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7/5/01

District I  
1625 N. French Drive, Hobbs, NM 68240

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**

APPLICATION TYPE  
Single Well

District III  
1000 Rio Brazos Road, Aztec, NM 87410

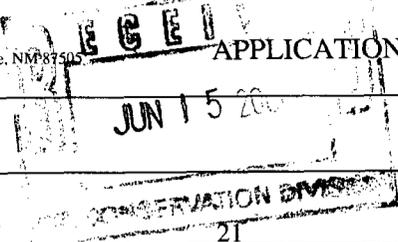
2040 South Pacheco  
Santa Fe, New Mexico 87505

Established Pre-Approved Pools

District IV  
2040 South Pacheco, Santa Fe, NM 87505

**APPLICATION FOR DOWNHOLE COMMINGLING**

EXISTING WELLBORE  
 Yes  No



CONOCO, INC. P.O. BOX 2197 DU 3084 HOUSTON TX 77252

Operator Address

SAN JUAN 28-7 2I N 9 28N 7W RIO ARRIBA

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 005073 Property Code 016608 API No. 30-039-07449 Lease Type  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL	BLANCO PICTURED CLIFFS	BLANCO MESAVERDE
Pool Code	71629	72359	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3182' - 3336' PROPOSED	3340' - 3390' PROPOSED	4988' - 5648'
Method of Production (Flowing of Artificial Lift)	EXPECTED TO FLOW	EXPECTED TO FLOW	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)	1,035	1,044	400 (current) 1250(orig)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1,045	1,189	1,250
Producing, Shut-in or New Zone	NEW ZONE	NEW ZONE	PRODUCING
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: EST. 120MCFPD	Date: Rates: EST. 62MCFPD	Date: Rates: CURRENT 75MCFPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or part production, supporting data or explanation will be required.)	Oil Gas % Test %	Oil Gas % Test %	Oil Gas % Subtraction %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingling zones? Yes  No   
If not, have all working royalty and overriding royalty interest owners been notified by certified mail? Yes  No

Are all produced fluids from all commingling 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-11363; R-10476-B

- 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:

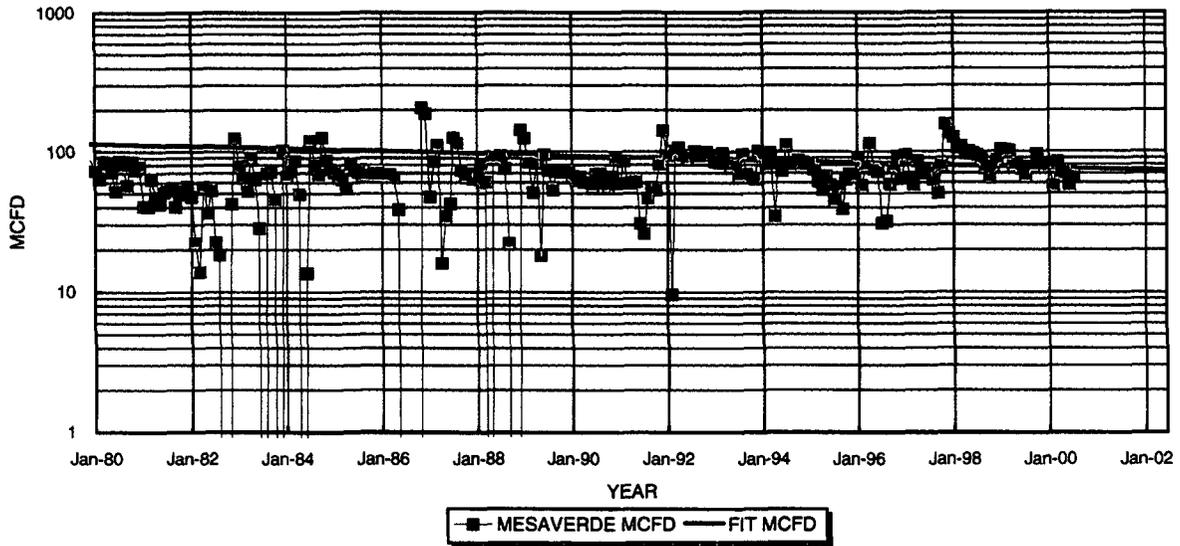
- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Deborah Marberry TITLE REGULATORY ANALYST DATE 6/13/2001

TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. (281)293-1005

**SJ 28-7 #21 MESAVERDE PRODUCTION  
SECTION 09N-28N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



<b>MESAVERDE PRODUCTION</b>		<b>1ST PROD: 12/55</b>	<b>MESAVERDE PROJECTED DATA</b>	
OIL CUM:	0.00	MBO	Jan.00 Q1:	77 MCFD
GAS CUM:	1588.8	MMCF	DECLINE RATE:	20% (EXPONENTIAL)
OIL YIELD:	0.0000	BBL/MCF	API #30-039-07449	

