

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



2916

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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]

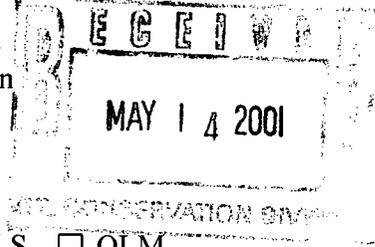
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [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 - Certification**

I hereby certify that I, or personnel under my supervision, have reviewed the 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 (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Eric Dahlgren
 Print or Type Name

Eric Dahlgren
 Signature

Reservoir Engineer
 Title

5/9/01
 Date

ewdahlg@ppco.com
 e-mail Address

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

District II
811 South First Street, Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

PHILLIPS PETROLEUM COMPANY 5525 Hwy 64, Farmington, NM 87401
Operator Address
San Juan 32-8 Unit #46A Unit J, Section 14, T32N, R8W San Juan County
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 017654 Property Code 009261 API No. 30-045-30300 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Albino Pictured Cliffs		Blanco Mesaverde
Pool Code	70120		72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	estimated between 3882' & 4341		estimated between 4341 & 6801
Method of Production (Flowing or Artificial Lift)	flowing		flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	estimated 1414 psig		estimated 1148 psig
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1133		1009
Producing, Shut-In or New Zone	New Zone		New Zone
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: estimated to be Rates: 671 mcf/d after 6 mo	Date: Rates: 	Date: estimated to be Rates: 296 mcf/d after 6 mo
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas estimated to be % 69%	Oil Gas % %	Oil Gas estimated to be % 31 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? w/original Ref. Case Yes No
Are all produced fluids from all commingled zones compatible with each other? Yes No
Will commingling decrease the value of production? Yes No
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: R-11189

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, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Eric Dahlgren TITLE Reservoir Engineer DATE 5/9/01

TYPE OR PRINT NAME Eric Dahlgren TELEPHONE NO. (505) 599-3455



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

May 9, 2001

New Mexico Oil & Gas Conservation Div.
1220 S. St. Francis Drive
Santa Fe, NM 87504

Downhole Commingling Allocation Method
on the San Juan 32-8 Unit #46A

Dear Sirs:

Phillips Petroleum is proposing to commingle the Mesaverde and Pictured Cliffs formations on the subject well. This is a newly drilled well in which neither zone has been completed to date. The Mesaverde will be completed first and production tested for several weeks to several months, whatever time period is necessary to establish a stabilized production rate. A production forecast will be determined on the stabilized production rate.

We will then isolate the Mesaverde interval and the Pictured Cliffs interval will be completed and tested separately for several months and the production forecast will be determined based on the stabilized production rate. When the zones are ready to commingle, Phillips is proposing to utilize the ratio method immediately. We feel this will be most accurate method of allocating production considering the Mesaverde and Pictured Cliffs intervals will both be stabilized before commingling occurs.

Attached are production forecasts for both zones based on near by production. Before the Mesaverde and Pictured Cliffs zones for this well are commingled Phillips will submit the final production forecasts based on actual production.

Sincerely,
PHILLIPS PETROLEUM COMPANY

A handwritten signature in cursive script, appearing to read "Eric W. Dahlgren".

Eric W. Dahlgren
Reservoir Engineer

EWD/pc

cc: OCD - Aztec
 BLM- Farmington
 NM Commissioner Of Public Lands - Santa Fe

District I
 811 Main (1908, Hobbs, NM 88241-1908)
 District II
 811 South First, Artesia, NM 88210
 District III
 1600 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-1C
 Revised October 18, 1995
 Instructions 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

200 JUL 14 PM 1:43

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-30300		2 Pool Code 70120		3 Pool Name Albino Pictured Cliffs	
4 Property Code 009261		5 Property Name SAN JUAN 32-8 UNIT			6 Well Number 46A
7 OGRID No. 017654		8 Operator Name PHILLIPS PETROLEUM COMPANY			9 Elevation 7144'

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
J	14	32N	8W		1895'	SOUTH	1810'	EAST	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
J									

12 Dedicated Acres 160 SE/4	13 Joint or Infill Y	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

16	N88°18'W	5184.96'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
	Section 14 / 1 1 1		
5285.94'			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.
		1810'	05/31/00 Date of Survey
N00°06'W		1895'	Signature and Seal of Public Surveyor: <i>Henry P. ...</i> HENRY P. ... NEW MEXICO 11393 REGISTRAR Certificate Number
	N88°34'W	5194.86'	079380 SF- ... 960.0 acres

District I
 811 Max 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Abo, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-107
 Revised October 18, 1992
 Instructions on back
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 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

200 JUN 14 PM 1:48 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-045-30300		* Pool Code 72319	* Pool Name Blanco Mesaverde
* Property Code 009261	* Property Name SAN JUAN 32-8 UNIT		* Well Number 46A
* OGRID No. 017654	* Operator Name PHILLIPS PETROLEUM COMPANY		* Elevation 7144'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	14	32N	8W		1895'	SOUTH	1810'	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

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

* Dedicated Acres 320 E/2	* Joint or Infill Y	* Consolidation Code U	* Order No.
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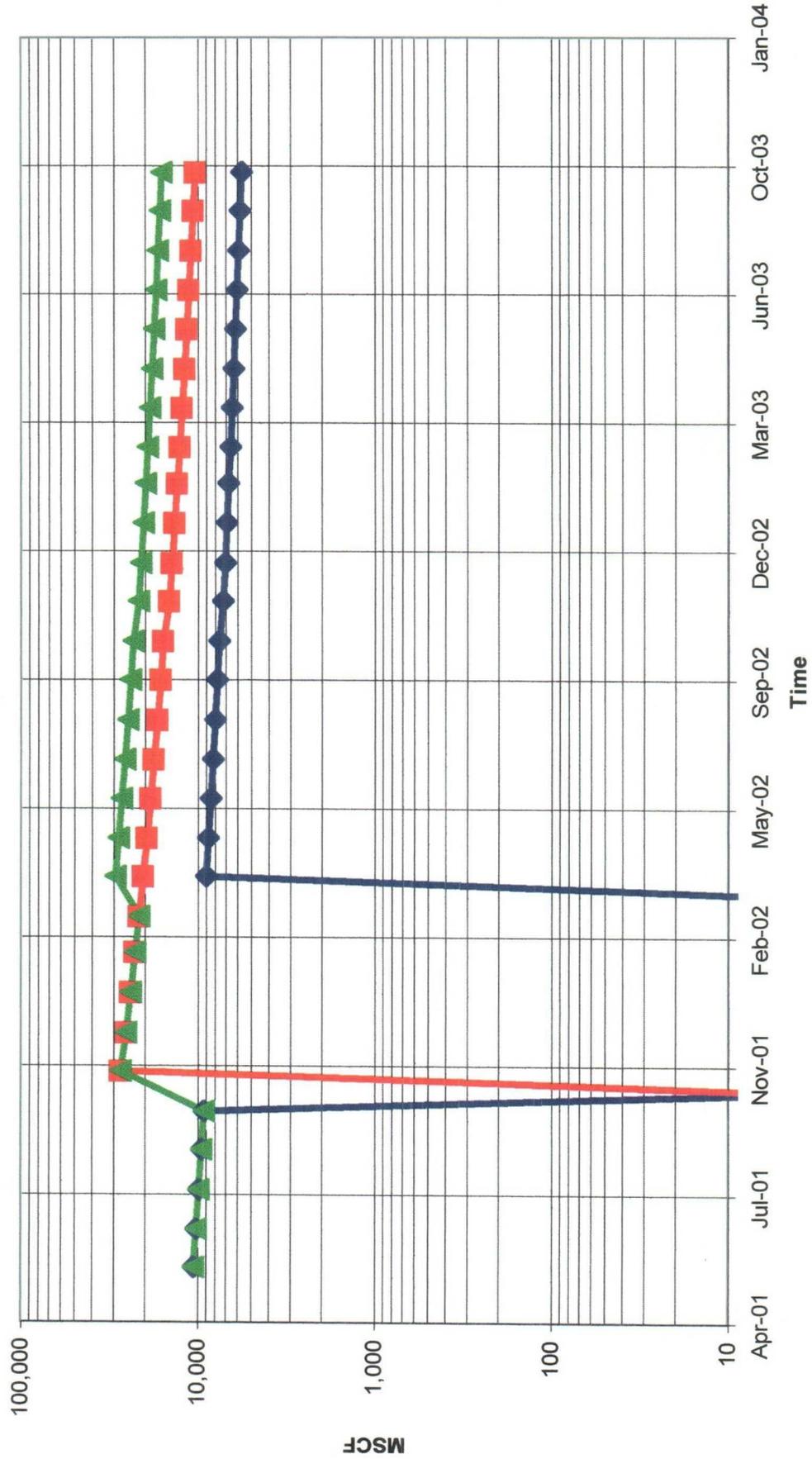
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	N88°18'W	5184.96'	5285.94'	Section 14	1895'	1810'	5257.56'	17 OPERATOR CERTIFICATION	
								I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
								Signature <i>Patsy Clugston</i>	
								Printed Name Patsy Clugston Sr. Regulatory/Proration Clerk Title July 13, 2000 Date	
N00°06'W	N88°34'W	5194.86'	N00°12'W	960.0 acres	079380 SF- 000338	1895'	1810'	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 05/31/00	
								Signature and Title of Professional Surveyor: <i>Henry P. Broadhead, Jr.</i> REGULATORY SURVEYOR NEW MEXICO 11393 Certificate No. 11393	

