

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2332

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Directional Drilling

- NSL NSP DD SD

APR 16 1999

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

- DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

- WFX PMX SWD IPI EOR PPR

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Kay Maddox
Print or Type Name

Kay Maddox
Signature

Regulatory Agent
Title

4/13/99
Date

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

Lease San Juan 28-7 Unit Well No #246 Unit Ltr Sec Twp Rge Section 7, T-28-N, R-7-W, P County San Juan

OGRID NO. 005073 Property Code 016608 API NO. 30-039-21649 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)	5136-5874'		7773-7984'
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: Estimated Current Gas & Oil - Flowing: Measured Current 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	1265		1189
7. Producing or Shut-In?	To be Completed		Producing
Production Marginal? (yes or no)	Expected Yes		Yes
• If Shut-In give date and oil/gas/water rates of last production <small>Note For new zones with no production history applicant should be required to attach production estimates and supporting data</small> • If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Estimated 350-450 MCFD Allocation by Subtraction See attached chart		2/1/99 42 MCFD
8. Fixed Percentage Allocation Formula - % or 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

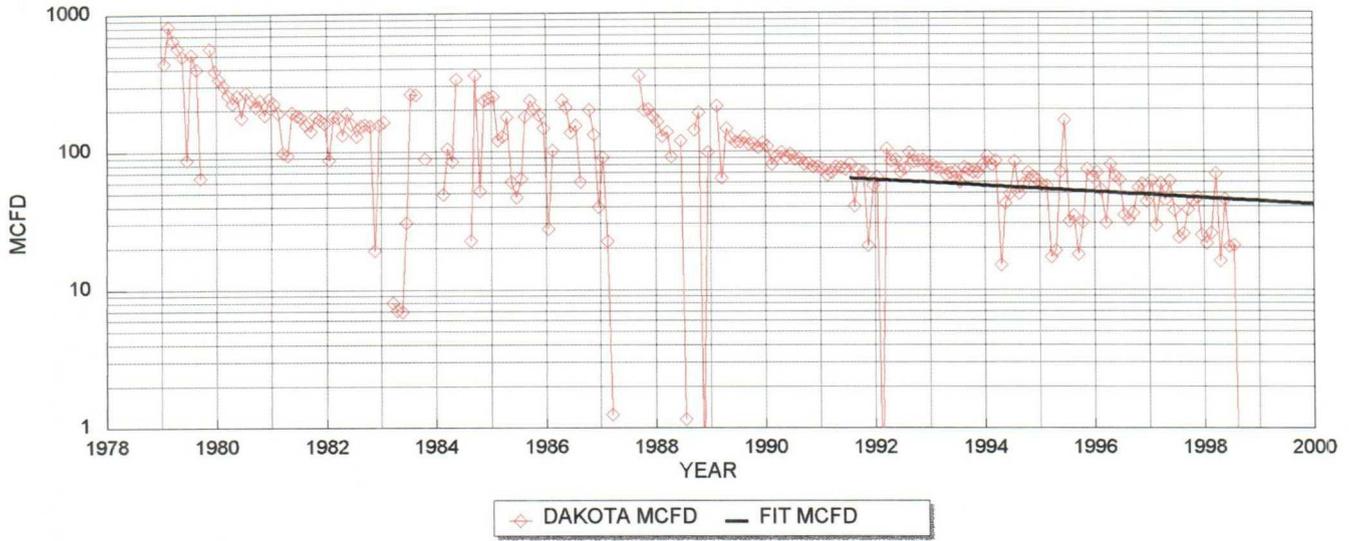
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 April 13, 1999

