

10/29/02	SUSPENSE NA	ENGINEER	LOGGED IN KN	TYPE DHC	APP NO. 230450450
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST 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]

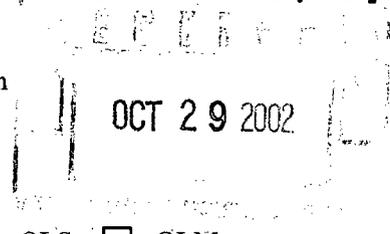
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

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

- [D] Other: Specify _____



[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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

Debbie Marberry Deborah Marberry Reg. Analyst 10/25/02
 Print or Type Name Signature Title Date

Deborah.A.Marberry@conoco.com
 e-mail Address

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

2040 South Pacheco
Santa Fe, New Mexico 87505

Single Well
 Established Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District IV
2040 South Pacheco, Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC. P.O. BOX 2197 WL3 3044 HOUSTON TX 77252
Operator Address
SAN JUAN 28-7 UNIT 52A P SEC27 T28N R7W RIO ARRIBA
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 005073 Property Code 016608 API No. 30-039-23982 Lease Type Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL	SOUTH BLANCO P.C.	BLANCO MESAVERDE
Pool Code	71629	72349	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3200' - 3324'	3336' - 3382'	4964' - 5696'
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)	470	380	280
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
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: ATTACHED	Date: Rates: ATTACHED	Date: Rates: ATTACHED
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 % % Sub-attached

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingling zones?
If not, have all working royalty and overriding royalty interest owners been notified by certified mail? Yes No
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-10476B

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 10/24/2002

TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. (832)486-2326

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

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE

Single Well

District III
1000 Rio Brazos Road, Aztec, NM 87410

Established Pre-Approved Pools

District IV
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EXISTING WELLBORE
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Operator Address

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 1000 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-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

¹ API Number 30-039-23982		² Pool Code 72319		³ Pool Name BLANCO MESAVERDE	
⁴ Property Code 016608		⁵ Property Name SAN JUAN 28-7 UNIT			⁶ Well Number 52A
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation 6701

¹⁰ Surface Location

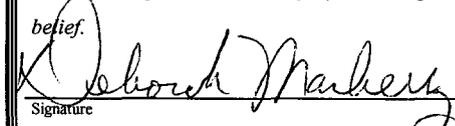
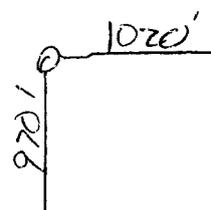
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	27	28N	7W		970	SOUTH	1020	EAST	RIO ARRIBA

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 E/2	¹³ Joint or Infill I	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				¹⁷ 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 10/24/2002 Date	
				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 Surveyor:	
				 Certificate Number	

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 Energy, Minerals & Natural Resources Department

Form C-102
 Revised August 15, 2000

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 Santa Fe, NM 87505

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code 016608		⁵ Property Name SAN JUAN 28-7 UNIT			⁶ Well Number 52A
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation 6701

¹⁰ Surface Location

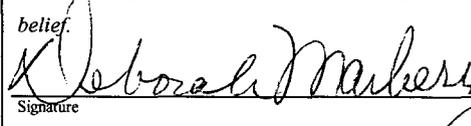
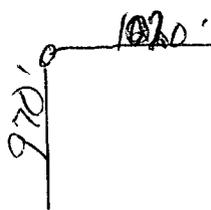
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Date of Survey			
Signature and Seal of Professional Surveyor:			
			
Certificate Number			

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2040 South Pacheco
Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-23982		² Pool Code 72439		³ Pool Name BLANCO PC SOUTH	
⁴ Property Code 016608		⁵ Property Name SAN JUAN 28-7 UNIT			⁶ Well Number 52A
⁷ OGRID No. 005073		⁸ Operator Name CONOCO, INC.			⁹ Elevation 6701

¹⁰ Surface Location

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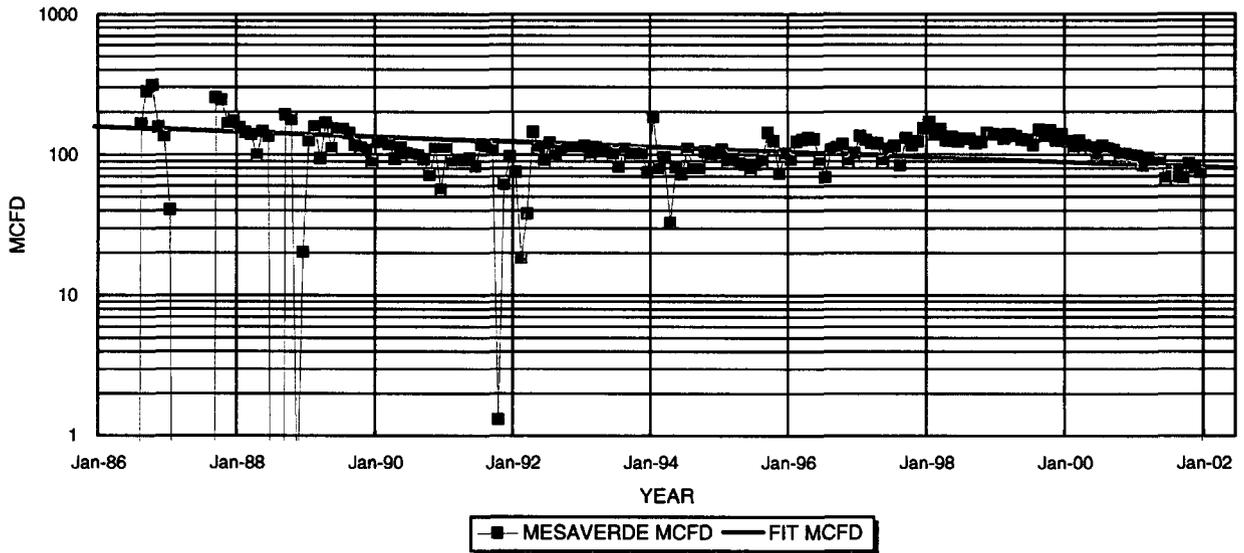
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Date of Survey				
Signature and Seal of Professional Surveyor:				
Certificate Number				

