

8/7/06 DATE IN	SUSPENSE	Will Jones ENGINEER	8/9/06 LOGGED IN	DHC TYPE	APP NO. PTD50622134933
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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.**

Print or Type Name

Signature

Title

Date

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

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

Form C-107A  
Revised June 10, 2003

RECEIVED

AUG 07 2006

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

Oil Conservation Division

1220 S. St. Francis Drive

Santa Fe, NM 87505

Capataz Operating Inc

PO Box 10549, Santa Fe, NM 87505 79702

Operator

Address

Merit II

1

G-11-T20S-R38E

DHC-3765  
Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 3659 Property Code 27559 API No. 30-025-35448 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE UNDES	INTERMEDIATE ZONE UNDES	LOWER ZONE UNDES
Pool Name	House; Blinebry	House; Tubb	House; Drinkard
Pool Code	33225	78760	33250
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6031-6130	6753-6796	7028-34
Method of Production (Flowing or 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)	--	--	--
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.6	35.6	35.6
Producing, Shut-In or New Zone	Producing	Producing	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: 7/15/06 Rates: 5 BO 19 MCF	Date: 7/15/06 Rates: 9 BO 45 MCF	Date: 7/15/06 Rates: 0 BO 6 MCF
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 36 % 27 %	Oil Gas 64 % 64 %	Oil Gas 0 % 9 %

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 ☐

NA

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  TITLE Agent DATE 8-4-06

TYPE OR PRINT NAME H Scott Davis TELEPHONE NO. (432) 620-8820

E-MAIL ADDRESS Capataz1@sbcglobal.net

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
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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

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

APPLICATION FOR DOWNHOLE COMMINGLING

Capataz Operating Inc PO Box 10549, Midland, TX 79702

Operator Merit II 1 Address G-11-T20S-R38E Lease Lea  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 3659 Property Code 27559 API No. 30-025-35448 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name			House; Abo
Pool Code			33210
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			7376-7580
Method of Production (Flowing or 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)			--
Oil Gravity or Gas BTU (Degree API or Gas BTU)			35.6
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:  Rates:	Date:  Rates:	Date: 7/15/06  Rates: 0 BO 0 MCF
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  % %	Oil Gas  % %	Oil Gas  0 % 0 %

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:

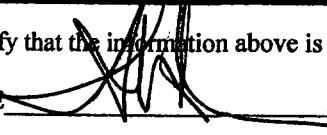
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- Bottomhole pressure data.

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TYPE OR PRINT NAME H Scott Davis TELEPHONE NO. (432) 620-8820  
E-MAIL ADDRESS Capataz1@sbcglobal.net

DISTRICT I  
P. O. Box 1980  
Hobbs, NM 88241-1980

DISTRICT II  
P. O. Drawer DD  
Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

State of New Mexico  
Department of Energy, Minerals, and Natural Resources

Form C-102  
Revised 02-10-94

Instructions on back

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

OIL CONSERVATION DIVISION  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-35448	2 Pool Code 33225	3 Pool Name House Blindebry South
4 Property Code 27559	5 Property Name MERIT II	6 Well Number 1
7 OGRID No. 3659	8 Operator Name CAPATAZ OPERATING INCORPORATED	9 Elevation 3574'

