

DHC

9/8/99

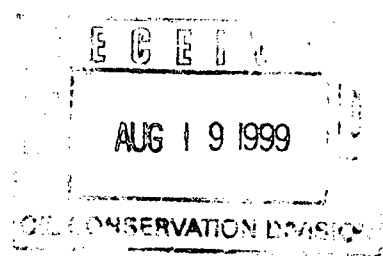


2453

# HELMERICH & PAYNE, INC.

UTICA AT TWENTY-FIRST • TULSA, OKLAHOMA 74114

August 13, 1999



State of New Mexico  
Energy, Minerals and Natural Resources Department  
2040 South Pacheco  
Santa Fe, New Mexico 87505-6429

RE: Request for Downhole Commingling  
R. E. Graham 7-4  
Lea County, New Mexico

Gentlemen:

Helmerich & Payne, Inc. request permission to commingle the Bone Springs & Wolfcamp in the R. E. Graham 7-4. A similar request was granted on the Graham 7-5 in 1996 (Administrative Order **DHC-1418**). Enclosed please find the supporting documents to process this request:

- Form C 107-A Application for Downhole Commingling
- Form C-102 for Bone Springs
- Form C-102 for Wolfcamp
- Production curve for Bone Springs
- Production curve for Wolfcamp

The allocation formula was based on the ratio of each individual producing zone to the total production from both zones.

Sincerely,

Mark R. Thompson  
Southern Region Production Superintendent

