DATE IN 4/18/00	SUSPENSE 5/8/00	ENGINEER DC	LOGGED MN	TYPE DHC

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2735

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
X DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
WFX PMX SWD IPI EOR PPR

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APR 18 2000
OIL CONSERVATION DIVISION

[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] X 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.

Peggy Cole	Peggy Cole	Regulatory/Compliance Administrator	
Print or Type Name	Signature	Title	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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A
Revised March 17, 1999
APPROVAL PROCESS:
_X_ Administrative __Hearing
EXISTING WELLBORE
_X_ YES ___ NO

BURLINGTON RESOURCES OIL & GAS COMPANY (Operator) PO Box 4289, Farmington, NM 87499 (Address)

San Juan 28-6 Unit	#92	G, Sec. 2, T27N, R6W	Rio Arriba
Lease	Well No.	Unit Ltr. - Sec - Twp - Rge	County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. _14538_____ Property Code _ 7462 _____ API NO. _30-039-07190_____ Federal _X___ , 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 Picured Cliffs South - 72439		Blanco Mesaverde - 72319
2. Top and Bottom of Pay Section (Perforations)	3238'-3304'		5396'-5522'
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. 213 psia (Current) b. 1083 psia (Original)	a. b.	a. 358 psia b. 1240
6. Oil Gravity (°API) or Gas BTU Content	BTU 1137		BTU 1236
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
* 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	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date andoil/gas/ water rates of recent test (within 60 days)	Date: 2/00 Rates: 18 mcfd 0.0 bopd	Date: Rates:	Date: 2/00 Rates: 50 mcfd 0.0 bopd
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: 50 % Gas: 26 %	Oil: % Gas: %	Oil: 50 % Gas: 74 %

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 _X No
If not, have all working, overriding, and royalty interests been notified by certified mail? ___ Yes _X 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. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _R-10696_____

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.
* 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 _____ TITLE _Operations Engineer_____ DATE _4/12/00_____

TYPE OR PRINT NAME _Jennifer Dobson_____ TELEPHONE NO. (505) 326-9700

Well Location and Acreage Dedication Plat

Section A.

Date APRIL 23, 1959

Operator EL PASO NATURAL GAS COMPANY Lease SAN JUAN 28-6 UNIT E-290-3

Well No. 92(PM) Unit Letter G Section 2 Township 27-N Range 6-W NMPM

Located 1790 Feet From NORTH Line, 1550 Feet From EAST Line

County RIO ARRIBA G. L. Elevation 6462 Dedicated Acreage 160.32 & 320.32 Acres

Name of Producing Formation PICTURED CLIFF AND MESA VERDE Pool SO. BLANCO PC & BLANCO MV

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
   Yes ... No X
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No ... If answer is "yes", Type of Consolidation.
   Unit Agreement
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner	Land Description

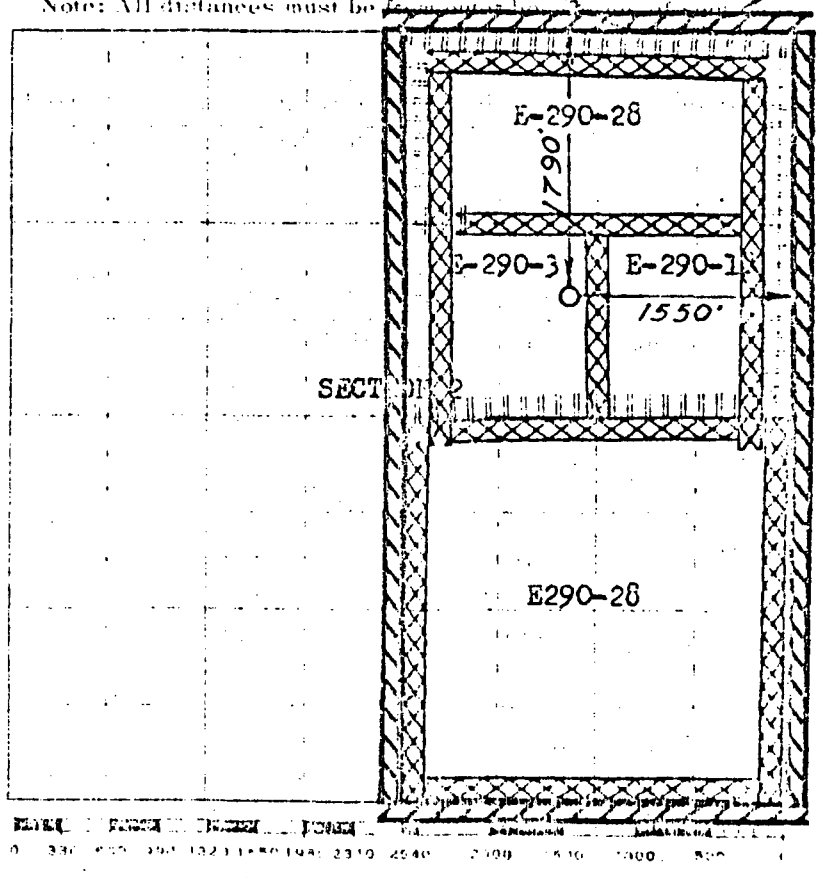
RECEIVED
APR 30 1959
OIL CON. COM.
DIST. 3

