

DATE IN 7/18/06	SUSPENSE	ENGINEER WILL JONES	LOGGED IN 7/18/06	TYPE DHC	APP NO. pTDS0619940172
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [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
- [D] Other: Specify _____
- [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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
e-mail Address			

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE

Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

ConocoPhillips Company P.O.Box 4289 Farmington, NM 87499
Operator Address

SAN JUAN 32-8 UNIT 267 Unit A, Sec. 23, 032N, 008W SAN JUAN
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No: 217817 Property Code 31330 API No. 30045330750000 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL	NORTEX LOS PINOS FRUITLAND SAND	ALBINO PICTURED CLIFFS
Pool Code	71629	80640	70120
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3936-4216' Estimated	4140-4162' Estimated	4230-4290' Estimated
Method of Production (Flowing or Artificial Lift)	NEW ZONE	NEW ZONE	NEW ZONE
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A - 150% Rule	N/A - 150% Rule	N/A - 150% Rule
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 980	BTU 1000	BTU 1000
Producing, Shut-In or New Zone	NEW ZONE	NEW ZONE	NEW ZONE
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: N/A Rates: see attachment	Date: N/A Rates: see attachment	Date: N/A Rates: see attachment
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

- 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 working, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Julian Carrillo TITLE Engineer DATE 7-17-06

TYPE OR PRINT NAME Julian Carrillo, Engineer TELEPHONE NO. (505) 326-9700

E-MAIL ADDRESS jcarrillo@br-inc.com

State of New Mexico
 Energy, Minerals & Natural Resources Department
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
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 1000 Mc Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

Form C-102
 Revised June 10, 2003
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 71629		Pool Name BASIN FRUITLAND COAL (GAS)			
Property Code 31330		Property Name SAN JUAN 32-8 UNIT				Well Number 267	
OGRID No. 217817		Operator Name CONOCOPHILLIPS COMPANY				Elevation 7040	
Surface Location							
UL or lot no. A	Section 23	Township 32N	Range 08W	Lot Idn 61	Feet from the North/South line NORTH	Feet from the East/West line 391	East/West line EAST
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
Dedicated Acres E/2 320.0		Joint or Infill	Consolidation Code	Order No.			



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

23

LEASE
SF-079380
1760 total acres

LAT: 36.97603° N
LONG: 107.63735° W
DATUM: NAD27

LAT: 36°58'33.7" N
LONG: 107°38'14.5" W
DATUM: NAD83

17 OPERATOR CERTIFICATION

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

Vicki Westby
Signature

Vicki Westby
Printed Name

Staff Agent
Title and E-mail Address

April 25, 2005
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: 03/27/05
Signature and Title:

 Travis P. Garadinas
 Registered Professional Surveyor

Certificate Number: NM-1989

RECEIVED
MAY 10 PM 2 11
OIL CONSERVATION DIV.

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr. Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33075	2. Pool Code 80640	3. Pool Name LOS PINOS FRUITLAND SAND, NORTH GAS
4. Property Code 31330	5. Property Name SAN JUAN 32 8 UNIT	6. Well No. 267
7. OGRID No. 217817	8. Operator Name CONOCOPHILLIPS COMPANY	9. Elevation 7115

10. Surface Location

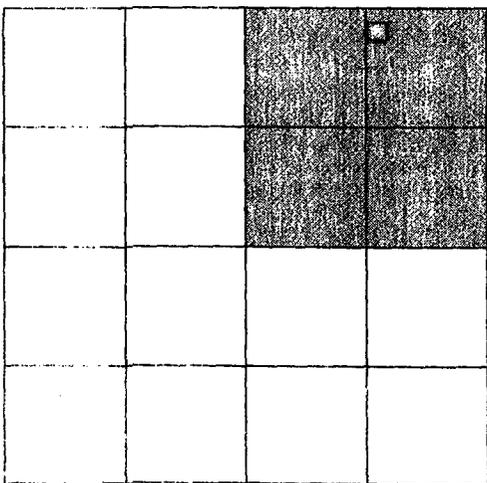
UL - Lot P	Section 14	Township 32N	Range 08W	Lot Idn	Feet From 625	N/S Line S	Feet From 1054	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 23	Township 32N	Range 08W	Lot Idn A	Feet From 240	N/S Line N	Feet From 1200	E/W Line E	County SAN JUAN
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12. Dedicated Acres 160.00	13. Joint or Infill	14. Consolidation Code	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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: <i>Juanit Jamell</i> Title: <i>Regulatory Specialist</i> Date: <i>7/11/06</i></p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: Henry Broadhurst Date of Survey: 10/5/2004 Certificate Number: 11393</p>

