

DATE IN	SUSPENSE	ENGINEER <i>WVS</i>	LOGGED IN <i>4/26/04</i>	DHC TYPE <i>3274</i>	APP NO. <i>0412539670</i>
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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



APR 26 2004

ADMINISTRATIVE APPLICATION CHECKLIST

OIL CONSERVATION
DIVISION

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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☐ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Carol J. Moore
Print or Type Name

Signature

Carol J. Moore

Senior Advisor, Regulatory
Title

4/16/2004
Date

cmoore@hess.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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

Form C-107A
Revised June 10, 2003

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

Amerada Hess Corporation P.O. Box 840 Seminole, TX 79360
Operator Address
LM Lambert 4 Unit H, Sec. 6, T20S, R37E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 000495 Property Code 000119 API No. 30-025-05928 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	West Monument Tubb (Gas)	UNDES Monument Drinkard	UNDES, SE MON, ABO
Pool Code	96968	97060	97060 96964
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6286' - 6479'	6749' - 6840'	6893' - 7252'
Method of Production (Flowing or Artificial Lift)	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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.6		
Producing, Shut-In or New Zone	Producing	Shut-in	Shut-in
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: 02/29/2004 Rates: 3 BOPD 460 MCFD	Date: Rates:	Date: Rates:
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 *SEE BELOW %	Oil Gas *SEE BELOW %	Oil Gas *SEE BELOW %

*Allocation percentage to be reported to Hobbs NMOCD prior to commingling.

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? 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: _____

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 Carol J. Moore TITLE Senior Advisor, Regulatory DATE 4/16/2004

TYPE OR PRINT NAME Carol J. Moore TELEPHONE NO. (432) 758-6738

E-MAIL ADDRESS cmoore@hess.com

Amerada Hess Corporation
L.M. Lambert No. 4
API # 30-025-05928

Form C-107-A - Attachment

Form C-102 - West Monument Tubb (Gas), Monument Drinkard, and Monument Abo

Production Data:

01/01 Workover Summary

L.M. Lambert No. 4 was re-entered and tested in the Abo and Drinkard formations in January, 2002. Following initial workover, the Abo zone was production tested for less than one month. A retrievable bridge plug was set above the Abo and Drinkard zones, and the well was completed in the Tubb zone, with the Drinkard and Abo remaining behind pipe until present.

01/01/02 Workover Detail

The Abo and Drinkard was perforated and acidized and then flow tested below a packer. On January 7, 2002, the well was flow tested and a production log run across both Abo and Drinkard zones. The production log indicated majority of oil and gas production from the Abo formation.

The Drinkard and Abo combined flowrate on 1/7/02 was: 91 bopd, 68 bwpd, and 439 mcf/d

The Drinkard zone was then isolated, and was swab/flow tested on 1/17/04 at: 32 bopd, 53 bwpd, and 28 mcf/d. Using the subtraction method, the Drinkard contributed 35% (32/91) of oil and 6% (28/439) of gas.

Following the Drinkard isolation testing, the well was production tested in the Abo from January 21st through February 11th, 2002. The Abo final flowing rate was 15 bopd, 0 bwpd, and 102 mcf/d.

A retrievable bridge plug was set at 6673' above the Abo and Drinkard in order to test the Tubb. The Tubb was completed and has produced from February 2002 to present.

Production plots for Abo and Tubb zones are attached, along with tabular production for each.

Request for Downhole Commingling Approval

Amerada Hess Corporation would like to allocate production for the Abo and Drinkard formations, using the subtraction method from the swab/flow rates listed above. Allocation of Tubb production will be based on the last flowing production rate for this zone prior to removing the RBP and commingling with the Drinkard and Abo.

Once workover has commenced and production rates established for the three commingled zones, Amerada Hess will contact NMOCD Hobbs Office for approved final allocation percentages.

