

DHC 12/28/99

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

Form C-107-A
Revised August 1999

DEC - 8 1999

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

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

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

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

Operator Address

STATE 4E D, SEC 32, T-29N, R8W SAN JUAN

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 005073 Property Code 003251 API NO. 30-045-29781 Federal State X (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 Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4065' top 5071' base		6770' top 7031' base
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING INITIALLY		FLOWING INITIALLY
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) est. 410 psi	a.	a. est. 920 psi
	b. (Original) est. 1215 psi	b.	b. est. 2900 psi
6. Oil Gravity (EAPI) or Gas BTU Content	1214		1200
7. Producing or Shut-In?	Yes		Yes
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)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Rates: est. 1P 600-700 mcf/d	Date: Rates:	Date: Rates: est. 1P 400 mcf/d
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	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

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) _____

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 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 12/7/99

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

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO.
 30-045-29785

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:
 State Com G

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 Conoco Inc.

8. Well No. 3

3. Address of Operator
 P.O. Box 2197 DU 3066 Houston, TX 77252-2197

9. Pool name or Wildcat
 Mesa Verde/Dakota

4. Well Location
 Unit P : 940 feet from the SOUTH line and 1015 feet from the EAST line
 Section 32 Township 29N Range 8W NMPM County SAN JUAN

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 6019 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- PLUG AND ABANDON
- TEMPORARILY ABANDON
- CHANGE PLANS
- PULL OR ALTER CASING
- MULTIPLE COMPLETION
- OTHER: DHC

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- ALTERING CASING
- COMMENCE DRILLING OPNS.
- PLUG AND ABANDONMENT
- CASING TEST AND CEMENT JOB
- OTHER:

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

CONOCO, INC. PROPOSES TO DOWNHOLE COMMINGLE THIS WELL USING THE ATTACHED PROCEDURE.

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 12/3/99

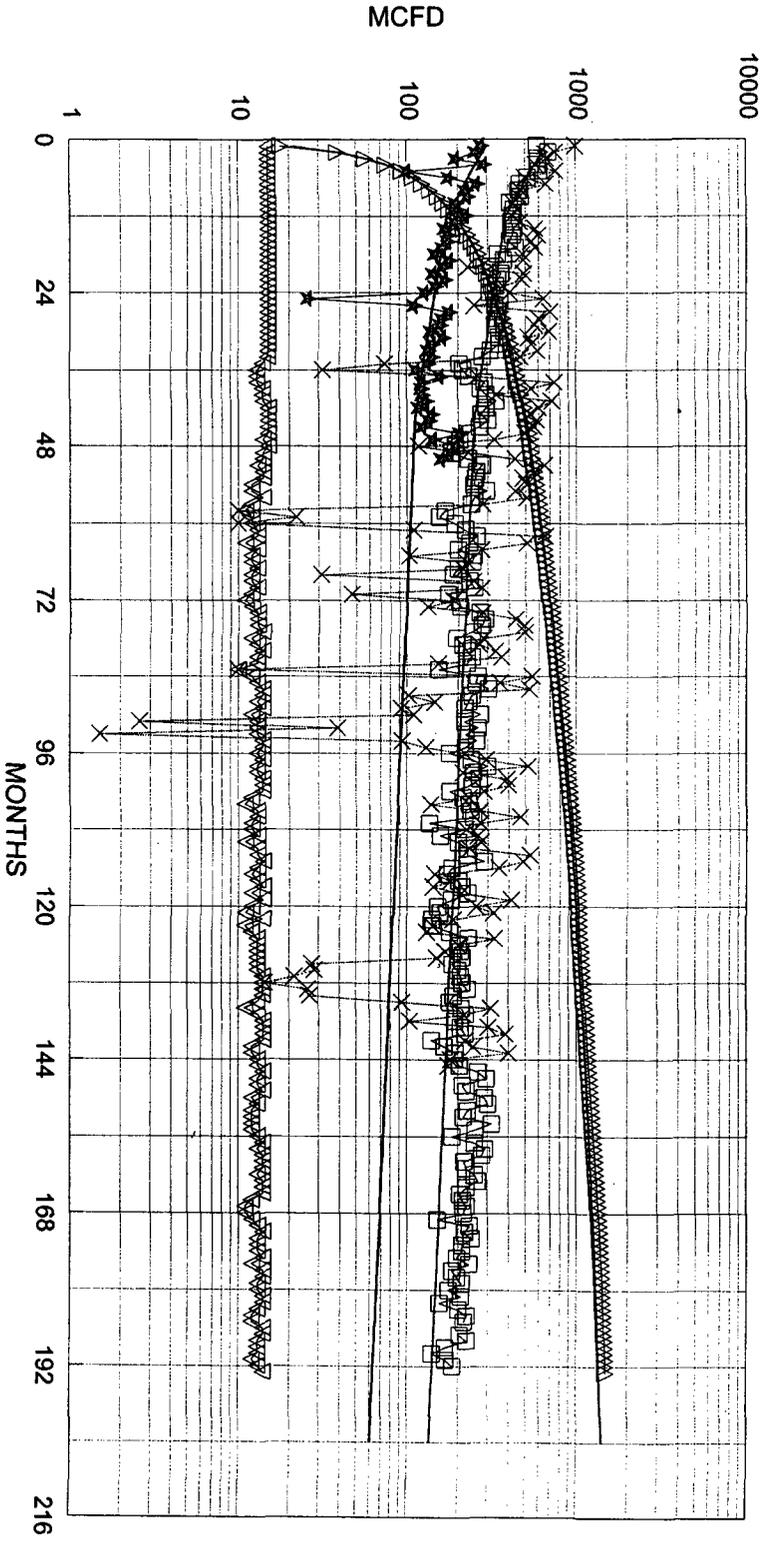
Type or print name Deborah Moore Telephone No. (281) 293-1005

