

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

District II  
811 S. First St., 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

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

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

## APPLICATION FOR DOWNHOLE COMMINGLING

J R Oil Ltd, Co.

PO Box 2975, Hobbs, NM 88241

Operator

Address

Brunson B

7

N-3-22S-37E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 256073 Property Code 330338 API No. 30-025-09980 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blinebry O&G (pro gas)	Tubb O&G (oil)	Drinkard
Pool Code	72480	60240	19190
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,385' - 5,780'	5,887' - 6,270'	6,290' - 6,548'
Method of Production (Flowing or Artificial Lift)	Rod pump	Rod pump	Rod pump
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)	NA	NA	NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	33.0	39.4	38.0
Producing, Shut-In or New Zone	Producing	Plugged	Plugged
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: 6/13/2023 0 BOPD Rates: 5 MCFD 0 BWPD	Date: 8/31/2003 0 BOPD Rates: 9 MCFD 0 BWPD	Date: 08/31/2003 0 BOPD Rates: 10 MCFD 0 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 46.7 % Gas 53.2 %	Oil 20.3 % Gas 26.9 %	Oil 32.9 % Gas 19.9 %

## 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: Section E of 19.15.12.11 NMAC

## 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 Engineer DATE June 13, 2023

TYPE OR PRINT NAME Ian Petersen TELEPHONE NO. (432) 634-4922

E-MAIL ADDRESS ian@ddpetro.com

Submit 1 Copy To Appropriate District  
Office

District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised July 18, 2013

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>		<p>WELL API NO. 30-025-09980</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator J R Oil Ltd, Co.</p>		<p>6. State Oil &amp; Gas Lease No. 330338</p>
<p>3. Address of Operator PO Box 2975, Hobbs, NM 88241</p>		<p>7. Lease Name or Unit Agreement Name Brunson B</p>
<p>4. Well Location Unit Letter <u>N</u> : <u>622</u> feet from the <u>south</u> line and <u>1,990</u> feet from the <u>west</u> line Section <u>3</u> Township <u>22S</u> Range <u>37E</u> NMPM County <u>Lea</u></p>		<p>8. Well Number <u>7</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,418' GL</p>		<p>9. OGRID Number 256073</p>
		<p>10. Pool name or Wildcat Blinebry O&amp;G (pro gas), Tubb O&amp;G (oil), Drinkard</p>

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

J R Oil respectfully requests permission down-hole commingling the subject wellbore as follows:

Blinebry Oil & Gas (Pro gas) [72480]	5,385' - 5,780'	oil 46.7%, gas 53.2%
Tubb Oil & Gas (Oil) [60240]	5,887' - 6,270'	oil 20.3%, gas 26.9%
Drinkard [19190]	6,290' - 6,548'	oil 32.9%, gas 19.9%

Downhole commingling is pre-approved per subsection E of 19.15.12.11 NMAC.

Allocation method is based on cumulative production of surrounding wells within a one-mile radius of the subject well. See attached map & table for details.

Commingling will not reduce the total remaining production value.

Ownership of all pools in this well are identical.

Work plan is to drill out all plugs and equip well for rod lift.

Spud Date:

Aug. 23, 1948

Rig Release Date:

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

SIGNATURE



TITLE Engineer

DATE Jun 13, 2023

Type or print name

Ian Petersen

E-mail address: ian@ddpetro.com

PHONE: (432) 634-4922

**For State Use Only**

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

# J R Oil Ltd., Co.

TO: NMOCD, Hobbs District  
FROM: Ian Petersen  
(432) 634-4922  
SUBJECT: Brunson B #7 (30-025-09980)  
DATE: June 13, 2023

---

J R Oil respectfully requests permission down-hole commingle the subject wellbore as follows:

Blinebry Oil & Gas (Pro gas)	[72480]	5,385' – 5,780'	oil 46.7%, gas 53.2%
Tubb Oil & Gas (Oil)	[60240]	5,887' – 6,270'	oil 20.3%, gas 26.9%
Drinkard	[19190]	6,290' – 6,548'	oil 32.9%, gas 19.9%

Downhole commingling is pre-approved per subsection E of 19.15.12.11 NMAC.

Allocation method is based on cumulative production of surrounding wells within a one-mile radius of the subject well. See attached map & table for details.

