

RECEIVED JUN 22 2005

District I  
1623 N. French Drive, Hobbs, NM 87410  
District II  
1301 W. Grand Avenue, Artesia, NM 87402  
District III  
1000 Rio Grande 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

Form C-107A  
Revised June 10, 2003

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

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
 EXISTING WELLSBORE

APPLICATION FOR DOWNHOLE COMMINGLING

Yes  No

DHC-3486

Operator Redwolf Production, Inc. Address P. O. Box 5382 Farmington, NM 87499

Lease Kelly Well No. No. 1 Unit Letter-Section-Township-Range P-25-T30N-R15W County San Juan

OGRID No. 018973 Property Code 009585 API No. 30-045-26494 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>Grassy-Gallup</u>		<u>Basin Dakota</u>
Pool Code	<u>96339</u>		<u>71599</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>4524' - 24968'</u>		<u>5434' - 5555'</u>
Method of Production (Flowing or Artificial Lift)	<u>Pumping</u>		<u>Pumping</u>
Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<u>37.9</u>		<u>est. 1200</u>
Producing, Shut-In or New Zone	<u>Producing</u>		<u>SHUT</u>
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: <u>3/05</u> Rates: <u>1.3 BOPD</u> <u>0 MCFD</u>	Date: Rates:	Date: <u>9/85 (Test)</u> Rates: <u>0 BOPD</u> <u>188 MCFD</u>
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil <u>100</u> % Gas <u>0</u> %	Oil % Gas %	Oil <u>0</u> % Gas <u>100</u> %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No   
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? 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

NMOC Reference Case No. applicable to this well: \_\_\_\_\_

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 Dana J. Delventhal TITLE Vice President DATE 5/16/05

TYPE OR PRINT NAME Dana L. Delventhal TELEPHONE NO. (505) 326-4125

E-MAIL ADDRESS ddelventhal@qwest.net

District I  
 P. O. Box 1980, Hobbs, NM 88241-1980  
 District II  
 P.O. Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos RD., Aztec, NM 87410  
 District IV  
 P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office

OIL CONSERVATION DIVISION  
 P.O. Box 2088  
 Santa Fe, NM 87504-2088

State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-045-26494</b>	2 Pool Code	3 Pool Name <b>Wildcat; Grassy-Gallup (Oil)</b>
4 Property Code <b>009585</b>	5 Property Name <b>KELLY</b>	
7 OGRID No. <b>018973</b>	8 Operator Name <b>Redwolf Production, Inc.</b>	6 Well Number <b>1</b>
		9 Elevation <b>5380' KB</b>

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
<b>P</b>	<b>25</b>	<b>30N</b>	<b>15W</b>		<b>990</b>	<b>S</b>	<b>880</b>	<b>E</b>	<b>San Juan</b>

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 <b>40</b>		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

16	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief				
	Signature: <i>Dana L. Delventhal</i>				
	Printed Name <b>Dana L. Delventhal</b>				
	Title <b>Vice President</b>				
Date <b>3-Feb-95</b>					
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 Professional Surveyor:					
Certificate Number					

The diagram shows a well location marked with a dot. A horizontal line to the right of the dot is labeled '880'' and a vertical line below the dot is labeled '990''. The area to the right and bottom of the well location is shaded with diagonal lines, indicating the well's position relative to the surface location.

All measurements must be from the outer boundaries of the Section.