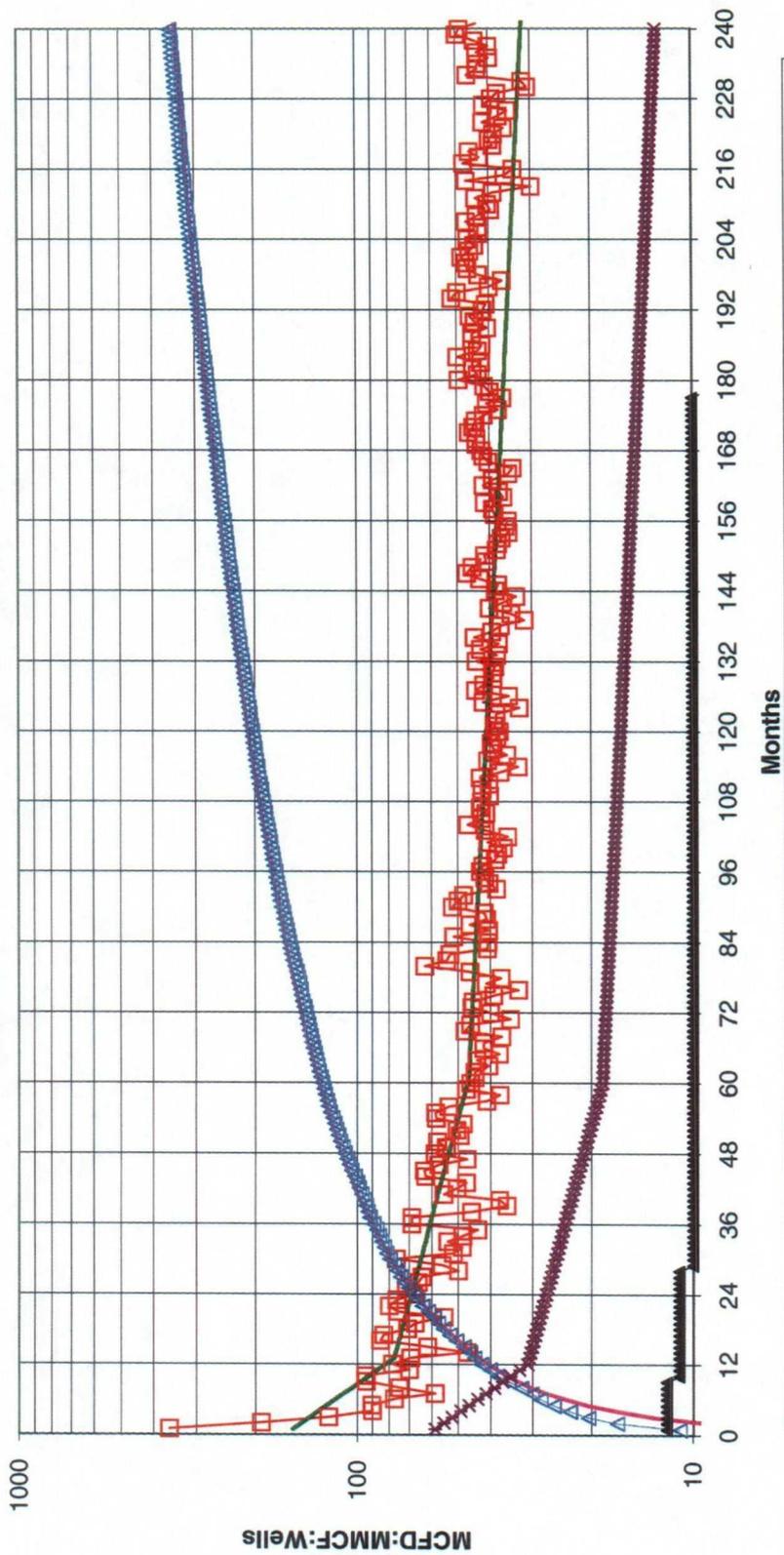
**PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION**

NOTE: Current decline rate is approximately 2 %/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 PI/Dwights Plus.

