

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division

P.O. Box 1900
Hobbs, NM 88241

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Santa Fe Energy Resources, Inc.

3. Address and Telephone No.

550 W. Texas, Suite 1330, Midland, TX 79701 915/687-3551

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

(H), 1980' FNL & 660' FEL, Sec. 6, T-24S, R-32E

5. Lease Designation and Serial No.

NM-89174

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Zia 6 Federal #1

9. API Well No.

30-025-32505

10. Field and Pool, or exploratory Area

~~S. Sand Dunes (Bone Spring)~~
Mesa Verde (Delaware)

11. County or Parish, State

Lea Co., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

SUBJECT TO
LIKE APPROVAL
BY STATE

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Downhole commingle
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Attached please find our application to downhole commingle the Bone Spring and Delaware formations in the subject well. Currently the Delaware formation is producing and the Bone Spring perforations are plugged with a RBP set at 8595'. It is planned to pull the RBP and commingle the two zones upon approval by the BLM and NMOC.

14. I hereby certify that the foregoing is true and correct.

Signed

Title

Sr. Production Clerk

Date

4/15/97

(This space for Federal or State office use)

Approved by

(ORIG. SGD) ALEXIS C. SWOBODA

Title

PETROLEUM ENGINEER

Date

APR 21 1997

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* See Instruction on Reverse Side

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
Rev. 3-12-96

APPROVAL PROCESS

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Santa Fe Energy Resources, Inc. Address 550 W. Texas, Suite 1330, Midland, Texas 79701Well No. Zia "6" Federal #1 (H) Sec. 6, T-24S, R-32E Lea Co. ESOGRID NO. 020305 Property Code 016637 API NO. 30-025-32505 Spacing Unit Lease Types: ☒ Federal ☐ State ☐ Indian Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Mesa Verde (Delaware) 96191		Mesa Verde S. Sand Dunes (Bone Spring) 53805
2. Top and Bottom of Pay Section (Perforations)	7278'-7298' & 8288'-8332'		9690'-9706'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 1100 b. (Original)	a. b.	a. 1000 b.
6. Oil Gravity (° API) or Gas BTU Content	42°		41°
7. Producing or Shut-In?	Producing		SI below RBP
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give 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: Rates:	Date: Rates:	Date: 6/7/96 Rates: 10 BO, 20 MCWG, 8 BW
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 4/8/97 Rates: 12 BO, 60 MCWG, 100 BW	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 55 % Gas: 75 %	Oil: % Gas: %	Oil: 45 % Gas: 25 %

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?
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 ☐ No11. 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 ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)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

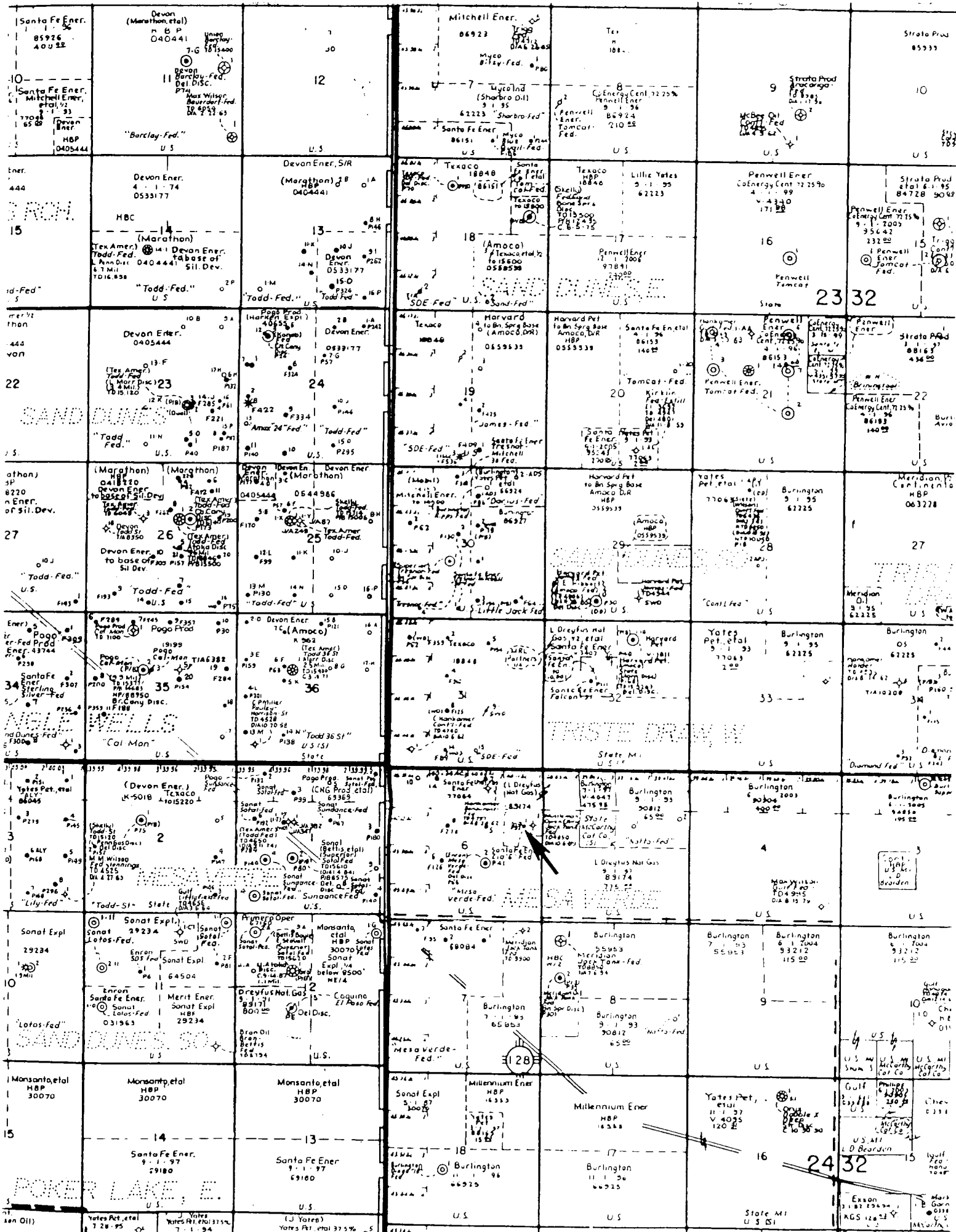
15. NMOC Reference Cases for Rule 303(C) Exceptions: ORDER NO(S) _____

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 Gary L. Travis TITLE Sr. Engineer DATE April 15, 1997TYPE OR PRINT NAME Gary L. Travis TELEPHONE NO. (915) 686-6613



OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1900, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brasos Rd., Artes, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SANTA FE ENERGY RESOURCES		Lease ZIA 6 FEDERAL		Well No. 1	
Unit Letter H	Section 6	Township 24 SOUTH	Range 32 EAST	County LEA	
Actual Footage Location of Well:					
1980 feet from the NORTH line and 660 feet from the EAST line					
Ground Level Elev. 3580.0'	Producing Formation Bone Spring		Pool South Sand Dunes (Bone Spring)	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
- ☐ Yes ☒ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, 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 _____

Tam L. Leavie

Printed Name

Gary L. Travis

Position Sr. Reservoir/
Evaluations Engineer

Company

Santa Fe Energy Resources

Date _____

April 15, 1997

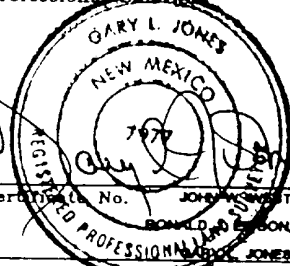
SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed _____

