DHC

PMA4 150 444 6681

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

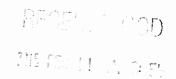
1220 South St. Francis Drive, Santa Fe, NM 87505



		ADMINISTRATIVE APPLIC	ATION CHECKLIST	
		MANDATORY FOR ALL ADMINISTRATIVE APPLICATION WHICH REQUIRE PROCESSING AT THE D		ES AND REGULATIONS
Applic	DHC-Dow PC-Po	s: ndard Location] [NSP-Non-Standard Prora nhole Commingling] [CTB-Lease Comm ool Commingling] [OLS - Off-Lease Stora [WFX-Waterflood Expansion] [PMX-Pre- [SWD-Salt Water Disposal] [IPI-Inje	ingling] [PLC-Pool/Lease Co age] [OLM-Off-Lease Measur ssure Maintenance Expansion ection Pressure Increase]	mmingling] rement] ]
[1]	TYPE OF AI	PPLICATION - Check Those Which Apply	y for [A] -D464	736
	[A]	Location - Spacing Unit - Simultaneous D  NSL NSP SD	Dedication - Bneith	ourn openation
	Check [B]	COne Only for [B] or [C] Commingling - Storage - Measurement  X DHC CTB PLC 1	PC OLS OLM	736 080 ell come mster  # 16
	[C]	Injection - Disposal - Pressure Increase - WFX PMX SWD	Ennanced On Recovery	7 23 - 4234
	[D]	Other: Specify	_	Blinebry Oil and GASCOIL
[2]	NOTIFICAT [A]	TON REQUIRED TO: - Check Those Who Working, Royalty or Overriding Roy	ich Apply, or X Does Not Apply alty Interest Owners	Y 6660 Downsand
	[B]	Offset Operators, Leaseholders or Su	urface Owner	19,50
	[C]	Application is One Which Requires	Published Legal Notice	19,50 Went3,460 62700
	[D]	Notification and/or Concurrent Appr U.S. Bureau of Land Management - Commissioner of Pu	roval by BLM or SLO ublic Lands, State Land Office	
	[E]	For all of the above, Proof of Notific	cation or Publication is Attached	, and/or,
	[F]	Waivers are Attached		
[3]		CURATE AND COMPLETE INFORMA ATION INDICATED ABOVE.	ATION REQUIRED TO PRO	CESS THE TYPE
	al is <b>accurate</b> a	TION: I hereby certify that the information and complete to the best of my knowledge. Equired information and notifications are sub-	I also understand that no action	
	Note	: Statement must be completed by an individual wi	th managerial and/or supervisory cap	pacity.
Jeanie	McMillan	Hanie Mc Millan	Regulatory Manager	Feb. 5, 2015
Print or	Type Name	Signature	Title	Date
		V	Jeanie.McMillan@Brei	tburn.com

e-mail Address





## February 5, 2015

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

**Division Director** 

Re: Form C-107A: Application for Downhole Commingling

Breitburn Operating LP Encore M State No. 16 API No. (30-025-42391) 645 FNL & 1800 FEL

Section 29, T-22 South, R-37 East, NMPM

Lea County, New Mexico

## Dear Mr. Catanach:

Attached is a C-107A application to downhole commingle the Blinebry Oil & Gas (Oil-06660), Drinkard (19190), and Wantz-Abo (62700) Pools within Breitburn's Encore M State Well No. 16.

Breitburn proposes that the allocation of production for the Encore M State No. 16 be based upon the 2014 average well production from six offset wells. Attached is a table showing 2014 average production from six wells operated by Breitburn that currently produce by downhole commingling in the Blinebry Oil & Gas, Drinkard and Wantz-Abo Pools. This data indicates that the average oil and gas production for 2014 for these wells is as follows:

	OIL (B/D)	GAS (MCF/D)	WATER (B/D)
Blinebry Oil & Gas Pool	11.73	61	48
Drinkard Pool	11.73	61	58
Wantz;Abo Pool	11.73	61	48

Based upon this production data, Breitburn requests that productions be allocated as follows:

	<u>OIL</u>	<u>GAS</u>	WATER	
Blinebry Oil & Gas Pool	33 1/3%	33 1/3%	31%	
Drinkard Pool	33 1/3%	33 1/3%	38%	
Wantz;Abo Pool	33 1/3%	33 1/3%	31%	

Breitburn Operating LP Application for Downhole Commingling Encore M State No. 16 Page 2

Please note that the working, royalty and overriding royalty interest ownership in this well is common throughout. Consequently, notice of this application is not required to any interest owner.