<u>YEAR</u>	<u>MID-YEAR AVG. MCFD</u>	<u>MID-YEAR AVG. BOPD</u>
2000	76	0.0
2001	74	0.0
2002	73	0.0
2003	71	0.0
2004	70	0.0
2005	69	0.0
2006	67	0.0
2007	66	0.0
2008	65	0.0
2009	63	0.0
2010	62	0.0
2011	61	0.0
2012	60	0.0
2013	58	0.0
2014	57	0.0
2015	56	0.0
2016	55	0.0
2017	54	0.0
2018	53	0.0
2019	52	0.0
2020	51	0.0
2021	50	0.0
2022	49	0.0
2023	48	0.0
2024	47	0.0
2025	46	0.0
2026	45	0.0
2027	44	0.0
2028	43	0.0
2029	42	0.0
2030	41	0.0

**NORMALIZED PICTURED CLIFFS PRODUCTION  
WELLS LOCATED IN 28-7 SECTIONS 15, 22, 27, 33, 34, 35 AND 36**

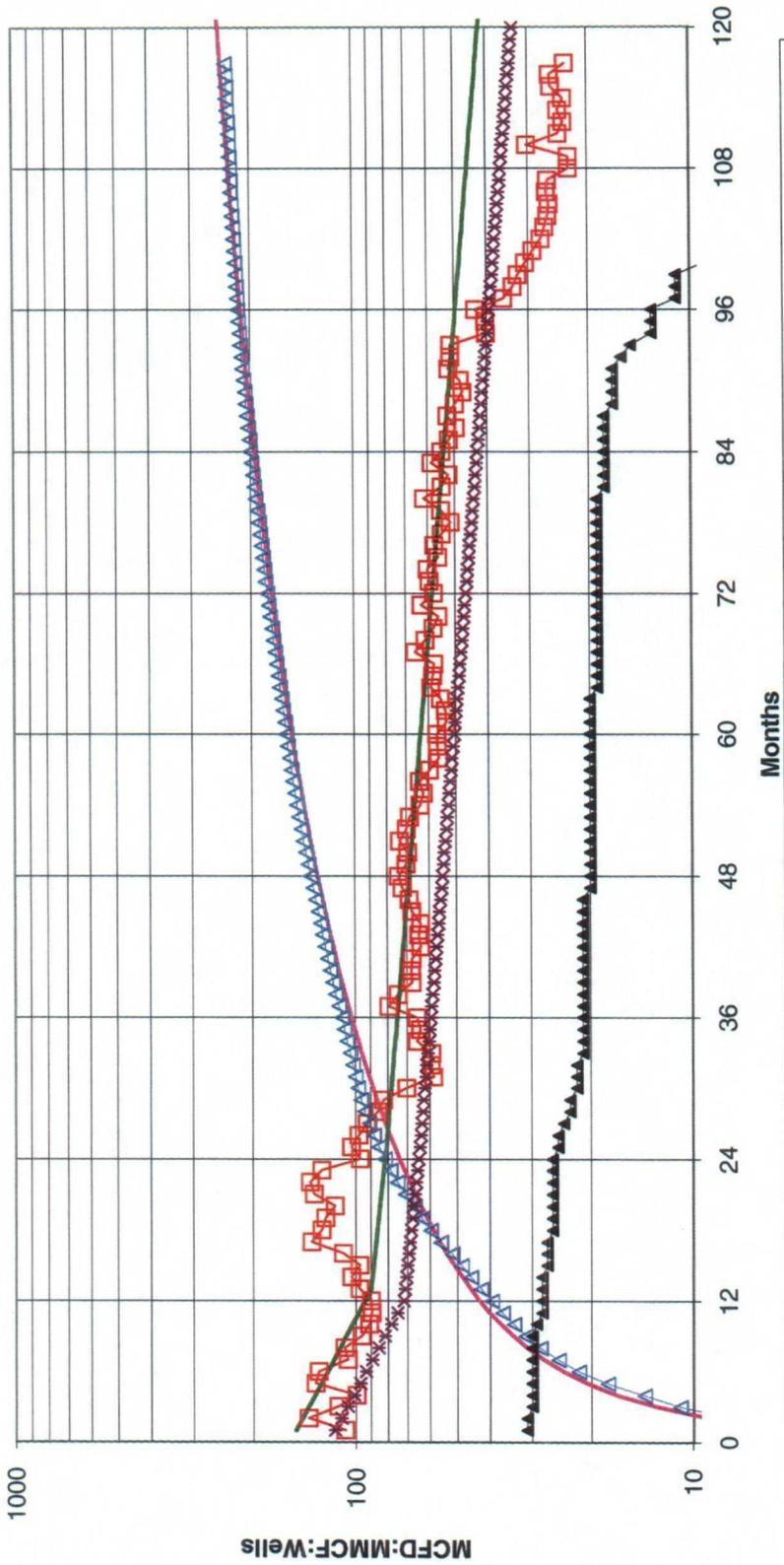


■ NORMALIZED MCFD      ▲ NORM CUM MMCF      ▲ WELLS ON PRODUCTION  
— FIT CUM MMCF      × RISKED MCFD      — FIT MCFD

NORMALIZED AVG: 689 MMCF EUR 342 MMCF IN 20 YRS 523 MMCF IN 40 YRS 7 MCFD E.L. 0.0000 bbl/mcf oil yield	155 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 12.0% DECLINE, NEXT 48 MONTHS 2.5% FINAL DECLINE	60% RISK 219 MMCF EUR 209 MMCF IN 40 YRS 7 MCFD E.L. 0.0000 bbl/mcf oil yield	62 MCFD IP 50.0% DECLINE, 1ST 12 MONTHS 12.0% DECLINE, NEXT 48 MONTHS 2.5% FINAL DECLINE
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Wells 28-7 1, 7, 10, 52, 71, 72, 75, 76, 91, 114, 266, 267.

# NORMALIZED FRUITLAND COAL PRODUCTION 31 WELLS LOCATED IN 28-7 AND 27-7



■ NORMALIZED MCFD      ▲ NORM CUM MMCF      ▲ WELLS ON PRODUCTION  
— FIT CUM MMCF      \* RISKED MCFD      — FIT MCFD

NORMALIZED AVG:	20% RISK	RISKED AVG:
363 MMCF EUR	277 MMCF EUR	120 MCFD IP
350 MMCF IN 20 YRS	280 MMCF IN 20 YRS	40.0% DECLINE, 1ST 12 MONTHS
414 MMCF IN 40 YRS	15 MCFD E.L.	10.0% DECLINE, NEXT 12 MONTHS
15 MCFD E.L.	0.0000 bbl/mcf oil yield	8.0% FINAL DECLINE
0.0000 bbl/mcf oil yield		

