

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 S. First St., Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

## APPLICATION FOR DOWNHOLE COMMINGLING

J R Oil Ltd, Co.

PO Box 2975, Hobbs, NM 88241

Operator

Address

Owen

#2

O 35 T21S R37E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 256073 Property Code 330348 API No. 30-025-07023 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blinebry O&G (Oil)		Wantz Abo
Pool Code	6660		62700
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,504' - 5,760'		6,632' - 7,248'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	(NA)		(NA)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.4		44.4
Producing, Shut-In or New Zone			Producing
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: July 31, 2022 Rates: 0 BOPD, 0.75 MCFD, 0 BWPD	Date: Rates:	Date: Aug. 30, 2017 Rates: 0 BOPD, 0.07 MCFD, 0 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 72.4 % 73.4 %	Oil Gas % %	Oil Gas 27.6 % 26.6 %

## ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐  
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☐ No ☐

NMOCD Reference Case No. applicable to this well: R-11363

## 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, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

## PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

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

SIGNATURE

TITLE EngineerDATE Sep. 22, 2022TYPE OR PRINT NAME Ian PetersenTELEPHONE NO. ( 432 ) 634-4922E-MAIL ADDRESS ian@ddpetro.com

Submit 1 Copy To Appropriate District Office  
**District I** – (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
**District II** – (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
**District III** – (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
**District IV** – (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 Revised July 18, 2013

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-07023
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator J R Oil Ltd, Co.		6. State Oil & Gas Lease No. 330348
3. Address of Operator PO Box 2975, Hobbs, NM 88241		7. Lease Name or Unit Agreement Name Owen
4. Well Location Unit Letter <u>O</u> : <u>660</u> feet from the <u>South</u> line and <u>1,980</u> feet from the <u>East</u> line Section <u>35</u> Township <u>21S</u> Range <u>37E</u> NMPM County <u>Lea</u>		8. Well Number <u>2</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,362' GL		9. OGRID Number 256073
		10. Pool name or Wildcat Blinebry O&G (Gas), Wantz Abo

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
 DOWNHOLE COMMINGLE ☒  
 CLOSED-LOOP SYSTEM ☐  
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
 COMMENCE DRILLING OPNS. ☐ P AND A ☐  
 CASING/CEMENT JOB ☐  
 OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

J R Oil respectfully requests permission to down hole-commingle this well bore by removing the dual completion equipment and installing rod pump.

All pools pre pre-approved for DHC per Order R-11363.

Pools to be commingled are the Blinebry Oil & Gas (Gas) [72480] and Wantz Abo [62700].

Perforated intervals are 5,504' - 5,760' (Blinebry) and 6,632' - 7,248' (Abo).

Allocation method and supporting data is included in the work plan.

Down-hole commingling will not reduce the total remaining production's value.

The working and royalty interests between the pools is identical.

See attachments for additional details.

Spud Date:

Sep. 8, 1946

Rig Release Date:

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

SIGNATURE



TITLE Engineer

DATE Sep. 29, 2022

Type or print name Ian Petersen

E-mail address: ian@ddpetro.com

PHONE: (432) 634-4922

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

# J R Oil Ltd., Co.

TO: NMOCD, Hobbs District  
FROM: Ian Petersen  
(432) 634-4922  
SUBJECT: Owen #2 (30-025-07023)  
DATE: September 29, 2022

---

J R Oil respectfully requests permission to reactivate this well bore and down-hole commingle as follows:

- 1) remove dual completion equipment
- 2) equip to produce via rod pump.

Perforation depths are

Blinebry Oil & Gas (Gas) [72480] 5,504' – 5,760'

Wantz Abo [62700] 6,632' – 7,248'

Allocations are based on the cumulative production volumes of the respective pools for all wells in 1 mile radius from the subject well. A detailed table and map are attached. In summary 72.4% of the oil production will be allocated to the Blinebry and 27.6% to the Abo. 73.4% of the gas production will be allocated to the Blinebry and 26.6% to the Abo.

Down-hole commingling will not reduce the total remaining production's value. Installing artificial lift will reduce the flowing bottom hole pressure of both pools resulting in an increase of reserves.

The working and royalty interests of all depths within the SE/4 of section 35, in which this wellbore is located, are identical. Per NSP-885 the W/2 of the SE/4 will be dedicated to the Blinebry. The SW/4 of the SE/4 will be dedicated to the Wantz Abo.

See attachments for details.

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
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Phone: (575) 748-1283 Fax: (575) 748-9720

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☒ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-07023	<sup>2</sup> Pool Code 72480	<sup>3</sup> Pool Name Blinebry Oil & Gas (Pro Gas)
<sup>4</sup> Property Code 330348	<sup>5</sup> Property Name Owen	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 256073	<sup>8</sup> Operator Name J R Oil Ltd, Co.	<sup>9</sup> Elevation 3,362' GL

<sup>10</sup> Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	35	21S	37E		660	S	1,980	E	Lea

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 80	<sup>13</sup> Joint or Infill Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. NSP-885
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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.

