

Submit 1 Copy To Appropriate District  
Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-045-24563
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Federal SF 078430
7. Lease Name or Unit Agreement Name Nickson
8. Well Number #11E
9. OGRID Number 372834
10. Pool name or Wildcat Ballard PC / Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH  
PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator Epic Energy, LLC
3. Address of Operator 7415 E. Main St., Farmington, NM 87402
4. Well Location Unit Letter <u>C</u> : <u>810</u> feet from the <u>North</u> line and <u>1770</u> feet from the <u>West</u> line Section <u>11</u> Township <u>26N</u> Range <u>8W</u> NMPM San Juan County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6229' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☒  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Epic Energy, LLC proposes to downhole commingle the production from the Basin Dakota (71599) and the Ballard Pictured Cliffs (71439) in the subject wellbore. These two pools are "pre-approved" under Division Order R-11363. All working and revenue interests in the two pools are identical. The Basin Dakota is perforated from 6556' to 6756'. The Ballard Pictured Cliffs is completed in the interval from 2216' to 2246'. Based on the production from 2010 through 2014, it is proposed to allocate 80.4% of the gas production and 100% of the oil production to the Dakota formation and 19.6% of the gas production to the Pictured Cliffs formation. Downhole commingling of these two zones will not reduce the value of the total remaining production. The BLM has been notified of this application (see attached 3160-5).

DHC #4071AZ

Spud Date: 12/17/1980

Rig Release Date: 1/7/1981

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

SIGNATURE Paul C. Thompson TITLE President DATE 7/20/18

Type or print name Paul C. Thompson, P.E. E-mail address: paul@walsheng.net PHONE: 505-327-4892

For State Use Only

APPROVED BY: [Signature] TITLE GEOLOGIST DISTRICT #3 DATE 8/20/18  
Conditions of Approval (if any): RV NMOC

JUL 26 2018  
DISTRICT III

10

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

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

APPLICATION TYPE  
\_\_\_X\_\_\_ Single Well  
\_\_\_X\_\_\_ Establish Pre-Approved Pools  
EXISTING WELLBORE  
\_\_\_X\_\_\_ Yes \_\_\_No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Epic Energy, LLC., 7415 E. Main St. Farmington, NM 87402 Address \_\_\_\_\_

Lease Nickson #11E Well No. C Section 11, T26N R8W Unit Letter-Section-Township-Range San Juan County \_\_\_\_\_

OGRID No. 372834 Property Code \_\_\_\_\_ API No. 30-045-24563 Lease Type: \_\_\_X\_\_\_ Federal \_\_\_State \_\_\_ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Ballard Pictured Cliffs		Basin Dakota
Pool Code	71439		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2216 - 2246		6556 - 6756
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)	225 psi (est.)		240 psi (est.)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1.057 MMBtu/Mcf		1.163 MMBtu/Mcf
Producing, Shut-In or New Zone	Shut In		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: September 2015  Rates: 15 MCFD & 0 BOPD	Date:  Rates:	Date: June 2016  Rates: 42 MCFD & .4 BOPD
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 0 % 19.6 %	Oil Gas % %	Oil Gas 100 % 80.4 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes \_\_\_X\_\_\_ 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 \_\_\_X\_\_\_ No \_\_\_  
Will commingling decrease the value of production? Yes \_\_\_ No \_\_\_X\_\_\_  
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 \_\_\_X\_\_\_ No \_\_\_  
NMOCD Reference Case No. applicable to this well: \_\_\_Rule 11363\_\_\_

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 Paul C. Thompson TITLE President DATE 7/20/18  
TYPE OR PRINT NAME Paul C. Thompson, P.E. TELEPHONE NO. ( 505 ) 327 - 4892  
E-MAIL ADDRESS paul@walsheng.net



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT "A"

