



DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88241 1980  
 DISTRICT II  
 811 South First St. Artesia NM 88210 2835  
 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 87505-6429

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

APPROVAL PROCESS:  
 Administrative  Hearing  
 EXISTING WELLBORE  
 YES  NO

**APPLICATION FOR DOWNHOLE COMMINGLING**

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease San Juan Unit 28-7 Well No #199E Unit Ltr Sec Twp Rge Section 18, T-28-N, R-7-W, N County Rio Arriba

OGRID NO. 005073 Property Code \_\_\_\_\_ API NO. \_\_\_\_\_ 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	Blanco Mesaverde 72319		Basin Dakota 71599
2. TOP and Bottom of Pay Section (Perforations)	4948-5981'		7614-7851'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	To Flow		To Flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 457	a.	a. 713
	b (Original) 1230	b.	b. 2946
6. Oil Gravity (°API) or Gas BT Content	1264		1254
7. Producing or Shut-In?	To be Completed		To be Completed
Production Marginal? (yes or no)	Yes (expected)		Yes (expected)
• If Shut-In give date and oil/gas/water rates of last production  Note For new zones with no production history applicant should be required to attach production estimates and supporting data  • If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	350 MCFD Anticipated 1st Yr average	Date Rates	330 MCFD Anticipated 1st Yr Average
8. Fixed Percentage Allocation Formula - % for each zone	oil: % Gas %	oil: % Gas %	oil: % Gas %

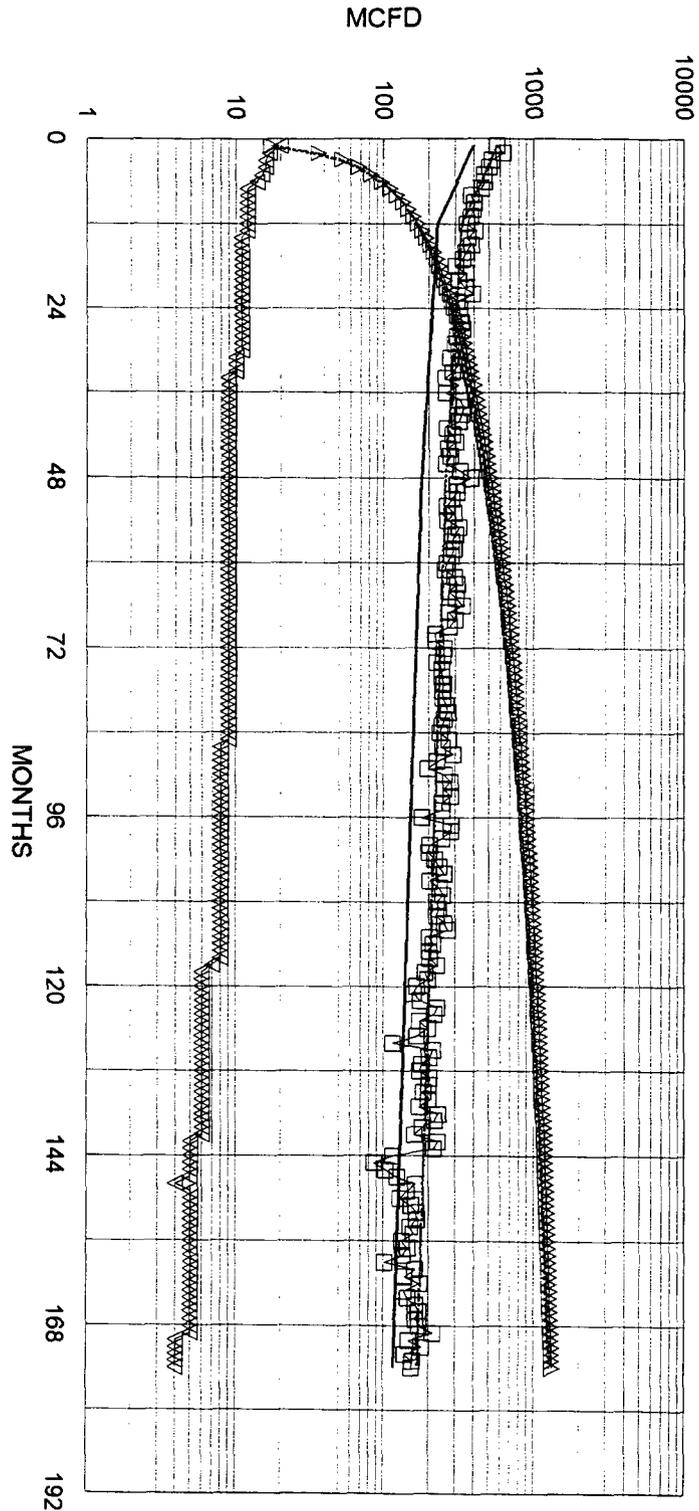
9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes  No   
 If not, have all working, overriding, and royalty interests been notified by certified mail? 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) R-10476 B NSL 3957

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 April 6, 1998  
 TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