Enclosures

District I  
PO Box 1988, Hobbs, NM 88241-1988  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-30914		Pool Code 65350	Pool Name Young Bone Spring, North
Property Code 005123	Property Name R.E. Graham #7		Well Number 4
OGRID No. 10319	Operator Name Helmerich & Payne, Inc.		Elevation 3787.3' RKB

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0	7	18S	32E		660	South	1980	East	Lea

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

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

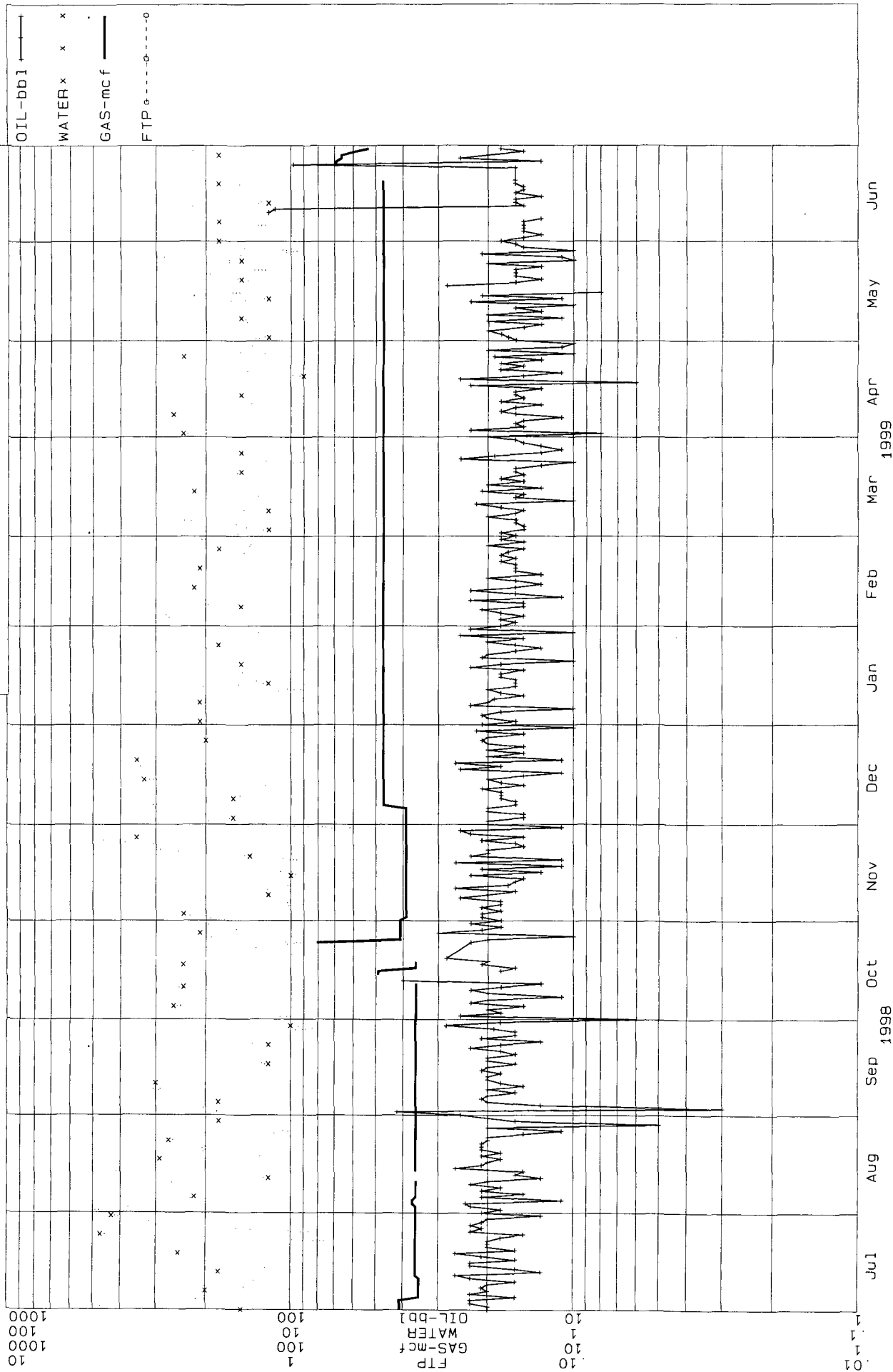
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div data-bbox="81 1035 1055 1999" data-label="Figure"> </div>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>N.C. Coday, Jr.</i></p> <p>Signature N.C. Coday, Jr.</p> <p>Printed Name Sr. Production Engineer</p> <p>Title 9-20-96</p> <p>Date</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</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</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