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

El Paso Natural Gas Company
(Operator)
Original Signed C. D. COX
(Representative)
Box 997
(Address)
Farmington, New Mexico

Note: All distances must be from outer boundaries of section.



Scale 1 inches equal 1 mile

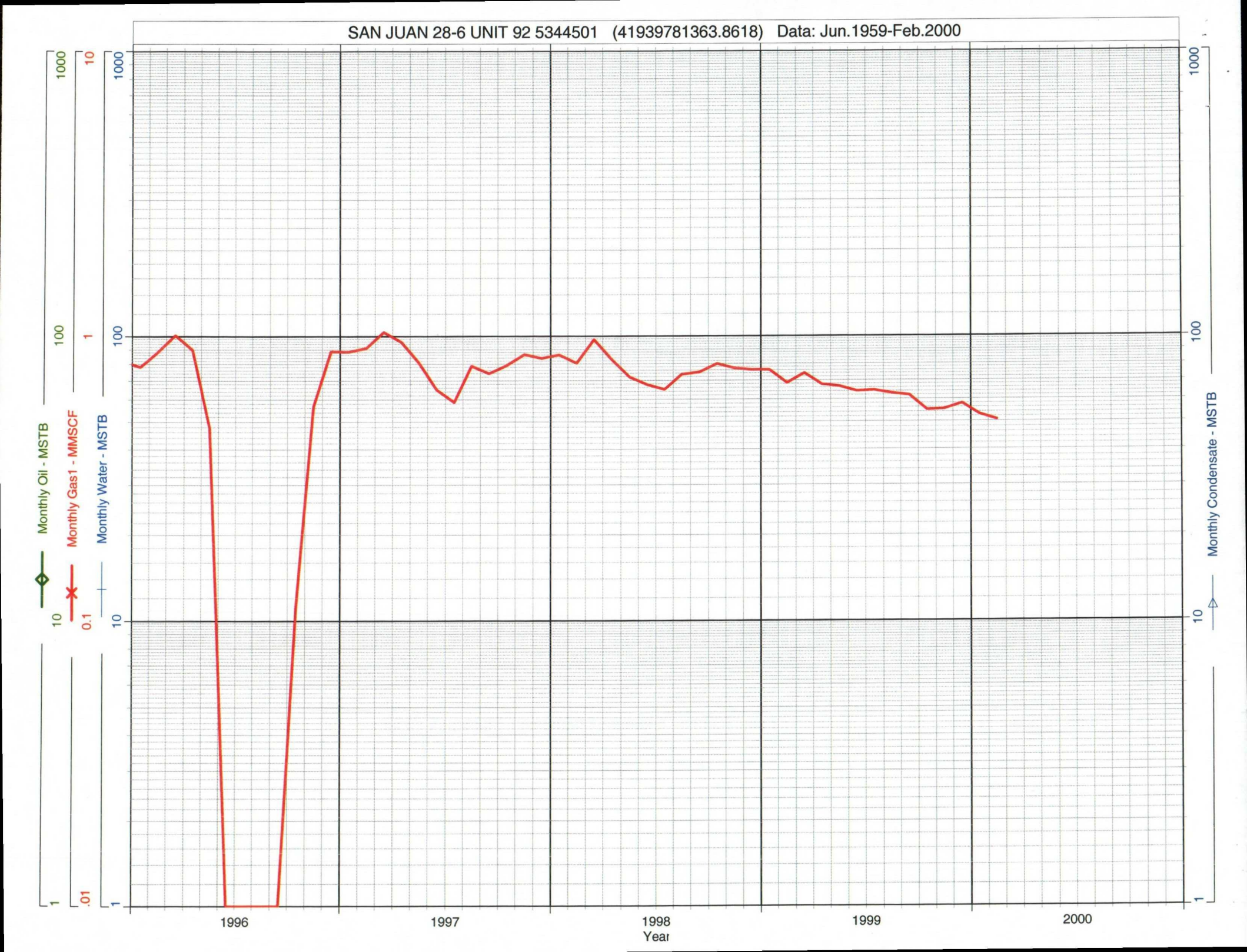
This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