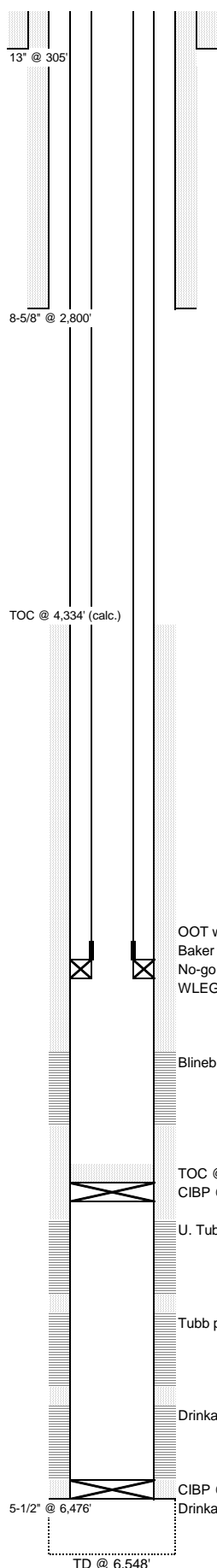
Commingling will not reduce the total remaining production value.

Ownership of all pools in this well are identical.

Work plan is to drill out all plugs and equip well for rod lift.

**JR Oil Ltd.**

# Brunson B #7

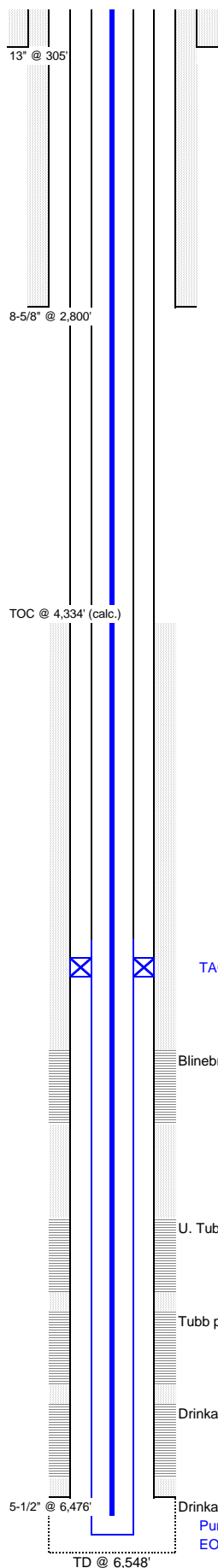


WELL NAME: Brunson B #7				FORMATION: Blinebry, Tubb, Drinkard				KB:				
API NO: 30-025-09980				FIELD: Blinebry O&G, Tubb O&G, Drinkard				PBDT: 5,825				
SPUD DATE: August 23, 1948				COUNTY: Lea				TD: 6,548				
CASING								CEMENT & HOLE DATA				
	joints	OD	lb/ft	grade	ID (in)	drift (in)	top	bottom	bit size	depth	sacks	TOC
Surface	15	13	50.00				0'	305'	17 1/4	311'	300	surf. (calc.)
Intermediate	104	8 5/8	28.00		8.017	7.892	0'	2,800'	11 1/4	2,800'	600	16' (calc.)
Production	206	5 1/2	14, 15.5	J-55	5.012	4.825	0'	6,476'	7 7/8	6,548'	350	4,334' (calc.)
History:												
8/23/1948 Spud by Cities Service Oil Co., DST @ 6,402' - 90', 6,548' - 622', acidized Drinkard open hole 3k gal, swab & flow, API 39.1												
11/8/1972 CIBP @ 6,470', perf Drinkard, swab, acidize 3k gal 15% Unisol w/ BS, flow												
3/14/1973 Move pkr down 5 jts to comply w/ OCD orders that perfs include Tubb & Drinkard pools, dual completion												
4/12/1974 Perf U. Tubb, acidize 3k gal 15% w/ BS, swab, isolate Tubb perfs & flowed 1,543 MCFD, dual complete Tubb & Drinkard, API 39.4												
1/12/1977 DHC Tubb & Drinkard via pkr leak test fail w/ no action												
8/27/2003 Bit & scraper to 5,930', scan tbg, all YB, log 5,922' - 3,674', CIBP @ 5,850' w/ 3 sx (25') cement, perf Blinebry, acidize 2,864 gal 17% FerCheck via PPI & w/ BS, frac 115k# 20/40 Ottawa & 35.6k# 20/40 SLC in 72k gal 50Q CO2 foam, swab & flow, bail to 5,805', set pkr & flow												
PERFORATIONS												
	top	bottom	zone	status	tfl shots	date						
	5,385'	5,780'	Blinebry	active	24	08/29/03						
	5,887'	6,138'	U. Tubb	plugged	50	04/12/74						
	6,181'	6,270'	Tubb	plugged	8	11/08/72						
	6,290'	6,465'	Drinkard	plugged	18	11/08/72						
	6,476'	6,548'	Drinkard	plugged	(open hole)	10/05/48						
N-80 TUBING (9/10/2003) avg jt length = 30.884'												
	OD (in)	ID (in)	joints	length (ft)	depth (ft)							
Tubing	2 3/8	1.995	171	5,281.17	5,281							
OOT	4 1/2	1.870		1.55	5,283							
Lok-Set pkr	5 1/2			3.50	5,286							
Pup				4.10	5,290							
F Nipple		1.810		0.98	5,291							
WLEG				0.41	5,292							
RODS (none)												
	OD (in)	grade	rods	length (ft)	depth (ft)							
1.870" F profile @ 5,283'												
Lok-Set pkr @ 5,286'												
F Nipple profile @ 5,291'												
@ 5,292'												
perfs @ 5,385' - 780'												
5,825'												
5,850'												
perfs @ 5,887' - 6,138'												
fs @ 6,181' - 270'												
perfs @ 6,290' - 465'												
6,470'												
open hole												