Approval of this application will afford Breitburn the opportunity to recover additional oil and gas reserves from the Blinebry Oil & Gas, Drinkard and Wants; Abo Pools within the Encore M State No. 16 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If there should be any questions, please call me at (713) 634-4696 or via e-mail at Jeanie.mcmillan@breitburn.com.

Sincerely,

√Jeanie McMillan

Regulatory Manager

Canie M/c/Millar

600 Travis, Suite 4800

Houston, Texas 77002

District I 1625 N. French Drive, Hobbs, NM 88240

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107A Revised August 1, 2011

District II 811 S. First St., Artesia, NM 88210

District IV

District III 1000 Rio Brazos Road, Aztee, NM 87410

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

APPLICATION TYPE

APPLICATION FOR DOWNHOLE COMMINGLING

THE DISTRIBUTE OF THE
X Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
V V N-

1220 S. St. Francis Dr., Santa Fe, NM 87505	AT LICATION FOR DOWNROLE	COMMINGEING 163 A	110
Breitburn Operating LP	600 Travis Street, Suite 48	00 Houston, Texas 77002	
Operator		lress	
Encore M State	16 Unit B, Sectio	n 29, T-22 South, R-37 East	LEA
Lease	Well No. Unit Letter-	Section-Township-Range	County
			•
OGRID No. <u>370080</u> Property Code_ <u>3140</u> 2	22 API No. 30-025-42391 Lease Ty	pe:FederalX_StateFee	
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name			
	Blinebry Oil & Gas (Oil)	Drinkard	Wantz-Abo
Pool Code	06660	19190	62700
Top and Bottom of Pay Section	5,465' - 6101' (Formation)	6,230' – 6,650' (Formation)	6,650 -7100 Formation top to TD)  Perfs, TBD
(Perforated or Open-Hole Interval)  Method of Production	Perfs. TBD	Perfs. TBD	Petis, IBD
(Flowing or Artificial Lift)	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	Not Required	Not Required	Not Required
depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU	38 Deg. API	38 Deg. API	38 Deg. API
(Degree API or Gas BTU)	1342 BTU	1342 BTU	1342 BTU
Producing, Shut-In or	No. Zara	Non-Zon-	NewZone
New Zone  Date and Oil/Gas/Water Rates of Last Production.	New Zone Date: November 2014	New Zone Date: November 2014	Date: November 2014
(Note: For new zones with no production history,	Rates: 11.1 BOPD	Rates: 11.1 BOPD	Rates: 11.1 BOPD
applicant shall be required to attach production	63.3 MCFGD	64.0 MCFGPD	63.7 MCFGD
estimates and supporting data.)	48.0 BWPD	58.0 BWPD	48.0 BWPD
Fixed Allocation Percentage	Oil Gas Water	Oil Gas Water	Oil Gas Water
(Note: If allocation is based upon something other		22.0% 22.0% 20%	23.106 23.106 216
than current or past production, supporting data or explanation will be required.)	33 1/3% 33 1/3% 31%	33 1/3% 33 1/3% 38%	33 1/3% 33 1/3% 31%
explanation will be required.)	ADDITIO	NAL DATA	
Are all working, royalty and overriding royalty interest: If not, have all working, royalty and overriding royalty			Yes
Are all produced fluids from all commingled zones com	•		Yes_x_No
	patible with each other.		
Will commingling decrease the value of production?			YesNo_x
If this well is on, or communitized with, state or federal or the United States Bureau of Land Management been		ds	Yes_xNo
NMOCD Reference Case No. applicable to this well:			
–			
Attachments:  C-102 for each zone to be commingled showing its Production curve for each zone for at least one yer For zones with no production history, estimated p Data to support allocation method or formula, Notification list of working, royalty and overridin Any additional statements, data or documents req	r. (If not available, attach explanation.) roduction rates and supporting data. g royalty interests for uncommon interest cases.		
		20010	
	·	OVED POOLS	
		he following additional information will be required:	
List of other orders approving downhole commingling within the p List of all operators within the proposed Pre-Approved Pools Proof that all operators within the proposed Pre-Approved Pools w Bottomhole pressure data.			