	<b><sup>17</sup> OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  <div style="display: flex; justify-content: space-between;"> <span>Signature</span> <span>Date</span> </div> <div style="display: flex; justify-content: space-between;"> <span></span> <span>Sep. 30, 2022</span> </div>
	<div style="border: 1px solid black; padding: 5px;"> <b>Printed Name</b>            Ian Petersen         </div> <div style="border: 1px solid black; padding: 5px;"> <b>E-mail Address</b>            ian@ddpetro.com         </div>
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b> <i>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.</i>
	<div style="border: 1px solid black; padding: 5px;"> <b>Date of Survey</b>            _____         </div> <div style="border: 1px solid black; padding: 5px;"> <b>Signature and Seal of Professional Surveyor:</b>            _____         </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <b>Certificate Number</b>            _____         </div>

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT.**

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

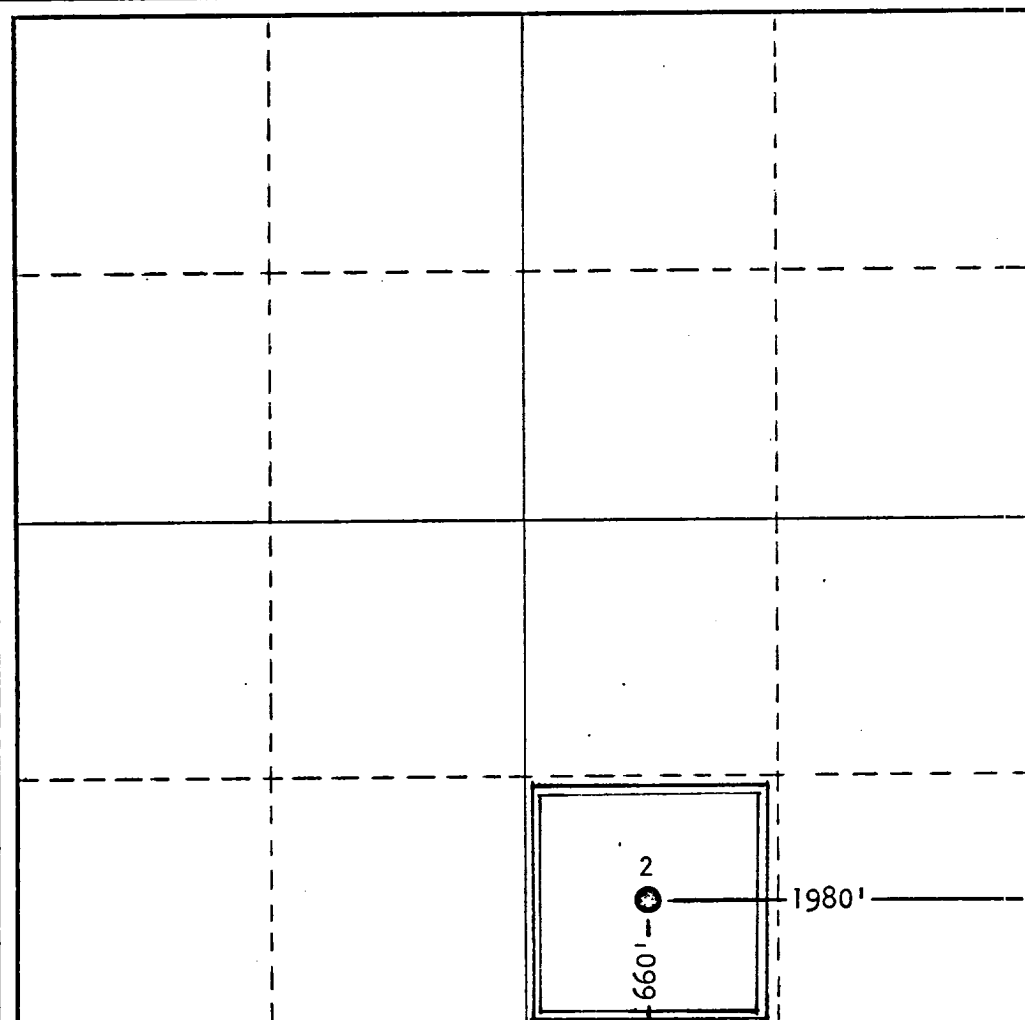
Operator Cities Service Oil Company			Lease Owen		Well No. 2
Unit Letter 0	Section 35	Township 21S	Range 37E	County Lea	
Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the East line					
Ground Level Elev: 3362'	Producing Formation Granite Wash/Abo	Pool Undesignated		Dedicated Acreage: 40 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.



**CERTIFICATION**

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

Name E. J. Fielder  
Position Region Operation Manager  
Company Cities Service Oil Company  
Date November 6, 1973

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.