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

**SAN JUAN 28 7 UNIT #246 DAKOTA PRODUCTION
SECTION 7P-28N-07W**

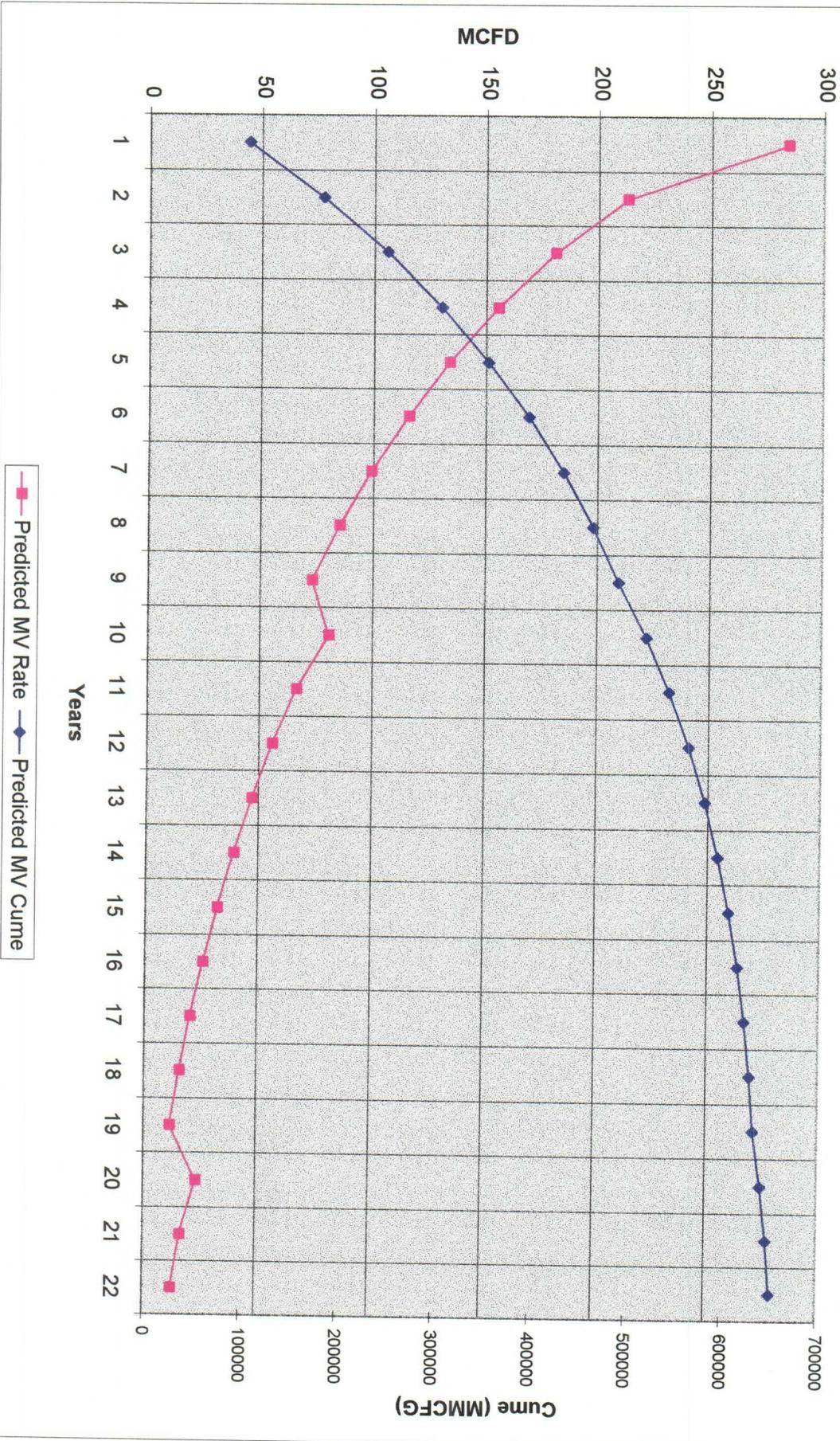


DAKOTA HISTORICAL DATA:		1ST PROD: 1/79		DAKOTA PROJECTED DATA	
OIL CUM:	4072.00	MBO		1/1/99 Qi:	43 MCFD
GAS CUM:	811506.0	MMCF		DECLINE RATE:	5.0% (EXPONENTIAL)
CUM OIL YIELD:	0.0050	BBL/MCF			
OIL YIELD:	0.0050	BBL/MCF, LAST 3 YRS			
AVG. USED:	0.0050	BBL/MCF			

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
1999	42.2	0.2
2000	40.1	0.2
2001	38.1	0.2
2002	36.2	0.2
2003	34.4	0.2
2004	32.7	0.2
2005	31.1	0.2
2006	29.5	0.1
2007	28.0	0.1
2008	26.6	0.1
2009	25.3	0.1
2010	24.0	0.1
2011	22.8	0.1
2012	21.7	0.1
2013	20.6	0.1
2014	19.6	0.1
2015	18.6	0.1
2016	17.7	0.1
2017	16.8	0.1
2018	15.9	0.1
2019	15.1	0.1
2020	14.4	0.1
2021	13.7	0.1
2022	13.0	0.1
2023	12.3	0.1
2024	11.7	0.1
2025	11.1	0.1
2026	10.6	0.1
2027	10.0	0.1
2028	9.5	0.0
2029	9.1	0.0
2030	8.6	0.0
2031	8.2	0.0
2032	7.8	0.0
2033	7.4	0.0