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

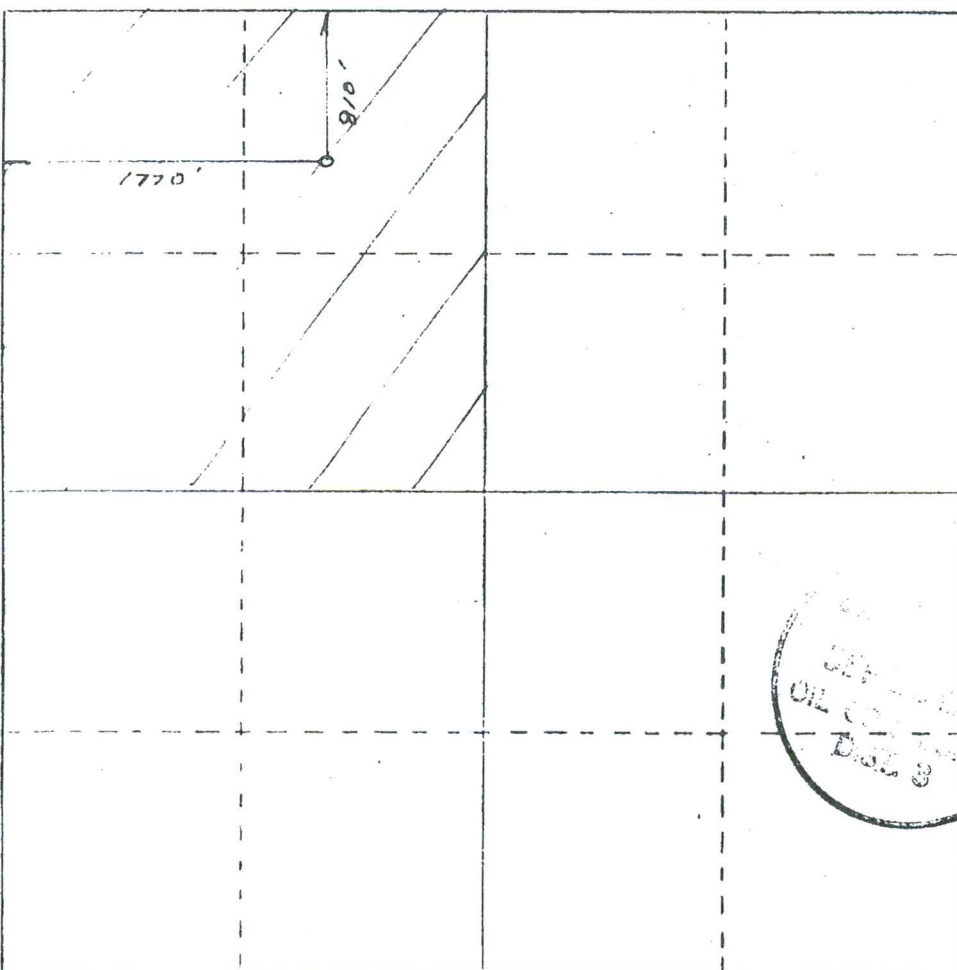
Lessee <b>Supron Energy Corporation</b>			Lease <b>SF-078430</b>		Well No. <b>Nickson #22</b>
Section <b>C</b>	Section <b>11</b>	Township <b>26 North</b>	Range <b>8 West</b>	County <b>San Juan</b>	
Well Location of Well: <b>810</b> feet from the <b>North</b> line and <b>1770</b> feet from the <b>West</b> line					
Section <b>6229'</b>	Producing Formation <b>Pictured Cliffs</b>	Pool <b>Ballard Pictured Cliffs &amp; ft</b>		Dedicated Acreage <b>160</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*George Lapaseotes*  
Name **George Lapaseotes**  
V. Pres. Powers Elevation

Position  
**Agent Consultant for**

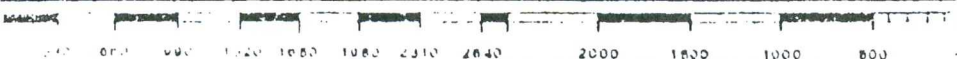
Company  
**Supron Energy Corporation**

Date  
**August 26, 1980**

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 knowledge and belief.

