#### **MEWBOURNE OIL COMPANY**

P.O. BOX 7698 TYLER, TEXAS 75711 903 - 561-2900 FAX 903 - 561-1870 OL CONSERVATION DW. 03 JAN 22 AM 10: 54

January 21, 2003

#### UPS NEXT DAY AIR #N450 202 820 6

Mr. David Catanach New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

RE: Form C-107A Gatuna Canyon "5" Fed #1 Sec 5 T20S R29E Burton Flats East; Morrow (Gas) and Burton Flats East; Atoka (Gas) Pools Eddy Co., NM

Dear Mr. Catanach:

Please find enclosed the following for the application to downhole commingle production from the Atoka and Morrow zones in the referenced well:

Form C-107A Attachments information Form C-102 for both zones Administrative Application Checklist

A copy of Form C-107A is being mailed today to the Bureau of Land Management Office in Roswell. If you need further information, please call me at (903) 561-2900.

Yours truly,

Janet Burns Reg. Tech.

cc: NMOCD - Artesia Bureau of Land Management - Roswell, NM Hobbs Midland Allen Brinson Wayne Jones Don Russell District I

1625 N. French Drive, Hobbs, NM 88240 District II 811 South First Street, Artesia, NM 88210

District III 1000 Rip Brazes Road, Azlec, NM 87410

District IV

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107A Revised May 15, 2000

#### **OIL CONSERVATION DIVISION**

2040 South Pacheco Santa Fc, New Mexico 87505 APPLICATION TYPE \_\_\_\_\_Single Well \_\_\_Establish Pre-Approved Pools EXISTING WELLBORE \_\_\_\_\_Yes \_\_\_\_No

2040 South Pacheco, Santa Fe, NM 87505

## APPLICATION FOR DOWNHOLE COMMINGLING

Mewbourne Oil CompanyP. O. Box 7698, Tyler, TX 75711OperatorAddressGatuna Canyon "5" Fed #1M - Sec 5, T20S, R29EEddyLeaseWell No.Unit Letter-Section-Township-RangeCounty

OGRID No. 14744 Property Code \_\_\_\_\_ API No. 30-015-32521 Lease Type: X Federal \_\_\_\_ State \_\_\_\_ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE		
Pool Name	ES, Burton Flat East; Ato	ca	UNDES, Burton Flat East; Morro		
Pool Code	73200		73320		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,759 - 10,794'		11,278 - 11,391'		
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing		
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)	6,000# (est.)		4,000# (est.)		
Oil Gravity or Gas BTU (Degree API or Gas BTU)	N/A		60.0 (est))		
Producing, Shut-In or New Zonc	New Zone		Producing		
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones will no production history. applicant shall be required to attach production estimates and supporting data.)	Datc: Estimated rate: Ratcs: 500 MCFD, 0 BO, 0 BW	Date: Rates:	Datc: 1/21/03 Rates: 1,000 MCFD, 5 BO, 0 BW		
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 0 % 33 %	Oil Gas % %	Oil         Gas           100 %         67 %		

#### **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 <u>X</u> No Yes No
Are all produced fluids from all commingled zones compatible with each other?	Yes_X No
Will commingling decrease the value of production?	Yes NoX
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?	Ycs_XNo
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	Juton	TITLE	Reg. Tech.	DATE1/21/03	
TYPE OR PRINT NAM	ME Janet Burns	=	TELEPHONE N	<b>0</b> . ( <u>903</u> ) <u>561–2900</u>	

#### Attachments to C-107A

### Mewbourne Oil Company Gatuna Canyon "5" Fed #1 Unit Letter M, Sec 5 T20S R29E Burton Flats East; Morrow (Gas) and Burton Flats East; Atoka (Gas) Pools Eddy Co., NM

#### C-102 for each zone to be commingled showing its spacing unit and acreage dedication

**Production curve is not attached** (new well)

#### Estimated production rates and supporting data

Test Data:

Morrow Atoka 1/21/03 1,000 MCFD, 5 BO, 0 BW: current production500 MCFD, 0 BO, 0 BW: estimated initial production based on offset Atoka production in area.

#### Data to support allocation method or formula

Test as shown above for both zones

# Notification list of working, royalty and overriding royalty interests for uncommon interest cases

No uncommon interests.