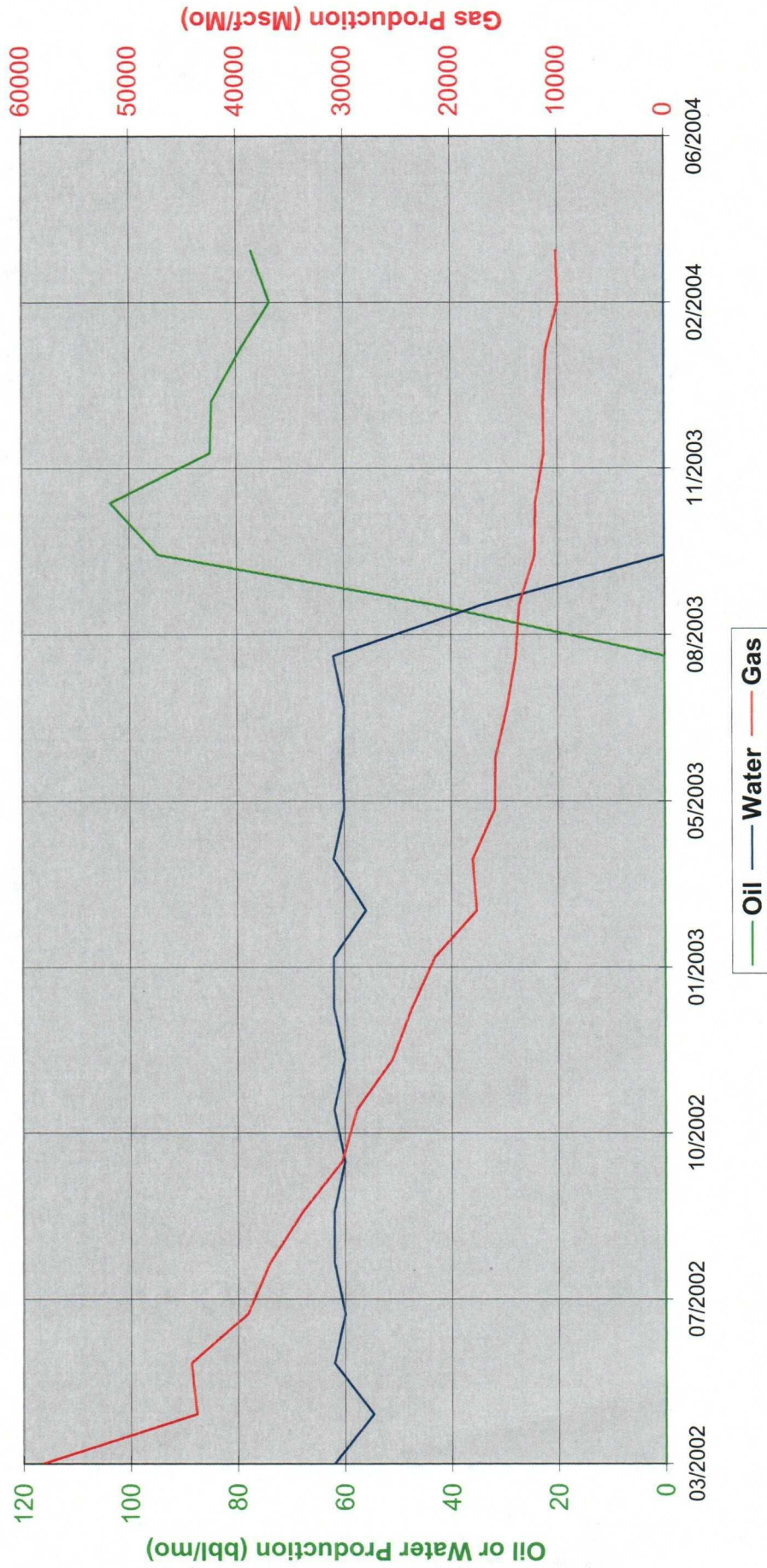
In summary, the preferred allocation method will be:

Submit a commingled production test for Tubb, Drinkard and Abo, with allocations as such:

Zone	West Monument Tubb (Gas)	Monument Drinkard	Monument Abo
Oil	Final Tubb Rate	35% of Added Oil	65% of Added Oil
Gas	Final Tubb Rate	6% of Added Gas	94% of Added Gas

