

29346115 DHC 11/1/00

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

OCT 1 2 2000

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-A  
New 3-12-96

DISTRICT II  
811 South First St., Artesia, NM 88210-2835

**OIL CONSERVATION DIVISION**

2855

APPROVAL PROCESS:  
Administrative  Hearing

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410-1693

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

EXISTING WELLBORE  
 YES  NO

**APPLICATION FOR DOWNHOLE COMMINGLING**

CONOCO, INC.  
Operator

P.O. BOX 2197 DU 3066 HOUSTON, TX 77252  
Address

SAN JUAN 28-7

18

M. SEC.25 T28N R7W

RIO ARRIBA

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

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 016608 API NO. 30-039-07289 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	Basin Fruitland Coal 71629	Blanco P.C. South 72439	Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	2675'-2847' proposed	2859'-2963' proposed	5067'-5724'
3. Type of production (Oil or Gas)	gas expected	gas expected	gas
4. Method of Production (Flowing or Artificial Lift)	expected to flow	expected to flow	flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) * 1,035	a. * 1,044	a. 445
	b. (Original) 1,035	b. 1,044	b. 1,260
6. Oil Gravity (°API) or Gas BTU Content	1,045	1,189	1,250
7. Producing or Shut-In?	to be completed	to be completed	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 and oil/gas/water rates of recent test (within 60 days)	Date: Rates: Est. 150MCFD	Date: Rates: Est. 250MCFD	Date: Rates: Current 95MC
8. Fixed Percentage Allocation Formula - % for each zone	Allocate by test Oil: % Gas: %	Allocate by test Oil: % Gas: %	Allocate by subtraction Oil: % Gas: % Method: %

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  
Have all offset operators been given written notice of the proposed downhole commingling?  Yes  No

11. Will cross-flow occur?  Yes  No Minimal  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). 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 all offset operators.
- \* Notification list of all working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling

\*Current BHP's are expected to be at or near virgin bottom-hole pressure.

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

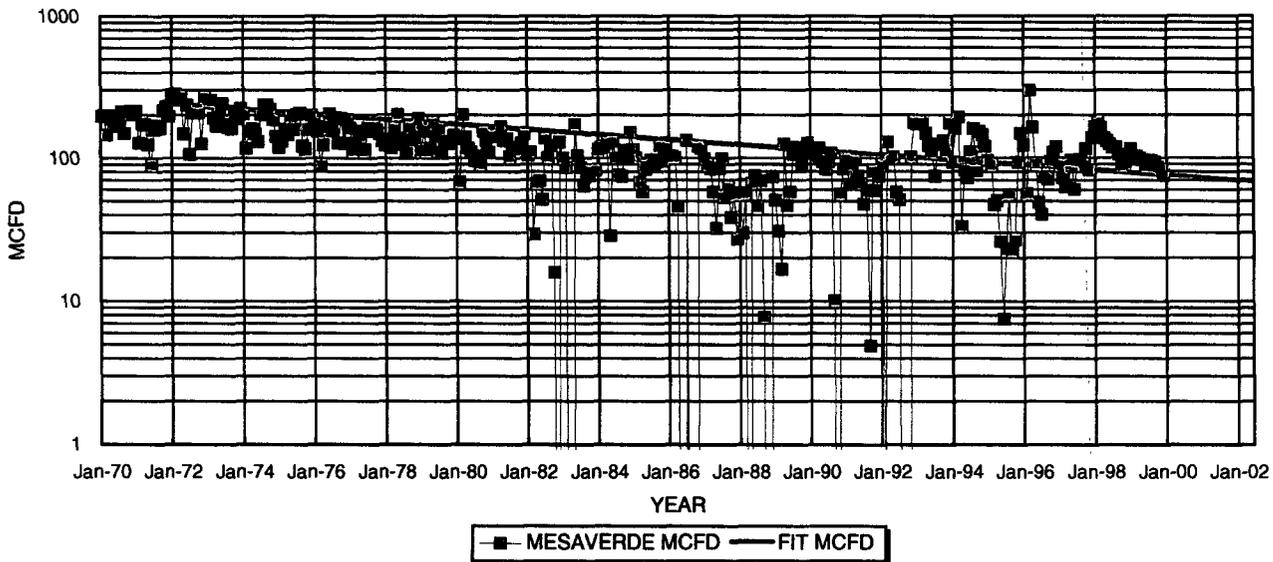
SIGNATURE Deborah Marberry

TITLE REGULATORY ANALYST DATE 07/18/2000

TYPE OR PRINT NAME DEBORAH MARBERRY

TELEPHONE NO. ( ) (281)293-1005

**SJ 28-7 #18 MESAVERDE PRODUCTION  
SECTION 25M-28N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



<b>MESAVERDE PRODUCTION</b>		<b>1ST PROD: 7/56</b>	<b>MESAVERDE PROJECTED DATA</b>	
OIL CUM:	5.39	MBO	Jan.00 Qi:	76 MCFD
GAS CUM:	2145.5	MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0025	BBL/MCF	API #30-039-07289	