10 SURFACE LOCATION

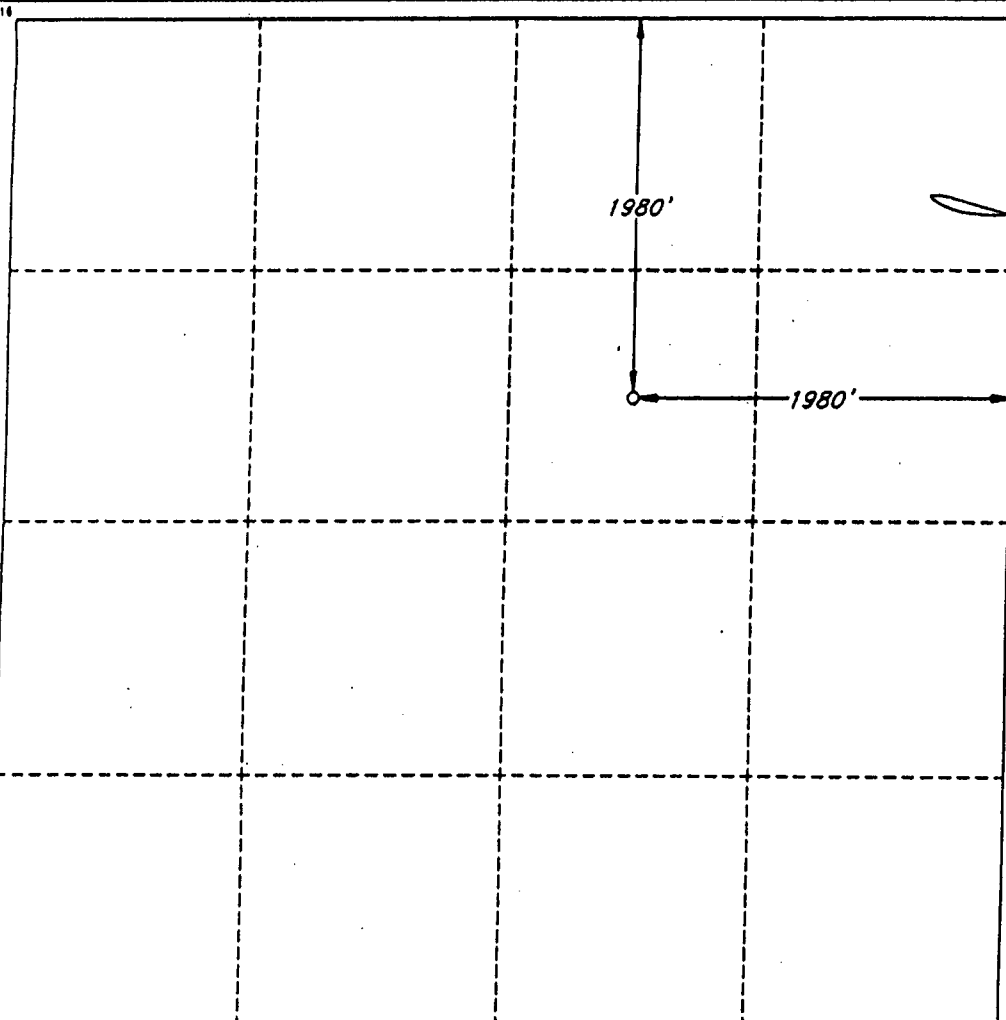
UL or lot no. G	Section 11	Township 20 SOUTH	Range 38 EAST, N.M.P.M.	Lot Ida	Feet from the 1980'	North/South line NORTH	Feet from the 1980'	East/West line EAST	County LEA
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11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN  
CONSOLIDATED OR A NON-STANDARD UNIT 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

Printed Name

H Scott Davis

Title

Agent

Date

7-10-01

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  
MARCH 8, 2001

Signature and Seal of  
Professional Surveyor

V. LYNN  
BEZNER  
NO. 7928

Certification No. 7928  
V. L. BEZNER, LAND SURVEYOR, #7920  
JOB # 74934 / 70 SE / J.C.P.

DISTRICT I  
P. O. Box 1980  
Hobbs, NM 88241-1980

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DISTRICT II  
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Artesia, NM 88211-0719

## OIL CONSERVATION DIVISION

P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-35448	2 Pool Code 33250	3 Pool Name House : Drinkard
4 Property Code 27559	5 Property Name MERIT II	6 Well Number 1
7 OGRID No. 3659	8 Operator Name CAPATAZ OPERATING INCORPORATED	9 Elevation 3574'

#### 10 SURFACE LOCATION

UL or lot no. G	Section 11	Township 20 SOUTH	Range 38 EAST, N.M.P.M.	Lot Ida	Feet from the 1980'	North/South line NORTH	Feet from the 1980'	East/West line EAST	County LEA
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Certification No.  
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JOB # 74954 / 70 SE / J.C.P.

