

PETROLEUM PRODUCTION MANAGEMENT, INC.

P.O. BOX 957

CROSSROADS, NEW MEXICO 88114

(505) 675-2478

December 5, 1995

Director, William J. LeMay
State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Petroleum Production Management, Inc.
P.O. 957
Crossroads, New Mexico 88114

RE: Downhole commingling -- Will No. 3 NM 4039 B
Abo and Vada Penn
UL "N", Sec. 34, T-8-S, R-35-E
Roosevelt County, New Mexico

Dear Mr. LeMay:

Petroleum Production Management, Inc. requests administrative approval to commingle downhole production between the Abo and Vada Penn zones in the above referenced well.

In support of this request, please find enclosed a \$30 check for application fee and a plat of the area showing no off set producers, Form C-116 for the Abo and Form C-104 showing the perforations and treatment of this zone. The Vada Penn zone has not been perforated or treated at this point.

The bottom hole pressure of each zone will be less than 50# psi with no possibility of flowing. Production from both zones would be achieved by downhole rod pump.

The oil produced from the Abo has a gravity of 40.5 and the Vada Penn should be approximately 41.5, which makes the fluids very compatible.

Production percentages for each zone will be established after the completion in the Vada Penn has been completed.

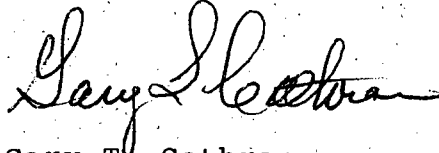
Based on Vada Penn production in the immediate area, we anticipate oil production from the zone to be 40 barrels of oil per day. This should give a combined production of 70 barrels of oil per day. Gas production from both zones could be as high as 120 mcf per day.

I notified the Bureau of Land Management in Roswell, New Mexico, of our desire to commingle this well. I will submit a sundry report to them after I receive approval from your office.

The ownership of both zones, including working interest and overriding royalty, are the same in this well.

Your consideration and approval of this application will be appreciated. Should additional information be needed, please call me collect at (505) 675-2478.

Yours truly,

A handwritten signature in cursive script, appearing to read "Gary T. Cothran".