9701
1020

**SAN JUAN 28-7 UNIT #52A MESAVERDE PRODUCTION
SECTION 27-28N-07W, RIO ARRIBA, NEW MEXICO**



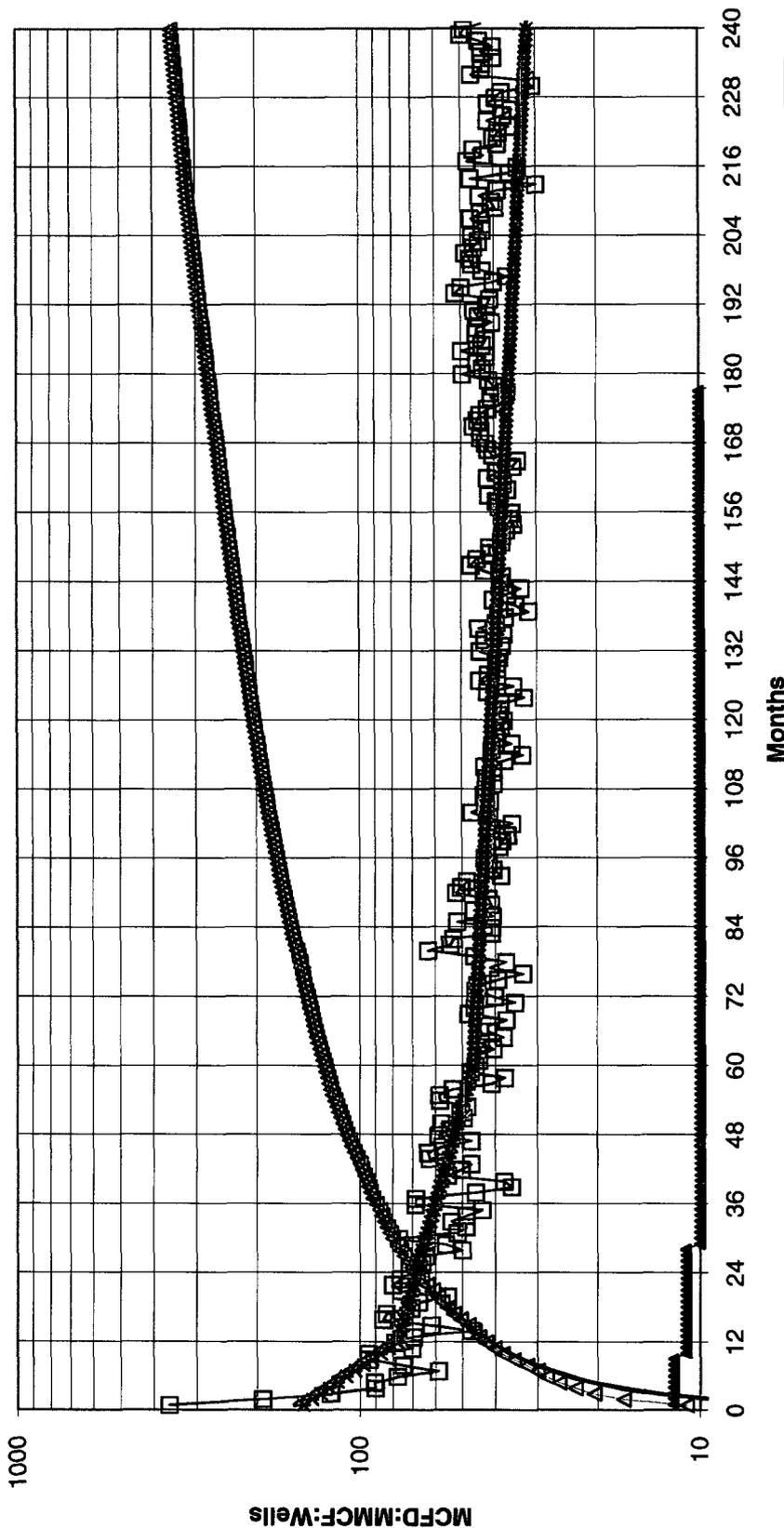
MESAVERDE PRODUCTION		1ST PROD: 08/86	MESAVERDE PROJECTED DATA	
OIL CUM:	3.59	MBO	Jan '02 Qi:	82 MCFD
GAS CUM:	605.4	MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	5.93	BBL/MMCF	API #30-039-23982	

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 PEEP.

YEAR	MID-YEAR	MID-YEAR
	AVG. MCFD	AVG. BOPD
2002	81	0.5
2003	77	0.5
2004	74	0.4
2005	71	0.4
2006	68	0.4
2007	66	0.4
2008	63	0.4
2009	61	0.4
2010	58	0.3
2011	56	0.3
2012	54	0.3
2013	51	0.3
2014	49	0.3
2015	47	0.3
2016	45	0.3
2017	44	0.3
2018	42	0.2
2019	40	0.2
2020	39	0.2
2021	37	0.2
2022	36	0.2
2023	34	0.2
2024	33	0.2
2025	32	0.2
2026	30	0.2
2027	29	0.2
2028	28	0.2
2029	27	0.2
2030	26	0.2
2031	25	0.1
2032	24	0.1