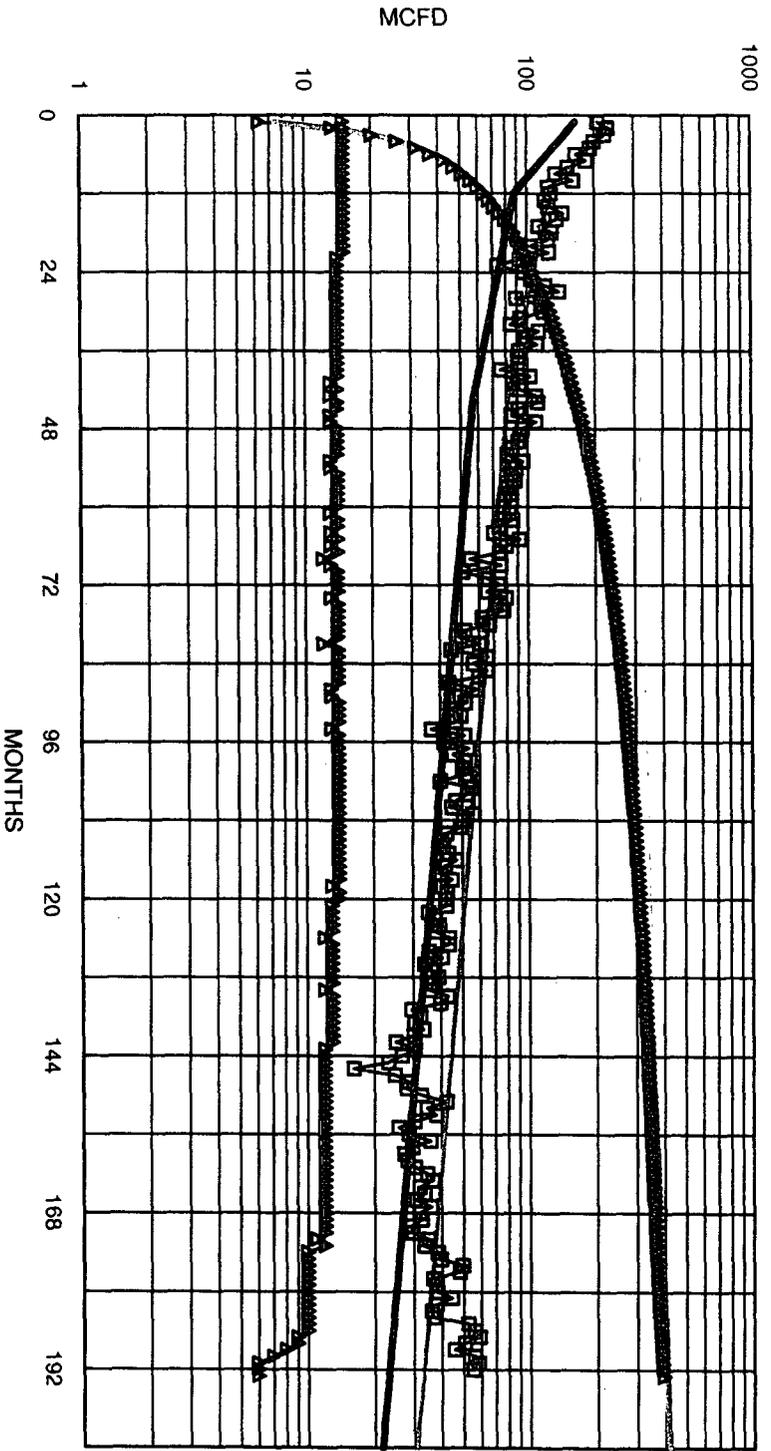
**PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION**

NOTE: Current decline rate is approximately 4.0%/year. This rate is expected to continue for the duration of the well based on production trends observed during the life of this well.

Production data from P/Dwights Plus.

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
2000	75	0.2
2001	72	0.2
2002	69	0.2
2003	66	0.2
2004	64	0.2
2005	61	0.2
2006	59	0.1
2007	56	0.1
2008	54	0.1
2009	52	0.1
2010	50	0.1
2011	48	0.1
2012	46	0.1
2013	44	0.1
2014	42	0.1
2015	41	0.1
2016	39	0.1
2017	37	0.1
2018	36	0.1
2019	34	0.1
2020	33	0.1
2021	32	0.1
2022	31	0.1
2023	29	0.1
2024	28	0.1
2025	27	0.1
2026	26	0.1
2027	25	0.1