32-8 #46A Production Summary

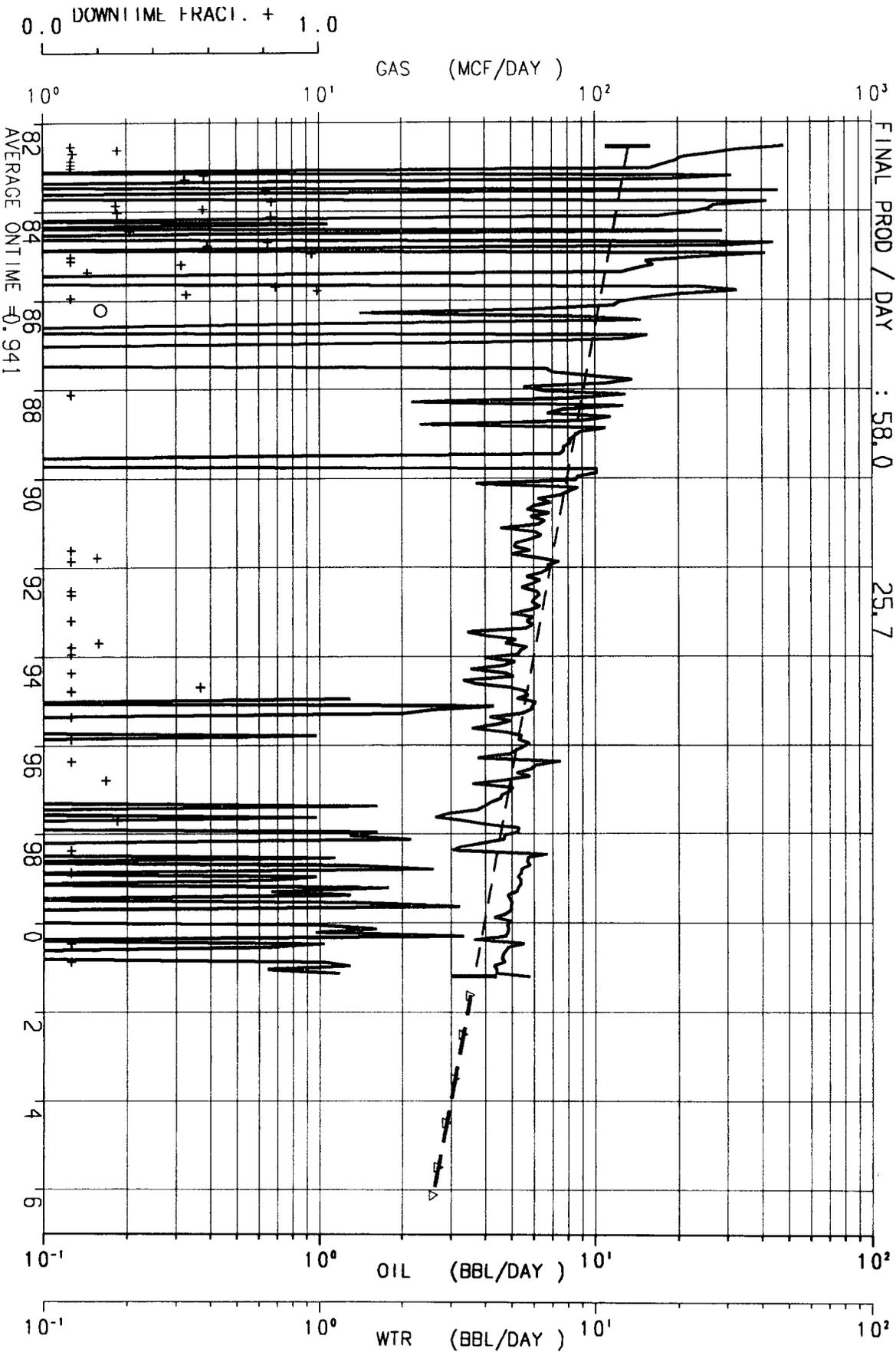
Date	Mesaverde		Pictured Cliffs		Total	
	MSCF/D	MSCF/M	MSCF/D	MSCF/M	MSCF/D	MSCF/M
Jun-01	350	10,651	0	0	350	10,651
Jul-01	338	10,276	0	0	338	10,276
Aug-01	326	9,927	0	0	326	9,927
Sep-01	316	9,601	0	0	316	9,601
Oct-01	305	9,295	0	0	305	9,295
Nov-01	0	0	900	27,387	900	27,387
Dec-01	0	0	843	25,637	843	25,637
Jan-02	0	0	792	24,098	792	24,098
Feb-02	0	0	747	22,733	747	22,733
Mar-02	0	0	707	21,514	707	21,514
Apr-02	296	9,009	671	20,420	967	29,428
May-02	287	8,739	639	19,431	926	28,170
Jun-02	279	8,486	609	18,534	888	27,019
Jul-02	271	8,246	582	17,715	853	25,962
Aug-02	264	8,020	558	16,966	821	24,986
Sep-02	257	7,806	535	16,278	791	24,084
Oct-02	250	7,603	514	15,644	764	23,246
Nov-02	237	7,227	477	14,512	714	21,739
Dec-02	232	7,052	460	14,006	692	21,058
Jan-03	226	6,886	445	13,534	671	20,420
Feb-03	221	6,728	430	13,092	651	19,820
Mar-03	216	6,576	417	12,678	633	19,255
Apr-03	211	6,431	404	12,290	615	18,722
May-03	207	6,293	392	11,925	599	18,218
Jun-03	202	6,160	381	11,581	583	17,741
Jul-03	198	6,033	370	11,256	568	17,289
Aug-03	194	5,911	360	10,949	554	16,860
Sep-03	190	5,794	350	10,658	541	16,452
Oct-03	187	5,681	341	10,382	528	16,064

32-8 #46A
Monthly Gas Production



Legend:
◆ Mesaverde
■ Pictured Cliffs
▲ Total Gas Stream

INITIAL PROD / DAY	: 133.1	7/82-3/1	4/1-LIFE	36.3	ASSOC.	0.0	Current Curns
REMAINING LIFE	: 18.75			5.00			426832. MCF GAS
EXP (0.00) DECL %	: 7.36			52670.			5. BBL OIL
CUM PRODUCTION	: 426832.			25.7			1398. BBL WTR
FINAL PROD / DAY	: 58.0						