**Updated:** August 22, 2022 by Ian Petersen

**JR Oil Ltd.**

# Brunson B #7 PROPOSED



WELL NAME: Brunson B #7

API NO: 30-025-09980

SPUD DATE: August 23, 1948

FORMATION: Blinebry, Tubb, Drinkard

FIELD: Blinebry O&G, Tubb O&G, Drinkard

COUNTY: Lea

KB:

PBTD: 5,825

TD: 6,548

CASING

joints

OD

lb/ft

grade

ID (in)

drift (in)

top

bottom

Surface

15

13

50.00

0'

305'

Intermediate

104

8 5/8

28.00

8.017

7.892

0'

2,800'

Production

206

5 1/2

14, 15.5

J-55

5.012

4.825

0'

6,476'

CEMENT & HOLE DATA

bit size

depth

sacks

TOC

17 1/4

311'

300

surf. (calc.)

11 1/4

2,800'

600

16' (calc.)

7 7/8

6,548'

350

4,334' (calc.)

History:

8/23/1948 Spud by Cities Service Oil Co., DST @ 6,402' - 90', 6,548' - 622',  
acidized Drinkard open hole 3k gal, swab & flow, API 39.1

11/8/1972 CIBP @ 6,470', perf Drinkard, swab, acidize 3k gal 15% Unisol w/ BS,  
flow

3/14/1973 Move pkr down 5 jts to comply w/ OCD orders that perfs include  
Tubb & Drinkard pools, dual completion

4/12/1974 Perf U. Tubb, acidize 3k gal 15% w/ BS, swab, isolate Tubb perfs &  
flowed 1,543 MCFD, dual complete Tubb & Drinkard, API 39.4

1/12/1977 DHC Tubb & Drinkard via pkr leak test fail w/ no action

8/27/2003 Bit & scraper to 5,930', scan tbg, all YB, log 5,922' - 3,674',  
CIBP @ 5,850' w/ 3 sx (25') cement, perf Blinebry, acidize 2,864 gal  
17% FerCheck via PPI & w/ BS, frac 115k# 20/40 Ottawa & 35.6k#  
20/40 SLC in 72k gal 50Q CO2 foam, swab & flow, bail to 5,805',  
set pkr & flow

PERFORATIONS

top

bottom

zone

status

tfl shots

date

5,385'

5,780'

Blinebry

active

24

08/29/03

5,887'

6,138'

U. Tubb

plugged

50

04/12/74

6,181'

6,270'

Tubb

plugged

8

11/08/72

6,290'

6,465'

Drinkard

plugged

18

11/08/72

6,476'

6,548'

Drinkard

plugged

(open hole)