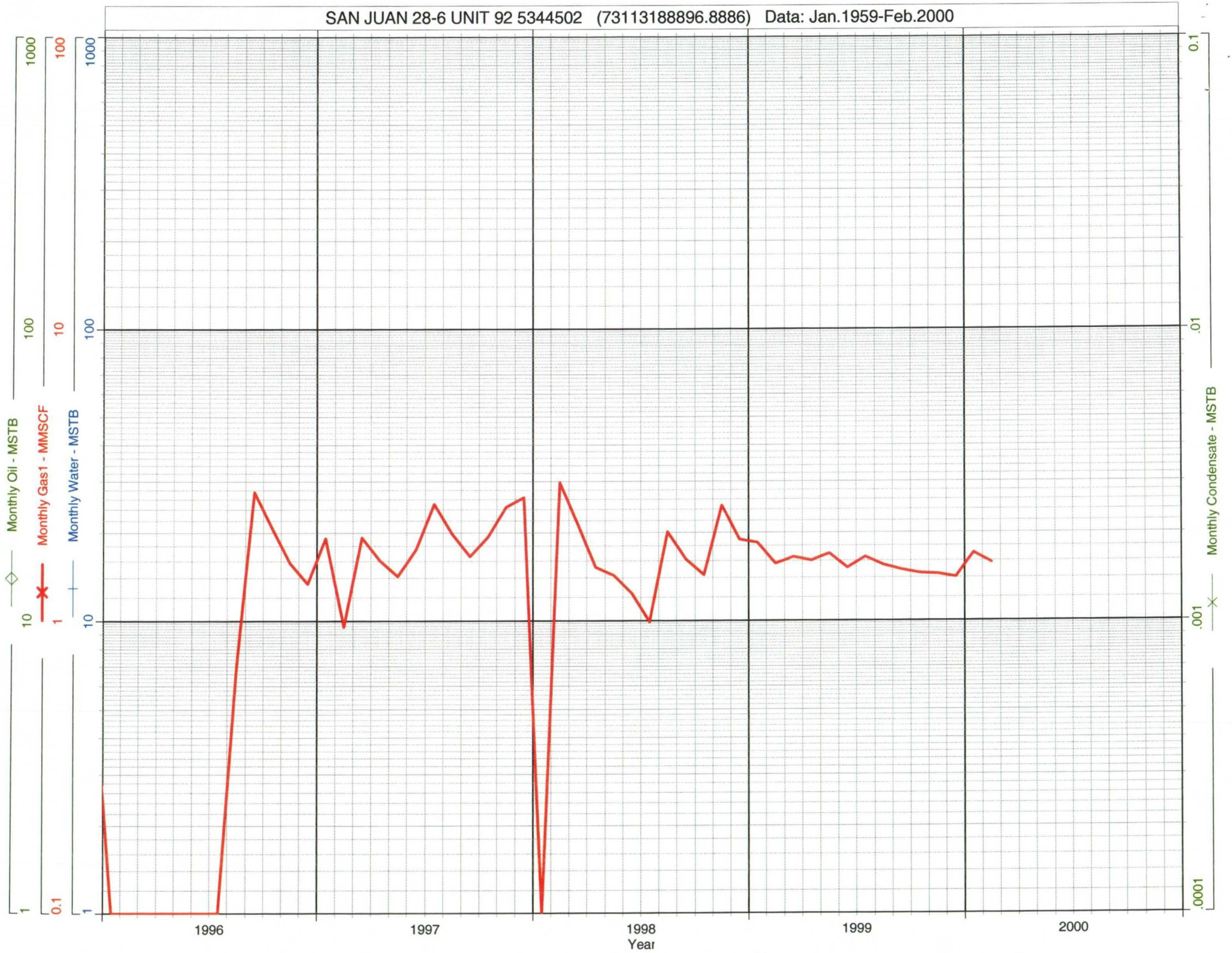
(Seal)