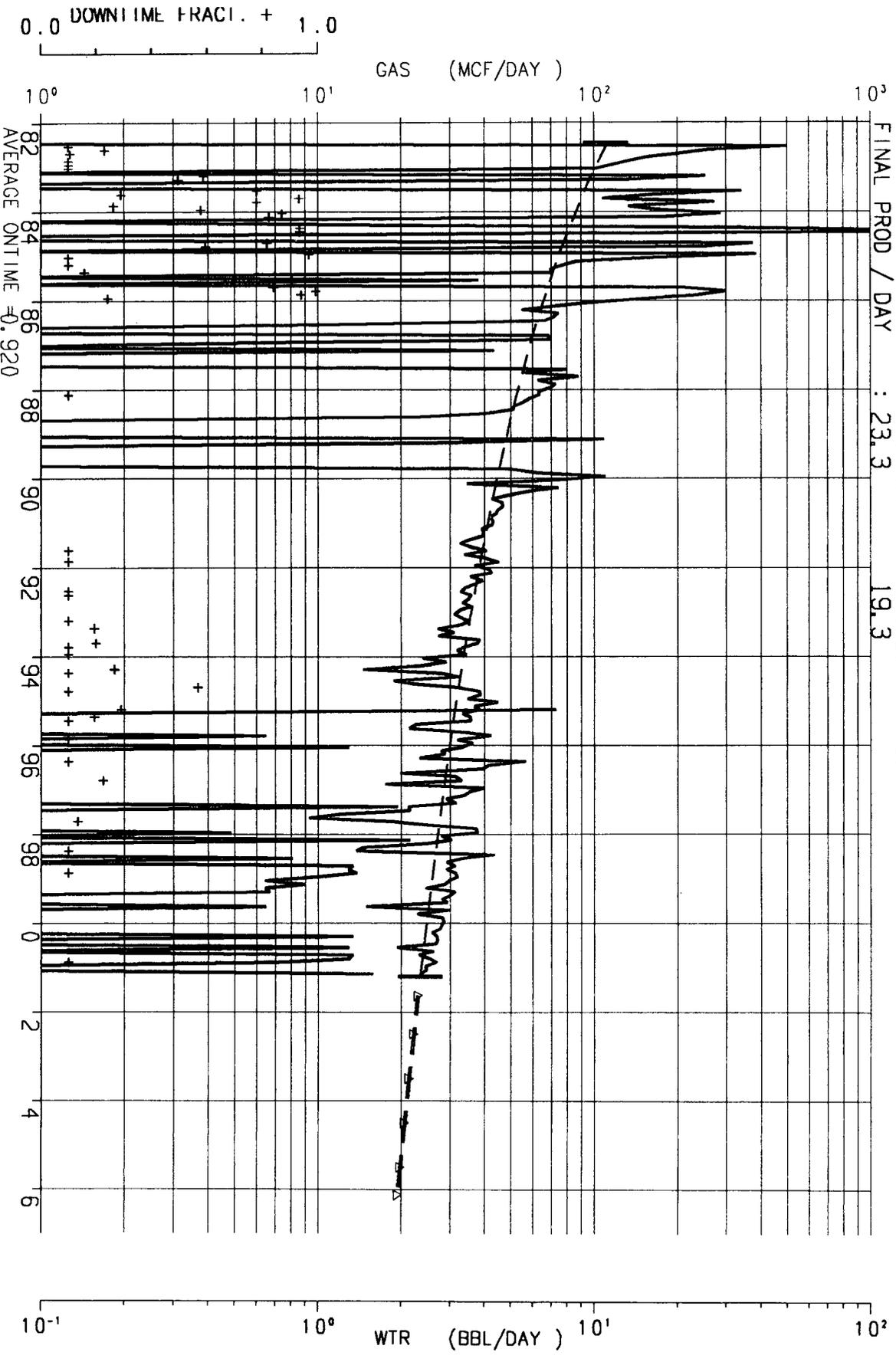


AVERAGE ONTIME = 0.941

LEASE- 650117 : SAN JUAN 32-8 MESA VERDE
 RESVR- 002 : BLANCO MESAVERDE
 WELL - 000045 CUM MCF = 426839.

F012002
 ZONE-650117002000045 F012002
 API-30045251280000 THRU 2/01

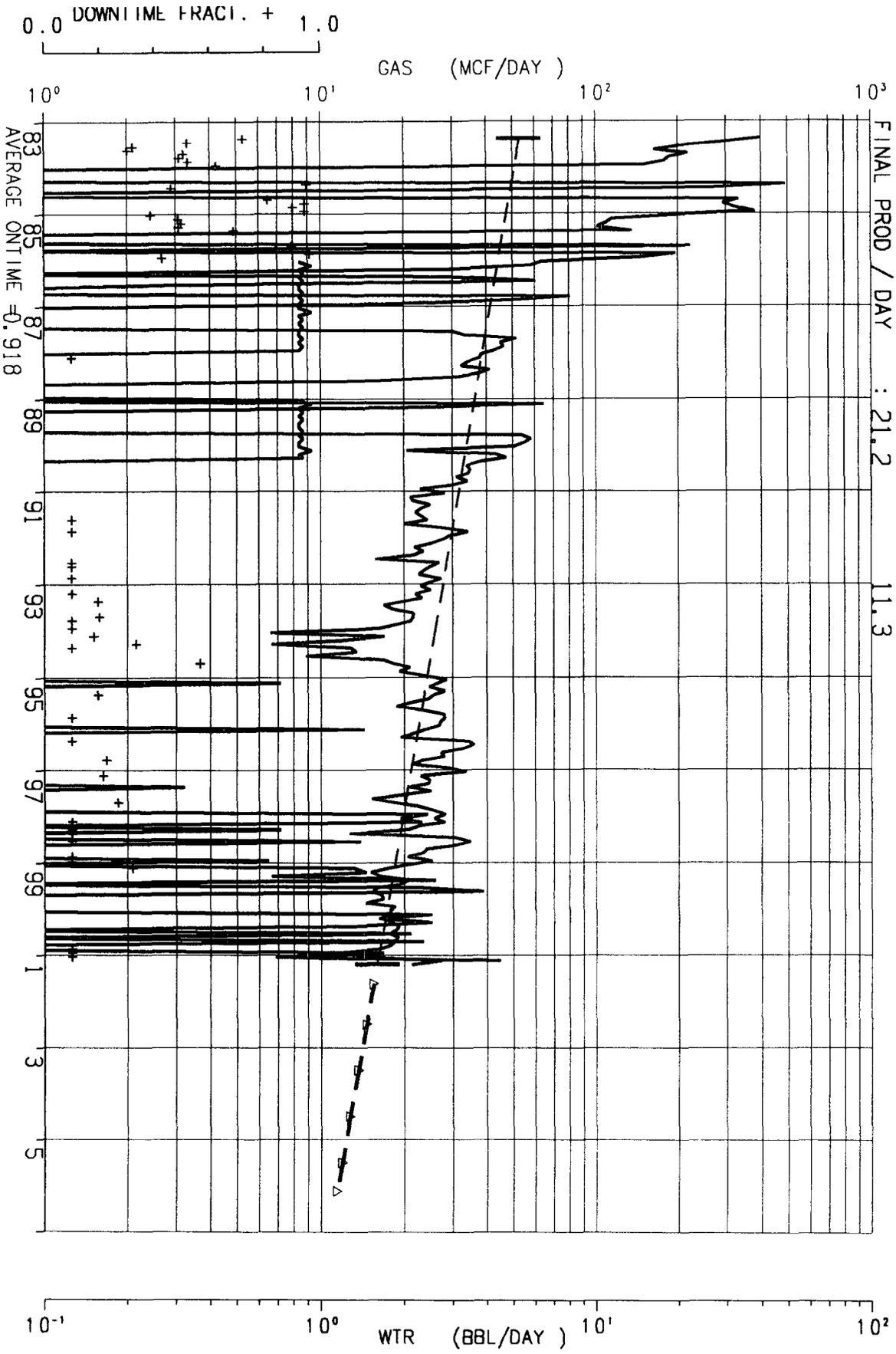
INITIAL PROD / DAY : 6/82-3/1 113.2
 REMAINING LIFE : 4/1-LIFE 23.3
 HARM(1.00) DECL % : 18.83
 CUM PRODUCTION : 22.23
 FINAL PROD / DAY : 23.3
 ASSOC. : 0.0
 Current Cums : 277338. MCF GAS
 859. BBL WTR



LEASE - 650117 : SAN JUAN 32-8 MESA VERDE
 RESVR - 002 : BLANCO MESAVERDE
 WELL - 000046 CUM MCF = 277462.

F050402
 ZONE-650117002000046 F050402
 API-30045251270000 THRU 2/01

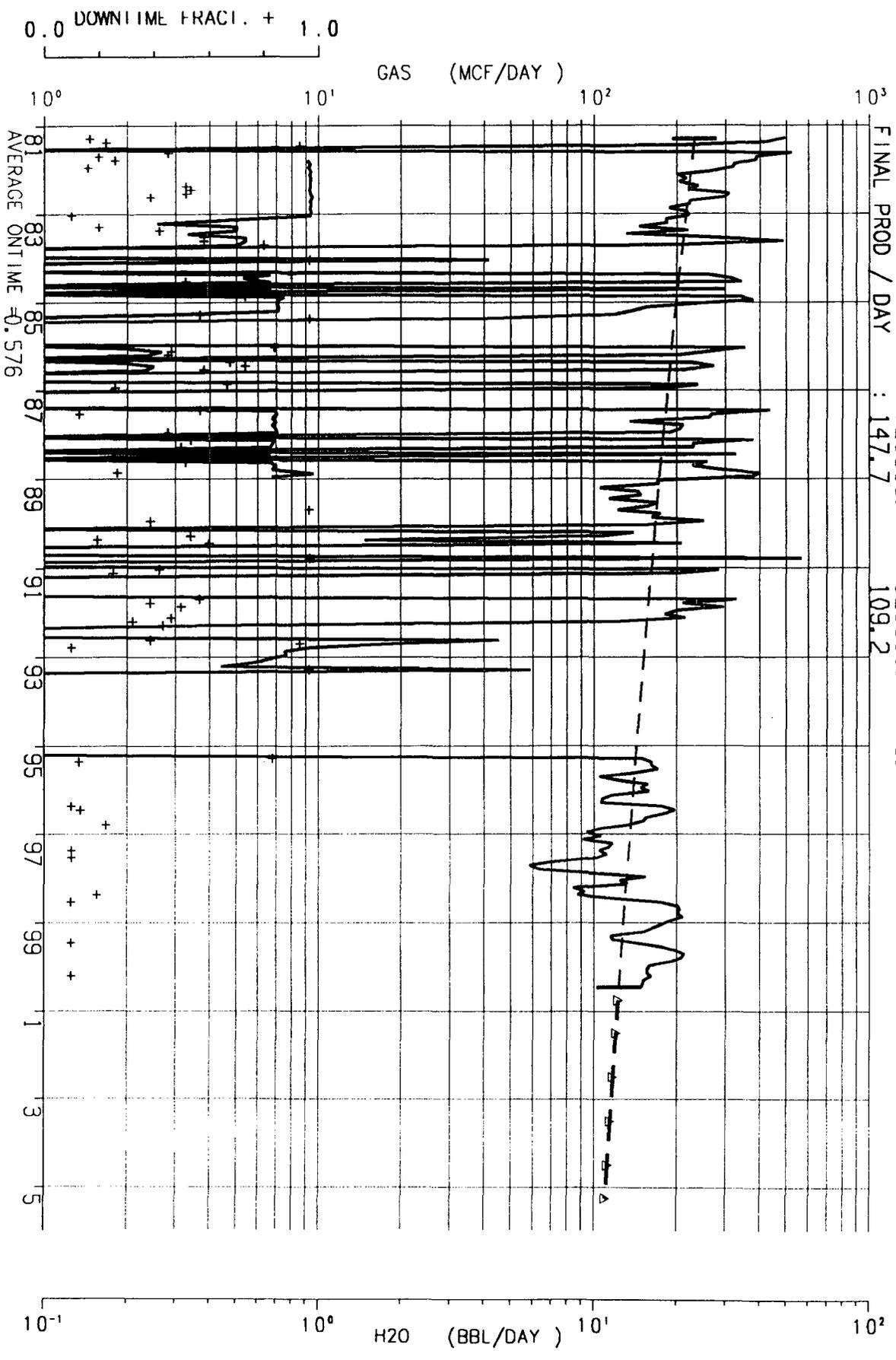
INITIAL PROD / DAY	: 5/83-3/1	4/1-LIFE	ASSOC.	Current Cums
REMAINING LIFE	: 53.2	15.9	0.0	175792. MCF GAS
EXP (0.00) DECL %	: 17.92	5.00		
CUM PRODUCTION	: 7.35	7.35		2310. BBL WTR
FINAL PROD / DAY	: 175792.	22570.	0.	
	: 21.2	11.3		



LEASE- 650117 : SAN JUAN 32-8 MESA VERDE
 RESVR- 002 : BLANCO MESAVERDE
 WELL - 000049 CUM MCF = 175871.

F049301
 ZONE-650117002000049 F049301
 API-30045253940000 THRU 2/01

INITIAL PROD / DAY	4/81-6/0	7/0-LIFE	SSOC.	Current Cums
REMAINING LIFE	: 232.5	123.1	v. 0	720089. MCF GAS
HYPR(0.89) DECL %	: 19.25	5.00		
CUM PRODUCTION	: 720089.	4.38		869. BBL H2O
FINAL PROD / DAY	: 147.7	121811.	0.	
		109.2		