Amerada Hess Corporation
Monthly Gross Production
 MONUMENT FIELD, NM
 LAMBERT, L M 001508-04
 WEST MONUMENT TUBB GAS LAMBERT #4 (TUBB)

Monthly Production vs. Time



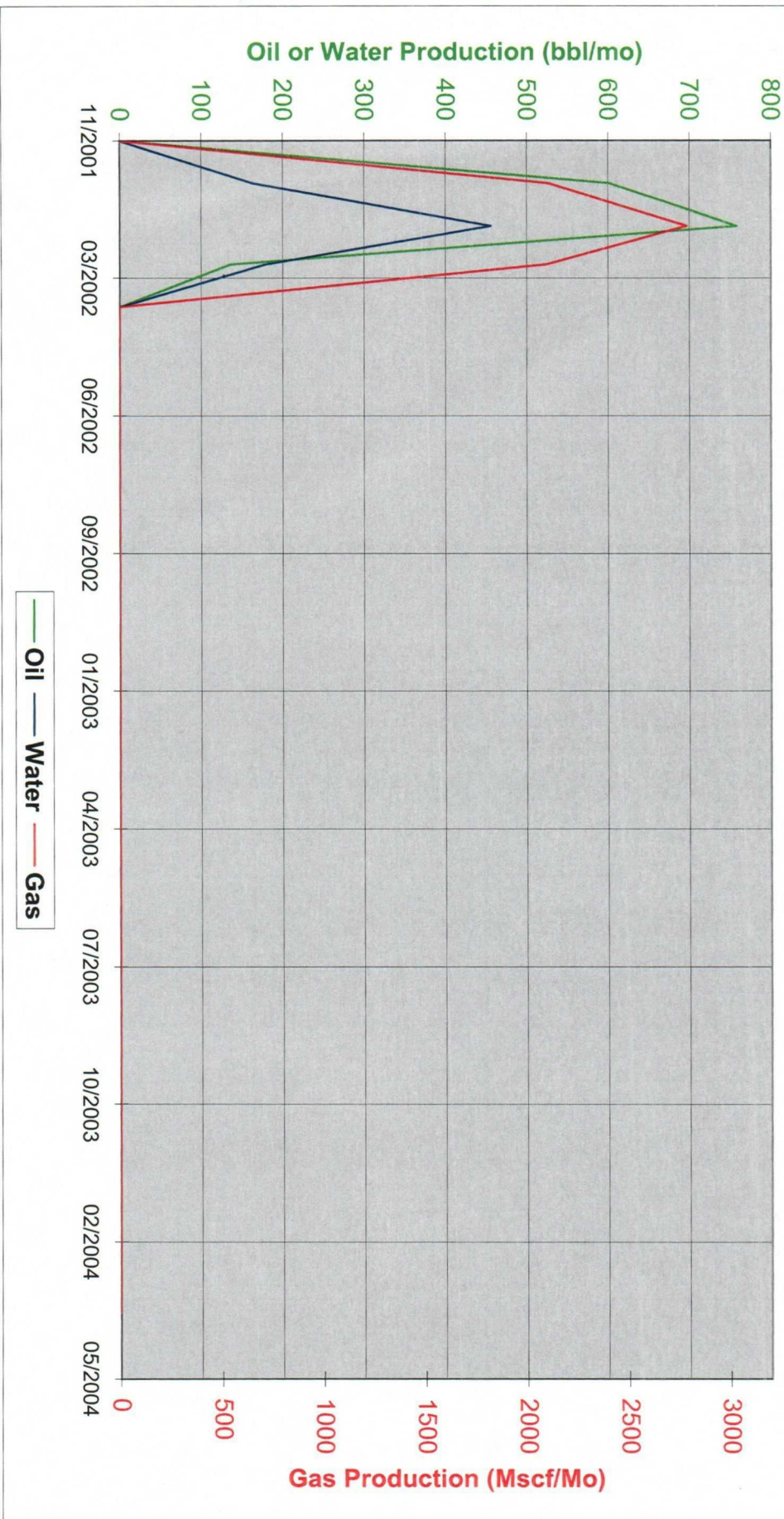
Current Rates (Oil : 77.2 bbl/mo Gas : 10,111.0 Mscf/mo Water : 0.0 bbl/mo)
 ITD Cums (Oil : 0.64 Mbbl Gas : 597.16 MMscf Water : 1.09 Mbbl)