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

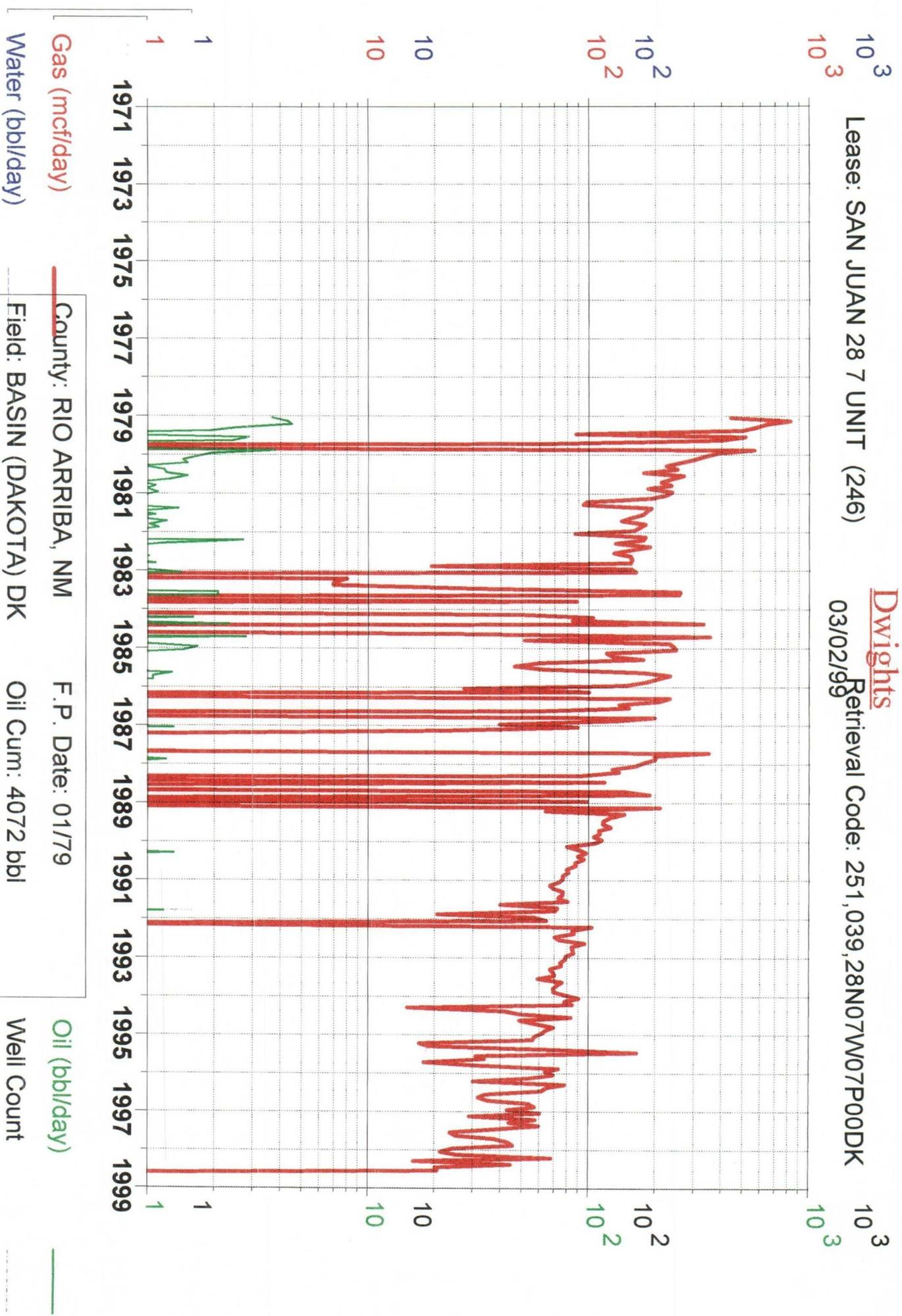
Expected MV Performance - SJ 28-7 #246



Lease: SAN JUAN 28 7 UNIT (246)