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

TITLE: Regulatory Manager

TYPE OR PRINT NAME: Jeanie McMillan E-MAIL ADDRESS jeanie.mcmillan@breitburn.com TELEPHONE NO: (713)634-4696

DATE: February 5, 2015

# Breitburn Operating, LP Form C-107A Encore M State No. 16 Offset Well Production

Recommended Allocation	Well (s) Average	Encore M State 12	Encore M State 9	Encore M State 7	Encore M State 6	Encore M State 5	Encore M State 3	Off set Well Name & Number
		K-20-225-37E	D-20-22S-37E	B-19-225-37E	I-19-225-37E	A-19-22S-37E	C-19-22S-37E	Well Location
33,33%	111	23.1	23.7	4.5	4.9	5.2	5.2	2014 Blinebry Oil Prod BOPD
33.33%	63.3	173.2	101.3	26.7	32.1	24.9	21.5	2014 Blinebry Gas Prod MCFGD
33.33%		23.1	23.7	4.5	4.9	5.2	5.2	2014 Drinkard Oil Prod BOPD
33.33%	64.0	173.2	103.2	29.0	32.1	24.9	21.5	2014 Drinkard Gas Prod MCFGD
33.33%	<b>1.</b>	23.1	23.7	4.5	5.0	5.2	5.2	2014 Abo Oil Prod BOPD
33.33%	63.7	173.1	103.2	29.1	30.6	24.9	21.5	2014 Abo Gas Prod MCFGD

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

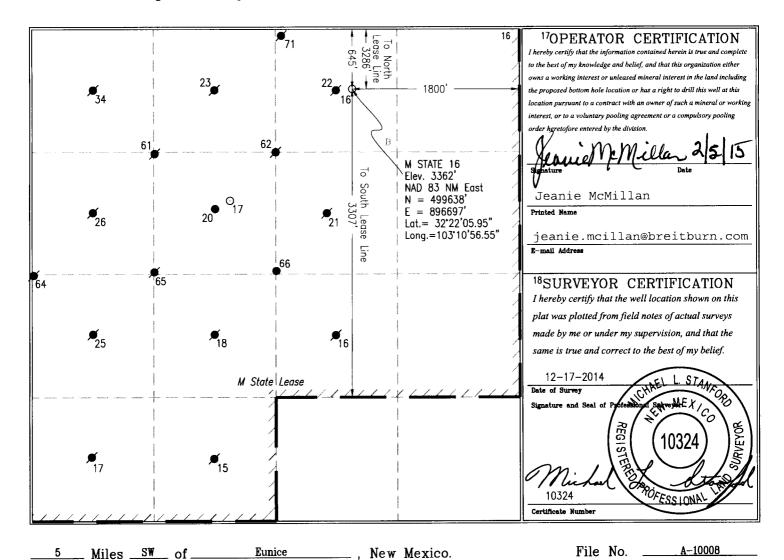
## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

			WELL	LOCAT	ION AND	ACREAGE	DEDICATION						
30-02	'API Number 'Pool Code 'Pool Name 25-42391 6660 Blinebry Oil and Gas (Oil)								s (Oil)				
<sup>4</sup> Property Code SProperty Name 314022 M State									<sup>6</sup> Well Number 16				
<sup>7</sup> OGRI	37008	0 B	reitburn	Operatir		<sup>8</sup> Operator Name							
		•			<sup>10</sup> Surface	e Location							
L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
В	29	22 S	37 E		645'	North	1800'	East	Lea				
			<sup>11</sup> Bott	om Hol	e Location	If Different	From Surface						
L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
Dedicated Acre	s <sup>13</sup> Joint on		Consolidation (	Code 150r	der No.								

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.



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DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
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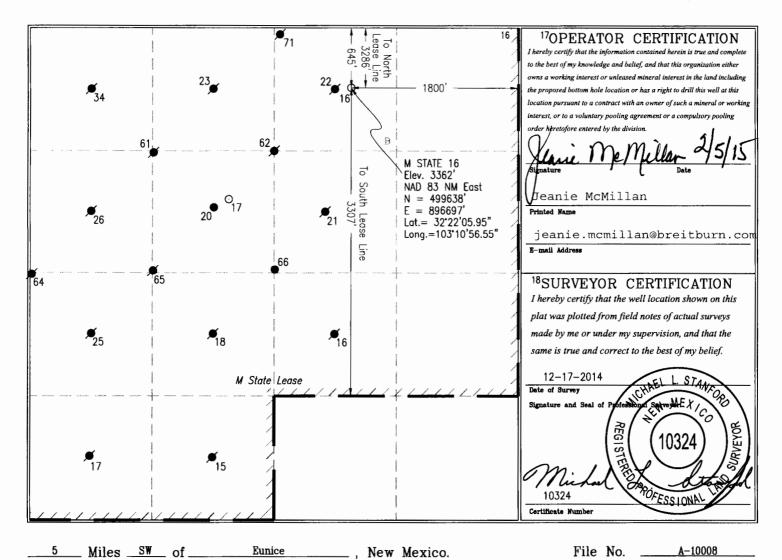
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Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

