

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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]

1754

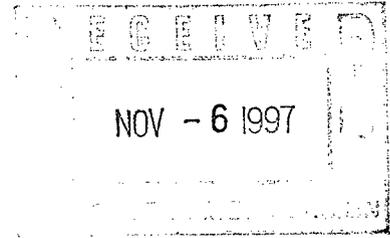
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] and [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



[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] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Kay Maddox	<i>Kay Maddox</i>	Regulatory Agent	11/4/97
Print or Type Name	Signature	Title	Date

DISTRICT I
 P O Box 1980, Hobbs, NM 88241 1980
 DISTRICT II
 811 South First St. Artesia NM 88210 2835
 DISTRICT III
 1000 Rio Brazos Rd. Aztec, NM 87410 1693

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-107-A
 New 3-12-96

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:
 Administrative Hearing
 EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease Hawk A Well No 2 Unit Ltr Sec Twp Rge Section 8, T21S, R 37E, H County Lea

OGRID NO. 005073 Property Code 003021 API NO. 30-025-06432 Spacing Unit Lease Types: (check 1 or more)
 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	Blinebry Oil & Gas 06660	Tubb Oil & Gas 60240	Drinkard 19190
2. TOP and Bottom of Pay Section (Perforations)	5755-6050'	6299-6432'	6553-6717'
3. Type of production (Oil or Gas)	Oil	Oil	Oil
4. Method of Production (Flowing or Artificial Lift)	Bean Pump	Bean Pump	Bean Pump
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 350	a. 800	a. 500
	b(Original) 2400	b. 2600	b. 2750
6. Oil Gravity (°API) or Gas BT Content	33	36	38
7. Producing or Shut-in?	Producing	To be completed	Producing
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 should be required to attach production estimates and supporting data • If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	6/1/97 0 BOPD / 10 MCFD 0 BWPD	Date Rates	6/1/97 1 BOPD / 14 MCFD 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	oil: 40 % Gas 40 %	oil: % Gas %	oil: 60 % Gas 60 %

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 others Yes No

13. 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. NMOCD 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 Kay Maddox TITLE Regulatory Agent DATE October 31, 1997