10/05/48

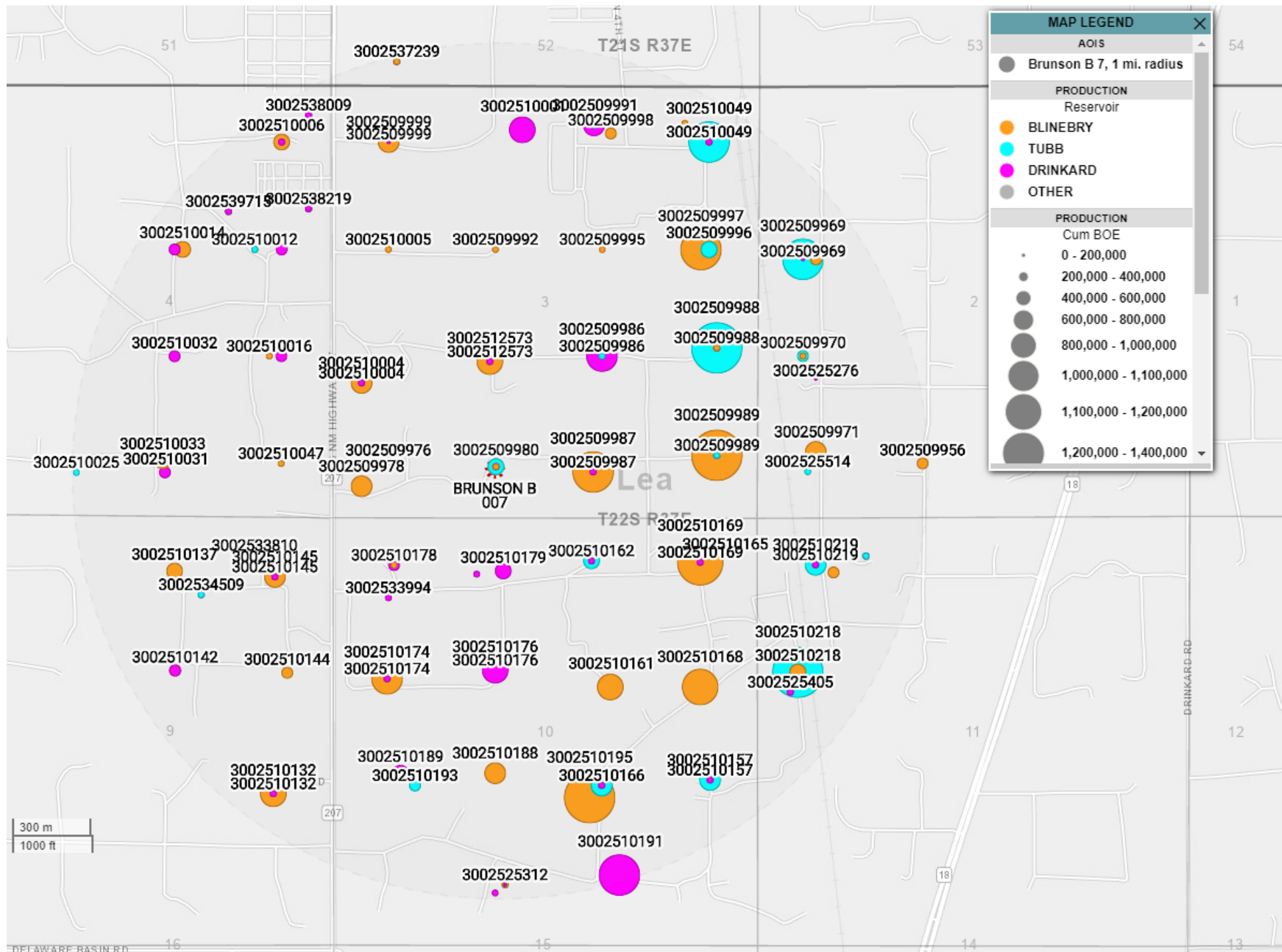
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**Updated:** August 25, 2022 by Ian Petersen

