

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

- DHC - 4703 - A
 - Breitbunn operating, LP
 370080
 WCV
 - ENCONER M State #12
 30-025-41530
 POU
 - Blinckony oil and
 GAS (oil)
 6660
 - Tubb oil and GAS
 60240
 - Drink And
 19190
 - Wantz, Abo
 62700

[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.

Shelly Doescher _____ Agent _____ 07/29/2015 _____
 Print or Type Name Signature Title Date

 shelly_doescher@yahoo.com
 e-mail Address

July 28, 2015

Mr. Michael McMillan
New Mexico Oil Conservation Division
Engineering Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Form C-107A: Application for Downhole Commingling
Breitburn Operating LP
Encore M State No. 012
API No. (30-025-41530)
2264 FSL & 1702 FWL
Section 20, T-22 South, R-37 East, NMPM
Lea County, New Mexico

Dear Mr. McMillan:

Attached is a C-107A application and attachments for amending DHC-4703-0, downhole commingling the captioned well to include the Tubb Oil & Gas (Oil) 60240 Pool. Since receiving DHC-4703-0, issued 09/30/2015, Breitburn has determined that the Tubb Formation shows production potential and is also to be completed.

Please reference DHC-4705-A issued 03/04/2015, for the Encore M State No. 008, and DHC 4736-A issued 04/30/2015, for the Encore M State No. 016. Given the close proximity of the Encore M State No. 012 to the Encore M State Nos. 008 and 016, supporting data for the DHC-4703-0 will be used to establish an allocation of 25% for each zone as indicated on the attached C-107A.

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. (See attached letter).

Approval of this application will afford Breitburn the opportunity to recover additional oil and gas reserves from the Blinebry Oil & Gas (Oil), Tubb Oil & Gas (Oil), Drinkard and Wantz; Abo Pools within the Encore M State No. 012 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 505-320-5682 or Jeannie McMillan, Regulatory Manager at 713-634-4696.

Sincerely,


Shelly Doescher
Agent
Breitburn Operating, LP



July 29, 2015

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. 12 well
Ownership

Dear Mr. McMillan:

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

The ownership is identical for all of the pools (zones) to be commingled: (Bliebry Oil & Gas (oil) (#6660); Drinkard (#19190); Wantz; Abo (#62700) and Tubb Oil and Gas Pool (#60240).

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Aguirre', is written over a faint, larger version of the signature.

Paul Aguirre
Landman
Breitburn Operating LP
5 Houston Center
1401 McKinney Street, Suite 2400
Houston, TX 77010

District I
1623 N. French Drive, Hobbs, NM 88241

District II
911 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

Breitbart Operating LP

1401 McKinney Street Houston, Texas 77002

Operator Encore M State 012 Address Unit K, Section 20, T-22 South, R-37 East LEA

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 370080 Property Code 314022 API No. 30-025-41530 Lease Type: Federal State Fee

Table with 5 columns: DATA ELEMENT, UPPER ZONE, INTERMEDIATE ZONE 1, INTERMEDIATE ZONE 2, LOWER ZONE. Rows include Pool Name, Pool Code, Top and Bottom of Pay Section, Method of Production, Bottomhole Pressure, Oil Gravity or Gas BTU, Producing, Shut-in or New Zone, Date and Oil/Gas/Water Rates of Last Production, and Fixed Allocation Percentage.

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? 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: _____

- Attachments:
C-101 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year.
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 Shelly Doescher TITLE Agent DATE: July 28, 2015
TELEPHONE NO: (505) 320-5682 E-MAIL ADDRESS: shelly_doescher@yahoo.com

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 LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41530		² Pool Code 6660		³ Pool Name Blinebry Oil and Gas (Oil)	
⁴ Property Code		⁵ Property Name ENCORE M STATE			⁶ Well Number 12
⁷ OGRD No. 370080		⁸ Operator Name Breitburn Operating, LP			⁹ Elevation 3384'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	20	22 S	37 E		2264	South	1702	West	Lea

