

DATE IN 4/28/2015	SUSPENSE	ENGINEER MAM	LOGGED IN 4/29/2015	TYPE	APP NO. DMM 1511959047
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- 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

#### 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.

Shelly Doescher

Print or Type Name

Signature

Agent

Title

04-29-2015

Date

shelly\_doescher@yahoo.com  
 e-mail Address

April 29, 2015

Mr. Michael McMillan  
New Mexico Oil Conservation Division  
Engineering Bureau  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Form C-107A: Application for Downhole Commingling  
Breitburn Operating LP  
Encore M State No. 016  
API No. (30-025-42391)  
645 FNL & 1880 FEL  
Section 29, T-22 South, R-37 East, NMPM  
Lea County, New Mexico

Dear Mr. McMillan:

Attached is a C-107A application and attachments for amending DHC-4736-0, downhole commingling the captioned well to include the Tubb Oil & Gas (Oil) 60240 Pool. Since receiving DHC-4736-0, issued 02/20/2015, Breitburn has determined that the Tubb Formation shows production potential and is also to be completed.

Please reference DHC-4705-A, issued 03/04/2015, for the Encore M State No. 008, and DHC 4737-A, issued 04/08/2015, for the Encore M State No. 015. Given the close proximity of the M State No. 016 to these locations, supporting data for the DHC-4705-A and DHC 4737-A will be used to establish an allocation of 25% for each zone as indicated on the attached C-107A.

Please note that the working, royalty and overriding royalty interest ownership in this well is common throughout. Consequently, notice of this application is not required to any interest owner. (See attached letter).

Approval of this application will afford Breitburn the opportunity to recover additional oil and gas reserves from the Blinebry Oil & Gas, Tubb Oil & Gas (Oil), Drinkard and Wantz;Abo Pools within the Encore M State No. 016 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If there should be any questions, please call me at 505-320-5682 or Jeannie McMillan, Regulatory Manager at 713-634-4696.

Sincerely,

  
Shelly Dogscher  
Agent



April 29, 2015

New Mexico Oil Conservation Division  
Attn: Mr. Michael McMillan  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Re: DHC: Encore M State No. 16 well  
Ownership

Dear Mr. McMillan:

This letter is to clarify ownership in the referenced well and should be included in the down hole commingle application for the above well.

The ownership is identical for all of the pools (zones) to be commingled: (Bliebry Oil & Gas (oil) (#6660); Drinkard (#19190); Wantz; Abo (#62700) and Tubb Oil and Gas Pool (#60240).

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Paul Aguirre', is written over the printed name.

Paul Aguirre  
Landman  
Breitburn Operating LP  
1401 McKinney Street, Suite 2400  
Houston, TX 77010

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

Breitbart Operating LP

1401 McKinney Street, Suite 2400 Houston, TX 77010

Operator  
Encore M State  
016  
Address  
Unit B, Section 29, T-22 South, R-37 East  
LEA  
Lease  
Well No.  
Unit Letter-Section-Township-Range  
County  
OGRID No. 370080 Property Code 314022 API No. 30-025-42391 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE 1	INTERMEDIATE ZONE 2	LOWER ZONE
Pool Name	Blinberry Oil & Gas (Oil)	Tubb Oil & Gas (Oil)	Drinkard	Wantz-Abo
Pool Code	06660	60240	19190	62700
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5460'-6074'	6080'-6260'	6400' - 6645'	6669' - 6787'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	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)	Not Required	Not Required	Not Required	Not Required
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38 Deg. API 1342 BTU	38 Deg. API 1342 BTU	38 Deg. API 1342 BTU	38 Deg. API 1342 BTU
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone	New Zone
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.)	Estimated: 5 BOPD 16 MCFGD 10 BWPD	Estimated: 5 BOPD 16 MCFGD 10 BWPD	Estimated: 5 BOPD 16 MCFGD 10 BWPD	Estimated: 5 BOPD 16 MCFGD 10 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 Water 25% 25% 25%	Oil Gas Water 25% 25% 25%	Oil Gas Water 25% 25% 25%	Oil Gas Water 25% 25% 25%

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 ☐

NMOC 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 Shelly Doescher TITLE: Agent DATE: April 29, 2015  
TYPE OR PRINT NAME: Shelly Doescher TELEPHONE NO: (505) 320-5682 E-Mail Address: shelly\_doescher@yahoo.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 30-025-42391	<sup>2</sup> Pool Code 6660	<sup>3</sup> Pool Name Blinebry Oil and Gas (Oil)
<sup>4</sup> Property Code 314022	<sup>5</sup> Property Name M State	<sup>6</sup> Well Number 16
<sup>7</sup> GRID No. 370080	<sup>8</sup> Operator Name Breitburn Operating LP	<sup>9</sup> Elevation 3362'

<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	29	22 S	37 E		645'	North	1800'	East	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 N	<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.