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

Hawk A #2 Downhole Commingle

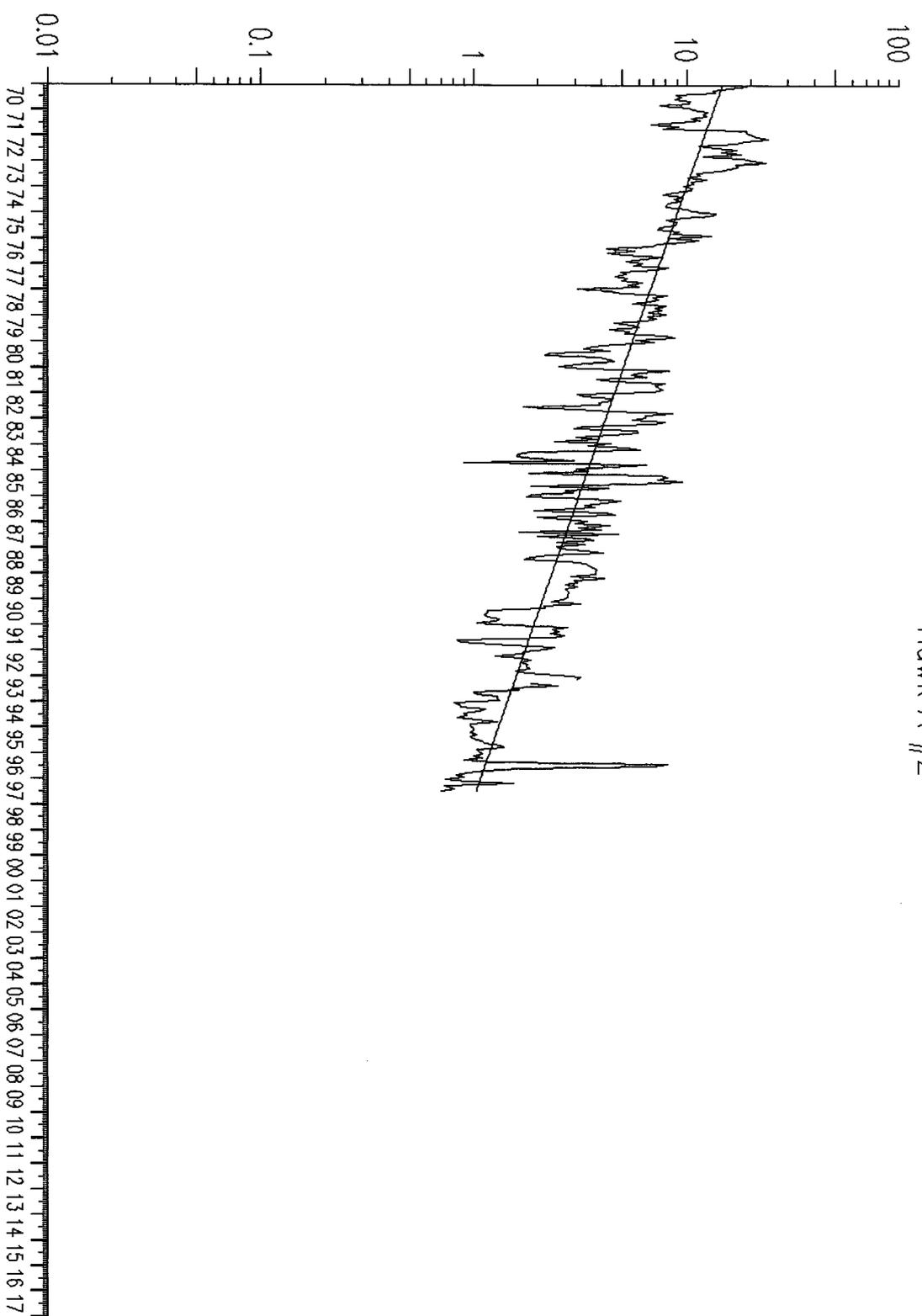
Blinebry/Drinkard Production Forecast

DECLINE (%/YR)	0.092219	GAS DECLINE (%/YR)	0.057713
LOSS RATIO	0.9119	LOSS RATIO	0.9439
INITIAL RATE (BOPD)	1	INITIAL RATE (MCFPD)	22
NO.MONTHS 1ST YEAR	12	NO.MONTHS 1ST YEAR	12
ECON LIMIT (BOPD)	1	ECON LIMIT (MCFPD)	20

Year	Forecasted Formation	Annual Oil Decline Constant	Predicted Yearly Cum BO	Annual Gas Decline Constant	Predicted Yearly Cum MCF	Forecasted Oil Production Daily Average (BOPD)	Forecasted Gas Production Daily Average (MCFPD)
1997	Blinebry/Drinkard	0.0922	349	0.0577	7803	1.0	21.4
1998	Blinebry/Drinkard	0.0922	318	0.0577	7365	0.9	20.2
1999	Blinebry/Drinkard	0.0922	290	0.0577	6952	0.8	19.0
2000	Blinebry/Drinkard	0.0922	264	0.0577	6562	0.7	18.0
2001	Blinebry/Drinkard	0.0922	241	0.0577	6194	0.7	17.0
2002	Blinebry/Drinkard	0.0922	220	0.0577	5847	0.6	16.0
2003	Blinebry/Drinkard	0.0922	201	0.0577	5519	0.5	15.1
2004	Blinebry/Drinkard	0.0922	183	0.0577	5209	0.5	14.3
2005	Blinebry/Drinkard	0.0922	167	0.0577	4917	0.5	13.5
2006	Blinebry/Drinkard	0.0922	152	0.0577	4642	0.4	12.7
2007	Blinebry/Drinkard	0.0922	139	0.0577	4381	0.4	12.0
2008	Blinebry/Drinkard	0.0922	126	0.0577	4136	0.3	11.3
2009	Blinebry/Drinkard	0.0922	115	0.0577	3904	0.3	10.7
2010	Blinebry/Drinkard	0.0922	105	0.0577	3685	0.3	10.1
2011	Blinebry/Drinkard	0.0922	96	0.0577	3478	0.3	9.5
2012	Blinebry/Drinkard	0.0922	87	0.0577	3283	0.2	9.0
2013	Blinebry/Drinkard	0.0922	80	0.0577	3099	0.2	8.5
2014	Blinebry/Drinkard	0.0922	73	0.0577	2925	0.2	8.0
2015	Blinebry/Drinkard	0.0922	66	0.0577	2761	0.2	7.6
2016	Blinebry/Drinkard	0.0922	60	0.0577	2606	0.2	7.1
2017	Blinebry/Drinkard	0.0922	55	0.0577	2460	0.2	6.7

Hawk A #2

Oil Rate (Calendar Day) (bbls)



70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17

Decline Rate (frac) Nominal: 0.008063 Effective: 0.008030 Annual: 0.092219

Current Oil rate: 0.7 bbls/d

Economic Limit: 1.0 bbls/d

Cumulative Oil Produced: 154.2 Mbbbls

Remaining Reserves: 0.0 Mbbbls

Total Reserves: 154.2 Mbbbls – At the Economic Limit

**OFFSET OPERATORS
IN THE
BLINEBRY & DRINKARD POOLS
Hawk A Well # 2, 9
T-21-S, R-37-E**

<u>Offset Operators:</u>	<u>Location:</u>
Burlington Resources PO Box 4289 Farmington, NM 87499	Section 5
Lynx Petroleum PO Box 1979 Hobbs, NM 88241	Section 6, P
Arco Permian PO Box 1089 Eunice, NM 88231	Section 7, A
Asher Enterprises PO Box 423 Artesia, NM 88211-0243	Section 7, H
Lanexco PO Box 2730 Midland, TX 79702	Section 7, P
Chevron USA Inc. PO Box 1150 Midland, TX 79702 Attention: J.K. Rippley	Section 8, F
Lanexco Previous listing	Section 8, F
Altura PO Box 4891 Houston, TX 77210-4891	Section 16, D
Campbell & Hedric PO Box 401 Midland, TX 79701	Section 17, B
John H. Hendrix Corp. PO Box 3040 Midland, TX 79702-3040	Section 17, B

Page 2
Offset Operators
Hawk A Well # 2 & 9

Texaco Exploration & Prod.
PO Box 3109
Midland, TX 79702 Attention: C.W. Howard

Section 17, C

Chevron
Previous Listing

Section 18, A

HAWK A No. 2 DHC: OFFSET OPERATORS

Hill E.C. Hill

Hawk B-4

Texakoma

Conoco NMFU

E. C. Hill

Conoco NMFU

E. G. Goins, et al.

Conoco NMFU

Conoco NMFU

Alexander

BURLINGTON

Hawk B-6

Currie

W. C. Hawk A-5

Hawk A - 4

7

Conoco NMFU

Conoco NMFU

8

Conoco NMFU

Hawk - A

Co., et al.

CHEVRON

Hawk A No. 2

Mattern

Hawk - A

Hawk - A

Dominion Res.

Conoco NMFU

Goins

Alves

Hawk B-1

Ha

Chevron

18

Texaco

Campbell & Hedrick

17

Amoco

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

instructions on back

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office

District IV
PO Box 2088, Santa Fe. NM 87504-2088

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-06432		2 Pool Code 19190		3 Pool Name Drinkard	
4 Property Code 003021		5 Property Name Hawk A			6 Well Number 2
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation

10 Surface Location

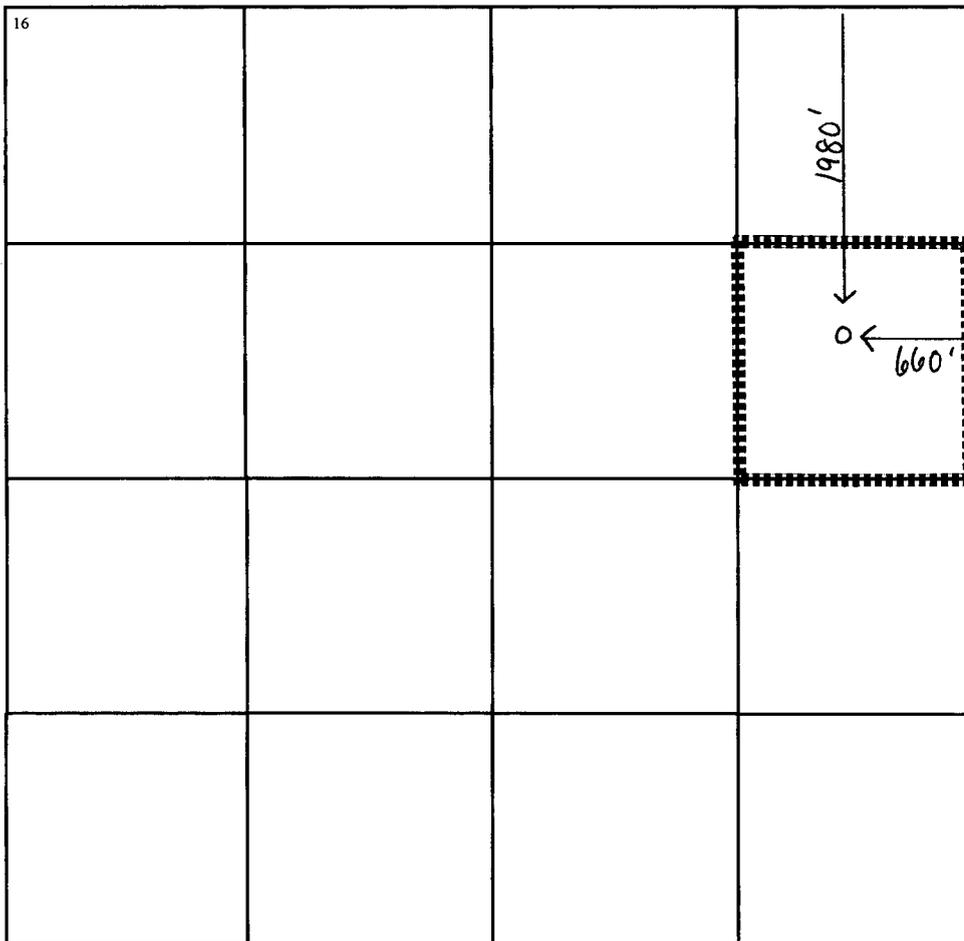
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	21S	37E		1980	North	660	East	Lea

11 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

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 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



17 OPERATOR CERTIFICATION

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

Kay Maddox
Signature

Kay Maddox
Printed Name

Regulatory Agent
Title

11/1/97
Date

18 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 belief.

Date of Survey

Signature and Seal of Professional Surveyor.

Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-06432		2 Pool Code 60240		3 Pool Name Tubb Oil & Gas	
4 Property Code 003021		5 Property Name Hawk A			6 Well Number 2
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation

10 Surface Location

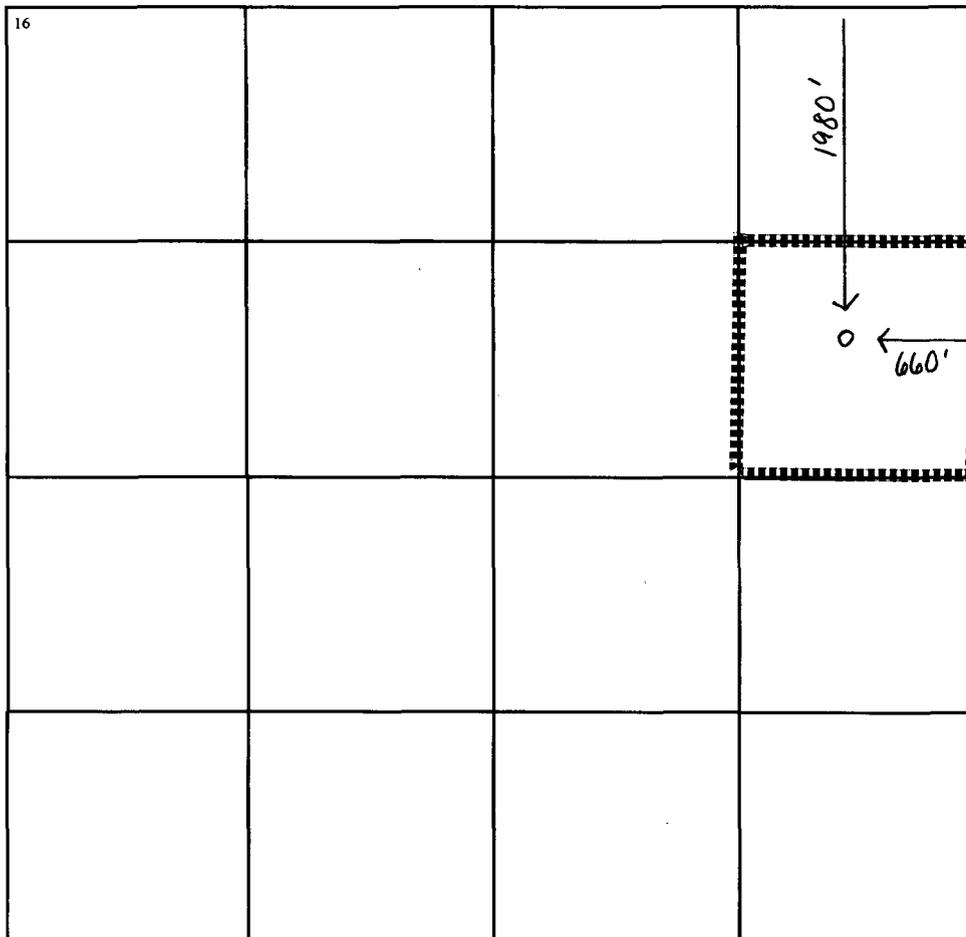
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Signature

Kay Maddox
Printed Name

Regulatory Agent
Title

11/1/97
Date

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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.

Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

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Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-06432		2 Pool Code 06660		3 Pool Name Blinebry Oil & Gas	
4 Property Code 003021		5 Property Name Hawk A			6 Well Number 2
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation

10 Surface Location

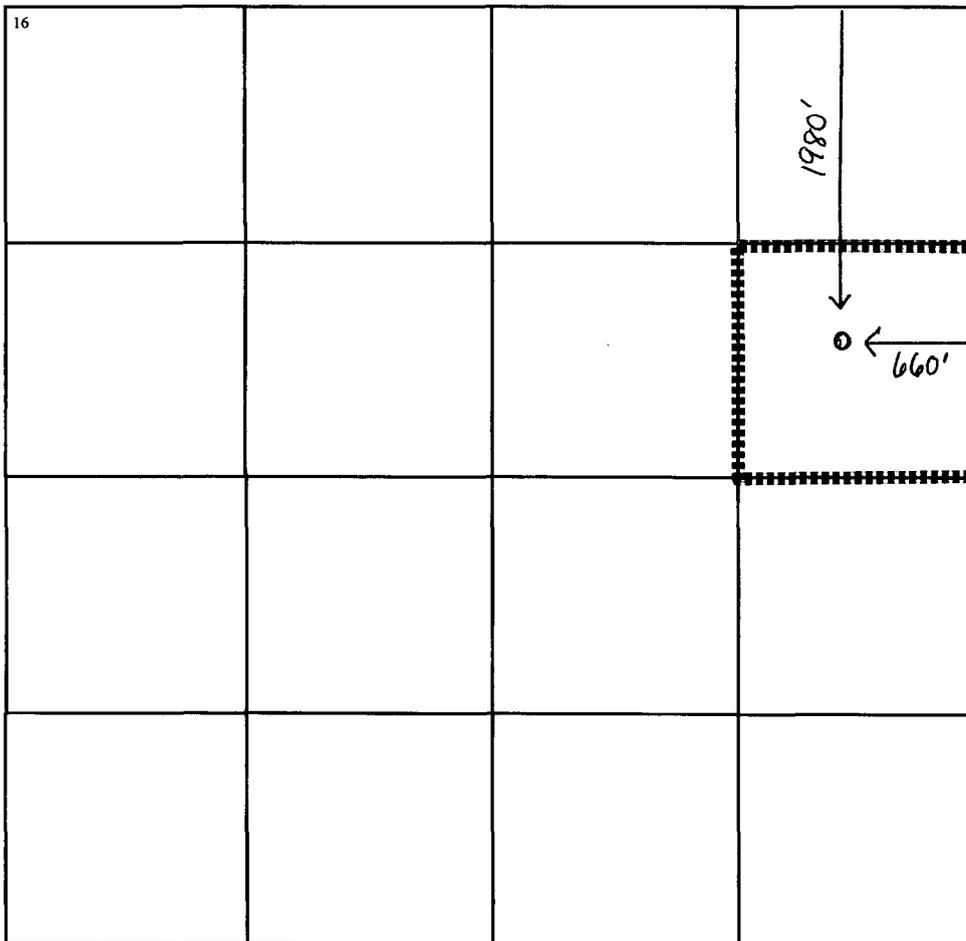
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11 Bottom Hole Location If Different From Surface

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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Kay Maddox
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Kay Maddox
Printed Name

Regulatory Agent
Title

11/1/97
Date

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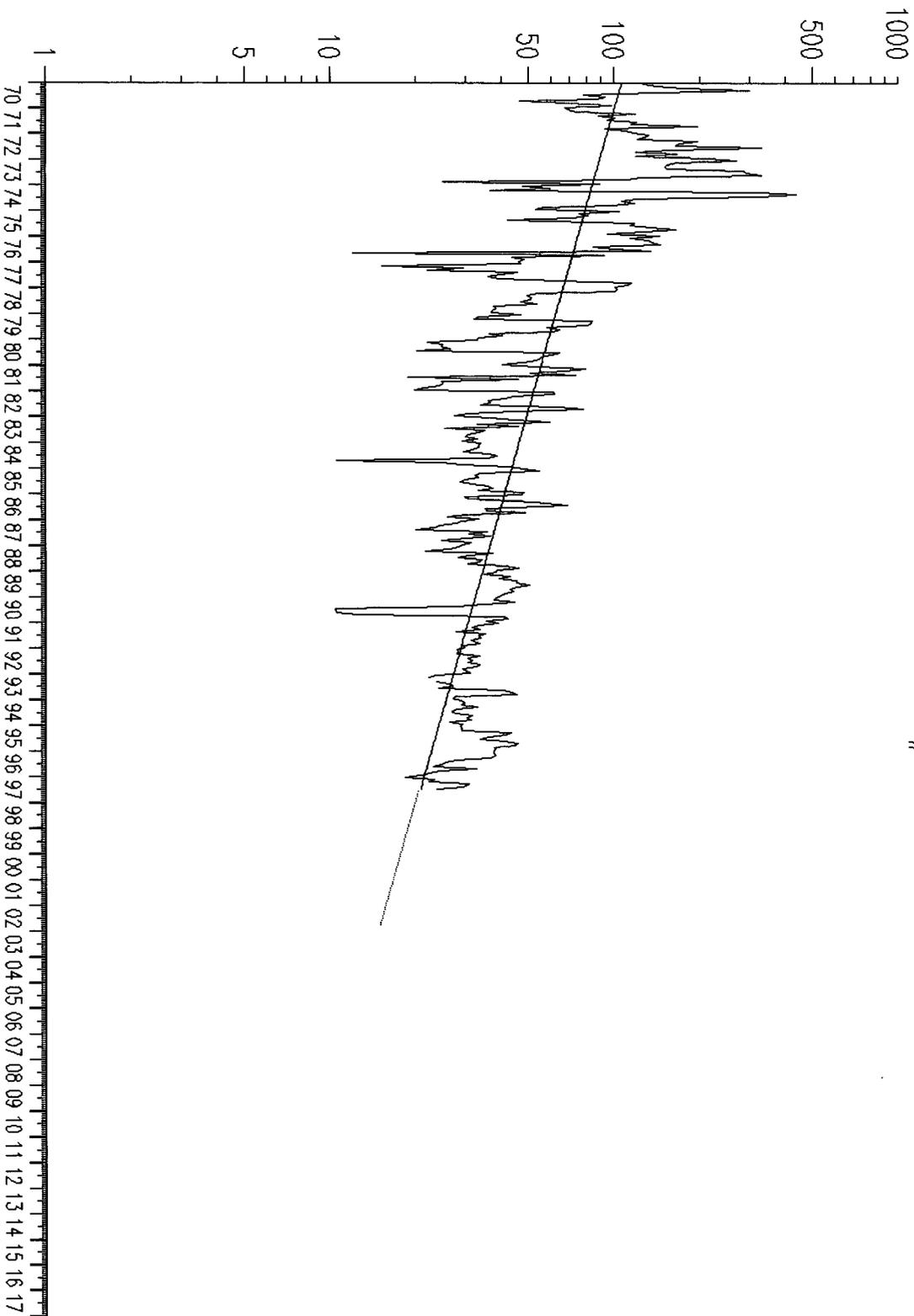
Date of Survey

Signature and Seal of Professional Surveyor.