Date Surveyed DECEMBER 21, 1958

Farmington, New Mexico

Registered Professional Engineer and/or Land Surveyor


SAN JUAN 28-6 UNIT 92 5344501 (41939781363.8618) Data: Jun.1959-Feb.2000
Monthly Oil - MSTB
Monthly Gas1 - MMSCF
Monthly Water - MSTB
Monthly Condensate - MSTB
1000
100
10
1
.01
0.1
1996
1997
1998
1999
2000
Year


SAN JUAN 28-6 UNIT 92 5344502 (73113188896.8886) Data: Jan.1959-Feb.2000
Monthly Oil - MSTB
Monthly Gas1 - MMSCF
Monthly Water - MSTB
Monthly Condensate - MSTB
1000
100
10
1
0.1
1000
100
10
1
0.1
.01
.001
.0001
1996
1997
1998
1999
2000
Year

San Juan 28-6 Unit #92
Production Allocation

Gas

*Pictured Cliffs 3 month average		18	Mcfd	26%
*Mesaverde 3 month average		51	Mcfd	74%
	Total:	69		100.0%

Oil

*Pictured Cliffs 3 month average		0.0	Bopd	50%
*Mesaverde 3 month average		0.0	Bopd	50%
	Total:	0		

*Allocation Formula Basis: The fixed percentages are based on 3 month averages (12/99 - 02/00)

San Juan 28-6 Unit 92
Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method

Version 1.0 3/13/94

Gallup

PC-Current

GAS GRAVITY	0.635
COND. OR MISC. (C/M)	M
%N2	0.99
%CO2	0.37
%H2S	0
DIAMETER (IN)	1.25
DEPTH (FT)	3271
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	115
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	198
BOTTOMHOLE PRESSURE (PSIA)	213.1

PC-Original

GAS GRAVITY	0.642
COND. OR MISC. (C/M)	M
%N2	0.25
%CO2	0.48
%H2S	0
DIAMETER (IN)	1.25
DEPTH (FT)	3271
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	115
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	995
BOTTOMHOLE PRESSURE (PSIA)	1083.1

Dakota

MV-Current

GAS GRAVITY	0.71
COND. OR MISC. (C/M)	M
%N2	0.77
%CO2	0.8
%H2S	0
DIAMETER (IN)	7.625
DEPTH (FT)	5459
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	150
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	312
BOTTOMHOLE PRESSURE (PSIA)	357.6

MV-Original

GAS GRAVITY	0.715
COND. OR MISC. (C/M)	M
%N2	0.27
%CO2	0.8
%H2S	0
DIAMETER (IN)	7.625
DEPTH (FT)	5459
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	150
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1057
BOTTOMHOLE PRESSURE (PSIA)	1239.5

Gas Meter Vol. History (Act.)