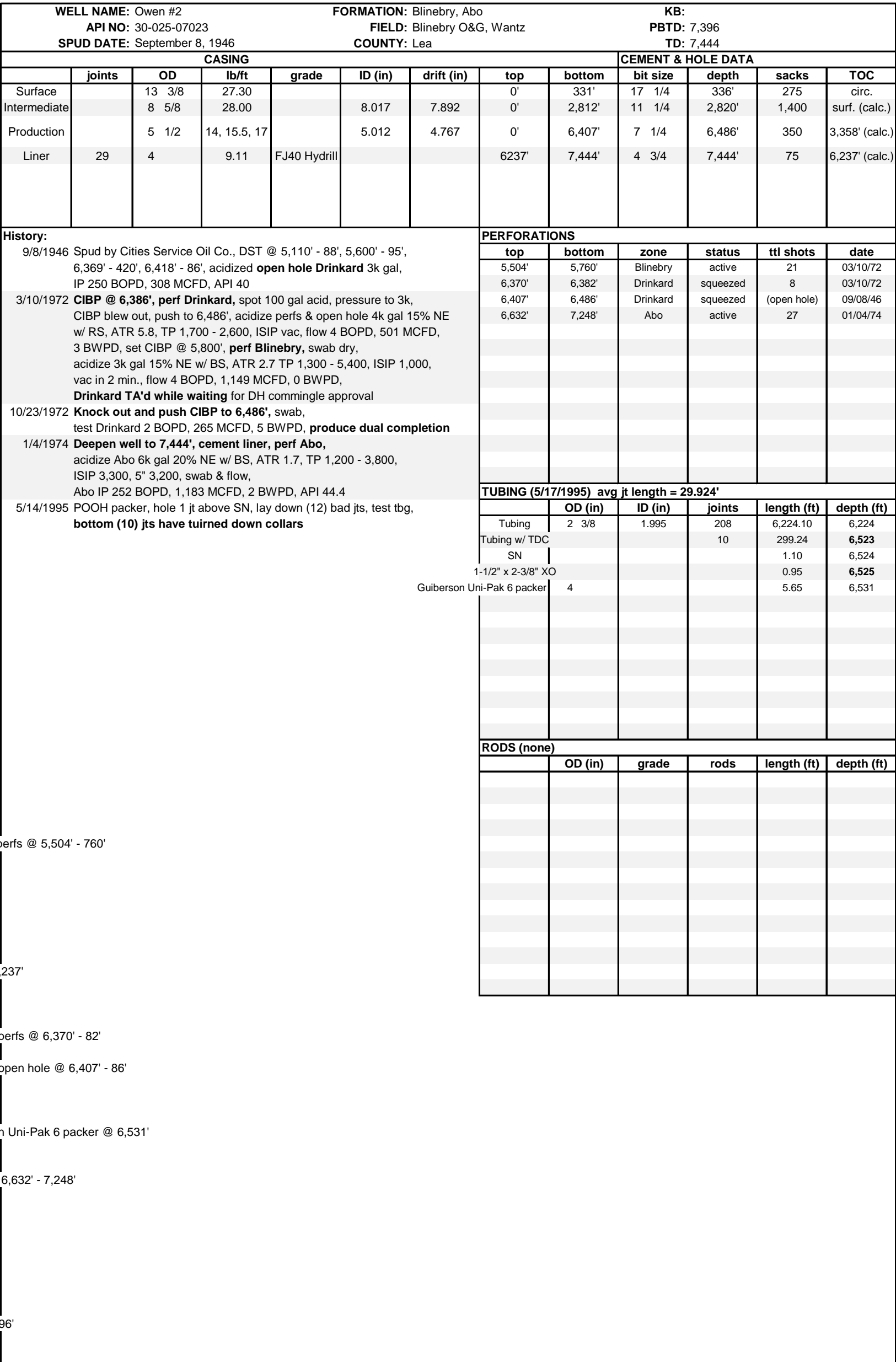
Date Surveyed \_\_\_\_\_

Registered Professional Engineer  
and/or Land Surveyor

