

| | | | | | |
|------------------------|----------|-----------------------|--------------------------|-----------------|--------------------------------|
| DATE IN <u>6/30/09</u> | SUSPENSE | ENGINEER <u>Jones</u> | LOGGED IN <u>6/30/09</u> | TYPE <u>DHC</u> | APP NO. <u>PTGW 0918148769</u> |
|------------------------|----------|-----------------------|--------------------------|-----------------|--------------------------------|

RECEIVED
 ABOVE THIS LINE FOR DIVISION USE ONLY
NEW MEXICO OIL CONSERVATION DIVISION
 2009 JUN 30 PM 1 - ~~3~~ Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



30-039-25136
 San Juan 31-6 Unit #36E
 ConocoPhillips (217817)
 E-27-31W-6W

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.

| | | | |
|------------------------------------|-----------|-----------------------|---------|
| Kelly Jeffery | | Regulatory Technician | 6/29/09 |
| Print or Type Name | Signature | Title | Date |
| Kelly.r.jeffery@conocophillips.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 June 10, 2003

District II
1301 W. Grand Avenue, 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

ConocoPhillips Operator P.O.Box 4289 Farmington, NM 87499 Address

San Juan 31-6 Unit Lease 36E Well No. Unit I, Sec. 27, 031N, 006W Unit Letter-Section-Township-Range Rio Arriba County

OGRID No: 217817 Property Code 31328 API No. 30039251360000 Lease Type: Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|--|---|-------------------|---|
| Pool Name | UNDS ROSA PICTURE CLIFF | | BLANCO MESA VERDE |
| Pool Code | 96175 | | 72319 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 3278'-3400' Estimated | | 5628'- 5851' |
| Method of Production (Flowing or Artificial Lift) | NEW ZONE | | 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) | 900 psi | | 400 psi |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | BTU 1000 | | BTU 1000 |
| Producing, Shut-In or 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: N/A Rates: N/A | | Date: DEC 2008 Rates: 1243 MCF |
| 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 Will be supplied upon completion | | Oil Gas Will be supplied upon completion |

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? 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: _____

Attachments:

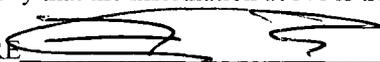
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation 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  TITLE Engineer DATE 6/24/09

TYPE OR PRINT NAME Bill Akwari, Engineer TELEPHONE NO. (505) 326-9700

E-MAIL ADDRESS Bill.N.Akwari@conocophillips.com

San Juan 31-6 Unit 36E
Unit I, Section 27, T31N, R06W

The San Juan 31-6 Unit 36E is a Blanco Mesa Verde and Rosa Picture Cliff commingle. The subtraction method will be used to determine the allocation percentages between the Blanco Mesa Verde and Rosa Picture Cliff. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the forecast will be allocated to the new formations(s). The new fix percentage based allocation will be calculated from average production rates for the fourth year after the recompletion (month 37-48). All documentation will be submitted to the Aztec NMOCD office.

San Juan 31-6 Unit 36E
Unit I, Section 27, T31N, R06W

The interest for the well is common, no notification was required.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|--|
| ¹ API Number 30-039-25136 | ² Pool Code 72319 | ³ Pool Name Blanco Mesaverde |
| ⁴ Property Code 009259 | ⁵ Property Name San Juan 31-6 Unit | |
| ⁷ OGRID No. 017654 | ⁶ Operator Name PHILLIPS PETROLEUM COMPANY | ⁸ Well Number 36E |
| ⁹ Elevation 6441' | | |

¹⁰ Surface Location

| UL or lot no. | Section | Tnship | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|--------|-------|---------|---------------|------------------|---------------|----------------|------------|
| I | 27 | 31N | 6W | | 1484' | SOUTH | 836' | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| I | | | | | | | | | |

| | | | |
|--|------------------------------------|---------------------------------------|-------------------------|
| ¹² Dedicated Acres 320 E/2 | ¹³ Joint or Infill I | ¹⁴ Consolidation Code U | ¹⁵ 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 | SECTION 27 | SF-078999 2560.0 acres | 836' | 1484' | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Patsy Cluston</i> Signature Patsy Cluston Printed Name SHEAR ADMINISTRATIVE ASSISTANT Title 11/11/02 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. SEE ORIGINAL C102 Date of Survey Signature and Seal of Professional Surveyor: SIGNED BY Henry Broadhust on 7/25/91 11393 Certificate Number |
| | | | | | |

