

CONFIDENTIAL

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

Form C-107-A  
Revised August 1999

APPROVAL PROCESS:

\_\_\_ Administrative \_\_\_ Hearing

EXISTING WELLBORE

\_\_\_ YES \_\_\_ NO

APPLICATION FOR DOWNHOLE COMMINGLING

DISTRICT I  
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

Mallon Oil Company

P. O. Box 2797

Durango, Colorado 81302

Operator Address

Jicarilla 458-6

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J 6 - 30N - 03W

Rio Arriba

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 13925 Property Code 00022859 API NO. 30-039-25973 Federal X 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	Cabresto Canyon San Jose Ext 96822	Cabresto Canyon Nacimiento Ext 96821 Cabresto Canyon Ojo Alamo Ext 96538	East Blanco Pictured Cliffs Ext 72400
2. Top and Bottom of Pay Section (Perforations)	1,122' - 1,448'	2490' - 2990' 3191' - 3167'	3,700' - 3,767'
3. Type of production (Oil or Gas)	Gas	Gas Gas	Gas
4. Method of Production (Flowing or Artificial Lift)	N/A	N/A	Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. 382 psi b. (Original) 382 psi	a. 512 psi and 1098 psi b 512 psi 1098 psi	a. 400 psi b. 1169 psi
6. Oil Gravity (EAPI) or Gas BTU Content	Each zone will be isolated and 1065 BTU	tested for gas analysis and rate 1063 BTU & 1098 BTU	for allocation percentages. 1156 BTU
7. Producing or Shut-In?	Not completed	Not completed	Producing
Production Marginal? (yes or no)	No	No	No
* 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: N/A Rates:	Date: N/A Rates:	Date: N/A Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: N/A Rates:	Date: N/A Rates:	Date: 4/27/00 Rates: 702 MCFD, 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

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) \_\_\_\_\_

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 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 John Zellitti TITLE District Petroleum Engineer DATE 4/28/00

TYPE OR PRINT NAME John Zellitti TELEPHONE NO. ( 970-382-9100 )