API	BLINEBRY		TUBB		DRINKARD	
	Cum. Oil (MBO)	Cum. Gas (MCF)	Cum. Oil (MBO)	Cum. Gas (MCF)	Cum. Oil (MBO)	Cum. Gas (MCF)
3002509956	190,208	892,758				
3002509969			157,910	6,784,226		
3002509970	8,259	487,999	23,617	2,223,409		
3002509971	203,824	3,526,975				
3002509976			101,880	1,368,563	1,004	74,280
3002509978	256,405	2,341,580				
3002509980		152,713	143,104	2,179,956	56	85,286
3002509986	1,970	140,400	2,148	156,014	226,214	4,942,151
3002509987	173,570	6,655,388			11,089	406,204
3002509988	1,842	209,509	176,221	9,728,239	3,328	442,065
3002509989	133,457	11,009,111	7,079	236,762	15,924	361,173
3002509991			6,059	352,988	123,272	3,383,752
3002509992	2,189	134,947				
3002509995	15,000	543,006				
3002509996			153,939	2,593,213		
3002509997	132,173	6,998,735				
3002509998	118,648	795,052				
3002509999	233,039	2,332,516				
3002510001					246,558	3,417,393
3002510004	73,401	3,388,493			81,965	389,183
3002510005	6,458	873,916				
3002510006	156,747	2,395,344			199	120,430
3002510010					16,540	2,149,904
3002510012	19,932	271,040	13,267	150,800		
3002510014	44,704	2,647,375				
3002510015					107,736	622,826
3002510016	11,400	205,079				
3002510019					40,719	1,309,459
3002510025			7,732	192,038		
3002510031					255,766	617,744
3002510032					271,194	398,089
3002510033	170,076	2,558,154				
3002510047	7,076	242,057				
3002510049			268,818	5,989,147	2,874	1,126,441
3002510132	167,177	4,323,597			729	6,911
3002510137	133,323	2,195,328				
3002510142	40,699	2,061,584			246,813	98,724
3002510144	121,026	812,563				
3002510145	146,582	3,656,833			674	55,427
3002510151					334,943	3,518,659
3002510157			72,852	4,333,161	243	1,044,420
3002510161	136,772	4,033,652				
3002510162	2,391	519,827	106,479	2,020,246		13,276
3002510165			15,516	551,429		
3002510166			180,977	3,245,347	7,441	1,146,570
3002510168	164,360	5,931,353				
3002510169	106,953	7,960,937				74,570
3002510174	61,537	5,819,497			110	94,493
3002510176			8,502	707,324	138,733	4,146,156
3002510178	8,346	614,307	1,683	127,311	110,391	1,564,148
3002510179	18,150	1,240,879			108,992	2,534,224
3002510186					-	-
3002510188	178,423	2,630,821				
3002510189					183,894	1,523,591
3002510191					221,485	6,835,476
3002510193	4,164	498,913	139,790	763,118		
3002510195	69,193	11,626,917				
3002510214	450,918	4,612,675				
3002510218	13,966	2,777,386	61,524	12,661,317		
3002510219			104,636	3,952,908	7,432	1,043,893
3002512573	107,595	4,520,646				2,439

API	BLINEBRY		TUBB		DRINKARD	
	Cum. Oil (MBO)	Cum. Gas (MCF)	Cum. Oil (MBO)	Cum. Gas (MCF)	Cum. Oil (MBO)	Cum. Gas (MCF)
3002525144	80,089	1,784,770				
3002525312	880	568,671	2,014	793,150		
3002525405					4,392	378,839
3002525508	35,940	1,957,037				
3002525514			4,473	704,872		
3002526051	16,775	889,040				
3002529469	18,528	1,497,669				
3002533794	2,691	192,941				
3002533810					19,882	379,410
3002533824	10,168	944,679				
3002533825					11,790	300,212
3002533826					12,351	714,108
3002533994					6,440	107,611
3002534509			972	23,264	11,040	289,380
3002537239	32,004	400,044	14,887	336,645	26,141	21,762
3002538009	4,633	71,067	1,754	37,367	-	-
3002538219	3,806	185,581	1,333	19,511	1,772	64,725
3002539715	6,636	166,152	2,333	127,045	25,691	151,485
3002540080	5,777	281,204	3,237	210,904	10,864	195,283
TOTAL	4,109,880	123,578,717	1,784,736	62,570,274	2,896,681	46,152,172
AVERAGE	80,586	2,376,514	61,543	2,157,596	70,651	1,048,913
COMMINGLED PERCENT	46.7%	53.2%	20.3%	26.9%	32.9%	19.9%







# J R Oil Ltd., Co.

TO: NMOCD, Hobbs District  
FROM: Ian Petersen  
(432) 634-4922  
SUBJECT: Brunson B #7 (30-025-09980)  
DATE: June 13, 2023

---

J R Oil respectfully requests permission down-hole commingle the subject wellbore as follows:

Blinebry Oil & Gas (Pro gas)	[72480]	5,385' – 5,780'	oil 46.7%, gas 53.2%
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Allocation method is based on cumulative production of surrounding wells within a one-mile radius of the subject well. See attached map & table for details.

Commingling will not reduce the total remaining production value.

