



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  
EXISTING WELLBORE  
 YES  NO

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

APPLICATION FOR DOWNHOLE COMMINGLING

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

Lease San Juan 28-7 Unit Well No # 234 M Unit Ltr Sec Twp Rge Section 15, T-28-N, R-7-W, P County Rio Arriba

OGRID NO. 005073 Property Code \_\_\_\_\_ API NO. 30-039- 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)	4860-5879'		7494-7741'
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 Or Measured Original	a (Current) 457	a.	a. 751
	b(Original) 1230	b.	b. 2946
6. Oil Gravity (°API) or Gas BT Content	1196		1159
7. Producing or Shut-In?	To be completed		To be completed
Production Marginal? (yes or no)	Expected Yes		Expected Yes
• 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
	Est Rates 350-450 MCFD Allocation by test upon completion	Date Rates	Est Rates 400-500 MCFD Allocation by test upon completion
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

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.

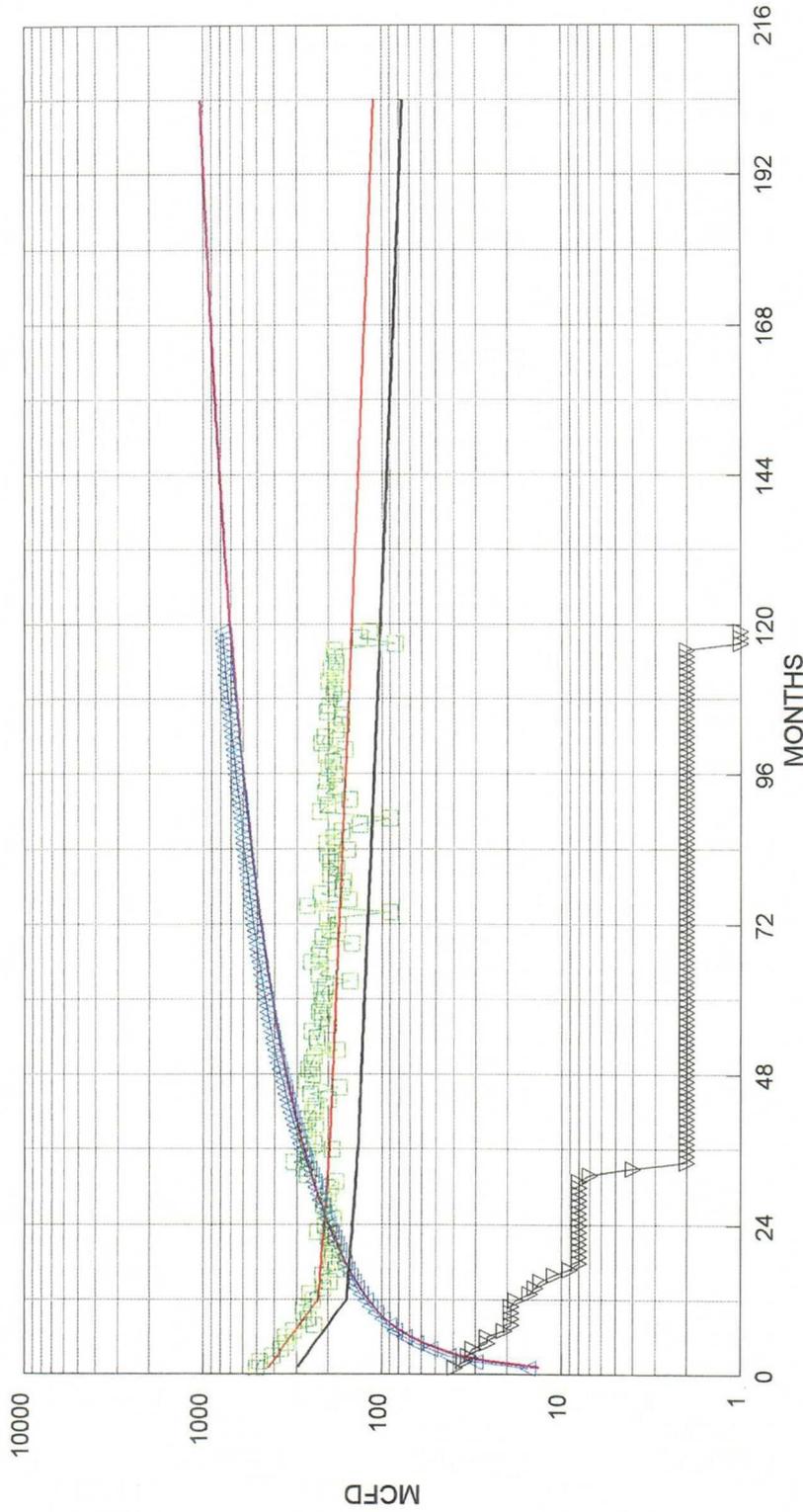
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE February 20, 1999