Field: MONUMENT FIELD, NM
Cost Center: LAMBERT, L M
Zone: WEST MONUMENT TUBB GAS
FaultBlock:
Well Complex: 001508-04
Well Complex: LAMBERT #4 (TUBB)

Production Date	Gross Oil (Bbl/Month)	Gross Gas (Mscf/Month)	Gross Water (Bbl/Month)	Gross Cum. Oil (MBbl)	Gross Cum. Gas (MMscf)	Gross Cum. Water (MBbl)	Days On
02/28/2002	0.00	22,885.00	22.00	0.000	22,885	0.022	13.63
03/31/2002	0.00	58,189.00	62.00	0.000	81,074	0.084	31.00
04/30/2002	0.00	43,856.00	54.67	0.000	124,930	0.139	27.33
05/31/2002	0.00	44,362.00	62.00	0.000	169,292	0.201	31.00
06/30/2002	0.00	39,098.00	60.00	0.000	208,390	0.261	30.00
07/31/2002	0.00	37,022.00	62.00	0.000	245,412	0.323	31.00
08/31/2002	0.00	33,928.00	62.00	0.000	279,340	0.385	31.00
09/30/2002	0.00	30,288.00	60.00	0.000	309,628	0.445	30.00
10/31/2002	0.00	28,892.00	62.00	0.000	338,520	0.507	31.00
11/30/2002	0.00	25,580.00	60.00	0.000	364,100	0.567	30.00
12/31/2002	0.00	23,750.00	62.00	0.000	387,850	0.629	31.00
01/31/2003	0.00	21,571.00	62.00	0.000	409,421	0.691	31.00
02/28/2003	0.00	17,641.00	56.00	0.000	427,062	0.747	28.00
03/31/2003	0.00	18,014.00	62.00	0.000	445,076	0.809	31.00
04/30/2003	0.00	15,933.00	60.00	0.000	461,009	0.869	30.00
05/31/2003	0.00	15,847.00	60.33	0.000	476,856	0.929	30.17
06/30/2003	0.00	14,768.00	60.00	0.000	491,624	0.989	30.00
07/31/2003	0.00	13,941.00	62.00	0.000	505,565	1.051	31.00
08/31/2003	43.40	13,606.00	34.00	0.043	519,171	1.085	31.00
09/30/2003	94.65	12,147.00	0.00	0.138	531,318	1.085	30.00
10/31/2003	103.54	12,064.00	0.00	0.242	543,382	1.085	30.46
11/30/2003	84.86	11,290.00	0.00	0.326	554,672	1.085	30.00
12/31/2003	84.62	11,323.00	0.00	0.411	565,995	1.085	31.00
01/31/2004	79.35	11,109.00	0.00	0.490	577,104	1.085	31.00
02/29/2004	73.77	9,945.00	0.00	0.564	587,049	1.085	29.00
03/31/2004	77.20	10,111.00	0.00	0.641	597,160	1.085	31.00
Current Rate	77.20	10,111.00	0.00				31.00
Cumulatives	0.641	597,160	1.085	0.641	597,160	1.085	

Amerada Hess Corporation
Monthly Gross Production
 MONUMENT FIELD, NM
 LAMBERT, L M 001508-02
 ABO LAMBERT #4 (ABO)

Monthly Production vs. Time



Current Rates (Oil : 0.0 bbl/mo Gas : 0.0 Mscf/mo Water : 0.0 bbl/mo)
 ITD Cums (Oil : 1.50 Mbbl Gas : 6.99 MMscf Water : 0.80 Mbbl)

Field: MONUMENT FIELD, NM
Cost Center: LAMBERT, L M
Zone: ABO
FaultBlock:
Well Complete: 001508-02
Well Complete: LAMBERT #4 (ABO)