**29**  
Date Surveyed  
*George Lapaseotes*  
Registered Professional Land Surveyor  
and or Certified Surveyor  
**68-99**

Certified true



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION

EXHIBIT "A"

Form C-102  
Supersedes C-120  
Effective 1-1-65

*So Union Expl.*

Distances must be from the outer boundaries of the section

Operator <b>Supron Energy Corporation</b>		Lease <b>SF-078430</b>		Well No. <b>Nickson 11-E</b>	
Section <b>C</b>	Section <b>11</b>	Township <b>26 North</b>	Range <b>8 West</b>	County <b>San Juan</b>	

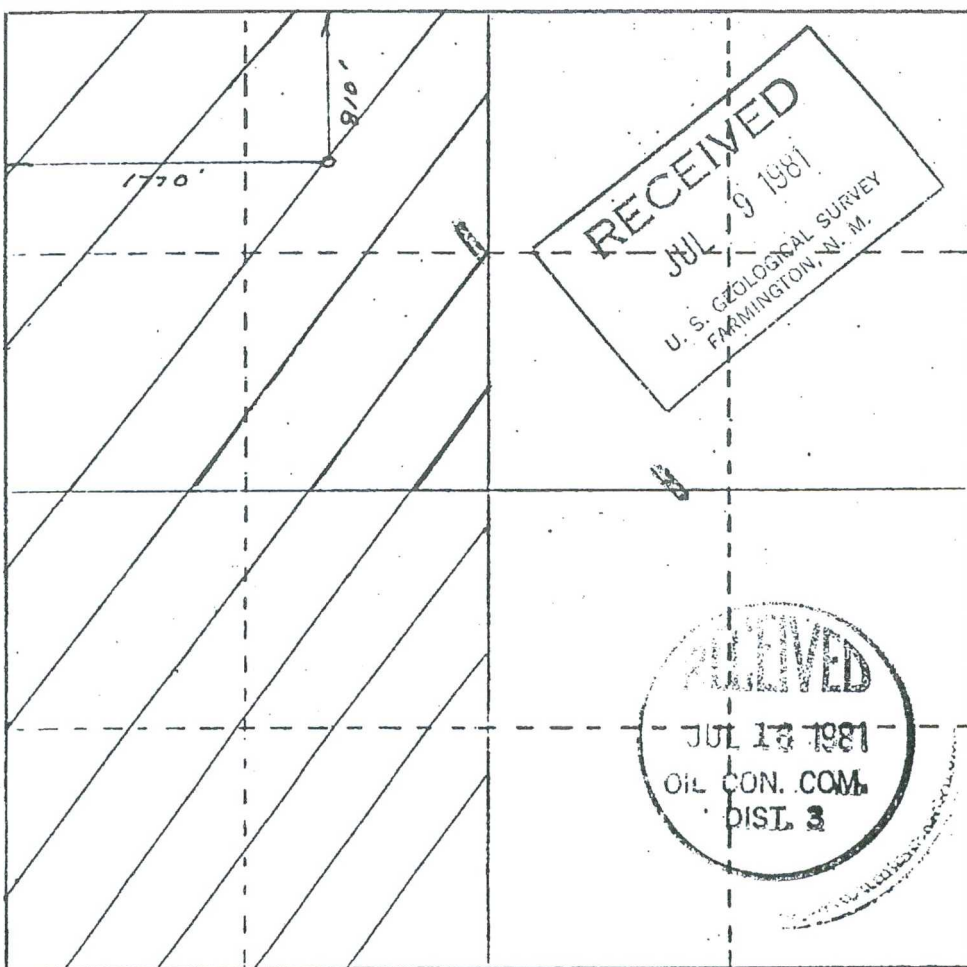
Actual Location of Well: <b>810</b> feet from the <b>North</b> line and <b>1770</b> feet from the <b>West</b> line					
Ground Level Elev. <b>6229'</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin Dakota</b>	Dedicated Acreage: <b>320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*George Lapaseotes*  
Name **George Lapaseotes**  
V. Pres. Powers Elevation

Position  
**Agent Consultant for**

Company  
**Supron Energy Corporation**

Date  
**August 26, 1980**

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 knowledge and belief.