District I

1625 N. French Dr. Hobbs, NM 88240
 Phone:(505) 393-6100 Fax:(505) 393-0720

District II

1301 W. Grand Ave. Artesia, NM 88210
 Phone:(505) 748-1200 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd. Aztec, NM 87410
 Phone:(505) 334-6170 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr. Santa Fe, NM 87505
 Phone:(505) 476-7470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102
 Permit 33907

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33075	2. Pool Code 70120	3. Pool Name ALBINO PICTURED CLIFFS (GAS)
4. Property Code 3133D	5. Property Name SAN JUAN 32 8 UNIT	6. Well No. 267
7. OGRID No. 217817	8. Operator Name CONOCOPHILLIPS COMPANY	9. Elevation 7115

10. Surface Location

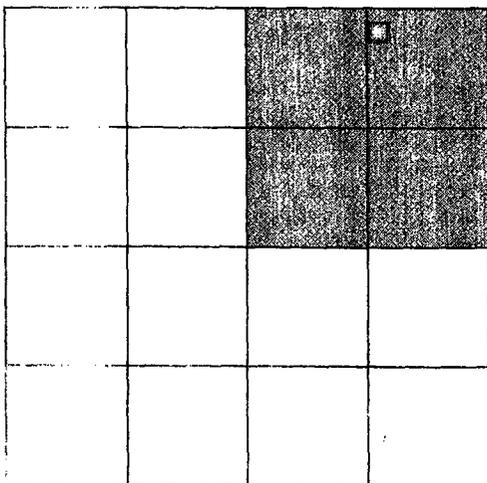
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	14	32N	08W		625	S	1054	E	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	23	32N	08W	A	240	N	1200	E	SAN JUAN

12. Dedication Fees 160.00	13. Joint or Infill	14. Consolidation Code	15. Order No.
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OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