Gary T. Cothran
District Superintendent

GTC:mlc

Enclosures: 6

No. Will 693 Ltd.
NWSE Sec.34-8S-35E
Roosevelt County, NM
Lease NM 4039-B

16

- 13 -

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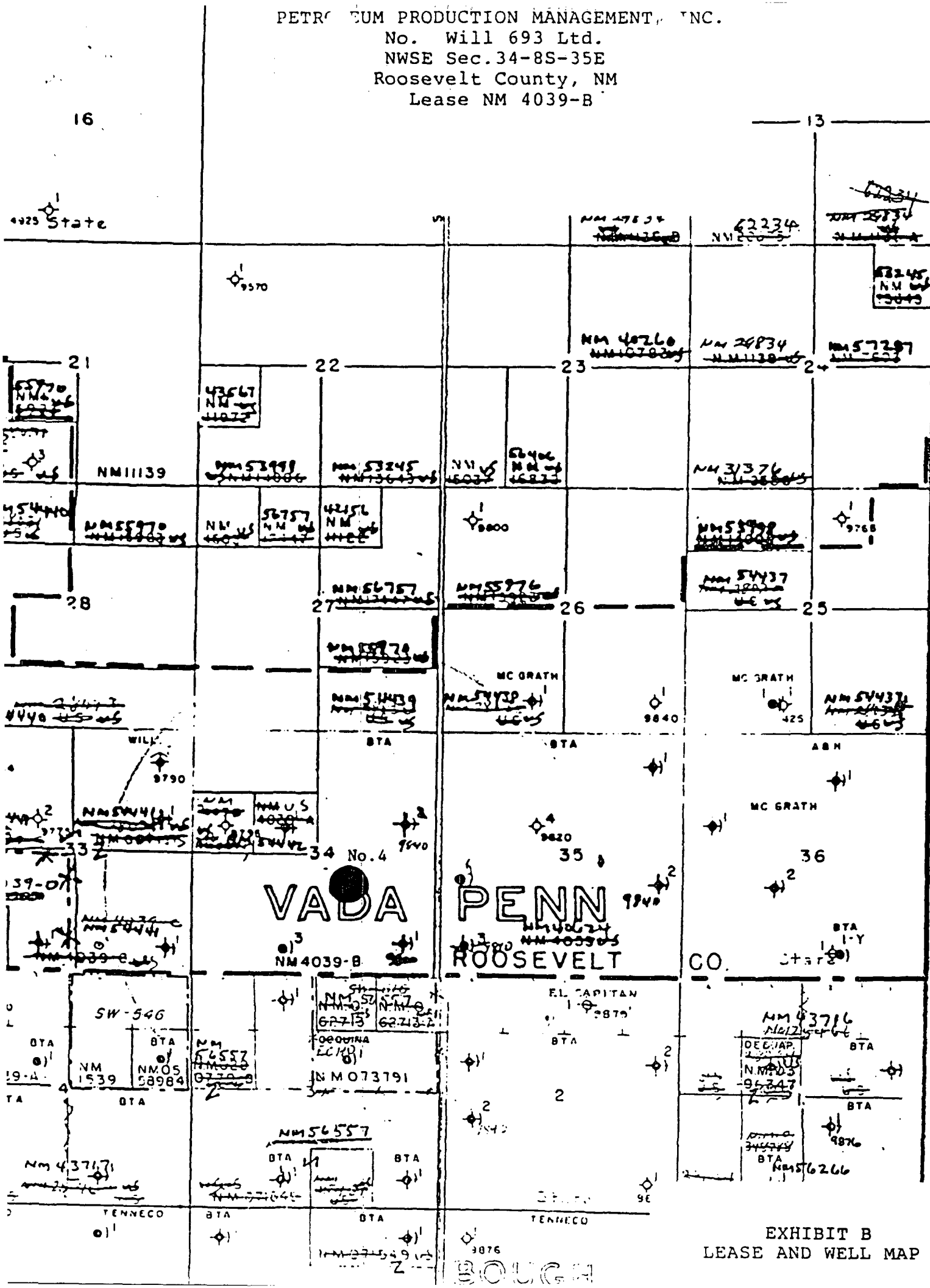
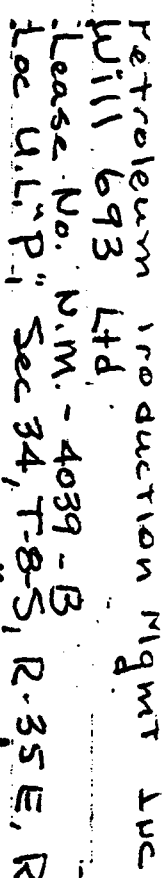
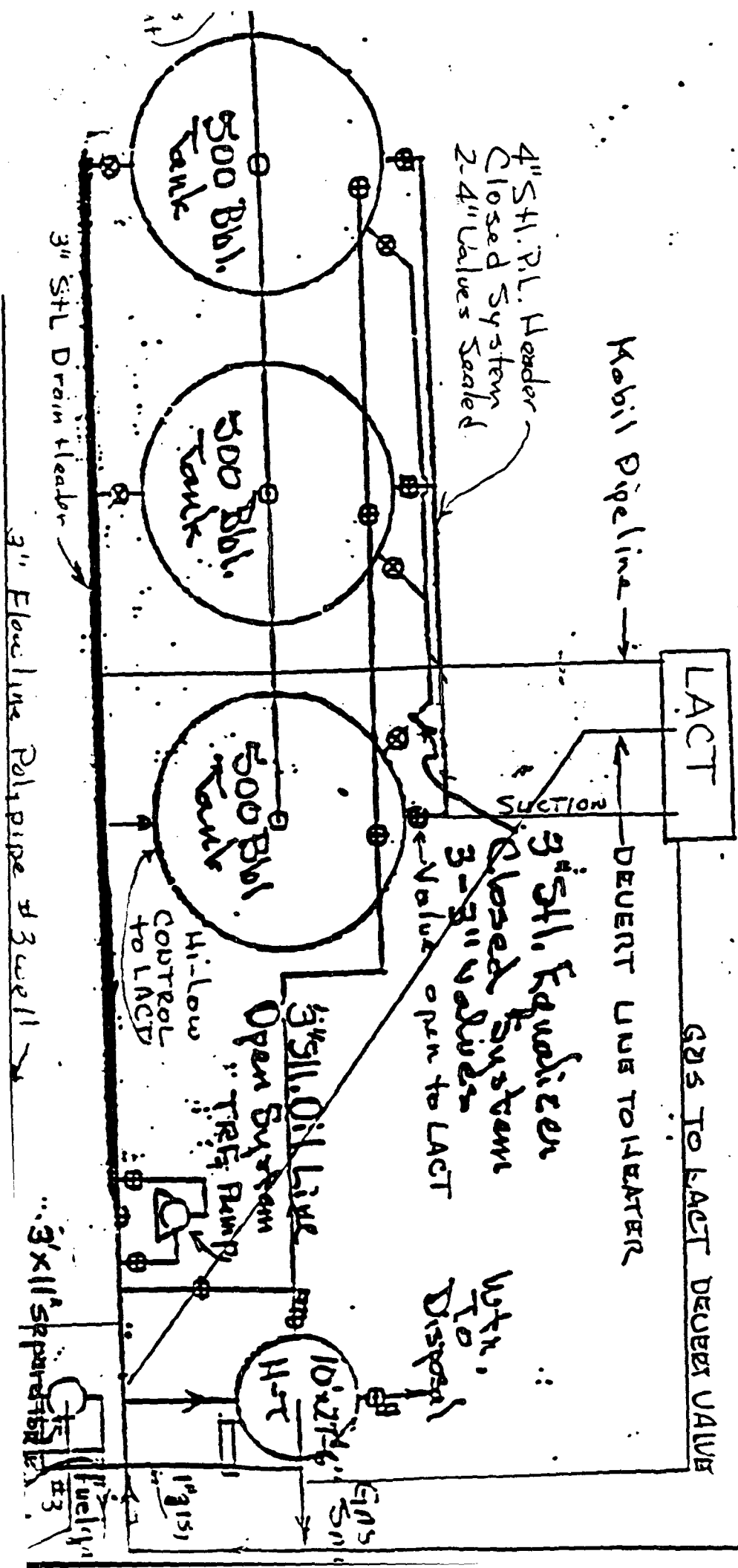