Certificate No. \_\_\_\_\_



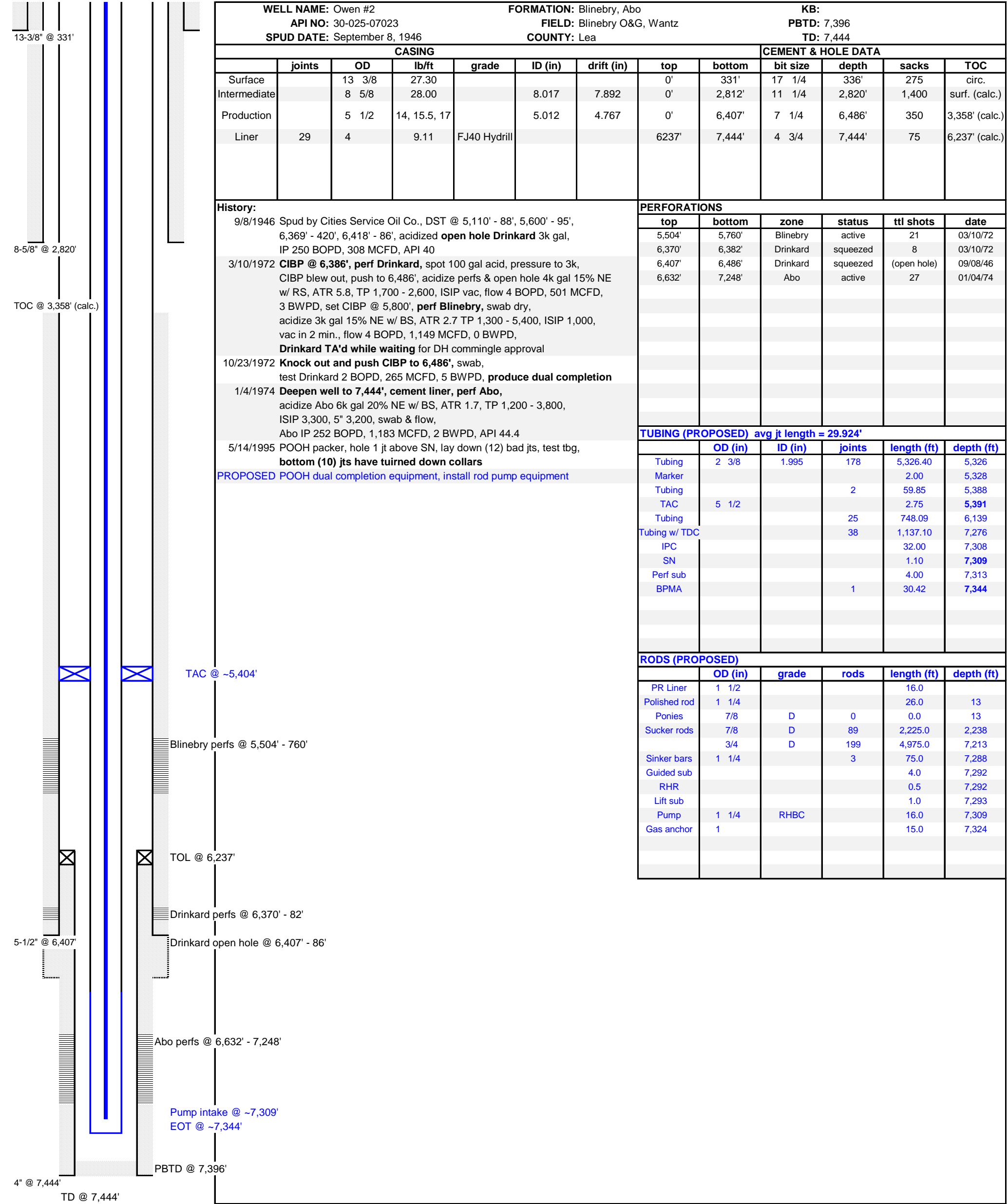
# Owen #2



**Updated:** August 11, 2022 by Ian Petersen

JR Oil Ltd.