Friday, January 01, 1999 Through Sunday, April 30, 2000

Select By : Gas Meters
Sort By :
Pressure Base : 15.025
Units :
Rounded (y/n) : No
Page No : 1
Report Number : R_040
Print Date : 04/06/2000, 8:02:57 PM

Meter	Volume Date	Ticket #	Volume	Heat Value	Period Start	Period End	Disp.	Prod.	Purchaser	Gatherer
SAN JUAN 28-6 UNIT 92 72456										
Pictured Cliffs	01/01/1999	6100000087	762.72	899.66	01/01/1999	01/31/1999	20	100		WILLIAMS FIELD SERV
	02/01/1999	2200000626	684.30	807.86	02/01/1999	02/28/1999	20	100		WILLIAMS FIELD SERV
	03/01/1999	0300003339	740.18	873.14	03/01/1999	03/31/1999	20	100		WILLIAMS FIELD SERV
	04/01/1999	8800001560	676.45	800.72	04/01/1999	04/30/1999	20	100		WILLIAMS FIELD SERV
	05/01/1999	7800001660	665.67	787.46	05/01/1999	05/31/1999	20	100		WILLIAMS FIELD SERV
	06/01/1999	7700000448	639.20	755.84	06/01/1999	06/30/1999	20	100		WILLIAMS FIELD SERV
	07/01/1999	7000006066	644.10	761.96	07/01/1999	07/31/1999	20	100		WILLIAMS FIELD SERV
	08/01/1999	9700000175	628.41	743.60	08/01/1999	08/31/1999	20	100		WILLIAMS FIELD SERV
	09/01/1999	0200000052	618.61	731.36	09/01/1999	09/30/1999	20	100		WILLIAMS FIELD SERV
	10/01/1999	7500003944	548.02	648.74	10/01/1999	10/31/1999	20	100		WILLIAMS FIELD SERV
	11/01/1999	4400003068	551.95	652.82	11/01/1999	11/30/1999	20	100		WILLIAMS FIELD SERV
	12/01/1999	5800000679	577.44	683.42	12/01/1999	12/31/1999	20	100		WILLIAMS FIELD SERV
Totals --	1999		**7,737.05**	**9,146.58**						
	01/01/2000	7400000388	529.40	626.30	01/01/2000	01/31/2000	20	100		WILLIAMS FIELD SERV
	02/01/2000	7600000553	505.87	598.76	02/01/2000	02/29/2000	20	100		WILLIAMS FIELD SERV
Totals --	2000		**1,035.27**	**1,225.05**						
Totals -- SAN JUAN 28-6 UNIT 92 72456			**8,772.32**	**10,371.64**						
SAN JUAN 28-6 UNIT 92 72457										
Mesaverde	01/01/1999	6100000067	1,783.29	2,301.18	01/01/1999	01/31/1999	20	100		WILLIAMS FIELD SERV
	02/01/1999	2200000627	1,506.82	1,944.17	02/01/1999	02/28/1999	20	100		WILLIAMS FIELD SERV
	03/01/1999	0300003337	1,587.21	2,048.21	03/01/1999	03/31/1999	20	100		WILLIAMS FIELD SERV
	04/01/1999	8800001559	1,543.10	1,983.95	04/01/1999	04/30/1999	20	100		WILLIAMS FIELD SERV
	05/01/1999	7800001659	1,634.27	2,101.26	05/01/1999	05/31/1999	20	100		WILLIAMS FIELD SERV
	06/01/1999	7700000447	1,452.90	1,868.69	06/01/1999	06/30/1999	20	100		WILLIAMS FIELD SERV
	07/01/1999	7000006067	1,585.25	2,039.03	07/01/1999	07/31/1999	20	100		WILLIAMS FIELD SERV
	08/01/1999	9700000174	1,484.27	1,908.47	08/01/1999	08/31/1999	20	100		WILLIAMS FIELD SERV
	09/01/1999	0200000051	1,431.33	1,841.15	09/01/1999	09/30/1999	20	100		WILLIAMS FIELD SERV
	10/01/1999	7500003943	1,387.22	1,784.03	10/01/1999	10/31/1999	20	100		WILLIAMS FIELD SERV
	11/01/1999	4400003069	1,379.38	1,773.83	11/01/1999	11/30/1999	20	100		WILLIAMS FIELD SERV
	12/01/1999	5800000678	1,350.94	1,737.11	12/01/1999	12/31/1999	20	100		WILLIAMS FIELD SERV
Totals --	1999		**18,125.99**	**23,331.08**						
	01/01/2000	7400000387	1,638.19	2,106.36	01/01/2000	01/31/2000	20	100		WILLIAMS FIELD SERV
	02/01/2000	7600000594	1,516.63	1,950.29	02/01/2000	02/29/2000	20	100		WILLIAMS FIELD SERV
Totals --	2000		**3,154.82**	**4,056.65**						
Totals -- SAN JUAN 28-6 UNIT 92 72457			**21,280.81**	**27,387.73**						
Report Totals			**30,053.12**	**37,759.37**						