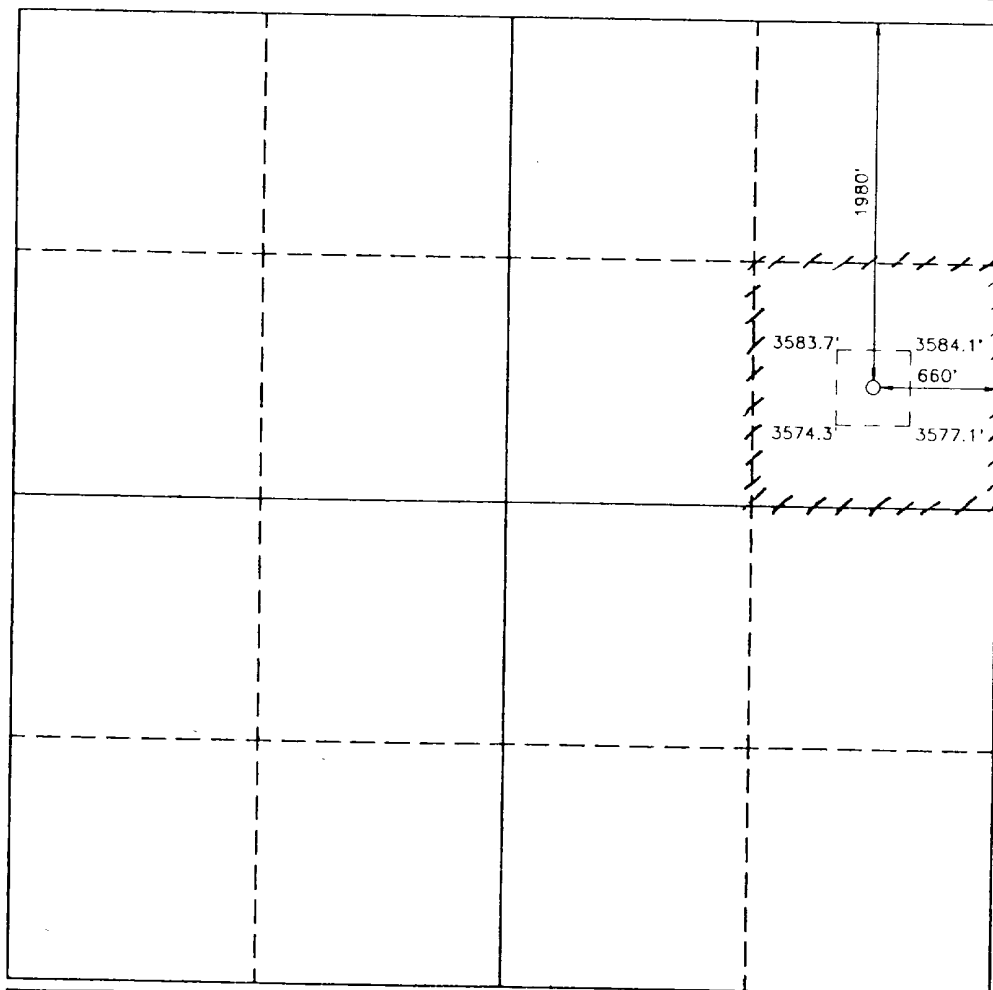
NOVEMBER 12, 1993

Signature & Seal of
Professional _____



Certificate No.	JOHN W. WEST.	876
	RONALD E. NELSON.	2290
	JOHN J. JONES.	7977

93-11-2267



Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer 80, Artesia, NM 88210

DISTRICT III

1600 Rio Grande Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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Ground Level Elev. 3580.0'	Producing Formation Delaware		Pool Triste Draw, West (Delaware)	Dedicated Acreage: 40 Acres	

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If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)
No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, 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: Darrell Roberts
Printed Name: Darrell Roberts
Position: Division Drilling Engineer
Company Santa Fe Energy
Operating Partners, L.P.
Date: March 22, 1994

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 knowledge and belief.

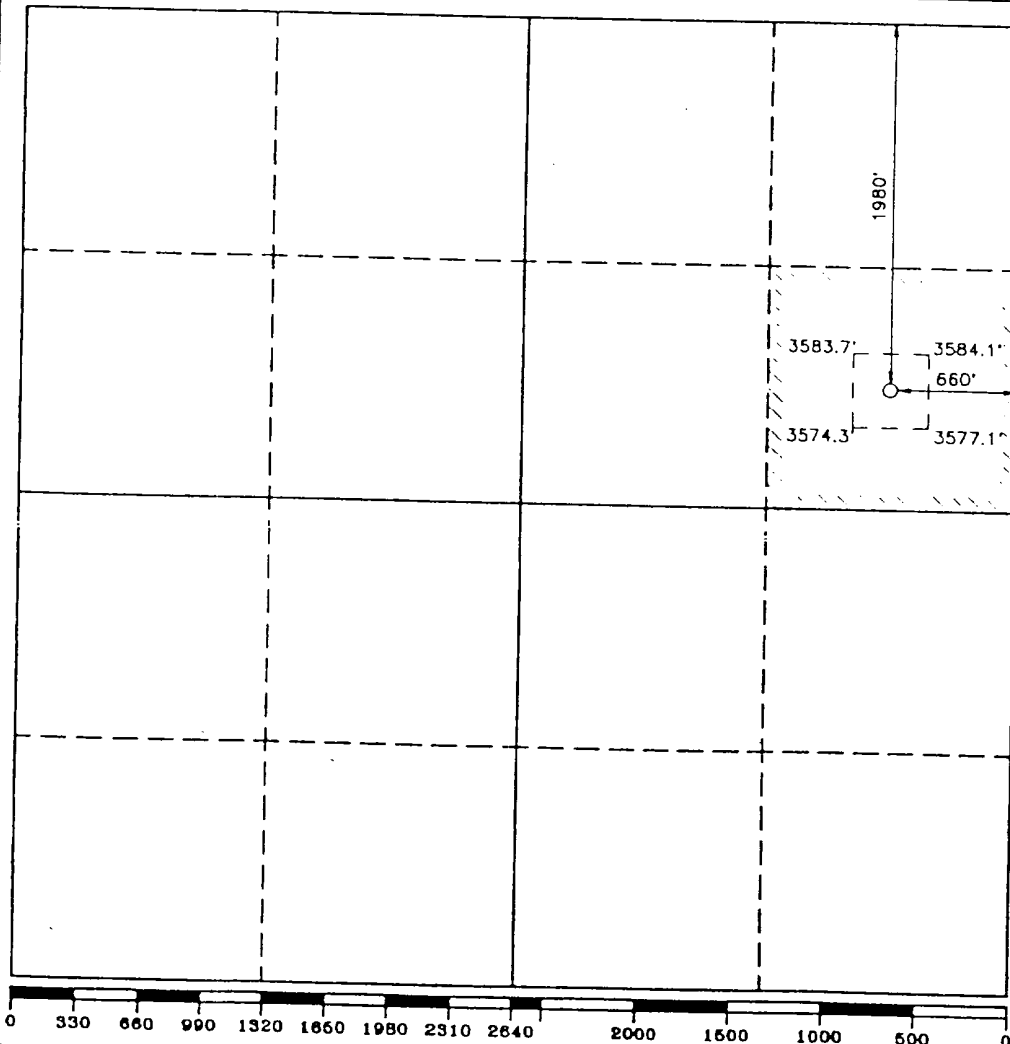
Date Surveyed: NOVEMBER 12, 1993

Signature & Seal of Professional Surveyor



Certified: RONALD J. BUCHANAN 1777

93-11-2267



NOTIFICATION LIST OF OFFSET OPERATORS

**Santa Fe Energy Resources
Application for Administrative Approval
Downhole Commingling
Zia "6" Federal #1
Sec. 6, T-24-S, R-32-E
Lea County, New Mexico**

1. Texaco Inc.
P.O. Box 3109
Midland, TX 79702
2. Burlington Resources
P.O. Box 51810
Midland, TX 79710-1810
3. Sonat Exploration Co.
110 W. Louisiana
Midland, TX 79701