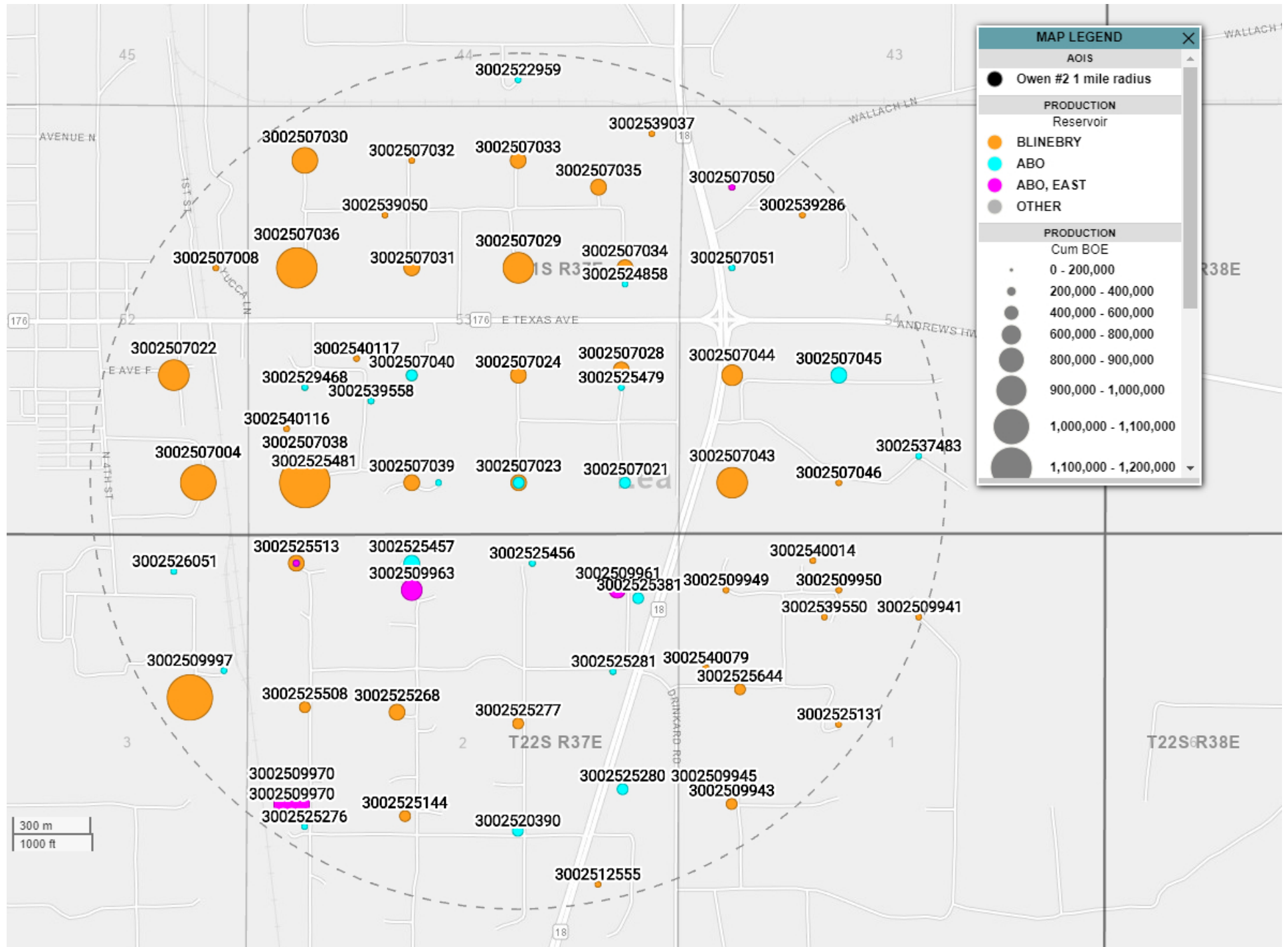
Owen #2 PROPOSED



API	ABO		BLINEBRY	
	Cum. Oil (MBO)	Cum. Gas (MCF)	Cum. Oil (MBO)	Cum. Gas (MCF)
30025068600000			273,253	3,523,192
30025070040000			191,048	5,077,182
30025070080000			12,689	850,118
30025070210000	225,037	918,326		
30025070220000			186,598	4,708,503
30025070230000	93,105	1,228,088	217,883	1,786,248
30025070240000	129,171	1,336,534	130,385	2,400,517
30025070280000			263,192	941,942
30025070290000			208,533	4,678,237
30025070300000			224,882	3,540,061
30025070310000	63,799	562,292	253,448	1,011,986
30025070320000			8,361	437,305
30025070330000	124,057	1,371,627	209,287	2,336,084
30025070340000			211,585	1,538,258
30025070350000			213,254	1,393,483
30025070360000			233,179	5,666,907
30025070380000			172,712	13,063,595
30025070390000			24,746	2,698,023
30025070400000	88,578	769,134	26,221	1,212,202
30025070430000			239,281	4,476,736
30025070440000			217,168	3,083,497
30025070450000	76,531	3,090,505		
30025070460000			10,027	210,668
30025070500000	23,079	442,019		
30025070510000	9,124	91,748	4,925	538,930
30025099410000			5,855	136,281
30025099430000			76,756	1,908,143
30025099450000			2,329	26,876
30025099490000			14,561	852,012
30025099500000			9,087	175,996
30025099610000	33,886	2,807,119	150,462	1,558,866
30025099630000	32,241	3,589,660	132,937	2,565,810
30025099700000	11,720	6,256,394	8,259	487,999
30025099970000			132,173	6,990,088
30025099980000	11,645	363,349	118,512	777,760
30025125550000			6,387	103,957
30025202830000	64,356	1,964,466	12,370	1,667,320
30025203900000	80,975	1,887,917	1,805	913,368
30025229590000	56,318	172,757		
30025248580000				
30025251300000	110,978	374,122		
30025251310000			18,797	555,594
30025251440000			79,857	1,782,502



API	ABO		BLINEBRY	
	Cum. Oil (MBO)	Cum. Gas (MCF)	Cum. Oil (MBO)	Cum. Gas (MCF)
30025252680000			72,527	2,418,852
30025252760000	59,270	460,374		
30025252770000			73,346	1,653,597
30025252800000	44,158	1,026,459		
30025252810000	310	7,230	15,691	1,030,017
30025253810000	98,179	997,441		
30025254560000	80,468	588,329	44,667	348,128
30025254570000	70,677	2,409,289		
30025254790000	30,183	495,625		
30025254810000	29,788	1,155,926		
30025255080000			35,940	1,956,432
30025255130000	33,005	315,808	53,585	2,194,892
30025256440000			12,302	1,448,179
30025257850000	39,810	486,991		
30025260510000	44,173	754,499	16,685	888,173
30025294680000	49,268	322,987	29,724	267,008
30025374830000			14,189	104,897
30025390370000			12,998	127,059
30025390500000			17,113	272,370
30025392860000			14,232	178,490
30025395500000			5,906	239,900
30025395580000			5,444	334,879
30025400140000			9,037	194,418
30025400790000			9,485	300,182
30025401160000			6,920	265,438
30025401170000			8,126	270,708
TOTAL	1,813,889	36,247,015	4,760,721	100,169,865
AVERAGE	62,548	1,249,897	85,013	1,788,748
COMMINGLED PERCENT	27.6%	26.6%	72.4%	73.4%