EXHIBIT B
LEASE AND WELL MAP



122

The Discharge Valves and the Drain Valves are sealed in closed position except when in use.



**P.O. Box 2088
Santa Fe, New Mexico 87504-2088**

GAS - OIL RATIO TEST

Instructions:

- Report casing pressure in lieu of tubing pressure for any well producing through casing

(See Rule 301, Rule 1116 & appropriate pool rules.)

Date _____ Telephone No. _____

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

Operator Petroleum Production Management, Inc.		Well API No. NM 4039-B
Address Suite 200/Sutton Place Bldg. Wichita, Kansas 67202		
Reason(s) for Filing (Check proper box) New Well <input checked="" type="checkbox"/> Change in Transporter of: <input checked="" type="checkbox"/> Other (Please explain) Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Plugged back to 4175' and side tracked old Change in Operator <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> well bore to 9815' depth.		
If change of operator give name and address of previous operator		

II. DESCRIPTION OF WELL AND LEASE

Lease Name Will 693 Ltd.	Well No. 3	Pool Name, including Formation Undesignated Abo	Kind of Lease State Federal other	Lease No. NM 4039-B
Location Unit Letter N : 510 Feet From The South Line and 1980 Feet From The West Line Section 34 Township 8-S Range 35-E, NMPL, Roosevelt County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Mobil Pipeline Company	Address (Give address to which approved copy of this form is to be sent) P.O. Box 900, Dallas, Texas 75221	
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/> Warren Petroleum Corporation	Address (Give address to which approved copy of this form is to be sent) P.O. Box 1589, Tulsa, Oklahoma 74100	
If well produces oil or liquids, give location of tanks Unit P Sec 34 Twp 8-S Rge 35-E	Is gas actually connected? Yes	When? Approx. June, 1970
If this production is commingled with that from any other lease or pool, give commingling order number		

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well <input checked="" type="checkbox"/>	Workover <input checked="" type="checkbox"/>	Deepen	Plug Back	Same Res'v	Diff Res'v <input checked="" type="checkbox"/>
Date Spudded 7-5-90	Date Compl. Ready to Prod 8-10-90	Total Depth 9815'	P.B.T.D. 9810'					
Elevations (DF, RKB, RT, GR, etc.) 4194' RKB 4182' GR	Name of Producing Formation Abo	Top Oil/Gas Pay 8924'	Tubing Depth 8980'					
Perforations 8924'-8934' & 8938'-8948'			Depth Casing Shoe 9814'					

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
17 1/2"	12 3/4"	390'	375 circulated
11"	8 5/8"	4031'	400
7 7/8"	5 1/2"	9814'	425

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal in or exceed trip allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tank 8-11-90	Date of Test 8-12-90	Producing Method (Flow, pump, gas lift, etc.) Flow	
Length of Test 24 hours	Tubing Pressure 100	Casing Pressure 0	Choke Size 24/64
Actual Prod. During Test	Oil - Bbls 32	Water - Bbls 0	Gas - MCF 24

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls Condensate/MMCF	Gravity of Condensate
Testing Method (pacer, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature
W.M. Groesbeck District Engineer
Printed Name
8-14-90
Date
Telephone No
675-2478

OIL CONSERVATION DIVISION

Date Approved

By

Title

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Bravo Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number NM 4039-B		Pool Code 46709	Pool Name Milnesand Abo
Property Code 9073	Property Name Will 693 LTD.		Well Number 3
OGRID No. 017526	Operator Name Petroleum Production Management, Inc.		Elevation 4182' GL

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
N	34	8S	35E		510'	South	1980'	West	Roosevelt

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
40	N								
12 Dedication Acres		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

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Gary T. Cothran</i></p> <p>Signature Gary T. Cothran</p> <p>Printed Name District Superintendent</p> <p>Title 2-17-95</p> <p>Date</p>	
	<p>18 SURVEYOR CERTIFICATION</p> <p>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>	