			W.	ELL !	LOC/	MOITA	AND	ACREAG	$\mathbf{E}$	<b>DEDICATION</b>	PLAT	
30-02	1 <b>API Numbe</b> 25-4239				2 ]	Pool Code 19	190			Drinkar	<sup>3</sup> Pool Name	
<sup>4</sup> Propert	ty Code 314022		M Sta	te			5Pro	operty Name				<sup>6</sup> Well Number 16
<sup>7</sup> OGRII	о No. 37008	0	Breitb	urn 0	)pera	ting LP		perator Name				<sup>9</sup> Elevation 3362'
						10	Surfac	e Locatio	n			
UL or lot no.	Section	Townsh	ip Ra	ınge	Lot Idn	Feet	from the	North/Sout	h line	e Feet from the	East/West line	County
В	29	22 3	S 37	' E		(	345'	Nort	h	1800'	East	Lea
			1	<sup>1</sup> Botto	m H	ole Loc	cation	If Differe	nt	From Surface	e	
UL or lot no.	Section	Townsh	ip Ra	nge	Lot Idn	Feet	from the	North/Sout	h line	e Feet from the	East/West line	County
12 Dedicated Acres	s 13 Joint o	r Infill	14Consolie	dation Co	de	<sup>15</sup> Order No.						
4.0	1		4		- 1							

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DISTRICT IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

5 Miles SW of

Eunice

## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

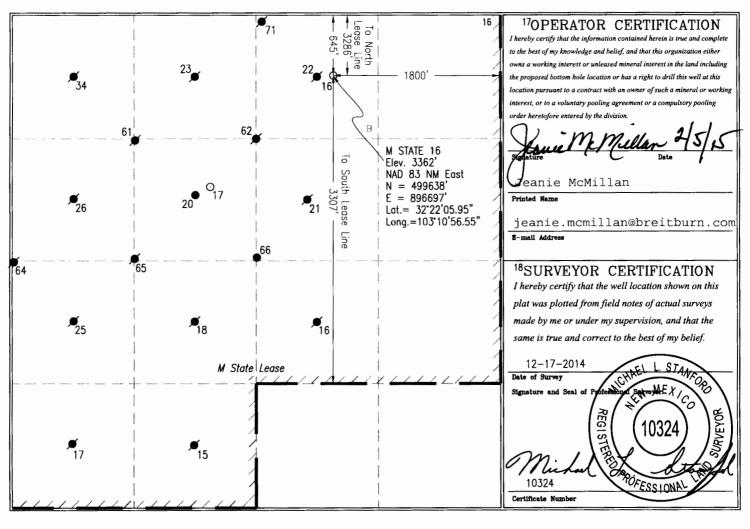
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-0	62700								; Abo
<sup>4</sup> Proper	y Code 314022		M State		5Pro	pperty Name			Well Number
70GRID No. 370080 Breitburn Operating LP									Elevation 3362
					<sup>10</sup> Surfac	e Location			
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	29	22	S 37 E		645'	North	1800'	East	Lea
			<sup>11</sup> Bot	tom Ho	le Location	If Different I	From Surface		
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	1								
<sup>2</sup> Dedicated Acres	<sup>13</sup> Joint o	r Infill	14Consolidation	Code 150	rder No.				
40	N.	ſ							

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.



\_, New Mexico.



## February 17, 2014

New Mexico Oil Conservation Division Attn: Mr. Michael McMillan 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Re: DHC: Encore M State No. 15 and No. 16 wells

Ownership

Dear Mr. McMillan:

This letter is to clarify ownership in the referenced wells and should be included in the down hole commingle application for the above wells.

The ownership is identical for all of the pools (zones) to be commingled: (Blinebry Oil & Gas (oil) (#6660); Drinkard (#19190) & Wantz; Abo (#62700).

Thank you for your assistance in this matter.

Sincerely,

Paul Aguirre

Landman

Breitburn Operating LP 600 Travis St., Suite 4800 Houston, TX 77002