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

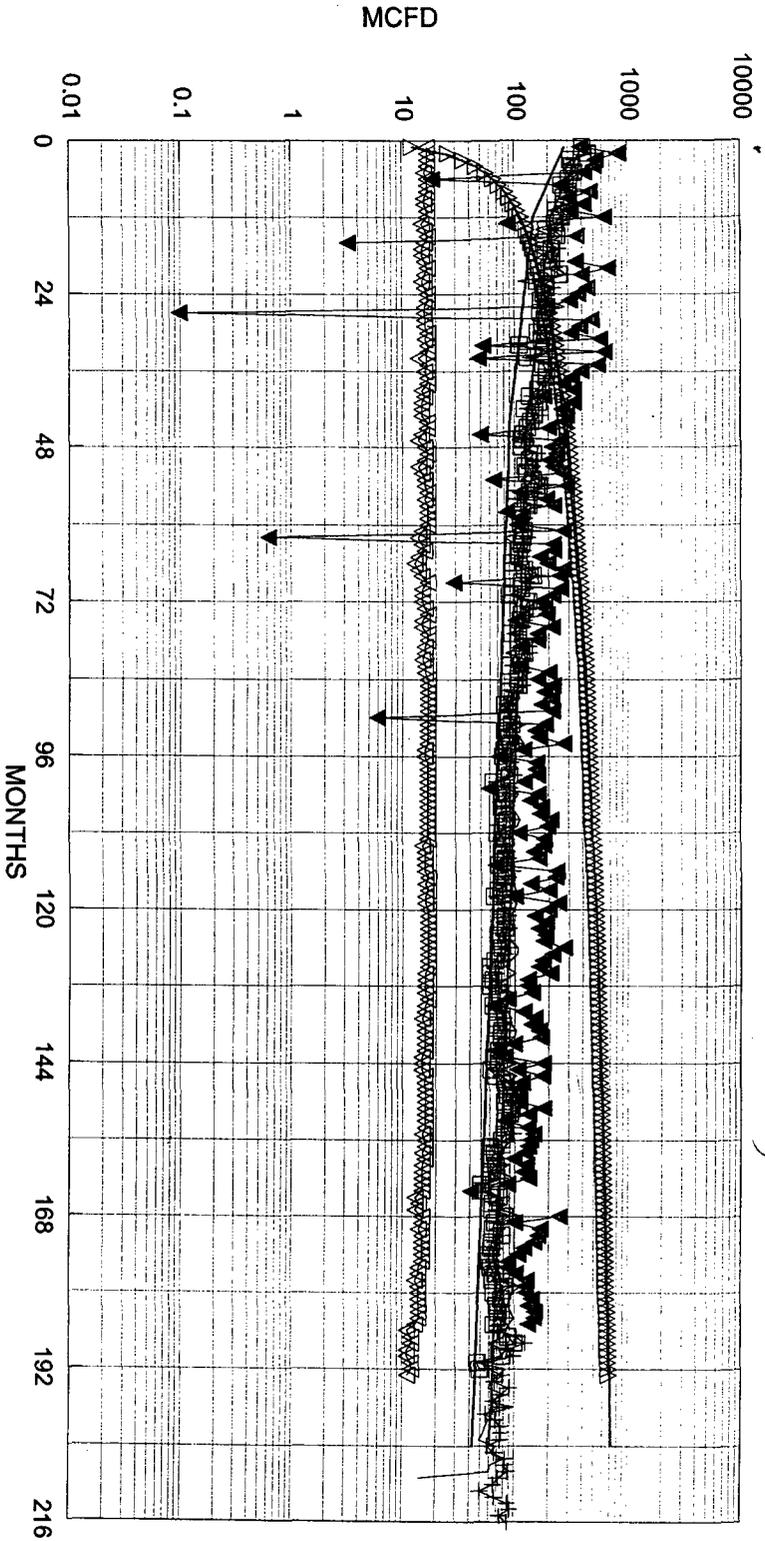
NORMALIZED MESAVERTRE PRODUCTION
PROD. SINCE 1978; 15 MV WELLS OFFSETTING 32-29N-8W



