

DATE IN 4/12/00	SUSPENSE 5/2/00	ENGINEER DC	LOGGED BY W	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2728

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

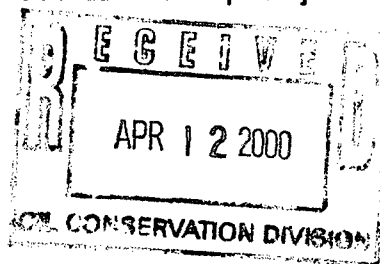
Check One Only for [B] and [C]

[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

Regulatory Analyst
 Title

4/10/00
 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
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
Revised August 1999

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

X YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

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

Operator Address
SAN JUAN 28-7 84 G, SEC. 5, T27N, R7W RIO ARRIBA
Lease Well No. Unit Ltr. - Sec - Twp - Rge County
OGRID NO. 005073 Property Code 016608 API NO. 30-039-07195 Spacing Unit Lease Types: (check 1 or more)
Federal X 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	BASIN FRUITLAND COAL 71629		BLANCO P.C. SOUTH 72439
2. Top and Bottom of Pay Section (Perforations)	PROPOSED PERFS 2956 - 3168		PROPOSED PERFS 3199 - 3272
3. Type of production (Oil or Gas)	Gas - expected		Gas - expected
4. Method of Production (Flowing or Artificial Lift)	EXPECTED TO FLOW		EXPECTED TO FLOW
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 1,167	a.	a. 653
	b. (Original) 1,167	b.	b. 1,250
6. Oil Gravity (EAPI) or Gas BTU Content	1,045		1,250
7. Producing or Shut-In?	TO BE COMPLETED		TO BE COMPLETED
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: EST. Rates: 150 MCFD	Date: Rates:	Date: EST. Rates: 200 MCFD
	Date: Rates:	Date: est. Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: Gas: ALLOCATE BY TEST	Oil: Gas:	Oil: Gas: ALLOCATE BY TEST

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? X Yes X No
If not, have all working, overriding, and royalty interests been notified by certified mail? X Yes ___ No

11. Will cross-flow occur? X 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. X Yes ___ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? X Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes X 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. X Yes ___ No

15. NMOC 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 3/31/00

TYPE OR PRINT NAME Deborah Moore

TELEPHONE NO. (281) 293-1005

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

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811 South First, Artesia, NM 88210

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District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

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 30-039-07195	² Pool Code 71629 - 72439	³ Pool Name BASIN FRUITLAND COAL / BLANCO PC SOUTH
⁴ Property Code 016608	⁵ Property Name SAN JUAN 28-7	⁶ Well Number 84
⁷ OGRID No. 005073	⁸ Operator Name Conoco Inc.	⁹ Elevation

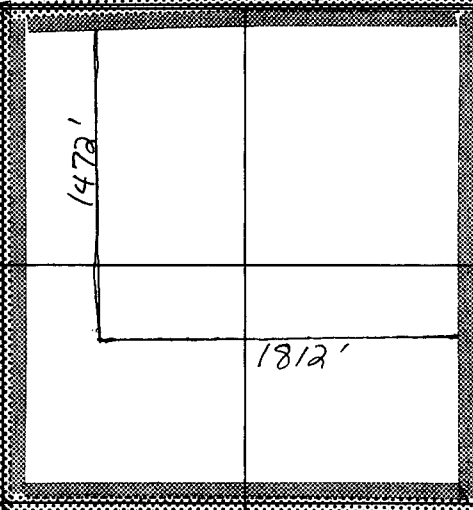
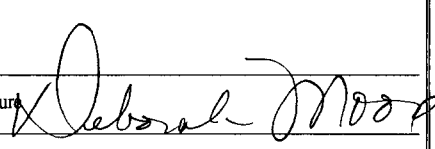
¹⁰ Surface Location