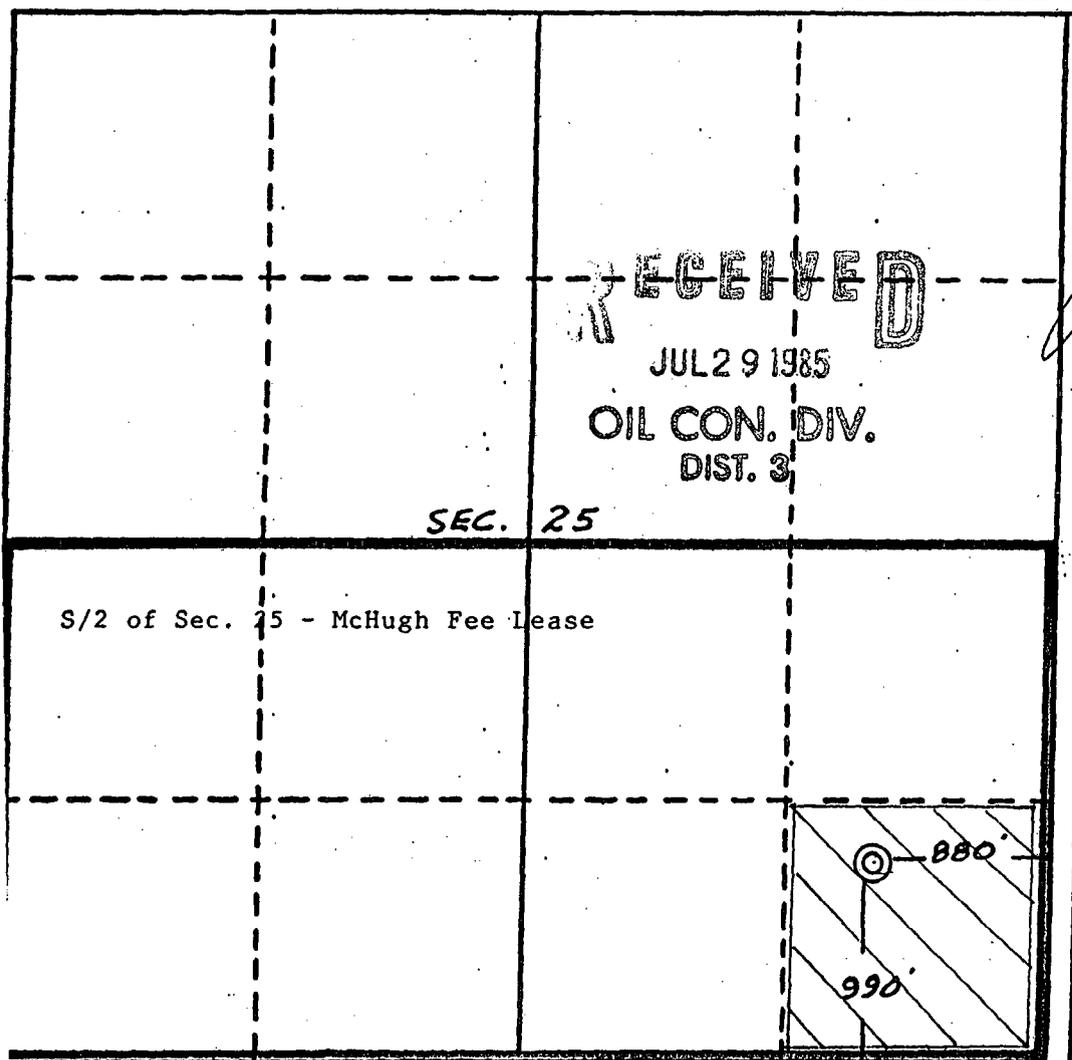
Jerome P. McHugh		Lease Kelly		Well No. 1
Unit Letter P	Section 25	Township 30 North	Range 15 West	County San Juan

Actual Footage Location of Well:  
990 feet from the South line and 880 feet from the East line

Ground Level Elev. 5365	Producing Formation Gallup/Dakota	Pool Gallup/Basin Dakota	Dedicated Acreage: 40/320 Acres
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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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc? NA  
 Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



**CERTIFICATION**

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

*James S. Hazen*  
Name  
James S. Hazen  
Position  
Field Supt.  
Company  
Jerome P. McHugh  
Date  
7/26/85

**EDGAR L. RISENHOVER**  
REGISTERED LAND SURVEYOR  
No. 5979

Date Surveyed  
July 26, 1985  
Registered Professional Engineer  
and/or Land Surveyor  
*Edgar L. Risenhover*  
Certificate No. 5979  
Edgar L. Risenhover, P.E.