Dwights
03/02/99

Retrieval Code: 251,039,28N07W07P00DK



Gas (mcf/day)

Water (bbl/day)

County: RIO ARRIBA, NM

Field: BASIN (DAKOTA) DK

F.P. Date: 01/79

Oil Cum: 4072 bbl

Oil (bbl/day)

Well Count

Reservoir: DAKOTA

Gas Cum: 811.5 mmcf

Operator: CONOCO INC

Location: 7P 28N 7W

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 El Paso Natural Gas Company		Lease San Juan 28-7 Unit (SF-078497)			Well No. 246
Unit Letter P	Section 7	Township 28N	Range 7W	County Rio Arriba	
Actual Footage Location of Well: 1150 feet from the South line and 245 feet from the East line					
Ground Level Elev: 6852	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: 313.00 Acres	

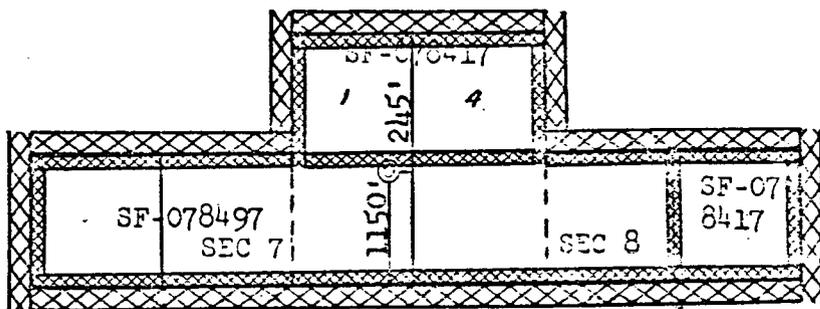
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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 Unitization

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.

DEDICATION PER N.M.O.C.C. ORDER R-2948
AUGUST 6, 1965



SCALE: 1"=2000'

CERTIFICATION

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

A. J. Lucas

Name
Drilling Clerk

Position
El Paso Natural Gas Co.

Company
January 31, 1978

Date

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
November 30, 1977

Registered Professional Engineer
and Land Surveyor

Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certificate No.
3950

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

1 API Number 30-039-21649		2 Pool Code 72319		3 Pool Name Blanco Mesaverde			
4 Property Code 016608		5 Property Name San Juan 28-7 Unit				6 Well Number # 246	
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500				9 Elevation 6852'	

10 Surface Location

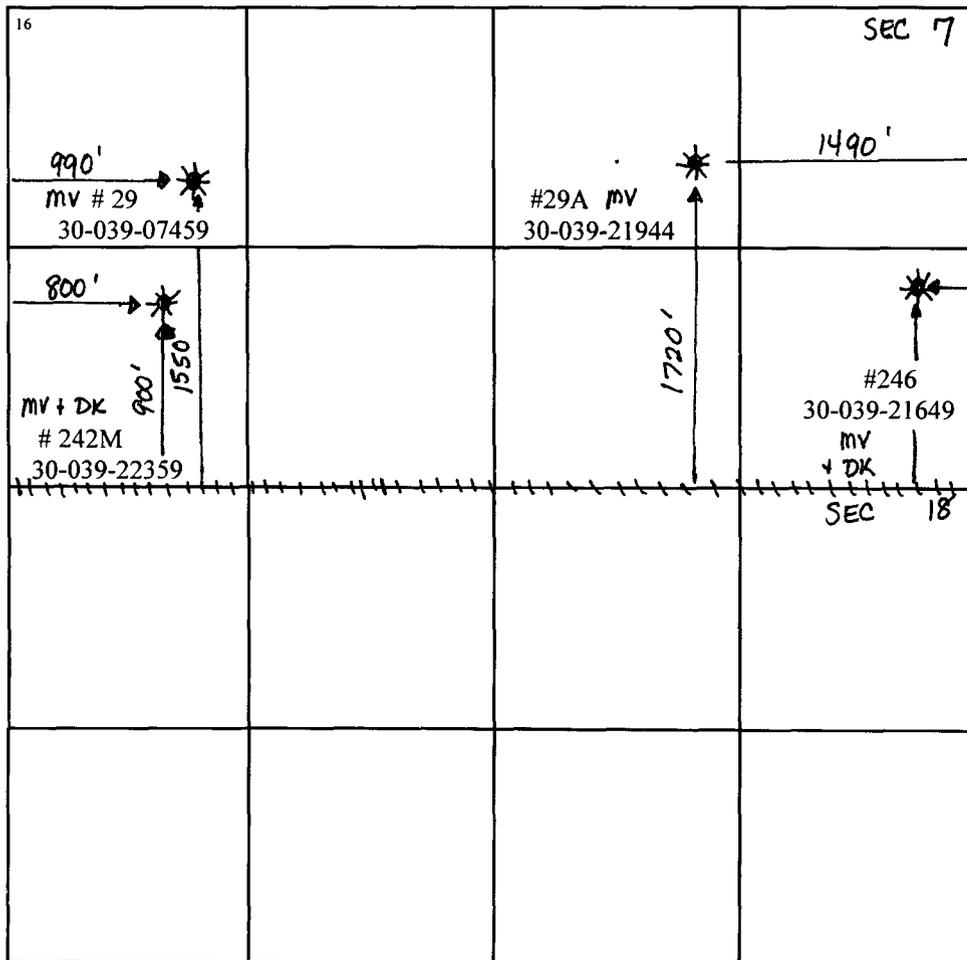
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	7	28N	7W		1150	South	245	East	Rio Arriba

