

DATE IN 10/22/07	SUSPENSE	ENGINEER W Jones	LOGGED IN 10/22/07	TYPE DHC	APP NO. PTDS 0729554873
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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

Form C-107A  
Revised June 10, 2003

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

Mewbourne Oil Company  
Operator

P. O. Box 7698, Tyler, TX 75711  
Address

Geronimo "24" Federal #1

K - Sec 24, T18S, R31E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 14744 Property Code 36775 API No. 30-015-34501 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	<del>UNDES</del>		<del>UNDES</del>
Pool Name	Tamano; Bone Spring		Shugart; Wolfcamp
Pool Code	58040 ✓		56427 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8,514 - 8,540'		10,136 - 10,208'
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)			
Producing, Shut-In or New Zone	Producing		New Zone (SI below plug)
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: 10/18/07  Rates: 24 MCF, . 20 BO, 15 BW	Date:  Rates:	Date: Estimated rate:  Rates: 10 MCF, 7 BO, 2 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 74 % 71 %	Oil Gas % %	Oil Gas 26 % 29 %

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 ☐

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 \_\_\_\_\_ Reg. Tech. \_\_\_\_\_ DATE 10/19/07

TYPE OR PRINT NAME Janet Burns TELEPHONE NO. ( 903 ) 561-2900

E-MAIL ADDRESS \_\_\_\_\_

**MEWBOURNE OIL COMPANY**

P.O. BOX 7698  
TYLER, TEXAS 75711  
903 - 561-2900  
FAX 903 - 561-1870

RECEIVED  
2007 OCT 22 AM 9 59

October 19, 2007

UPS NEXT DAY AIR #1Z F69 8E8 01 9475 5978

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

RE: Form C-107A  
Geronimo "24" Federal #1  
Sec 24 T18S R31E  
Eddy Co., NM  
Tamano; Bone Spring and Shugart; Wolfcamp Pools

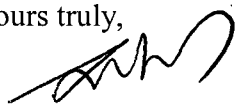
Dear Mr. Jones:

Please find enclosed the following for the application to downhole commingle production from the Bone Spring and Wolfcamp 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 in Carlsbad. 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  
Hobbs  
Midland  
Allen Brinson  
Wayne Jones

## **Attachments to C-107A**

Mewbourne Oil Company  
Geronimo "24" Federal #1  
Unit Letter K, Sec 24 T18S R31E  
Tamano; Bone Spring (Oil) and Shugart; Wolfcamp (Oil) 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:

Bone Spring	10/18/07	24 MCFD, 20 BO, 15 BW: current production
Wolfcamp		10 MCFD, 7 BO, 2 BW: estimated initial production

### **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. To produce the Bone Spring interval (upper zone) up the annulus (5 1/2" - 2 7/8") is not recommended due to liquid loading and insufficient velocity to lift produced fluids with the estimated gas rates listed above. The addition of the Wolfcamp 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.

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## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-10:

Revised October 12, 200:

Submit to Appropriate District Office

State Lease - 4 Copie

Fee Lease - 3 Copie

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-34501</b>		<sup>2</sup> Pool Code <b>58040</b>		<sup>3</sup> Pool Name <b>Tamano Bone Spring</b>	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>Geronimo 24 Federal</b>			<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>14744</b>		<sup>8</sup> Operator Name <b>Mewbourne Oil Company</b>			<sup>9</sup> Elevation <b>3706</b>

<sup>10</sup> Surface Location

UL or lot no. <b>K</b>	Section <b>24</b>	Township <b>18S</b>	Range <b>31E</b>	Lot Idn	Feet from the <b>1980</b>	North/South line <b>S</b>	Feet from the <b>1850</b>	East/West line <b>W</b>	County <b>Eddy</b>
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<sup>11</sup> 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
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<sup>12</sup> Dedicated Acres <b>40</b>	<sup>13</sup> Joint or Infill	<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.

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature <span style="float: right;">08/27/07</span> Date Kristi Green Printed Name	
	<sup>18</sup> <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. November 3, 2005 Date of Survey Signature and Seal of Professional Surveyor Gary L Jones (REFER TO ORIGINAL PLAT) 7977 Certificate Number	

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Santa Fe, NM 87505

Form C-10

Revised October 12, 200

Submit to Appropriate District Office

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-34501</b>		<sup>2</sup> Pool Code <b>56427</b>		<sup>3</sup> Pool Name <b>Shugart; Wolfcamp</b>	
<sup>4</sup> Property Code <b>36775</b>		<sup>5</sup> Property Name <b>Geronimo 24 Federal</b>			<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>14744</b>		<sup>8</sup> Operator Name <b>Mewbourne Oil Company</b>			<sup>9</sup> Elevation <b>3706</b>

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DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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**- Engineering Bureau -**  
 1220 South St. Francis Drive, Santa Fe, NM 87505



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**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

Bryan Montgomery  
 Print or Type Name

*Bryan Montgomery*  
 Signature

Manager, Evaluation & Title Reservoir Engineering Date 10/19/07

e-mail Address