Ownership of all pools in this well are identical.

Work plan is to drill out all plugs and equip well for rod lift.

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & 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

**Applicant:** J R Oil Ltd**OGRID Number:** 256073**Well Name:** Brunson B #7**API:** 30-025-09980**Pool:** Blinbry OG (pro gas), Tubb O&G (oil), Drinkard**Pool Code:** 72480, 60240, 19190

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [ I ] or [ II ]

[ I ] Commingling - Storage - Measurement

☒ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[ II ] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☒ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application  
Content  
Complete

**3) 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.**

Ian Petersen

Print or Type Name

Signature

June 13, 2023

Date

(432) 634-4922

Phone Number

ian@ddpetro.com

e-mail Address

**From:** [Ian Petersen](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Cc:** [jtippy@coltennergynm.com](mailto:jtippy@coltennergynm.com)  
**Subject:** [EXTERNAL] RE: Action ID: 227180; DHC-5295  
**Date:** Friday, June 30, 2023 2:06:33 PM  
**Attachments:** [C-102 Brunson B #7 Tubb signed.PDF](#)  
[C-102 Brunson B #7 Blinebry signed.PDF](#)  
[C-102 Brunson B #7 Drinkard signed.PDF](#)  
[C103 Work plan Brunson B 7 DHC 2.pdf](#)

**CAUTION:** This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

See attachments for C-102's for all three pools.

Regarding the allocation method I agree with using production from the well. My explanation is attached.

Please advise if more information or documentation is needed.

Ian  
(432) 634-4922

---

**From:** McClure, Dean, EMNRD <Dean.McClure@emnrn.dnm.gov>  
**Sent:** Friday, June 30, 2023 10:42 AM  
**To:** Ian Petersen <ian@ddpetro.com>  
**Subject:** Action ID: 227180; DHC-5295

To whom it may concern (c/o Ian Petersen for J R Oil, LTD. CO.),

The Division is reviewing the following application:

<b>Action ID</b>	227180
<b>Admin No.</b>	DHC-5295
<b>Applicant</b>	J R Oil, LTD. CO. (256073)
<b>Title</b>	Brunson B #7
<b>Sub. Date</b>	6/13/2023

Please provide the following additional supplemental documents:

- A C-102 for each of the pools being commingled

Please provide additional information regarding the following:

- The proposed allocation is based upon offset production; however, historic production for all 3 pools seems to be available for the Brunson B #7 (30-025-09980). Is there reason to feel that production from these pools will be altered from their historical values? If not, then it may be more appropriate to consider only the production from this well to determine a fixed percent. Please confirm whether you are in agreement with this assessment and if so, please submit an amended allocation.

Additional notes:

- 

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Ian Petersen](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#)  
**Subject:** Approved Administrative Order DHC-5295  
**Date:** Friday, July 14, 2023 10:41:08 AM  
**Attachments:** [DHC5295 Order.pdf](#)

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NMOCD has issued Administrative Order DHC-5295 which authorizes J R Oil, LTD. CO. (256073) to downhole commingle production within the following well:

**Well Name:** Brunson B #7

**Well API:** 30-025-09980

---

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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**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 LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-09980	<sup>2</sup> Pool Code 72480	<sup>3</sup> Pool Name Blinebry Oil & Gas (pro gas)
<sup>4</sup> Property Code 330338	<sup>5</sup> Property Name Brunson B	<sup>6</sup> Well Number 7
<sup>7</sup> OGRID No. 256073	<sup>8</sup> Operator Name J R Oil Ltd, Co.	<sup>9</sup> Elevation 3,418' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	3	22S	37E		622	South	1,990	West	Lea

<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

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order 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.

<p>1,990'</p> <p>622'</p>	<p><sup>16</sup></p>	<p><b><sup>17</sup> 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 a 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.</p> <p> June 30, 2023</p> <p>Signature Date</p> <p>Ian Petersen</p> <p>Printed Name</p> <p>ian@ddpetro.com</p> <p>E-mail Address</p>
		<p><b><sup>18</sup> 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.</p>
		<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
		<p>Certificate Number</p>



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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  
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☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-09980	<sup>2</sup> Pool Code 19190	<sup>3</sup> Pool Name Drinkard
<sup>4</sup> Property Code 330338	<sup>5</sup> Property Name Brunson B	<sup>6</sup> Well Number 7
<sup>7</sup> OGRID No. 256073	<sup>8</sup> Operator Name J R Oil Ltd, Co.	<sup>9</sup> Elevation 3,418' GL

<sup>10</sup> Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	3	22S	37E		622	South	1,990	West	Lea

<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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order 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.

