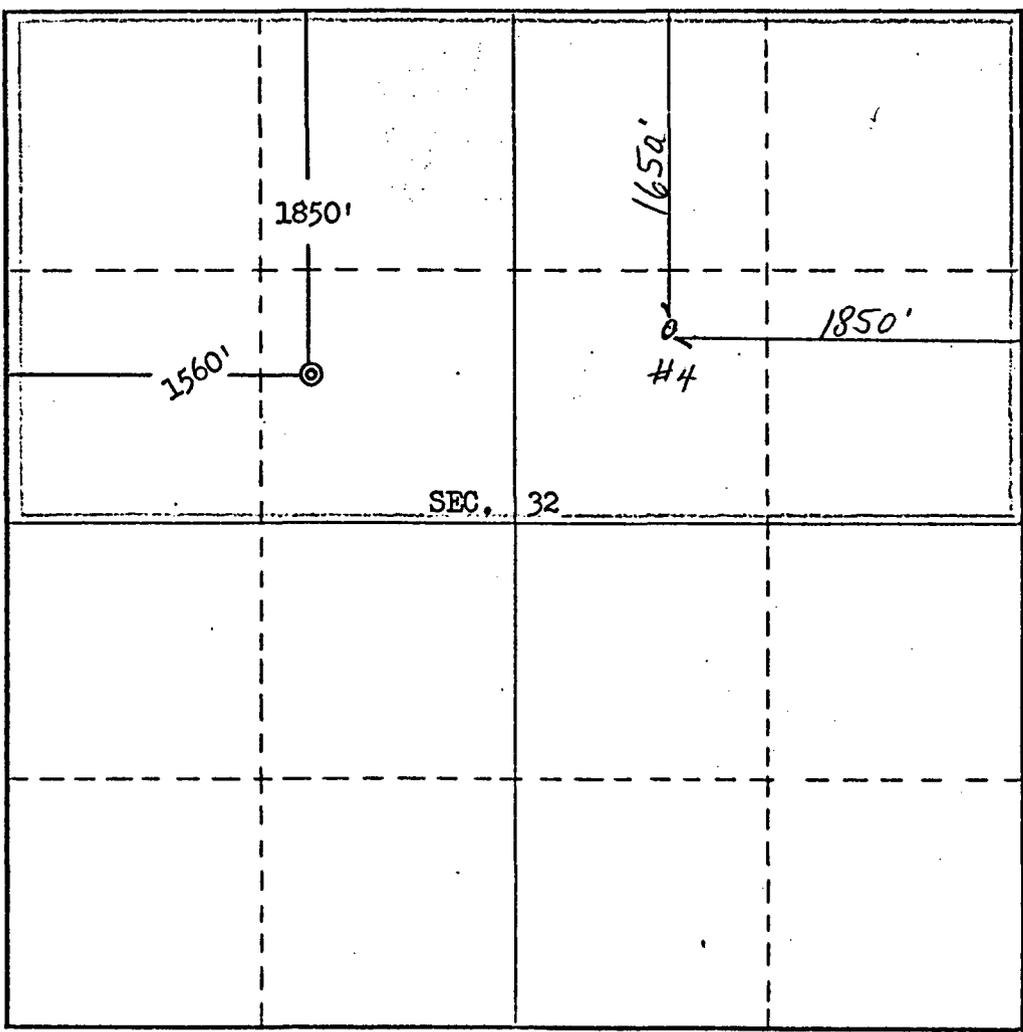
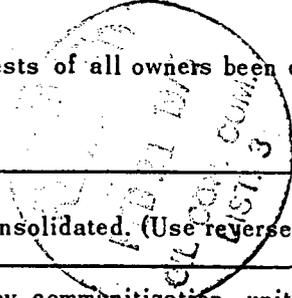
Operator Mesa Petroleum Company		Lease State Com H		Well No. 4A
Unit Letter F	Section 32	Township 31 North	Range 9 West	County San Juan
Actual Footage Location of Well: 1850 feet from the North line and 1560 feet from the West line				
Ground Level Elev. 6589	Producing Formation Mesaverde	Pool Blanco	Dedicated Acreage: 320 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 _____

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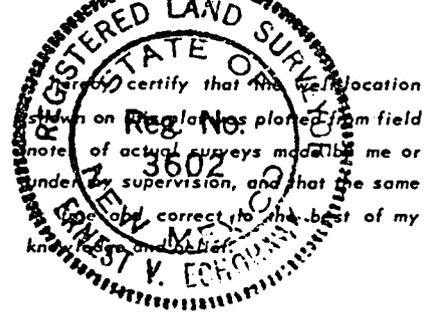