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

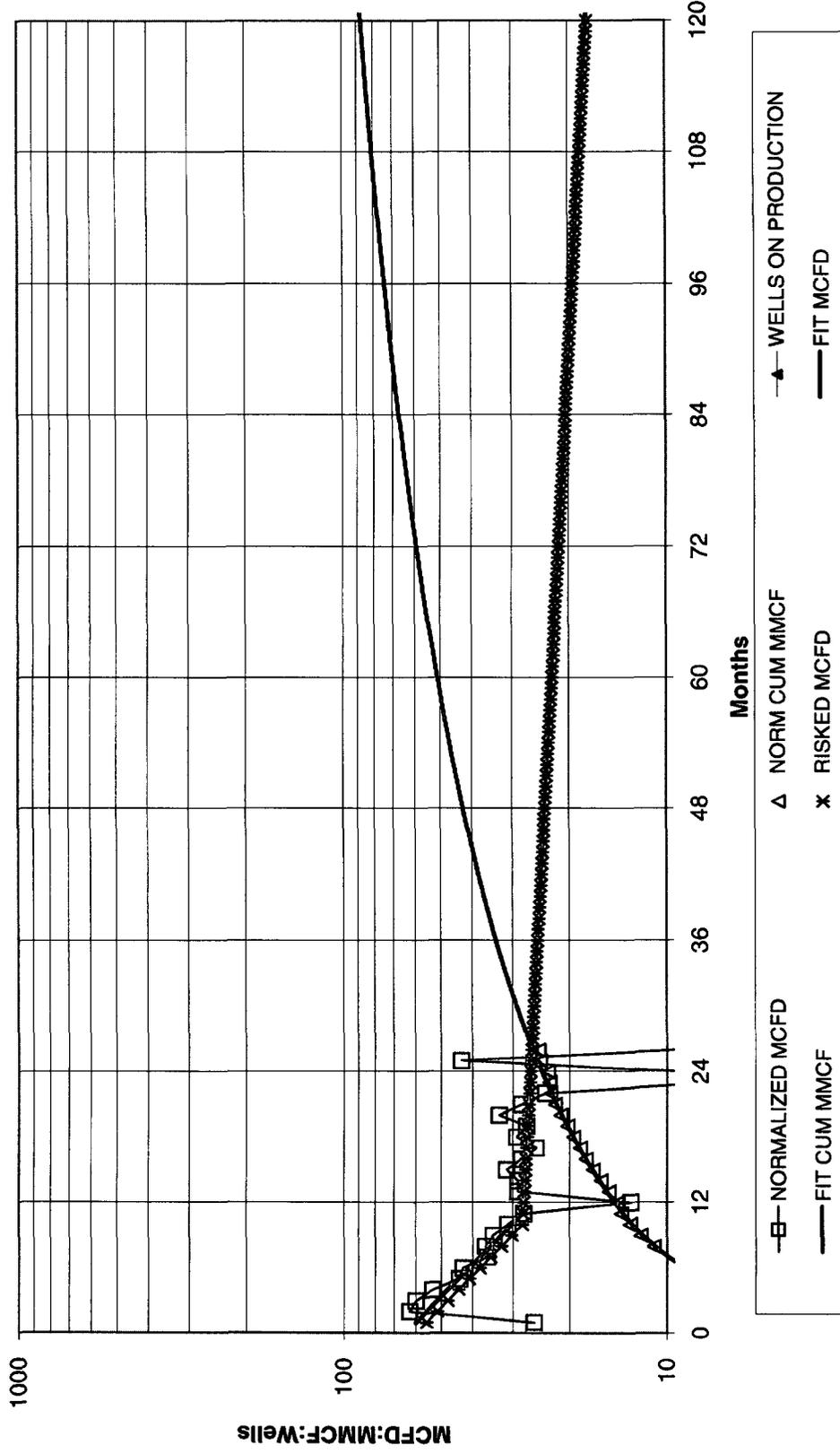


-□- NORMALIZED MCFD Δ NORM CUM MMCF -▲- WELLS ON PRODUCTION
 — FIT CUM MMCF * RISKED MCFD — FIT MCFD

NORMALIZED AVG:	155 MCFD IP
655 MMCF EUR	50.0% DECLINE, 1ST 12 MONTHS
342 MMCF IN 20 YRS	12.0% DECLINE, NEXT 48 MONTHS
523 MMCF IN 40 YRS	2.5% FINAL DECLINE
10 MCFD E.L.	
0.0000 bbl/mcf oil yield	

Wells 28-7 1, 7, 10, 52, 71, 72, 75, 76, 91, 114, 266, 267.

**LOW RATE FRUITLAND COAL PRODUCTION
6 WELLS LOCATED IN 28-7 AND 27-7**



NORMALIZED AVG:	141 MMCF EUR	60 MCFD IP
	138 MMCF IN 20 YRS	60.0% DECLINE, 1ST 12 MONTHS
	185 MMCF IN 40 YRS	5.0% FINAL DECLINE
	10 MCFD E.L.	
	0.0000 bb/mcf oil yield	

28-7 wells 7, 10, 68, 146, 161. 27-7 well 35.