

DISTRICT I  
P.O. BOX 1930, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

DHC 2/18/99  
Form C-107-A  
New 3-12-96

DISTRICT II  
811 South First St., Artesia, NM 88210-2835

OIL CONSERVATION DIVISION  
2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

JAN 29 1999

APPROVAL PROCESS:  
 Administrative  Hearing

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410-1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE  
 YES  NO

Operator Robert L. Bayless Address P.O. Box 168, Farmington, New Mexico 87499

Lease Fee Well No. Juhan #1 Unit Ltr. - Sec - Twp - Rge G Sec 29, T30N R12W County San Juan

OGRID NO. 019418 Property Code 13454 API NO. 30-045-29075 Federal  State  (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal		Fulcher Kutz Pictured Cliffs
2. Top and Bottom of Pay Section (Perforations)	1604' - 1637'		1650' - 1661'
3. Type of Production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	(Current)		
Oil Zones - Artificial Lift:	a. 585 psi	a.	a. 140 psi
Gas & Oil - Flowing:	(estimate from offset wells)		
All Gas Zones:	(Original)		
Estimated Current	b. 585 psi	b.	b. 600 psi
Measured Current	(estimate from offset wells)		
Estimated or Measured Original			
6. Oil Gravity ( $^{\circ}$ API) or Gas BTU Content	1053 BTU		1199 BTU
7. Producing or Shut-in?	Not Completed Yet		Producing
Product on Marginal? (yes or no)	Yes		Yes
If Shut-in, give date and oil/gas/water rates of last production	Date: N/A	Date: N/A	Date: N/A
Rates: N/A		Rates: N/A	
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Not Producing	Date: 12/31/1998	Date: 12/31/1998
Rates: Production Estimates Attached	Rates: Production Estimates Attached	Rates: 105 MCFD	Rates: 105 MCFD
		Rates: 1.4 BWPD	Rates: 1.4 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: N/A % Gas: N/A %	Oil: % Gas: %	Oil: N/A % Gas: N/A %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones?  Yes  No  
 If not, have all working, overriding, and royalty interests been notified by certified mail?  Yes  No  
 Have all offset operators been given written notice of the proposed downhole commingling?  Yes  No
11. Will cross-flow occur?  Yes  No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable.  Yes  No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other?  Yes  No
13. Will the value of production be decreased by commingling?  Yes  No
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application.  Yes  No
15. NMOC Reference Cases for Rule 303 (D) Exceptions: ORDER NO. (S) \_\_\_\_\_

16. 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 all offset operators.
  - \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
  - \* Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
SIGNATURE Kevin H. McCord TITLE Petroleum Engineer DATE January 28, 1999  
TYPE OR PRINT NAME Kevin H. McCord TELEPHONE NO. (505) 326-2659