CERTIFICATION

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

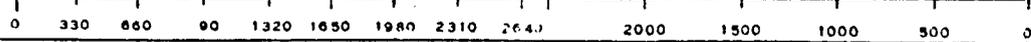
R. J. Flaker

Name R. J. Flaker
Position Production Engr.
Company Mesa Petroleum Co.
Date 2/12/75



Date Surveyed January 29, 1975
Registered Professional Engineer and/or Land Surveyor <i>E.V. Echhawk</i>

Certificate No. 3602 E.V. Echhawk LS



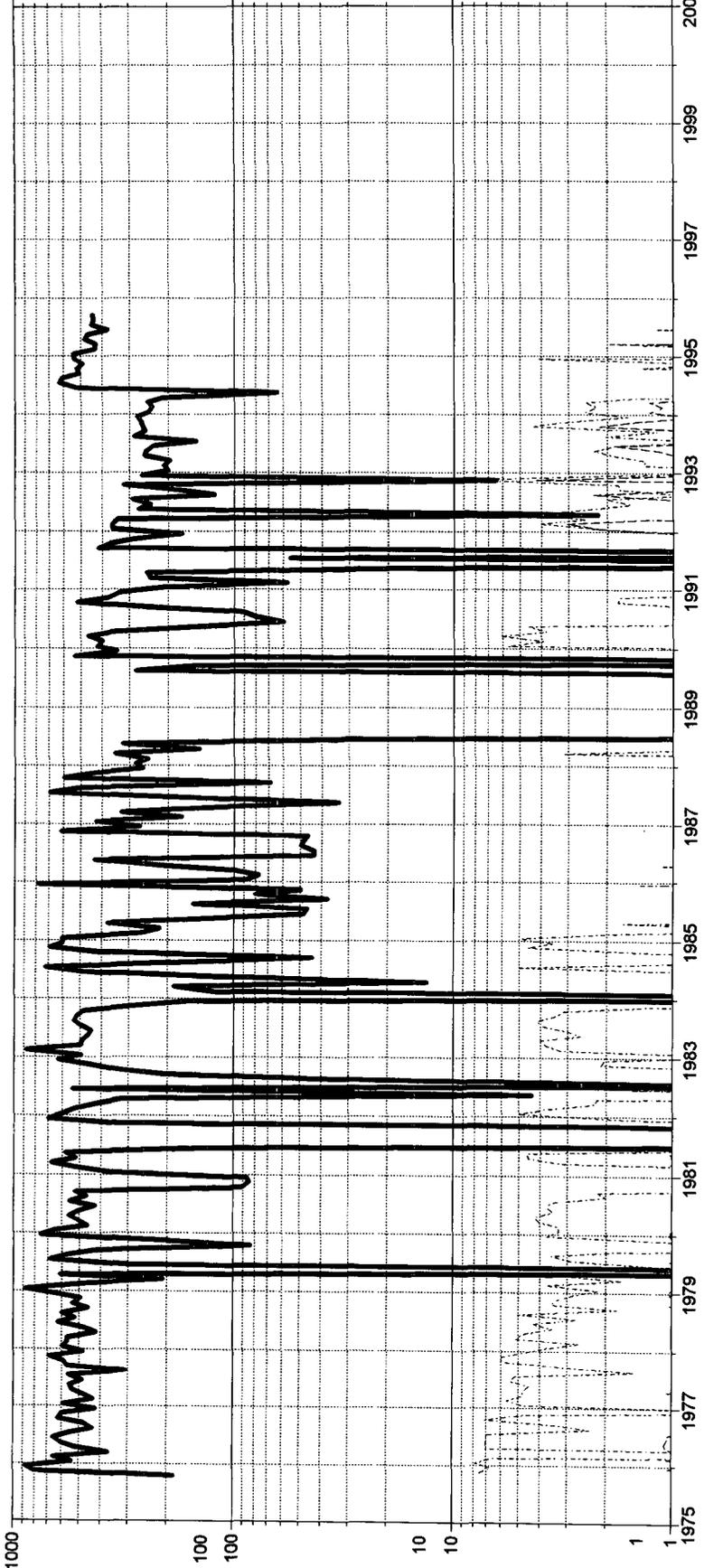
XC 7/1/75 E.P.N.G.

