

DISTRICT I  
1825 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 August 1999  
APPROVAL PROCESS:  
☒ Administrative  
☐ Hearing  
EXISTING WELLBORE  
☒ YES ☐ NO

Operator Horace F. McKay, Jr. Address P.O. Box 14738 Albuquerque, NM 87191  
Lease Maxwell Well No. 1 Unit Ltr. - Sec - Twp - Rge F Sec. 1 Twp. 30N, Rge 23W County San Juan  
OGRID NO. 010715 Property Code 30-045-09918 Spacing Unit Lease Types: (check 1 or more)  
Federal ☐ State ☐ (working Fee ☒ X

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Flora Vista FR Sand 76600		Aztec PC 71280
2. Top and Bottom of Pay Section (Perforations)	1931-38		2210-2228
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current) 290 (est)	a.	a. 210 (est)
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) 600 (est)	b.	b. 750 (est)
6. Oil Gravity (EAPI) or Gas BTU Content	1200 (est.)		1190
7. Producing or Shut-In?	Shut-In		producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-in, give date and oil/gas/water rates of last production	Date: see attached Rate: 120 MCFD 10 BWD	Date: Rate:	Date: Rate:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rate:	Date: Rate:	Date: April 1-May 31, 2000 Rate: 40 MCFD 3 BWD
8. Fixed Percentage Allocation Formula - % for each zone (Total of %'s to equal 100%)	Oil: % Gas: 75 %	Oil: % Gas: %	Oil: % Gas: 25 %

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 communutilized 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 William J. Mayhew TITLE Gen. MGR. DATE 6/26/00

TYPE OR PRINT NAME William J. Mayhew TELEPHONE NO. (505) 296-5508

SA