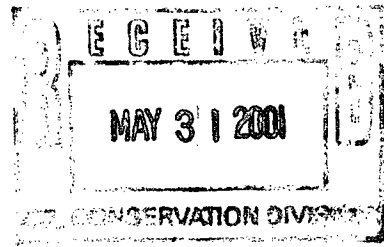


115246325 DHC 6/20/01

Pecos River Operating, Inc
550 W. Texas Suite 720
Midland, TX 79701



May 30, 2001

2917

David Catanach
New Mexico Oil Conservation Division
1220 South St Francis Dr.
Santa Fe. NM 87504

RE: Request for Downhole Commingling
Roy Riddel No. 3
Unit P, Sec 12, Twp 21-S, Rge 36-E, Lea Co., New Mexico

Mr. Catanach,

Pecos River Operating respectfully requests permission to downhole commingle the Eumont (Queen) Oil and Eunice-Monument (Grayburg) Oil zones in the above referenced well. In support of this application the following are enclosed.

1. Form 107A with appropriate data.
2. Forms 102 for each completion.
3. Forms 103 for each completion.
4. The complete test history for each completion.

After the frac load is recovered, minimal water production is expected from the Eumont, so no compatibility issues exist.

It is Pecos' intent if this permit is granted to rod-pump the commingled zones, keeping the well in a "Pumped Off" state so that cross-flow will not occur.

If you need further information, please contact me at 915-620-8480.

Yours truly,

William R. Huck
Vice President – Engr & Prod

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
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

Pecos River Operating, Inc. 550 W. Texas Ave., Suite 720 – Midland, Texas 79701

Operator Roy Riddel Address P-12 21S – 36E Lea

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 017081 Property Code 27780 API No. 30-025-35486 Lease Type: Federal State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Eumont		Eunice - Monument
Pool Code	22800		23000
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3527 – 3679		3749 - 3831
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)	N/A		N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	32.5° / 1071		31.3° / 1120
Producing, Shut-In or New Zone	Producing		Shut-in
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: 5-29-01 Rates: 11 BO, 34 BLW, 358 MCF	Date: Rates:	Date: 5-06-01 Rates: 18 BO, 0 BW 61 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 38 % 85 %	Oil Gas % %	Oil Gas 62 % 15 %

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? N/A 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? N/A 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 William R. Huck TITLE VP Engineering/Operations DATE 5-30-01

TYPE OR PRINT NAME William R. Huck TELEPHONE NO. (915) 620-8480

DISTRICT I

P.O. Box 1900, Hobbs, NM 88241-1900

DISTRICT II

P.O. Drawer 20, Artesia, NM 88211-0719

DISTRICT III

1000 Elv Brazos Rd., Artesia, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-35486	Pool Code 22800	Pool Name Eumont
Property Code 27780	Property Name RIDDEL, Roy	Well Number 3
OGED No. 017081	Operator Name PECOS RIVER OPERATING CO.	Elevation 3506'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	21-S	36-E		660	SOUTH	660	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.
40			

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>William R. Huck</u> Printed Name William R. Huck Title VP - Engr & Prod Date 3-26-01	
	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. MARCH 21, 2001 Date Surveyed AWB Signature <u>Ronald S. Edson</u> Professional Surveyor NEW MEXICO 01-11-03702 Certificate No. RONALD S. EDSON 3239 GARY EDSON 12641	
	40 ac. 660' 660'	
	660'	

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, 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 and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

WELL API NO. 30-025-35486
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		7. Lease Name or Unit Agreement Name Roy Riddel
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator Pecos River Operating, Inc.	8. Well No. 3
3. Address of Operator 550 W. Texas Ave., Suite 720 - Midland, Texas 79701	9. Pool name or Wildcat Eumont	
4. Well Location Unit Letter _____ P : 660 feet from the South line and 660 feet from the East line Section 12 Township 21-S Range 36-E NMPM Lea County		
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3506' GL		

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Test Eumont <input checked="" type="checkbox"/>

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

5-10-01 Set RBP at 3730'. Isolated Grayburg perfs 3749 - 3831'. Perf Eumont 3527', 38', 48', 56', 66', 79', 89', 96', 3615', 23', 37', 45', 61', 63', 79' (15 holes).
5-11-01 Acidize w/ 1500 gal 15% HCl using PPI packer. Swab dry.
5-19-01 Frac w/ 70,000 gal 70Q Foam w/ 108,000# sand.
5-20-01 Flow back 55 BLW. Making gas only - 200 MCFD.
5-23-01 C.O. sand 3595' - 3725'. Ran tubing, rods & pump.
5-27-01 Pump 2 BO, 5 BLW, 250 MCFD.
5-29-01 Pump 11 BO, 34 BLW, 358 MCFD.