# J R Oil Ltd., Co.

TO: NMOCD, Hobbs District  
FROM: Ian Petersen  
(432) 634-4922  
SUBJECT: Owen #2 (30-025-07023)  
DATE: September 12, 2022

---

J R Oil respectfully requests permission to reactivate this well bore and down-hole commingle as follows:

- 1) remove dual completion equipment
- 2) equip to produce via rod pump.

Perforation depths are

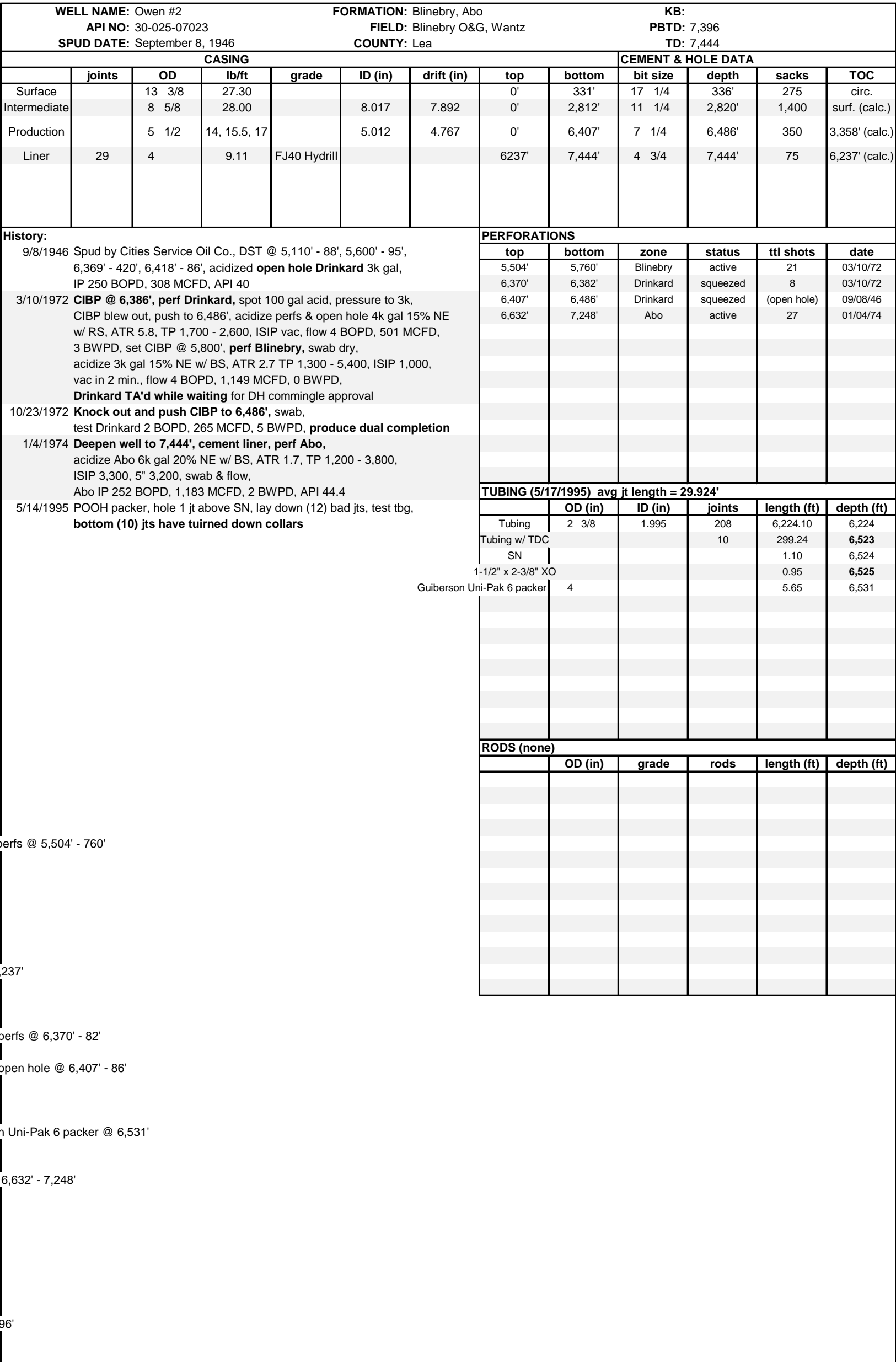
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Wantz Abo [62700]	6,632' – 7,248'

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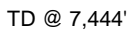
The working and royalty interests of each pool in this wellbore are identical.