San Juan 28-6 Unit #92
5344501/5344502
Pictured Cliffs/Mesaverde

PICTURED CLIFFS

PRESSURE DATA		
Date	Gas Cum	Press
06/30/1959	0	995
10/10/1998	486448	344

MESAVERDE

PRESSURE DATA		
Date	Gas Cum	SIWHP
06/23/1959	0	1057
10/10/1998	822022	409

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 11628
ORDER NO. R-10696

APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY FOR THE ESTABLISHMENT OF A DOWNHOLE COMMINGLING "REFERENCE CASE" FOR ITS SAN JUAN 28-6 UNIT PURSUANT TO DIVISION RULE 303.E. AND THE ADOPTION OF SPECIAL ADMINISTRATIVE RULES THEREFOR, SAN JUAN COUNTY, NEW MEXICO..

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 17 and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 12th day of November, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-6 Unit, San Juan County, New Mexico.

(3) Division Rule No. 303.E., amended by Order No. R-10470-A, currently states:

c) establish a "reference case" whereby the Division utilizes the data presented in the immediate case to endorse or approve certain methods of allocating production whereby the applicant need not submit additional data or justification when proposing a certain method of allocating production on Form C-107-A's subsequently filed for wells within the San Juan 28-6 Unit; and,

d) establish a "reference case" or an administrative procedure for authorizing the downhole commingling of existing or future drilled wells within the San Juan 28-6 Unit without additional notice to each affected interest owner as required by Division Rule No. 303.D.

(7) In support of its request to except marginal economic criteria, the applicant presented geologic and engineering evidence and testimony which indicates that within the San Juan 28-6 Unit:

a) the structure and thickness of the Dakota and Pictured Cliffs formations are very consistent;

b) the average recoverable Dakota and Pictured Cliffs gas reserves underlying an undeveloped drill block are approximately 449 MMCFG and 186 MMCFG, respectively;

c) the average initial producing rate for a newly drilled or recompleted Dakota and Pictured Cliffs gas well is approximately 254 MCFGD and 216 MCFGD, respectively; and,

d) the estimated ultimate gas recoveries and initial producing rates from the Dakota and Pictured Cliffs formations are insufficient to justify drilling stand alone wells and/or dually completed wells to recover such gas reserves.

(8) The evidence and testimony presented by the applicant indicates that the Dakota and Pictured Cliffs formations within the San Juan 28-6 Unit should be properly classified as "marginal".

(9) In support of its request to except pressure criteria within the Dakota and Pictured Cliffs formations within the San Juan 28-6 Unit, the applicant presented engineering evidence and testimony which indicates that:

c) providing notice to each interest owner within the San Juan 28-6 Unit of subsequent downhole comminglings is unnecessary and is an excessive burden on the applicant;

d) the downhole commingling of wells within the San Juan 28-6 Unit Area will benefit working, royalty, and overriding royalty interest owners. In addition, the downhole commingling of wells within the San Juan 28-6 Unit should not violate the correlative rights of any interest owner;

e) no interest owner appeared at the hearing in opposition to the establishment of a "reference case" or administrative procedure for notice.

(14) An administrative procedure should be established within the San Juan 28-6 Unit for obtaining approval for subsequent downhole commingled wells without notice to Unit interest owners, provided however that, all other provisions contained within Division Rule No. 303.C. are complied with.

(15) Approval of the proposed "reference cases" for marginal economic criteria, pressure criteria, allocation formulas and notice will lessen the burden on the applicant insofar as providing the data required pursuant to Division Rule No. 303.D. and Form C-107-A, will provide the applicant a streamlined method for obtaining downhole commingling approvals within the San Juan 28-6 Unit, and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Burlington Resources Oil & Gas Company to establish a "reference case" for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-6 Unit, San Juan County, New Mexico, is hereby approved.