**29**  
Date Surveyed  
*General S. Huddleston*  
Registered Professional Engineer  
and or Land Surveyor  
**6844**

Certificate No. \_\_\_\_\_

NMOCC

BY *Dean Elliott*

## Nickson #11E

Ballard Pictured Cliffs			Basin Dakota	
	Oil BBL/Mo.	Gas MCF/Mo.	Oil BBL/Mo.	Gas MCF/Mo.
Jan-10	0	271	12	1423
	0	245	10	1239
	0	233	7	1017
	0	193	20	1066
	0	198	8	844
	0	208	15	915
	0	245	10	1357
	0	245	12	1303
	0	223	4	1245
	0	178	4	874
	0	244	0	1303
	0	255	22	1135
	0	259	23	1300
	0	239	0	1224
Jan-10	0	263	18	1302
	0	246	20	1240
	0	251	4	1260
	0	253	16	1244
	0	252	15	1333
	0	217	10	851
	0	229	10	905
	0	261	12	1195
	0	213	12	907
	0	265	21	1295
	0	268	15	1262
	0	254	15	1189
	0	255	16	1139
	0	246	18	1169
Jan-10	0	245	12	1187
	0	234	11	1170
	0	233	7	1106
	0	226	17	1197
	0	189	6	785
	0	269	12	1349
	0	263	15	1323
	0	265	15	1370
	0	254	15	1042
	0	225	13	1144

	0	240	14	1276
	0	231	13	1228
	0	229	19	1242
	0	484	7	590
	0	313	0	201
	0	363	0	98
	0	271	0	43
	0	517	0	23
	0	711	0	1106
	0	478	17	1314
Jan-10	0	437	10	799
	0	524	6	278
	0	465	0	93
	0	0	27	1840
	0	0	33	1566
	0	30	24	1398
	0	30	14	1451
	0	17	0	847
	0	0	0	17
	0	304	0	183
	0	305	10	167
	0	39	10	2072
5 year averag	0	252	11	1034

Allocation	0%		100%	
		19.6%		80.4%



## Rate/Time Graph

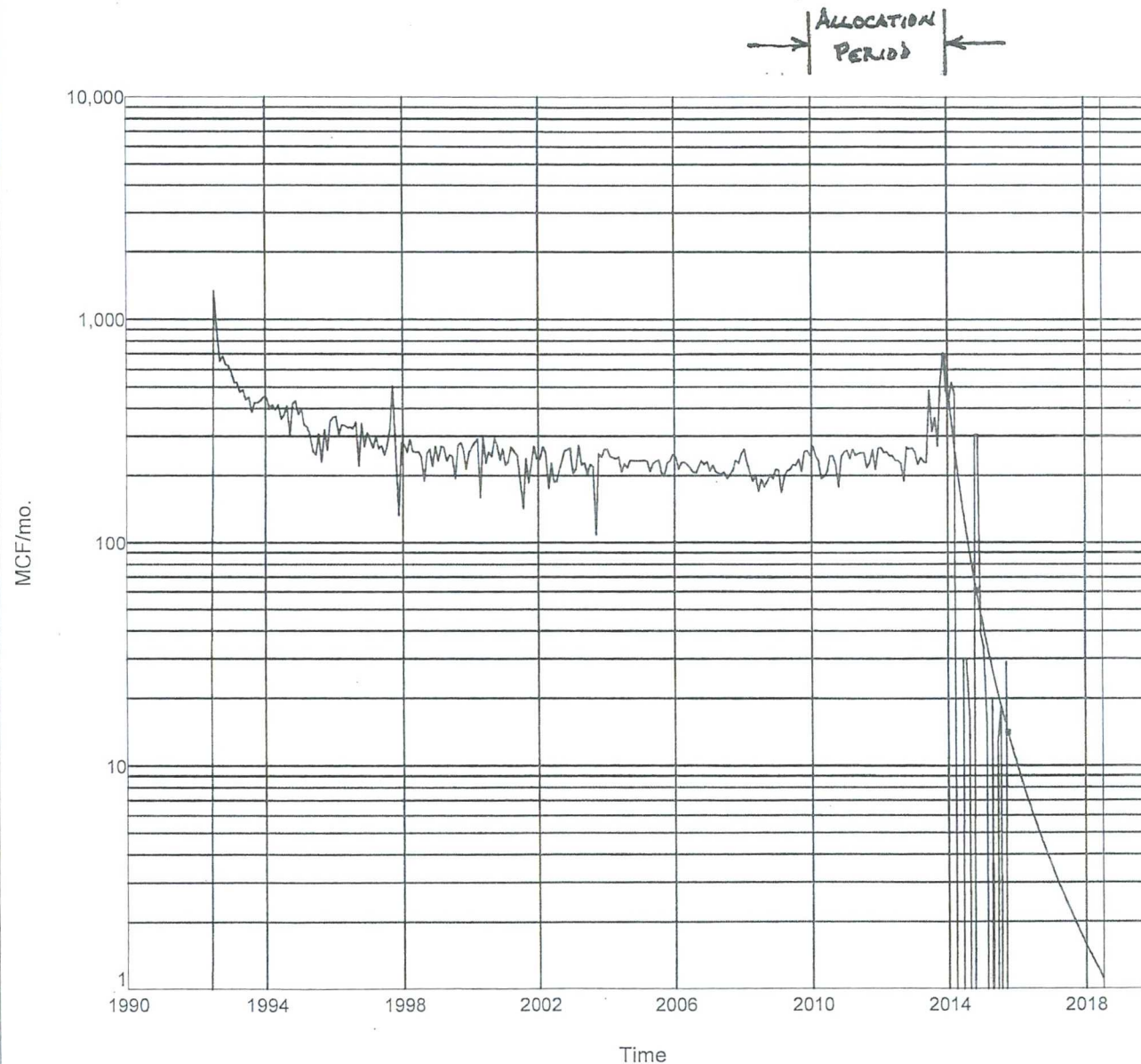
Project: C:\Users\Paul\Documents\IHS\PowerTools\Projects v9.3\Silver Creek 2016.mdb

Date: 7/20/2018

Time: 2:47 PM

Lease Name: NICKSON (11E)  
County, ST: SAN JUAN, NM  
Location: N26 W8 11 SW NE NW

Operator: COLEMAN OIL & GAS INCORPORATED  
Field Name: BALLARD **PC**



### Gas Curve:

Segment 1: 12/1/2013 - 10/1/2015

Start Rate: 684 mcf  
End Rate: 14 mcf  
Decline: 97.5491  
Hyp Exponent: 0.266071  
Goodness of Fit: 0.538785  
Fit Grade: 4

### Water Curve:

Segment 1: 8/1/2014 - 5/1/2015

Start Rate: 18 bbl  
End Rate: 32 bbl  
Decline: -122.0211  
Hyp Exponent: 0.000000  
Goodness of Fit: 0.882688  
Fit Grade: 3

## Rate/Time Graph

Project: C:\Users\Paul\Documents\IHS\PowerTools\Projects v9.3\Silver Creek 2016.mdb