	<sup>16</sup>		<p><b><sup>17</sup> 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 a 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.</p> <p> June 30, 2023 Signature Date</p> <p>Ian Petersen Printed Name</p> <p>ian@ddpetro.com E-mail Address</p>
	<sup>16</sup>		<p><b><sup>18</sup> 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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-09980	<sup>2</sup> Pool Code 60240	<sup>3</sup> Pool Name Tubb Oil & Gas (oil)
<sup>4</sup> Property Code 330338	<sup>5</sup> Property Name Brunson B	<sup>6</sup> Well Number 7
<sup>7</sup> OGRID No. 256073	<sup>8</sup> Operator Name J R Oil Ltd, Co.	<sup>9</sup> Elevation 3,418' GL

<sup>10</sup> Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	3	22S	37E		622	South	1,990	West	Lea

<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

<sup>12</sup> Dedicated Acres 40	<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.

	<p><sup>16</sup></p>	<p><b><sup>17</sup> 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 a 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.</p> <p> June 30, 2023 Signature Date</p> <p>Ian Petersen Printed Name</p> <p>ian@ddpetro.com E-mail Address</p>
		<p><b><sup>18</sup> 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.</p>
		<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
		<p>Certificate Number</p>

# J R Oil Ltd., Co.

TO: NMOCD, Hobbs District  
FROM: Ian Petersen  
(432) 634-4922  
SUBJECT: Brunson B #7 (30-025-09980)  
DATE: June 30, 2023

---

J R Oil respectfully requests permission down-hole commingle the subject wellbore as follows:

Blinebry Oil & Gas (Pro gas)	[72480]	5,385' – 5,780'	oil 0%, gas 46.5%
Tubb Oil & Gas (Oil)	[60240]	5,887' – 6,270'	oil 0.6%, gas 11.4%
Drinkard	[19190]	6,290' – 6,548'	oil 99.4%, gas 42.1%

Downhole commingling is pre-approved per subsection E of 19.15.12.11 NMAC.