	<p><b><sup>17</sup>OPERATOR CERTIFICATION</b></p> <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>Signature: <i>Shelly Doescher</i> Date: 4-29-15</p> <p>Printed Name: <i>Shelly Doescher</i></p> <p>E-mail Address: <i>shelly_doescher@yahoo.com</i></p>
	<p><b><sup>18</sup>SURVEYOR CERTIFICATION</b></p> <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: 12-17-2014</p> <p>Signature and Seal of Professional Surveyor: <i>Michael L. Stanford</i></p> <p>Certificate Number: 10324</p>
	<p>5 Miles SW of Eunice, New Mexico.</p> <p>File No. A-10008</p>

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

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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 August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-42391		<sup>2</sup> Pool Code 60240		<sup>3</sup> Pool Name Tubb Oil and Gas (Oil)	
<sup>4</sup> Property Code 314022		<sup>5</sup> Property Name M State			<sup>6</sup> Well Number 16
<sup>7</sup> GRID No. 370080		<sup>8</sup> Operator Name Breitburn Operating LP			<sup>9</sup> Elevation 3362'

<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	29	22 S	37 E		645'	North	1800'	East	Lea

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

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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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	<p><b><sup>17</sup>OPERATOR CERTIFICATION</b></p> <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><i>[Signature]</i> 4-29-15 Signature Date</p> <p><i>Shelly Doerscher</i> Printed Name</p> <p><i>shelly.doerscher@yahoo.com</i> E-mail Address</p>
	<p><b><sup>18</sup>SURVEYOR CERTIFICATION</b></p> <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>12-17-2014 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p><i>Michael L. Stanford</i> 10324 Certificate Number</p>

5 Miles SW of Eunice, New Mexico.

File No. A-10008

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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 30-025-42391		<sup>2</sup> Pool Code 19190		<sup>3</sup> Pool Name Drinkard	
<sup>4</sup> Property Code 314022		<sup>5</sup> Property Name M State		<sup>6</sup> Well Number 16	
<sup>7</sup> GRID No. 370080		<sup>8</sup> Operator Name Breitburn Operating LP		<sup>9</sup> Elevation 3362'	

<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
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	<p><b><sup>17</sup>OPERATOR CERTIFICATION</b></p> <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>Signature: <u>Shelly Doeschen</u> Date: <u>4-29-15</u></p> <p>Printed Name: <u>Shelly Doeschen</u></p> <p>E-mail Address: <u>shelly.doeschen@yahoo.com</u></p>
	<p><b><sup>18</sup>SURVEYOR CERTIFICATION</b></p> <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: <u>12-17-2014</u></p> <p>Signature and Seal of Professional Surveyor: <u>Michael L. Stanford</u></p> <p>Certificate Number: <u>10324</u></p>

5 Miles SW of Eunice, New Mexico.

File No. A-10008

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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 August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-42391	<sup>2</sup> Pool Code 62700	<sup>3</sup> Pool Name Wantz; Abo
<sup>4</sup> Property Code 314022	<sup>5</sup> Property Name M State	<sup>6</sup> Well Number 16
<sup>7</sup> OGRD No. 370080	<sup>8</sup> Operator Name Breitburn Operating LP	<sup>9</sup> Elevation 3362'

<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
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<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 N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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	<p><b><sup>17</sup>OPERATOR CERTIFICATION</b></p> <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>Signature: <i>Shelly Dreescher</i> Date: <i>7-29-15</i></p> <p>Printed Name: <i>Shelly Dreescher</i></p> <p>E-mail Address: <i>shelly.dreescher@yahoo.com</i></p>
	<p><b><sup>18</sup>SURVEYOR CERTIFICATION</b></p> <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: 12-17-2014</p> <p>Signature and Seal of Professional Surveyor: <i>Michael L. Stanford</i></p> <p>10324</p> <p>Certificate Number: 10324</p>

5 Miles SW of Eunice, New Mexico.

File No. A-10008



State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



Administrative Order DHC-4736

Order Date: February 20, 2015

Application Reference Number: pMAM1504446681

Breitburn Operating LP  
600 Travis Street, Suite 4800  
Houston, Tx. 77002

Attention: Ms. Jeanie McMillan

Encore M State Well No. 16  
API No. 30-025-42391  
Unit B, Section 29, Township 22 South, Range 37 East NMPM  
Lea County, New Mexico

Pool	BLINEBRY OIL AND GAS (OIL)	Oil (6660)
Names:	DRINKARD	Oil (19190)
	WANTZ;ABO	Oil (62700)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of oil production from the subject well shall be based on the analysis of the historical production from surrounding wells in the same pools.

Assignment of allowable and allocation of production from the well shall be as follows:

BLINEBRY OIL AND GAS (OIL) POOL	Pct. Oil: 33 1/3	Pct. Gas: 33 1/3
DRINKARD POOL	Pct. Oil: 33 1/3	Pct. Gas: 33 1/3
WANTZ;ABO POOL	Pct. Oil: 33 1/3	Pct. Gas: 33 1/3

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A.(6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District I office upon implementation of commingling operations.

This Order is subject to like approval from the New Mexico State Land Office.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



David R. Catanach  
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs  
New Mexico State Land Office – Oil, Gas, and Minerals