¹¹Bottom 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	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>M. STATE 12 Elev. 3384' NAD 83 NM East N= 502523 E= 894897 NAD 83 Lot. = 32° 22' 34.69" Long. = 103° 11' 17.18"</p> <p>377' To Lease Line</p> <p>1702'</p> <p>383' To Lease Line</p> <p>2264'</p> <p>K</p>	<p>16</p>
	<p>¹⁷OPERATOR CERTIFICATION</p> <p>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 as 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><i>Shelly Doescher</i> 07/28/2015 Signature Date</p> <p>Shelly Doescher Printed Name</p> <p>shelly_doescher@yahoo.com E-mail Address</p>
	<p>¹⁸SURVEYOR 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>11-15-2013 Date of Survey</p> <p>Signature and Seal of Professional Surveyor <i>Michael L. Stanford</i> 10324 Certificate Number</p>

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1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161. Fax: (575) 393-0720

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DISTRICT IV
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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

¹ API Number 30-025-41530		² Pool Code 19190		³ Pool Name Drinkard	
⁴ Property Code		⁵ Property Name ENCORE M STATE			⁶ Well Number 12
⁷ GRID No. 370080		⁸ Operator Name Breitburn Operating, LP			⁹ Elevation 3384'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	20	22 S	37 E		2264	South	1702	West	Lea

¹¹Bottom 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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	<p>¹⁶</p>	<p>¹⁷OPERATOR CERTIFICATION</p> <p>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><i>Shelly Doescher</i> 07/28/2015 Signature Date</p> <p>Shelly Doescher Printed Name</p> <p>shelly_doescher@yahoo.com E-mail Address</p>
		<p>¹⁸SURVEYOR 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>11-15-2013 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Michael L. Stanford</i> 10324 Certificate Number</p>

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Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41530	² Pool Code 62700	³ Pool Name Wantz; Abo
⁴ Property Code	⁵ Property Name ENCORE M STATE	⁶ Well Number 12
⁷ GRID No. 370080	⁸ Operator Name Breitburn Operating, LP	⁹ Elevation 3384'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	20	22 S	37 E		2264	South	1702	West	Lea

¹¹Bottom 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	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>M STATE 12 Elev. 3384' NAD 83 NM East N= 502523 E= 894897 NAD 83 Lat. = 32° 22' 34.69" Long. = 103° 11' 17.18"</p> <p>377' To Lease Line</p> <p>1702'</p> <p>383' To Lease Line</p> <p>2264'</p> <p>K</p>	<p>¹⁶</p>
	<p>¹⁷OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p><i>Shelly Doescher</i> 07/28/2015 Signature Date</p> <p>Shelly Doescher Printed Name</p> <p>shelly_doescher@yahoo.com E-mail Address</p>
	<p>¹⁸SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>11-15-2013 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Michael L. Stanford</i> 10324 Certificate Number</p>

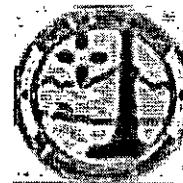
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martln
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4703

Order Date: September 30, 2014

Application Reference Number: pMAM1427238122

Quantum Resources Management, LLC
5 Houston Center
1401 McKinney Street, suite 2400
Houston, Tx. 77010

Attention: David Catanach

Encore M State Well No. 12
API No. 30-025-41530
Unit K, Section 20, Township 22 South, Range 37 East NMPM
Lea County, New Mexico

Pool	BLINEBRY OIL AND GAS (OIL)	Oil (6660)
Names:	DRINKARD	Oil (19190)
	WANTZ;ABO	Oil (62700)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the well shall be based on prior administrative down hole commingling approval for this well.

Assignment of allowable and allocation of production from the well shall be as follows:

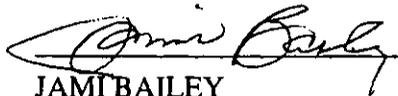
BLINEBRY OIL AND GAS (OIL) POOL	Pct. Gas: 33.3	Pct. Oil: 33.3
DRINKARD POOL	Pct. Gas: 33.3	Pct. Oil: 33.3
WANTZ;ABO POOL	Pct. Gas: 33.3	Pct. Oil: 33.3

It is also understood that you have given due notice of this application, as defined in Division Rule 19.15.4.12A.(6) NMAC, to all owners of interest when ownership is not common for the commingled zones within the spacing unit.

REMARKS: This Order corrects Administrative Order DHC-526HB, issued on April 3, 2014, without proper authority under Division Rule 19.15.12.11E. NMAC.

This Order is subject to like approval from the New Mexico State Land Office.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals