

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

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

Greystone Energy, Inc.

5802 Highway 64, Farmington, NM 87401

Operator

Address

Payne

2E

E - 35- 31N - 13W

San Juan

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 173252

Property Code 24069

API NO. 30-045-25882

Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling: 1. Pool Name and Pool Code	Upper Zone Flora Vista Gallup / 76640	Intermediate Zone	Lower Zone Basin Dakota / 71599
2. Top and Bottom of Pay Section (Perforations)	5634' - 5910'		6500' - 6601'
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) 600 PSI b. (Original) 1300 PSI	a. b.	a. 600 PSI b. 1400 PSI
6. Oil Gravity (EAPI) or Gas BTU Content	1244		1244
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or 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 * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	YES Date: Rates:	YES Date: Rates:	YES Date: Rates:
	Date: 3/15/00 Rates: 15 MCFD / 0 BOPD	Date: Rates:	Date: 3/15/00 Rates: 80 MCFD / 1 BOPD
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 26.8% Gas: 16.2 %	Oil: % Gas: %	Oil: 73.2 % Gas: 83.8%

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 Brian D. Voigt TITLE VP DATE 4/4/00

TYPE OR PRINT NAME: Brian D. Voigt TELEPHONE NO. (505) 632 - 8056 Ext 223