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Hobbs, NM 88241-1980

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P. O. Box 2088  
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DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-35448	2 Pool Code 78760	3 Pool Name House, Tubb
4 Property Code 27559	5 Property Name MERIT II	6 Well Number 1
7 OGRID No. 3659	8 Operator Name CAPATAZ OPERATING INCORPORATED	9 Elevation 3574'

#### 10 SURFACE LOCATION

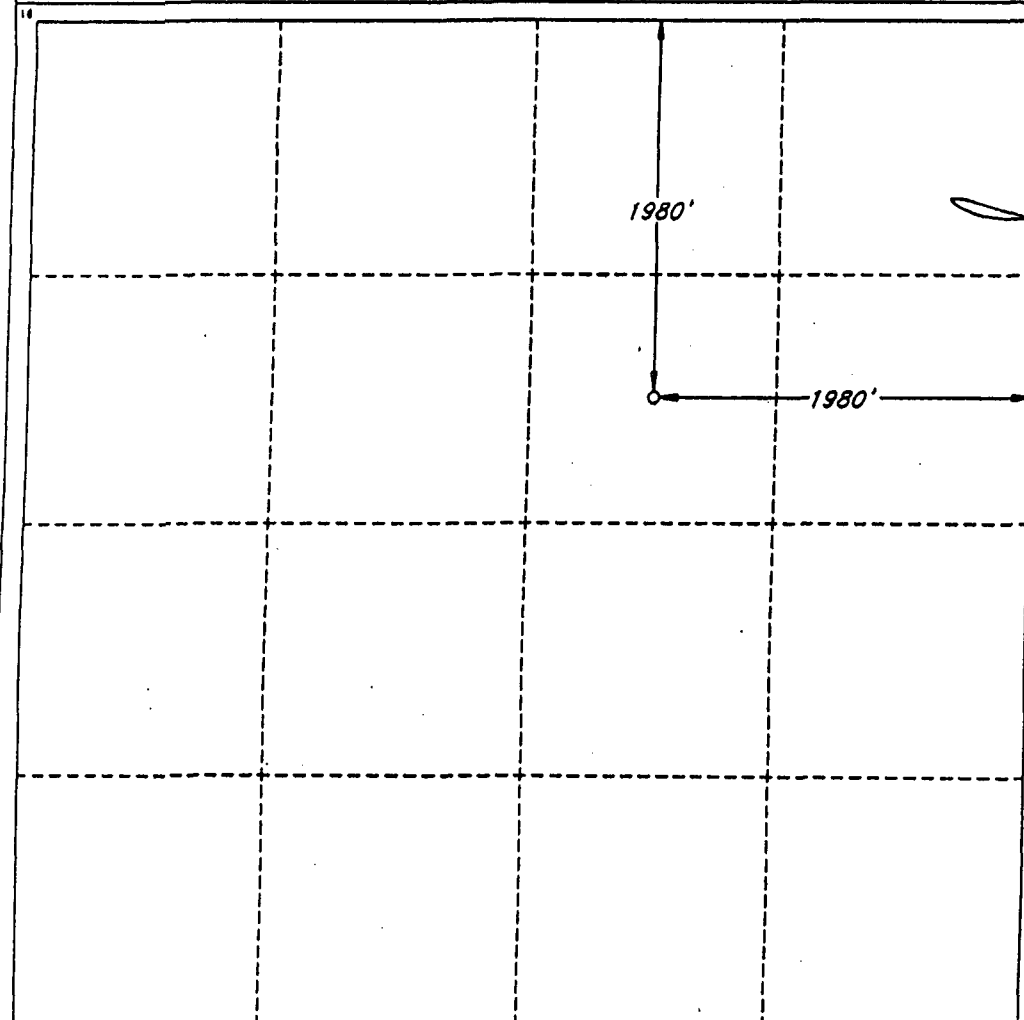
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WELL LOCATION AND ACREAGE DEDICATION PLAT