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

SIGNATURE William R. Huck TITLE VP Engineering & Operations DATE 5-29-01

Type or print name William R. Huck Telephone No. (915) 620-8480
(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____
Conditions of approval, if any:

Pecos River Operating
Roy Riddel No 3
Test History

Eumont (Queen) 3527' – 3679'

<u>Date</u>	<u>Activity</u>
5-24-01	Finish Bailing sand from 3660' to 3725'. Ran tubing to 3625'.
5-25-01	Ran rods & pump. Start well pumping at 2:00 pm.
5-26-01	Pumped 8 BLW in 18 hrs. Gas rate – 292 MCFD.
5-27-01	Pumped 2 BO, 5 BLW and 250 MCFG in 24 hrs. Install BP Valve.
5-28-01	Pumped 15 BO, 21 BLW, 332 MCFG in 24 hrs.
5-29-01	Pumped 11 BO, 31 BLW, 358 MCFG in 24 hrs.
5-30-01	Pumped 14 BO, 34 BLW, 350 MCFG in 24 hrs.

DISTRICT I

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

DISTRICT II

P.O. Drawer 80, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-35486	Pool Code 23000	Pool Name Eunice- Monument
Property Code 27780	Property Name RIDDEL, Roy	Well Number 3
OGRID No. 017081	Operator Name PECOS RIVER OPERATING CO.	Elevation 3506'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
P	12	21-S	36-E		660	SOUTH	660	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.
40			

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

	Roy Riddel		2	OPERATOR CERTIFICATION I hereby certify the information contained herein is true and complete to the best of my knowledge and belief. <i>William R. Huck</i> Signature William R. Huck Printed Name VP - Engr & Prod Title 3-26-01 Date
				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. MARCH 21, 2001 Date Surveyed Signature & Seal of Professional Surveyor RONALD E. EIDSON NEW MEXICO 01-11-03705 Certified No. RONALD E. EIDSON 3239 CARY EIDSON 12641

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-35486
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Pecos River Operating, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 550 W. Texas Ave., Suite 720 - Midland, Texas 79701		7. Lease Name or Unit Agreement Name Roy Riddel
4. Well Location Unit Letter _____ P : 660 feet from the South line and 660 feet from the East line Section 12 Township 21-S Range 36-E NMPM Lea County		8. Well No. 3
		9. Pool name or Wildcat Eunice - Monument
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3506' GL		

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Grayburg Test ☒

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

4-23-01 NU BOPs. Test 5 1/2" csg to 1000 psi. Clean out to 3970' - PBTD.
4-25-01 Perf Grayburg 3871', 94', 3906', 09', 15', 37', 45' (7 holes). Acidize w/ 1700 gal 20% HCl. Swab & flow 17 bbl SW/hr.
4-28-01 Set EZSV retainer @ 3855'. Squeeze w/ 100 sx Class "C".
4-30-01 Perf Grayburg 3749', 56', 70', 97', 3818', 3831' (12 holes). Acidize w/ 1500 gal 20% HCl. Swab back load.
5-06-01 Swab 18 BO, 0 BW, 61 MCF in 24 hrs.

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

SIGNATURE William R. Huck TITLE VP Engineering & Operations DATE 5-29-01

Type or print name William R. Huck Telephone No. (915) 620-8480
(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____
Conditions of approval, if any:

Pecos River Operating, Inc.
Roy Riddel No. 3
Daily Test Reports

Eunice-Monument Grayburg

<u>Date</u>	<u>Activity</u>
4-30-01	Acidize Perfs 3749 – 3831' w/ 1500 gal 20% HCl.
5-01-01	Swab 4 BO & 25 BLW. Test rate on gas – 65 MCFD.
5-02-01	Swab & Flow 24 BO & 4 BLW.
5-03-01	Swab & Flow 22 BO & no water. No Gauge on gas.
5-04-01	Swab & Flow 18 BO & no water. Gas rate overnite – 60 MCFD.
5-05-01	Swab & Flow 16 BO & no water. Gas rate – 55 to 65 MCFD.
5-06-01	Swab & Flow 18 BO & no water. Gas rate – 55 to 65 MCFD.
5-07-01	Left well open to battery. Flow intermittently. No gauge.
5-08-01	Well made 14 BO & 61 MCFD. Flowing intermittently.
5-09-01	Well made 16 BO & 61 MCFD. Flowing Intermittently.
5-10-01	Released packer. Set RBP at 3730'. Prepare to test Eumont (Queen).