#### Any additional statements, data or documents required to support commingling

The well is completed with 5 1/2" OD casing. In order to dually complete the well to recover all economic reserves, the use of small diameter special clearance tubing would be required. Performing a dual completion as described could not be economically justified for a zone with limited deliverability. The addition of the Atoka as a commingled zone will prevent waste that would not otherwise be possible due to the increased cost to produce each individual zone. Commingling will prevent early abandonment of each production zone.

1625 N. Fren to Dr., Hobbs, NM 68240
 DÍSTRICT II
 611 South First, Arlesia, NM 88210
 DISTRICT III
 1000 Rio Brazos Rd., Actec, NM 87410
 DISTRICT IV
 2040 South Pacheco, Santa Fe, NM 87505

#### Energy, Minerals and Natural Resources Department

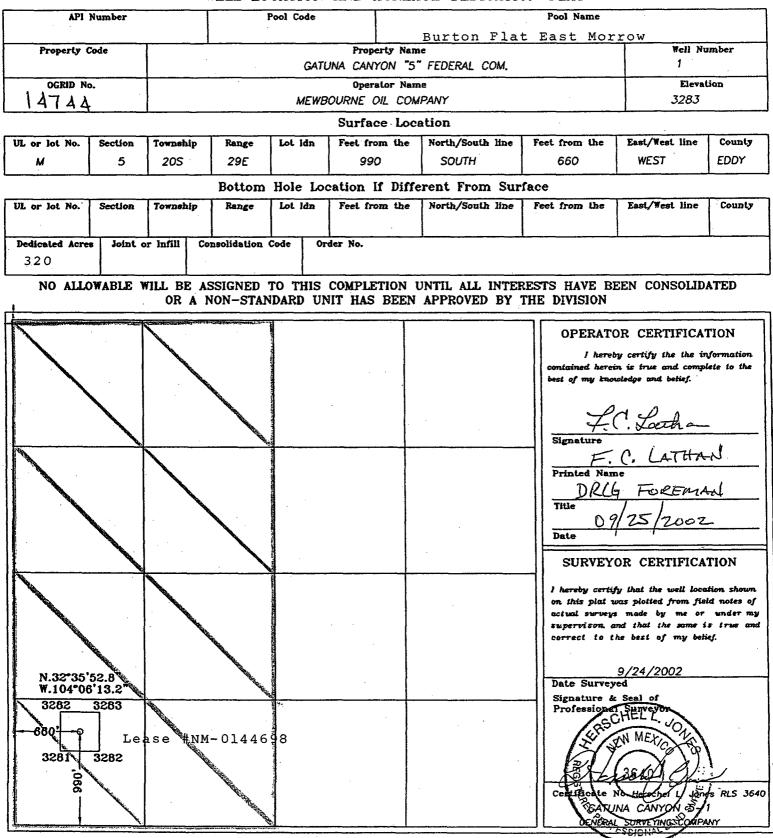
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Revised March 17, 1999 Instruction on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

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

□ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT



1625 N. Fren h Dr., Hobbe, NM 68245 DISTRICT II 611 South First, Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd. Aztec, NM 87410 DISTRICT IV 2040 South Pacheco. Santa Fe, NM 87505		Energy, Minerals and Natural Resources Department O IIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088   Instruction on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 5 Copies D AMENDED REPORT								
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API 1	lumber		I	ool Code		<u></u>	······	Pool Name		
30-015-3	2521	·				Burton	Flat / E	ast Atoka		
Property C	ode		Property Name					Well Number 1		
			<u> </u>	GATUNA CANYON "5" FED						
OGRID No	-				Operator No				Elevation	
14744				MEWB	OURNE OIL CO			·	3283	J
					Surface Lo				· · · · · · · · · · · · · · · · · · ·	
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UL or lot No.	Section	Township	Range	Lot Idn	Feel from the		South line	Feet from the	East/West line	County
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								I hereby certif on this plat u actual surveys supervison, a	y that the well loce ras plotted from file made by me or nd that the same i he best of my bet	tion shown id notes of under my is true and
N.32*35' W.104*06 3262	52.8 13.2 3283			9				Date Survey Signature & Professioner	Seal of	
	Le. 3282	ase WNM	1-01446	8				Contractor	35 K	ANY