# Rate/Time Graph

Project: C:\Program Files\IHS Energy\PowerTools v6.0\Projects\Redwolf Reserves.MDB

Date: 5/16/2005  
Time: 12:48 PM

Lease Name: KELLY (1)

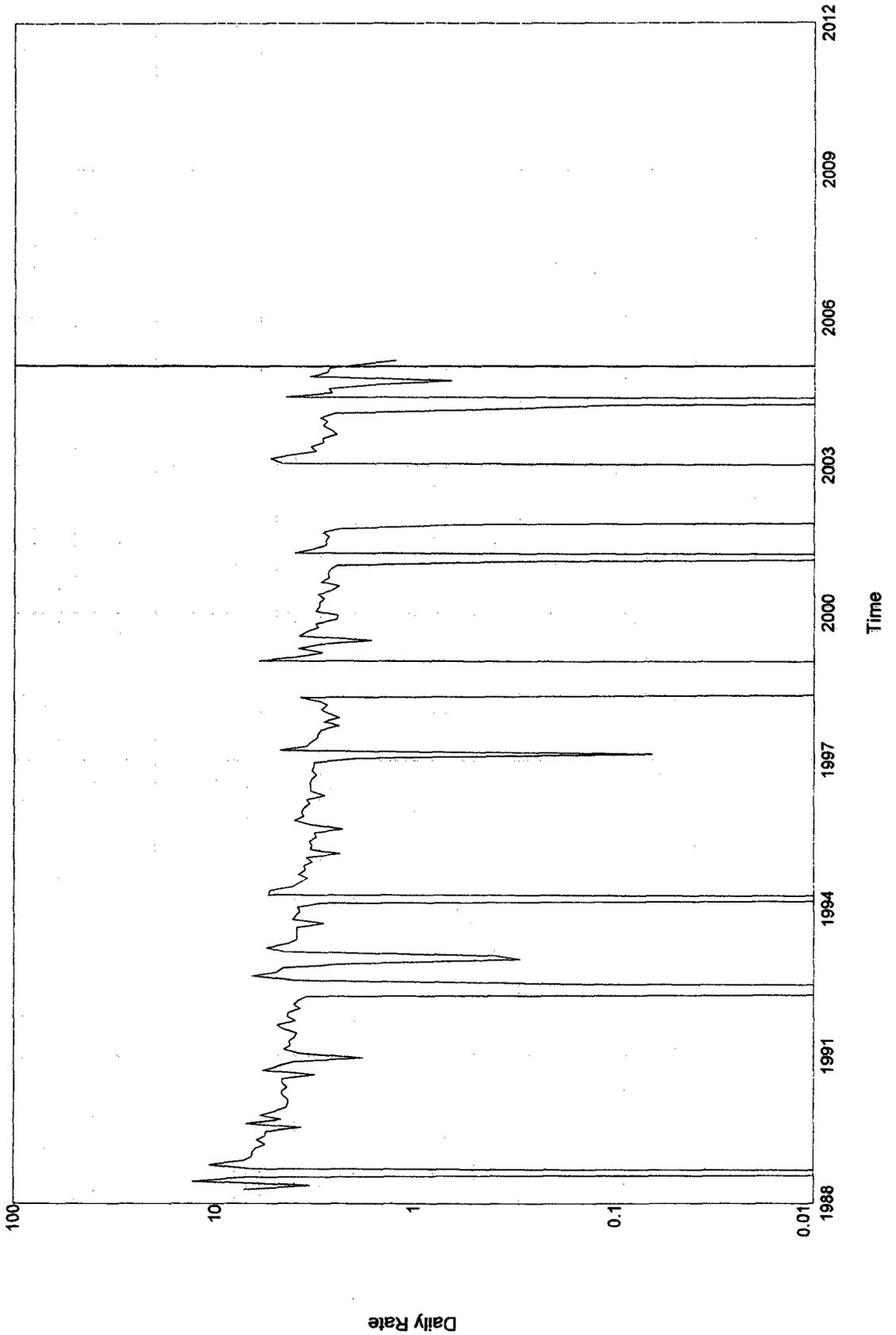
County, ST: SAN JUAN, NM

Location: 25P 30N 15W SE SE

Operator: REDWOLF PRODUCTION INCORPORATED

Field Name: GRASSY

## KELLY - GRASSY



RECEIVED

District I  
1423 N. French Drive, Hobbs, NM 87240

District II  
1301 W. Grand Avenue, Artesia, NM 87010

District III  
1000 Rio Grande Road, Aztec, NM 87410

District IV  
1720 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

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Santa Fe, New Mexico 87505

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 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

JUN 22 2005

OIL CONSERVATION  
DIVISION

APPLICATION FOR DOWNHOLE COMMINGLING

Redwolf Production, Inc. P. O. Box 5382 Farmington, NM 87499

Operator Kelly Address No. 1 P-25-T30N-R15W San Juan

Lease No. 1 Well No. P-25-T30N-R15W Unit Letter-Section-Township-Range San Juan County

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Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<b>37.9</b>		<b>est. 1200</b>
Producing, Shut-In or New Zone	<b>Producing</b>		<b>SI</b>
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: <b>3/05</b> Rates: <b>1.3 BOPD</b> <b>0 MCFD</b>	Date: Rates:	Date: <b>9/85 (Test)</b> Rates: <b>0 BOPD</b> <b>188 MCFD</b>