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 313	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 24, 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

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
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	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Kay Maddox</i> Signature Kay Maddox Printed Name Regulatory Agent Title February 24, 1999 Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p>

San Juan 28-7 Unit Well # 246
Section 7, T-28-N, R-7-W, P
API # 30-039-21649
Rio Arriba, NM

RE: Application for Downhole Commingling (C107-A)

Notification of Offset Operators:

Amoco
PO Box 800
Denver, CO 80201

Burlington Resources
PO Box 4289
Farmington, NM 87499

Taurus Exploration
2101 6th Ave N
Birmingham, AL 35203-2784

Richardson Operating Company
1700 Lincoln St STE 1700
Denver, CO 80203-4501

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE
(See instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESV. Other _____

2. NAME OF OPERATOR
EL PASO NATURAL GAS CO.

3. ADDRESS OF OPERATOR
BOX 289, FARMINGTON, NEW MEXICO

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 1150'S, 245'E
At top prod. interval reported below
At total depth

JLF	GD
SD	BC
	TL

14. PERMIT NO. _____ DATE ISSUED _____

5. LEASE DESIGNATION AND SERIAL NO.

SF 078417

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

San Juan 28-7 Unit

8. FARM OR LEASE NAME

San Juan 28-7 Unit

9. WELL NO.

246

10. FIELD AND POOL, OR WILDCAT

Easin Dakota

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 7, T-28-N, R-7-W
NMPM

12. COUNTY OR PARISH

Rio Arriba

13. STATE

NM

15. DATE SPOCDED 16. DATE T.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 19. ELEV. CASINGHEAD

9/29/78

10/11/78

12/11/78

6852 GL

20. TOTAL DEPTH, MD & TVD 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS

8037'

8020'

0-8037'

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 25. WAS DIRECTIONAL SURVEY MADE

7773-7984 (DK)

No

26. TYPE ELECTRIC AND OTHER LOGS RUN 27. WAS WELL CORED

CDL-GR; Ind.-GR; Temp. Survey

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	32.3#	215'	13 3/4"	224 cf.	
7"	20#	3836'	8 3/4"	280 cf.	
4 1/2"	10.5#	8037'	6 1/4"	654 cf.	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					1 1/2"	7958'	

31. PERFORATION RECORD (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

7773, 7780, 7788, 7795, 7802, 7867, 7906, 7933, 7950, 7955, 7984 with 1 SPZ

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
7773-7984	72,000# 40/60 sand; 82,000 gal. slick water.

33. PRODUCTION

DATE FIRST PRODUCTION PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) WELL STATUS (Producing or shut-in)

After Frac Gauge - 2047 MCF/D

SI

DATE OF TEST HOURS TESTED CHOKE SIZE PROD'N. FOR TEST PERIOD OIL—BBL. GAS—MCF. WATER—BBL. GAS-OIL RATIO

SI 1992

SI 2462

FLOW. TUBING PRESS. CASING PRESSURE CALCULATED 24-HOUR RATE OIL—BBL. GAS—MCF. WATER—BBL. OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY

J. Easley

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED [Signature]

TITLE Drilling Clerk

DATE 12/14/78

*(See Instructions and Spaces for Additional Data on Reverse Side)