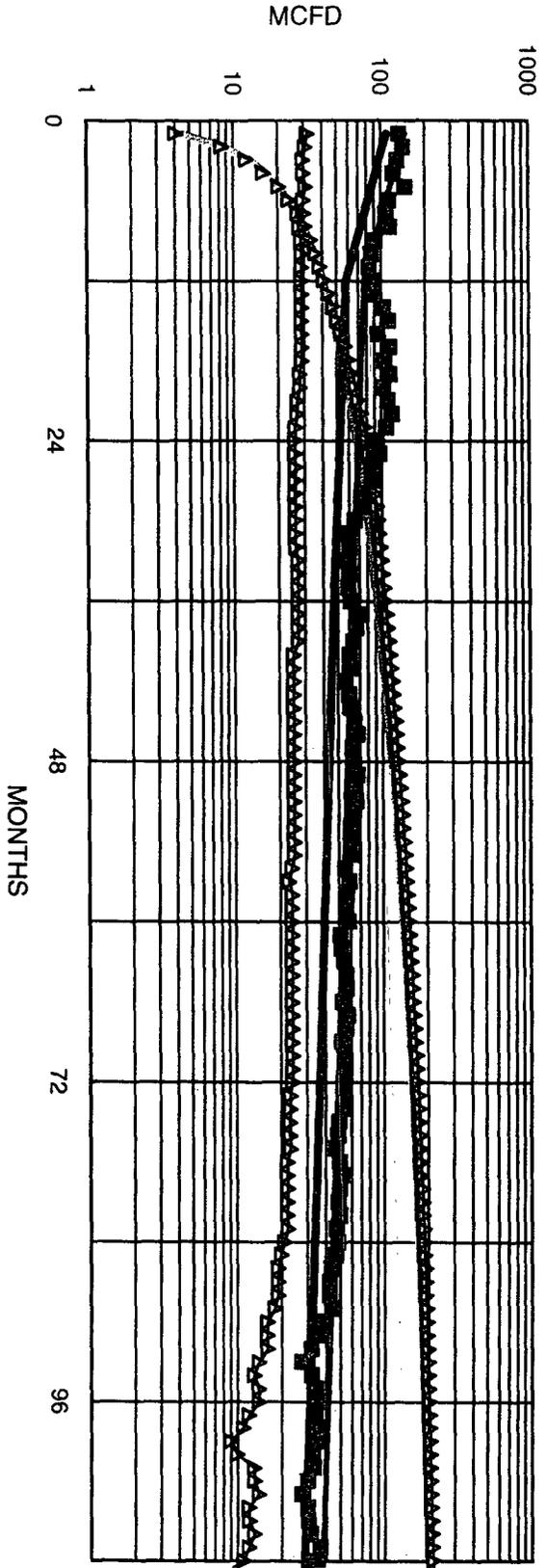
**NORMALIZED PICTURED CLIFFS PRODUCTION  
PROD. SINCE 1980; 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)**



—□— NORMALIZED MCFD —△— NORM CUM MMCF —◇— WELLS ON PRODUCTION ——— FIT CUM MMCF ——— RISKED MCFD ——— FIT MCFD

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**



NORM MCFD   
 
 NORM CUM MMCF   
 
 WELLS ON PRODUCTION   
 
 FIT CUM MMCF   
 
 RISKED MCFD   
 
 FIT MCFD

NORMALIZED AVG: 323 MMCF EUR 300 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield	156 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE	RISKED AVG: <b>25% RISK</b> 231 MMCF EUR 225 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield
116 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 10.0% DECLINE, NEXT 24 MONTHS 8.0% FINAL DECLINE		

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 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised October 18, 1994  
 Instruction on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-07289		<sup>2</sup> Pool Code 72319		<sup>3</sup> Pool Name Blanco Mesaverde	
<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7 #18			<sup>6</sup> Well Number 18
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

<sup>10</sup> Surface Location

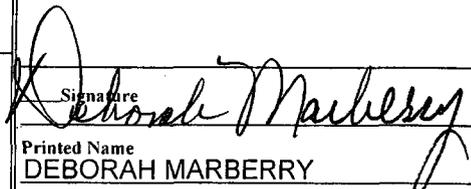
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	28N	7W		990'	SOUTH	990'	WEST	RIO ARRIBA

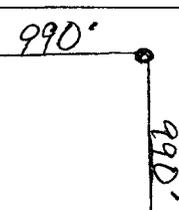
<sup>11</sup> Bottom Hole Location If Different From Surface

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

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code U	<sup>15</sup> 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

16	<sup>17</sup> OPERATOR CERTIFICATION			
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>			
	 Signature Printed Name DEBORAH MARBERRY Title REGULATORY ANALYST Date 08/17/2000			
	<sup>18</sup> SURVEYOR CERTIFICATION			
<i>I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under</i>				
Date of Survey				
Signature and Seal of Professional Surveyer				
Certificate Number				



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<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7 #18			<sup>6</sup> Well Number 18
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

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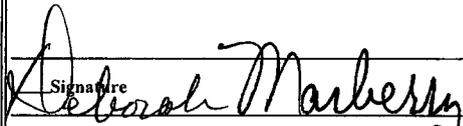
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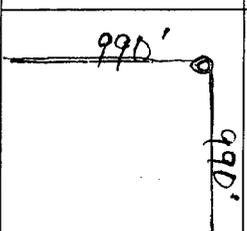
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<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7 #18			<sup>6</sup> Well Number 18
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

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