Certificate Number

Hawk A #2

Gas Rate (Calendar Day) (Mscf)



Decline Rate (frac) Nominal: 0.004954 Effective: 0.004941 Annual: 0.057713

Current Gas rate: 20.50 Mscf/d

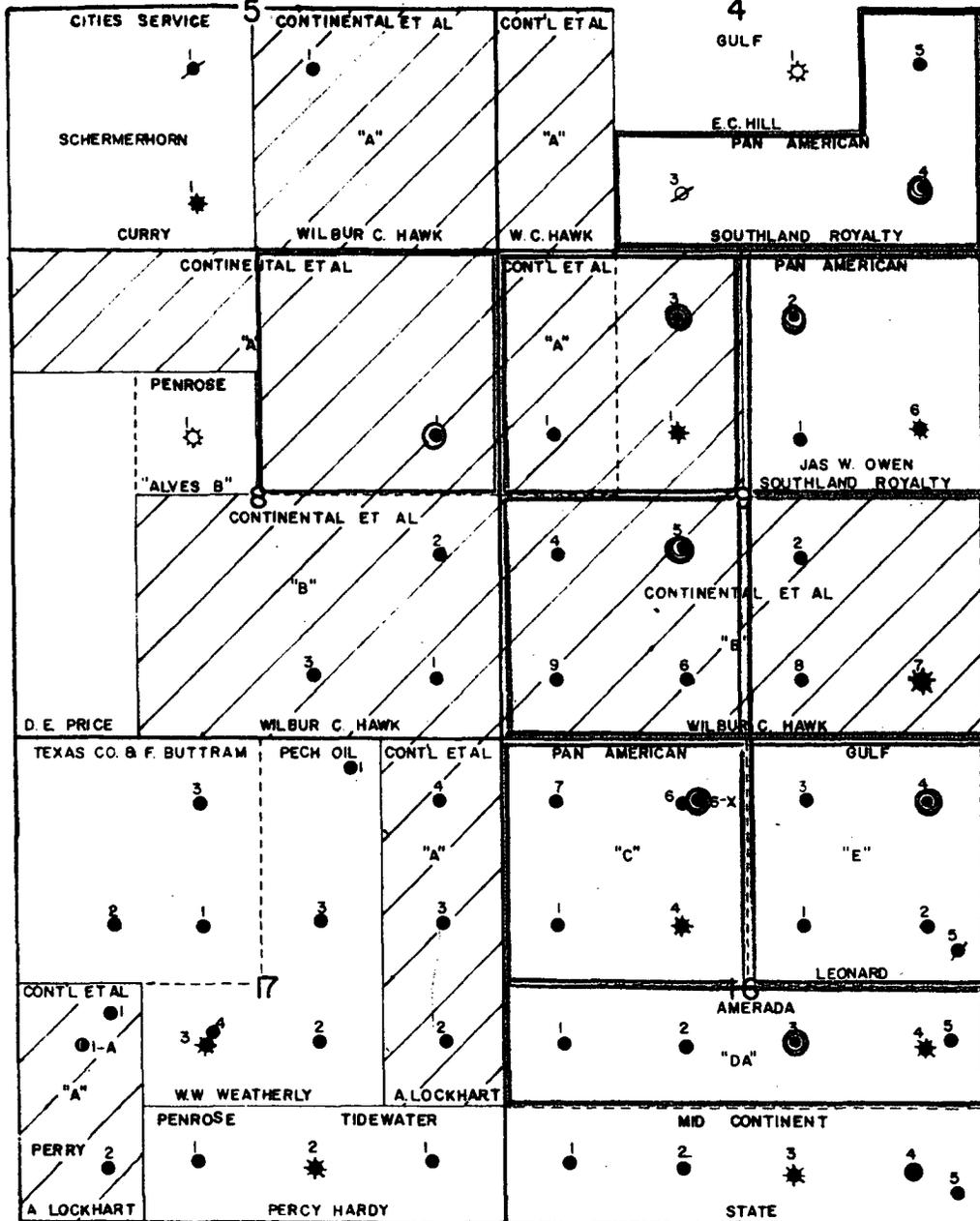
Economic Limit: 15.000 Mscf/d

Cumulative Gas Produced: 1162.98 MMscf

Remaining Reserves: 34.2 MMscf

Total Reserves: 1197.2 MMscf – At the Economic Limit

R-37-E



Continental Oil Company

Location Plat

Eunice District

Scale: 1" = 2000

Proposed Unit Boundary —

Approved Unit Boundary —

Proposed Unit Well ○

Approved Unit Well ○



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

DHC-93

11/6/97

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____ <i>X</i>
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

<i>Conoco Inc</i>	<i>Hawk A</i>	<i>#2-H</i>	<i>8-215-37e</i>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

Shouldn't they provide info. on Luto producers in the area for this well.

Also, we need to inform Kay Maddox that it is a beam pump not a "bean" pump.

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed