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9/28/00

## Sapient Energy Corp.

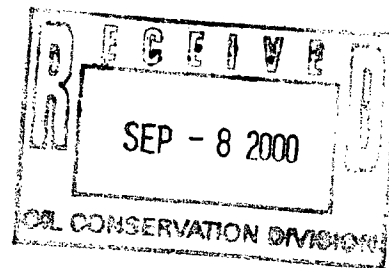
Western Operations  
621 17<sup>th</sup> Street, Suite 1800  
Denver, Colorado 80293-0621

Telephone 303 675-0007  
Facsimile 303 675-0008

September 5, 2000

Oil Conservation Division  
2040 South Pacheco St.  
Santa Fe, New Mexico 87505

RE: Application for Downhole Commingling  
Kyte #7  
"A" Section 23, T20S-R38E  
Lea County, New Mexico




2439

Gentlemen:

Please find enclosed an Application for Downhole Commingling. Percentage allocations are based on current and past production. All affected parties have been notified of this application by certified mail.

Please advise if you have any questions, or need additional information. We appreciate your prompt attention with this matter.

Sincerely,

  
April J. Carlson  
Operations Technician

cc: Hobbs District Office

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 South First Street, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87505

APPLICATION FOR DOWNHOLE COMMINGLING

APPLICATION TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes No

Sapeint Energy Corporation

621 17<sup>th</sup> Street, Suite 1800 Denver Colorado 80293-0621

Operator

Address

Kyte

7

A- Sec 23 20S-38E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 169415 Property Code 23402 API No. 30-025-34107 Lease Type: Federal State X Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Bliebry		Unde Abo
Pool Code	06660		15200
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,952' - 6,092'		7380'-87' 7416'-26'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
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)	41.1		41.1
Producing, Shut-In or New Zone	Producing 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.)	Date: 3-2000  Rates: 14.42 Oil, 269.30 Gas 10.45 Water	Date:  Rates:	Date: 4-18-00 Thru 5-19-00  Rates: 6.45 Oil, 0 Gas 67.05 Water
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 69% Gas 100% Water 13%	Oil % Gas %	Oil 31% Gas 0% Water 87%

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 X  
Yes X No

Are all produced fluids from all commingled zones compatible with each other?

Yes X No

Will commingling decrease the value of production?

Yes No X

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 X 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 Gerald Lucero TITLE Manager of Operations DATE September 5, 2000  
TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. (303) 675-0007

Sapient Energy Corporation  
 Commingling Permit Allocations  
 Kyte #7 Sec 23 20S-38E

**Blinebry, U Abo**

4/18/00	0	210	160
4/19/00	0	205	158
4/20/00	10	155	186
4/21/00	21	160	187
4/22/00	25	140	190
4/23/00	20	150	226
4/24/00	45	70	224
4/25/00	42	60	226
4/26/00	40	73	220
4/27/00	30	65	220
4/28/00	20	70	239
4/29/00	27	63	250
4/30/00	20	80	260
5/1/00	20	60	263
5/2/00	20	57	269
5/3/00	20	45	260
5/4/00	21	50	236
5/5/00	22	53	240
5/6/00	22	50	220
5/7/00	15	18	215
5/8/00	18	50	217
5/9/00	20	60	217
5/10/00	18	40	220
5/11/00	18	35	221
5/12/00	18	40	217
5/13/00	18	43	212
5/14/00	17	44	200
5/15/00	20	40	207
5/16/00	17	40	208
5/17/00	5	20	200
5/18/00	12	59	203
5/19/00	5	20	200
	626	2325	6971
Daily Avg.	20.87	77.50	232.37

**Average Blinebry Production Before Commingling**

Oil	Gas	Water
14.42	269.30	10.45

**Abo Production after Commingling - (Took Commingled Daily Avg. and Subtracted Previous Blinebry Productio**

Oil	Gas	Water
6.45	0.00	67.05

Commingling Allocations		
Blinebry		
Oil	Gas	Water
69%	100%	13%
Abo		
Oil	Gas	Water
31%	0%	87%

Oil	Ref=	4/2000
	Cum=	19609.0
Gas	Ref=	4/2000
	Cum=	617273.0
Water	Ref=	4/2000
	Cum=	21902.0
GOR	Ref=	4/2000
	Cum=	0.0

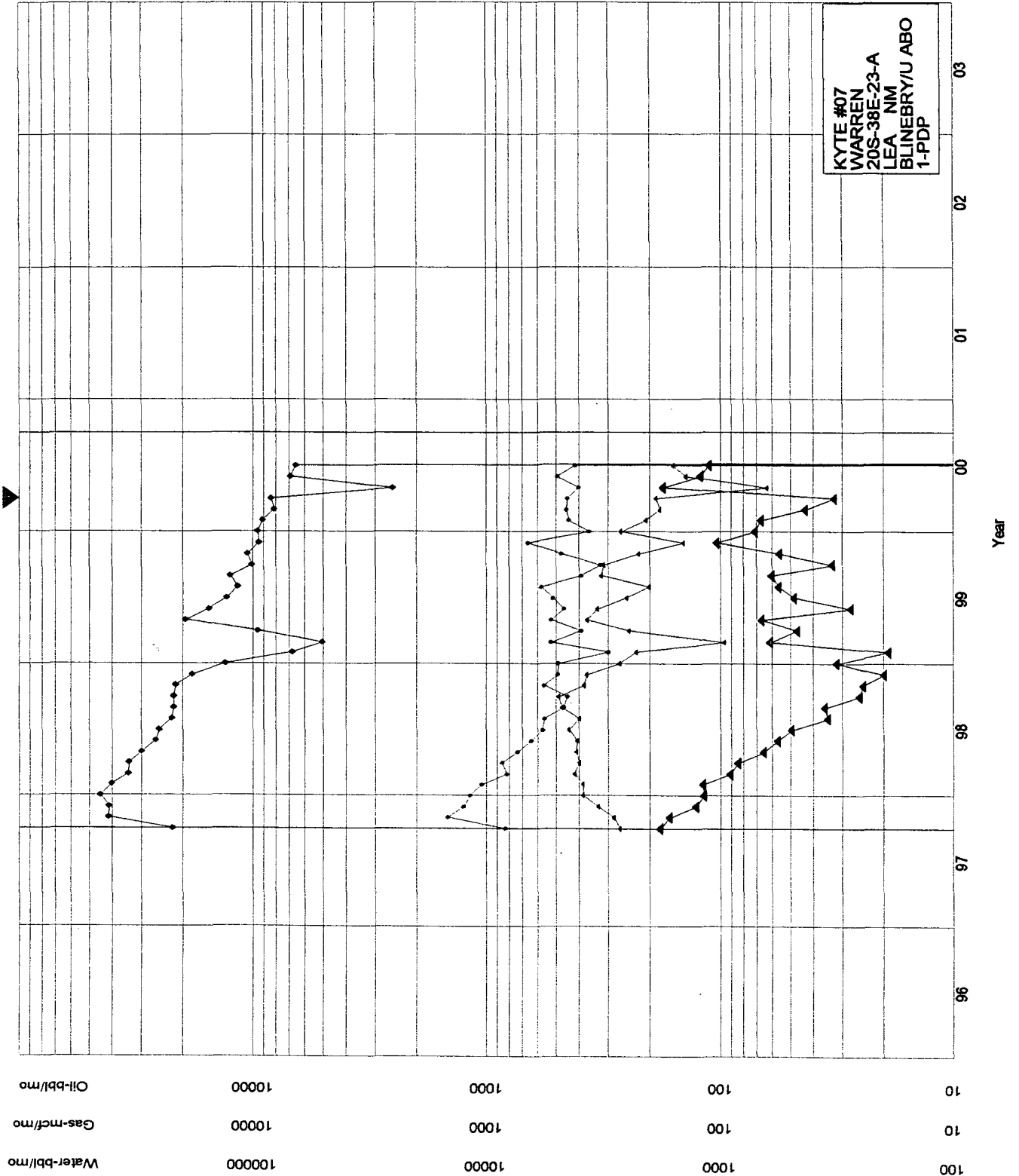
GOR-scf/bbl

1e+06

100000

10000

1000



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

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

DISTRICT II  
P.O. Drawer 88, Artesia, NM 88211-0719

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34107	Pool Code 15200	Pool Name Abo
Property Code 23402	Property Name KYTE	Well Number 7
OGRID No. 169415	Operator Name Sapient Energy Corporation	Elevation 3563

Surface Location

UL or lot No. A	Section 23	Township 20 S	Range 38 E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 330	East/West line EAST	County LEA
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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
Dedicated Acres	Joint or Infill	Consolidation Code	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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature  Gerald Lucero Printed Name  Manager of Operations Title  September 5, 2000 Date	
	<b>SURVEYOR CERTIFICATION</b>  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.  JULY 31, 1997 Date Surveyed JLP Signature & Seal of Professional Surveyor  W.O. Num. 97-11278 Certificate No. RONALD J. LUCERO, 3239 GARY A. LUCERO, 12841	

DISTRICT I  
P.O. Box 1080, Hobbs, NM 88241-1080

DISTRICT II  
P.O. Drawer 220, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
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OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-34107	06660	Blinebry
Property Code	Property Name	Well Number
23402	KYTE	7
OGRID No.	Operator Name	Elevation
169415	Sapient Energy Corporation	3563

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	20 S	38 E		990	NORTH	330	EAST	LEA

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
Dedicated Acres	Joint or Infill	Consolidation Code	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

	<b>OPERATOR CERTIFICATION</b>	
	I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.	
	<u>Gerald Lucero</u> Signature	
	<u>Gerald Lucero</u> Printed Name	
	<u>Manager of Operations</u> Title	
	<u>September 5, 2000</u> Date	
	<b>SURVEYOR CERTIFICATION</b>	
	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.	
	JULY 31, 1997	
	Date Surveyed JLP	
	Signature & Seal of Professional Surveyor	
	P.O. Num. 97-115278	
	Certificate No. RONALD G. EDSON, 3239 GARY EDSON, 12841	

# **Sapient Energy Corp.**

**Western Operations  
621 17<sup>th</sup> Street, Suite 1800  
Denver, Colorado 8029 3-0621**

**Telephone 303 675-0007  
Facsimile 303 675-0008**

**Working Interest Owners (Notified by Certified Mail 9-5-00)**

**Patco Ltd.  
.7977 Caruth Court  
Dallas, TX 75225**