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**ADDITIONAL DATA**

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SIGNATURE Dana L. Delventhal TITLE Vice President DATE 5/16/05

TYPE OR PRINT NAME Dana L. Delventhal TELEPHONE NO. (505) 326-4125

E-MAIL ADDRESS ddelventhal@qwest.net

District I  
P. O. Box 1980, Hobbs, NM 88241-1980  
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P.O. Drawer DD, Artesia, NM 88211-0719  
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District IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994

Instructions on back  
Submit to Appropriate District Office

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87504-2088

State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>25</b>	<b>30N</b>	<b>15W</b>		<b>990</b>	<b>S</b>	<b>880</b>	<b>E</b>	<b>San Juan</b>

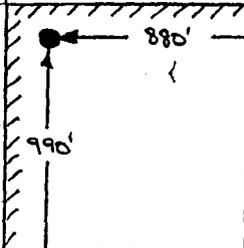
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12 Dedicated Acres <b>40</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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	Signature: <i>Dana L. Delventhal</i>			
	Printed Name <b>Dana L. Delventhal</b>			
	Title <b>Vice President</b>			
Date <b>3-Feb-95</b>				
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 Professional Surveyor:				
Certificate Number				



All measurements must be from the outer boundaries of the lease.

Jerome P. McHugh		Lease	Kelly		Well No.	1
Unit Letter	Section	Township	Range	County		
P	25	30 North	15 West	San Juan		