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

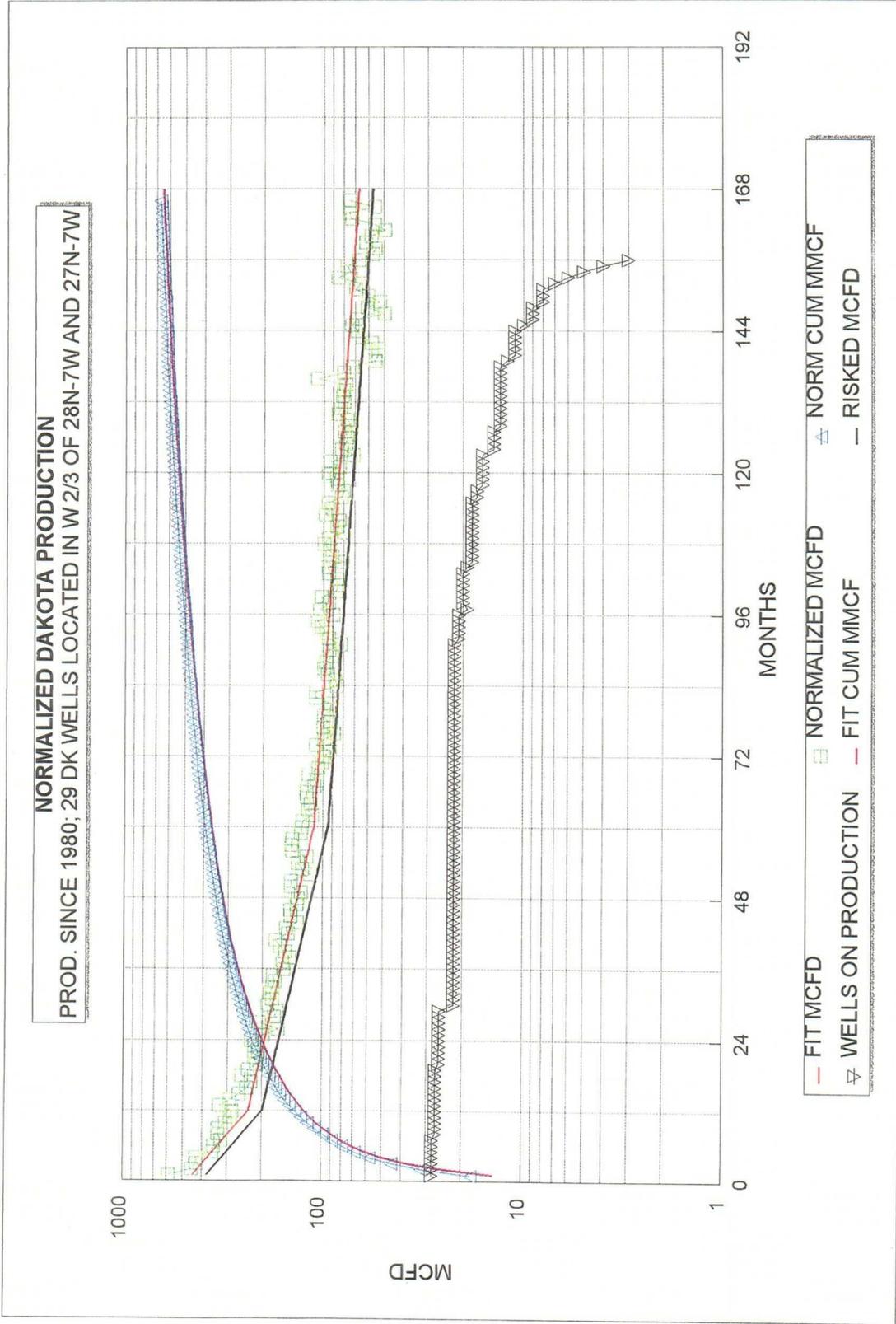
**NORMALIZED MESAVERDE PRODUCTION**

PROD. SINCE 1985; 39 MV WELLS LOCATED IN 28N-7W (37 wells are 1990's completions)



— FIT MCFD    ■ NORMALIZED MCFD    ▲ NORM CUM MMCF  
▽ WELLS ON PRODUCTION    — FIT CUM MMCF    — RISKED MCFD

<p><b>NORMALIZED AVG:</b></p> <p>1788 MMCF EUR                  1145 MMCF IN 20 YRS                  25 MCFD E.L.                  0.0139 bbl/mcf oil yield</p>	<p><b>RISKED AVG:</b></p> <p>1184 MMCF EUR                  802 MMCF IN 20 YRS                  25 MCFD E.L.                  0.0139 bbl/mcf oil yield</p>	<p><b>30% RISK</b></p> <p>450 MCFD IP                  50% DECLINE, 1ST 12 MONTHS                  7% DECLINE, NEXT 24 MONTHS                  4% FINAL DECLINE</p>	<p>315 MCFD IP                  50.0% DECLINE, 1ST 12 MONTHS                  7.0% DECLINE, NEXT 24 MONTHS                  4.0% FINAL DECLINE</p>
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<p><b>NORMALIZED AVG:</b></p> <p>924 MMCF EUR</p> <p>779 MMCF IN 20 YRS</p> <p>25 MCFD E.L.</p> <p>0.0079 bbl/mcf oil yield</p>	<p><b>RISKED AVG:</b></p> <p>986 MMCF IN 40 YRS</p> <p>470 MCFD IP</p> <p>50% DECLINE, 1ST 12 MONTHS</p> <p>17% DECLINE, NEXT 48 MONTHS</p> <p>5.5% FINAL DECLINE</p>	<p><b>15% RISK</b></p> <p>761 MMCF EUR</p> <p>662 MMCF IN 20 YRS</p> <p>25 MCFD E.L.</p> <p>0.0079 bbl/mcf oil yield</p> <p>400 MCFD IP</p> <p>50.0% DECLINE, 1ST 12 MONTHS</p> <p>17.0% DECLINE, NEXT 48 MONTHS</p> <p>5.5% FINAL DECLINE</p>
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District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio 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