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 95633

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|--|--|
| 1. API Number 30-039-25136 | 2. Pool Code 96175 | 3. Pool Name ROSA;PICTURED CLIFFS (G) |
| 4. Property Code 31328 | 5. Property Name SAN JUAN 31 6 UNIT | |
| 6. Well No. 036E | 7. OGRID No. 217817 | |
| 8. Operator Name CONOCOPHILLIPS COMPANY | 9. Elevation 6441 | |

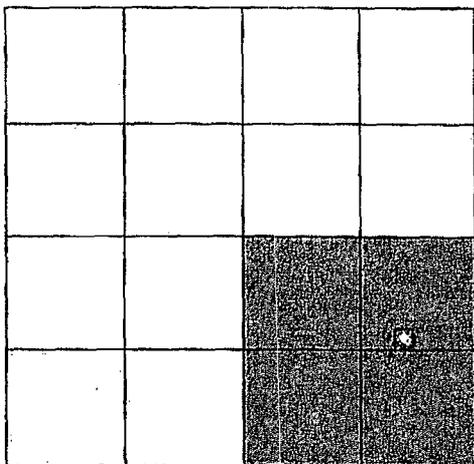
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|------------|
| 1 | 27 | 31N | 06W | | 1484 | S | 836 | E | RIO ARRIBA |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|--|---------|---------------------|-------|------------------------|-----------|---------------|-----------|----------|--------|
| 12. Dedicated Acres SE/160.00 E/320.00 | | 13. Joint or Infill | | 14. Consolidation Code | | 15. Order No. | | | |

SE/4 --160 acres for PC Spacing/Density. E/2 --320 acres for Fed Unit Agree. DB Spacing
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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: **Kelly Jeffery**
 Title: **Regulatory Tech.**
 Date: **5-13-09**

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.

Surveyed By: **Henry Broadhurst**
 Date of Survey: **9/11/1991**
 Certificate Number: **11393**

pk

SAN JUAN 31-6 UNIT 36E PC RC Data: Jun.2009-Jun.2009

Operator:

Field:

Zone:

Type: Other

Group: None

No

Active

Forecast

Production Cums

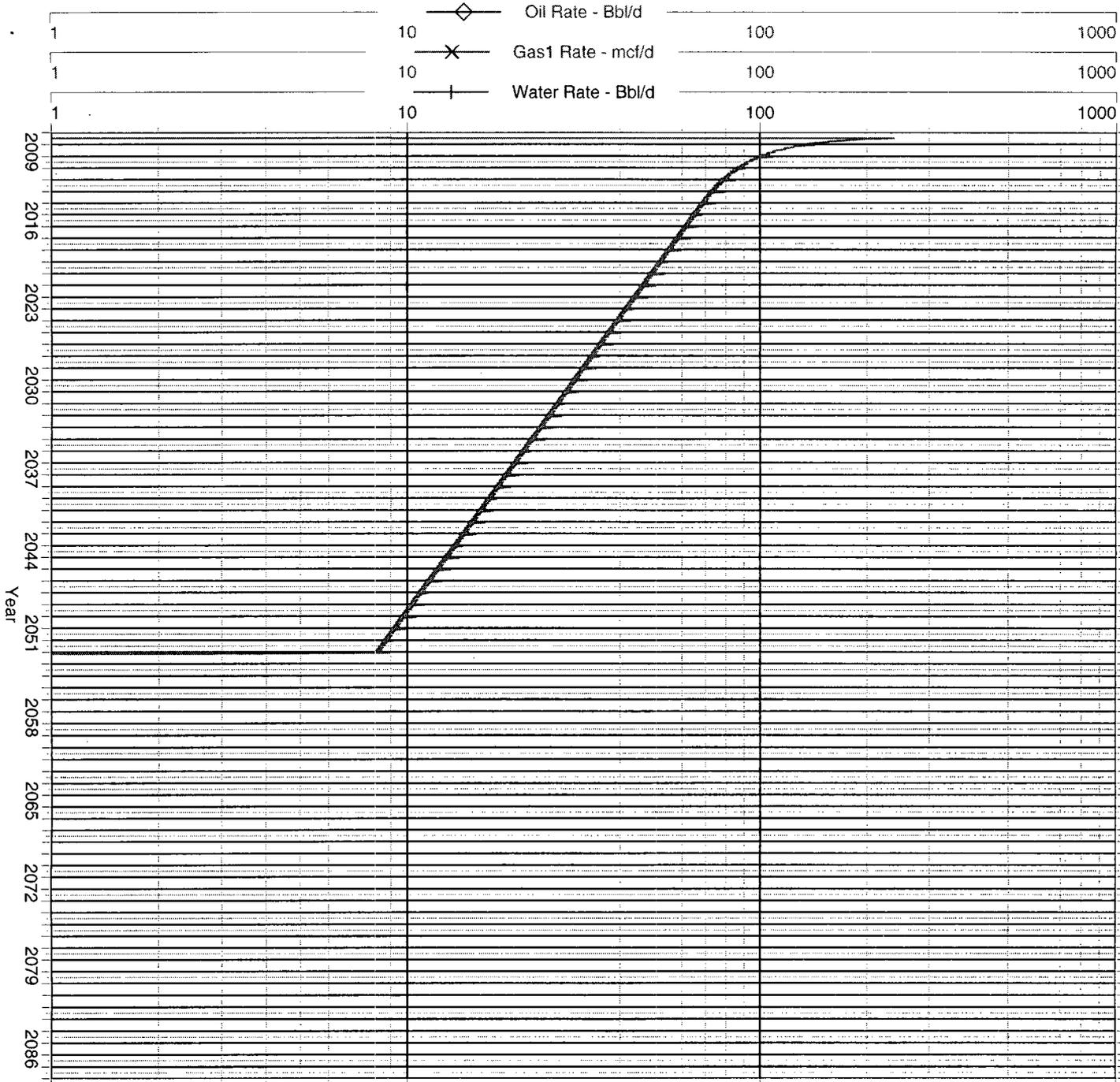
Oil: 0 MSTB

Gas: 0 MMSCF

Water: 0 MSTB

Cond: 0 MSTB

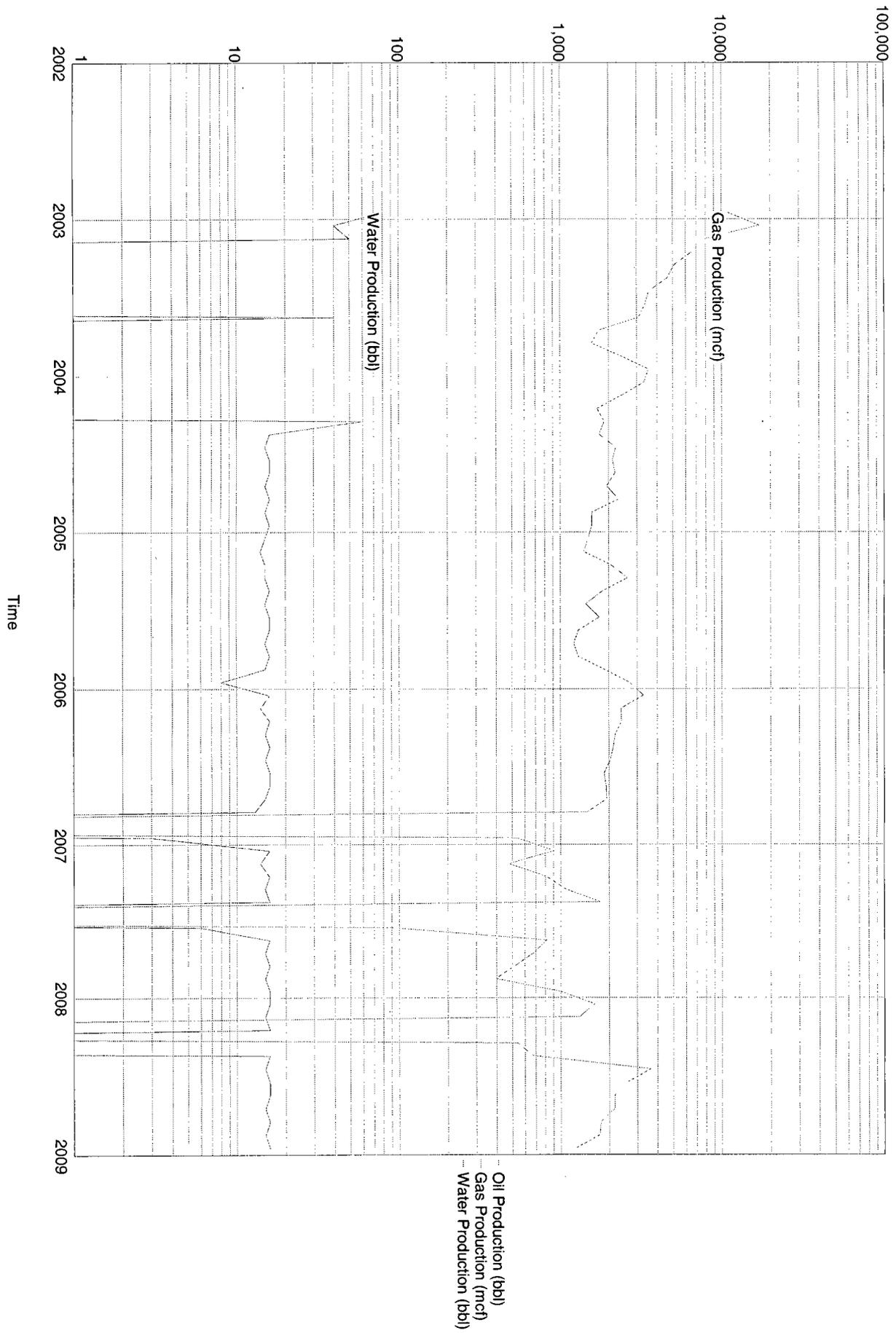
◆ Oil Rate - Bbl/d Cum: 0.00
 * Gas1 Rate - mcf/d Cum: 0.00
 + Water Rate - Bbl/d Cum: 0.00



