

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

DISTRICT IV

2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A
Revised March 17, 1999

APPROVAL PROCESS:

Administrative
 Hearing

EXISTING WELLBORE

YES NO

Conoco Inc. P.O. Box 2197 DU 3066 Houston, TX 77252-2197

Operator **San Juan 28-7 #1** Address **A, Sec. 33, T-28N, R-7W** **Rio Arriba**

Lease Well No. Unit Ltr. - Sec - Twp - Rge Spacing Unit Lease Types: (check 1 or more) County
OGRID NO. 005073 Property Code 016608 API NO. 30-039-07274 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 Pictured Cliff S. 72439		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	2658' - 3696'		4886' - 4958'
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) 381	a.	a. 562
	b. (Original) 1227	b.	b. 1305
6. Oil Gravity (EAPI) or Gas BTU Content	1190		1254
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no) * 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)	No		No
	Date: Rates: NA	Date: Rates:	Date: Rates: NA
	Date: Rates: Approx. current rate = 21MCFD	Date: Rates:	Date: Approx. current rate = 12MCFD
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: 0% Gas: 80%	Oil: % Gas: %	Oil: 100% Gas: 80%

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). 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 Deborah Moore TITLE Regulatory Analyst DATE 09/07/99

TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 293-1005

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Form C-102
Revised March 17, 1999

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-07274		² Pool Code 72439/72319		³ Pool Name Blanco S. Pictured Cliffs, Blanco Mesaverde	
⁴ Property Code 016608		⁵ Property Name San Juan 28-7 Unit			⁶ Well Number #1
⁷ OGRID No. 005073		⁸ Operator Name Conoco Inc.			⁹ Elevation 6074'

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
A	33	28N	7W		660'	North	660'	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
NA									

¹² Dedicated Acres 160/320	¹³ Joint or Infill	¹⁴ Consolidation Code U	¹⁵ Order No.
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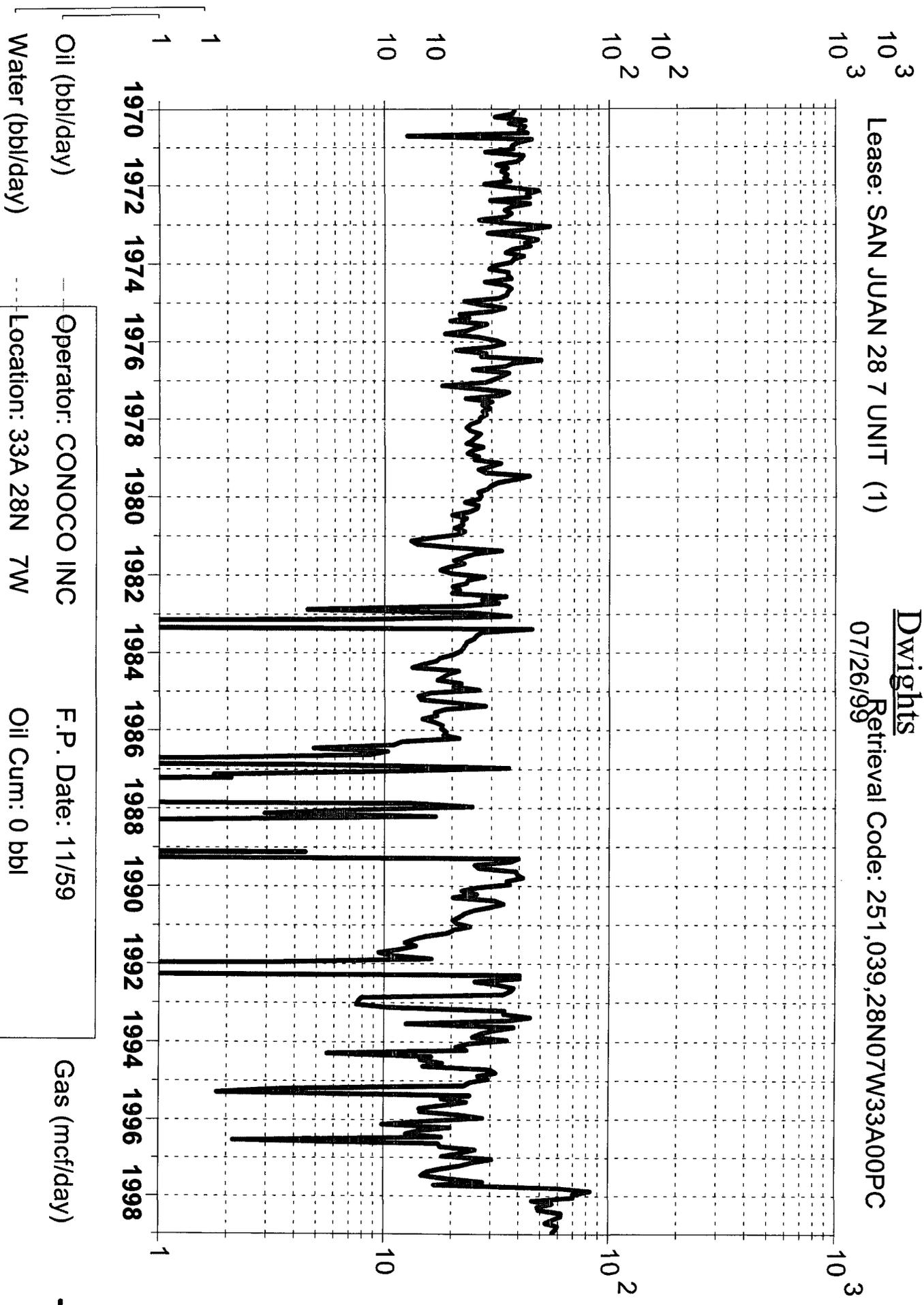
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16			¹⁷ OPERATOR CERTIFICATION
			<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>
			Signature
			Printed Name Deborah Moore/281-293-1005
			Title Regulatory Analyst
			Date 09/13/99
			¹⁸ SURVEYOR CERTIFICATION
			<i>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.</i>
			Date of Survey
			Signature and Seal of Professional Surveyer:
			Certificate Number