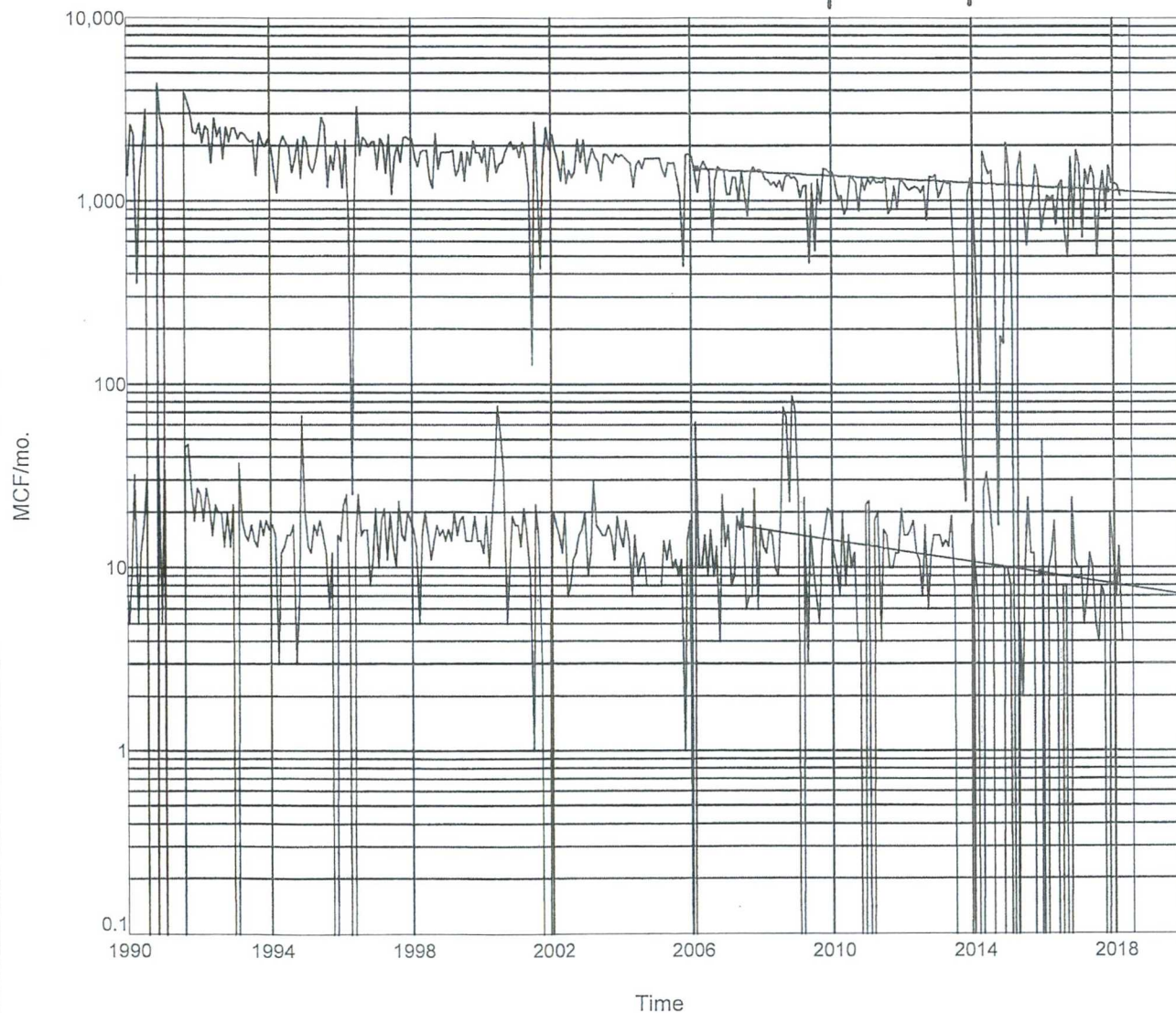
Date: 7/20/2018

Time: 2:47 PM

Lease Name: NICKSON (11E)  
County, ST: SAN JUAN, NM  
Location: N26 W8 11 SW NE NW