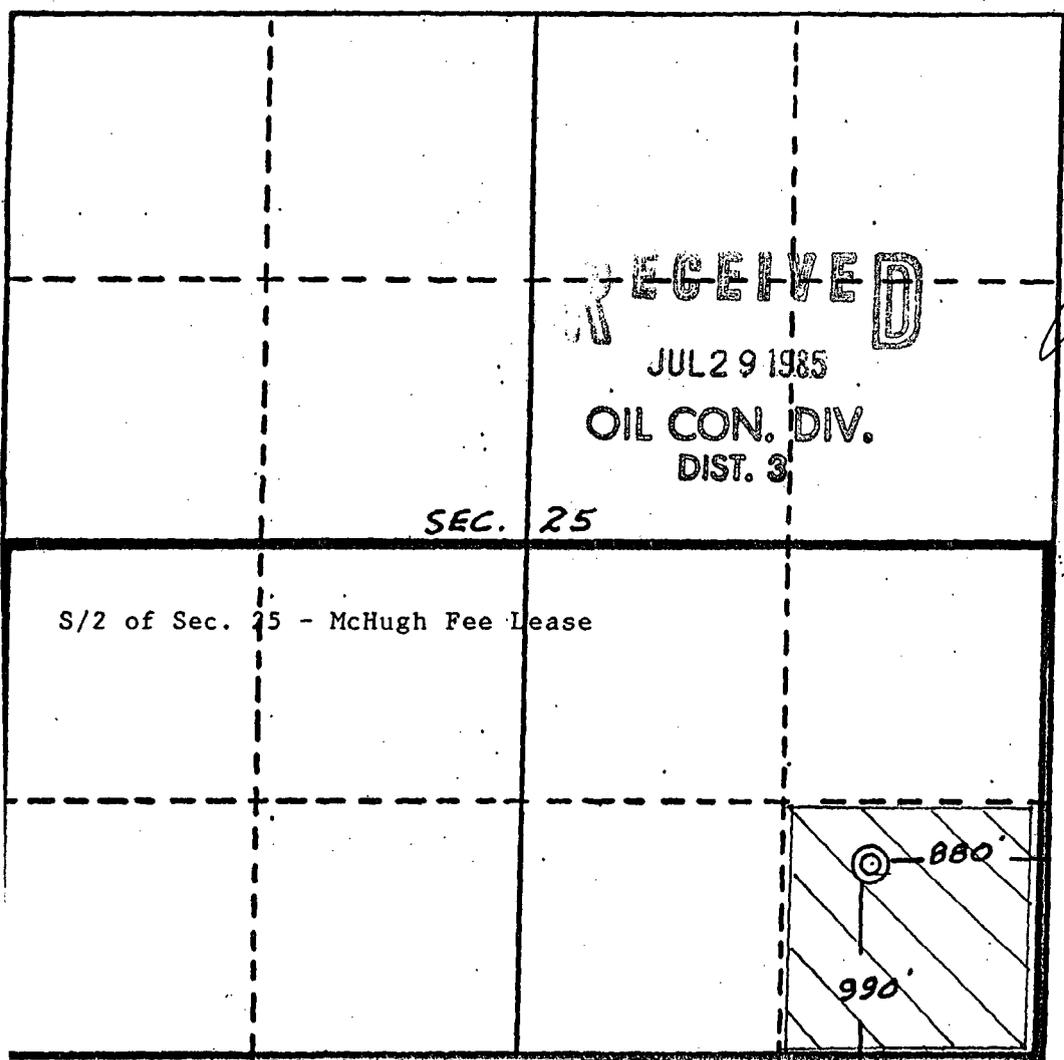
Actual Footage Location of Well:  
990 feet from the South line and 880 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
5365	Gallup/Dakota	Gallup/Basin Dakota	40/320 Acres

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

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

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



**RECEIVED**  
JUL 29 1985  
OIL CON. DIV.  
DIST. 3

**CERTIFICATION**

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

*James S. Hazen*

Name	James S. Hazen
Position	Field Supt.
Company	Jerome P. McHugh
Date	7/26/85

EDGAR L. RISENHOVER

5979

REGISTERED LAND SURVEYOR

Date Surveyed  
July 26, 1985

Registered Professional Engineer  
and/or Land Surveyor

*Edgar L. Risenhover*

Certificate No. 5979  
Edgar L. Risenhover, E.S.