## Owen #2



**Updated:** August 11, 2022 by Ian Petersen

# Owen #2 PROPOSED

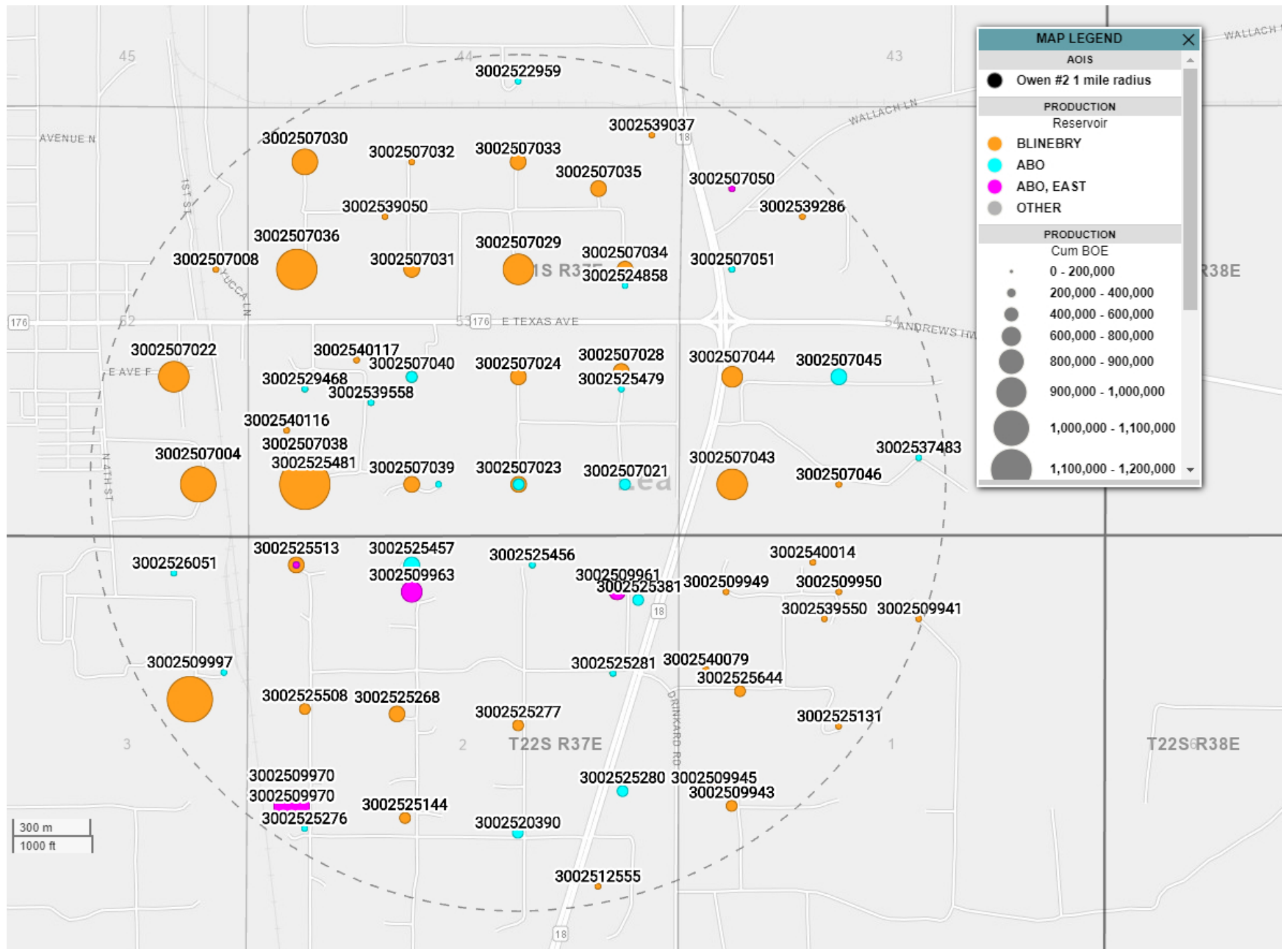


**Updated:** August 11, 2022 by Ian Petersen



API	ABO		BLINEBRY	
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30025070300000			224,882	3,540,061
30025070310000	63,799	562,292	253,448	1,011,986
30025070320000			8,361	437,305
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30025070350000			213,254	1,393,483
30025070360000			233,179	5,666,907
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30025125550000			6,387	103,957
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30025203900000	80,975	1,887,917	1,805	913,368
30025229590000	56,318	172,757		
30025248580000				
30025251300000	110,978	374,122		
30025251310000			18,797	555,594
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30025252800000	44,158	1,026,459		
30025252810000	310	7,230	15,691	1,030,017
30025253810000	98,179	997,441		
30025254560000	80,468	588,329	44,667	348,128
30025254570000	70,677	2,409,289		
30025254790000	30,183	495,625		
30025254810000	29,788	1,155,926		
30025255080000			35,940	1,956,432
30025255130000	33,005	315,808	53,585	2,194,892
30025256440000			12,302	1,448,179
30025257850000	39,810	486,991		
30025260510000	44,173	754,499	16,685	888,173
30025294680000	49,268	322,987	29,724	267,008
30025374830000			14,189	104,897
30025390370000			12,998	127,059
30025390500000			17,113	272,370
30025392860000			14,232	178,490
30025395500000			5,906	239,900
30025395580000			5,444	334,879
30025400140000			9,037	194,418
30025400790000			9,485	300,182
30025401160000			6,920	265,438
30025401170000			8,126	270,708
TOTAL	1,813,889	36,247,015	4,760,721	100,169,865
AVERAGE	62,548	1,249,897	85,013	1,788,748
COMMINGLED PERCENT	27.6%	26.6%	72.4%	73.4%



# J R Oil Ltd., Co.

TO: NMOCD, Hobbs District  
FROM: Ian Petersen  
(432) 634-4922  
SUBJECT: Owen #2 (30-025-07023)  
DATE: September 12, 2022

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J R Oil respectfully requests permission to reactivate this well bore and down-hole commingle as follows:

- 1) remove dual completion equipment
- 2) equip to produce via rod pump.

Perforation depths are

Blinebry Oil & Gas [6660]	5,504' – 5,760'
Wantz Abo [62700]	6,632' – 7,248'

Allocations are based on the cumulative production volumes of the respective pools for all wells in 1 mile radius from the subject well. A detailed table and map are attached. In summary 72.4% of the oil production will be allocated to the Blinebry and 27.6% to the Abo. 73.4% of the gas production will be allocated to the Blinebry and 26.6% to the Abo.

Down-hole commingling will not reduce the total remaining production's value. Installing artificial lift will reduce the flowing bottom hole pressure of both pools resulting in an increase of reserves.

The working and royalty interests of each pool in this wellbore are identical.

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND  
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** J R Oil Ltd **OGRID Number:** 256073  
**Well Name:** Owen #2 **API:** 30-025-07023  
**Pool:** Blinbry Oil & Gas (oil), Wantz Abo **Pool Code:** 6660, 62700

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

- B. Check one only for [I] or [II]  
 [I] Commingling – Storage – Measurement  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM  