**NORMALIZED MESAVERDE PRODUCTION**  
 PROD. SINCE 1975: 20 MV WELLS LOCATED IN W 2/3 OF 28N-7W AND N/3 OF 27N-7W



— FIT MCFD      □ NORMALIZED MCFD      ▲ NORM CUM MMCF  
 ▣ WELLS ON PRODUCTION      ... FIT CUM MMCF      — RISKED MCFD

Expected Mesaverde Production - #145M, 156M, 199E, 214M, 215M, 249M  
 Expected Avg. Rate for Yr. 1 = 452MCFD

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

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised February 21, 1994

District II  
 PO Drawer 00, Artesia, NM 88211-0719

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

Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

District III  
 1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

98723-6 (11/3/95)  AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
016608		72319/71599		BLANCO MESAVERDE/BASIN DAKOTA	
4 Property Code		5 Property Name			6 Well Number
016608		SAN JUAN 28-7 UNIT			199E
7 OGRID No.		8 Operator Name			9 Elevation
005073		CONOCO, INC.			6730'

10 Surface Location

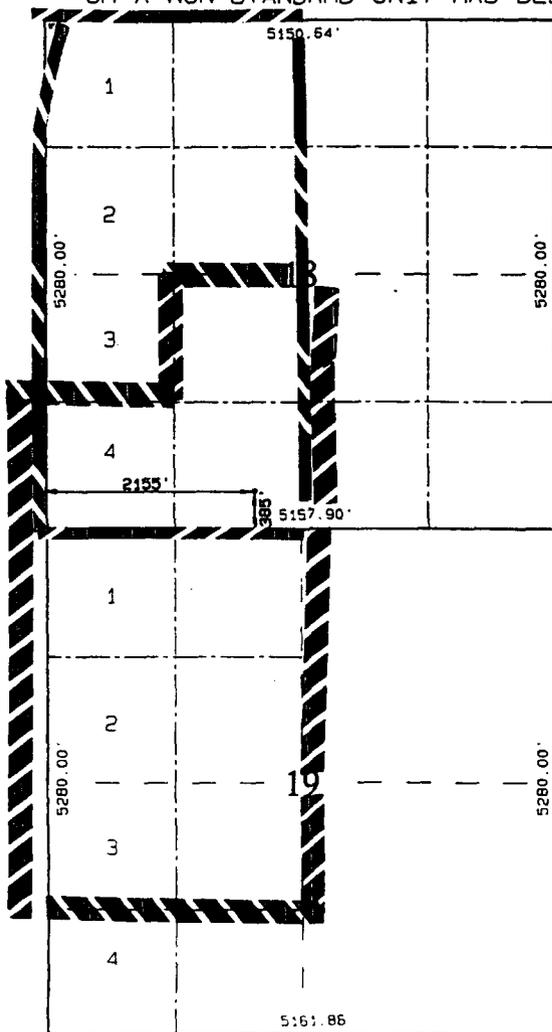
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	18	28N	7W		385	South	2155	West	RIO ARRIBA

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		13 Joint or Infill	14 Consolidation Code		15 Order No.
312.38/345.30		I			R2948 Non-standard Dakota only