Dwights

1000 Lease: STATE COM H 00004A

Retrieval Code: 251,045,31N09W32F00M

1000 1000 100 100 10 10 1 1 1975 1977 1979 1981 1983 1985 1987 1989 1991 1993 1995 1997 1999 2001



County: SAN JUAN

State: NM

F. P. Date: 10/75

Date: 02/20/96

Field: BLANCO (MESAVERDE) MV

Oil Cum: 13217 bbl

Reservoir: MESAVERDE

Gas Cum: 2411 mmcf

Water (bbl/day)

Well Count

Operator: CONOCO INC

Location: 32F 31N 9W

Gas (mcf/day)

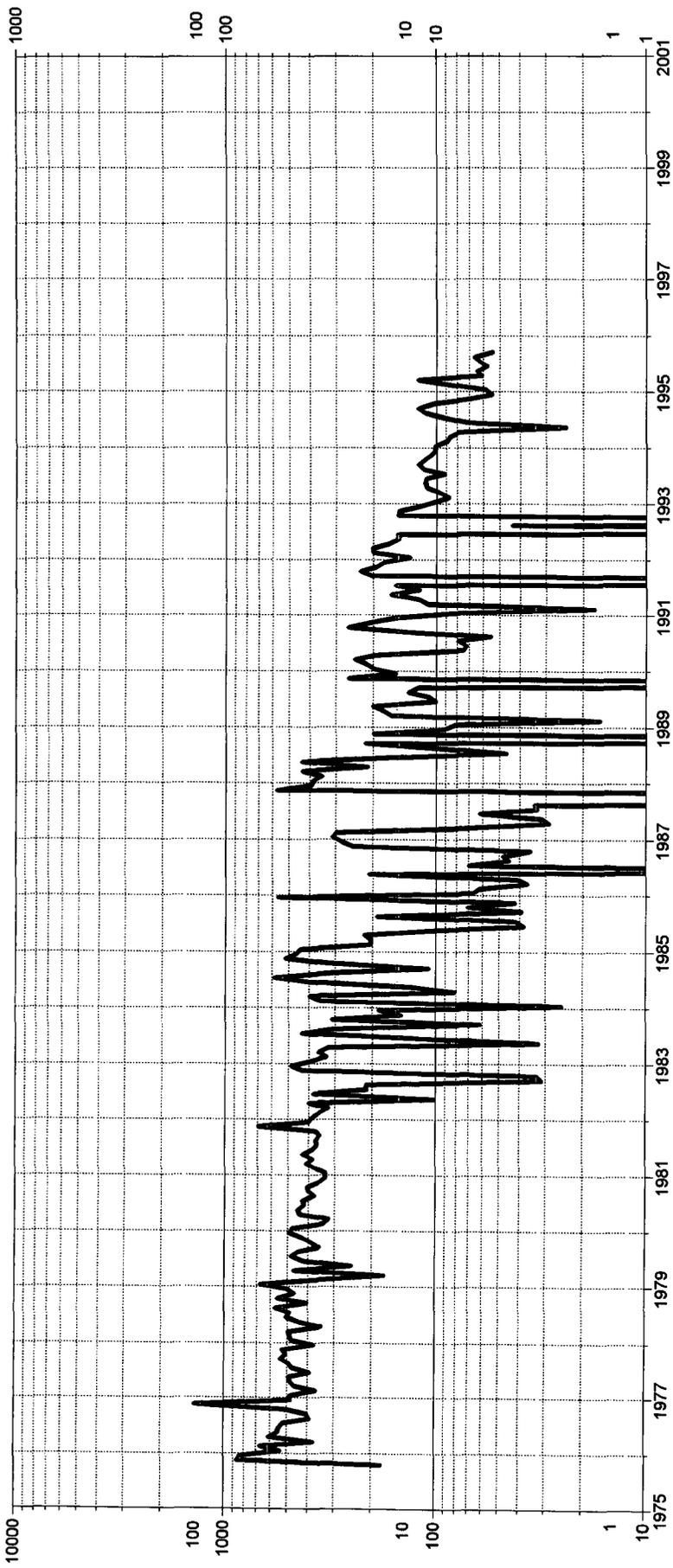
Oil (bbl/day)

Dwights

1000 Lease: STATE COM H 00004A

Retrieval Code: 251,045,31N09W32F00P

1000



County: SAN JUAN

State: NM

F.P. Date: 10/75

Date: 02/20/96

Field: BLANCO (PICTURED CLIFFS) PC

Oil Cum: 947 bbl

Reservoir: PICTURED CLIFFS

Gas Cum: 1876 mmcf

Water (bbl/day)