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A. ☐ Offset operators or lease holders  
 B. ☐ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☐ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☒ No notice required

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application  
 Content  
 Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Ian Petersen

Print or Type Name

Signature

Sep. 14, 2022

Date

(432) 634-4922

Phone Number

ian@ddpetro.com

e-mail Address



**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Ian Petersen](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com)  
**Subject:** Approved Administrative Order DHC-5224  
**Date:** Wednesday, October 5, 2022 10:13:33 AM  
**Attachments:** [DHC5224 Order.pdf](#)

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NMOCD has issued Administrative Order DHC-5224 which authorizes J R Oil, LTD. Co. (256073) to downhole commingle production within the following well:

**Well Name:** **Owen #2**  
**Well API:** **30-025-07023**

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The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR DOWNHOLE COMMINGLING  
SUBMITTED BY J R OIL, LTD. CO.**

**ORDER NO. DHC-5224**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. J R Oil, LTD. Co. ("Applicant") submitted a complete application ("Application") to downhole commingle the pools described in Exhibit A ("the Pools") within the well bore of the well identified in Exhibit A ("the Well").
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
7. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

**CONCLUSIONS OF LAW**

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
10. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
3. If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Order to become inaccurate, then no later than sixty (60) days after that event, Applicant shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Order shall terminate on the date of such action.
4. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
5. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
6. If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL  
DIRECTOR**

**DATE:** 10/4/22

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **DHC-5224**

Operator: **J R Oil, LTD. Co. (256073)**

Well Name: **Owen #2**

Well API: **30-025-07023**

Pool Name: **BLINEBRY OIL & GAS (PRO GAS)**

**Upper Zone**

Pool ID: **72480**

Current:

New: **X**

Allocation: **Fixed Percent**

Oil: **72.4%**

Gas: **73.4%**

Interval: **Perforations**

Top: **5,504**

Bottom: **5,760**

Pool Name:

**Intermediate Zone**

Pool ID:

Current:

New:

Allocation:

Oil:

Gas:

Interval:

Top:

Bottom:

Bottom of Interval within 150% of Upper Zone's Top of Interval:

Pool Name: **WANTZ; ABO**

**Lower Zone**

Pool ID: **62700**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **27.6%**

Gas: **26.6%**

Interval: **Perforations**

Top: **6,632**

Bottom: **7,248**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **YES**



**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 143240

**CONDITIONS**

Operator: J R OIL, LTD. CO. P.O. Box 52647 Tulsa, OK 74152	OGRID: 256073
	Action Number: 143240
	Action Type: [C-107] Down Hole Commingle (C-107A)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	10/5/2022