Normalized plot for supporting State 4, 4E, G3, G3E

<p>NORMALIZED AVG:</p> <p>2277 MMCF EUR 2104 MMCF/ 40YRS 25 MCFD E.L. 0.004840 bbl/mcf oil yield</p>		<p>RISKED AVG:</p> <p>700 MCFD IP 45% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS 4.5% FINAL DECLINE</p>	
<p>NORMALIZED MCFD</p> <p>— FIT MCFD</p> <p>— FIT CUM MMCF</p> <p>□ NORMALIZED MCFD</p> <p>— RISKED MCFD</p> <p>△ NORM CUM MMCF</p> <p>× Sec. 32 Infill Wells (2)</p> <p>▽ WELLS ON PRODUCTION</p> <p>★ Hughes LS 99 (9/94 Completion)</p>		<p>55% RISK</p> <p>907 MMCF EUR 903 MMCF/ 36 YRS 25 MCFD E.L. 0.004840 bbl/mcf oil yield</p>	
<p>315 MCFD IP</p> <p>45% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS 4.5% FINAL DECLINE</p>			

NORMALIZED DAKOTA PRODUCTION
PROD. SINCE 1970; 17 DK WELLS OFFSETTING 32-29N-8W



Normalized plot for supporting State Com G-3, G-3E, 4 and 4E wells

- FIT MCFD
- - RISKED MCFD
- NORMALIZED MCFD
- + 1980+ wells (14 wells)
- △ NORM CUM MMCF
- Sec. 32(Direct offsets-6)
- ▽ WELLS ON PRODUCTION
- ▲ Hughes 6E (P10 Case)
- - FIT CUM MMCF

NORMALIZED AVG: (P50 Case)
 948 MMCF EUR
 945 MMCF/ 32YRS
 25 MCFD E.L.
 0.005723 bbl/mcf oil yield

425 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 17% DECLINE, NEXT 36 MONTHS
 5.5% FINAL DECLINE

RISKED AVG: 30% RISK (P90 Case)
 615 MMCF EUR
 612 MMCF/ 26 YRS
 25 MCFD E.L.
 0.005723 bbl/mcf oil yield

298 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 17% DECLINE, NEXT 36 MONTHS
 6% FINAL DECLINE