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**District IV**  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised August 15, 2000

**OIL CONSERVATION DIVISION**  
 2040 South Pacheco  
 Santa Fe, NM 87505

Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-039-07449		<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			<sup>6</sup> Well Number 21
<sup>7</sup> OGRID No. 005073		<sup>8</sup> Operator Name CONOCO, INC.			<sup>9</sup> Elevation

<sup>10</sup> Surface Location

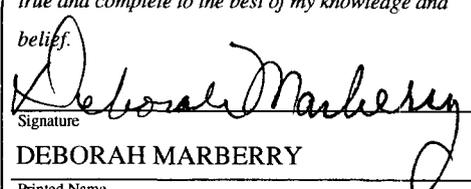
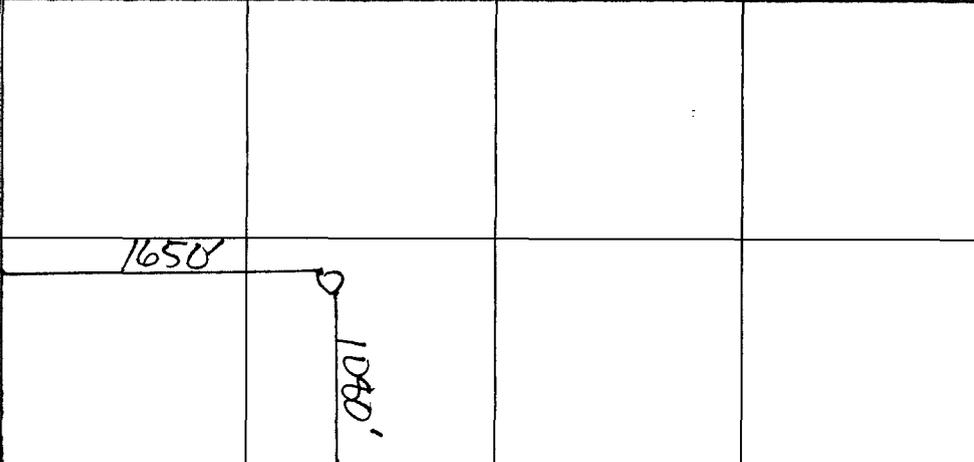
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	28N	7W		1080'	SOUTH	1650'	WEST	RIO ARRIBA

<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	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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				<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature DEBORAH MARBERRY Printed Name REGULATORY ANALYST Title Date
				<sup>18</sup> 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 Surveyor: Certificate Number
				

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<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7			<sup>6</sup> Well Number 21
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					<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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 Surveyor:</p> <p>Certificate Number</p>

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<sup>4</sup> Property Code 016608		<sup>5</sup> Property Name SAN JUAN 28-7			<sup>6</sup> Well Number 21
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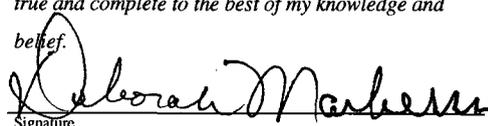
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