Operator: COLEMAN OIL & GAS INCORPORATED  
Field Name: BASIN DK

ALLOCATION  
PERIOD



### Oil Curve:

Segment 1: 6/1/2007 - 12/1/2015

Start Rate: 17 bbl  
End Rate: 9 bbl  
Decline: 6.6414  
Hyp Exponent: 0.000000  
Goodness of Fit: 1.000000  
Fit Grade: 1

### Gas Curve:

Segment 1: 3/1/2006 - 11/1/2017

Start Rate: 1,493 mcf  
End Rate: 1,144 mcf  
Decline: 2.2548  
Hyp Exponent: 0.000000  
Goodness of Fit: 1.000000  
Fit Grade: 1

### Water Curve:

Segment 1: 1/1/2015 - 1/1/2016

Start Rate: 12 bbl  
End Rate: 112 bbl  
Decline: -863.7113  
Hyp Exponent: 0.000000  
Goodness of Fit: 0.694362  
Fit Grade: 4



**Original: Nickson #22**

KB: 0.0'  
DF: 0.0'  
GL: 0.0'  
Datum: 0.0' above GL

**Nickson #11E  
Dual completion**

bem/sdb 3/31/11  
API #30-045-24563  
810' FNL & 1770' FWL  
Section 11, T26N-R8W  
San Juan Co., NM

Spud: 12/17/80

12-1/4" Hole  
**Surface Casing:** 8-5/8" 17 & 23 #/ft  
set @ 315' w/ 275 sx cement  
circulated to surface

7-7/8" Hole

DV Tool @ 2347' w/774 sx cement

**Ballard Pictured Cliffs**

**Perfs:** 2216-2246', 10 holes  
**Acid:** 1008 gal HCL, 200 ball sealers  
**Frac:** 37500 lb sand & 394400  
scf nitrogen

DV Tool @ 4685' w/334 sx cement

**Basin Dakota**

**Perfs:** 6556-6756, 22 holes  
**Acid:** 2000 gal HCL, 44 ball sealers  
**Frac:** 79968 gal & 160000 lb sand

**Production Casing:** 4-1/2" 10.5 #/ft  
K55 set @ 7010' w/ 438 sx cement

PBTD = 6968'  
TD = 7002'

Tubing: 1-1/2" 2.9 #/ft

Baker blast joints 2208-2256' 5/30/81

Sliding sleeve @ 6384' (?)

Baker Model D Packer @ 6390'  
5/29/81 seal assembly in place

Baker Model D Pkr @ 6400'  
set on 5/10/81 (no seal assembly)

EOT @ 6634' (6530' calc actual?)

Backer Model D Pkr @ 6667'  
set 4/28/81 (no seal assembly)

Last WO:  
Updated: 3/31/11

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

## SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE – Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Epic Energy, LLC

3a. Address

7415 E. Main, Farmington, NM, 87402

3b. Phone No. (include area code)

505-327-4892

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

810' FNL and 1770' FWL, Sec. 11, T26N, R8W

5. Lease Serial No.

SF 078430

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Nickson #11E

9. API Well No.

30-045-24563

10. Field and Pool, or Exploratory Area

Ballard Pictured Cliffs/ Basin Dakota

11. County or Parish, State

San Juan

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Downhole
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingle
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Epic Energy, LLC proposes to downhole commingle the production from the Basin Dakota (71599) and the Ballard Pictured Cliffs (71439) in the subject wellbore. These two pools are "pre-approved" under Division Order R-11363.

All working and revenue interests in the two pools are identical. The Basin Dakota is perforated from 6556' to 6756'. The Ballard Pictured Cliffs is completed in the interval from 2216' to 2246'. Based on the production from 2010 through 2014, it is proposed to allocate 80.4% of the gas production and 100% of the oil production to the Dakota formation and 19.6% of the gas production to the Pictured Cliffs formation. Downhole commingling of these two zones will not reduce the value of the total remaining production.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Paul C. Thompson, P.E.

Title

President

Signature



Date

July 20, 2018

## THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.