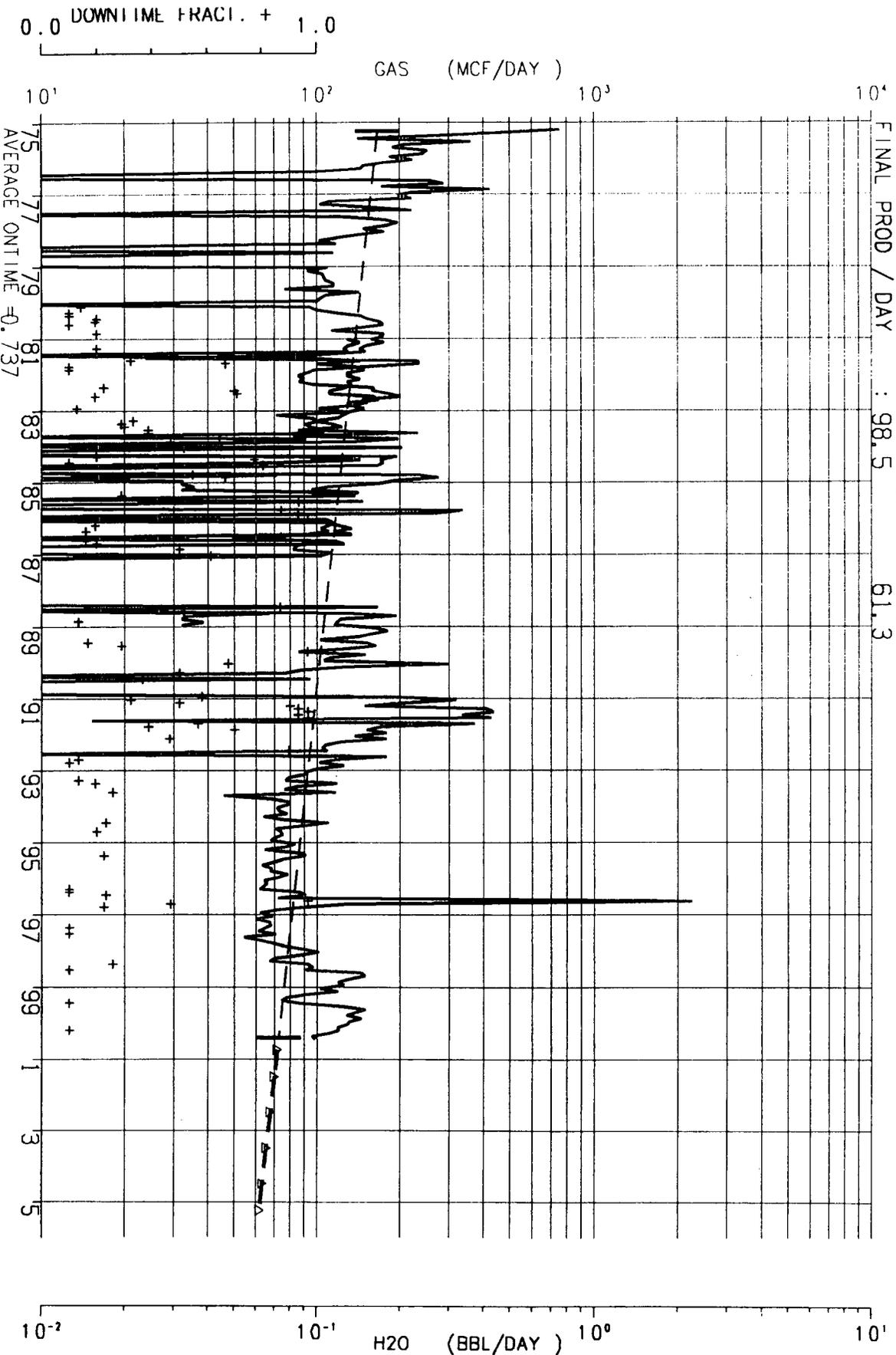
AVERAGE ONTIME = 0.576

WELL - 6
 REESE MESA
 BLANCO
 CUM MCF=720371. N 32.0W 8.0

DWIGHTS A
 P1-230043045236227231
 BURLINGTON RESOURCES THRU 6/00

See 10

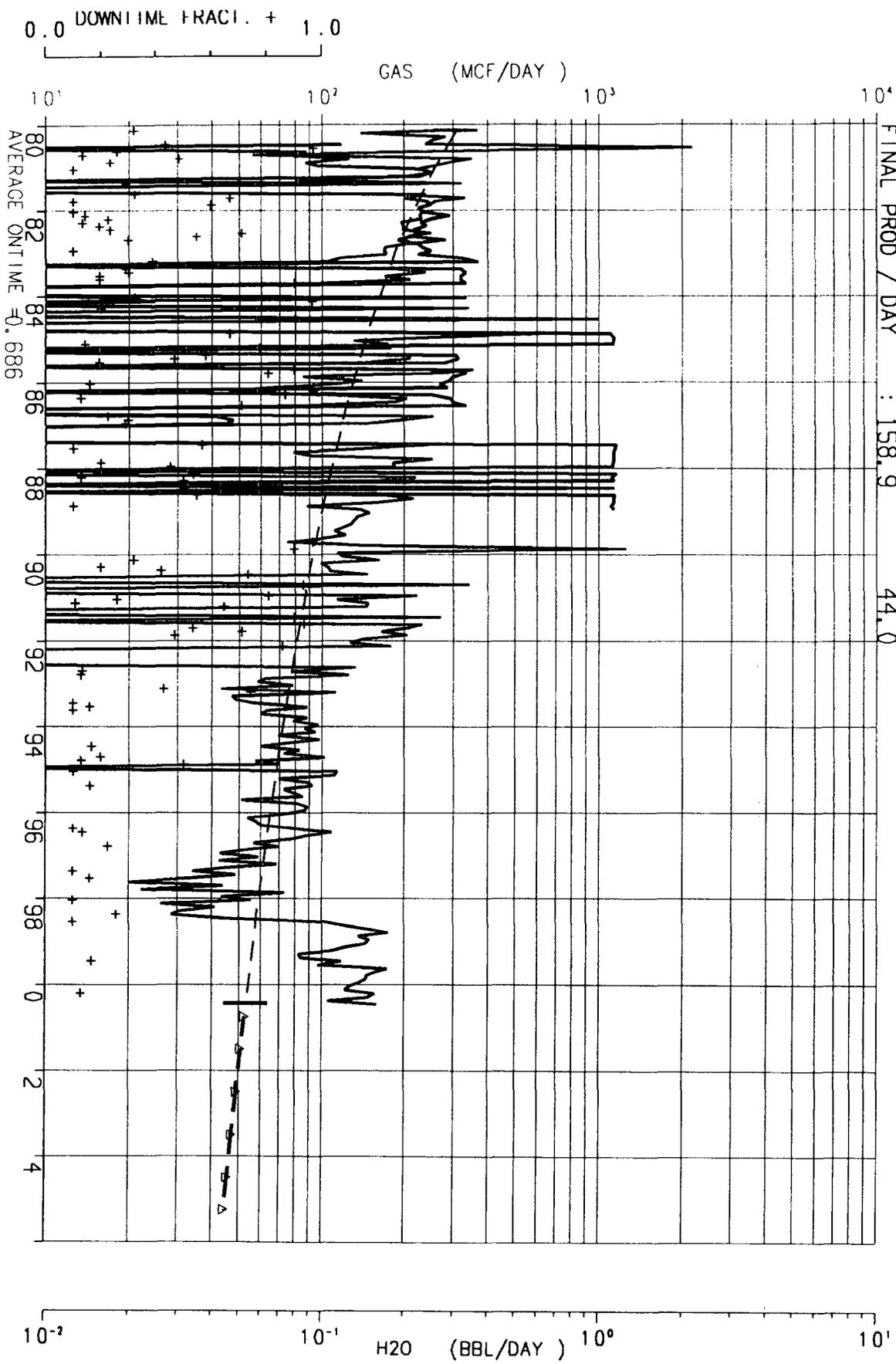
INITIAL PROD / DAY	: 3/75-6/0	7/0-LIFE	72.3	^SSOC.	0.0	Current Cums	877076. MCF GAS
REMAINING LIFE	: 166.9		5.00				
EXP (0.00) DECL %	: 25.33		4.48				
CUM PRODUCTION	: 4.48		89615.			148.	BBL H2O
FINAL PROD / DAY	: 877076.		61.3		0.		
	: 98.5						



WELL - 4
 REESE MESA
 BLANCO
 CUM MCF=877277. N 32.0W 8.0
 MESAVERDE
 DWIGHTS A
 P1-230043045213017231 API-300452130100
 BURLINGTON RESOURCES THRU 6/00

mv/dk
See 1-1

INITIAL PROD / DAY	: 313.8	2/80-6/0	7/0-LIFE	52.9	ASSOC.	0.0	Current Cums	663855. MCF GAS
REMAINING LIFE	: 20.42			5.00				
HARM(1.00) DECL %	: 35.16			5.93				
CUM PRODUCTION	: 663855.			60355.				814. BBL H2O
FINAL PROD / DAY	: 158.9			44.0				



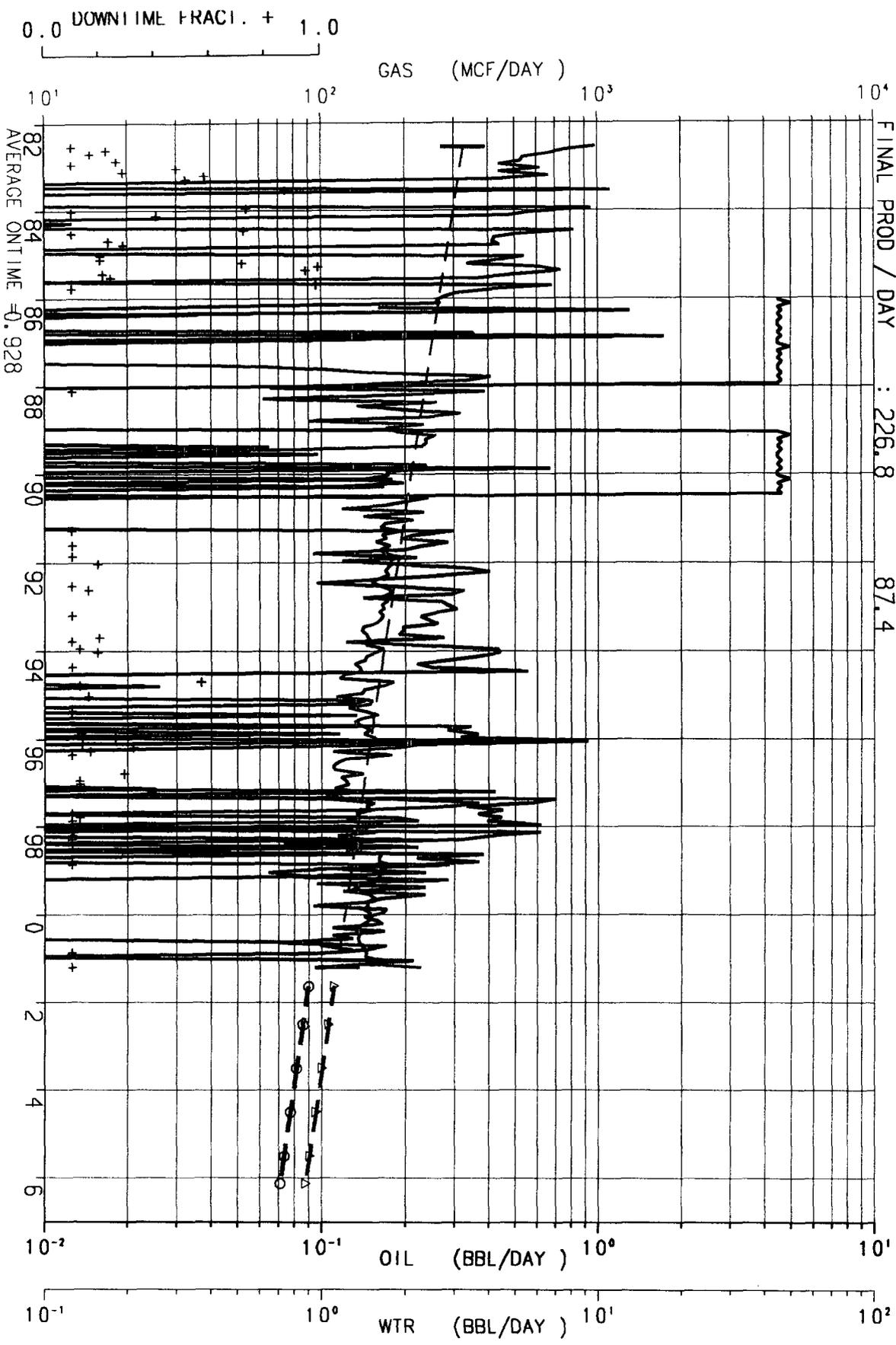
WELL - 2A
 REESE MESA
 BLANCO
 CUM MCF=664043. N 32.0W 8.0
 MESAVERDE
 DWIGHTS A
 P1-230043045231357231 AP1-300452313500
 BURLINGTON RESOURCES THRU 6/00