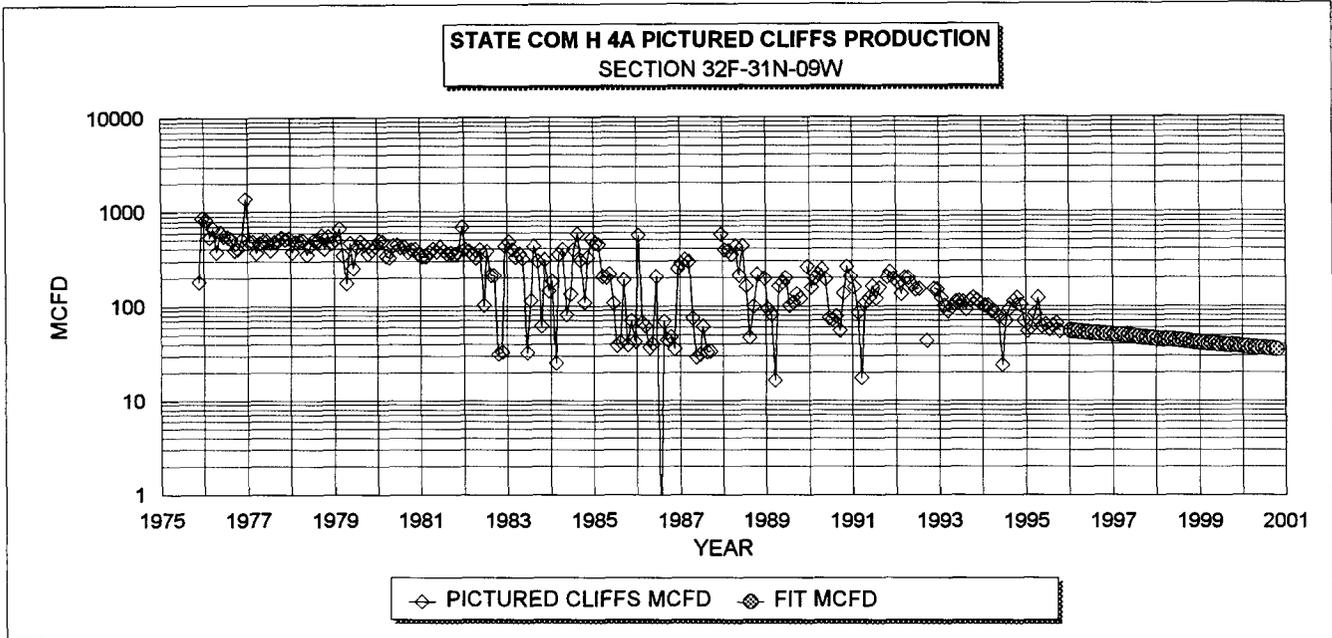
Well Count

Operator: CONOCO INC

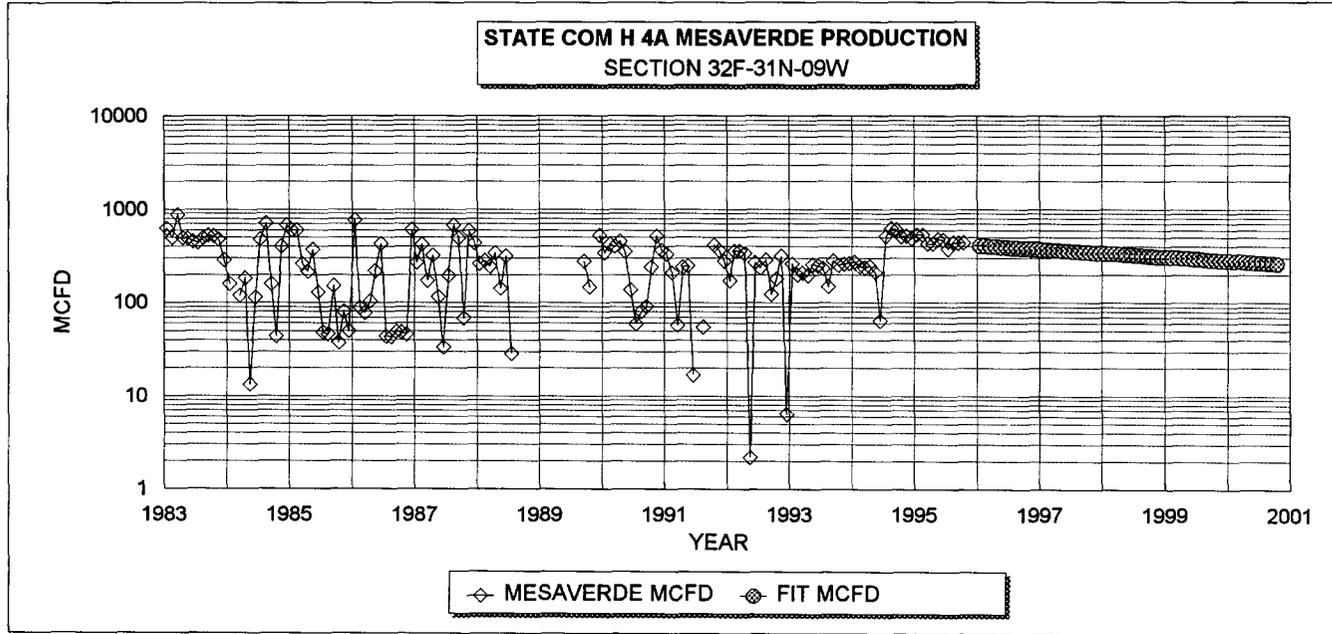
Location: 32F 31N 9W

Gas (mcf/day)