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10 SURFACE LOCATION

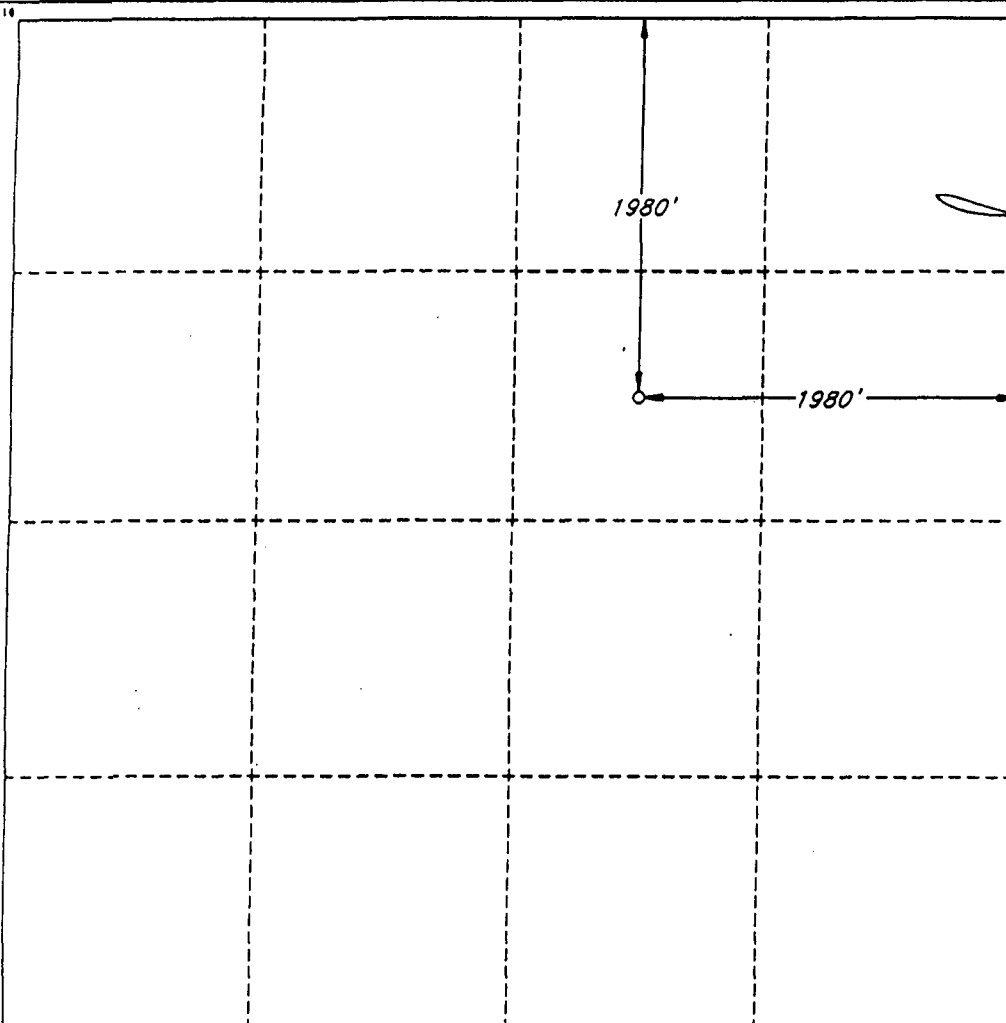
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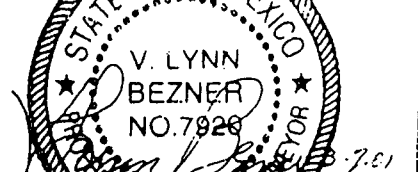
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Signature and Seal of  
Professional Surveyor



Certification by  
V. L. BEZNER LAND SURV. #7926

JOB # 74954 / 70 SE / J.C.P.