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

*Mike L. Mankin*  
 Signature

Mike L. Mankin  
 Printed Name

Right-Of-Way Agent  
 Title

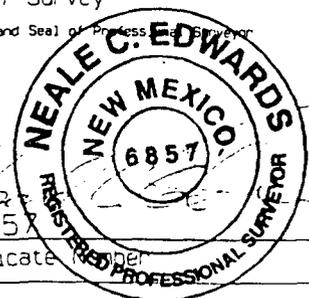
2-5-98  
 Date

18 SURVEYOR CERTIFICATION

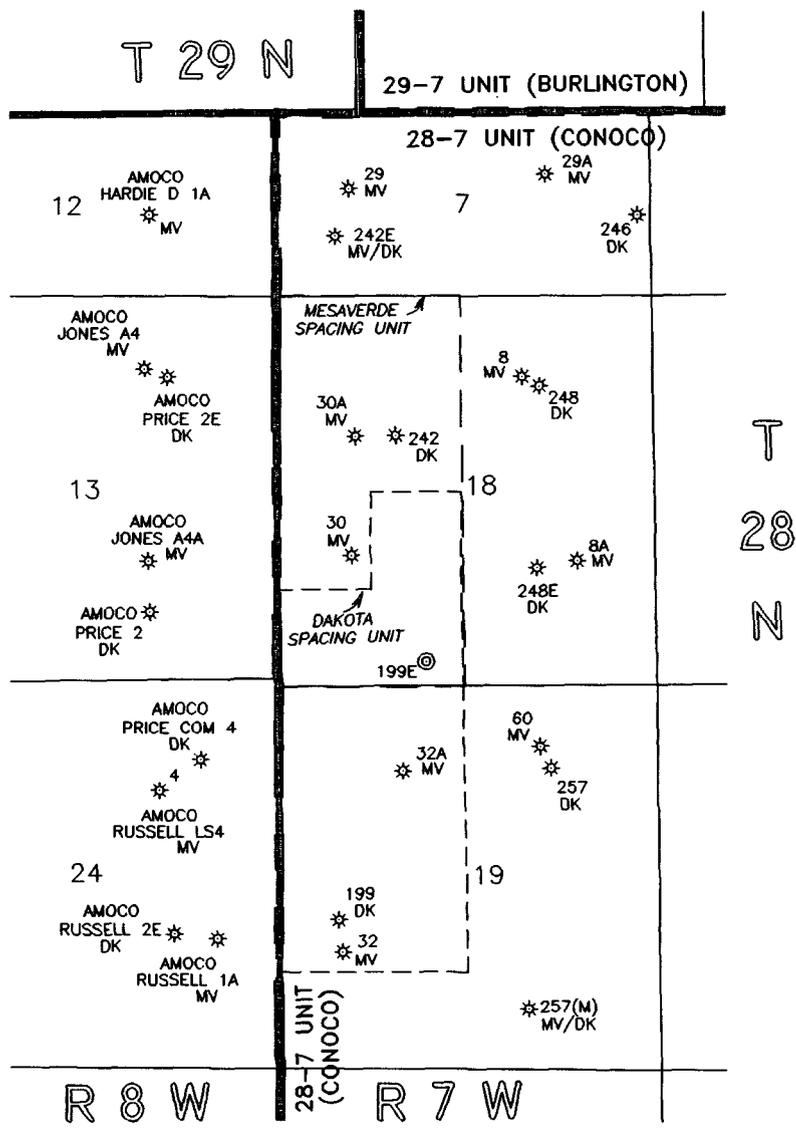
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 5, 1997  
 Date of Survey

Signature and Seal of Professional Surveyor



6857  
 Certificate No.



**SAN JUAN 28-7 UNIT  
RIO ARRIBA CO., N.M.**

<p>NOTES</p> <p>CONOCO OPERATES ALL MESAVERDE AND DAKOTA WELLS WITHIN THE 28-7 UNIT.</p> <p>MAP SHOWS ONLY MESAVERDE AND DAKOTA WELLS</p>	DATE: 02/06/98		 <p>EPNGNA MIDLAND DIVISION</p>									
	DRAWN BY: GLG		<p>CONOCO 28-7 UNIT MESAVERDE &amp; DAKOTA PRODUCERS San Juan 28-7 Unit #199E Non-Standard Location</p>									
	CHECKED BY:											
	APPROVED BY:		<table border="1" style="width: 100%;"> <tr> <td style="width: 25%;">STATE</td> <td style="width: 25%;">API</td> <td style="width: 25%;">COUNTY</td> <td style="width: 25%;">DRAWING</td> </tr> <tr> <td>039</td> <td>\</td> <td>30</td> <td>28-7_199</td> </tr> </table>		STATE	API	COUNTY	DRAWING	039	\	30	28-7_199
	STATE	API			COUNTY	DRAWING						
039	\	30	28-7_199									
SCALE: 1" = 2640'		<p>CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705</p>										
<p>STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003</p>												

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL  DEEPEN

b. TYPE OF WELL

OIL WELL  GAS WELL  OTHER   
SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR

Conoco Inc.

a. ADDRESS AND TELEPHONE NO

10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements \*)

At surface 385' FSL & 2155' FWL

At proposed prod. zone 385' FSL & 2155' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

12 COUNTY OR PARISH 13. STATE  
Rio Arriba NM

5. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if Any)

16 NO OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

8. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

20. ROTARY OR CABLE TOOLS

7851'

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc)

6730' GR

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

22. APPROX. DATE WORK WILL START\*

3/1/98

23 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55, 9-5/8"	36#	250'	145 sxs, circ. 174 lbs
8-3/4"	K-55, 7"	23#	3638'	470 sxs, circ. 957 lbs
6-1/4"	K-55, 4-1/2"	9.5#	7851'	530 sxs, toc @ 3500' 758 lbs

It is proposed to drill a vertical wellbore to the Blanco Mesaverde and Basin Dakota Pools. An NOS was filed 10/10/97. The well will be drilled and equipped according to the following additional attachments:

1. Well Location & Acreage Dedication Plat (C-102).
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan with Production Facility layout.
6. Temporary Pipeline Tie Specifications.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

This application includes ROW's for the well pad, access road, cathodic protection and pipeline.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Mike L. Mankin TITLE Right of Way Agent DATE 2-5-98

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE MAR 23 1998

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY

APPROVED BY [Signature] TITLE Team Lead DATE 3/23/98

\*See Instructions On Reverse Side

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

OPERATOR

April 6, 1998

San Juan Unit 28-7 # 199 E  
Section 18, T-28-N, R-7-W, N  
Rio Arriba County, TX

RE: Application C-107A to Downhole Commingle

**Notification of Offset Operators:**

Amoco  
PO Box 800  
Denver, CO 80201

A copy of the C-107A has been sent to the above listed parties