Oil (bbl/day)



PICT. CLIFFS HISTORICAL DATA: 1ST PROD: 10/75 OIL CUM: 0.95 MBO GAS CUM: 1876.27 MMCF OIL YIELD: 0.0005 BBL/MCF	PICTURED CLIFFS PROJECTED DATA 1/1/96 Qi: 55 MCFD DECLINE RATE: 9.0% (EXPONENTIAL)
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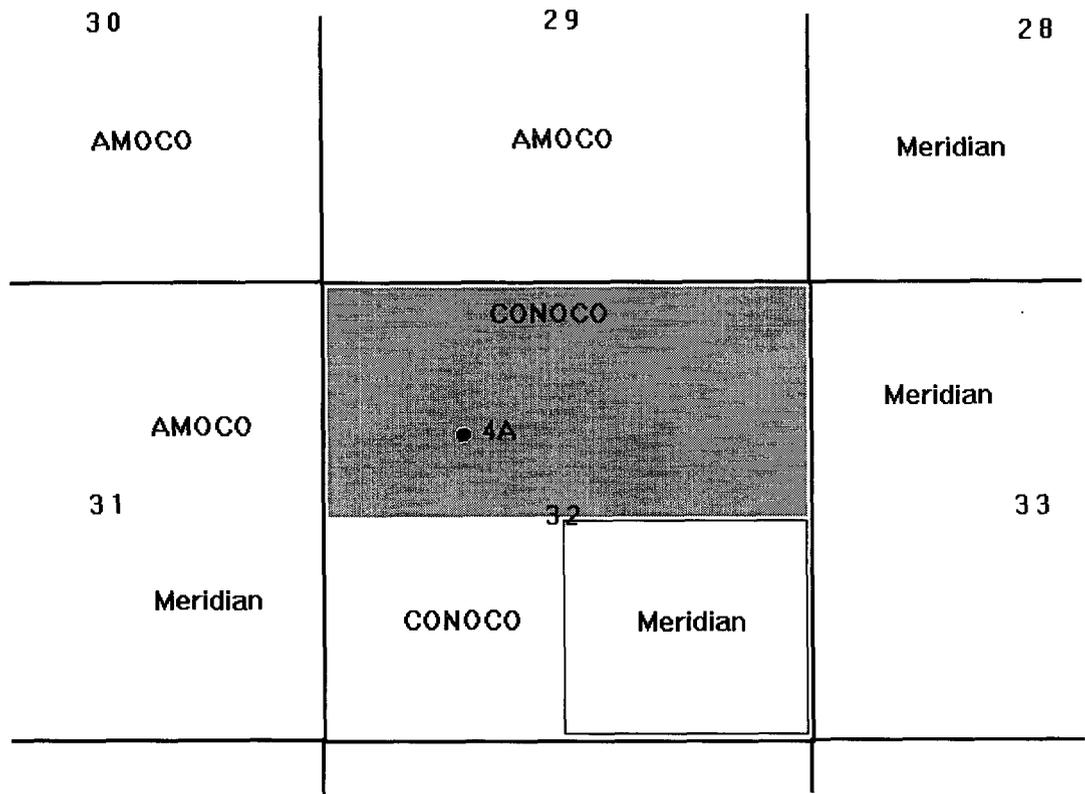


MESAVERDE HISTORICAL DATA 1ST PROD: 10/75 OIL CUM: 13.22 MBO GAS CUM: 2411.96 MMCF OIL YIELD: 0.0055 BBL/MCF	MESAVERDE PROJECTED DATA 1/1/96 Qi: 410 MCFD DECLINE RATE: 9.0% (EXPONENTIAL)
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FIXED COMMINGLE ALLOCATION FACTORS:			
	GAS	OIL	GAS ALLOCATION BASED ON PROJECTED 1996 RATES
MESAVERDE:	88%	99%	OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS
PICTURED CLIF	12%	1%	

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Township 31 North — Range 9 West



OFFSET OPERATORS

STATE COM H #4A