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

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

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

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

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-045-29781		'Pool Code 71599	'Pool Name BASIN DAKOTA
'Property Code 003251	'Property Name STATE		'Well Number 4E
'OGRID No. 005073	'Operator Name CONOCO, INC.		'Elevation 5924'

¹⁰ Surface Location

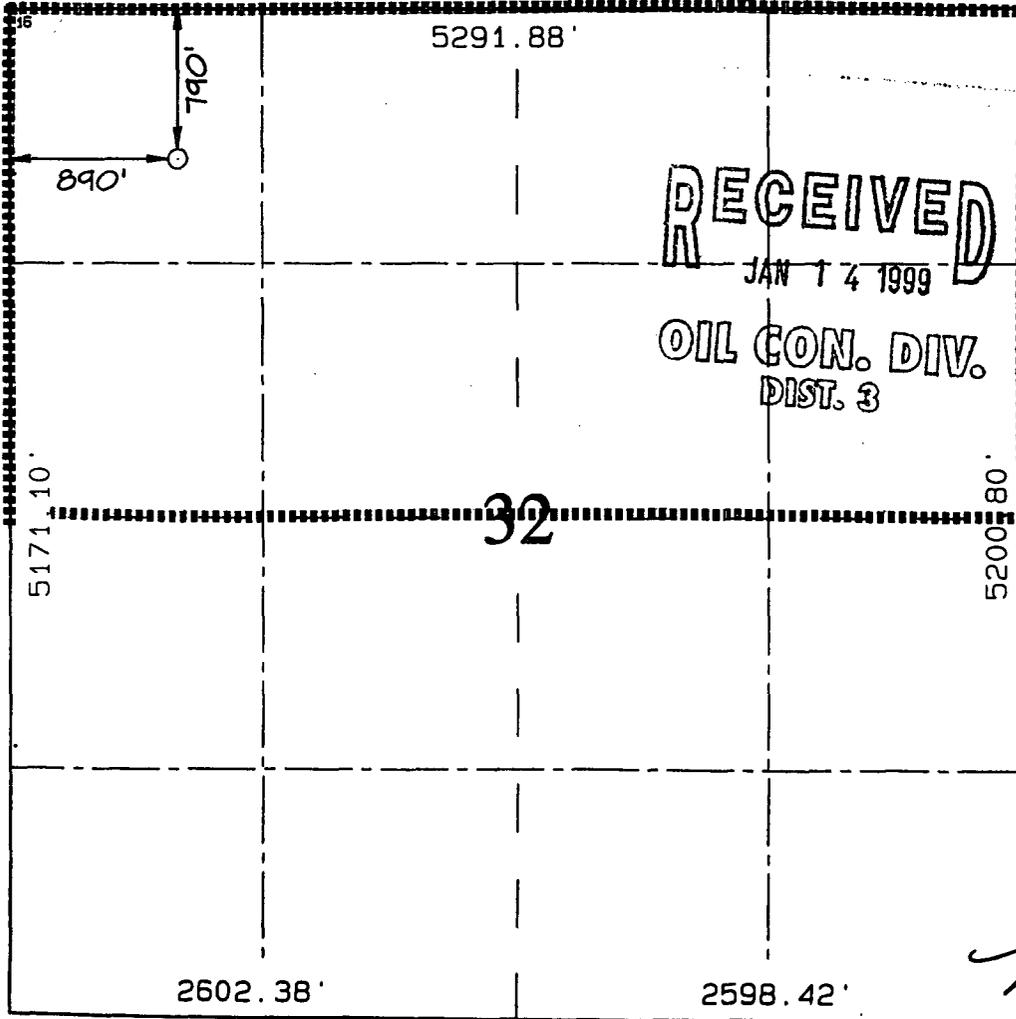
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	29N	8W		790	NORTH	890	WEST	SAN JUAN

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.
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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

RECEIVED
JAN 14 1999
OIL CON. DIV.
DIST. 3

Mike L. Mankin
Signature
MIKE L. MANKIN
Printed Name
RIGHT-OF-WAY AGENT
Title
12-15-98
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 7, 1998
Date of Survey

Signature and Seal of Professional Surveyor

 Certificate Number 6857
 PROFESSIONAL SURVEYOR