MV/PL Sec 11

7/82-3/1 4/1-LIFE ASSOC. Current Cums

INITIAL PROD / DAY : 328.2
 REMAINING LIFE : 18.75
 HYPR(0.14) DECL % : 6.59
 CUM PRODUCTN-MUNITS : 1101.
 FINAL PROD / DAY : 226.8

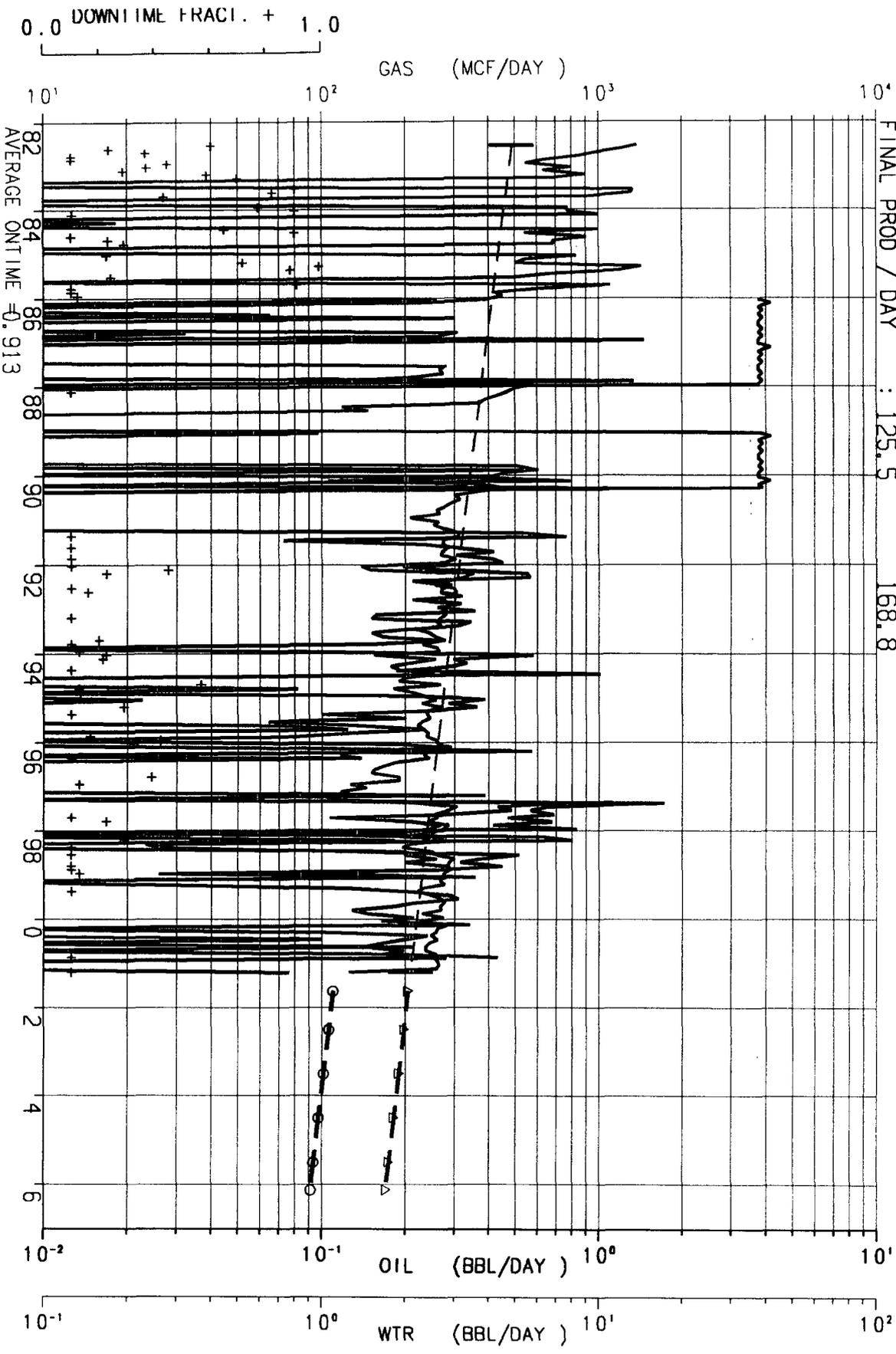
113.2 0.1 1101. MCMF GAS
 5.00 787. BBL OIL
 5.69 59404. BBL WTR
 169.
 87.4



LEASE - 650118 : SAN JUAN 32-8 PICTURED CLIFFS
 RESVR - 011 : ALBINO PICTURED CLIFFS
 WELL - 000045 CUM MCMF = 1101.

F012001
 ZONE-650118011000045 F012001
 API-30045251280000 THRU 2/01

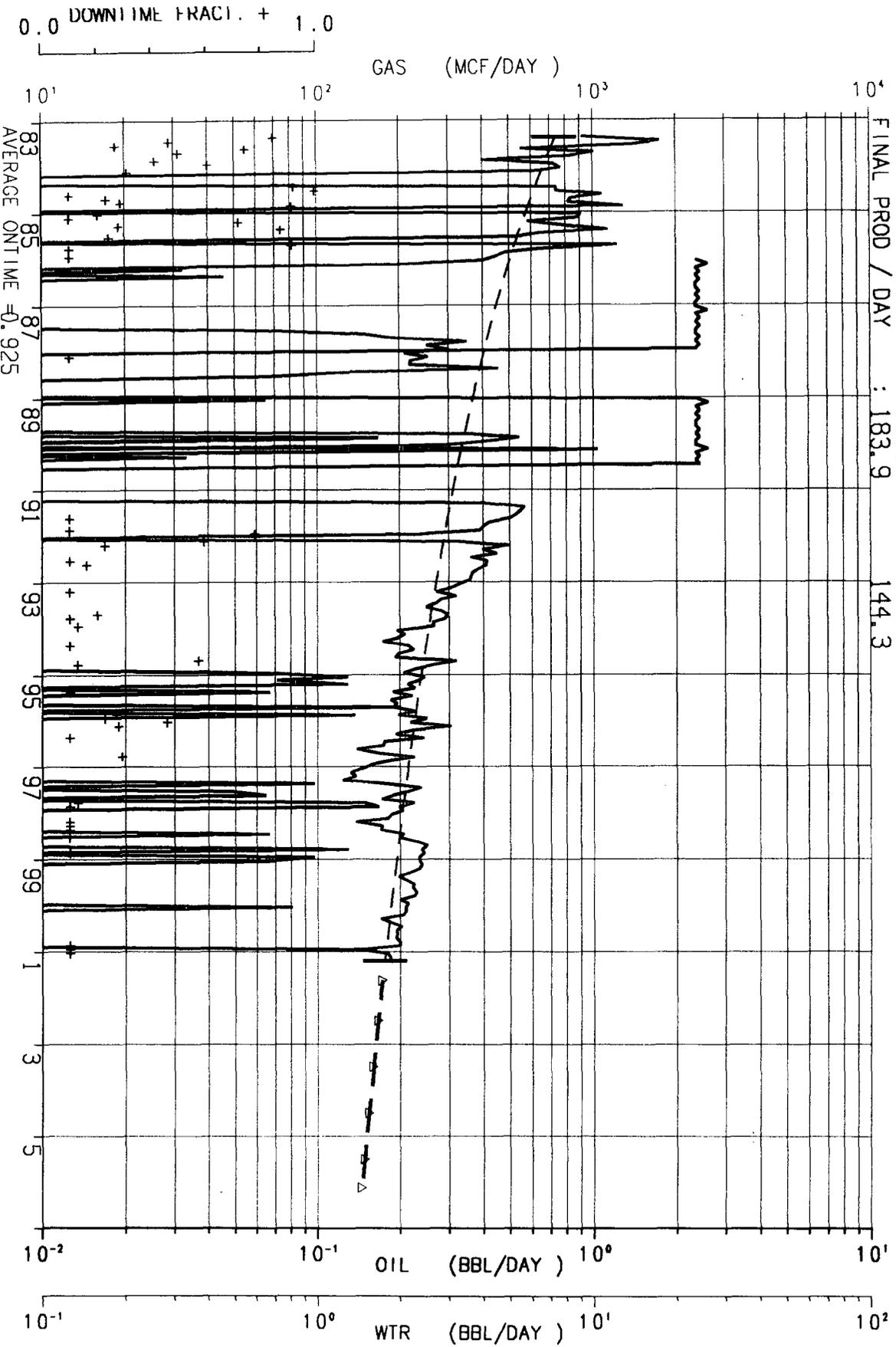
7/82-3/1 4/1-LIFE ASSOC. Current Cums
 INITIAL PROD / DAY : 490.5 208.1 0.1 1610. MMCF GAS
 REMAINING LIFE : 18.75 5.00 976. BBL OIL
 HYPR(0.17) DECL % : 5.38 4.67 49546. BBL WTR
 CUM PRODUCTN-MUNITS : 1610. 313.
 FINAL PROD / DAY : 125.5 168.8 0.