UL or lot no. G	Section 5	Township 27N	Range 7W	Lot Idn	Feet from the 1472'	North/South line NORTH	Feet from the 1812'	East/West line EAST	County RIO ARRIBA
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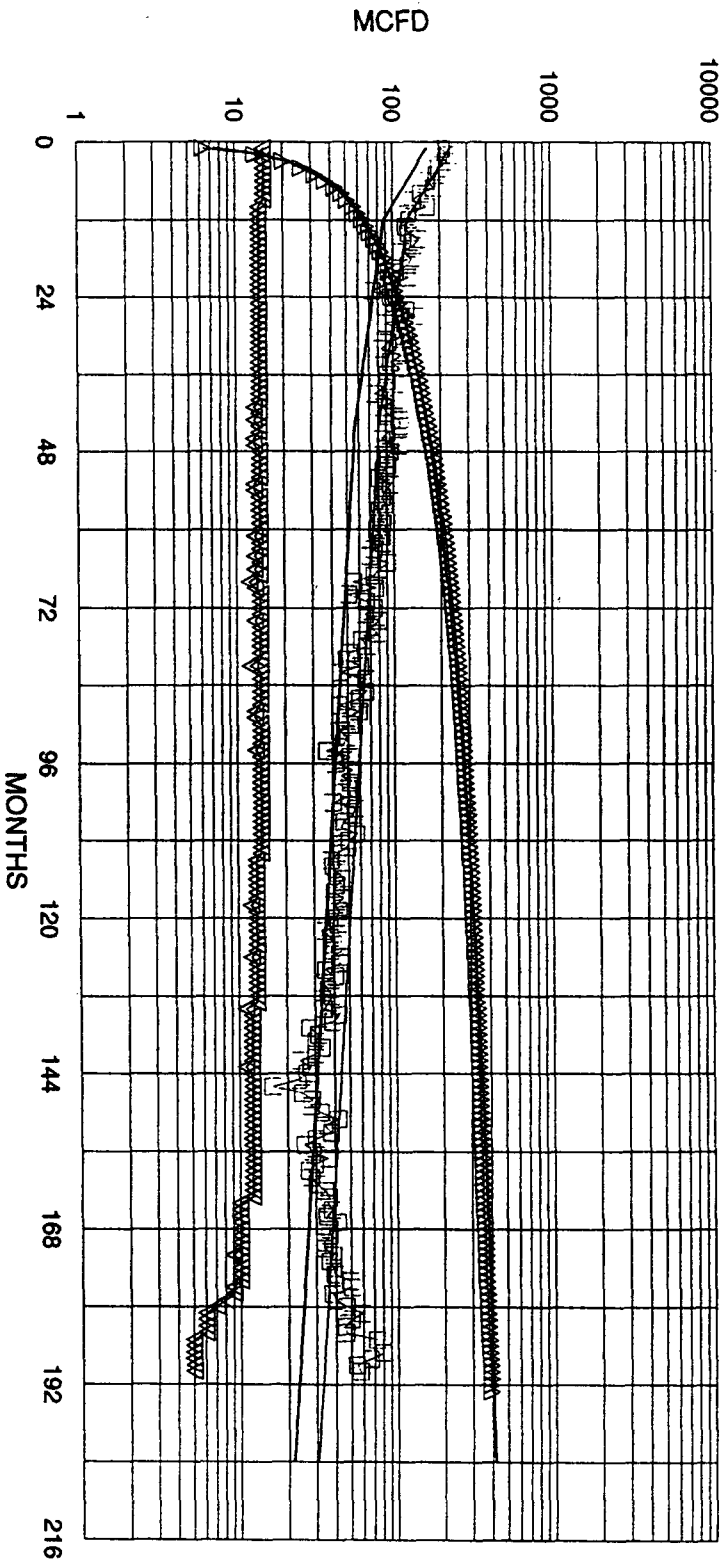
¹¹ Bottom Hole Location If Different From Surface

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 320/160	¹³ Joint or Infill I	¹⁴ Consolidation Code U	¹⁵ 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

¹⁶		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
		Signature  Printed Name Deborah Moore Title Regulatory Analyst
		Date 3/31/00
		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 Surveyer:
		Certificate Number

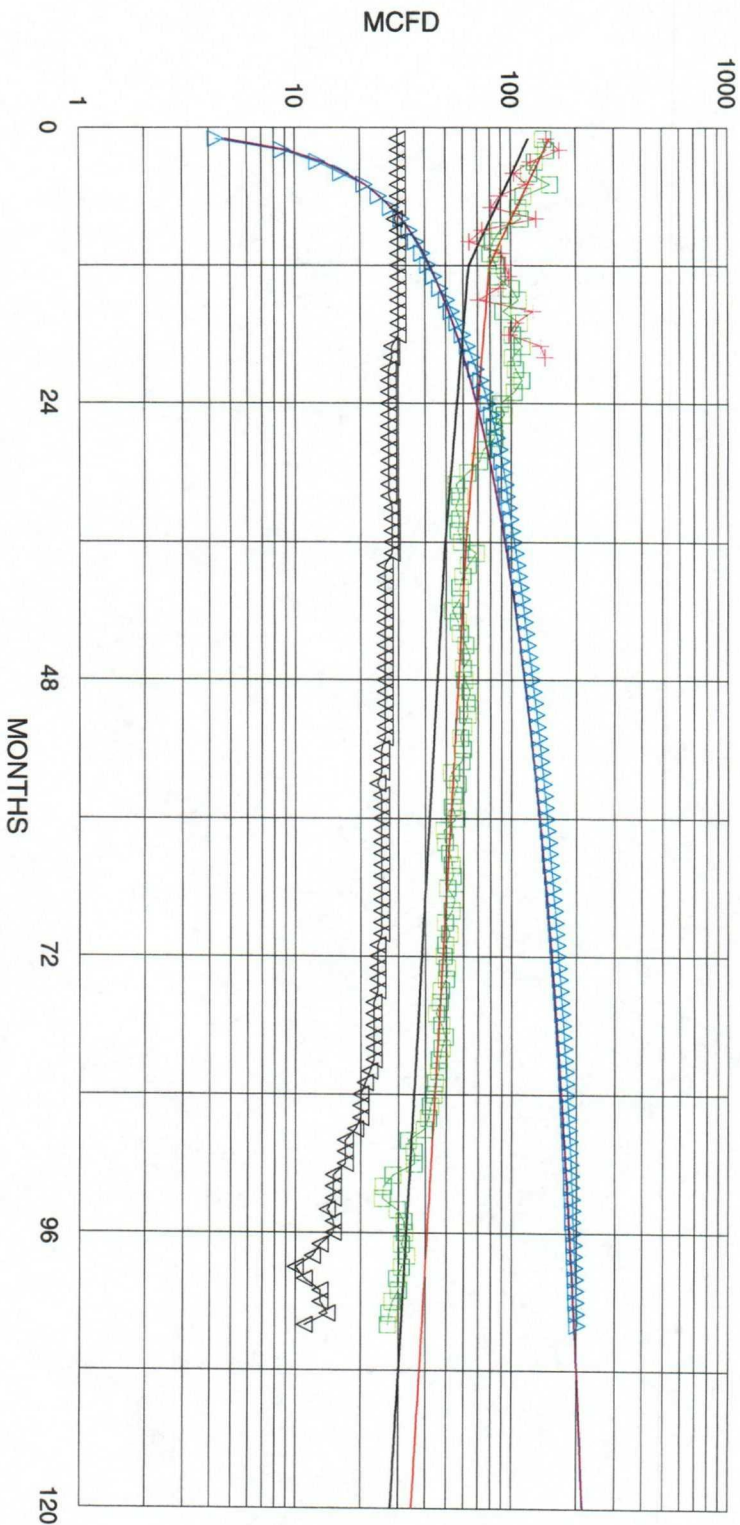
NORMALIZED PICTURED CLIFFS PRODUCTION
PROD. SINCE 1980: 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)