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 30-039- N/A		2 Pool Code 72319 / 71599		3 Pool Name Blanco Mesaverde / Basin Dakota	
4 Property Code		5 Property Name San Juan 28-7 Unit			6 Well Number # 234 M
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation

**10 Surface Location**

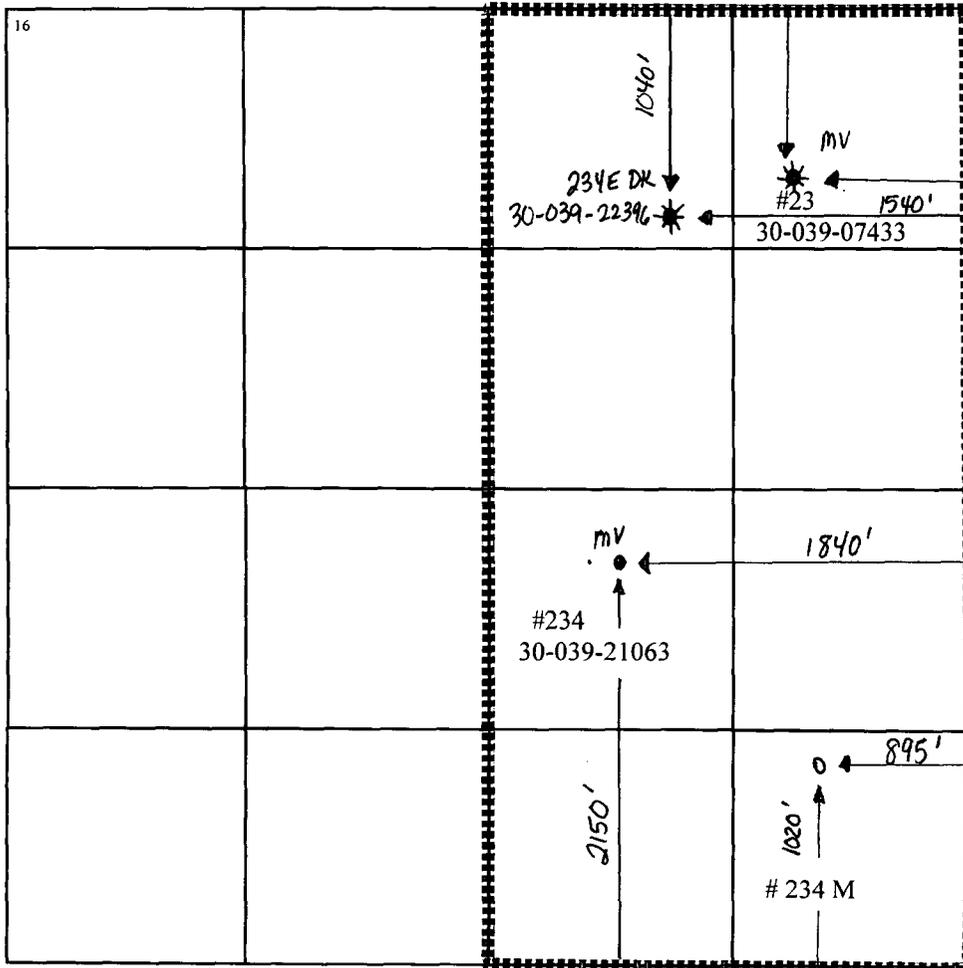
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	15	28N	7W		1020	South	895	East	Rio Arriba

**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 320	13 Joint or Infill	14 Consolidation Code	15 Order No. R -10987 - A
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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**



**17 OPERATOR CERTIFICATION**

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

*Kay Maddox*  
 Signature  
 Kay Maddox  
 Printed Name  
 Regulatory Agent  
 Title  
 February 20, 1999  
 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.

Date of Survey  
 Signature and Seal of Professional Surveyor:

Certificate Number

February 20, 1999

RE: Notification of Offset Operators of C-107A Application  
San Juan 28-7 Unit Well # 234M

Conoco, Inc. is the sole operator of the San Juan 28-7 Unit. This well does not encroach on any outside unit boundary lines therefore there are no offset operators that require notification.