

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☒ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Merrion Oil & Gas Corporation 610 Reilly Avenue, Farmington, NM 87401-2634

Operator

Address

MEAD B

1

A 3 26N 11W

San Juan

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 014634 Property Code 22957 API NO. 30-045-06078

Spacing Unit Lease Types: (check 1 or more)

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	Basin Fruitland Coal		West Kutz Pictured Cliffs
2. Top and Bottom of Pay Section (Perforations)	1533'-1784'		1802'-1903'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flow		Flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 550 psi b. (Original) 550 psi		a. 300 psi b. 550 psi
6. Oil Gravity (°API) or Gas BTU Content	BTU 1000		BTU 1100
7. Producing or Shut-In?	SI - Not completed yet		SI - Not completed yet
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: NA Rates: NA	Date: NA Rates: NA	Date: NA Rates: NA
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: NA Rates: NA	Date: NA Rates: NA	Date: NA Rates: NA
8. Fixed Percentage Allocation Formula - % for each zone	Oil: Will be provided after well is drilled Gas: %	Oil: Will be provided after well is drilled Gas: %	Oil: Will be provided after well is drilled 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?

If not, have all working, overriding, and royalty interests been notified by certified mail?

Have all offset operators been given written notice of the proposed downhole commingling?

Yes ☒ No ☐
 Yes ☒ No ☐
 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 ☐ No13. 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) _____

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.

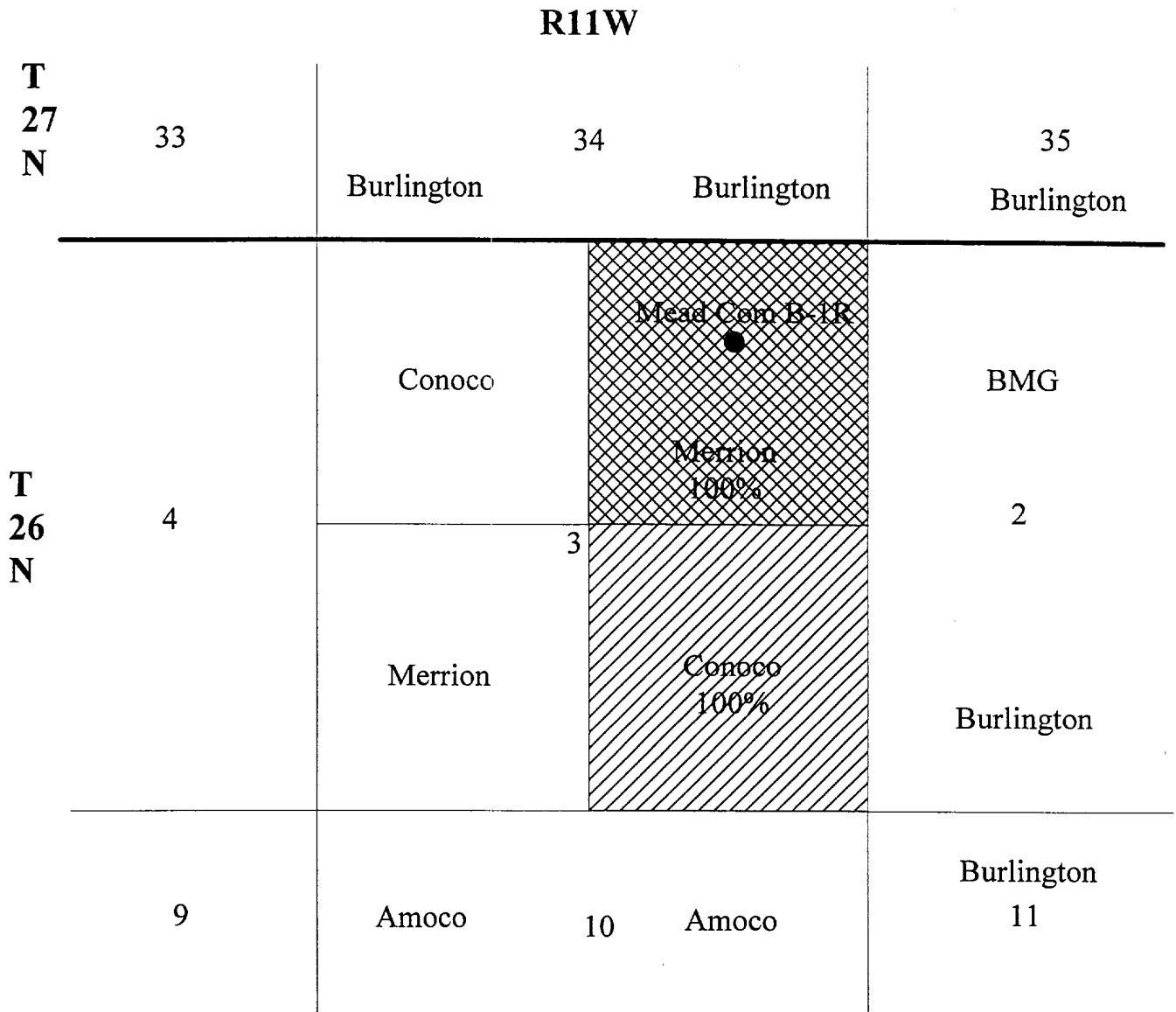
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE George Sharper TITLE Engineer DATE 3/26/99TYPE OR PRINT NAME George F. Sharper TELEPHONE NO. (505) 327-9801

