

APPLICATION FOR MULTIPLE COMPLETION

|                                |          |          |
|--------------------------------|----------|----------|
| Southland Royalty Company      | San Juan | 5-29-86  |
| Operator                       | County   | Date     |
| P. O. Box 4289, Farmington, NM | Whitley  | 7E       |
| Address                        | Lease    | Well No. |
| F                              | 9        | 27N      |
| Location of Well               | Unit     | Section  |
|                                |          | Township |
|                                |          | Range    |

All Applicants for multiple completion must complete Items 1 and 2 below.

| 1. The following facts are submitted:  | Upper Zone                   | Intermediate Zone                        | Lower Zone   |
|--|------------------------------|--|--------------|
| a. Name of Pool and Formation  | Blanco MV/Otero CH           |  | Basin Dakota |
| b. Top and Bottom of Pay Section (Perforations)  | MV-4654-4804<br>CH-3388-3408 |  | 6666-6852    |
| c. Type of production (Oil or Gas)   | Gas                          |  | Gas          |
| d. Method of Production (Flowing or Artificial Lift)   | Flowing                      |  | Flowing      |
| e. Daily Production<br><input type="checkbox"/> Actual<br><input checked="" type="checkbox"/> Estimated<br>Oil Bbls.<br>Gas MCF<br>Water Bbls. | AOF- 2918                    | JUN 11 1986<br>OIL & GAS DIV.<br>DIST. 3 | AOF- 2049    |

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

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

Signed [Signature] Title Drilling Clerk Date 5-29-86

(This space for State Use)

Approved By ORIGINAL SIGNED BY ERNIE BUSCH Title DEPUTY OIL & GAS INSPECTOR, DIST. #3 Date JUN 16, 1986

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

NOTE: CH-MV COMINGLED UNDER ORDER DHC-603

NEW MEXICO OIL CONSERVATION COMMISSION  
PACKER SETTING REPORT

I, Mark Manson, being of lawful age and having full  
*Name of party making report*  
knowledge of the facts hereinbelow set out do state:

That I am employed by Meridian Oil Inc. in the capacity of  
Petroleum Engineer, that on May 2, 1986

I personally supervised the setting of a Polished Bore Receptacle  
*Make & type of packer*  
in Southland Royalty Company, Whitley,  
*Operator of well* *Lease name*

Well no. 7E located in the Basin DK/Blanco MV/Otero CH field,  
San Juan county, state of New Mexico, at a subsurface depth of  
4806' feet, said depth measurement having been furnished me by

Pipe Record;

That the purpose of setting this packer was to effect a seal in the annular space between two strings of pipe where the packer was set so as to prevent the commingling, in the bore of this well, of fluids produced from a stratum below the packer with fluids produced from a stratum above the packer; that this packer was properly set and that it did, when set, effectively and absolutely seal off the annular space between the two strings of pipe where it was set in such manner as that it prevented any movement of fluids across the packer.

Mark Manson

*(Signature)*

Petroleum Engineer

*(Title)*

5-29-86

*(Date)*

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JUN 11 1986  
OIL CON. DIV.  
DIST. 3

All distances must be from the outer boundaries of the Section.

|  |   |                        |                                   |                           |  |
|--|---|------------------------|-----------------------------------|---------------------------|--|
| Operator<br><b>SOUTHLAND ROYALTY COMPANY</b>   |   |                        | Lease<br><b>WHITLEY</b>           |                           | Well No.<br><b>22 7E</b>                   |
| Unit Letter<br><b>F</b>  | Section<br><b>9</b>                                   | Township<br><b>27N</b> | Range<br><b>9W</b>                | County<br><b>San Juan</b> |  |
| Actual Footage Location of Well:<br><b>1470</b> feet from the <b>North</b> line and <b>1470</b> feet from the <b>West</b> line |   |                        |                                   |                           |  |
| Ground Level Elev.<br><b>6290' GL</b>  | Producing Formation<br><b>Chacra/Mesaverde/Dakota</b> |                        | Pool<br><b>Otero/Blanco/Basin</b> |                           | Dedicated Acreage:<br><b>320/160</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.

|  |  |
|--|--|
|  | <p align="center"><b>RECEIVED</b><br/>JUL 01 1985<br/>BUREAU OF LAND MANAGEMENT<br/>FARMINGTON RESOURCE AREA</p> |
|  | <p align="center"><b>RECEIVED</b><br/>JUN 11 1986<br/>CIL CON. DIV.<br/>SANTA FE</p>                             |

Scale: 1"=1000'

|  |                                  |
|--|----------------------------------|
| <p align="center"><b>CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p>  |                                  |
| Name   | <b>C. Terry Hobbs</b>            |
| Position   | <b>District Engineer</b>         |
| Company  | <b>Southland Royalty Company</b> |
| Date   | <b>June 28, 1985</b>             |
| <p>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.</p> |                                  |
| Date Surveyed  | <b>December 14, 1983</b>         |
| Registered Professional Engineer and Land Surveyor   | <b>Fred B. Kerr Jr.</b>          |
| Certificate No.  | <b>3950</b>                      |

SCHEMATIC DIAGRAM OF INTENDED COMINGLED MULTIPLE  
COMPLETION

Southland Royalty Company, Whitley #7E, Sec. 9,  
T-27-N, R-9-W, San Juan Co., Basin DK/Blanco MV/Otero  
Chacra

9 5/8" , 32.30#, K-55 casing set at approximately 200' with sufficient  
cement to circulate to surface.

Chacra formation will be selectively perforated and sand water fractured.  
Perf'd 3388-3390, 3392-3396, 3398-3400, 3402-3404, 3406-3408 w/10 SPZ.  
Frac'd w/40,000# 10/20 sand & 42,622 gals slickwater. Flushed w/5,400 gals  
water.

NOTE: CH-MV COMINGLED UNDER ORDER DHC-603

Blanco Mesa Verde formation will be selectively perforated and sand  
water fractured. Perf'd 4654-4656, 4658-4660, 4669-4671, 4704-4706,  
4714-4716, 4732-4734, 4756-4758, 4786-4804, w/16 SPZ. Frac'd w/31,000#  
20/40 sand & 54,493 gals slickwater. Flushed w/7,815 gals water.

1 1/2", 2.8#, EUE 10rd. Blanco Mesa Verde/Otero Chacra Tubing set @ 4778'.

Baker Seal Assembly in PBR set @ 4806'.

4 1/2" Liner set @ 4820'.

7", 23.0 & 26.0#'s, K-55 casing set @ 4900'.

Dakota formation will be selectively perforated and sand water fractured.  
Perf'd 6666-6668, 6670-6675, 6677-6679, 6734-6736, 6738-6740, 6742-6748,  
6750-6752, 6807-6819, 6828-6830, 6832-6834, 6836-6838, 6840-6842, 6852  
w/25 SPZ.

Seating Nipple set @ 6808'.

2 3/8", EUE 4.7#, 8rd Dakota tubing set @ 6841'.

4 1/2", 11.6 & 10.5#'s, K-55 Liner set from approximately 4820' to 6944'  
with sufficient cement to circulate top of liner at 4820'.