Lease: SAN JUAN 28 7 UNIT (1)

Dwights
07/26/99

Retrieval Code: 251,039,28N07W33A00PC



Oil (bbl/day)

Water (bbl/day)

Operator: CONOCO INC

Location: 33A 28N 7W

F.P. Date: 11/59

Oil Cum: 0 bbl

Gas (mcf/day)

Field: BLANCO SOUTH (PICTU Gas Cum: 450.2 mmcf

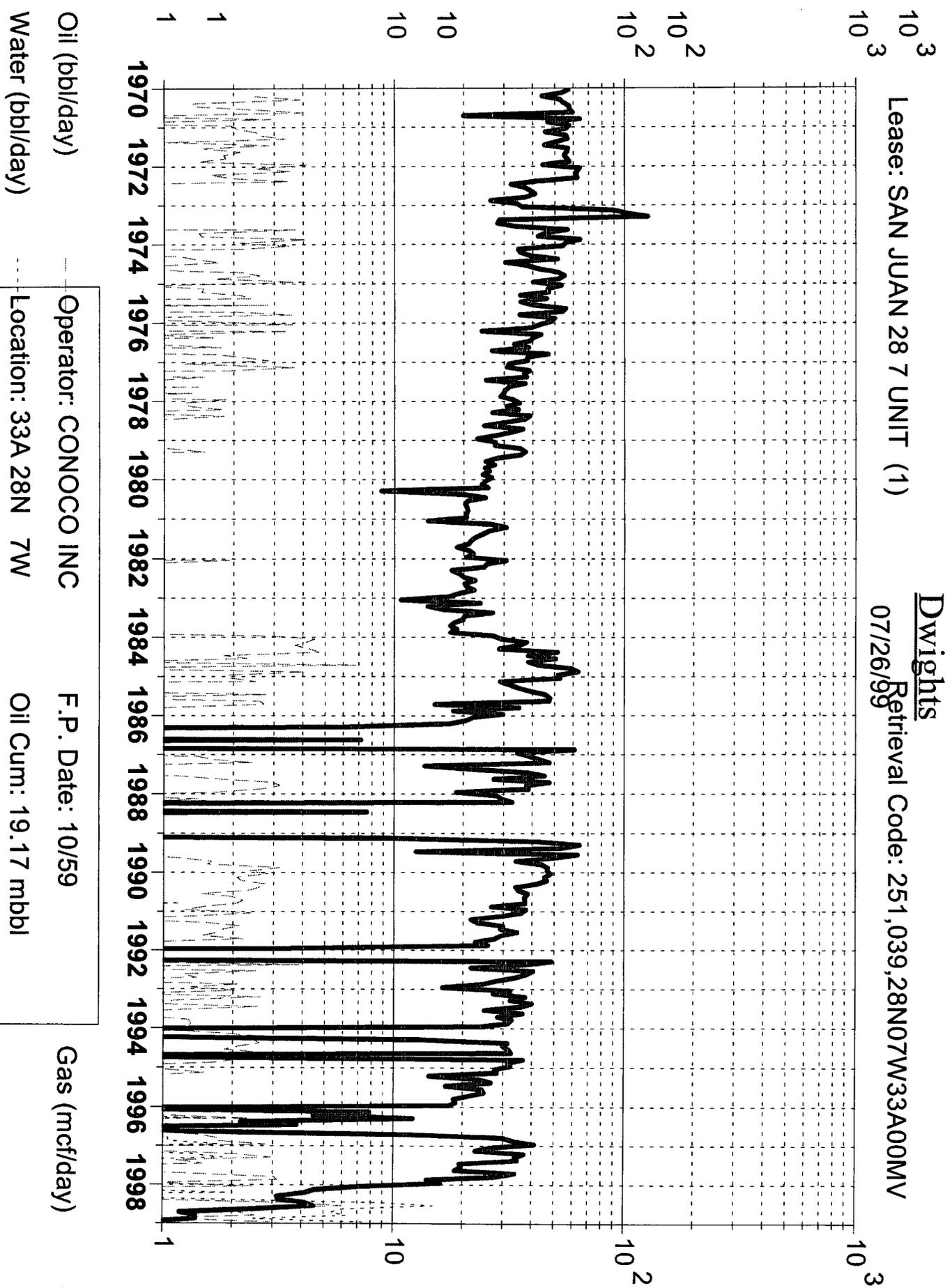