LEASE- 650118 : SAN JUAN 32-8 PICTURED CLIFFS
 RESVR- 011 : ALBINO PICTURED CLIFFS
 WELL - 000046 CUM MMCF = 1610.

F050401
 ZONE-650118011000046 F050401
 API-30045251270000 THRU 2/01

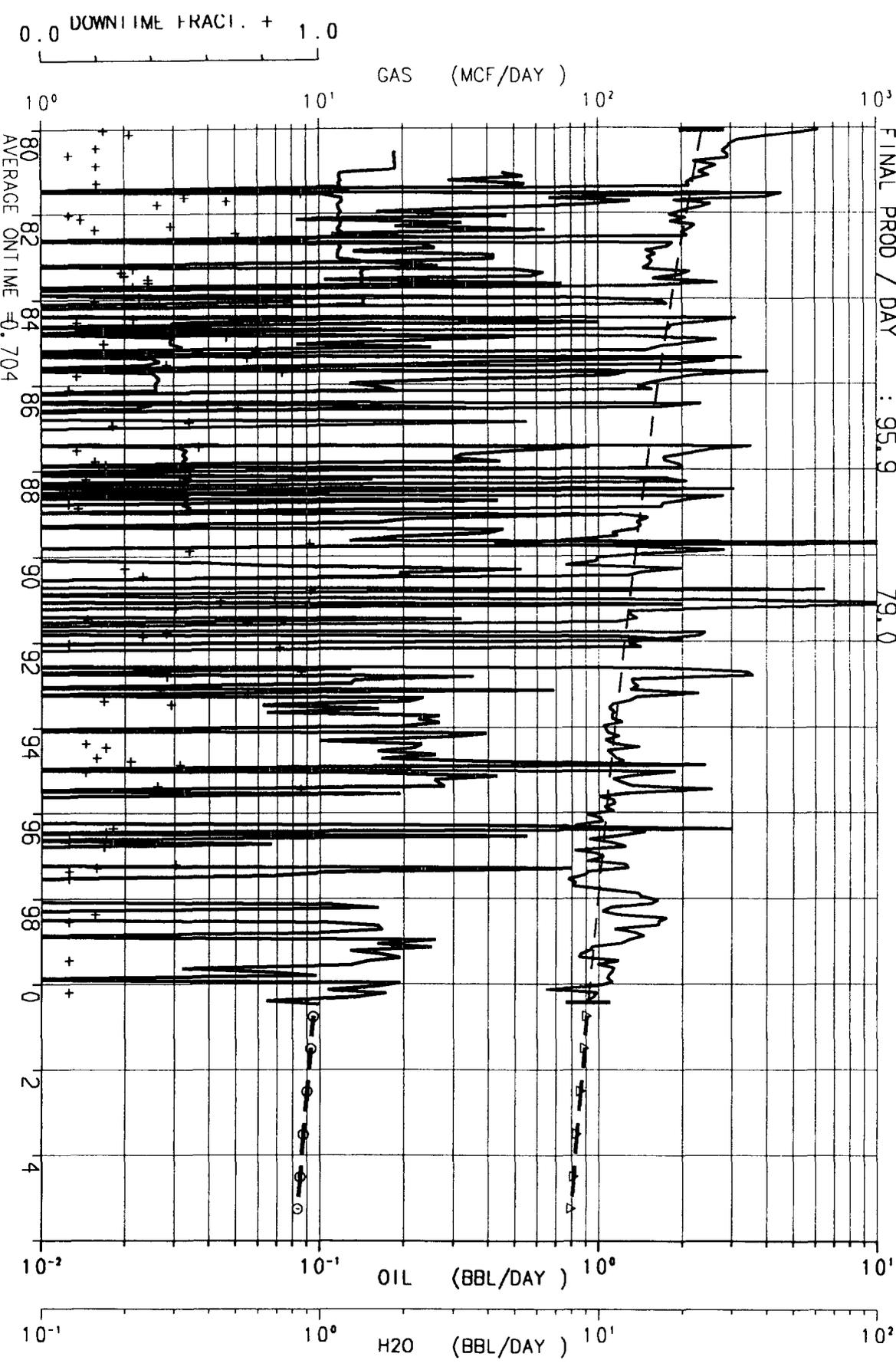
INITIAL PROD / DAY	: 744.9	5/83-3/1	4/1-LIFE	175.1	ASSOC.	0.0	Current Cumms
REMAINING LIFE	: 17.92			5.00			1399. MMCF GAS
HARM(1.00) DECL %	: 19.63			4.62			38. BBL OIL
CUM PRODUCTN-MUNITS	: 1399.			268.			31220. BBL WTR
FINAL PROD / DAY	: 183.9			144.3			



LEASE - 650118 : SAN JUAN 32-8 PICTURED CLIFFS
 RESVR - 011 : ALBINO PICTURED CLIFFS
 WELL - 000049 CUM MMCF = 1399.

F049302
 ZONE-650118011000049 F049302
 API-50045253940000 THRU 2/01

INITIAL PROD / DAY	: 237.5	1/80-6/0	7/0-LIFE	91.5	SSOC	Current Cums
REMAINING LIFE	: 20.50			5.00	0.1	821994. MCF GAS
HYPR(0.89) DECL %	: 10.42			4.46		1216. BBL OIL
CUM PRODUCTION	: 821994.			109086.	80.	1616. BBL H2O
FINAL PROD / DAY	: 95.9			79.0		

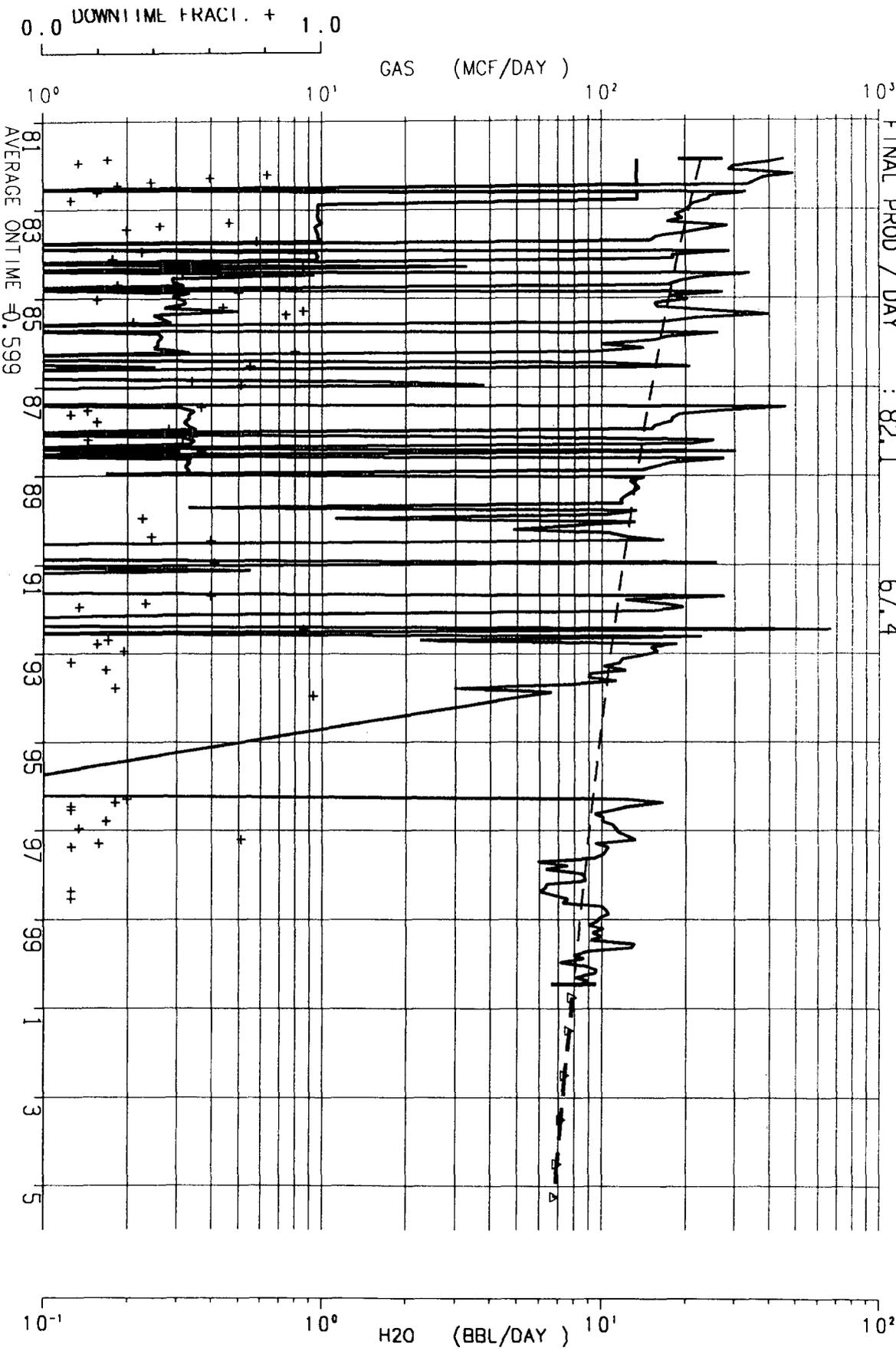


AVERAGE ONTIME = 0.704

WELL - 2A
 REESE MESA
 ALBINO
 CUM MCF=822173. N 32.0W 8.0
 PICTURED CLIFFS

DWIGHTS A
 P1-230043045231357012 API-300452313500
 BURLINGTON RESOURCES THRU 6/00

INITIAL PROD / DAY	: 229.6	11/81-6/0	7/0-LIFE	79.2	SSOC	0.0	Current Cums
REMAINING LIFE	: 18.67			5.00			573675. MCF GAS
HARM(1.00) DECL %	: 16.97			5.85			3974. BBL H2O
CUM PRODUCTION	: 573675.			79839.			
FINAL PROD / DAY	: 82.1			67.4			

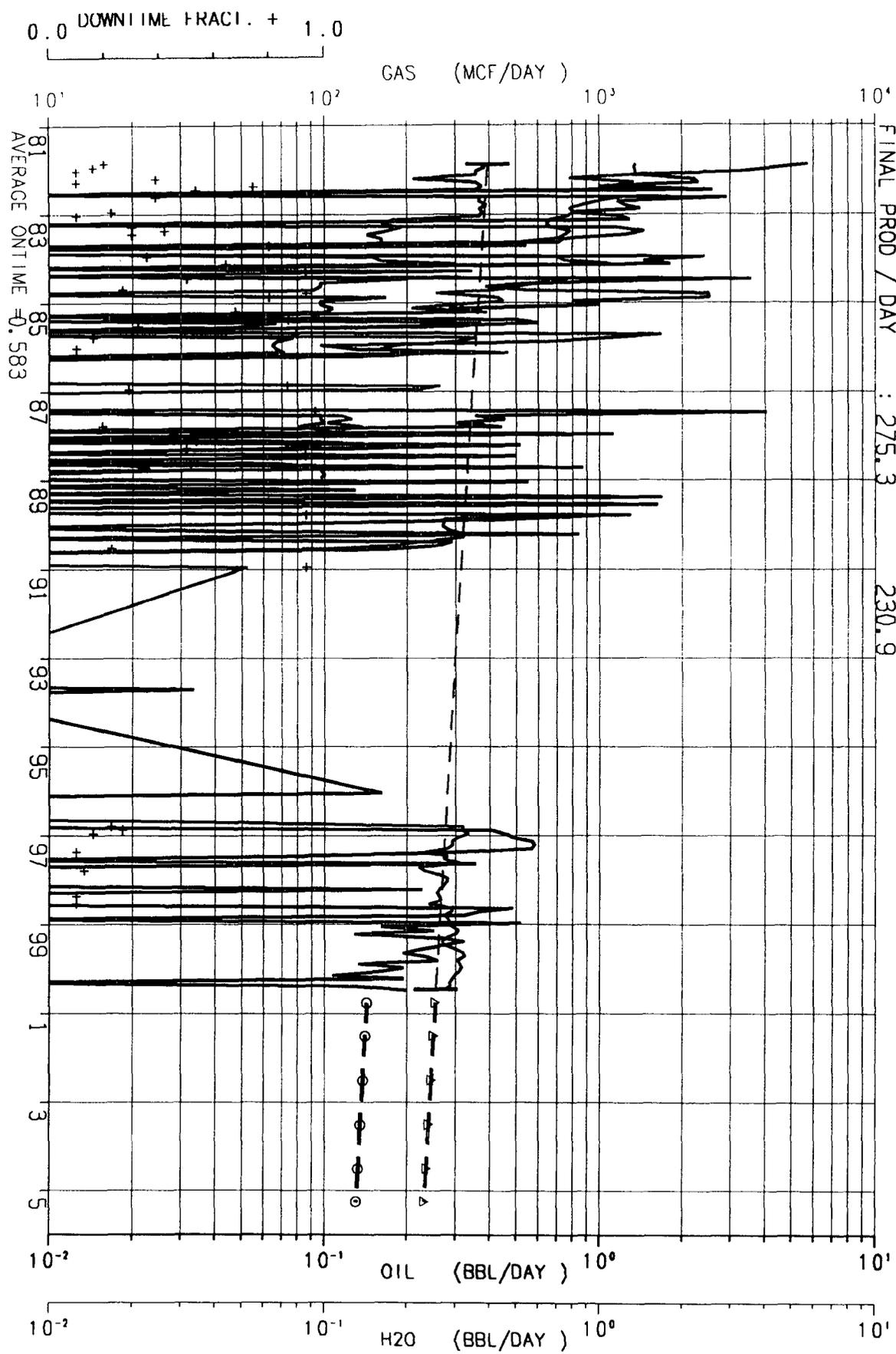


AVERAGE ONTIME = 0.599

WELL - 9
 REESE MESA
 ALBINO
 CUM MCF=573779. N 32.0W 8.0
 PICTURED CLIFFS

DWIGHTS A
 P1-230043045247107012 API-300452471000
 BURLINGTON RESOURCES THRU 6/00

11/81-6/0 7/0-LIFE 'SSOC. Current Cums
 INITIAL PROD / DAY : 395.4 255.1 v.1 1175. MMCF GAS
 REMAINING LIFE : 18.67 5.00 1879. BBL OIL
 HYPR(O.61) DECL % : 4.61 3.53 233. BBL H2O
 CUM PRODUCTN-MUNITS : 1175. 258. 0.
 FINAL PROD / DAY : 275.3 230.9



WELL - 7
 REESE MESA
 ALBINO
 CUM MMCF = 1176. N 32.0W 8.0
 PICTURED CLIFFS

DWIGHTS A
 P1-230043045247097012 API-300452470900
 BURLINGTON RESOURCES THRU 6/00