EXHIBIT 1

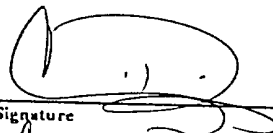
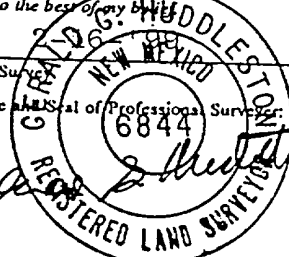
MEAD COM B-1R

Downhole Commingling Application



LEGEND

	PC Spacing Unit
	FC Spacing Unit

16 RECEIVED APR - 2 1999 OIL CON. DIV. DIST. 3	XX 820' 910' XX	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Printed Name Connie Dinning Engineer Title 3/10/99 Date
Section 3 EXHIBIT 2	XX XX	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  6844 Certificate Number

District I
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District II
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District III
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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-06078		² Pool Code 79680	³ Pool Name West Kutz Pictured Cliffs
⁴ Property Code 22957	⁵ Property Name MEAD B		⁶ Well Number 001
⁷ OGRID No. 014634	⁸ Operator Name MERRION OIL & GAS CORPORATION		⁹ Elevation 6333'

¹⁰ Surface Location

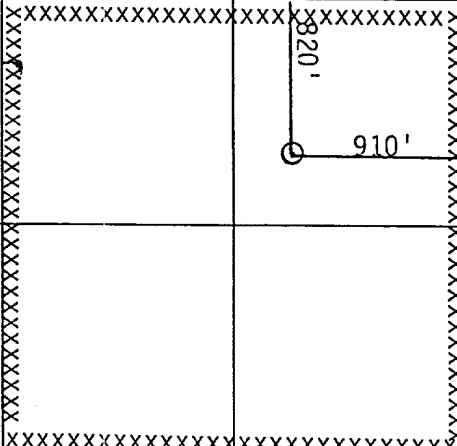
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	03	26N	11W	NENE	820	NORTH	910	EAST	SAN JUAN

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
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	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 	RECEIVED APR - 2 1999 OIL CON. DIV. DIST. 3	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>George Sharpe</u> Printed Name <u>George F. Sharpe</u> Title <u>Engineer</u> Date <u>3/26/99</u>	
	EXHIBT 3		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 Date of Survey Signature and Seal of Professional Surveyer:
			Certificate Number

Dwights

1600

Lease: MEAD (1)

Retrieval Code: 251,045,26N11W03A00PC

8

03/26/99

8

560

1400

7

7

490

1200

6

6

420

1000

5

5

350

800

4

4

280

600

3

3

210

400

2

2

140

200

1

1

70

0

0

0

0

0 25 50 75 100 125 150 175 200 225 Gas(MMCF)