Upper Perf: 2658 ft

L.P. Date: 02/99

Lease: SAN JUAN 28 7 UNIT (1)

Dwights
07/26/99

Retrieval Code: 251,039,28N07W33A00MV



Oil (bbl/day)

Water (bbl/day)

Operator: CONOCO INC

Location: 33A 28N 7W

F.P. Date: 10/59

Oil Cum: 19.17 mbbl

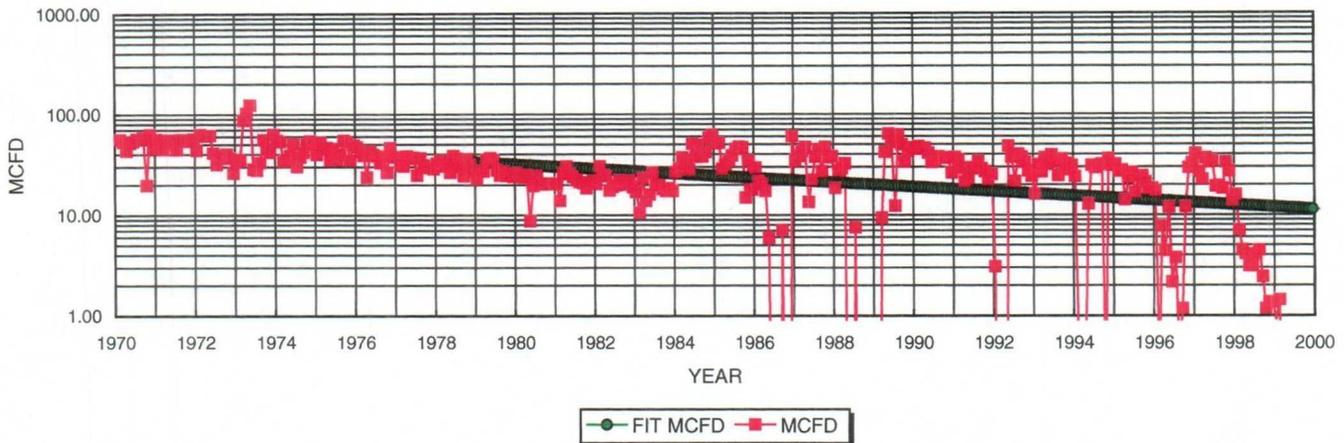
Gas (mcf/day)