# Bone Springs

LEASE : GRAHAM, R. E. 7-4  
 OPERATOR : HELMERICH & PAYNE INC  
 FIELD : YOUNG, NORTH  
 SEC-TWN-RNG: 7- 18S , 32E  
 COUNTY, ST: LEA , NM



Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

**OIL CONSERVATION DIVISION**

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

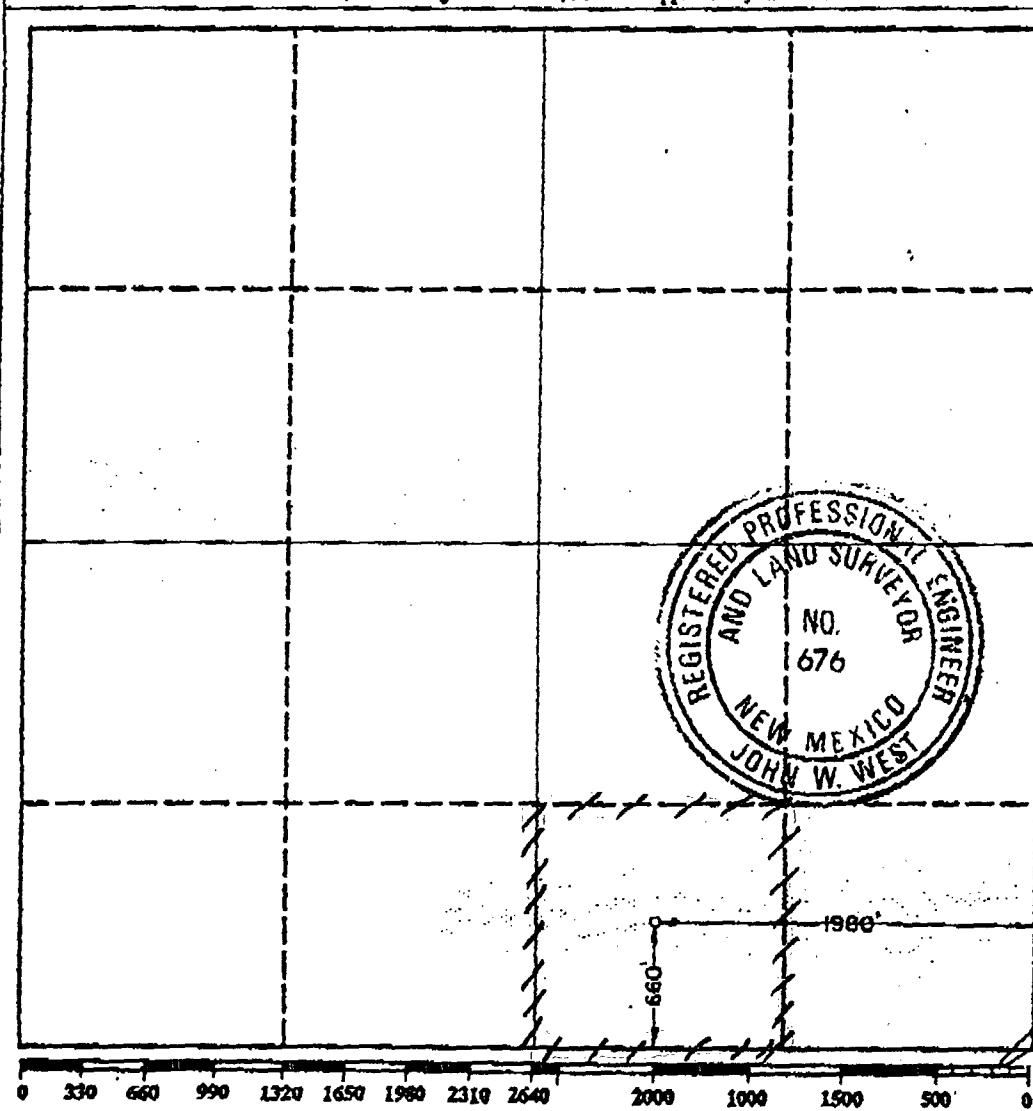
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator <b>Helmerich &amp; Payne, Inc.</b>			Lease <b>R E Graham "7"</b>		Well No. <b>4</b>
Unit Letter <b>0</b>	Section <b>7</b>	Township <b>18 South</b>	Range <b>32 East</b>	County <b>NMNM Lea</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>South</b> line and <b>1980</b> feet from the <b>East</b> line					
Ground level Elev. <b>3760.5</b>	Producing Formation <b>WOLFCAMP</b>		Pool <b>N. YOUNG WOLFCAMP</b>		Dedicated Acreage: <b>40</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or inkature 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 interest 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 interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

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

Signature  
**Roger G. Bureau**  
Printed Name  
**ROGER G. BUREAU**  
Position  
**DR LG SUPT.**  
Company  
**HELMERICH & PAYNE, INC.**  
Date  
**05/16/90**