BHP/Z

W

County: SAN JUAN, NM

F.P. Date: 11/59

WHSIP

0

Gas (mcf/mo)

Field: KUTZ WEST (PICTURED CLIFFS) PC

Oil Cum: 0 bbl

Water (bbl/mo)

Reservoir: PICTURED CLIFFS

Gas Cum: 193.2 mmcf

Operator: MERRION OIL & GAS CORP

Location: 3A 26N 11W

EXHIBIT 4
PICTURED CLIFFS PRODUCTION
MEAD B-1

Dwights

16000

Lease: FEDERAL 33 (42)

Retrieval Code: 251,045,27N11W33H00FT

24

03/26/99

8

8

14000

21

7

7

12000

18

6

6

10000

15

5

5

8000

12

4

4

6000

9

3

3

4000

6

2

2

2000

3

1

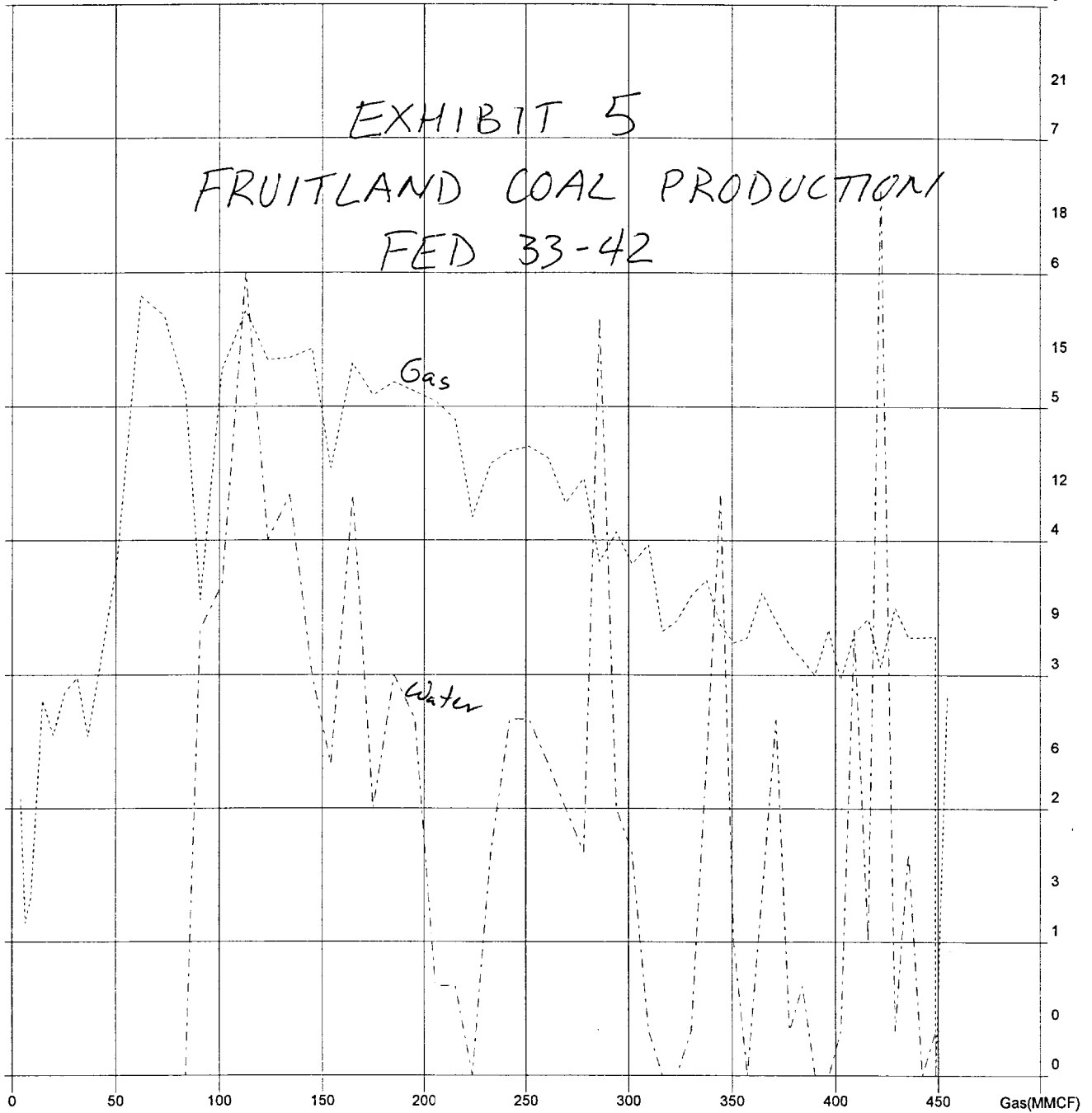
1

0

0

0

0



BHP/Z

X

County: SAN JUAN, NM

F.P. Date: 07/93

WHSIP

0

Gas (mcf/mo)

Field: BASIN (FRUITLAND COAL) FT

Oil Cum: 0 bbl

Water (bbl/mo)

Reservoir: FRUITLAND COAL

Gas Cum: 454.5 mmcf

Operator: LOUIS-DREYFUS NATRL GAS

Location: 33H 27N 11W

Exhibit "6"

Mead B Com 1R Commingling Application
Notification of Owners in Well

Working Interest Owners:

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Attn: Steve Klein

Royalty Interest Owners:

Department of the Interior
Minerals Management Service
P.O. Box 5810
Denver, CO 80217-5810

Overriding Royalty Interest Owners:

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Attn: Steve Klein

Total Minatome
P.O. Box 4326
Houston, TX 77210-4326

Marcia Berger
NationsBank, Agent
P.O. Box 840738
Dallas, TX 75284-0738

WWR Enterprises
NationsBank, Agent
P.O. Box 840738
Dallas, TX 75284-0738

Herbert R. Briggs
NationsBank, Agent
P.O. Box 840738
Dallas, TX 75284-0738

Exhibit "6"

Mead B Com 1R Commingling Application
Notification of Owners in Well

Working Interest Owners:

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Attn: Steve Klein

Royalty Interest Owners:

Department of the Interior
Minerals Management Service
P.O. Box 5810
Denver, CO 80217-5810

Overriding Royalty Interest Owners:

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10 Desta Drive, Suite 100W
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Attn: Steve Klein

Total Minatome
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Dallas, TX 75284-0738

Herbert R. Briggs
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P.O. Box 840738
Dallas, TX 75284-0738

William C. Briggs
NationsBank, Agent
P.O. Box 840738
Dallas, TX 75284-0738

Cronican Trust
NationsBank, Agent
P.O. Box 840738
Dallas, TX 75284-0738

Cyrene L. Inman
NationsBank, Agent
P.O. Box 840738
Dallas, TX 75284-0738

C. Fred Luthy, Jr.
NationsBank, Agent
P.O. Box 840738
Dallas, TX 75284-0738

Carolyn Nielsen Sedberry
NationsBank, Agent
P.O. Box 840738
Dallas, TX 75284-0738

Roger B. Nielsen
P.O. Box 793
Mansfield, TX 76063

Frank Potenziani
P.O. Box 36600, Station D
Albuquerque, NM 87176

Cheryl L. Potenziani
P.O. Box 36600, Station D
Albuquerque, NM 87176

Robert Umbach
P.O. Box 5310
Farmington, NM 87499

George W. Umbach
2620 S. Maryland Prkwy., #496
Las Vegas, NV 89109

Hannett Steele Group
NationsBank, Agent
P.O. Box 840738
Dallas, TX 75284-0738

Cross Timbers Operating Co.
P.O. Box 840287
Dallas, TX 75284-0287

Exhibit "7"

Mead B Com 1R Commingling Application
Notification of Offset Operators

Amoco Production Company
P.O. Box 800
Denver, CO 80201-0800

Attn: Steve Trefz

Burlington Resources Oil & Gas Co.
P.O. Box 4289
Farmington, NM 87499-4289

Attn: Dean Price

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Attn: Steve Klein

Benson-Montin-Greer
4900 College Blvd.
Farmington, NM 87402

Attn: Al Greer