Normalized plot for supporting SJ 28-7 PC recompletions

NORMALIZED AVG:		RISKED AVG:	
522 MMCF EUR	250 MCFD IP	350 MMCF EUR	30% RISK
524 MMCF/33.5YRS	50% DECLINE, 1ST 12 MONTHS	349 MMCF/27.8 YRS	175 MCFD IP
10 MCFD E.L.	15% DECLINE, NEXT 36 MONTHS	10 MCFD E.L.	50% DECLINE, 1ST 12 MONTHS
0.000158 bbl/mcf oil yield	7% FINAL DECLINE	0.000158 bbl/mcf oil yield	15% DECLINE, NEXT 36 MONTHS
			7% FINAL DECLINE

NORMALIZED FRUITLAND COAL PRODUCTION
29 WELLS SINCE 1990; 28N-7W & 27N-7W

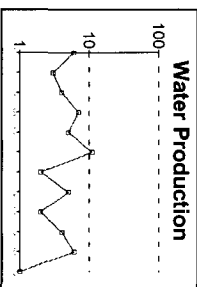
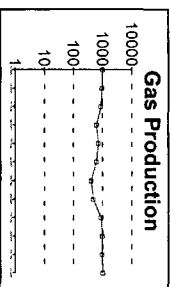
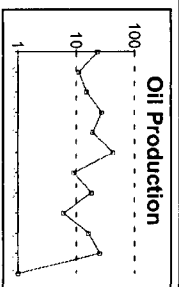


Conoco (15 wells) / Unocal (14 wells)

NORMALIZED AVG:		RISKED AVG:	
321 MMCF EUR	160 MCFD IP	248 MMCF EUR	20% RISK
299 MMCF IN 20 YRS	50.0% DECLINE, 1ST 12 MONTHS	240 MMCF IN 20 YRS	128 MCFD IP
10 MCFD E.L.	12.0% DECLINE, NEXT 24 MONTHS	10 MCFD E.L.	50.0% DECLINE, 1ST 12 MONTHS
0.0000 bbl/mcf oil yield	8.0% FINAL DECLINE	0.0000 bbl/mcf oil yield	12.0% DECLINE, NEXT 24 MONTHS
			8.0% FINAL DECLINE

Lease:	SAN JUAN 28 7 UNIT	Well #:	84	FP Date:	58-09
Field:	BLANCO (MESASERDE) MV	Location:	5G 27N 7W	LP Date:	99-10
Operator:	CONOCO INC	Liquid Cum:	4,752 bbls	Liq Since:	FPDATE
RCI #:	251,039,27N07W05G00MV	Gas Cum:	445,772 mcf	Gas Since:	FPDATE
API #:	30-039-07195-00	Status:	ACT GAS		