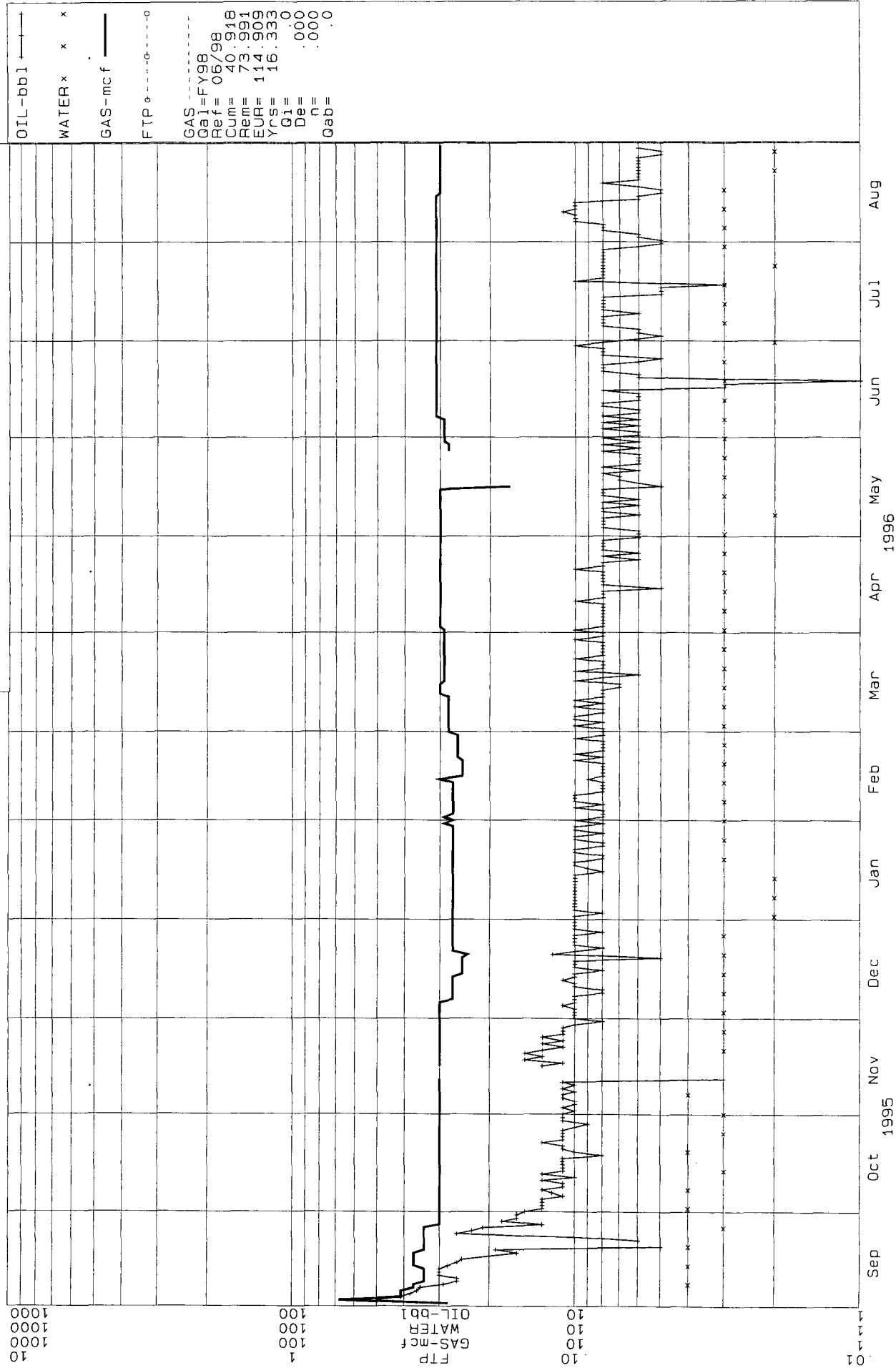
**SURVEYOR CERTIFICATION**

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 knowledge and belief.

Date Surveyed  
**Dec. 28, 1989**  
Signature & Seal of Professional Surveyor  
  
Certificate No. **JOHN W. WEST, 676**  
**RONALD J. EIDSON, 3239**

# Wolfcamp

LEASE : GRAHAM, R. E. 7-4  
 OPERATOR : HELMERICH & PAYNE INC  
 FIELD : YOUNG, NORTH  
 SEC-TWN-RNG: 7- 18S , 32E  
 COUNTY, ST: LEA , NM



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

Form C-107-A  
Revised August 1999

APPROVAL PROCESS:

☐ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Helmerich & Payne, Inc. Address 1579 East 21st Street, Tulsa, OK 74114

Lease R.E. Graham Well No. 7-4 Unit Ltr. - Sec - Twp - Rge 0-7-185-32E County Lea

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 10319 Property Code 005123 API NO. 30-025-30914 Federal ☐ State ☐ (and/or) Fee ☒

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Young Bone Spring, North 65350		Young Wolfcamp, North 65590
2. Top and Bottom of Pay Section (Perforations)	7955-8917		10360-10384
3. Type of production (Oil or Gas)	oil		oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 500 psi (est) b. (Original) 2910 psi	a.  b.	a. 400 psi (est) b. 3460 psi
6. Oil Gravity (°API) or Gas BTU Content	36.8° API		37.6° API
7. Producing or Shut-In?	Producing		Shut-in
Production Marginal? (yes or no)	No		Yes
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: 10-1-96 Rates: 8 BOPD, 30 MCFD, 3 BWD
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 6-28-99 Rates: 15 BOPD, 60 MCFPD, 18 BWD	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)			
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 65 % Gas: 67 %	Oil: % Gas: %	Oil: 35 % Gas: 33 %

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 Mark R. Thompson TITLE Production Superintendent DATE 8-12-99

TYPE OR PRINT NAME Mark R. Thompson TELEPHONE NO. ( 918 ) 742-5531