Production Date	Gross Oil (Bbl/Month)	Gross Gas (Mscf/Month)	Gross Water (Bbl/Month)	Gross Cum. Oil (MBbl)	Gross Cum. Gas (MMscf)	Gross Cum. Water (MBbl)	Days On
10/31/2001	0.00	0.00	0.00	0.000	0.000	0.000	0.00
11/30/2001	0.00	0.00	0.00	0.000	0.000	0.000	0.00
12/31/2001	602.20	2,106.00	163.84	0.602	2,106	0.164	7.79
01/31/2002	758.37	2,787.00	456.05	1.361	4,893	0.620	26.25
02/28/2002	136.10	2,098.00	178.82	1.497	6,991	0.799	10.50
03/31/2002	0.00	0.00	0.00	1.497	6,991	0.799	0.00
04/30/2002	0.00	0.00	0.00	1.497	6,991	0.799	0.00
05/31/2002	0.00	0.00	0.00	1.497	6,991	0.799	0.00
06/30/2002	0.00	0.00	0.00	1.497	6,991	0.799	0.00
07/31/2002	0.00	0.00	0.00	1.497	6,991	0.799	0.00
08/31/2002	0.00	0.00	0.00	1.497	6,991	0.799	0.00
09/30/2002	0.00	0.00	0.00	1.497	6,991	0.799	0.00
10/31/2002	0.00	0.00	0.00	1.497	6,991	0.799	0.00
11/30/2002	0.00	0.00	0.00	1.497	6,991	0.799	0.00
12/31/2002	0.00	0.00	0.00	1.497	6,991	0.799	0.00
01/31/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
02/28/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
03/31/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
04/30/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
05/31/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
06/30/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
07/31/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
08/31/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
09/30/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
10/31/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
11/30/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
12/31/2003	0.00	0.00	0.00	1.497	6,991	0.799	0.00
01/31/2004	0.00	0.00	0.00	1.497	6,991	0.799	0.00
02/29/2004	0.00	0.00	0.00	1.497	6,991	0.799	0.00
03/31/2004	0.00	0.00	0.00	1.497	6,991	0.799	0.00
Current Rate	0.00	0.00	0.00				
Cumulatives	1.497	6.991	0.799	1.497	6.991	0.799	

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-05928	² Pool Code 96968	³ Pool Name West Monument Tubb (Gas)
⁴ Property Code 000119	⁵ Property Name LM Lambert	⁶ Well Number 4
⁷ OGRID No. 000495	⁸ Operator Name Amerada Hess Corporation	⁹ Elevation 3571' DF

¹⁰ Surface Location

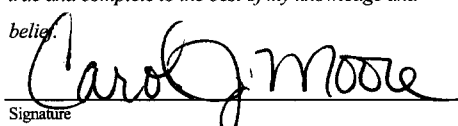
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	6	20S	37E		1980	North	660	East	Lea

¹¹ 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

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16				1980'	No. 4	660'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Carol J. Moore Printed Name Senior Advisor cmoore@hess.com Title and E-mail Address 4/16/2004 Date
							¹⁸ SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
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District III
1000 Rio Brazos Rd., Aztec, NM 87410
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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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-05928	² Pool Code 46970	³ Pool Name Monument Abo
⁴ Property Code 000119	⁵ Property Name LM Lambert	⁶ Well Number 4
⁷ OGRID No. 000495	⁸ Operator Name Amerada Hess Corporation	⁹ Elevation 3571' DF

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	6	20S	37E		1980	North	660	East	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Carol J. Moore Printed Name Senior Advisor cmoore@hess.com Title and E-mail Address 4/16/2004 Date	
	¹⁸ SURVEYOR CERTIFICATION 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.	
	Date of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	

16			1980'
			No. 4 660'

17
OPERATOR CERTIFICATION

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

Carol J. Moore

Signature

Carol J. Moore

Printed Name

Senior Advisor
cmoore@hess.com

Title and E-mail Address

4/16/2004

Date

18
SURVEYOR CERTIFICATION

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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number