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1625 N. French Dr., Hobbs, NM 88240  
**DISTRICT II**  
811 South First St., Artesia, NM 88210  
**DISTRICT III**  
1000 Rio Brazos Rd, Aztec, NM 87410  
**DISTRICT IV**  
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429  
**APPLICATION FOR DOWNHOLE COMMINGLING**

Form C-107-A  
Revised March 17, 1999  
APPROVAL PROCESS:  
☒ Administrative ☐ Hearing  
EXISTING WELLBORE  
☒ YES ☐ NO

UNION OIL COMPANY OF CALIFORNIA (UNOCAL) 1004 N. BIG SPRING, MIDLAND, TX 79702  
Operator Address  
RINCON UNIT 185 A - 22 - 27N - 7W RIO ARRIBA  
Lease Well No. Unit Ltr. - Sec - Twp - Rge County  
Spacing Unit Lease Types: (check 1 or more)  
OGRID NO. 023708 Property Code 011510 API NO. 30-039-07008 Federal ☒ , State ☐ , (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	BLANCO MESAVERDE - 72319		BASIN DAKOTA - 71599
2. Top and Bottom of Pay Section (Perforations)	TO BE DETERMINED		7342 - 7496
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 316 psia b. (Original) 339 psia		a. 383 psia b. 2109 psia
6. Oil Gravity (EAPI) or Gas BTU Content	1333 BTU		1229 BTU
7. Producing or Shut-In?	Not Completed - Shut in		Producing
Production Marginal? (yes or no)	YES		YES
* If Shut-In, give 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:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: SEE ATTACHED Rates:	Date: Rates:	Date: 2-99 Rates: 91 MCFD, .6 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☐ Yes ☒ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No (R-9893)  
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). SEE ATTACHED
16. 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 all offset operators.  
\* Notification list of working, overriding, and royalty interests for uncommon interest cases.  
\* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Heather Dahlgren TITLE: Senior Engineering Tech DATE: 5/21/99

TYPE OR PRINT NAME HEATHER DAHLGREN TELEPHONE NO. (915) 685-7665