Lease Name: SAN JUAN 31 6 UNIT
County, State: RIO ARBA, NM
Operator: CONOCOPHILLIPS COMPANY
Field: BLANCO
Reservoir: MESAVERDE
Location: 27 31N 6W SW NE SE

SAN JUAN 31 6 UNIT - BLANCO

Production Rates



RIO ARRIBA NM
 SAN JUAN 31 6 UNIT 36E
 CONOCOPHILLIPS COMPANY
 ACTIVE

Detailed Production Report

| | | | |
|---------------------|------------------------|------------------------|--------------|
| Lease Name: | SAN JUAN 31 6 UNIT | Well Number: | 36E |
| Lease Number: | | Cum Oil: | |
| Operator Name: | CONOCOPHILLIPS COMPANY | Cum Gas: | 167,862 |
| State: | NEW MEXICO | Cum Water: | 1,059 |
| County: | RIO ARRIBA | First Production Date: | DEC 2002 |
| Field: | BLANCO | Last Production Date: | DEC 2008 |
| Sec Twn Rng: | 27I 31N 6W | Spot: | SW NE SE |
| Latitude/Longitude: | 36.8674 -107.44349 | Lat/Long Source: | TS |
| Regulatory #: | | Completion Date: | NOV 29, 2002 |
| API: | 30039251360001 | Total Depth: | |
| Production ID: | 2300430392513672319 | Upper Perforation: | |
| Reservoir Name: | MESAVERDE | Lower Perforation: | |
| Prod Zone: | MESAVERDE | Gas Gravity: | |
| Prod Zone Code: | 604MVRD | Oil Gravity: | |
| Basin Name: | SAN JUAN BASIN | Temp Gradient: | |
| Gas Gatherer: | | N Factor: | |
| Liquid Gatherer: | | GOR: | |
| Status: | ACTIVE | | GAS |

| Annual Production | (7 years) | | |
|-------------------|-------------|------------|---------------|
| Year | Oil BBLs | Gas MCF | Water BBLs |
| Beginning | | | |
| Cum: | | | |
| 2002 | | 10,891 | 80 |
| 2003 | | 60,799 | 130 |
| 2004 | | 25,050 | 185 |
| 2005 | | 20,952 | 176 |
| 2006 | | 22,153 | 155 |
| 2007 | | 8,554 | 161 |
| 2008 | | 19,463 | 172 |
| Totals: | | 167,862 | 1,059 |

| Monthly Production | | | | | | | |
|--------------------|-------------|------------|---------------|----------------------|---------|---------------|------------|
| Date MO/YR | Oil BBLs | Gas MCF | Water BBLs | Cond Yld STB/MMCF | % Water | # of Wells | Days on |
| DEC 2002 | | 10,891 | 80 | | | 1 | 30 |
| Totals: | | 10,891 | 80 | | | | |
| 2002 | | 10,891 | 80 | | | | |