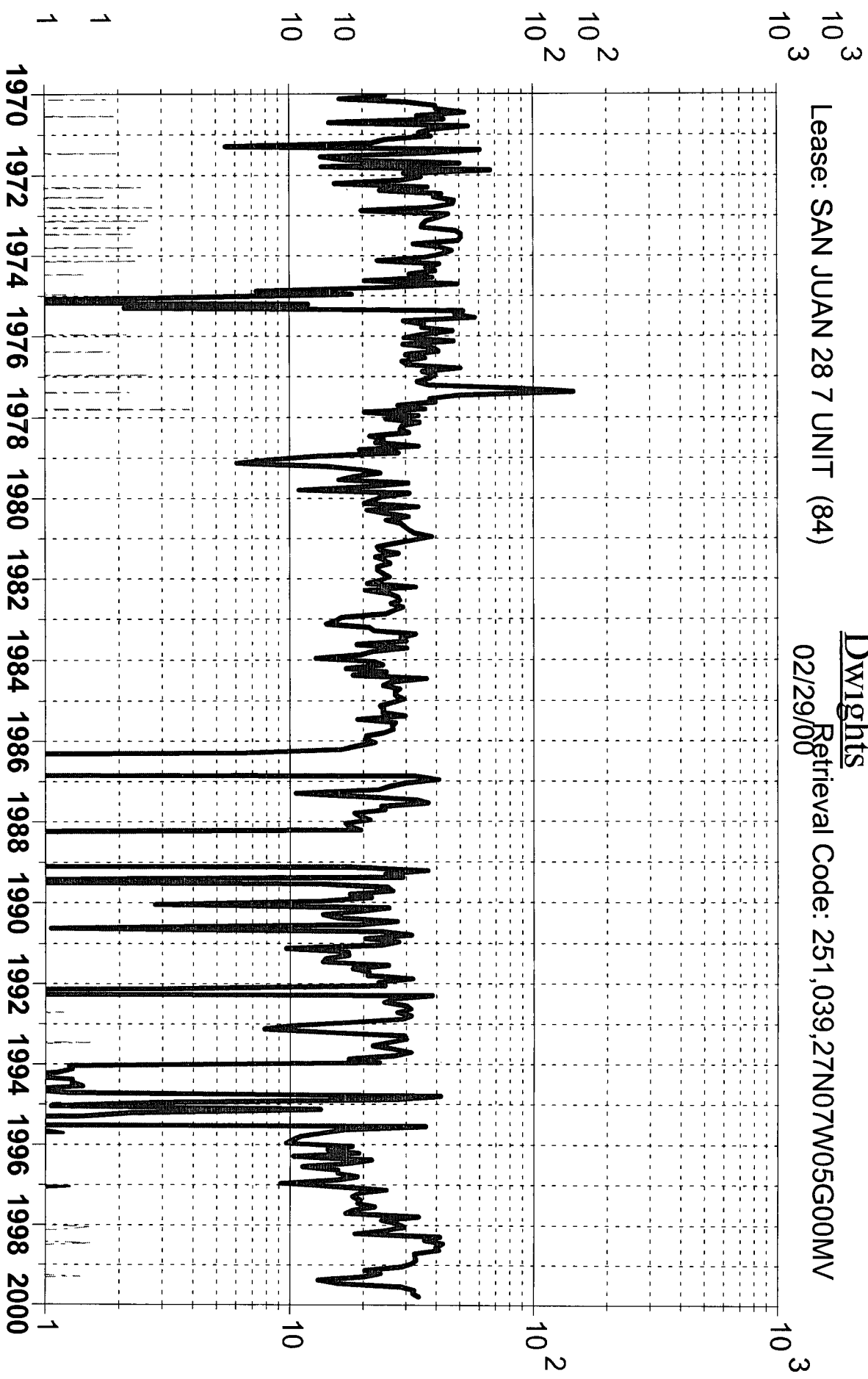
DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
11/1998	23	998	6	1
12/1998	11	953	3	1
01/1999	15	870	4	1
02/1999	27	616	7	1
03/1999	19	712	5	1
04/1999	42	606	11	1
05/1999	9	395	2	1
06/1999	18	475	5	1
07/1999	6	868	2	1
08/1999	16	978	4	1
09/1999	25	969	6	1
10/1999	0	1,022	0	1
Total	211	9,462	55	



Lease: SAN JUAN 28 7 UNIT (84)

Dwights
02/29/00

Retrieval Code: 251,039,27N07W05G00MV



Gas (mcf/day)

Oil (bbl/day)

Operator: CONOCO INC

Location: 5G 27N 7W

F.P. Date: 09/58

Oil Cum: 4752 bbl

Water (bbl/day)

Upper Perf: 5408 ft

Gas Cum: 445.8 mcf

Lower Perf: 5554 ft

Reservoir: MESAVERDE