

DATE IN <b>4.4.12</b>	SUSPENSE	ENGINEER <b>WVI</b>	LOGGED IN <b>4.3.12</b>	TYPE <b>DHC</b>	APP NO. <b>120947185</b>
-----------------------	----------	---------------------	-------------------------	-----------------	--------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



**Merit Energy**

**State 1576 #4**

## ADMINISTRATIVE APPLICATION CHECKLIST

**30-025-08290**

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.

**Matt Ogden**  
Print or Type Name

**Matt Ogden**  
Signature

**Regulatory Analyst** **4/4/12**  
Title Date

**Matt.ogden@meritenergy.com**  
e-mail Address

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

Merit Energy Company  
Operator

13727 Noel Rd Ste 500 Dallas, TX 75240  
Address

State 157 G  
Lease

4  
Well No.

Unit G - Sect. 5 - T22S - R36E  
Unit Letter-Section-Township-Range

Lea  
County

OGRID No. 14591 Property Code 24670 API No. 30-025-08790 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Jalmat - Tan Yates 7 Rivers (D.I.)		S. Eunice 7 Rivers Queen (D.I.)
Pool Code	33820		24130
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3206'-3681'		3796'-3866'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
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)	32 API/ 1.3174 BTU		33.6 API
Producing, Shut-In or New Zone	Producing		SI
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: 03/12/2011 Rates: 40mcf/1 b opd	Date: Rates:	Date: Rates: 3 b opd
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 25 % Gas 100 %	Oil % Gas %	Oil 75 % Gas 0 %

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: DHC-4402

Attachments:

- Please email DHC to make upper zone Jalmat D.I.
- 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 [Signature] TITLE Regulatory Analyst DATE 03/30/2012

TYPE OR PRINT NAME Matt Ogden TELEPHONE NO. ( ) (972)628-1603

E-MAIL ADDRESS matt.ogden@meritenergy.com

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 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 30-025-08790		<sup>2</sup> Pool Code 33820		<sup>3</sup> Pool Name Jalmat, TnsL, Yts, 7-Rivers (Oil)	
<sup>4</sup> Property Code 24670		<sup>5</sup> Property Name State 157 G			<sup>6</sup> Well Number 4
<sup>7</sup> OGRID No. 14591		<sup>8</sup> Operator Name Merit Energy Company			<sup>9</sup> Elevation 3598'

<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
B	5	22S	36E		990	N	1980	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 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup>	<sup>17</sup> OPERATOR CERTIFICATION 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.  Signature Date 03/22/2012 Matt Ogden Printed Name matt.ogden@meritenergy.com E-mail Address	
	<sup>18</sup> 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  
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 July 16, 2010  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-08790		<sup>2</sup> Pool Code 24130		<sup>3</sup> Pool Name Eunice 7 Rivers Queen, South	
<sup>4</sup> Property Code 24670		<sup>5</sup> Property Name State 157 G			<sup>6</sup> Well Number 4
<sup>7</sup> OGRID No. 14591		<sup>8</sup> Operator Name Merit Energy Company			<sup>9</sup> Elevation 3597'

<sup>10</sup> Surface Location

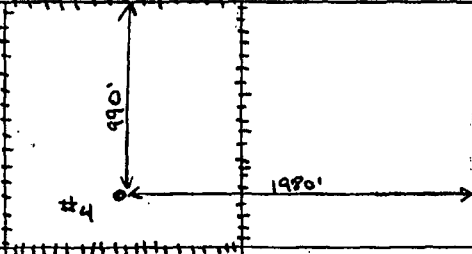

UL or lot no. B	Section 5	Township 22S	Range 36E	Lot 1dn	Feet from the 990	North/South line N	Feet from the 1980	East/West line E	County Lea
--------------------	--------------	-----------------	--------------	---------	----------------------	-----------------------	-----------------------	---------------------	---------------

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<div>16</div> 	<div>17 OPERATOR CERTIFICATION</div> <p>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.</p> <p> 05/24/2011</p> <p>Signature Date</p> <p>Matt Ogden</p> <p>Printed Name</p> <p>matt.ogden@meritenergy.com</p> <p>E-mail Address</p>
	<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	Certificate Number

Filed