| | | | | |
|----------|--------|-----|---|----|
| JAN 2003 | 17,146 | 40 | 1 | 31 |
| FEB 2003 | 7,968 | 50 | 1 | 28 |
| MAR 2003 | 6,627 | 0 | 1 | 31 |
| APR 2003 | 5,123 | 0 | 1 | 30 |
| MAY 2003 | 4,628 | 0 | 1 | 31 |
| JUN 2003 | 3,570 | 0 | 1 | 30 |
| JUL 2003 | 3,387 | 0 | 1 | 31 |
| AUG 2003 | 3,094 | 40 | 1 | 31 |
| SEP 2003 | 1,745 | 0 | 1 | 30 |
| OCT 2003 | 1,574 | | 1 | 31 |
| NOV 2003 | 2,395 | | 1 | 30 |
| DEC 2003 | 3,542 | | 1 | 31 |
| Totals: | | | | |
| 2003 | 60,799 | 130 | | |
| JAN 2004 | 3,331 | 0 | 1 | 31 |
| FEB 2004 | 2,429 | 0 | 1 | 29 |
| MAR 2004 | 1,698 | 0 | 1 | 31 |
| APR 2004 | 1,886 | 60 | 1 | 30 |
| MAY 2004 | 1,753 | 16 | 1 | 31 |
| JUN 2004 | 2,220 | 15 | 1 | 30 |
| JUL 2004 | 2,118 | 16 | 1 | 31 |
| AUG 2004 | 2,204 | 16 | 1 | 31 |
| SEP 2004 | 1,951 | 15 | 1 | 30 |
| OCT 2004 | 2,312 | 16 | 1 | 31 |
| NOV 2004 | 1,576 | 15 | 1 | 30 |
| DEC 2004 | 1,572 | 16 | 1 | 31 |
| Totals: | | | | |
| 2004 | 25,050 | 185 | | |
| JAN 2005 | 1,492 | 15 | 1 | 31 |
| FEB 2005 | 1,400 | 14 | 1 | 28 |
| MAR 2005 | 2,059 | 15 | 1 | 31 |
| APR 2005 | 2,618 | 15 | 1 | 30 |
| MAY 2005 | 1,838 | 16 | 1 | 31 |
| JUN 2005 | 1,443 | 15 | 1 | 30 |
| JUL 2005 | 1,752 | 16 | 1 | 31 |
| AUG 2005 | 1,289 | 16 | 1 | 31 |
| SEP 2005 | 1,210 | 15 | 1 | 30 |
| OCT 2005 | 1,295 | 16 | 1 | 31 |
| NOV 2005 | 1,877 | 15 | 1 | 30 |
| DEC 2005 | 2,679 | 8 | 1 | 16 |
| Totals: | | | | |
| 2005 | 20,952 | 176 | | |
| JAN 2006 | 3,283 | 16 | 1 | 31 |
| FEB 2006 | 2,388 | 14 | 1 | 28 |
| MAR 2006 | 2,401 | 16 | 1 | 31 |
| APR 2006 | 2,190 | 15 | 1 | 30 |
| MAY 2006 | 2,130 | 16 | 1 | 31 |
| JUN 2006 | 2,036 | 15 | 1 | 30 |
| JUL 2006 | 1,868 | 16 | 1 | 31 |
| AUG 2006 | 1,927 | 16 | 1 | 31 |
| SEP 2006 | 1,937 | 15 | 1 | 30 |
| OCT 2006 | 1,462 | 13 | 1 | 26 |
| NOV 2006 | 0 | 0 | 0 | 0 |

| | | | | |
|----------|--------|-----|---|----|
| DEC 2006 | 531 | 3 | 1 | 5 |
| Totals: | | | | |
| 2006 | 22,153 | 155 | | |
| JAN 2007 | 916 | 16 | 1 | 31 |
| FEB 2007 | 477 | 14 | 1 | 28 |
| MAR 2007 | 820 | 16 | 1 | 31 |
| APR 2007 | 1,079 | 15 | 1 | 30 |
| MAY 2007 | 1,769 | 16 | 1 | 31 |
| JUN 2007 | 0 | 0 | 0 | 0 |
| JUL 2007 | 90 | 6 | 1 | 12 |
| AUG 2007 | 819 | 16 | 1 | 31 |
| SEP 2007 | 680 | 15 | 1 | 30 |
| OCT 2007 | 520 | 16 | 1 | 31 |
| NOV 2007 | 394 | 15 | 1 | 30 |
| DEC 2007 | 990 | 16 | 1 | 31 |
| Totals: | | | | |
| 2007 | 8,554 | 161 | | |
| JAN 2008 | 1,624 | 16 | 1 | 31 |
| FEB 2008 | 1,310 | 15 | 1 | 29 |
| MAR 2008 | 0 | 16 | 1 | 0 |
| APR 2008 | 539 | 0 | 1 | 30 |
| MAY 2008 | 674 | 16 | 1 | 31 |
| JUN 2008 | 3,633 | 15 | 1 | 30 |
| JUL 2008 | 2,600 | 16 | 1 | 31 |
| AUG 2008 | 2,163 | 16 | 1 | 31 |
| SEP 2008 | 2,163 | 15 | 1 | 30 |
| OCT 2008 | 1,775 | 16 | 1 | 31 |
| NOV 2008 | 1,739 | 15 | 1 | 30 |
| DEC 2008 | 1,243 | 16 | 1 | 31 |
| Totals: | | | | |
| 2008 | 19,463 | 172 | | |