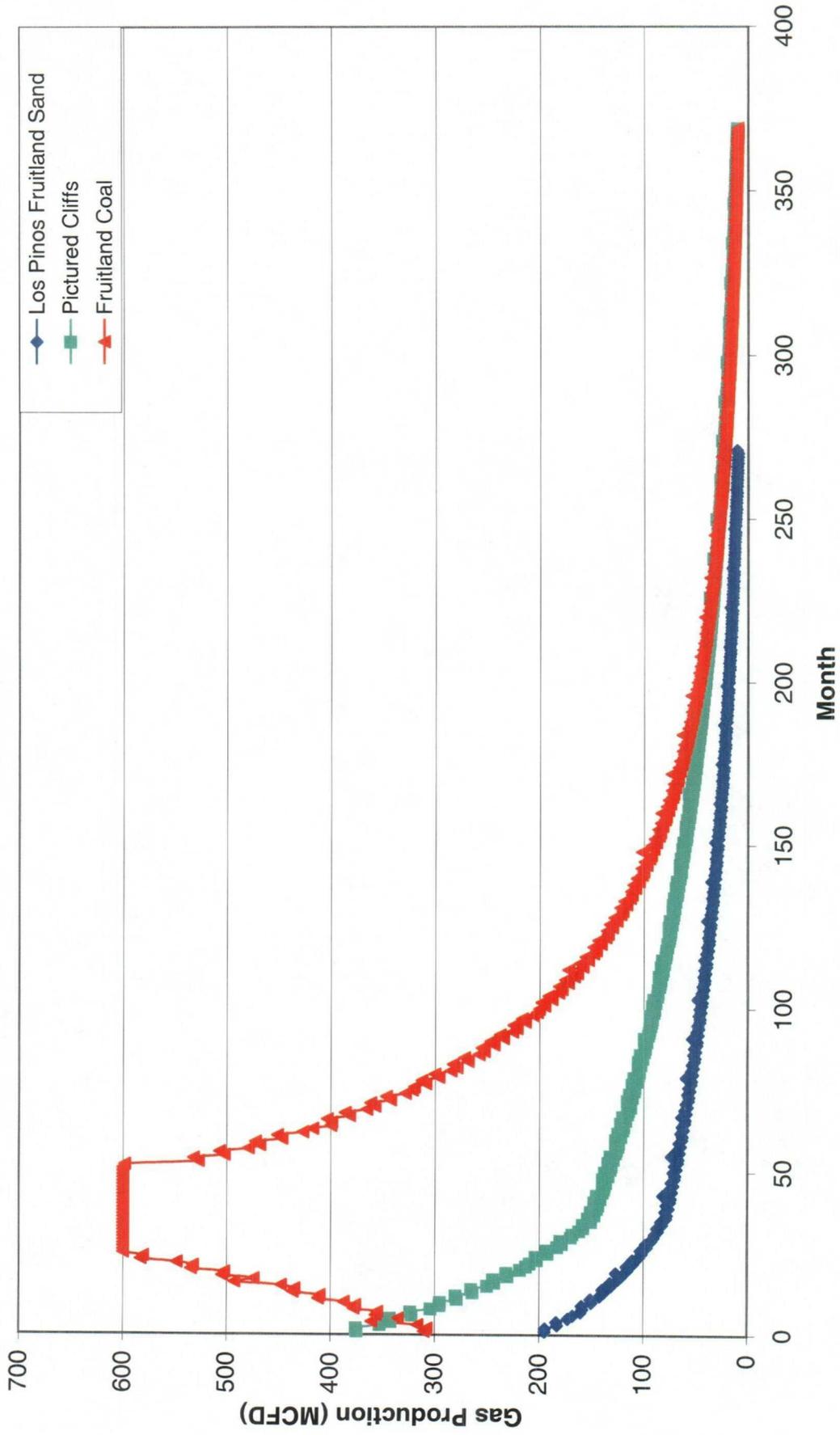
E-Signed By: *Janet Savell*
 Title: *Regulatory Specialist*
 Date: *7/11/06*

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.

Surveyed By: Henry Broadhurst
 Date of Survey: 10/5/2004
 Certificate Number: 11393

SJ 32-8 # 267 Pictured Cliffs, Fruitland Coal, and Los Pinos Fruitland Sand Production Forecasts



San Juan 32-8 Unit 267

Unit A – Sec 23 – T32N – R08W

The San Juan 32-8 Unit 267 is a new drill Pictured Cliffs well which is proposed to be trimmed with the Fruitland Coal and Fruitland Sand. A cased hole gamma ray log will be run prior to the completion to identify the Pictured Cliffs, Fruitland Sand, and Fruitland Coal zones.

Pictured Cliffs allocation

A separator test will be performed with all three producing intervals flowing. The Pictured Cliffs will then be isolated and a separator test will be performed with the Fruitland Sand and Fruitland Coal intervals flowing. The Pictured Cliffs allocation will be assigned with the rates determined during the separator test using the subtraction method.

Fruitland Sand and Fruitland Coal Allocation

If the Fruitland Sand and Fruitland Coal intervals can be isolated, a separator test will be performed and the allocation for each zone will be assigned with the rates determined during the separator test using the subtraction method. In the event the Fruitland Sand and Fruitland Coal can not be isolated and tested separately, a volumetric calculation will be performed to determine the allocation percentages between the Fruitland Sand and the Fruitland Coal.

All documentation will be submitted to the Aztec NMOCD office.