Field: BLANCO (MESAVERDE) Gas Cum: 715.9 mmcf

Upper Perf: 4886 ft

L.P. Date: 02/99

**SAN JUAN 28-7 #1 MESAVERDE PRODUCTION
SECTION 33A-28N-07W**



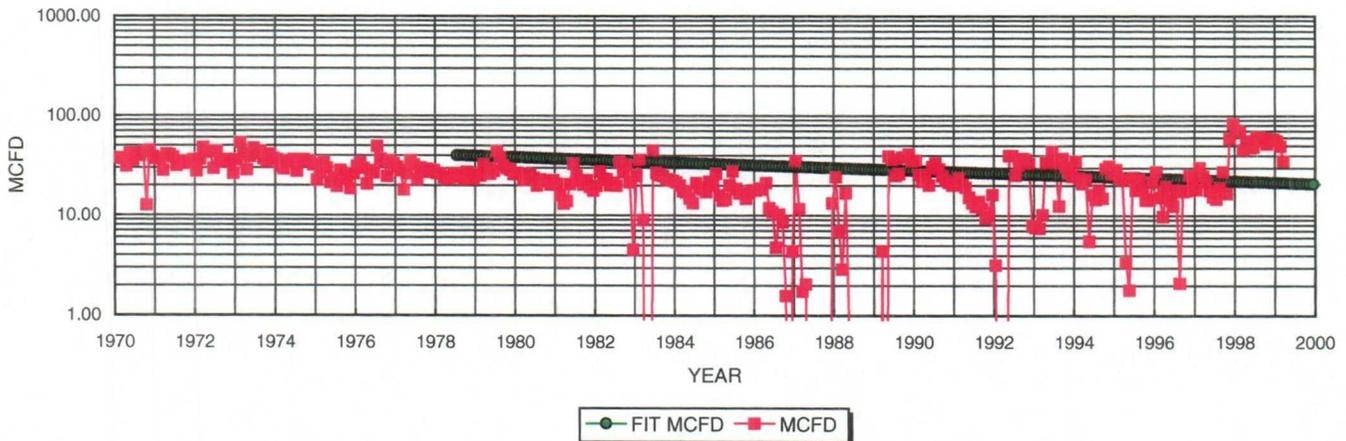
MESAVERDE HISTORICAL DATA:

1ST PROD: 10/59
 OIL CUM: 10.72 MBO (since 1970)
 GAS CUM: 300.3 MMCF (since 1970)
 OIL YIELD: 0.0357 BBL/MCF

MESAVERDE PROJECTED DATA:

09/01/99 Qi: 12 MCFD
 DECLINE RATE: 5.0% (EXPONENTIAL)

**SAN JUAN 28-7 #1 PICTURED CLIFFS PRODUCTION
SECTION 33A-28N-07W**



PICTURED CLIFFS HISTORICAL DATA:

1ST PROD: 11/59
 OIL CUM: 0.0 MBO (since 1970)
 GAS CUM: 219.5 MMCF (since 1970)
 OIL YIELD: 0.0000 BBL/MCF

PICTURED CLIFFS PROJECTED DATA:

09/01/99 Qi: 21 MCFD
 DECLINE RATE: 3.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE	36%	100%
PICTURED CLIFFS	64%	0%

API # 30-039-07274

GAS ALLOCATION BASED ON PROJECTED 1999 RATES
 OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA