

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2572

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]

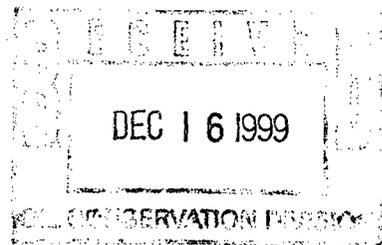
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

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.

Deborah Moore (281) 293-1005
 Print or Type Name

Signature

Deborah Moore

Regulatory Analyst
 Title

12/14/99
 Date

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

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

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

Operator Address

SAN JUAN 28-7 215 K, SEC 4, T-27N, R7W RIO ARRIBA

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

OGRID NO. 005073 Property Code 016608 API NO. 30-039-20862 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 Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4919' - 5296' Proposed		7512' - 7712'
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) 540	a.	a. 790
	b. (Original) 1250	b.	b. 3150
6. Oil Gravity (EAPI) or Gas BTU Content	1250		1120
7. Producing or Shut-In?	To be completed		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)	Yes		Yes
	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Rates: Expected rate: 350-450 MCFD	Date: Rates:	Date: Rates: Current rate: 35 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 Ref. Cases for Rule 303(D) Exceptions: ORDER NOS. 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 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 12/14/99

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. SF 078570
2. Name of Operator CONOCO, INC.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P.O. Box 2197 DU 3066 Houston, TX 77252-2197 (281) 353-0792	7. If Unit or CA, Agreement Designation 082078417A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) K, Sec. 4, T27N, R7W 1460' FSL & 1550' FWL	8. Well Name and No. San Juan 28-7 #215
	9. API Well No. 30-039-20862
	10. Field and Pool, or Exploratory Area Blanco MV 72319 Basin Dakota 71599
	11. County or Parish, State Rio Arriba, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other <u>DHC</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Conoco proposes to DHC this well in the Blanco Mesaverde & Basin Dakota

14. I hereby certify that the foregoing is true and correct
Signed *Cabral Moore* Title Regulatory Analyst Date 12/14/99

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

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

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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 30-039-20862	² Pool Code 72319 / 71599	³ Pool Name Blanco Mesaverde / Basin Dakota
⁴ Property Code 016608	⁵ Property Name San Juan 28-7	⁶ Well Number 215
⁷ OGRID No. 005073	⁸ Operator Name Conoco, Inc.	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
K	4	27N	7W		1460	south	1550	west	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

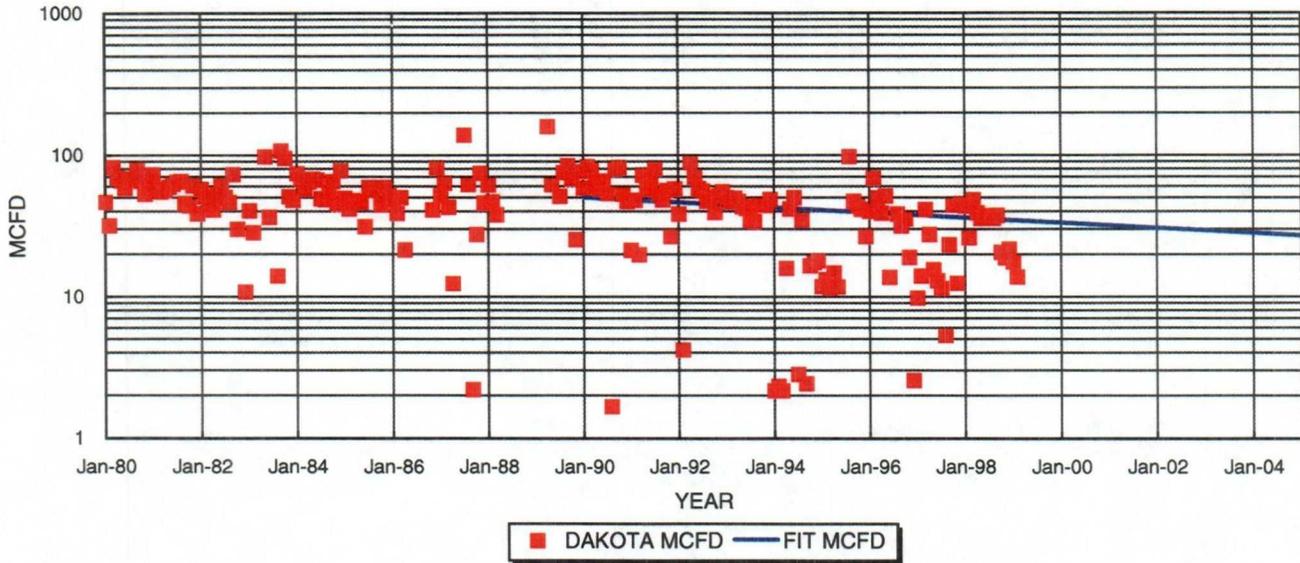
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 80/160	¹³ Joint or Infill I	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

<p>16</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p>
	<p>Signature <i>[Signature]</i></p>
	<p>Regulatory Analyst</p>
	<p>Title</p> <p>Date 12/14/99</p>
	<p>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.</p>
	<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p>
	<p>Certificate Number</p>

**SJ 28-7 #215 DAKOTA PRODUCTION
SECTION 4K-27N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



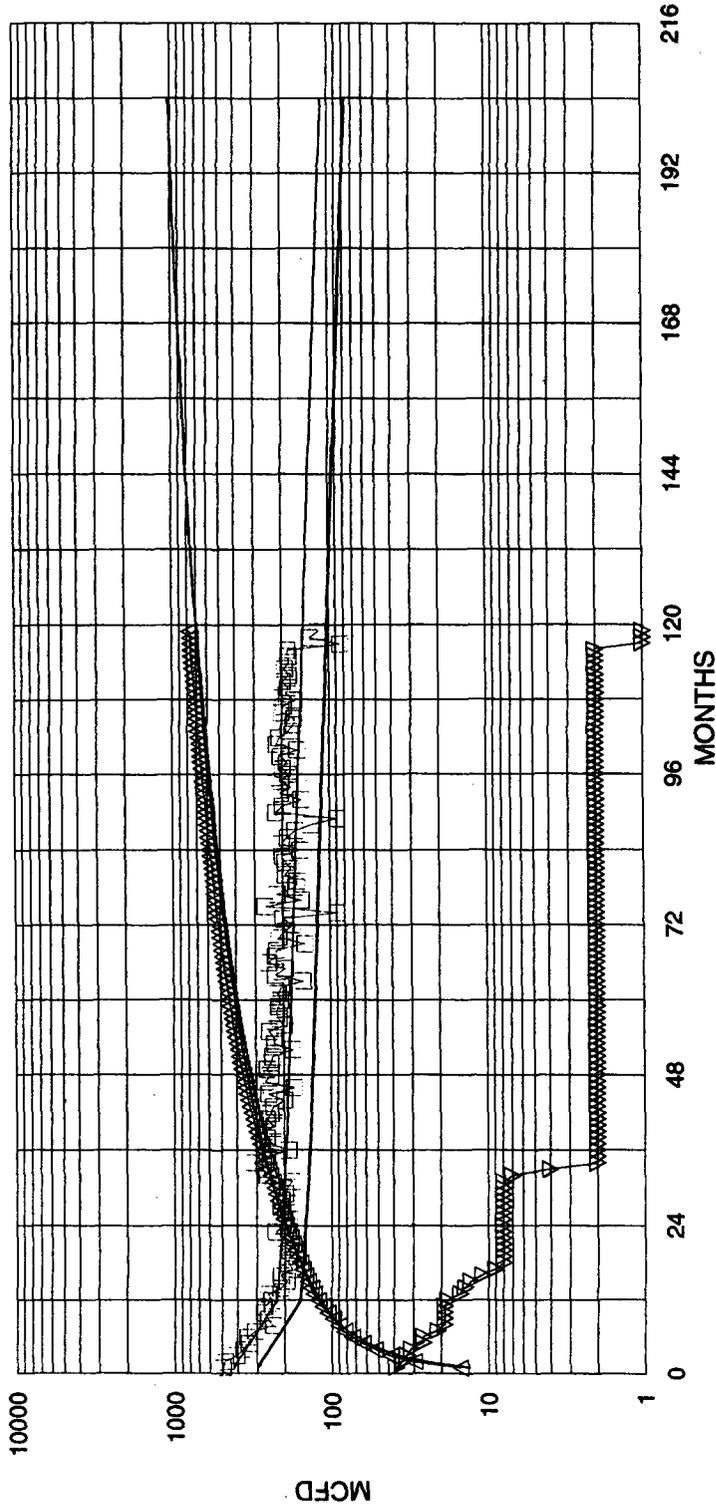
DAKOTA PRODUCTION		1ST PROD: 12/74	DAKOTA PROJECTED DATA	
OIL CUM:	4.47	MBO	Jan.00 Qi:	33
GAS CUM:	445.9	MMCF	DECLINE RATE:	4.0%
OIL YIELD:	0.0100	BBL/MCF		MCFD
				(EXPONENTIAL)
			API #30-039-20862	

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	33	0
2001	31	0
2002	30	0
2003	29	0
2004	28	0
2005	27	0
2006	25	0
2007	24	0
2008	23	0
2009	23	0
2010	22	0
2011	21	0
2012	20	0
2013	19	0
2014	18	0
2015	18	0
2016	17	0
2017	16	0
2018	16	0
2019	15	0
2020	14	0
2021	14	0
2022	13	0
2023	13	0
2024	12	0
2025	12	0
2026	11	0
2027	11	0

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

Expected Mesaverde Production - 325 MCFD for Yr. 1

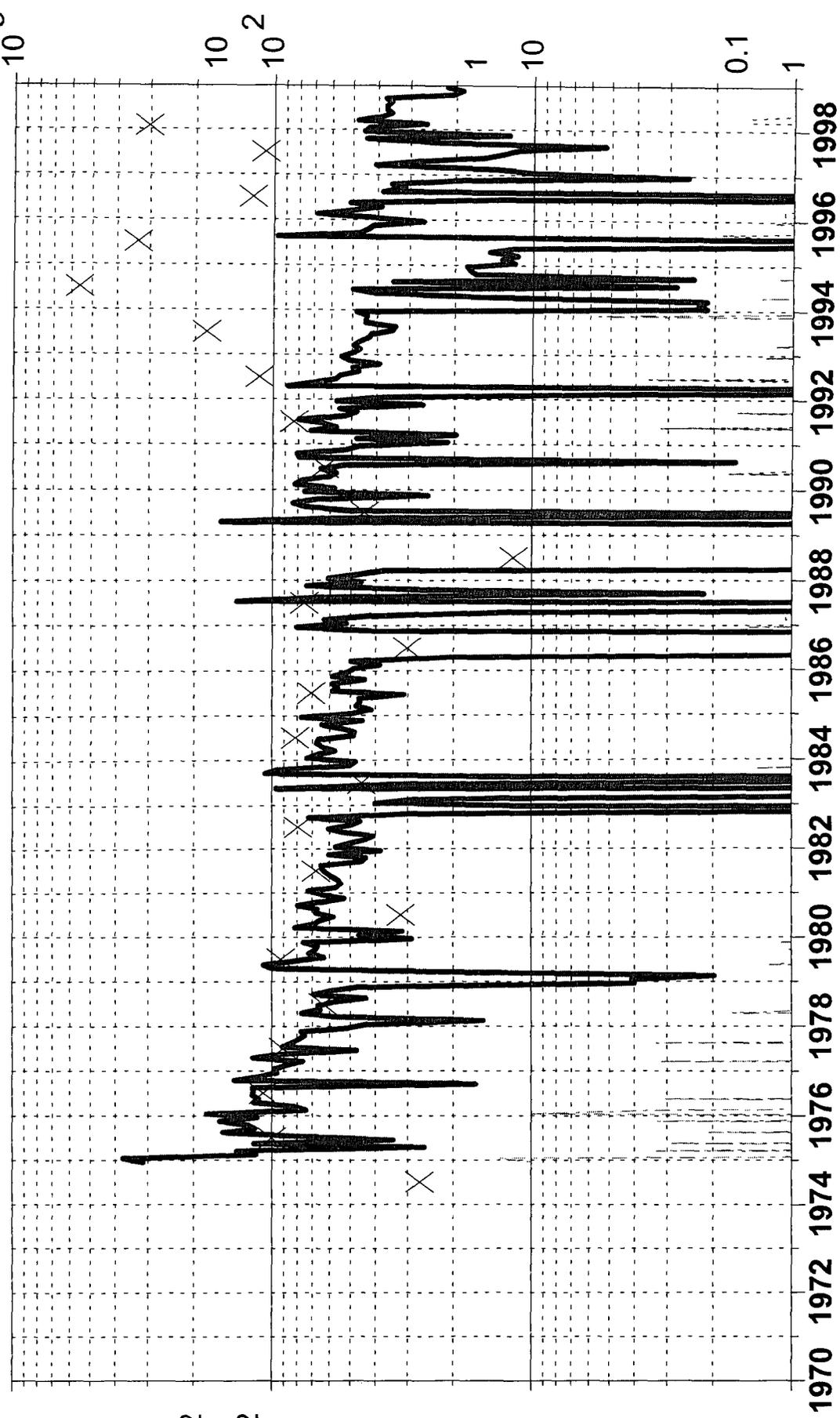
<p>NORMALIZED AVG:</p> <p>1788 MMCF EUR 1145 MMCF IN 20 YRS 25 MCFD E.L. 0.0139 bbl/mcf oil yield</p>	<p>450 MCFD IP 50% DECLINE, 1ST 12 MONTHS 7% DECLINE, NEXT 24 MONTHS 4% FINAL DECLINE</p>	<p>RISKED AVG: 30% RISK</p> <p>1184 MMCF EUR 315 MCFD IP 802 MMCF IN 20 YRS 50.0% DECLINE, 1ST 12 MONTHS 25 MCFD E.L. 7.0% DECLINE, NEXT 24 MONTHS 0.0139 bbl/mcf oil yield 4.0% FINAL DECLINE</p>
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Dwights

Lease: SAN JUAN 28 7 UNIT (215)

Retrieval Code: 251,039,27N07W04K00DK
11/12/99

10^3
 10^2
 10^3



Operator: CONOCO INC	F.P. Date: 12/74
Location: 4K 27N 7W	Oil Cum: 4472 bbl
Field: BASIN (DAKOTA) DK	Gas Cum: 445.9 mmcf
Reservoir: DAKOTA	L.P. Date: 02/99

Gas (mcf/day)

Oil (bbl/day)

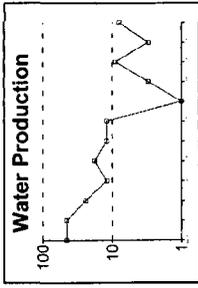
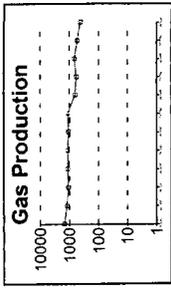
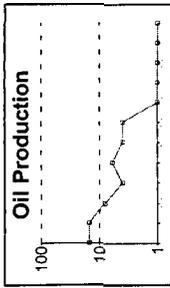
Water (bbl/day)

Yield (bbl/mmcf) Av X

Lease: SAN JUAN 28 7 UNIT
 Field: BASIN (DAKOTA) DK
 Operator: CONOCO INC
 RCI #: 251,039,27N07W04K00DK
 API #: 30-039-20862-00

Well #: 215
 Location: 4K 27N 7W
 Liquid Cum: 4,472 bbls
 Gas Cum: 445,905 mcf
 Status: ACT GAS

FP Date: 74-12
 LP Date: 99-02
 Liq Since: FPDATE
 Gas Since: FPDATE



DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
03/1998	15	1,452	45	1
04/1998	15	1,179	45	1
05/1998	8	1,076	24	1
06/1998	4	1,124	12	1
07/1998	6	1,124	18	1
08/1998	4	1,076	12	1
09/1998	4	1,130	12	1
10/1998	0	624	0	1
11/1998	1	571	3	1
12/1998	0	656	9	1
01/1999	1	533	3	1
02/1999	0	417	8	1
Total	58	10,962	191	