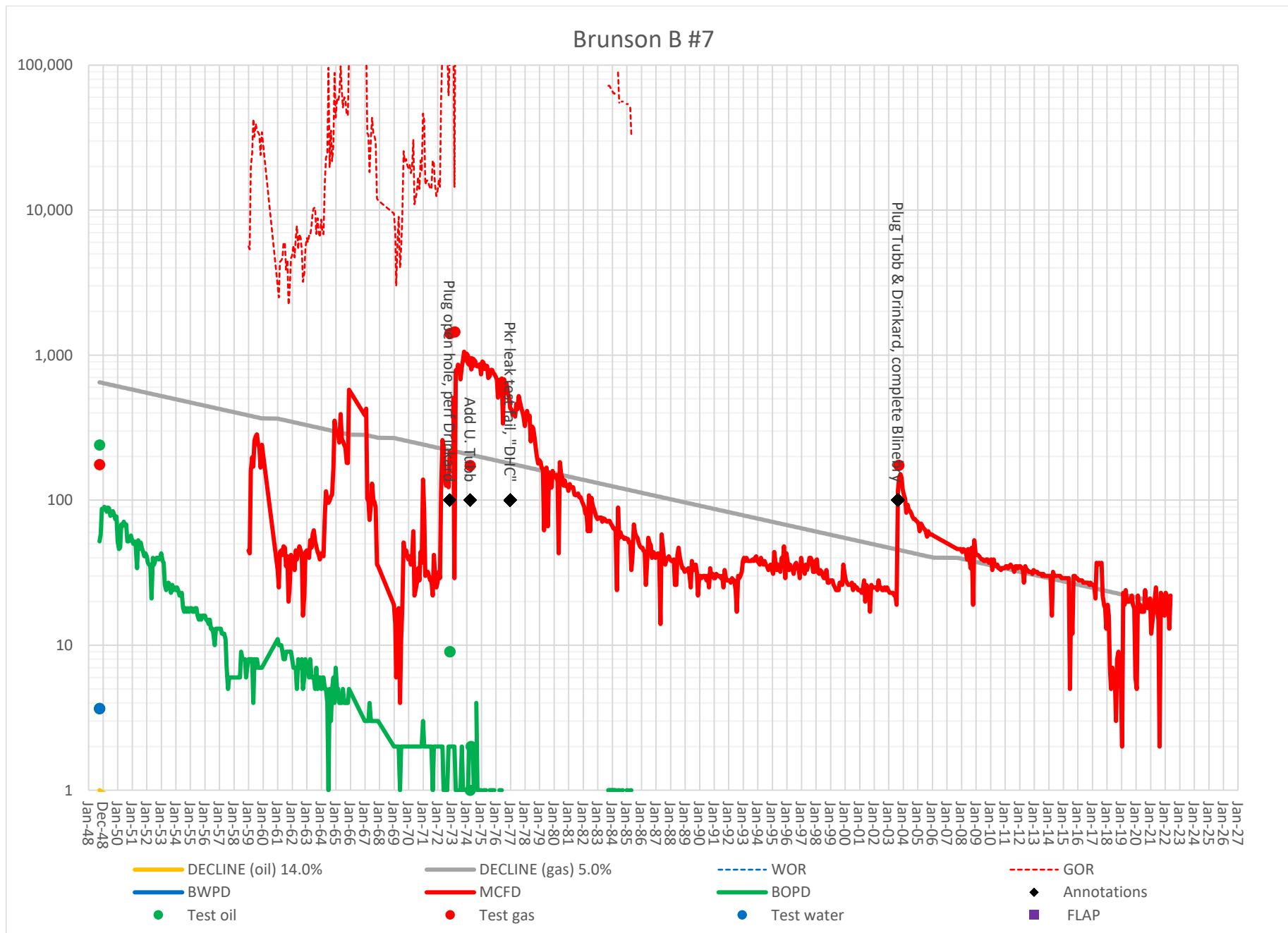
Allocation method is based on

- respective cumulative production of the Tubb & Drinkard pools
  - Tubb produced 0.6% of the oil and 21.1% of the gas
  - Drinkard produced 99.4% of the oil and 78.9% of the gas
- production rates of the commingled Tubb & Drinkard pools at the time of plugging (average 0 BOPD, 23 MCFD)
- latest production rate of the Blinebry (average 0 BOPD, 20 MCFD)

Commingling will not reduce the total remaining production value.

Ownership of all pools in this well are identical.

Work plan is to drill out all plugs and equip well for rod lift.



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR DOWNHOLE COMMINGLING  
SUBMITTED BY J R OIL, LTD. CO.**

**ORDER NO. DHC-5295**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. J R Oil, LTD. CO. (“Applicant”) submitted a complete application (“Application”) to downhole commingle the pools described in Exhibit A (“the Pools”) within the well bore of the well identified in Exhibit A (“the Well”).
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
6. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
8. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
9. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool’s fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
11. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
3. If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Order to become inaccurate, then no later than sixty (60) days after that event, Applicant shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Order shall terminate on the date of such action.
4. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
5. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
6. If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.
8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.



**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'D. Fuge', is written over a horizontal line.

**DYLAN M. FUGE  
DIRECTOR**

**DATE:** 7/14/2023

State of New Mexico  
Energy, Minerals and Natural Resources Department

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## Exhibit A

---

Order: **DHC-5295**

Operator: **J R Oil, LTD. CO. (256073)**

Well Name: **Brunson B #7**

Well API: **30-025-09980**

---

Pool Name: **BLINEBRY OIL & GAS (PRO GAS)**

**Upper Zone**

Pool ID: **72480**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **0.0%**

Gas: **46.5%**

Interval: **Perforations**

Top: **5,385**

Bottom: **5,780**

---

Pool Name: **TUBB OIL AND GAS (OIL)**

**Intermediate Zone**

Pool ID: **60240**

Current:

New: **X**

Allocation: **Fixed Percent**

Oil: **0.6%**

Gas: **11.4%**

Interval: **Perforations**

Top: **5,887**

Bottom: **6,270**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **YES**

---

Pool Name: **DRINKARD**

**Lower Zone**

Pool ID: **19190**

Current:

New: **X**

Allocation: **Fixed Percent**

Oil: **99.4%**

Gas: **42.1%**

Interval: **Open-Hole**

Top: **6,290**

Bottom: **6,548**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **YES**

---

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS  
  
Action 227180

CONDITIONS

Operator:  J R OIL, LTD. CO. P.O. Box 52647 Tulsa, OK 74152	OGRID:  256073
	Action Number:  227180
	Action Type:  [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	7/14/2023