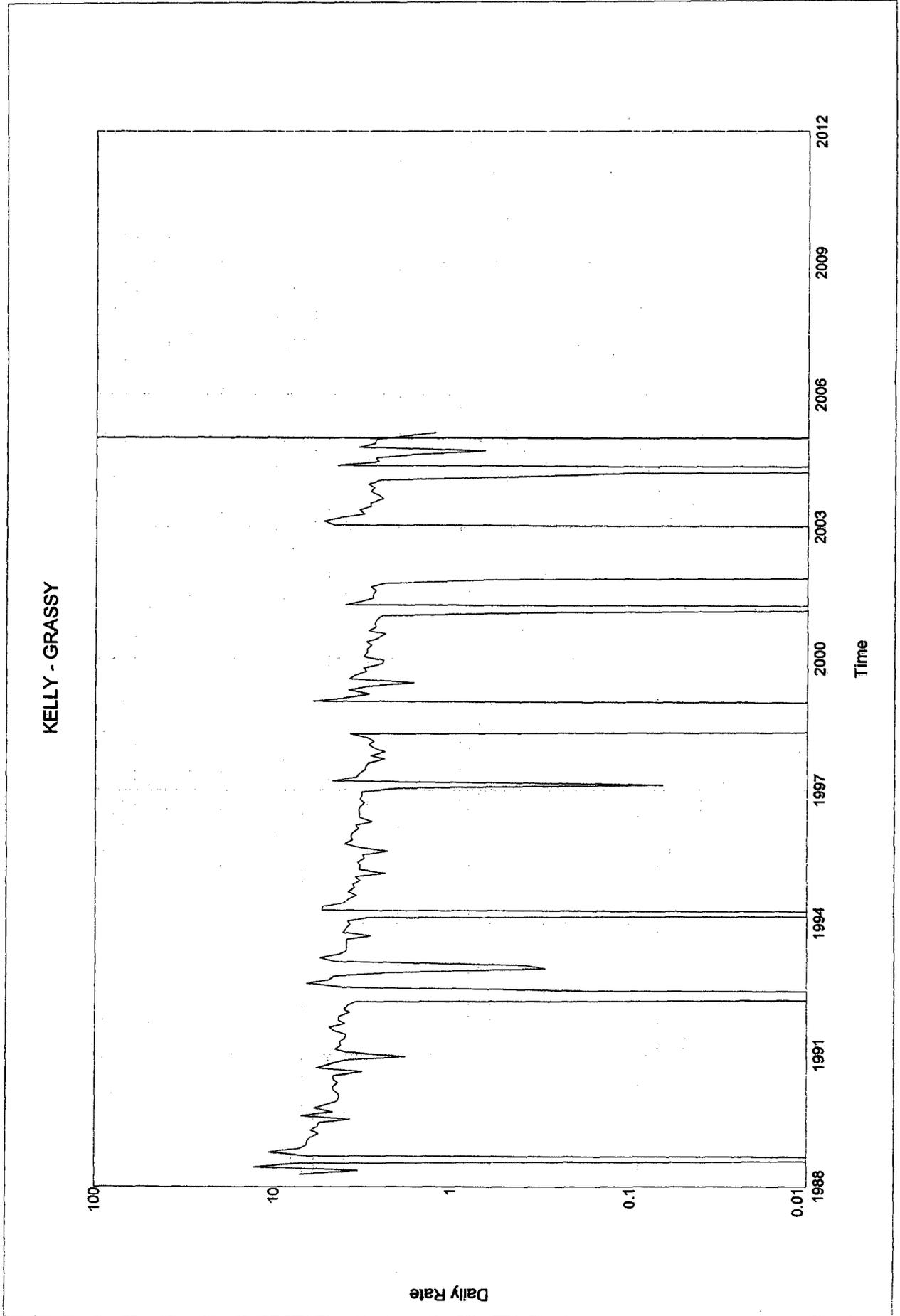
# Rate/Time Graph

Project: C:\Program Files\HS Energy\PowerTools v6.0\Projects\Redwolf Reserves.MDB

Date: 5/16/2005  
Time: 12:48 PM

Lease Name: KELLY (1)  
County, ST: SAN JUAN, NM  
Location: 25P 30N 15W SE SE

Operator: REDWOLF PRODUCTION INCORPORATED  
Field Name: GRASSY



ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - 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

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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]

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

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for [B] or [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

[D] Other: Specify \_\_\_\_\_

[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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Print or Type Name \_\_\_\_\_ Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 e-mail Address \_\_\_\_\_